

24a

# Memorandum

**To:** Joe Lopez, Juan Guerrero, Alexandra Colessides, Leroy Medford, Lalo Uribe

**From:** Roger Garza, LUTCF, LHIC  
Senior Consultant

**Date:** 09/07/2017

**Re:** RFP# 2017-003 (Property & Casualty)

**Justification:** The County solicited proposals for Property & Casualty Insurance under RFP # 2017-003. There were two proposals received that included the incumbent Wells Fargo and McGriff, Seibels & Williams of Texas. Attached are Exhibits 1-9 tabulating all proposals received? McGriff's, Seibels & Williams of Texas only submitted proposals for Pollution and School Leaders Liability. All other lines were submitted by Wells Fargo with different insurance companies.

**Recommendation:** Based on summary attached to Exhibits 1- 9, Valley Risk Consulting recommends awarding as follows:

<u>Coverage</u>	<u>Company</u>	<u>Proposer</u>
Property	American Home Assurance Co.	Wells Fargo
General Liability	Safety National	Wells Fargo
Auto Liability & Physical Damage	Safety National	Wells Fargo
Professional Liability	Safety Specialty	Wells Fargo
Excess Liability	Safety National	Wells Fargo
Aviation	Commerce & Industry	Wells Fargo
Excess Re-Insurance	Safety National Casualty	Wells Fargo
Equipment Breakdown	American Home Assurance Co.	Wells Fargo
Pollution Liability	CHUBB	McGriff, Seibels & Williams
School Leaders Liability	CorRisk Solutions	McGriff, Seibels & Williams

Based on our review and evaluation, we recommend that the Commissioners Court award the insurance lines as specified in the table above to **Wells Fargo** and **McGriff, Seibels and Williams**. Please refer to attached Exhibits attached.

---

# Index

Exhibit 1..... Property

Exhibit 2..... General Liability

Exhibit 3..... Auto Liability, Physical Damage

Exhibit 4..... Professional Liability

Exhibit 5..... Excess Liability

Exhibit 6..... Aviation

Exhibit 7..... Excess Re-Insurance for Workers  
Compensation

Exhibit 8..... Equipment Breakdown

Exhibit 9..... Pollution & School Leaders

# Webb County

Premium Summary  
RFP # 2017-003 Commercial and Excess Re-Insurance  
(All lines of Coverage)

<u>Coverage</u>	<u>Prior Year</u>	<u>2017-2018</u>
Property **	\$154,932	\$283,756
General Liability***	\$59,559	\$65,720
Auto Liability/Physical Damage***	\$53,233	\$66,363
Professional Liability***	\$142,985	\$94,858
Excess Liability***	\$63,173	\$49,705
Inland Marine**	\$5,000	Included
Boiler & Machinery**	\$9,134.10	Included
Aircraft***	\$17,853	\$14,925
Workers' Compensation Excess***	\$143,110	\$111,230
Crime*****	Included	\$5,063
<b><u>Total</u></b>	<b><u>\$505,869</u></b>	<b><u>\$691,620</u></b>
Terrorism (*P&C, *GL, Excess)	*\$9,134	\$16,493
<b><u>Grand Total</u></b>	<b><u>\$515,003</u></b>	<b><u>\$708,563</u></b>

Public Pollution Liability*****	\$17,127	\$17,906
School Leaders*****	\$7,557	\$7,633
<b><u>Total</u></b>	<b><u>\$24,684</u></b>	<b><u>\$25,539</u></b>
Terrorism	UNKNOWN	\$971
<b><u>Grand Total</u></b>	<b><u>\$24,684</u></b>	<b><u>\$26,510</u></b>

\*\* American Home Assurance Company  
 \*\*\* Safety National & Safety Specialty  
 \*\*\*\* Commerce and Industry  
 \*\*\*\*\* CHUBB  
 \*\*\*\*\* CorRisk Solutions  
 \*\*\*\*\*Travelers



# Webb County

Summary of Comparative Cost  
RFP # 2017-003 (General Liability)

Company  
Office Location  
Contact Person

Wells Fargo  
Dallas, TX  
Robert Bookhammer

Wells Fargo  
Dallas, TX  
Robert Bookhammer

Wells Fargo  
Dallas, TX  
Robert Bookhammer

Current		Recommended		Option 2	
<b>Atlantic Specialty</b>		<b>Safety National</b>		<b>Gemini Insurance Company</b>	
Premium		\$65,720 (Terrorism not included = \$2,629)		\$271,425 w/o TRIA, \$ 276,150 w/TRIA	
General Aggregate: \$2,000,000 Products/Completed Operations Aggregate: \$2,000,000 BI & PD each occurrence: \$1,000,000 Personal & Advertising Injury: \$1,000,000 Healthcare & Social Services, each wrongful act: \$1,000,000 Medical Expenses: Not Covered Damage to Rented Premises: \$1,000,000 Sexual Abuse: \$1,000,000 Employee Benefits Liability: \$1,000,000 Deductible \$1,000		General Aggregate: \$4,000,000 Products/Completed Operations Aggregate: \$4,000,000 Each Occurrence: \$2,000,000 Personal & Advertising Injury: \$2,000,000 Fire Damage \$500,000 Medical Expenses: Not Covered Employee Benefits Liability: \$2,000,000/\$4,000,000 Deductible \$50,000		General Aggregate: \$2,000,000 Products/Completed Operations Aggregate: Included in Occ limit Each Occurrence: \$2,000,000 Personal & Advertising Injury: Included in Occ limit Fire Damage Excluded Medical Expenses: Not Covered Employee Benefits Liability: \$2,000,000 Deductible \$50,000	
Limits					
Retention		\$100,000 per occurrence		\$50,000 per occurrence	

# Webb County

Summary of Comparative Cost

RFP # 2017-003 (Auto Liability, Physical Damage)

Company Office Location Contact Person	Wells Fargo Dallas, TX Robert Bookhammer	Wells Fargo Dallas, TX Robert Bookhammer	Wells Fargo Dallas, TX Robert Bookhammer
<b>Automobile Liability/Physical Damage</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Recommended</b>
<b>Premium</b>	Gemini Insurance Company Included in General Liability	Safety National	\$66,363
<b>Limits</b>	Liability: \$1,000,000 Medical Payments: Excluded Deductible Physical Damage: Police -Private Passenger (2009 & newer) Comprehensive Collision: \$1,000 Vehicles w/ original cost new \$25,000 & above Comprehensive Collision: \$10,000 Catastrophe Coverage Limit \$1,000,000 Deductible \$10,000 per occurrence	Liability: \$2,000,000 Medical Payments: Excluded Deductible Physical Damage: Police -Private Passenger (2009 & newer) Comprehensive Collision: \$1,000 Vehicles w/ original cost new \$25,000 & above Comprehensive Collision: \$10,000 Catastrophe Coverage Limit \$1,000,000 Deductible \$10,000 per occurrence	
<b>Retention</b>	\$5,000 per accident	\$5,000 per accident	\$5,000 per accident
<b>Comments</b>	Perils Insured: Covered in Property - \$10,000,000 limit subject to a 1% min. \$100,000 deductible per occurrence	Perils Insured: \$10,000,000 limit subject to a 1% min. \$100,000 deductible (Hail, Flood, Fire, Wind and Tornado)	

# Webb County

Summary of Comparative Cost  
RFP # 2017-003 (Professional Liability)

Company	Wells Fargo	Wells Fargo	Wells Fargo
Office Location	Dallas, TX	Dallas, TX	Dallas, TX
Contact Person	Robert Bookhammer	Robert Bookhammer	Robert Bookhammer
	<b>Current</b>	<b>Option 1</b>	<b>Recommended</b>
	<b>Atlantic Specialty</b>	<b>Gemini Insurance Company</b>	<b>Safety Specialty</b>
Premium	\$142,985	Included in General Liability	Public Officials - \$35,978, Law - \$58,880 Combined Total: \$94,858
Limits	Public Officials Errors & Omissions/Employment Practices Each Wrongful Act \$1,000,000 Annual Aggregate \$2,000,000 Law Enforcement Liability Each Wrongful Act \$1,000,000 Annual Aggregate \$2,000,000	Public Officials Errors & Omissions/Employment Practices Each Wrongful Act \$2,000,000 Annual Aggregate \$2,000,000 Law Enforcement Liability Each Wrongful Act \$2,000,000 Annual Aggregate \$2,000,000	Public Officials Errors & Omissions/Employment Practices Each Wrongful Act \$2,000,000 Annual Aggregate \$2,000,000 Law Enforcement Liability Each Wrongful Act \$2,000,000 Annual Aggregate \$2,000,000
Retention	\$75,000 each wrongful act	\$50,000 each wrongful act	\$100,000 each wrongful act
Comments	Not Provided	This quote does not include Teachers Professional E&O. Limited Sexual Abuse: each claim/aggregate \$1,000,000; SIR \$50,000 Included in and not in addition to \$2,000,000 POL aggregate limit. Coverage does not include School Leaders Professional E&O. Law Enforcement Liability shares \$2,000,000 aggregate with General Liability	Public Officials coverage does not include School Leaders Professional E&O

# Webb County

Summary of Comparative Cost  
RFP # 2017-003 (Excess Liability)

Company	Wells Fargo	Wells Fargo	Wells Fargo
Office Location	Dallas, TX	Dallas, TX	Dallas, TX
Contact Person	Robert Bookhammer	Robert Bookhammer	Robert Bookhammer

	Current	Option 1	Recommended Option 2
<u>Excess Liability</u>	Atlantic Specialty	Gemini Insurance Company	Safety National
Premium	\$63,173	\$49,212 (includes Terrorism)	\$49,705 (TRIA not included = \$1,491)
Limits of Liability	Limits are Excess of GL, Public Officials, Law Enforcement, Business Auto SIR: \$1,000,000	All Lines: \$3,000,000 xs \$2,000,000 Auto Liability-Genesis: \$1,000,000	All Lines (Safety National): \$3,000,000 xs \$2,000,000
Deviation from RFP	Did not Submit	Quoted \$3,000,000 xs \$2,000,000 (expiring was \$4,000,000 xs of \$1,000,000)	Quoted \$3,000,000 xs \$2,000,000 (expiring was \$4,000,000 xs of \$1,000,000)
Underlying Policies	Did not Submit	<b>Gemini Insurance Company:</b> General Liability including Law Enforcement Liability, Public Officials, Employment Practices & Employee Benefit Liability, Auto Liability <b>Midwest Employers:</b> Employers Liability	<b>Safety National Casualty and Safety National:</b> General Liability, Law Enforcement Liability, Public Officials, Employers, Auto Liability
Carrier	Atlantic Specialty	Allied National Assurance	Safety National Casualty



# Webb County

Summary of Comparative Cost  
RFP # 2017-003 (Aviation)

Company  
Office Location  
Contact Person

Wells Fargo  
Dallas, TX  
Robert Bookhammer

Wells Fargo  
Dallas, TX  
Robert Bookhammer

Aviation/Helicopter	Current	Recommended
Premium	Westchester \$17,853	Option 1 Commerce and Industry
Coverages/Limits	Single Limit of Liability Including passengers: \$10,000,000 Medical Payments: \$5,000 Non-owned Aircraft Liability (20) seat max \$10,000,000 Hull Coverage \$250,000 Equipment Coverage for Ultra 7000 FLIR System \$52,500	\$14,925 (includes War Risk Liability & Terrorism) Combined Bodily Injury/Property Damage including passengers: \$10,000,000 Medical Payments each person: \$10,000 Non-owned Aircraft Liability (20) seat max: \$10,000,000 Physical Damage Insured Value: \$250,000
Deductibles	Hull Coverage Deductible: Not in Motion: \$1,000 In Motion: \$7,500 Ingestion: \$7,500 Equipment Deductible: \$1,000	Not in Motion: \$1,000 In Motion: \$1,000 Ingestion: \$1,000

# Webb County

Summary of Comparative Cost  
RFP # 2017-003 (Excess Re-Insurance)

	Wells Fargo Dallas, TX Robert Bookhammer	Wells Fargo Dallas, TX Robert Bookhammer	Wells Fargo Dallas, TX Robert Bookhammer	Wells Fargo Dallas, TX Robert Bookhammer
Company	Wells Fargo	Wells Fargo	Wells Fargo	Wells Fargo
Office Location	Dallas, TX	Dallas, TX	Dallas, TX	Dallas, TX
Contact Person	Robert Bookhammer	Robert Bookhammer	Robert Bookhammer	Robert Bookhammer
<b>Excess WC &amp; Employers Liability Indemnity</b>	<b>Current</b>	<b>Recommended</b>	<b>Option 1</b>	<b>Option 2</b>
Premium	Midwest Employers Casualty Co. \$143,110	Safety National Casualty \$111,230	Safety National Casualty \$111,230	Colony Insurance Company \$114,500
Limits of Liability	Workers' Compensation: Statutory Employers' Liability: \$1,000,000 Each Employee for Disease: Workers' Compensation: Statutory Employers' Liability: \$1,000,000	Workers' Compensation: Statutory Employers' Liability: \$2,000,000 occur/agg.	Workers' Compensation: Statutory Employers' Liability: \$1,000,000 General Liability: \$1,000,000/\$2,000,000	Workers' Compensation: Statutory Employers' Liability: \$2,000,000 occur/agg.
Retention	Class 7704: \$600,000 Class 7720: \$600,000 All Other: \$500,000	All other: \$500,000 Police/Fire Fighters/Aircraft: \$600,000	All other: \$500,000 Police/Fire Fighters: \$650,000 General Liability: \$3,000,000	All Employees: \$500,000 Police/Fire Fighters: \$600,000
Premium Rate	Not Provided	\$0.1647 per \$100 of Annual Payroll	Did Not Submit	\$0.223 per \$100 of Annual Payroll
Estimated Annual Payroll	Not Provided	\$67,535,133	Did Not Submit	\$65,535,133
Endorsements	Not Provided	Did Not Submit	Did Not Submit	Not all inclusive-Please refer to quote: Cash Flow Protection: \$150,000/\$250,000/\$250,000 Schedule Aircraft Surcharge-EE: \$1,000,000 Accident, \$5,000,000/Policy \$5,000,000

# Webb County

Summary of Comparative Cost  
RFP # 2017-003 (Equipment Breakdown)

Company  
Office Location  
Contact Person

Wells Fargo  
Dallas, TX  
Robert Bookhammer

Wells Fargo  
Dallas, TX  
Robert Bookhammer

Equipment Breakdown	
Current	Recommended
<b>Travelers Property &amp; Casualty</b>	<b>Option 1</b>
Premium	Included in Property Premium
Equipment Breakdown	Equipment Breakdown
Property Damage	Accounts Receivable
Business Income	Arson or Theft Reward
Extra Expense	Brands and Labels
Spoilage Damage	Cyber Coverage
Utility Interruption - Time Element	Debris Removal
Civil Authority Coverage	Deferred Payments
Electronic Data or Media	Demolition and Increased Construction Cost
Error in Description Coverage Extension	Errors & Omissions
Expediting Expenses	Expediting Expenses
Fungus Wet Rot/Dry Rot - Property Damage	Fine Arts (per item) \$1,000,000 per occ.
Harzardous Substances	Fire Brigade Charges
Newly Acquired Locations	Fungus, Mold or Spore
Ordinance or Law	Installation Coverage
Refrigerant Contamination	Land and Water Clean up
Water Damage	Locks and Keys
Property Damage	Machinery or Equipment Start up
Spoilage Damage	Misc. Property
Refrigerant Contamination	Money
Utility Interruption-Time Element, Business Income	Newly Acquired Property
<b>Restoration Extension-30 days:</b>	Outdoor Property
Business Income, Extra Expense	Pairs or Sets
	Preservation of Property
	Professional Fees
	Railroad Rolling Stock
	Service Interruption
	Spoilage
	Transit
	<b>Deductibles per Occurrence:</b>
	Property Damage: \$2,500
	Contractors' Equipment: \$5,000
	<b>Boiler &amp; Machinery/Mobile Equipment:</b> covered in Property Premium

Equipment Breakdown

Premium

Coverage/Limits

Deductibles per Occurrence

Comments

Source: RFP # 2017-003  
Prepared by: Valley Risk Consulting

# Webb County

Summary of Comparative Cost  
RFP # 2017-003 (Pollution and School Leaders)

**Company**  
**Office Location**  
**Contact Name**

**McGriff, Seibels & Williams of Texas**  
Houston, TX  
Joseph Blasi

**Recommended**

<b>CHUBB</b>	
<b>\$17,906</b>	
<b>Additional TRIA Premium = \$895</b>	
<u>Limits</u>	<u>SIR Retention</u>
\$1,000,000	\$10,000
\$3,000,000	

Premises Pollution Liability  
Premium

Coverages  
Pollution/Indoor Environmental  
regate Pollution/Indoor Environmental

**Recommended**

<b>CorRisk Solutions</b>	
<b>\$7,633</b>	
<b>Additional TRIA Premium = \$76</b>	
<u>Limits</u>	<u>SIR Retention</u>
\$1,000,000	\$25,000
	<u>Limits</u>
	\$50,000
	\$100,000
	\$100,000
	\$25,000

School Leaders  
Premium

Coverages  
Policy Damage Limit  
**Separate Limits of Liability**  
IEP Hearing  
Desegregation  
Breach of Contract  
Breach of Fiduciary Duty