

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
JUNE 20, 2023 AGENDA**

<p>Subject:</p> <p>Property Insurance for July 1, 2023, to June 30, 2024.</p> <p>Submitted By:</p> <p>Human Resources Department</p>	<p>Action Required:</p> <p style="text-align: center;">Ordinance √ Resolution</p>	<p>Approved By:</p> <p style="text-align: center;">Bruce T. Moore City Manager</p>
--	---	---

SYNOPSIS	A resolution to authorize the City Manager to enter into a contract with Travelers Insurance Company to provide Property Insurance for City Facilities for the term of July 1, 2023, to June 30, 2024.
FISCAL IMPACT	The premium is \$1,607,314.00 for July 1, 2023, to June 30, 2024. Funding for the coverage is included in the 2023/2024 Budget line items for Property Insurance, Account No. 100000-10410.
RECOMMENDATION	Approval of the resolution.
BACKGROUND	<p>The City’s Property Insurance Broker has taken the City’s Property Insurance program to market and the incumbent carrier, Travelers Insurance, is the only carrier that has offered a quote. All other carriers that were approached declined to quote. It is the Broker’s and Staff’s recommendation to bind the renewal quote from Travelers Insurance Company for \$1,607,314.00 for the term of July 1 2023, to June 30, 2024. The proposal offers coverage as expiring with one change; the deductible for damage due to windstorm or hail will increase to 3% from 2%.</p> <p>In 2021 the City moved its Property Insurance program to Travelers, due to the incumbent carrier, Alliant wanting a premium 42% higher than the expiring premium. Travelers is one of the few markets that can write property coverage for a risk like the City of Little Rock</p>

**BACKGROUND
CONTINUED**

In this case, they are the only carrier that would even quote this risk. Due to market conditions, loss experience and increase in property values, Travelers is increasing their premium for property coverage by approximately 40%, which was actually less than what was expected.

The City owns buildings, contents, and equipment valued at \$678,080,128.00 The expiring premium is \$1,148,083 annualized based on a Statement of Value of \$624,523,695. The Statement of Value includes property of the Arkansas Arts Center and MEMS.