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MEMORANDUM

TO: Hon. Andrew Joyce
Chairman, County Legislature

FROM: Eugenia Koutelis Condon 
County Attorney

DATE: August 4, 2023

RE: Request for Legislative Action
Award of Liability and Casualty Insurance
Policy Period: 8/15/23 – 8/15/24

Enclosed is a completed Request for Legislative Action relative to the award of the County's liability and related insurance coverage for the policy period August 15, 2023 to August 15, 2024. I am requesting that this matter be placed on the agenda for the August Legislative meeting.

The County's broker of record, Arthur J. Gallagher Risk Management Services sought quotes for the County's insurance coverage. They are recommending that we proceed with the insurance set forth below.

The specific insurance in question are the County's general liability, automobile, law enforcement, police professional, property, public official's and employee

liability, crime, boiler and machinery, excess, umbrella and medical malpractice insurance coverage. The recommended awards are as follows:

Excess Commercial/General/Automobile/Law Enforcement Package and Public Official's and Employment Practices Coverage:

Carrier: Safety National

Premium: \$500,973.00

Policy Limits: \$5/5M GL

\$5M Auto

Includes DMV Fees

FIRST \$5M LAYER

Excess: Kinsale

Premium: \$141,345.11

(\$5 M x \$5 M (Law Enforcement only))

Excess: Homesite

Premium: \$206,472.60

(\$5M x \$5M (Other than Law Enforcement))

Total Excess \$5 x \$5: \$347,817.71

Excess: Arch

Premium: 235,237.81

(\$5 M x \$10 M)

Expiring:

Carrier: Safety National

Premium: \$457,514.00

FIRST \$5M LAYER

Excess: Indian Harbor

Premium: \$69,162

(\$2M excess of \$5M (Law only))

Excess: Kinsale

Premium: \$81,492

(\$3M Excess of \$7M (Law only))

Excess: Homesite
Premium: \$191,613
(\$5M Excess of \$5M (Non-Law))

Excess: Arch
Premium: \$223,167.00
(\$10M Excess of \$10M) (Over Law
And Non-Law)

Property:

Carrier: Traveler's
Premium: \$418,878.00+ 1,407 Fire Fee
(Insured Values of \$685,774,167)
Expiring Premium: \$349,185 + \$1,177 Fire Fee
Deductible: \$250,000
(Insured Values of \$612,341,194)

Boiler and Machinery:

Carrier: Greenwich
Premium: \$41,878.00
Expiring Premium: \$34,792.00
\$10,000 deductible option

Crime:

Carrier: Traveler's
Premium: \$4,514.00*

***Year 1 of three year premium (\$13,542)**

Expiring Premium: \$34,792.00
\$10,000 deductible option

Medical Liability:

Carrier: National Fire & Marine (Med Pro Group)
Premium: \$433,279.72 (Nursing Home/Senior Care)
Limits: \$1M/\$3M

Carrier: MedPro RRG Risk Retention Group
Premium: \$159,549.00 (Clinical)
Limits: \$1M/\$3M

Expiring:
Carrier: National Fire & Marine (Med Pro Group)
Premium: \$415,496.00 Nursing Home (Senior Care)
Limits: \$1M/\$3M
Carrier: MedPro RRG Risk Retention Group
Premium: \$145,882.00 (Clinical)
Limits: \$1M/\$3M

Cyber Liability:

Carrier: TBD
Premium:
Expiring: Chubb
Expiring Premium: **\$105,481.00**
Limit: \$1 Million

Enclosed is back-up documentation, including the premium summary and marketing summary.

Please note, all premiums include Terrorism Coverage at the rate of 1% of premium.

The proposed awards result in combined premiums of \$_____ which includes the mandatory New York State Fire Fee. As you may recall, in 2021 on renewal, the insurance premiums were significantly increased due to a hardening of the market due to several factors impacting the economy including the impact of COVID-19, the 2020 hurricane losses, impact of law enforcement exposures and the exiting of Trident Insurance from the public insurance market which resulted in a sudden loss of re-insurance capacity.

This year, the public entity insurance marketplace overall remains firm, however, premiums overall are up. The pricing for general liability coverage for the public sector continues to increase with the broker estimating that they are averaging a ten percent increase across the board and auto liability is up fifteen percent in the market. Those public entities that did not see significant increases two years ago are now facing those increases. Sexual abuse and molestation liability coverage continue to be difficult to place as is law enforcement liability which is seeing rate increases of up to twenty percent. Finally, Umbrella and Excess coverage are following the trend with average rate increases at 17.5 percent.

Property coverage while once relatively easy to place is now becoming challenging in that public entities are facing rate increases as a result of the failure of reinsurers to record profit in five of the last six years. Valuations and replacement cost values are being increased, contributing to the premium cost increase.

Finally, Cyber coverage is seeing an average increase of 28 percent with all carriers requiring attestation of preventive controls such as multi-factor authentication, remote desktop protocol, data backup practices, segregation of networks, encryption, patch management, privileged account management and employee training.

I will be attending the Law Committee meeting to address any questions that you may have. Thank you for your attention to this matter.

EKC:e

Enclosures

Cc: Rebekah Kennedy, Majority Counsel
Arnis Zilgme, Minority Counsel
David Reilly, Commissioner, Management and Budget

County of Albany 2023-2024 Renewal

Lines of Business & Notations	Carrier	Premium
Property Premium: 417,471 Fire Fee: 1,407	Travelers	\$ 418,878.00
Boiler & Machinery \$10,000 deductible	Greenwich Ins Co	\$ 41,878.00
Crime Three Year Premium: 13,542	Travelers	\$ 4,514.00
Liability Package \$5M / \$5M General Liability \$5M Automobile Liability Premium includes DMV Fees	Safety National	\$ 500,973.00
Excess Liability - Option 1 \$5M x \$5M Premium: 346,800 includes TRIA Surplus Lines Tax: 12,484.80 Stamping Fee: 520.20	Upland Specialty	\$ 359,805.00
Excess Liability - Option 2 / Law - RECOMMENDED \$5M x \$5M Premium: 129,473 includes TRIA Carrier Fee: 50 Surplus Lines Tax: 4662.83 Stamping Fee: 194.28 RPS Fee: 6,965	Kinsale	\$ 141,345.11
Excess Liability - Option 2 / Other Than Law - RECOMMENDED \$5M x \$5M Premium: 190,576 includes TRIA Surplus Lines Tax: 6,860.74 Stamping Fee: 285.86 RPS Fee: 8,750	Homesite	\$ 206,472.60
Excess Liability - Option 2 Total - RECOMMENDED		\$ 347,817.71
Excess Liability \$5M x \$5M Premium: 221,675 includes TRIA Surplus Lines Tax: 7,000.00	Arch	\$ 235,237.81

Cyber

TBD

\$1M limit

Medical Malpractice (Senior Care)

Nursing Home only
\$1M / \$3M limits
Premium: 417,619
Surplus Lines: 15034.29 / 626.43

**National Fire & Marine
(Med Pro Group)**

\$ 433,279.72

Medical Malpractice

Clinical only
\$1M / \$3M limits

**MedPro RRG Risk
Retention Group**

\$ 154,549.00

Total Premium

\$ 2,137,127.24