

County of Albany

Harold L. Joyce
Albany County Office Building
112 State Street - Albany, NY 12207



Meeting Agenda

Monday, August 9, 2021

6:30 PM

**William J. Conboy II Legislative Chambers
Albany County Courthouse
Room 730**

Law Committee

CURRENT BUSINESS:

1. AUTHORIZING AGREEMENTS REGARDING ALBANY COUNTY
INSURANCE COVERAGE

DANIEL P. MCCOY
COUNTY EXECUTIVE



EUGENIA KOUTELIS CONDON
COUNTY ATTORNEY

COUNTY OF ALBANY
OFFICE OF THE COUNTY ATTORNEY
COUNTY OFFICE BUILDING
112 STATE STREET, ROOM 600
ALBANY, NEW YORK 12207-2021
PHONE (518) 447-7110 | FAX (518) 447-5564
WWW.ALBANYCOUNTY.COM

JOHN W. LIGUORI
DEPUTY COUNTY ATTORNEY

YORDEN C. HUBAN
FIRST ASSISTANT
COUNTY ATTORNEY

MEMORANDUM

TO: Hon. Andrew Joyce
Chairman, County Legislature

FROM: Eugenia Koutelis Condon
County Attorney

DATE: August 5, 2021

RE: Request for Legislative Action
Award of Liability and Casualty Insurance
Policy Period: 8/15/21 – 8/15/22

Enclosed is a completed Request for Legislative Action relative to the award of the County's liability and related insurance coverage for the policy period August 15, 2021 to August 15, 2022. I am requesting that this matter be placed on the agenda for the August Legislative meeting.

The County's broker of record, Arthur J. Gallagher Risk Management Services sought renewal quotes for the County's insurance coverage. They are recommending that we proceed with the insurance set forth below.

The specific insurance in question are the County's general liability, automobile, law enforcement, police professional, property, public official's and employee

liability, crime, boiler and machinery, excess, umbrella and medical malpractice insurance coverage. The recommended awards are as follows:

Excess Commercial/General/Automobile/Law Enforcement Package and Public Official's and Employment Practices Coverage:

Expiring Premium: \$395,640
Umbrella Expiring Premium: \$113,132

Carrier: Safety National
Premium: \$414,188+ DMV fee of \$3,670
Policy Limits: \$2 Million/\$4 Million GL
\$2 Million Auto
\$3 Million Excess
SIR: \$1 Million
SIR for POL: \$500,000

Carrier: Allied World
Premium: \$428,000
Policy Limits: \$10M excess of \$5M

Carrier: Arch
Premium: \$133,000
Policy Limits: \$5M excess of \$15M

Property:

Carrier: Traveler's
Premium: \$318,422 + \$1,070 Fire Fee
Expiring Premium: \$282,798 + \$953 fire fee
Deductible: \$250,000
(Insured Values of \$578,870,067)

Boiler and Machinery:

Carrier: Greenwich
Premium: \$32,365.00
Expiring Premium: \$24,998.00
\$10,000 deductible option

Crime:

Carrier: Traveler's
Premium: \$4,594.00*
Expiring Premium: \$4,594.00

This is the second year in a three year policy with a \$2 million limit for Employee Dishonesty and Forgery or Alteration. The policy premium is \$13,782 to be paid in annual installments of \$4,594.

Medical Liability:

Carrier: National Fire & Marine (Med Pro Group)
Premium: \$398,903.00 Nursing Home (Senior Care)
Limits: \$1 M/\$3M
Carrier: MedPro RRG Risk Retention Group
Premium: \$119,456.00 (Clinical Only)
Limits: \$1 M/\$3M
Expiring Premium: \$390,461.00

Cyber Liability:

Carrier: Chubb
Premium: \$52,374
\$1 Million limit
Expiring Premium: \$65,585.00
Option: \$2 Million Excess \$115,000 (not Recommended).

Enclosed is back-up documentation, including the premium summary and marketing summary.

Please note, all premiums include Terrorism Coverage at the rate of 1% of premium.

The proposed awards result in combined premiums of \$1,905,074.00, which includes the mandatory New York State Fire Fee. This is a significant increase from last year when premiums were \$1,278,161. This year, we faced a difficult insurance arena and several of our packages were aggressively marketed. The municipal market has hardened and was impacted as a result of the impact of COVID-19, the 2020 hurricane losses, loss of re-insurance capacity and the impact of law enforcement exposure.

In the Spring, our long time medical malpractice carrier, Medical Liability Mutual Insurance Company notified the County that it was exiting the nursing home insurance business. As a result, we needed to move this coverage to a new carrier. While the

premium for the Clinics is remaining stable, the Nursing Home is seeing an increase in premium as a result of the marketplace concerns regarding Covid-19 exposures and potential liabilities.

We are seeing an increase in property premium, however, that is based upon an increase in our total insured value. Our Correctional Facility and Nursing Home were undervalued, and with completion of Shaker Place, there was a corresponding increase in our coverage values. The actual rate and premium remain the same.

The Boiler and Machinery premium is up roughly \$8,000 over last year with the same \$10,000 deductible. There is an option to increase the deductibles and reduce the premiums. The deductible increase is substantially more than the premium decrease and as we frequently report claims to this carrier, I do not recommend that we take the high deductible option.

The Cyber coverage limits have been reduced by the carrier. This is a result of the ransomware risks worldwide and not due to any risk or threats of risk on the County's part. We have an option to purchase additional coverage at significant cost which the broker is not recommending at this time.

As to our liability package, our current carrier, Argonaut/Trident is exiting the municipal arena. They accounted for a 35% market share for the municipal GL, auto and excess lines. With supply of these lines now significantly reduced in one year, the demand and cost on other re-insurance products has been driven up in a short period of time. See the broker's attached analysis. At this time, Trident has only agreed to insure \$2 Million of our expiring package and that may change by the August 15 renewal. The broker is still awaiting quotes from markets to build our coverage. The premiums that are presented are not final and we are still awaiting one final \$3 Million quote. In addition, we are still awaiting additional package and excess quotes. At this time, given that we are still 2 ½ weeks out from renewal, I am requesting that the broker be given the opportunity to continue to obtain additional quotes for these coverages, and that authority be given to move forward with binding quotes with appropriate carriers by August 15. Should any changes to these quotes occur, an amendment to this request will be made for the September Legislative meeting.

I will be attending the Law Committee meeting to address any questions that you may have. Thank you for your attention to this matter.

EKC:e
Enclosures

Cc: Rebekah Kennedy, Majority Counsel
Arnis Zilgme, Minority Counsel
David Reilly, Commissioner, Management and Budget



County of Albany

Harold L. Joyce
Albany County Office
Building
112 State Street - Albany,
NY 12207

Legislation Text

File #: TMP-2576, **Version:** 1

REQUEST FOR LEGISLATIVE ACTION

Description (e.g., Contract Authorization for Information Services):

Contract Authorization For Department of Law

Date:	July,6 2021
Submitted By:	Eugenia Condon,County Attorney
Department:	Law
Title:	County Attorney
Phone:	518-447-7114
Department Rep.	
Attending Meeting:	Eugenia Condon, County Attorney

Purpose of Request:

- Adopting of Local Law
- Amendment of Prior Legislation
- Approval/Adoption of Plan/Procedure
- Bond Approval
- Budget Amendment
- Contract Authorization
- Countywide Services
- Environmental Impact/SEQR
- Home Rule Request
- Property Conveyance
- Other: (state if not listed) Click or tap here to enter text.

CONCERNING BUDGET AMENDMENTS

Increase/decrease category (choose all that apply):

- Contractual
- Equipment
- Fringe
- Personnel
- Personnel Non-Individual

Revenue

Increase Account/Line No.: Click or tap here to enter text.
Source of Funds: Click or tap here to enter text.
Title Change: Click or tap here to enter text.

CONCERNING CONTRACT AUTHORIZATIONS

Type of Contract:

- Change Order/Contract Amendment
- Purchase (Equipment/Supplies)
- Lease (Equipment/Supplies)
- Requirements
- Professional Services
- Education/Training
- Grant

Choose an item.

Submission Date Deadline Click or tap to enter a date.

- Settlement of a Claim
- Release of Liability
- Other: (state if not listed) Click or tap here to enter text.

Contract Terms/Conditions:

Party (Name/address):

Arthur J Gallagher Risk Management Systems
30 Century Hille Drive
Latham, NY 12210

Additional Parties (Names/addresses):

Click or tap here to enter text.

Amount/Raise Schedule/Fee:

Please See Attached

Scope of Services:
08/15/2022

Award of Liability and Casualty Insurance for Period 8/15/2021-

Bond Res. No.:

Click or tap here to enter text.

Date of Adoption:

Click or tap here to enter text.

CONCERNING ALL REQUESTS

Mandated Program/Service:

Yes No

If Mandated Cite Authority:

Click or tap here to enter text.

Is there a Fiscal Impact:

Yes No

Anticipated in Current Budget: Yes No

County Budget Accounts:

Revenue Account and Line: Click or tap here to enter text.

Revenue Amount: Click or tap here to enter text.

Appropriation Account and Line: Various departmental insurances lines(44037)

Appropriation Amount: Please see attached

Source of Funding - (Percentages)

Federal: Click or tap here to enter text.

State: Click or tap here to enter text.

County: 100%

Local: Click or tap here to enter text.

Term

Term: (Start and end date) 08/15/2021-08/15/2022

Length of Contract: 12 months

Impact on Pending Litigation Yes No

If yes, explain: Click or tap here to enter text.

Previous requests for Identical or Similar Action:

Resolution/Law Number: 254

Date of Adoption: 08/10/2020

Justification: (state briefly why legislative action is requested)

Award of liability, Property, Medical, Malpractice and similar insurances for the period august 15,2021 to August 15,2022. The County's broker of record, Arthur J. Gallagher Risk Management services sought renewal quotes for the County's insurance coverage.

County of Albany 2021-2022 Renewal

Lines of Business & Notations	Carrier	Premium
Property Premium: 317,402 Fire Fee: 1,070	Travelers	\$ 318,472.00
Boiler & Machinery \$10,000 deductible higher deductibles available *	Greenwich	\$ 32,365.00
Crime 2nd year of 3-year policy	Travelers	\$ 4,594.00
Liability Package \$2M / \$4M General Liability \$2M Automobile Liability \$3M Excess Liability Premium includes DMV Fee of \$3,670	Safety National	\$ 414,188.00
Excess Liability \$10M excess of \$5M	Allied World	\$ 431,722.00
Excess Liability \$5M excess of \$15M	Arch	\$ 133,000.00
Cyber \$1M limit	Chubb	\$ 52,374.00
Medical Malpractice (Senior Care) Nursing Home only \$1M / \$3M limits	National Fire & Marine (Med Pro Group)	\$ 398,903.00
Medical Malpractice Clinical only \$1M / \$3M limits	MedPro RRG Risk Retention Group	\$ 119,456.00
Total Premium Range		\$ 1,905,074.00
* Boiler & Machinery Deductible Options:		
\$25,000		\$ 28,886.00
\$50,000		\$ 23,852.00
\$100,000		\$ 17,898.00

Package

Argonaut	Quoted
Travelers	Declined
Safety National	Quoted
Selective	Declined
Chubb	Declined
Liberty Mutual	Declined
Corrieri	Declined
Kinsale	Will only consider stand-alone Law Enforcement Liability
Indian Harbor	Will only consider stand-alone Law Enforcement Liability

Excess Liability

Munich	Indication for \$5M excess of Argonaut
Berkley Public Entity	Quoting \$5M excess of Argonaut
Allied Public Risk	Quoted
Arch	Quoted
Chubb	Declined
Berkley Custom	Reviewing
Acceptance	Reviewing
Tokio Marine	Declined
Intact	Declined
Old Republic	Declined
Hallmark	Declined
Markel	Declined
Lexington	Declined
WH Greene	Declined

Property

Travelers	Quoted
-----------	--------

Equipment Breakdown

Greenwich	Quoted
-----------	--------

Medical Malpractice

National Fire & Marine (MedPro)	Quoted
MedPro	Quoted

Cyber

Chubb	Quoted - \$1M limit
AIG	Declined
Crum & Forster	Declined
Nationwide	Declined
QBE	Declined
Everest	Declined
Berkley	Declined
Starr	Declined
Market	Declined

AWAC	Declined
C N A	Declined
Beaxley	Declined
Sompo	Declined
Ascot	Declined
At-Bay	Declined
Brit	Declined
THB (Lloyd's Brokerage)	Declined
CFC	Declined
Tokio Marine	Declined
RSUI	Declined
XL Catlin	Declined
Coalition	Declined
Hartford	Declined
Arch	Declined
Cowbell	Declined
Axis	Declined
Zurich	Declined
Ironshore	Declined
Hiscox	Declined
Travelers	Declined
Philadelphia	Declined
Great American	Declined
Munich RE	Declined
HDI	Declined
Resilience	Declined
Evolve	Declined
Corvus	Declined

RESOLUTION NO. 267

AUTHORIZING AGREEMENTS REGARDING ALBANY COUNTY INSURANCE COVERAGE

Introduced: 8/9/21

By Law Committee:

WHEREAS, The Albany County Attorney's Office, upon the recommendation of the County's insurance consultant, has requested authorization to enter into agreements for the County's insurance coverage through Arthur J. Gallagher Risk Management Services, Inc., and

WHEREAS, It has been recommended that the County enter into agreements with Safety National for Excess Commercial, General, Automobile, Law Enforcement, Public Officials, and Employment Practices coverage; Allied World for Excess insurance; Arch for Excess insurance; Travelers for Property insurance; Greenwich for Boiler and Machinery coverage; National Fire & Marine for Medical Liability coverage; MedPro RRG Risk Retention Group for Medical Liability coverage; and Chubb for Cyber Liability insurance for a total combined premium amount of \$1,968,488, now, therefore be it

RESOLVED, By the Albany County Legislature that the County Executive is authorized to enter into agreements through Arthur J. Gallagher Risk Management Services, Inc. with Safety National for Excess Commercial, General, Automobile, Law Enforcement, Public Officials, and Employment Practices coverage—at an annual premium not to exceed \$414,188 + \$3,670 DMV Fee; Allied World for Excess insurance at an annual premium not to exceed \$428,000; Arch for Excess insurance at an annual premium not to exceed \$133,000; Travelers for Property insurance at an annual premium not to exceed \$318,422 + \$1,070 Fire Fee; Greenwich for Boiler and Machinery coverage at an annual premium not to exceed \$32,365; National Fire & Marine for Medical Liability insurance at an annual premium not to exceed \$398,903; MedPro RRG Risk Retention Group for Medical Liability insurance at an annual premium not to exceed \$119,456; and Chubb for Cyber Liability insurance at an annual premium not to exceed \$52,374 for the term commencing August 15, 2021 and ending August 15, 2022, for a total combined premium amount of \$1,901,448, and, be it further

RESOLVED, That the County Attorney is authorized to approve said agreements as to form and content, and, be it further

RESOLVED, That the Clerk of the County Legislature is directed to forward certified copies of this resolution to the appropriate County Officials.