

## City of Rapid City 2005 Coverage Comparison

As was agreed on last year with the Council, the City Insurance Committee solicited competitive bids on the City's property and casualty exposures from St. Paul/Travelers and the SD Public Assurance Alliance. The City Committee Insurance Committee Members (Jim Preston, Coleen Schmidt, Jason Green, Keith L'Esperence, Dan Maguire, Brad Blumenthal, Peter Schmidt and Kathy Maguire) met to review in detail the pricing and coverages between the two programs. The decision to recommend the St. Paul/Travelers offer came down to total cost (**St. Paul = \$818,706 (\$783,706 proposed amount + \$35,000 to increase coverage limits to match all SDPAA limits vs. Pool \$916,183)**) and two distinct differences in the programs.

### ***Occurrence Coverage Form vs. Claims Paid Coverage Form.***

<b><i>Occurrence Form</i></b>	The policy in force at the time of the occurrence is the responding coverage regardless of when the claim is reported. This type of coverage form transfers the risk of all reported claims and any IBNR (incurred but not reported) claims to the carrier as long as their occurrence date falls within the policy period.
<b><i>Claims Paid Form</i></b>	Unique to SDPAA - Claims are paid according to the certificate of coverage at the time the claim is paid. Upon termination of participation, all open claims and all IBNR are the Member Insured's responsibility. Whatever monies are in the Member's Cumulative Reserve Fund upon withdrawal, belong to the Member. This type of coverage form should not be entered into without a long term commitment (10 years).

### ***Loss Adjusting Expenses for General Liability Coverages & Automobile Coverages***

<b><i>St. Paul Travelers</i></b>	All claims expenses included the Legal Defense of any lawsuits are paid 100% by carrier.
<b><i>SDPAA</i></b>	All claims expense including the Legal Defense is paid by the City and applied to deductible, up to the individual claim deductible and the aggregate (if applicable).