



JOHN W. HICKENLOOPER  
Mayor

## CITY AND COUNTY OF DENVER

**Finance Office**  
**Risk Management**  
**Workers' Compensation Unit**

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### Interoffice Memorandum

TO: City Council

FROM: Raymond F. Sibley  
Director of Risk Management

DATE:

RE: September 1, 2010 Insurance Renewals

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The City and County of Denver, including DIA, completed a competitive RFP process in March and selected Marsh USA, Inc. as its broker. Working through its insurance broker, the City has received insurance premium indications for insurance coverage's with a renewal date of September 1, 2010.

During the past 12 months the City has consolidated it's insurance program so that most policies now renew annually on September 1<sup>st</sup>. Several of the 2009 insurance policies were extended to a renewal date of 9/1/10. This should leverage our buying power in the insurance marketplace

The insurance market place is stable and we expect to see flat renewal quotes, with minor increases or decreases. Actual quotes will be received in August, and any significant changes will be identified for Council. At this time we do not expect insurance premiums to exceed \$6,600,000.

In 2009 the City dropped its Public Officials Liability Coverage. We are currently marketing and plan on expanding our Directors and Officers, errors and omissions coverage to provide a broader scope of coverage and higher coverage value to our financial employees and managers. The estimated cost of this coverage is \$75,000.

Premiums for property insurance have increased approximately \$200,000 due to new facilities such as the Justice Center, being completed and opened this year.

Please find attached a copy of the spreadsheet showing coverages, costs for the prior year, and our projections for the current year.

RFS:dmm

**City and County of Denver September 1, 2010 Insurance Renewals**

Line of Coverage	Insured Entity	Limits	Total 2009 Premium Paid	2010 Total Expected Premium Paid	Variance - 2010 Total Expected to Budget
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**GENERAL LIABILITY**

General and Excess Liability	Cultural Entities (Denver Art Museum, Denver Museum of Nature and Science, Four Mile Historic House, Cableland)	\$11,000,000	\$81,647	\$85,727	5%
General Liability	Designated Locations	\$2,000,000	\$33,990	\$35,689	5%
Accident	Scheduled Volunteers	\$25,000	\$12,347	\$17,348	41%
			<b>\$127,984</b>	<b>\$138,764</b>	<b>8%</b>

**PROFESSIONAL MALPRACTICE**

Errors and Omissions - Audit Committee, Finance Managers 1	Audit Committee, Finance Managers	\$1,000,000	\$6,376	\$75,000	1076%
			<b>\$6,376</b>	<b>\$75,000</b>	<b>1076%</b>

**FIDELITY AND SURETY**

Crime	CCD including DIA	\$2,000,000	\$36,329	\$29,889	-18%
Surety Bond	CCD Public Officials, as may be required by Charter or Ordinance	\$25,000	\$3,108	\$1,864	-40%
Fiduciary Liability	CCD including DIA	\$1,000,000	\$18,589	\$14,576	-22%
			<b>\$58,026</b>	<b>\$46,329</b>	<b>-20%</b>

**FIRE INSURANCE**

Property-Boiler & Machinery 2	City & County of Denver facilities	\$1,000,000,000	\$1,744,347	\$1,491,719	-14%
Fine Arts Primary and Excess 3	All artwork owned or on loan to the City, DIA, Denver Art Museum, Denver Museum of Nature and Science, Four Mile Historic Park, Buffalo Bill Museum, Henry Moore exhibit at the Botanic Gardens (through February 2011)	\$350,000,000	\$289,971	\$189,175	-35%
National Flood Insurance Program 4	Scheduled Locations	\$500,000	\$28,605	\$8,977	-69%
			<b>\$2,062,923</b>	<b>\$1,689,871</b>	<b>-18%</b>

**AIRCRAFT INSURANCE**

Helicopter Property and Liability 5	Denver Police Department Helicopter	\$25,000,000	\$70,147	\$36,000	-49%
			<b>\$70,147</b>	<b>\$36,000</b>	<b>-49%</b>

**AUTO INSURANCE**

Auto	Cultural Entities (Denver Art Museum, Denver Museum of Nature and Science, Four Mile Historic House, Cableland)	\$1,000,000	\$32,902	\$34,547	5%
Excess Auto Liability	CCD (Scheduled autos on DIA Excess Auto policy)	\$1,000,000	\$7,721	\$5,100	-34%
			<b>\$40,623</b>	<b>\$39,647</b>	<b>-2%</b>

**CCD GENERAL FUND TOTAL**      **\$2,366,079**      **\$2,025,611**      **-14%**

**WORKERS' COMPENSATION INTERNAL SERVICE FUND**

Excess Workers' Compensation 6	All City and County of Denver employees including Denver International Airport	Statutory/ \$25,000,000 communicable disease sublimit/ \$1,000,000 Employer's Liability	\$853,290	\$519,944	-39%
			<b>\$853,290</b>	<b>\$519,944</b>	<b>-39%</b>

**DENVER INTERNATIONAL AIRPORT**

Pollution	DIA	\$10,000,000	\$103,241	\$103,241	0%
Airport Liability Primary	DIA	\$50,000,000	\$373,552	\$392,230	5%
Airport Liability - Excess	DIA	\$450,000,000	\$255,919	\$268,714	5%
Excess Auto Liability	DIA	\$1,000,000	\$146,695	\$101,974	-30%
Property	DIA	\$1,000,000,000	\$2,958,372	\$3,103,000	5%
Professional Liability - CDL Training	DIA and CCD	\$1,000,000	\$2,838	\$2,838	0%
			<b>\$3,840,617</b>	<b>\$4,072,997</b>	<b>5%</b>

**TOTAL CCD, WORKERS' COMP, DIA:**      **\$7,059,986**      **\$6,517,552**      **-8%**

- 1 - Combining the Public Officials Liability Policy with the Audit Committee Errors and Omissions policy into one Non-Profit Directors and Officers Policy.
- 3 - Reflects adjusted total insured values times current rate.
- 4 - Increase expected in Fine Arts insurance due to losses totaling \$114,456 during the past 5 years.
- 5 - Cancelled flood policies for properties not in flood zones but required by former insurance carrier. In 2010 will only retain coverage for the County Jail.
- 6 - Helicopter renewal information received, 2010 premium reflects actual quote from carrier.
- 7 - 2009 paid premium reflects payment of a 1/1 /09 - 5/1/10 extended period policy. 2010 expected calculation equals 2010 projected payroll times current rate.