



Black Hills Agency, Inc.

Serving The Community Since 1949



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DATE: November 29, 2000

TO: Legal & Finance Committee
 City of Rapid City

RE: Insurance Renewal Summary
 Property, Airport & Misc. Coverages

FROM: Independent Insurance Agents of Rapid City
 City Insurance Committee
 Kathy Maguire, Chair

Enclosed please find a summary of the above captioned renewal coverages, along with a summary of the workers compensation fund and workers compensation claim results.

The following points are the major differences from last year's program:

1. The property policy was endorsed, effective 10/06/00, increasing the blanket limit from \$115,000,000 to \$251,000,000. The Civic Center and Water Treatment Plant were two locations that were increased substantially, however, the entire schedule was increased as well.
2. Due to the large increase in insured value, the committee recommends an increase in the deductible from \$10,000 to \$50,000. This change saves \$28,899 in premium. The deductible is a "Per Occurrence" deductible. Therefore, only one deductible would apply in the event of a hailstorm, or tornado, etc..
3. It was not necessary to endorse the Boiler & Machinery policy midterm, however, the renewal was rated on the new blanket statement of values. It is for this reason the premium has gone from \$7,325 to \$15,500.

As you can see, the work comp program continues to perform extremely well, and the committee agrees with the budgeted funding of \$422,762 for 2001.

Member:

Independent Agents of Rapid City • Independent Agents of S.D. • Independent Insurance Agents of America

**Estimated Workers Compensation Self-Insurance Cost
Fiscal Year 2000 as of 10/31/00**

Summary of Workers Compensation Fund

Balance Forward 10/31/99	\$4,482,356
Total Funding in 2000	\$422,762
Less Expenses:	
Excess Work Comp	\$48,342
Claim Administration	\$22,180
Paid Claims	\$358,040
Expenses	\$2,276
Total Expenses	\$430,838
Plus Interest Earned	\$218,115
Total Fund Balance as of 10/31/00	\$4,692,395

**Workers Compensation
Claim Results
Through 10/31/00**

Year	Paid Claims	Reserves Outstanding	Incurred	Recoveries
1994	\$ 355,187	\$ 33,826	\$ 389,013	\$ 1,910
1995	\$ 96,904	\$ 3,033	\$ 99,937	\$ 327
1996	\$ 187,695	\$ 17,528	\$ 205,223	\$ 1,345
1997	\$ 284,814	\$ 500	\$ 285,314	\$ 43,403
1998	\$ 200,348	\$ 52,726	\$ 253,074	\$ 1,535
1999	\$ 250,991	\$ 43,126	\$ 294,117	\$ -
2000	\$ 80,553	\$ 57,744	\$ 138,297	\$ -

City of Rapid City

January 1, 2001 Insurance Renewal

COVERAGE	LIMITS	DEDUCTIBLE	2001 PREMIUM	ANNUALIZED EXPIRING PREMIUM
<u>Property</u>	\$251,292,910	\$50,000	\$86,696*	\$90,465
▪ DIC/Earthquake	\$ 7,200,000	\$10,000	\$ 2,145	\$ 2,145
▪ Blanket Earnings	\$ 4,092,600	0	\$ 2,292	\$ 2,383
▪ Valuable Papers	\$ 4,000,000	\$50,000	\$ 760	\$ 760
<u>Inland Marine</u>	Per Schedule		\$13,385	\$12,779
<u>Emergency Vehicles</u>	Per Schedule	\$1,000	\$12,051	\$12,201
<u>Boiler & Machinery</u>	\$ 50,000,000	\$5,000	\$15,500	\$ 7,325
<u>Money & Securities</u> <i>Civic Center Only</i>	\$ 100,000	<i>nil</i>	\$ 1,763	\$ 1,763
<u>Public Officials Bond</u> <i>Finance Officer</i>	\$ 250,000	<i>nil</i>	\$ 825	\$ 825
<u>Airport Liability</u> <i>Personal/Advertising</i>	\$100,000,000	<i>nil</i>	\$41,400	\$36,000
<i>Injury Sublimit</i>	\$ 25,000,000			
<u>Airport E & O</u>	\$ 1,000,000	\$10,000	\$ 7,800**	\$ 6,765
<u>Excess Work Comp</u>	Specific/Aggregate		\$48,342	\$48,342
Total Annual Premium			\$232,959	\$221,753

*Property Optional Deductibles: \$10,000 annual premium \$115,595
\$25,000 annual premium \$ 98,255

**Premium indication only