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CITY COUNCIL MEETING

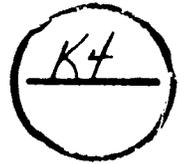
FEBRUARY 2, 1983

PREMIUM FOR
EXCESS COVERAGE
FOR LIABILITY
POLICY APPROVED

Council had earlier received information pertaining to agenda item K-4 - "Approve premium for excess coverage for liability policy". Following discussion on the matter, Council on motion of Councilman Snider, Murphy second, approved payment of the premium for excess coverage for liability policy with Protective National in the amount of \$29,500 and Twin City in the amount of \$11,000 for a total of \$40,500, which premium is effective 2/2/83 for a one year period.



CALIFORNIA INSTITUTIONAL INSURANCE ADMINISTRATORS



A division of Corroon & Black Corporation
3580 5th Avenue; P.O. Box 33328
San Diego, California 92103-5082
619-297-6820

January 14, 1983

Mr. Jim Elson
Max Elson Insurance, Inc.
P.O. Box 188
Lodi, California 95240

Re: City of Lodi, California
Public Entity Liability Insurance

Dear Jim:

First of all, many thanks for your underwriting submission on the captioned.

Second of all, I'm stumped. Had the City's carrier been Transcontinental or Admiral, as in the past, then I could have offered you alternative proposals which in terms of quality of carrier, broadness of coverage, and economy of premium, just would not be denied.

But it turns out I'm a year too late because last renewal you had the very good sense to choose Protective National as primary liability insurer for City of Lodi. I have such high regard for that insurer that I automatically place all my excess coverage with them.

Simple professionalism obliges me to tell you -- stay right where you are; negotiate an "as is" renewal with Protective National. Lodi is well served by and well off with that competent competitive insurer... "If it works, don't fix it."

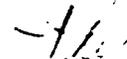
Jim, in six policy years you've reduced premiums for Lodi by 73%, from \$171,532 to \$46,850, and improved coverages in the process. That awesome premium reduction cost your firm tens of thousands of dollars in commission income. But you did it because it was professionally correct to do so.

The same spirit requires me to advise you to renew with Protective...Darn it!

Thomas Carlyle said it best: "There is great wisdom in a man's knowing when to have done."

Thank you for your chance to compete.

With appreciation,


Phil Dwinell
Vice President

PD:bjw

KH

January 28, 1983

Mr. Jerry L. Glenn
Assistant City Manager
CITY OF LODI
221 W. Pine
Lodi, CA 95240

Re: Self Insured General Liability Program

Dear Jerry:

We are faced with an unusual dilemma on this year's renewal.

Of the three carriers that were invited to bid, one declined per attached, and two responded, both with extremely competitive quotes.

Our existing carrier's quote is:

1. Protective	\$1,000,000 Excess of 100,000 SIR	\$29,500
2. Twin City	\$20,000,000 Excess of 1,000,000	11,000
	Total	\$40,500

The second quote is from the Transcontinental with a total limit of \$20,000,000 Excess of a \$100,000 SIR for an annual premium of \$33,050.

Even though Transcontinental is \$7,450 lower, I feel that our past dealings with this carrier would indicate some consideration be given to accepting this quote.

You will recall that Transcontinental was the City's carrier during the February 2, 1980-81 policy period.

It was under this policy that the City was presented with a claim resulting from the death of an individual while incarcerated in the City Jail - a claim that was subsequently denied by the Transcontinental on grounds of an exclusion that related to the providing of medical care.

K4

All seemed in accord that the intent of this exclusion was to apply to hospitals and doctors, which was ultimately clarified by endorsement.

Transcontinental would not, however, backdate this endorsement to cover this and to this date, the City is still standing alone on this loss.

Jerry, under normal circumstances I do not think we would have any problems making a recommendation to the Council due to the quotes, but I do think we need to discuss this prior to binding coverage.

Best regards,



JIM ELSON

JE;bjd
Encl.



CITY OF LODI

REVIEW OF SELF INSURED LIABILITY PROGRAM

DATE COMPANY POLICY NO.	LIMITS	SIR	PREM.	NO. OF CLAIMS	PD. LOSSES & EXPENSES	RESERVES OUTSTANDING
<u>2-2-77/78</u> ADMIRAL 7CM0351	\$ 300,000	\$ 25,000	\$85,532	56	\$ 24,081	\$ 6,614
MUTUAL FIRE EL1002-5	200,000	N/A	25,825			
INS. CO. ST. OF PENN. 4176-7138	5,000,000	N/A	60,175			
<u>2-2-78/79</u> ADMIRAL (60%) 1ST ST. INS. CO. (40%) 78-WP3008	\$ 500,000 INCL.	\$ 50,000 INCL.	\$86,466 INCL.	43	\$ 38,197	\$ 63,246
NEW HAMPSHIRE 5178-0801	5,000,000	N/A	47,250			
<u>2-2-79/80</u> ADMIRAL CM0731	\$ 1,000,000	\$100,000	\$86,430	60	\$ 49,722	\$131,299
AMBASSADOR SC085167	5,000,000	N/A	24,352			
<u>2-2-80/81</u> TRANSCONTI- NENTAL SXP 584273	\$ 5,000,000	\$100,000	\$65,250	34	\$ 23,764	\$ 79,437
<u>2-2-81/82</u> TRANSCONTI- NENTAL SXP 3584200	\$ 5,000,000	\$100,000	\$60,000	29	\$ 8,181	\$ 22,933
LLOYDS 1W30514	45,000,000	N/A	3,000			
<u>2-2-82/83</u> PROTECTIVE NAT. CAL 180-49-36	\$ 1,000,000	\$100,000	\$34,750	28	\$ 764	\$ 14,011
AM. CENTENNIAL CC-00-28-17	9,000,000	N/A	8,600			
INTEGRITY AL 400-0831	10,000,000	N/A	3,500			

CITY OF LODI

SELF INSURED WORKERS COMPENSATION PROGRAM

<u>COMPANY POLICY NO.</u>	<u>TERM</u>	<u>LIMIT</u>	<u>RATE</u>	<u>PREMIUM</u>
EMPLOYERS REINSURANCE C-21153	1-1-77/78	\$5,000,000	.5315	\$22,362.
"	1-1-78/79	"	.5929	26,625.
"	1-1-79/ 7/1/79	"	.5315	12,438.
"	7-1-79/80	"	.5896	30,771.
"	7-1-80/81	"	.500	30,001.
"	7-1-81/82	"	.2752	17,104.
C-27245	7-1-82/83	"	.2473	14,275. DEP.