



City Hall, 215 Sycamore St.  
Muscatine, IA 52761-3840  
(563) 264-1550  
Fax (563) 264-0750

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## HUMAN RESOURCES

To: Gregg Mandsager, City Administrator  
From: Stephanie Romagnoli, Human Resources Manager  
Date: June 13, 2016  
Re: Insurance Renewal

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The city's insurance package is up for renewal once again on July 1, 2016. The insurance committee has met to review renewal information and finalize recommendations for the City Council. The insurance committee consists of local risk managers Hal Larson from Kent Corporation (retired), Greg Brown from HNI Corporation (retired), Rich Dwyer, Kent Corporation, Tom Spread from City Council and City staff members Gregg Mandsager, Nancy Lueck, and me.

The primary package lines of coverage will be renewed with ICAP. There are no recommended changes to the City's coverage. The ICAP lines of coverage are within the budgeted amounts.

It is the committee's recommendation to renew workers' compensation coverage with Iowa Municipalities Workers' Compensation Association (IMWCA). Because of an increase in the experience modification rate due to two large claims in 2014/2015, the premium increase for this coverage is 46.98% which includes the elimination of the discount in addition to the premium increase.

It is also recommended that coverage for the Housing Authority be renewed with HAI Group, which has carried the insurance for the housing department for the past three years.

At this time, I am requesting City Council's approval to authorize AJG to bind the insurance coverage as outlined in the executive summary. If you have any questions or require additional information, please let me know.

**City of Muscatine**  
Property/Casualty Insurance Renewal  
2016-17

**Executive Summary:**

Insurance Committee recommends renewing coverages with incumbent carriers, as follows:

1. Iowa Communities Assurance Pool (ICAP):
  - Package Policy, includes the following coverage:
    - Property
      - Insurable Values = \$102,154,774
    - Auto Phys Damage
      - Insurable Values = \$9,565,547
    - General Liability
    - Auto Liability
    - Law Enforcement Liability
    - Public Officials Wrongful Acts
    - Excess Liability
2. Iowa Municipalities Workers Compensation Association (IMWCA):
  - Total Payroll = \$8,583,082
3. Airport Liability (ACE)
4. Marine – Protection & Indemnity/Hull (Great American)
5. Excess Marine Liability (NY Marine)
6. Storage Tank Liability (ACE)

Overall premiums increased from \$493,670 to \$552,615. There is a slight decrease (\$1,352) with the package policy from ICAP from \$341,786 to \$340,434.

The Workers Compensation premiums, with IMWCA, increased \$60,297, from \$128,351 to \$188,648:

- Premium increase is driven by the NCCI Experience Mod factor which increased from .72 to .94 and/or 22 points. The mod is promulgated using the payroll and loss experience for three years (2012, 2013 & 2014)
- The 2014-15 policy-term is the primary driver for the experience mod and premium increase. Total incurred losses for the 2014-15 term equal \$255,087