

2015 Insurance Coverage

Property & Public Liability Trust Fund
And Workers' Compensation

City Insurance Coverage



Property and Public Liability Trust Fund

- ▶ Funded by City General Fund
- ▶ Disbursements include:
 - Liability claims and cases
 - Attorneys fees and Litigation Costs
 - Insurance Premiums

PPL Insurance Coverage

- ▶ Excess Liability
- ▶ Property
- ▶ Aviation
- ▶ Cyber Risk

Total PPL Insurance Premiums



Excess Liability Insurance

- ▶ Insurance coverage for claims against the City that are above the City's SIR (self-insured retention)
- ▶ Current coverage
 - City's SIR - \$3 million
 - Excess coverage - \$50 million

SIRs of Arizona Cities

▶ Mesa	\$3 million
▶ Chandler	\$2 million
▶ Scottsdale	\$2 million
▶ Tempe	\$2 million
▶ Tucson	\$3 million
▶ Phoenix	\$5 million (auto) \$10 million (liability)

Property Insurance

- ▶ City has over \$1 billion in property assets
- ▶ Current coverage for loss or damage to City property
 - \$50,000 deductible (\$25,000 auto)
 - \$300,000 million (per occurrence)

Airport/Aircraft Insurance

▶ Airport Liability

- Protects against claims of negligence associated with airport operations.

▶ Aircraft Property and Liability (renewal)

- Covers the aircraft and surveillance equipment
- Protects against claims arising from aircraft operations.



Cyber Risk Insurance

- ▶ Covers claims against the City and provides for notification for the release of personal or sensitive customer and employee information which is transmitted electronically.
 - Credit Card Information
 - Date of Birth
 - Policy limits of \$10M

Recommendation and Next Steps

- ▶ Obtain quotes with the same SIR limit and deductibles for excess liability, property, cyber, and renew aviation
- ▶ Return in November for approval to purchase policies

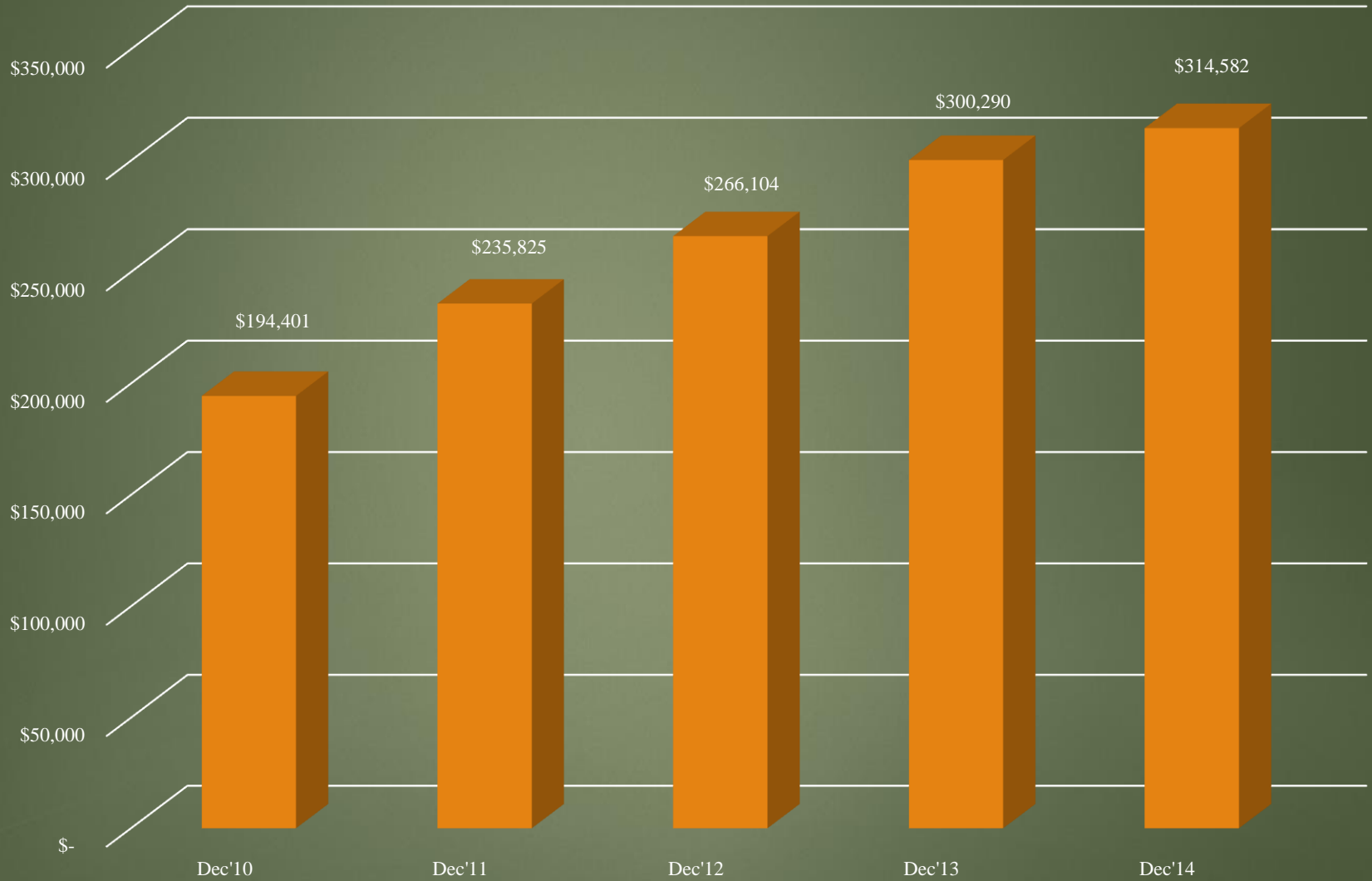
Workers' Compensation Trust Fund

- ▶ Funded by the City General Fund
- ▶ Disbursements include:
 - Medical and Loss Wages
 - Legal Costs
 - Network Access Fees
 - Special and Administrative taxes
 - Excess Insurance and Surety Bond Premiums

Excess Workers' Compensation Insurance

- ▶ Protects the City from excessive financial loss in the event of a catastrophic injury / illness
- ▶ Provides insurance coverage above the City's SIR (self-insured retention)
- ▶ Current coverage
 - City's SIR - \$1 million

Workers' Compensation Insurance Premiums



Self – Insurance Surety Bond

- ▶ Required to retain self-insurance authority.
- ▶ Based on the total unpaid losses of open workers' compensation claims.
- ▶ Provides a guarantee to the Industrial Commission that the City will meet its fiduciary obligations for current and future workers' compensation costs.

Self-Insurance Surety Bond Amounts (\$)



Recommendation

- ▶ Obtain quotes with the same SIR limit (\$1 million) for excess workers' compensation insurance.
- ▶ Obtain quotes for the renewal of the self-insurance surety bond.

► QUESTIONS?