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PRESENTATIONS

AGENT OF RECORD
REPORTS ON CITY'S
SELF INSURED
LIABILITY PROGRAM
FOR 1985

Council received a report from Jim Elson of Max Elson Insurance, Inc., the City's Agent of Record, advising that the City's Self Insured Liability Program for the next twelve months will cost \$229,000.00 for the required \$20,000,000 limit required, with a \$250,000.00 Self Insured Retention.

Max Elson Insurance, Inc.

February 5, 1985

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

Re: Self Insured Liability Program

Dear Jerry:

To conclude our many discussions over the past few weeks, I would like to confirm the placement of the City's Self Insured Liability Program.

While we had all anticipated difficulty on this renewal, no one was prepared for the final outcome resulting from the tightening of the marketplace.

Of the five surplus lines brokers contacted, all specialists in public entity business, only two responded with quotations.

The better of these was from the Protective National with a \$5,450,000 limit over a \$50,000 Self Insured retention - annual premium \$143,000. The remaining \$15,000,000 of coverage had an estimated cost of \$45,000 for a total combined premium of \$188,000.

On Friday, February 1st, we received a call informing us the Protective had lost their reinsurance and was withdrawing all outstanding quotations, including the City of Lodi's.

This left us with one remaining quote for \$229,000 for the \$20,000,000 limit required. This quote contains a \$250,000 Self Insured retention rather than the \$100,000 as in the past years.

Unfortunately, the prognosis is not good for the immediate future. The market is going to remain in its current unstable condition through 1985 and possibly well into 1986.

We will continue to monitor the marketplace and the City's program and if anything develops, I will let you know.

Best regards,

JIM ELSON

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