

# MINUTES

## SELECT COMMITTEE ON INSURANCE AGENT RELATIONS – PROPERTY AND CASUALTY

THE MEETING WAS HELD IN THE AV ROOM #308 IN CITY HALL

5:30 P. M., FEBRUARY 15, 2022

Joseph Jenkins, Chairperson, called the meeting of the Select Committee on Insurance Agent Relations – Property and Casualty to order at 5:30p.m., February 15, 2022.

### **Committee Members Present:**

Joseph Jenkins, Chair

Bobby Reishman (left at approximately 6:46)

Becky Ceperley

Mary Beth Hoover

Adam Knauff (arrived at 5:32, not present for approval of previous minutes)

Jennifer Pharr

Shannon Snodgrass (over Zoom)

Members Absent:

None

A roll call was taken, and it was determined that a quorum was present.

### 1. Approval of Previous Minutes 12-20-2021.

Councilmember Reishman motioned to approve the previous minutes from 12-20-2021. With those being present having voted unanimously in the affirmative, the Chair declared the previous minutes as approved.

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## 2. Discussion, score and approval

Councilmember Jenkins stated that the three companies that were previously selected have submitted insurance proposals. The Committee will be discussing those proposals. Councilmember Jenkins added that they will go into Executive Session to discuss the proposals, but would exit into Regular Session if any questions needed to be asked of the companies.

Councilmember Reishman motioned to enter Executive Session. With no objections, the Committee entered Executive Session.

Councilmember Reishman motioned to leave Executive Session. With no objections, the Committee left Executive Session.

Councilmember Jenkins stated that he thought it would be appropriate for the Committee to disqualify RCM&D due to their lack of response.

Councilmember Knauff motioned to disqualify RCM&D. With the members being present having voted unanimously in the affirmative, the Chair declared RCM&D as disqualified.

Councilmember Jenkins asked WV Corp to explain their non-applicability of the sexual abuse line of coverage. WV Corp replied that sexual abuse and molestation is covered under their General Liability policy. There are no exclusions or coverage limitations.

Councilmember Jenkins asked if there was a requirement regarding the risk pool (for example, if the City joined for 3 years and was not allowed to leave it after 1 year). WV Corp replied that there are no guidelines as to how the City would have to participate in the group. The only requirement is that the City must participate for three years before they can receive a dividend. Councilmember Jenkins asked what their history of dividends was. WV Corp replied that 19 members have returned a \$50,000 dividend and several \$300,000.

Councilmember Jenkins pointed out that the property valuation is approximately \$45 million less than what the City is currently insured for. He asked if that was based on revaluing or certain exclusions. WV Corp replied they did not do anything to alter the building schedule, so there might be an error in the building value in the system. They added that the price difference to compensate for that would be approximately \$18,000. It is not their intent for any City property to be excluded.

Councilmember Jenkins asked if there is anything excluded in the umbrella policy. WV Corp replied that they don't issue a separate policy, they show excess limits for options, but the actual policy will be for \$5 million. There is not a separate excess policy.

Councilmember Jenkins asked USI why the valuation of City property is roughly \$9 million less than current. USI replied that they and Traveler's quote sight unseen. They

wanted to make sure that they were insured to value, and the limits were increased. Jenkins added that their limit is \$507 million, and the current is \$516 million. Councilmember Jenkins asked if they treat the \$1 million limit and the umbrella as separate policies. USI replied that typically there would not be exclusions on the umbrella policy. Even though it would be a separate policy, the coverage would be identical. A representative from Travelers added that they do not include vehicle values in their property number, which can be found in the public sector quote. The difference of \$9 million is that they trended some buildings to be rated on a higher value because of valuation issues. It would be the same coverage, just an additional \$4 million on top.

Councilmember Jenkins asked what ACAV meant in relation to auto physical damage. Finance Director, Andy Wood, replied that it meant Actual Cash Value and Agreed Value.

Councilmember Snodgrass asked WV Corp to explain their relationship with the WV Municipal League. WV Corp replied that they have endorsement agreements with WV Municipal League, the County Commissioners Association of WV and the WV Association of Counties. The latter two don't participate in any sort of endorsements or agreements related to municipalities. The endorsement agreement with the WV Municipal League pays them a 2% override on property casualty and .5% override on workers comp.

Councilmember Snodgrass explained to USI that it is difficult to evaluate them based on the fact that they did not submit proposals for workers comp or cyber. USI replied that the City's current policy with Safety National has an effective date of July 1. If they were awarded the contract, they would want to explore an option with Safety National, and they cannot get a quote on March 31 for July 1 (it's too far out). They would also like to explore retention. For cyber, AIG has confirmed that they will release a quote to them by March 1 or March 15.

Councilmember Jenkins asked USI about the gap coverage. USI replied that they are still exploring options on that. They are going to recommend that the City take a higher retention to save money. USI added there hasn't been a workers comp claim that has exceeded \$2,000, excluding a claim from 2014. WV Corp added that there have been no public safety presumptions included into the system until last year. Going from a \$300,000 retention to a \$600,00 to save a small amount of money might not be something they would recommend.

WV Corp added that they perform on-site property valuations. In-land marine is how they classify miscellaneous equipment (contractor equipment, radio towers, boats, etc.).

USI asked if the WV Municipal League received \$85,000 for the first three years. WV Corp replied that WV Municipal League had an existing agreement with CIS, and their revenue from that was \$80,000 (possibly not \$85,000 as suggested). One part of their agreement with the Municipal League was that WV Corp keep that amount whole for three years, and added that municipalities would get Board seats once some

benchmarks were met.

Councilmember Knauff confirmed with USI that they could get quotes for workers comp in approximately 90 days.

Councilmember Snodgrass asked what was the largest municipality that they underwrite. For WV Corp: Berkely County and the City of Bridgeport. For USI: Huntington, Beckley, Morgantown, Wheeling, Kanawha County, etc.

Councilmember Hoover motioned to enter Executive Session. With no objections, the Committee entered Executive Session.

Councilmember Knauff motioned to leave Executive Session. With no objections, the Committee left Executive Session.

Councilmember Jenkins stated that before he left, Councilmember Reishman gave Councilmember Jenkins his scores. Councilmember Jenkins added that he thought it would be appropriate to include his scores, and Councilmember Snodgrass disagreed.

Councilmember Hoover motioned to include Councilmember Reishman's scores. With the majority of those being present having voted in the affirmative, with 1 recognized Nay from Snodgrass, the Chair declared that Councilmember Reishman's scores will be included.

Councilmember Jenkins declared the scores to be: 5 scores for USI and 6 scores for WC Corp

- USI – 177 (out of 200)
- WV Corp – 180.83 (out of 200)

The Chair declared that the Committee will choose to recommend WV Corp. They will further discuss to choose which plan.

Councilmember Pharr asked what the results would be if Councilmember Resihman's score were not included. Councilmember Jenkins confirmed that it would be 178.

Councilmember Jenkins stated that he was partial to the option WV Corp #3 due to the cost and self-retention. He asked if Wood could get past claims so they could better analyze the proposals. Wood replied that they did some of that initial analysis in their proposal. WV Corp added that the \$300,000 retention is the most cost-effective option based on historical claims.

City Attorney, Kevin Baker, added that the City has had a lot of flexibility to choose which attorney will defend claims, and asked if that would be the case. WV Corp replied that they would typically ask who they would prefer, and would be willing to work with the City Attorney to add their preferred attorneys to their panel.

Councilmember Hoover motioned to approve plan WV Corp #3. With the members being present having voted unanimously in the affirmative, the Chair declared WV Corp #3 as the Committee's recommended plan.

Councilmember Knauff motioned to adjourn the meeting.  
Meeting adjourned.