



# City of Muscatine



## AGENDA ITEM SUMMARY

DATE

### STAFF

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Stephanie Romagnoli

06/17/2021

### SUBJECT

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Insurance Renewal

### EXECUTIVE SUMMARY

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See attached summary from insurance broker

### STAFF RECOMMENDATION

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Renewal of insurance as presented. This renewal will include continuing coverage with the Iowa Communities Assurance Pool (ICAP), and Iowa Municipal Workers' Compensation Association (IMWCA), and other specialty lines as presented.

### BACKGROUND/DISCUSSION

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The insurance committee met and reviewed the renewal information presented by the brokers.

ICAP and IMWCA provide the City the broadest, most cost effective insurance coverage available. As requested by City Council last year, the coverage under ICAP was marketed to other carriers and ICAP is the best option for the City's insurance needs.

Great American Insurance is the company that insures the dredge operation. The premium for coverage on the dredge is \$10,000 more than the current year to maintain the same level of coverage. This increase is due to market conditions.

### CITY FINANCIAL IMPACT

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The amount budgeted for FY 21/22 for all lines of coverage is \$804,000. Total premiums will be \$24,000 more than expected due primarily to increases in workers' compensation and dredge coverage.

### ATTACHMENTS

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Executive Summary



**Gallagher**

Insurance | Risk Management | Consulting

**City of Muscatine**  
Property/Casualty Insurance  
Renewal 2021-2022

**Executive Summary:**

The City of Muscatine's Insurance Committee recommends renewing coverages with incumbent carriers, as follows:

**1. Iowa Communities Assurance Pool (ICAP):**

Package Policy, includes the following coverage:

- Property – Insurable Values = \$181,759,041
- Total Blanket TIV = \$153,256,009
- General Liability
- Auto Liability
- Auto Physical Damage
- Law Enforcement Liability
- Public Officials Wrongful Acts
- Excess Liability

**2. Iowa Municipalities Workers Compensation Association (IMWCA):**

- Total Payroll = \$10,003,326
- Experience Mod = .91 (increased from .89)

3. Airport Liability (ACE)
4. Marine – Protection & Indemnity/Hull (Great American)
5. Excess Marine Liability (NY Marine & Sompo)
6. Storage Tank Liability (ACE)
7. Flood - NFIP

ICAP's premium is up 10% from a year ago, but remains considerably below the public entity market, which is seeing overall increases of 15 to 30% due to large hikes in law enforcement liability and excess coverage. Three insurance carriers, who regularly write public entity business in Iowa, were asked to quote Muscatine's insurance this year, but all three declined because they could not compete with the coverage, limits and premiums offered by ICAP.

The Workers Compensation premium with IMWCA increased by \$29,725 which is attributed to 9% increase in payroll projections and a loss of some credits due to claims.

Overall premiums total \$773,308, compared to \$694,298 for the expiring year, an increase of 11.4 %.

Thank you again for selecting Gallagher as your business partner.

Jim Kapsch & Jeff Young  
June 10, 2021

