

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

**BOARD OF DIRECTORS COMMUNICATION  
JULY 2, 2024 AGENDA**

| <b>Subject:</b>  | <b>Action Required:</b>  | <b>Approved By:</b>                      |
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| <p>Authorization of a contract with Travelers Insurance Company to provide Property Insurance for City Facilities for the term July 1, 2024, to June 30, 2025.</p> <p><b>Submitted By:</b></p> <p>Human Resources Department</p> | <p>Ordinance<br/>√ <b>Resolution</b></p>   | <p>Emily Cox<br/>Acting City Manager</p> |
| <b>SYNOPSIS</b>  | <p>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, 2024, to June 30, 2025.</p>  |  |
| <b>FISCAL IMPACT</b>   | <p>The premium is \$2,156,582.00 for July 1, 2024, to June 30, 2025. Funding for the coverage is included in the 2024/2025 Budget line items for Property Insurance, Account No. 100000-10410.</p>   |  |
| <b>RECOMMENDATION</b>  | <p>Approval of the resolution.</p>   |  |
| <b>BACKGROUND</b>  | <p>The City’s Property Insurance Broker has taken the City’s Property Insurance program to market, and the incumbent carrier, Travelers Insurance, was 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 \$2,156,582.00 for the term of July 1, 2024, to June 30, 2025. The proposal offers the same terms &amp; conditions, with an increase of 4.2% in Total Insurable Value (TIV).</p> |  |

**BACKGROUND  
CONTINUED**

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. In this case, they are the only carrier that quoted this risk. Due to market conditions, loss experience and increase in property values, Travelers has increased the TIV on the Value on the Statement of Values by 4.2% and raised the insurance rate by 20%. In addition, the City experienced a large loss due to the EF-5 Tornado that occurred on March 31, 2023.

The City owns buildings, contents and equipment valued at \$758,167,109.00, and the expiring premium is \$1,724,620.00 annualized based on a Statement of Value of \$727,687,719.00. The Statement of Value includes property of the Arkansas Museum of Fine Arts and MEMS.