



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: June 18, 2019

DATE: June 1, 2019

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Charles A. Moore, Fire Chief
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SUBJECT: Discussion and approval of the Property and Liability Insurance and Workers' Compensation Insurance Proposal for the Truckee Meadows Fire Protection District for one year beginning July 1, 2019 for a total annual premium of \$1,119,694 and authorize purchase of insurance based upon the proposal. Property and Liability Insurance to be provided by VFIS to include Crime and Employee Theft through Travelers Insurance, and Data and Security liability through AIG Specialty at \$201,544. Workers' Compensation Insurance will be provided by 7710 Insurance/Benchmark Insurance Company at \$918,150. (All Commission Districts) FOR POSSIBLE ACTION

SUMMARY

Discussion and approval of the Property and Liability Insurance and Workers' Compensation Insurance Proposal for the Truckee Meadows Fire Protection District for one year beginning July 1, 2019 for a total annual premium of \$1,119,694 and authorize purchase of insurance based upon the proposal. Property and Liability Insurance to be provided by VFIS to include Crime and Employee Theft through Travelers Insurance, and Data and Security liability through AIG Specialty at \$201,544. Workers' Compensation Insurance will be provided by 7710 Insurance/Benchmark Insurance Company at \$918,150.

PREVIOUS ACTION

June 19, 2018 the Board of Fire Commissioners approved a Property and Liability and Workers' Compensation Insurance Proposal for the Truckee Meadows Fire Protection District with the Travelers Insurance to include Data and Security liability through AIG, Pollution Liability through Great American, and Excess Earthquake coverage through Houston Casualty, for one year beginning July 1, 2018 for a total annual premium of \$1,137,615 and authorize purchase of insurance based upon the proposal.

BACKGROUND

As of FY2018, Truckee Meadows Fire Protection District moved the coverage of Property and Liability and Workers' Compensation from POOL/PACT to Travelers insurance with other supplemental carriers. During FY2019, the District received renewal quotes from Travelers insurance and renewed coverage with Travelers and other supplemental carriers.

In April, the District received notification that Travelers Insurance would not be continuing coverage of Workers' Compensation for the District and that the company had reevaluated its position of offering this coverage to Fire Districts in general. Therefore, the District requested quotes for replacement coverage. The District received three competitive quotes for Property Liability coverage and

recommends VFIS with Crime and Employee Theft through Travelers Insurance, and Data and Security liability through AIG Specialty. Only one Insurance Company provided a quote for the District's Workers' Compensation Insurance.

VFIS is a leading insurer of more than 12,000 fire and emergency service organizations in the United States and Canada. Founded as Volunteer Firemen's Insurance Service in 1969, VFIS has since grown to provide insurance, education, training and to more emergency services organizations in North America than any other provider. VFIS is a member of Glatfelter Program Managers, one of the largest insurance program managers in the United States. VFIS coverage is provided through American Alternative Insurance Corporation, which is rated A+ (Superior), XV by A.M. Best.

The insurance market for guaranteed cost, first dollar Workers' Compensation is limited for emergency service organizations in Nevada, mainly due to the presumptive benefit laws and hazardous nature of fire service operations. 7710 Insurance worked closely with the District and the District's broker, USI Insurance Services, to provide a quote indication for coverage with Benchmark Insurance Company.

7710 Insurance provides specialized Workers' Compensation for first responder organizations throughout the United States. 7710 provides loss control, claims management and health and fitness program consultation to help prevent and mitigate risk for its insured organizations. Coverage is provided through a contractual arrangement with Benchmark Insurance Company, which is rated A (Excellent), VII by A.M. Best.

FISCAL IMPACT

The cost for the one-year insurance policies is \$1,119,694 and sufficient funding is allocated in the FY 19/20 Budget.

RECOMMENDATION

It is recommended that the Board of Fire Commissioners approve the Property and Liability Insurance and Workers' Compensation Insurance Proposal for the Truckee Meadows Fire Protection District for one year beginning July 1, 2019 for a total annual premium of \$1,119,694 and authorize purchase of insurance based upon the proposal. Property and Liability Insurance to be provided by VFIS to include Crime and Employee Theft through Travelers Insurance, and Data and Security liability through AIG Specialty at \$201,544. Workers' Compensation Insurance will be provided by 7710 Insurance/Benchmark Insurance Company at \$918,150.

POSSIBLE MOTION

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

"I move to approve the Property and Liability Insurance and Workers' Compensation Insurance Proposal for the Truckee Meadows Fire Protection District for one year beginning July 1, 2019 for a total annual premium of \$1,119,694 and authorize purchase of insurance based upon the proposal. Property and Liability Insurance to be provided by VFIS to include Crime and Employee Theft through Travelers Insurance, and Data and Security liability through AIG Specialty at \$201,544. Workers' Compensation Insurance will be provided by 7710 Insurance/Benchmark Insurance Company at \$918,150."