

**PERSONNEL COMMITTEE
SPECIAL MEETING
January 26, 2015**

**** NOT APPROVED ****

Committee Members Present: D. Root, P. Curran, D. Decker, D. Fanton, D. Pullen, C. Crandall (Absent: T. O'Grady)

Others Present: M. Alger, H. Budinger, K. Graves, L. Gridley, D. Healy, T. Hopkins, C. Jessup, K. LaForge, T. Miner, B. Riehle, C. Santora, I. Whitehouse

Media Present: No media present

Call to Order: The meeting was called to order at 12:30 p.m. by Personnel Committee Chairman Debra Root.

Renewal of Insurance Quote from NYMIR

Clerk of the Board Brenda Rigby Riehle requests a resolution approving the insurance proposal by Richardson & Stout from NYMIR for the period February 1, 2015, through February 1, 2016.

<u>Coverage Quote</u>	<u>Deductible</u>	<u>Renewal</u>
<i>Property</i> \$78,291,375 TIV	\$ 5,000	\$ 62,767.00
<i>General Liability</i> \$1 mm Occ./\$2 mm Agg.	\$250,000 per claim (SIR)	\$ 25,576.00
<i>Automobile</i> 179 autos - \$1mm per accident	\$500 Collision \$200/\$500 Comp.	Liability \$ 5,459.00 Physical Damage \$ 23,907.00
<i>Inland Marine</i> (\$11,311,645 TIV)	\$500 deductible	\$ 23,509.00
<i>Boiler & Machinery</i> (\$35 mm limit)	\$5,000 deductible	\$ 9,200.00
<i>Health Care/Prof. Liability</i> \$1mm occurrence/\$3mm aggregate	\$0 deductible	\$ 9,225.00
<i>Police Professional Liability</i> \$1mm occurrence/\$2mm aggregate.	\$250,000 per occur. (SIR)	\$ 22,259.00
<i>Crime</i> \$100,000 Employee dishonesty	\$250 (Employee Dishonesty/Forgery Bond) \$50,000 (Theft Disappearance)	\$ 3,622.00
<i>Capitalization Fee</i>	Allegany County recovered 100 percent of the capitalization fees paid, with interest.	
<i>Public Officials Liability</i>	\$250,000 per claim (SIR)	\$ 14,123.00

\$1mm occurrence/\$2mm aggregate

Commercial Excess Liability	\$250,000 per occur. (SIR)	\$ 17,099.00
<small>\$10mm occurrence/\$20mm aggregate</small>		

Agency Fees (Richardson & Stout Commission)		\$ 27,461.00
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NYS Motor Vehicle Fee/NYS Fire Fee		<u>\$ 1,769.09</u>
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TOTAL:		\$245,976.09
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FISCAL IMPACT: \$245,976.09 (In 2015 budget under Acct. A1910.406)

Fiscal impact is approximate; premium adjustments are processed for changes in vehicles, equipment, property, etc.

Allocated Loss Adjustment Expense (ALAE) is included within the SIR so attorney and investigator fees will be applied toward the SIR. Heavy trucks and equipment ten years old or newer that are insured on the Inland Marine, are valued on a replacement cost basis, and private passenger type autos and light trucks that are on the Auto Physical Damage portion of the policy are insured on an actual cash value basis regardless of age.

Ms. Riehle distributed a comparison between the renewal fees and the expiring fees as well as an explanation from Richardson and Stout regarding the increase in premiums. Among these were:

The total of all premium and fees is \$245,976.09, which is 1.7% higher than what was paid throughout the 2014-15 policy term. While the overall rates are the same as last year, NYMIR has provided the following reasons for the increase in premium.

- Property values are 3 percent (over \$2,000,000) higher than last year, to reflect an inflationary increase.
- Inland Marine / Equipment values are .67 percent higher than last year, due to the net effect of adding and deleting various items in 2014.
- Gross budget is 7.8 percent higher than last year (impacts the General Liability premium)
- Number of Law Enforcement personnel is 14 percent higher than last year (impacts the Police Professional Liability premium)
- Number of vehicles is down by a total of three; however, two of these were trailers (not much premium associated with these)

There was some discussion regarding other companies which might insure counties and municipalities. Ian Whitehouse, who attended the meeting on behalf of Richardson and Stout Insurance Agency, noted that there are two that he knew of: Selective and Houston Casualty. However, those companies' rates have not been as flat as NYMIR's over the years. It was also noted that the County has increased its property holdings over the 10-year period for which figures had been provided. Additionally, the umbrella liability had been increased as well. When asked about the fee charged by Richardson and Stout, Mr. Whitehouse said that the company uses the industry standard. It was also revealed that NYMIR insures approximately one-half of the counties in New York State. It was noted that the resolution would come off the floor at today's Board meeting. Approval to renew the insurance contract was granted on a motion by Legislator Fanton, seconded by Legislator Pullen, and carried. **Prepare Resolution**

Adjournment

There being no further business to come before the committee, the meeting was adjourned at 12:42 p.m. following a motion by Legislator Fanton, seconded by Legislator Curran, and carried.

Respectfully submitted,
Cynthia Santora, Secretary to the Clerk of the Board
Allegany County Board of Legislators