



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: June 19, 2018

DATE: Wednesday, June 13, 2018

TO: Board of County Commissioners

FROM: Doreen Ertell, Risk Management Division
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THROUGH: Cathy Hill, Comptroller
328-2563, chill@washoecounty.us

SUBJECT: Recommendation to authorize the Comptroller to renew the Excess Liability Insurance Policy with Peleus Insurance Company for [\$189,881] effective July 1, 2018, 2018 and authorize the Comptroller's Office to sign the applications and agreements necessary to bind coverage, with funding from the Risk Management Fund. (All Commission Districts).

SUMMARY

Seeking Board authorization to renew the policy for Excess Liability Insurance. The policy is written on an annual term with an effective date of July 1, 2018.

Washoe County Strategic Objective supported by this item: Stewardship of our Community.

PREVIOUS ACTION

On June 27, 2017, the Board authorized the placement of the County's Excess Liability Insurance with Peleus Insurance Company for an annual premium of \$189,202.

On February 14, 2006 and annually thereafter, the Board has authorized renewal of the Excess Liability Insurance with Insurance Company of the State of Pennsylvania for one year terms.

On May 23, 2006, the Board approved the appointment of Acordia of Nevada, Inc., a wholly-owned subsidiary of Wells Fargo, as the broker of record for the County's property, liability and workers' compensation insurance programs. Wells Fargo subsequently changed the operating name from Acordia to Wells Fargo Insurance Services.

In December 2017, USI Insurance Services (USI) acquired Wells Fargo Insurance Services. USI maintained its Reno office and the same local team which continues to serve Washoe County. USI is one of the largest insurance brokerage and consulting firms in the world.

AGENDA ITEM # _____

BACKGROUND

The Risk Management Division administers all liability claims filed against Washoe County, pursuant to Washoe County Code 65.020. Approved or settled losses, including judgments, are paid from the Risk Management Fund. To protect against large or catastrophic losses, the County purchases excess liability insurance to cover any loss exceeding a selected retention.

The County was insured by Insurance Company of the State of Pennsylvania (part of AIG) since 2003. Wells Fargo Insurance marketed the coverage last year to several insurance companies and received the most competitive quote from Peleus Insurance Company. Peleus provides broad coverage including General Liability, Auto Liability, Employee Benefits Liability, Law Enforcement Liability, Public Officials (Errors & Omissions) Liability and Employment Practices Liability.

Peleus Insurance Company is part of Trident Public Risk Solutions (TPRS). Trident is a wholly owned subsidiary of Argo Group International Holdings, Ltd., an international underwriter of specialty insurance and reinsurance products in the property and casualty market with a total capitalization of \$2 Billion. Argo Group's insurance subsidiaries are rated 'A' (Strong) by S&P and 'A' (Excellent) by AM Best.

The total annual cost, including broker compensation, was \$189,202 in 2017/18 and will be \$189,881 for the upcoming policy term of 2018/19. The primary rating factors for this type of policy include population, employee count, vehicles and payroll.

FISCAL IMPACT

Sufficient budget authority for the renewal premium of [\$189,881] exists in cost center 195053 and account 710595.

RECOMMENDATION

It is recommended that the Board of County Commissioners authorize the Comptroller to place the Excess Liability Insurance Policy with Peleus Insurance Company for [\$189,881] effective July 1, 2018, 2018 and authorize the Comptroller's Office to sign the applications and agreements necessary to bind coverage, with funding from the Risk Management Fund.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

I move to authorize the Comptroller to renew the Excess Liability Insurance Policy with Peleus Insurance Company for [\$189,881] effective July 1, 2018, 2018 and authorize the Comptroller's Office to sign the applications and agreements necessary to bind coverage, with funding from the Risk Management Fund.