

August 30, 2019

Melisa Geringer, Human Resources Director
City of Grand Junction
250 North Fifth Street
Grand Junction, CO 81501

RE: 2020 Property/Casualty Preliminary Contribution Quotation

Dear Melisa:

Enclosed is the preliminary quotation for your 2020 contribution to the CIRSA Property/Casualty Pool.

As we have previously advised you, the excess/reinsurance market continues to be unfavorable in Colorado and elsewhere. Your quotation reflects these unfavorable conditions.

Colorado now has the unfortunate reputation of being No. 1 in hail losses nationwide. The property market has responded by raising deductibles, dramatically increasing the cost of insurance, and in some situations, withdrawing from the market altogether. Whether individually insured or as part of a pool, municipalities and other insurance consumers are all facing a hard market for property insurance. A significant portion of your 2020 quotation reflects these conditions.

Another situation being faced by municipalities in Colorado and elsewhere is the legal climate confronting law enforcement. Our members have experienced some severe law enforcement liability claims that have increased the cost of liability coverage for 2020.

Despite these market conditions, CIRSA remains committed to keeping each member's cost of risk as low as possible. One of the benefits of pooling is that those members with substantial member equity will experience less of an impact from these rate increases than newer members, who have less equity in the pool.

Whether you are a long-time or newer member, now is a good time to look at your chosen property and liability deductibles. Many of our members have greatly expanded their budgets and operating expenditures over the past several years, but have not increased their chosen deductibles accordingly. A higher deductible is one way in which you may be able to greatly offset the increase in your contribution for 2020. Linda Black, Chief Financial Officer, will be reaching out in coming weeks to those members we have identified as having an imbalance between their operating expenditures and their chosen deductibles. We can run a deductible analysis for you and help you choose deductibles that are more in line with your financial capacity.

Of course, being a member of a pool offers you significant benefits that are not available elsewhere. CIRSA will continue to offer you the very best in risk management services specifically tailored to your needs. Please see the attached brochure for a summary of those services.



The attached quotation sheet provides a preliminary quotation. Final invoices, e-mailed on January 1, 2020, will be adjusted for any changes made to your 2020 renewal application. Moreover, quoted contributions may also change if CIRSA membership changes significantly for 2020 and/or actual excess insurance premiums are not adequately funded by the budget established within your rate.

The attached quotation sheet provides information on your 2020 contribution, the amount of any Loss Control Credits available to your entity, and optional payment plans. In addition, a general description of the types and monetary limits of the proposed coverages to be provided to 2020 CIRSA Property/Casualty members is attached.

The acceptance form must be completed and returned to CIRSA by **Tuesday, October 1, 2019**. When completing your form, please make sure to:

- Initial next to your entity's desired deductible option for 2020
- Write the amount of any available Loss Control Credits you wish to use in the appropriate section of the *Loss Control Credits* table on the Quotation sheet
- Indicate which payment option you would like for 2020 on the Quotation sheet
- Return the signature page signed by an authorized signer

Please note that if you have requested quotations for any of the Optional Coverage Programs including Equipment Breakdown, Excess Crime, Excess Cyber (Data Privacy and Network Security), Community Service Workers' Accident Medical Plan, Sports Accident Medical Plan, Occupational Accidental Death and Dismemberment Plan, Volunteer Accident Medical Plan, No-Fault Water Line Rupture and/or Sewer Back-Up coverage, Property Damage Caused by Member's Operation of Mobile Equipment coverage, or Detainee Medical coverage, they are not included in this mailing. The carriers that provide coverage for each program are unable to provide quotes until later this year. We anticipate that quotations for these coverages will be mailed to members in October.

If you have any questions about your renewal quote, please don't hesitate to contact us. Courtney Fagan, Strategy and Member Engagement Manager, is available to offer any further explanation of your quote that you may require. Courtney can be reached at (720) 728-1304 or courtneyf@cirsa.org. We are also available to give presentations to your council or board of trustees upon request.

Thank you for the opportunity to serve you. We look forward to continuing our relationship with you in 2020.

Sincerely,



Tami A. Tanoue
Executive Director

enc.





CIRSA Property/Casualty Pool
Preliminary 2020 Contribution Quotation
City of Grand Junction

Current Deductibles:

Liability	Auto Liability	Auto Physical Damage	Property
\$150,000	\$150,000	\$150,000	\$150,000

Description	Amount
Contribution Before Reserve and Loss Experience	\$780,846.62
Reserve Refund Contribution	\$0.00
Impact of Loss Experience	-\$52,440.34
Total 2020 Preliminary Quotation before Credits	\$728,406.28

To Renew with Current Deductibles

Initial Here: _____ 

Loss Control Credits

Description	Amount	Credit Options – You must write in the amount that you wish to use. Amount may be split between available options.		
		Credit PC Contribution	Deposit/Leave in Account	Send Check
2020 Loss Control Audit Credit	(\$9,794.00)			
Balance Remaining from Prior Years' LC Credits	(\$0.00)			
Total Preliminary Quotation at Current Deductible with all Available Credits	\$718,612.28			

Alternative Deductibles

Liability	Auto Liability	Auto Physical Damage	Property	Revised Quote (Before Credits)	To Accept New Deductible Option – Initial Here (Choose Only one)

*Contact Linda Black, CFO at (720) 605-5440 or lindab@cirsa.org if you are interested in other options.

Billing Options (Please indicate which option you choose)

<input type="checkbox"/> Annual Billing on January 1, 2020	<input type="checkbox"/> Quarterly Billing January 1, April 1, July 1, and October 1, 2020
--	--

Preliminary 2020 Contribution Quotation Continued

This preliminary quotation includes all exposures reported on your entity's 2020 Property/Casualty Renewal Application and any Application Amendment Requests received by CIRSA before August 16, 2019.

* Regarding the Liability Deductible shown on page 1, a \$500 deductible quotation is offered to members, if requested, for general liability. However, police professional and public officials errors and omissions deductibles cannot go below \$1,000.

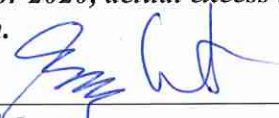
** Regarding the Property Deductible shown on page 1, an additional property deductible will apply separately to each location in a National Flood Insurance Program (NFIP) Zone A if total building and contents values at that location are in excess of \$1,000,000. The deductible will be the maximum limit of coverage which could have been purchased through NFIP, whether it is purchased or not.

Based upon the selections made in your 2020 Property/Casualty Renewal Application, the City of Grand Junction has elected to participate in Uninsured/Underinsured Motorist Coverage.

If this is incorrect, or you wish to change your selection at this time, please contact your Underwriting Representative at (800) 228-7136 or (303) 757-5475.

The undersigned is authorized to accept this preliminary quotation on behalf of the City of Grand Junction.

We accept this preliminary quotation for January 1, 2020 to January 1, 2021. We understand our final invoice may increase or decrease depending upon the number of CIRSA Property/Casualty members for 2020, actual excess insurance premiums, and any changes made to our 2020 renewal application.

Signature:  Date: 9/20/2019
Title: City Manager

Signature must be that of the Mayor, Manager, Clerk or equivalent (such as President of a Special District.)

Both pages of this form must be returned by Tuesday, October 1, 2019. A mailed, faxed or e-mailed copy is acceptable. Please return to:

Monique Ferguson, Underwriting Administrative Assistant
3665 Cherry Creek North Drive
Denver, CO 80209
Fax: (303) 757-8950 or (800) 850-8950
E-Mail: MoniqueF@cirsa.org

PROPOSED 2020 PROPERTY/CASUALTY COVERAGES

The types and monetary limits of the proposed coverages to be provided to CIRSA Property/Casualty members for the coverage period of January 1, 2020 to January 1, 2021 are generally described below. The scope, terms, conditions, and limitations of the coverages are governed by the applicable excess and/or reinsurance policies, the CIRSA Bylaws and Intergovernmental Agreement, and other applicable documents.

I. TYPES OF COVERAGES (subject to the limit on CIRSA's liability as described in Section II below):

- A. Property coverage (including auto physical damage and public relations expense and privacy breach expense)
- B. Liability coverage:
 - 1. General liability
 - 2. Automobile liability
 - 3. Law enforcement liability
 - 4. Public officials errors and omissions liability
 - 5. Cyber (security and privacy breach liability)
- C. Crime coverage (including employee dishonesty and theft of money and securities)

II. CIRSA RETENTIONS, LOSS FUNDS, AGGREGATE LIMITS, AND MEMBER DEDUCTIBLES:

For the coverages described in Section I, CIRSA is liable only for payment of the applicable self-insured retentions and only to a total annual aggregate amount for CIRSA members as a whole of the amount of the applicable CIRSA loss fund for the coverage period. There is no aggregate excess coverage over any loss fund.

Coverages in excess of CIRSA's self-insured retentions are provided only by the applicable excess insurers and/or reinsurers in applicable excess and/or reinsurance policies, and shall be payable only by those excess insurers and/or reinsurers. The limits of coverage provided by the excess insurers and/or reinsurers for the coverage period shall be described in the coverage documents issued to the members. Aggregate and other limits shall apply as provided in said documents.

A. CIRSA PROPOSED SELF-INSURED RETENTIONS FOR THE COVERAGE PERIOD:

- 1. \$1,000,000 per claim/occurrence property*
- 1. \$100,000 per claim/annual aggregate public relations expense and privacy breach expense
- 2. \$1,000,000 per claim/occurrence liability
- 3. \$1,000,000 each and every claim public officials liability
- 4. \$500,000 per claim/annual aggregate cyber (security and privacy breach liability)
- 5. \$150,000 per claim/occurrence crime

*Subject further to CIRSA retention of first \$5,000,000 each and every hail/wind loss and/or occurrence

Proposed Coverages (continued)

B. CIRSA LOSS FUND AMOUNTS FOR THE COVERAGE PERIOD:

Loss fund amounts are as adopted or amended from time to time by the CIRSA Board of Directors based on the members in the Property/Casualty Pool for the year and investment earnings on those amounts. Information on the current loss fund amounts is available from CIRSA's Finance Department.

C. PROPOSED EXCESS INSURANCE LIMITS FOR THE COVERAGE PERIOD:

1. Excess property: to \$500 million each claim/occurrence
2. Excess liability: to \$10 million each claim/occurrence; \$5 million excess auto liability; \$10 million annual aggregate for public officials errors and omission liability
3. Excess crime (optional): to \$5 million per claim/occurrence

D. MEMBER DEDUCTIBLES:

A member-selected deductible shall apply to each of the member's claims/occurrences. Payment of the deductible reduces the amount otherwise payable under the applicable CIRSA retention. Allocated loss adjustment expenses are included in the member deductible.

EXPLANATION OF CREDITS AVAILABLE AND ACCEPTANCE OR WITHDRAW PROCEDURES

LOSS CONTROL AUDIT SCORE CREDIT

CIRSA members who received a Loss Control Audit Score of 80 or higher in 2019, and renew their membership in 2020, are eligible for a Loss Control Audit Score Credit. This credit is offered to all members that take an active role in preventing or reducing their losses by complying with the CIRSA Loss Control Standards.

If you did not receive a credit for 2020 and would like to receive one in future years, please contact your Loss Control Representative.

LOSS CONTROL CREDIT ACCOUNT

The CIRSA Board of Directors has approved your use of any balance in the Loss Control Credit Account, except any Special Credit monies, to pay 2020 contributions. Your entity's balance in this account on August 8, 2019, if any, is shown on the quote letter.

ACCEPTANCE PROCEDURES

Please complete the enclosed acceptance form indicating your decision for 2020 and return it to the CIRSA office *on or before Tuesday, October 1, 2019*. **Failure to return the form in time may result in the imposition of penalties under CIRSA Bylaw Article XIV upon withdrawal.**

WITHDRAWAL PROCEDURES *(if applicable)*

The enclosed Article XIV of the CIRSA Bylaws describes withdrawal procedures from CIRSA. **Written notice of withdrawal must be received by CIRSA no later than Tuesday, October 1, 2019, for a withdrawal without penalty effective January 1, 2020.** No withdrawing member shall be eligible for the above-described credits.

Article XIV should be read in its entirety for any penalties which would otherwise apply. Withdrawing members who subsequently apply to rejoin CIRSA may be subject to such terms and conditions as established by the CIRSA Board of Directors.

WITHDRAWAL NOTICE

**MUST BE RECEIVED AT THE CIRSA OFFICE
ON OR BEFORE TUESDAY, OCTOBER 1, 2019**

Sign and return this form if your entity has decided to **withdraw** from CIRSA effective January 1, 2020. Under CIRSA Bylaws, this form must be received by CIRSA *no later than Tuesday, October 1, 2019*, for withdrawal without penalty effective January 1, 2020.

NOTICE OF WITHDRAWAL FROM CIRSA

This is to notify the CIRSA Board of Directors that the City of Grand Junction is withdrawing from CIRSA for purposes of Property/Casualty coverage effective January 1, 2020. We understand the City of Grand Junction remains obligated and will be billed for any amounts due CIRSA pursuant to the Bylaws and the policies established by CIRSA.

The undersigned is authorized to provide this notice of withdrawal on behalf of the City of Grand Junction.

Signature must be that of the Mayor, Manager, Clerk, or equivalent (such as President of a Special District.)

Signature: _____

Title: _____

Date: _____

ARTICLE XIV

Withdrawal from Membership

(1) Any member may withdraw from CIRSA by giving prior notice in writing to the Board of Directors of the prospective effective date of its withdrawal.

(2) If the effective date of a member's withdrawal is a date other than January 1, the withdrawing member shall not be entitled to receive any refund of contributions made for administrative costs for the claim year of withdrawal. The withdrawing member shall be entitled to receive within forty-five (45) days after the effective date of withdrawal, a proportionate return of its contribution to any loss fund.

(3) If the effective date of a member's withdrawal is January 1 but the member's written notice of withdrawal is received by CIRSA more than thirty (30) days after the date on which CIRSA mailed a preliminary quotation of the contribution to be assessed the member for the year beginning on that January 1, the withdrawing member shall be obligated to pay its share of CIRSA's administrative costs for the year beginning on that January 1. However, if the preliminary quotation is mailed by CIRSA prior to September 1, members shall not be obligated for future claim year administrative costs if the member's written notice of withdrawal is received by CIRSA on or before the October 1 preceding the January 1 renewal date.

(4) The members may, by a two-thirds (2/3) vote of the members present at a meeting, adopt or amend a policy establishing additional conditions applicable to members which withdraw.

MEMORANDUM

TO: Property/Casualty Underwriting Contacts
FROM: Courtney Fagan, Strategy & Member Engagement Manager
DATE: September 6, 2019
SUBJECT: Revised PC Quote Sheet

As a follow up to the email sent on September 6, 2019, due to a programming problem in our risk management database, there was an error in a portion of the Property/Casualty Quote sheet that we mailed to you on August 30, 2019. The “Total 2020 Preliminary Contribution Quotation Before Credit” amount is correct. However, the quote sheet reversed the “Impact of Loss Experience” figure. So if you had a positive amount, it was shown as a negative on the sheet, and vice-versa. This caused the “Contribution Before Reserve and Loss Experience” amounts to be incorrect.

Attached is a revised Quote Sheet with the corrected information. We sincerely apologize for this error. If you have any questions, please don’t hesitate to contact me via email, courtneyf@cirsa.org or by phone 720-728-1304.





Corrected 9-6-19

Current Deductibles:

Liability	Auto Liability	Auto Physical Damage	Property
\$150,000	\$150,000	\$150,000	\$150,000

Description	Amount
Contribution Before Reserve and Loss Experience	\$675,965.94
Reserve Refund Contribution	\$0.00
Impact of Loss Experience	\$52,440.34
Total 2020 Preliminary Quotation before Credits	\$728,406.28

To Renew with Current Deductibles

Initial Here: _____

Loss Control Credits

Description	Amount	Credit Options – You must write in the amount that you wish to use. Amount may be split between available options.		
		Credit PC Contribution	Deposit/Leave in Account	Send Check
2020 Loss Control Audit Credit	(\$9,794.00)	✓		
Balance Remaining from Prior Years' LC Credits	(\$0.00)			
Total Preliminary Quotation at Current Deductible with all Available Credits	\$718,612.28			

Alternative Deductibles

Liability	Auto Liability	Auto Physical Damage	Property	Revised Quote (Before Credits)	To Accept New Deductible Option – Initial Here (Choose Only one)

*Contact Linda Black, CFO at (720) 605-5440 or lindab@cirsa.org if you are interested in other options.

Billing Options (Please indicate which option you choose)

<input type="checkbox"/> Annual Billing on January 1, 2020	<input checked="" type="checkbox"/> Quarterly Billing January 1, April 1, July 1, and October 1, 2020
--	---

WJB

RECEIVED

SEP 23 2019