

MINUTES

Property, Casualty & Liability Insurance Committee

August 16, 2016

A meeting of the Property, Casualty & Liability Insurance Committee was held on Tuesday, August 16, 2016, at 7:30 am. Members present at the meeting were Chairman Frank Swingle, Bill Minick, Ron Ward, and Donna Gray. Also attending the meeting were Councilmember Randy Biddle, City Manager Robbie Corder, and Director of Human Resources Luanne Hanford.

The meeting was called to order at 7:35 am. The first item on the agenda was a review of the renewal rates from TML-IRP for FY2016-17. Chairman Swingle reviewed with the committee a spreadsheet he had produced illustrating the City's Worker's Compensation claims for the past five years compared to the amount TML-IRP had paid for those same years. He stated that, based on the losses, the premium increase for Worker's Compensation was justified.

Mr. Swingle questioned if the \$9,177 increase for Property insurance was warranted based on the fact we had no losses. Ms. Hanford stated that there had been a number of additions to the property schedule in the past couple of years that had not been on the schedule before. He asked Ms. Hanford to ask TML-IRP for an explanation of the increase.*

Mr. Swingle asked if the dam on McFarlin Road was insured on the City's policy. Ms. Hanford responded that TML-IRP were aware that it was under construction and that the City would be assuming responsibility for its maintenance and operation in the near future. The dam will be added to the City's property schedule at that time. Discussion followed between Mr. Swingle, Mr. Minick and Mr. Corder regarding the construction of the dam and what liability the City had regarding the dam. Following the discussion, Bill Minick moved that the committee recommend approval for the TML-IRP renewal rates pending an explanation from TML-IRP regarding the Property premium increase. Ron Ward seconded the motion. The vote in favor was unanimous.

Mr. Swingle asked about a previous issue with the City's insurance requirements for bids on the construction of the building at the swimming pool. The City's Purchasing Manager had asked for an opinion of the committee on what to require for contractor insurance limits and the committee had recommended a \$5 million umbrella policy for contractors. He said it would probably cost about \$3,000 for contractors to purchase and if the City was going to build a \$3 million building, the contractor should have a \$5 million umbrella policy. Ms. Hanford told the committee that the recommended insurance limits had been communicated to the Purchasing Manager.

The committee then discussed the budgeted amount for claims. Ms. Hanford stated that \$341,420 had been budgeted for claims for FY2016-17. Although claims were approximately \$175,000 as of June 30, 2016, for the current fiscal year, there is still three more months of claims and claims run-off that will increase the amount of claims. The amount budgeted for both

premiums and claims was increased by \$10,905 for FY2016-17. The committee voted to recommend approval of the amount budgeted for premiums and claims.

Bill Minick asked if he could talk about an organization he was very involved with called Kid's Chance. He said the organization provides scholarships to children of catastrophically injured Texas workers. He said many employers were joining the effort. He asked if we might inform TML-IRP about the effort to see if they might be willing to join. Mr. Corder said we can bring it to their attention.

There being no further business, the meeting was adjourned at 8:30 am.

*The increase in Property premium was based on 5% across-the-board increase to all Pool members plus 1.25% inflationary (trend) factor. The rest of the increase was based on additions made to the Real and Property Schedule.

Submitted by:

Frank Swingle, Chairman

Luanne Hanford, Dir. of Human Resources