

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

**BOARD OF DIRECTORS COMMUNICATION
NOVEMBER 7, 2023 AGENDA**

<p>Subject:</p> <p>To amend Resolution No. 16,036 (June 20, 2023), to amend the contract amount with Travelers Insurance Company for Property Insurance for the period of 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;">Emily Cox Acting City Manager</p>
<p>SYNOPSIS</p>	<p>A resolution to authorize the City Manager to amend the contract amount with Travelers Insurance Company to provide Property Insurance for City Facilities for the period of July 1, 2023, to June 30, 2024.</p>	
<p>FISCAL IMPACT</p>	<p>The additional premium for the Property Insurance Program shall not exceed \$250,000.00, for July 1, 2023, to June 30, 2024, for a total contract amount of \$1,857,314.00. Funding for the coverage is included in the 2023/2024 Budget line items for Property Insurance, Account No. 100000-10410.</p>	
<p>RECOMMENDATION</p>	<p>Approval of the resolution.</p>	
<p>BACKGROUND</p>	<p>Resolution No. 16,036 (June 20, 2023), renewed the City’s Property Insurance with Traveler’s Insurance for \$1,607,314.00. Travelers Insurance was the only carrier willing to quote the City’s Property Insurance Program, as all other carriers that were approached declined to quote.</p>	

**BACKGROUND
CONTINUED**

Prior to the 2023-2024 renewal, the City-owned buildings, contents and equipment valued at \$620,107,051.00, and submitted the Statement of Value (SOV) to Travelers Insurance for the 2023-2024 Property Policy Renewal. After updates were accounted for, the City's SOV increased to \$678,080,128.00, the value on which Travelers provided their renewal quote. The Risk Management Division, through the City's Insurance Broker, Cadence, informed Travelers, prior to receiving the renewal quote that the City's SOV had increased again. Travelers declined to consider the increased SOV due to their contracted values with their reinsurers.

Due to an increase of approximately \$57,000,000.00 in the City's Statement of Value (SOV), Traveler's has requested an increase in the City's premium. The additional premium is being calculated at the same rate as the original proposal and will be pro-rated from October 1, 2023, to June 30, 2024.