



RISK MANAGEMENT DEPARTMENT

Fort Bend County, Texas

Wyatt O. Scott
Director

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March 16, 2016

Commissioners' Court
Fort Bend County
301 Jackson Street
Richmond, TX 77469

Re: Premier Public Entity Package & Lexington Insurance Excess Property Insurance
Renewals for Policy Year 4/1/2016-4/1/2017

Dear Honorable Court Members:

Attached you will find a renewal summary for the Premier Public Entity "Package" (Brit Insurance), for the Lexington Insurance Company Excess Property program, the Midwest Employers Casualty Company Excess Workers Compensation policy and for the Admiral Insurance Company Medical Professional Liability insurance. The Premier Package provides Fort Bend County its' first layers of coverage after meeting self-insured retentions for its' property and casualty exposures. The Property Excess provides \$250MM (\$50MM sub-limit for windstorm) coverage limits in excess of the Package limits of \$1MM. The Midwest policy is excess Workers Compensation coverage above the Brit Insurance primary layer of \$250,000. The Medical Professional policy provides coverage for services offered by Health and Human Services.

Please note that exposures and the other basis for premium rating have significantly increased; such as payroll (6.6%), total insured property value (TIV) from \$567MM to \$676MM and other rating exposures as indicated on the attached summary. Although the County increased its' TIV by 19.2% which results in an overall increase of premium, Lexington gave the County a 9.1 percent rate reduction, reducing the rate from \$0.1522 per \$100 of property value to \$0.1384.

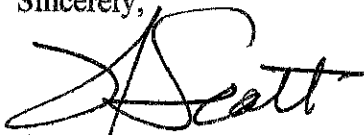
The Brit Insurance program is offering the County a premium reduction of 1.8% even though the County's exposures have materially increased as indicated in the attached summary, the premium will drop from \$752,978 to \$739,568.

The proposed Midwest workers' compensation excess rate is an increase from .1221 to .1253 (2.6% difference) per \$1000 of payroll. The increase is due to the rising cost of medical care.

The premium of the Medical Professional Liability increased 39.3% or by \$4,429 annual due to the number of physicians that we have added to the policy this year. These Drs. perform oversight work on behalf of EMS services and the HHS Health Clinic.

Expiring premium is \$1,886,691.28 and the proposed renewal premium is \$1,963,274.50. Given the County's' growth and increased exposures in property, personnel and physician oversight, this is a good renewal proposal which is recommended by Risk Management. If you should have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Wyatt Scott", with a stylized flourish at the end.

Wyatt Scott
Director of Risk Management

Fort Bend County
Property & Casualty Insurance Renewal
April 1, 2016/2017

Coverage/Exposure Summary	Expiring 4/1/2015-2016	Renewal 4/1/2016-2017	% Change	\$ Change
Brit Package Premium:	\$ 752,977.89	\$ 739,567.50	-1.8%	\$ (13,410.39)
Premier Public Entity Package	Incl.	Incl.		
Excess Public Officer's Liability	Incl.	Incl.		
Excess Liability	Incl.	Incl.		
Basis: Law Enforcement Personnel	1,050	1,307	24.5%	
Basis: County Vehicles	900	999	11.0%	
Basis: APD Values	\$ 29,467,499	\$ 34,634,228	17.5%	
Basis: # of Employees*	2,500	3,622	44.9%	
Basis: Payroll	\$ 114,364,538.00	\$ 121,923,629.00	6.6%	
Excess Workers Compensation				
Basis: Payroll	\$ 139,639.00	\$ 152,770.00	9.4%	\$ 13,131.00
Rate:	\$ 114,364,538.00	\$ 121,923,629.00	6.6%	
	\$ 0.1221	\$ 0.1253	2.6%	
Medical Professional Premium				
Basis: Patient Visits	\$ 11,257.89	\$ 15,687.00	39.3%	\$ 4,429.11
	7,200	8,000	11.1%	
Excess Property Premium				
Boiler & Machinery Premium	\$ 862,816.50	\$ 935,250.00	8.4%	\$ 72,433.50
Basis: Insurable Values	Incl.	Incl.	Incl.	
Rate:	\$ 566,847,432.00	\$ 675,951,370.00	19.2%	
	\$ 0.1522	\$ 0.1384	-9.1%	
Premium Sub-Total	\$ 1,766,691.28	\$ 1,843,274.50	4.3%	
Broker Fee	\$ 120,000.00	\$ 120,000.00		
Total Program Cost	\$ 1,886,691.28	\$ 1,963,274.50	4.1%	\$ 76,583.22
<i>*2016 includes seasonal employees</i>				