

HABERSHAM COUNTY BOARD OF COMMISSIONERS

EXECUTIVE SUMMARY

SUBJECT: ACCG-IRMA Coverage Renewal for FY24-25

DATE: June 3, 2024

RECOMMENDATION

POLICY DISCUSSION

BUDGET INFORMATION:

STATUS REPORT

ANNUAL- \$728,164

OTHER

CAPITAL-

PRESENTED BY: Ann Cain, Human Resources Director

COMMISSION ACTION REQUESTED ON: June 17, 2024

PURPOSE: To request Commission approval of the renewal of Habersham County’s property, vehicle and liability coverage with ACCG-IRMA for FY24-25 at the same deductible and limits of liability as the expiring coverage.

BACKGROUND/HISTORY: Habersham County carries insurance through the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency (IRMA). ACCG-IRMA is a non-profit, self-insured, member-owned group fund comprised of Georgia counties that provides insurance coverage for property, automobile, general liability, law enforcement liability, public official’s liability, crime, and boiler/machinery exposures. The membership of ACCG-IRMA is comprised of only Georgia county governments and the coverage is specially tailored for their unique exposures. IRMA estimates the members’ anticipated losses and collects premiums to cover those losses. Excess insurance is purchased to protect against catastrophic losses. Habersham County has had coverage through ACCG-IRMA for 30 of the past 33 years. We have completed our annual renewal paperwork and received quotes for continuing coverage. The premium for maintaining the same deductible and limit of liability for FY24-25 will be \$728,164. While this is an increase of \$110,902 from the FY23-34 premium of \$617,262, the increase is not unreasonable when a few facts are considered. ACCG-IRMA looks back at a five-year period of claims to determine an estimate of what it will cost to cover a member. The unfortunate truth of the matter is that ACCG-IRMA has paid out more in claims over the past five years than the county has paid in premiums. The amount of actuarially adjusted claims incurred from July 1, 2018- June 30, 2023 was close to \$2.1 million. The amount of premiums paid by Habersham County was only \$1.89 million. Simply put, ACCG is willing to continue its relationship with the county even though they have been losing money by insuring us. We would not receive this same kind of consideration from a private insurance company. ACCG also has excellent customer service and has been instrumental in assisting our new Risk Manager in coming up with a more robust Risk Management program. This will allow the county to save money on future renewals premiums as well as deductibles by focusing on accident prevention and accountability to decrease our number of claims. We are not suggesting that the deductible be increased to save on premiums as an analysis over the past five years suggests that the difference in a lower premium versus a higher deductible would result in a negligible savings compared to the possible risk. We are recommending approval of the ACCG-IRMA renewal at the same deductible and limits of liability as the expiring coverage.

FACTS AND ISSUES:

- The premium for renewing the county’s current property and liability insurance coverage with ACCG-IRMA for FY24-25 is \$728,164.
 - Habersham County’s long-standing relationship with ACCG has been extremely beneficial, especially with their willingness to continue to provide coverage despite paying more out in claims than they are receiving in premiums.
 - Based on previous year’s claims, it is not suggested at this time that any changes be made to the deductible or limits of liability as the cost savings is negligible compared to the potential risk.
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OPTIONS:

- 1) Approve recommendation
 - 2) Deny recommendation
 - 3) Commission defined alternative
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RECOMMENDED SAMPLE MOTION: “Motion to approve the ACCG-IRMA property, vehicle and liability insurance coverage renewal for FY24-25 with no change to the deductibles or limits of liability.”

DEPARTMENT:

Prepared by: Brandalin Carnes, County Clerk

Director: _____

**ADMINISTRATIVE
COMMENTS:**

County Manager

DATE: _____

ACCG-IRMA

Renewal Contribution Worksheet – Deductible Option

7/1/2024 to 7/1/2025

Member: Habersham County

COVERAGE	SAME AS EXPIRING DEDUCTIBLES	DEDUCTIBLE OPTION
Auto Liability/Physical Damage (AL/APD)	\$5,000	\$10,000
Crime	\$5,000	\$10,000
General Liability (GL)	\$5,000	\$10,000
Law Enforcement Liability (LEL)	\$25,000	\$50,000
Property & Equip. Breakdown (PROP)	\$5,000	\$10,000
Public Officials Liability (POL)	\$25,000	\$50,000
Privacy & Security (Cyber)	\$25,000	\$25,000
CONTRIBUTIONS		
Renewal Contribution:	\$766,436	\$712,257
Less Safety Credit:	(\$38,272)	(\$35,563)
Net Contribution Due:	\$728,164	\$676,694

*The deductible will apply to all losses and all lines of coverage subject to a maximum of one deductible for all claims arising from a single loss. For scheduled properties in Special Flood Hazard Areas, the deductible is the maximum limit available under the National Flood Insurance Program or if unavailable, \$500,000 for building or structure and \$500,000 contents. Highest applicable deductible will apply.

ADDITIONAL LIMITS OF LIABILITY COVERAGE	
Your Limit for Liability Coverage (Included in Contribution Above): Note that these are the limits you chose last year.	\$1,000,000 With \$1,000,000 on Auto Liability
Your liability limits may be increased in increments of \$1,000,000. We have provided the cost of any additional limits below.	
(If Automobile Liability is specifically itemized in your Limit of Liability Coverage above, that limit will remain the same even if you increase the other liability limits.)	
<u>Option</u>	<u>Additional Annual Cost</u>
Increase Limits to \$2,000,000	\$40,038
Increase Limits to \$3,000,000	\$84,799
Increase Limits to \$4,000,000	\$92,203
Increase Limits to \$5,000,000	\$98,332

The Sovereign Immunity Protection Endorsement attached to the ACCG-IRMA Coverage Agreement caps Automobile Liability, where allowed by law, to limits of \$500,000 bodily injury per person / \$700,000 bodily injury per accident / \$50,000 property damage as stated under O.C.G.A. § 36-92-2.

For those members buying a General Liability limit of \$4,000,000 or more, liability arising out of dams which are either 25 ft. or more in height or have an impounding capacity of 50 acre ft. or more will be limited to \$3,000,000 per occurrence unless underwriting requirements are met and the ACCG-IRMA Coverage Agreement is endorsed. Should you have questions about coverage on a particular dam, please call ACCG Underwriting & Member Services at 1.800.858.2224.

Complete page 2 and return to accginsurance@accg.org by 7/1/2024

EXPOSURES AND VALUES NOTICE

It is important to maintain an accurate Schedule of Values on your entity's property at 100% replacement cost unless otherwise noted to secure sufficient coverage in the event of a claim. As of 7/1/24 coverage for each location is limited to a maximum of 125% of the scheduled value at the time of loss. It is the member's ultimate responsibility prior to renewal to review the appraisal report and subsequent property schedules and advise ACCG staff of any changes needed in the data or values. Members should also update the property schedule online when additions, changes, or deletions need to be made. Not doing so could impact the amount of coverage provided. Vehicle, equipment, and unmanned aircraft schedule changes also must be updated online. All coverage schedule additions, changes, or deletions should be made online through your Origami Risk Member Dashboard here: <https://live.origamirisk.com/Origami/Account/Login?account=ACCG>

OPTIONAL UNINSURED MOTORISTS COVERAGE

Uninsured Motorists coverage provides a source of recovery for the negligent and tortious acts of an owner or operator of an uninsured motor vehicle. County governments are not legally responsible for the liability caused by uninsured motorists. Any bodily injury suffered by a county employee during and in the course of employment is covered by Workers' Compensation; otherwise, their injuries should be covered by their health insurance. Physical damage to county-owned vehicles should be covered under the Physical Damage section of the ACCG-IRMA Coverage Agreement.

Your current Uninsured Motorists coverage limit selection on file is \$0. Should you wish to change this coverage selection to a different limit please call ACCG Underwriting & Member Services at 1.800.858.2224.

IMPORTANT: This Contribution Worksheet must be completed, signed, dated and returned to:

**email: accginsurance@accg.org
no later than 7/1/2024**

Please check ONE of the following deductible options:	
<input type="checkbox"/>	SAME AS EXPIRING DEDUCTIBLES: \$5,000 AL/APD; \$5,000 Crime; \$5,000 GL; \$25,000 LEL; \$5,000 PROP; \$25,000 POL; \$25,000 Cyber
<input type="checkbox"/>	DEDUCTIBLE OPTION: \$10,000 AL/APD; \$10,000 Crime; \$10,000 GL; \$50,000 LEL; \$10,000 PROP; \$50,000 POL; \$25,000 Cyber
Please check ONE of the following limit options:	
<input type="checkbox"/>	Same Limit of Liability as Expiring Coverage: \$1,000,000 with \$1,000,000 on Automobile Liability
<input type="checkbox"/>	Different Limit of Liability Option (Insert Desired Limit): \$ _____

**SIGN
HERE** →

Accepting For: Habersham County

Signature Title Date

Please do not let the lack of payment delay your return of this worksheet. Until we are otherwise notified, your expiring limits and deductibles will apply in the event of a claim.