

Business Item

Metropolitan Council



Committee Meeting Date: July 27, 2022

For the Metropolitan Council: July 27, 2022

Business Item: 2022-194 SW

Council Property Insurance Renewal

District(s), Member(s): All
Policy/Legal Reference:
Staff Prepared/Presented: Phil Walljasper, Enterprise Risk Officer, 651-602-1787
Division/Department: Regional Administration / Risk Management

Proposed Action

That the Metropolitan Council authorizes to bind coverage of its property insurance effective 8/1/22-8/1/23, in an amount not to exceed \$3,660,000.

Background

The Metropolitan Council's Property Insurance provides coverage for physical damage to Council property (e.g. buildings, equipment, vehicles, trains), as well as expenses incurred while continuing operations after a physical loss.

For the past four years, the Council's property insurance has been with AXA XL. With the continued challenging insurance market, staff worked with the Council's broker to fully market the program to several different insurance companies. This marketing effort resulted in two carriers, AXA XL and FM Global, that could lead the Council property insurance program. Of the two proposals, FM Global was evaluated as the most advantageous to the Council.

Rationale

FM Global's quote was not only the most competitive, but also provided the appropriate terms and conditions for the Council's operations.

Thrive Lens Analysis

Authorization of binding property insurance following a full marketing effort supports the Thrive principles of Stewardship and Livability, by not only securing the insurance in the most cost-effective manner, but also partnering with our insurance carrier to minimize a losses.

Funding

The premiums are allocated to the operating divisions, based upon the amount of respective values. This premium amount is budgeted as a part of the applicable operating budget within each division.

Small Business Inclusion

There are no certified small businesses that provide the level of service required.