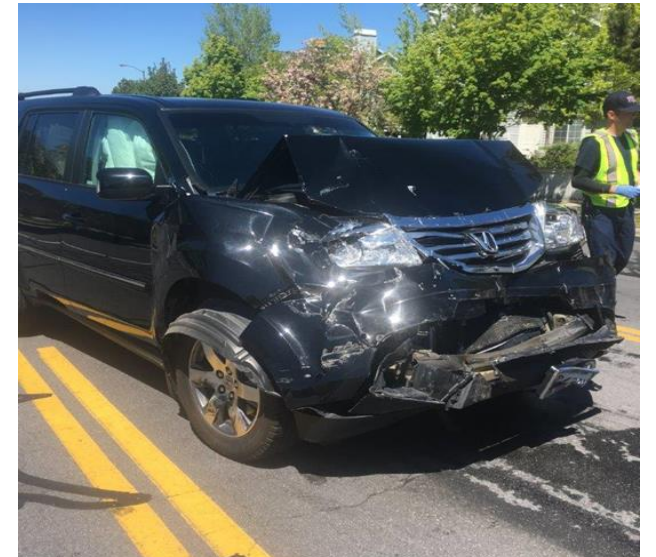


Insurance Coverages and Claims Practices



Risk Management Division

Chase Parker, J.D. - Megan Sundquist, ARM

SUMMARY OF INSURANCE COVERAGES

General Liability Insurance

Property Insurance

Workers Compensation Insurance

GENERAL LIABILITY INSURANCE

Insurance:

Sandy City Self-Insured Retention

States Risk Retention Group

Public Officials Bond

Landlord Liability

Coverage:

\$1M Per Claim

\$10M Excess Policy

\$2.5M

\$1M

GENERAL LIABILITY INSURANCE

Insurance:

Coverage:

Special Events Liability Coverage

\$6M

Hot Air Balloon Festival

\$3M

Crime

\$1M

Cyber Liability

\$3M

Drone Liability

\$1M

PROPERTY INSURANCE

Insurance:

Coverage:

Commercial Property Insurance

City

\$ 171,940,800

Earthquake Coverage Sublimit

\$ 53,516,000

Hale Centre Theatre

\$ 76,000,000

Earthquake Coverage Sublimit

\$ 50,000,000

Miscellaneous Inland Marine

\$ 9,960,600

High Value Vehicles < \$50,000

Benefits of Insurance

VOID IF BLACK CONTROL NUMBER DOES NOT APPEAR RED ON BACK SIDE • VOID IF PLUM COLORED CHECK BACKGROUND IS MISSING

Bank of America 51-44
119

Affiliated FM Insurance Company
P. O. Box 7500 Johnston, RI 02919

DATE: 6/12/2018 CHECK NO.: 144397

PAY: ****Three million one hundred eighty-three thousand three hundred forty and 29/100 Dollar****

CHECK AMOUNT: ***\$3,183,340.29

TO THE ORDER OF: SANDY CITY CORPORATION***

Danise A. Nebert
Authorized Signature

Deborah L. Colman
Authorized Signature

206876

THIS IS WATERMARKED PAPER - HOLD TO LIGHT TO VERIFY - SEE EXAMPLE ON BACK SIDE

⑆ 144397 ⑆ ⑆ 011900445 ⑆ 000000055634 ⑆

GREAT AMERICAN INSURANCE COMPANY No. 029 915813
P.O. Box 2575, Cincinnati, OH 45201

INSURED: Sandy City Corporation DATE: 05/19/2017
CLAIMANT: Sandy City Corporation VOID IF OVER 180 DAYS
STMT. OF ACCT.: Snow Plow Total Loss

PAY: One Million Three Hundred Thousand and 00/100 ----- DOLLARS \$1,300,000.00*

PAY TO THE ORDER OF: Sandy City Corporation PRODUCER:

PNC Bank N.A. 070 Ashland, OH 56-389412

PROD. REG.	KEY	CLAIM NUMBER	POLICY NUMBER	SKIP	ACCIDENT DATE
18 - 20	21 - 23	24 - 29	30 - 36	37 - 51	
029	531	556796	4004256		01/27/2017

GREAT AMERICAN INSURANCE COMPANY
Ronald B. Mun
AUTHORIZED SIGNATURE

⑆ 029915813 ⑆ ⑆ 041203895 ⑆ 4239724842 ⑆

WORKERS COMPENSATION INSURANCE

Lifetime injury-related medical care

Lost wage protection – 66⅔ percent of wage while employee is released from work

Total Cost of Insurance

• General Liability Coverage	\$ 159,965
• Property Insurance Coverage	\$ 270,195
• Workers Compensation Coverage	<u>\$ 242,160</u>
Total Cost	\$ 672,320

Miscellaneous Insurance Issues

Identification and placement of coverages is one of the core functions of the Risk Management Division

Accurate completion of insurance applications and the maintenance of updated property schedules is of critical importance

CLAIMS PRACTICES

Historical Overview

Source of Funds

Claims Payment Budget

Adjustment of Claims

Historical Overview

1999 to Present

Number of Claims Filed Against the City Adjusted by City Risk Manager Average: 50 Claims per Year	1,015
Total Incurred Cost of Claims Average: \$278,617 per year	\$5,572,342

Source of Funds

Property Tax - Utah Code 63G-7-704(2)(c)

Anticipated property tax for FY 2020 - \$ 472,000

Property tax limited to payment of claims and purchase of general liability insurance

Department Risk Management Charges

Calculated based upon size/payroll and general liability loss history

Claims Payment Budget

Budget Code: 65-1410-413613

Known claims reserves

Set by Risk Manager

Incurred-But-Not-Reported (IBNR)

Calculated by actuarial study

IBNR reported to auditor

Projected FY 2020 Risk Management Claims Budget

General Liability Claims Payment	\$ 393,254
Catastrophic Loss Fund	\$1,644,892

Adjustment of Claims

Minor Claims

Notice of Claim

Repair Receipt or Two Estimates

Settled/Denied by City Risk Manager

Flood Claims

Flooding Claims

- Most frequently occur to homes with “down-sloping” driveways

Waterline Breaks

- *Damage generally not covered by homeowners insurance due to exclusion for “off-premises” water*
- Homeowners compensated pursuant to City “No-Fault Waterline Break” policy

Prior storm water flooding

Flood Claims

Flooding Claims

Retain disaster response firm

Remediation

Restoration

Personal Property

Actual Cash Value

How calculated

Claims adjusted by City Risk Manager

Litigation

Retention of outside legal counsel chosen pursuant to firm's expertise

Regular communication between outside counsel and City Risk Manager and/or City Attorney

Allows the City to participate in defense strategy and control costs

Benefits of City input and control

Questions

Thank You!