

Date of Action: 4/24/17	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/>
By: <i>Jamie</i>	

CITY COUNCIL ACTION MEMORANDUM

AM No. 17-15: Awarding a one (1) year contract to Combs Insurance Agency, Inc. in the amount not to exceed \$62,000 for Property, Casualty and Employee Benefits Brokerage Services.

Originator: April Dwyer, Purchasing
 Date: 4/3/2017

Agenda of: 4/24/2017

Route to:	Department Head	Signature	Date
X	Chief of Police	<i>Steve Belden</i>	4/12/17
X	Public Works Director	<i>[Signature]</i>	4.12.17
X	Recreation Services Director	<i>Jan Klaparski</i>	4/12/17
X	Finance Director	<i>[Signature]</i>	4.11.17
X	Deputy Administrator	<i>[Signature]</i>	4/12/17
X	City Clerk	<i>Jamie</i>	4/13/17

Reviewed by Mayor Bert L. Cottle: *[Signature]* 4/13/2017

Fiscal Impact: yes or no **Funds Available:** yes or no
 *contingent upon passage of the FY2018 Budget.

Account name/number/amount:
 Purchased Services – Insurance XXX-XXXX-XXX-50-20
 (Multiple Accounts) \$62,000

Attachments: Property & Casualty Insurance, Broker Services Contract (3 pages)
 Employee Benefit Insurance, Broker Services Contract (3 pages)

Summary Statement: In accordance with WMC 5.08.120, on February 28, 2014, The City of Wasilla issued a Request for Proposal 0228-1-2014/AD for Property, Casualty and Employee Benefits Consulting Brokerage Services. Combs Insurance Agency was awarded an initial three (3) year contract beginning July 1, 2014 through June 30, 2017. This Request for Proposal also offered two (2) optional one (1) year renewals after the initial term expired.

Due to the changes made to the City’s health insurance program, the employee benefit broker services have decreased substantially, while the property and casualty broker services will remain the same.

Combs Insurance has provided the attached proposals with an 11.5% commission for property and casualty, and 10% commission for employee benefits brokerage services. These percentages would have yielded broker service expenditures of approximately \$51,235, down from the \$62,000 previously paid.

Contingent upon passage of the fiscal year 2018 budget, amounts budgeted within the insurance line items (i.e., 50-20) for departments may need to be redistributed for accounting purposes. This redistribution would not increase the total expended as the \$62,000 has been placed in the budget. An Ordinance would be provided to Council once the insurance policies have been secured for the coverage period of July 1, 2017 through June 30, 2018.

Staff Recommendation: Adopt AM No. 17-15 and award a one (1) year contract to Combs Insurance Agency, Inc. in the amount not to exceed \$62,000 for Property, Casualty and Employee Benefits Consulting Brokerage Services.



***Property & Casualty Insurance
Broker Services Contract
Combs Insurance Agency, Inc.
and
City of Wasilla***

Broker Services Contract: City of Wasilla
290 E Herning Avenue
Wasilla, AK 99654

Extended contract #0228-0-2014/AD for terms:
July 1, 2017 through June 30, 2019

Combs Insurance Agency, Inc. will provide the following minimum property and casualty broker services each term year to the City of Wasilla in addition to all other traditional insurance services as a licensed insurance producer:

- a. We will check the wording and accuracy of each policy, binders, certificates, endorsements or other documents that we issue or receive from insurers and obtain revisions to such documents when needed,
- b. We will verify all rates and premium charged, for your accounting and audit purposes,
- c. We will be available to answer insurance related questions that City of Wasilla would have regarding their insurance program, including submission of an annual report on the insurance program.
- c. We will work with administration personnel to review current exposures, and discuss insurance issues and services as needed,
- d. We will provide loss control suggestions, review and comment on insurer loss control services, especially regarding compliance requests, and implementation scheduling,

- e. We will prepare insurance certificates as requested by the City of Wasilla,
 - f. We will assist City of Wasilla in the adjustment and settlement of any claims or losses that occur within the insurance program,
 - g. We will provide City of Wasilla with loss data information as supplied by the insurance market, and an annual summary of our in-house listing of reported claims if needed,
 - h. We will solicit insurance quotations from reputable insurance markets prior to the anniversary of each policy term and advise the City of Wasilla of the expected premiums and conditions for budget forecasting and actual policy premiums,
 - i. We will assist in determining the insurable value of the properties owned, operated, or controlled by City of Wasilla,
- We will perform any reasonable request for insurance services that City of Wasilla may have during the contract terms to satisfy your risk management service needs,
- k. We will continue to provide full access and assistance of the Combs Connect Portal for risk management, safety and loss control information services to all interested departments of the City of Wasilla,
 - l. We will continue to provide access to the HR Hotline services as assistance for employee related questions, and
 - m. We will solicit and/or invoice all of the renewal Property & Casualty insurance policy coverage, including general and employee benefit liability, workers compensation, commercial auto, directors & officers liability, employment practices liability, property, mechanical breakdown, mobile equipment, crime and airport related insurance.
 - n. We propose the following broker services fee schedule:

First Term:	July 1, 2017 through June 30, 2018	Standard Commission
Second Term:	July 1, 2018 through June 30, 2019	Standard Commission


This standard commission is 11.5% of the coverage premiums for all APEI programs, and 10% for Airport Related insurance program policies.
 - o. This agreement may be terminated by either party, by sending 120 days written notice prior to the beginning of the Second or Third term via certified mail to the last known address of the other party. Such notice, once duly delivered, shall signify termination of this agreement for the remainder of its duration from the notices' effective date. Early agreement termination dates shall be limited to the last day of any yearly term period.

- p. This agreement may be amended, only in writing, by mutual consent of both parties at any time during the term.

City of Wasilla would agree to provide the following for each term:

- a. Sign and return this broker services agreement for the terms listed above,
- b. Cooperate with Combs Insurance Agency, Inc. during the application and solicitation process each year, so that the necessary underwriting information can be obtained,
- c. Remit payment for the insurance coverage as invoiced,
- d. Allow broker the authorized contact with City of Wasilla administration personnel by any means available, including telephone, cellular phone, postal service mail, express mail services, facsimile, e-mail/internet and video.

Accepted: X _____ Date: _____
City of Wasilla

Proposed by:  April 3, 2017
Combs Insurance Agency, Inc.
Michael F. Combs, President
341 S Alaska Street
Palmer, AK 99645

Information regarding "contingent income" arrangements.

Certain insurance markets (insurers) may provide additional income to brokers based upon premium volume and/or profitability of the overall client experience with the insurer. This is known as "contingent income". This additional income is NOT a part of your insurance premium, or commission described in (n). This additional contingent income is not guaranteed and is not a factor in the evaluation or selection process of your insurance program. Your current insurance program does NOT participate in any "contingent income" arrangement with our firm. The broker commission listed in (n). are the only known source of income to our firm for this contract.



***Employee Benefit Insurance
Broker Services Contract
Combs Insurance Agency, Inc.
and
City of Wasilla***

Broker Services Contract: City of Wasilla
290 E Herning Avenue
Wasilla , AK 99654

Extended contract #0228-1-2014/AD for terms:
July 1, 2017 through June 30, 2019

Combs Insurance Agency, Inc. will provide the following minimum employee benefit broker services each term year to the City of Wasilla in addition to all other traditional insurance services as a licensed insurance producer:

- a. We will check the wording and accuracy of each policy, binders, certificates, endorsements or other documents that we issue or receive from insurers and obtain revisions to such documents when needed,
- b. We will verify all rates and premium charged, for your accounting and audit purposes,
- c. We will be available to answer insurance related questions that City of Wasilla would have regarding their insurance program, including submission of an annual report on the insurance program.
- c. We will work with administration personnel to review current exposures, and discuss insurance issues and services as needed,
- d. We will assist City of Wasilla in the adjustment and settlement of any claims or losses that occur within the insurance program,

- e. We will provide City of Wasilla with loss data information as supplied by the insurance market, and an annual summary of our in-house listing of reported claims if needed,
- f. We will solicit insurance quotations from reputable insurance markets prior to the anniversary of each policy term and advise the City of Wasilla of the expected premiums and conditions for budget forecasting and actual policy premiums,
- g. We will perform any reasonable request for insurance services that City of Wasilla may have during the contract terms to satisfy your risk management service needs,
- h. We will continue to keep up to date on your current Medical, Dental, Vision, Audio insurance programs to be prepared for marketing and replacement, should the City of Wasilla determine this to be a necessary process in the future.

i. We will solicit the renewal of the current Group Life, Accidental Death & Dismemberment and the Employee Assistance Program. All of which are invoiced directly to the City of Wasilla by the current markets.

j. We propose the following broker services fee schedule:

First Term:	July 1, 2017 through June 30, 2018	Zero Commission
Second Term:	July 1, 2018 through June 30, 2019	Standard Commission


This first term will be at Zero Commission due to guaranteed rate programs with both Symetra Life (Life, ADD) and Magellan (EAP). The standard commission is 10% of the coverage premiums for these insurance programs.

- k. This agreement may be terminated by either party, by sending 120 days written notice prior to the beginning of the Second or Third term via certified mail to the last known address of the other party. Such notice, once duly delivered, shall signify termination of this agreement for the remainder of its duration from the notices' effective date. Early agreement termination dates shall be limited to the last day of any yearly term period.
- l. This agreement may be amended, only in writing, by mutual consent of both parties at any time during the term.

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- c. Remit payment for the insurance coverage as invoiced,
- d. Allow broker the authorized contact with City of Wasilla administration personnel by any means available, including telephone, cellular phone, postal service mail, express mail services, facsimile, e-mail/internet and video.

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