

M Management Committee

Business Item

Item: 2011-100

Meeting date: April 13, 2011

ADVISORY INFORMATION	
Date:	April 5, 2011
Subject:	Authorization to renew the Metropolitan Council's Property Insurance
District(s), Member(s):	All
Policy/Legal Reference:	
Staff Prepared/Presented:	Phil Walljasper, 651-602-1787
Division/Department:	Regional Administration/Risk Management

Proposed Action

That the Metropolitan Council authorizes renewal of its property insurance, effective 5/1/11-5/1/12, in an amount not to exceed \$1,100,000.

Background

The Metropolitan Council's Property Insurance provides coverage for physical damage to Council property (i.e. buildings, equipment, vehicles, etc), as well as expenses incurred while continuing operations after a physical loss. The current carrier is FM Global, who has been the Council's insurer for the past ten years. While there continued to be a strong partnership with FM, it was prudent to solicit quotes from other insurance companies, given the overall insurance market conditions and other factors.

At the time of this mailing, negotiations are still continuing with three different insurance companies: FM Global, Chartis and CNA. Staff will present the final recommendation at the Management Committee. This recommendation will be based on not only price, but also insurance coverage.

Rationale

The quotes offered by insurance companies are typically received no sooner than 30 days before the effective date of the policy. Continuing with the negotiations allows adequate time to fully analyze the pricing and coverage offered by the three companies and to ensure the recommendation by staff is the most advantageous to the Council.

Funding

The premiums are allocated to the operating divisions, based upon the amount of respective values. This premium amount is budgeted as a part of the applicable operating budget within each division.

Known Support / Opposition

Not applicable