

City of Middleburg Heights, Ohio

LiabInsRes2021

Resolution Number 2021-73**Introduced By: Mr. Bortolotto, Mr. Meany and Mr. Grech**

**A RESOLUTION
AUTHORIZING THE MAYOR AND FINANCE DIRECTOR
TO ENTER INTO A CONTRACT WITH TRAVELERS
INSURANCE COMPANY AND THE FEDELI GROUP
FOR THE CITY'S INSURANCE COVERAGES,
AND DECLARING AN EMERGENCY**

WHEREAS, Sealed Bids were received and opened by the Director of Finance of the City of Middleburg Heights, Ohio on September 25, 2020 at 11:00 A.M., for the purchase of various insurance coverages for the City of Middleburg Heights for the period beginning October 30, 2020 through October 30, 2021, in accordance with specifications on file with the Clerk of Council and;

WHEREAS, It is the recommendation of the City's Risk Manager that it is in the City's best interest to renew all of the existing insurance coverage's with Travelers Insurance Company through The Fedeli Group for the period October 30, 2021 through October 30, 2022.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MIDDLEBURG HEIGHTS, CUYAHOGA COUNTY, STATE OF OHIO;

Section 1. That the City's existing insurance coverage's with Travelers Insurance Company through The Fedeli Group be renewed for the period October 30, 2021 through October 30, 2022 for the following coverages in the amount of \$343,694 is hereby accepted:

Property package, Boiler and Machinery, Automotive and Comprehensive General Liability Insurance, Public Officials, Comprehensive Law Enforcement Liability Insurance, EMS Liability, Crime, Earth Movement & Flood Coverage, Terrorism Property Coverage, Employees Legal Liability, Employment Practice Liability, Inland Marine, and Blanket, Catastrophic Excess Liability through Travelers Insurance Company:

Section 3. It is found and determined that all formal actions of this council concerning and relating to the passage of this ordinance were adopted in an open meeting of this council and that all deliberations of this council and any of its committees that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of Ohio Revised Code.

Section 4. That this ordinance is declared to be a measure for the preservation of the public peace, health, and safety of the citizens of the City of Middleburg Heights, Ohio, the immediate emergency being the necessity of the continuation of insurance beyond October 30, 2021, therefore, this ordinance shall be in full force and effect immediately upon its passage and signature of the Mayor.

PASSED 10-12-21

David Bortolotto
PRESIDENT OF COUNCIL

ATTEST M Meala

PRESENTED TO MAYOR 10-13-21

APPROVED ON 10-13-21

	YEAS	NAYS
BORTOLOTTA	<u>X</u>	_____
ALI	<u>X</u>	_____
SAGE	<u>X</u>	_____
MEANY	<u>X</u>	_____
MCGREGOR	<u>X</u>	_____
FERENCE	<u>X</u>	_____
GRECH	<u>X</u>	_____

Matthew Caska
MAYOR

I, Mary Ann Meala Clerk of the Council of the City of Middleburg Hts., Ohio, hereby certify that Res 2021-13 adopted by the Council of the City of Middleburg Hts., on 10/12/21 was posted for a period of fifteen days, beginning 10/15/21 and remained so posted for fifteen days at the two posting places as designated by Charter.
Mary Ann Meala
Clerk

CERTIFICATE
I, Mary Ann Meala Clerk of Council of the City of Middleburg Heights, Ohio, do hereby certify that the foregoing is a true and accurate copy of Res: 2021-13 passed on the 12th day of October 2021 by said Council.
Mary Ann Meala
Clerk of Council

Compensation Analysis, Inc.
(216) 780-3605
(216) 642-8830 Fax

P.O. Box 31014
Cleveland, OH 44131

October 3, 2021

Jason Stewart
Finance Director
City of Middleburg Heights
15700 Bagley Road
Middleburg Heights, OH 44130

Via: Electronic Mail

Re: Recommendations for 2021-2022 City Insurance Program

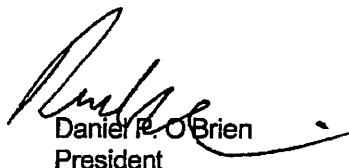
Dear Jason:

This letter is a follow-up to our recent conversations regarding the City's upcoming insurance renewal. We have been in contact with our agent the Fedeli Group and they in turn have been working with the Travelers Insurance Company on renewal issues. Our negotiations with the Travelers and the Fedeli Group have resulted in the Travelers quoting a net premium increase of 4.0% (see attached Exhibit 1) Last year's premium was \$329,869 and the premium quote for the upcoming policy year is \$343,694.

The actual rate decreased by 1.1% with the increase being the result of insurable exposure increases. These high premiums are the result of the historic high-end losses we had within the last five years. These losses are working their way out of our rate calculations and I believe next year we will see premium relief.

I am recommending that the City accept this renewal pricing. I believe it to be in the best interest of the City to continue the stability of the current relationship with the Travelers Insurance Company. Given all the issues involved in the insurance program I would recommend that the City accept a renewal with the Travelers and the Fedeli Group. Let me know if you have any questions.

Very truly yours,


Daniel R. O'Brien
President

Public Entity Insurance

Consulting Services

Risk Management

Workers' Compensation

Unemployment Compensation

CITY OF MIDDLEBURG HTS.

2021/22 PREMIUM COMPARISON

Coverage	Rating Basis	2020/21			2021/22			Flat Rate Renewal	% of Change
		Exposure	Rate	Premium	Exposure	Rate	Premium		
Property	TIV*	\$ 62,220,402	\$ 0.089	\$55,590	\$ 67,096,895	\$ 0.088	\$58,898	\$59,947	-1.7%
Crime	# of Locs	7	\$ 72.57	\$508	7	\$ 72.57	\$508	\$508	0.0%
Inland Marine	TIV**	\$ 2,834,120	\$ 0.614	\$17,400	\$ 2,719,832	\$ 0.614	\$16,700	\$16,698	0.0%
Equipment-Replacement Cost	TIV	\$ 1,331,000	\$ 0.400	\$5,324	\$ 1,331,000	\$ 0.428	\$5,697	\$5,324	7.0%
General Liability	Revenue	\$ 33,594,134	\$ 0.870	\$29,225	\$ 33,400,918	\$ 0.808	\$26,992	\$29,057	-7.1%
Employee Benefits Liability	No. of EE's	367	\$ 1.038	\$381	359	\$ 1.061	\$381	\$373	2.2%
Ohio Stop Gap	Ohio Payroll	\$ 14,000,000	\$ 0.017	\$2,386	\$ 12,727,196	\$ 0.016	\$2,045	\$2,169	-5.7%
Law Enforcement Liability	No. of Officers	28	\$ 1,446	\$40,495	34	\$ 1,553	\$52,815	\$49,173	7.4%
Management Liability	Revenue	\$ 33,594,134	\$ 1.103	\$37,039	\$ 33,400,918	\$ 1.019	\$34,024	\$36,826	-7.6%
Employment Practices Liability	No. of EE's	367	\$ 133.84	\$49,118	359	\$ 133.65	\$47,981	\$48,047	-0.1%
Auto Liability	No. of Units	85	\$ 273.01	\$23,206	87	\$ 268.98	\$23,401	\$23,752	-1.5%
Auto Physical Damage	Cost New	\$ 5,645,904	\$ 0.416	\$23,485	\$ 6,932,004	\$ 0.343	\$23,773	\$28,835	-17.6%
Umbrella	U/L Premium	\$181,850	\$ 0.206	\$37,487	\$187,639	\$ 0.220	\$41,369	\$38,680	7.0%
Cyber Liability	Revenue	\$ 33,594,134	\$ 0.245	\$8,225	\$ 33,400,918	\$ 0.273	\$9,110	\$8,178	11.4%
PROGRAM TOTAL				\$329,869			\$343,694	\$347,566	-1.1%

Overall Premium +4%

Overall Rate -1.1%

*Property TIV includes blanket building, business personal property, business income and traffic inventory

**Inland Marine TIV includes Contractors Equipment and Scheduled Property