Stockbridge

Where Community Connects

Council Meeting
Agenda
May 18, 2023 6:00 PM

STOCKBRIDGE

CITY COUNCIL

Mayor

Anthony Ford

Mayor Pro Tem Yolanda Barber

Councilman Elton Alexander

Councilman John Blount

Councilwoman LaKeisha Gantt

Councilman Alphonso Thomas

CITY MANAGER

Frederick Gardiner

CITY CLERK

Vanessa Holiday

CITY TREASURER

John Wiggins

CITY ATTORNEY

Quinton G. Washington

STOCKBRIDGE CITY HALL

4640 NORTH HENRY BLVD.

STOCKBRIDGE, GA 30281

Website: www.cityofstockbridge.com

Phone: 770-389-7900

Fax: 770-389-7912

Stockbridge

Where Community Connects

AGENDA
COUNCIL MEETING
CITY OF STOCKBRIDGE

THURSDAY, MAY 18, 2023 6:00 PM

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF THE AGENDA

NEW BUSINESS

1 Council Consideration to approve 2023 - 2024 Liability Insurance Policy for the City

2 Council Discussion of City Finances

EXECUTIVE SESSION (Exemptions to the Georgia Open Meetings Acts)

ADJOURNMENT

Gallagher

Insurance | Risk Management | Consulting

City of Stockbridge

Risk Management & Insurance Executive Summary

5.18.2023

Presented by:

Matt Simmons | Director, Gallagher Public Sector

Daniel Duhart | Genesis Asset Management Strategies Group

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About Gallagher

Gallagher companies plan and administer a full array of insurance, risk management, self-insurance, claims management, and employee benefit products and services. Areas of industry specialization include higher education, healthcare and senior living, life sciences, construction, media and entertainment, public entity, and real estate.

1927	39,000+	850+	150	$6.9B	28+
FOUNDING YEAR	EMPLOYEES WORLDWIDE	OFFICES IN 68 COUNTRIES	COUNTRIES SERVED	REVENUE (2021)	INDUSTRY PRACTICES

To support these market segments, we have developed coverage specialties that include Surety, Property, General Liability, Employee Benefits, Executive Lines, Workers' Compensation, Cyber Liability, Fine Arts, Aviation, Foreign Liability, Marine, and Owner- and Contractor-Controlled Insurance Programs, among others.

Gallagher is comprised of several divisions; all working in tangent to provide you with the best services possible depending on your unique needs. Our primary US divisions are:

RETAIL

Gallagher
Insurance | Risk Management | Consulting

REINSURANCE

Gallagher Re

CLAIMS

GALLAGHER BASSETT

WHOLESALE

RPS RISK PLACEMENT SERVICES

ALTERNATIVE RISK

Artex

2023 WORLD'S MOST ETHICAL COMPANIES® ETHISPHERE 13-TIME HONOREE

Forbes 2022 THE BEST EMPLOYERS FOR DIVERSITY

BEST PLACES TO WORK 2022 for LGBTQ+ Equality 100% CORPORATE EQUALITY INDEX

Forbes 2020 THE BEST EMPLOYERS for WOMEN

Gallagher's Public Sector Expertise

Notable Accounts – Georgia

Georgia Public Sector Risk Pools & Programs:

- GIRMA (GMA- Property & Casualty Self-Insurance Fund)
- GMAWCSIF (GMA Workers Compensation Self-Insurance Fund)
- GHARRP (Housing Authority Risk Retention Program)
- ELITE (Georgia Schools Program)

400+ ENTITIES

Georgia Local Governments Insured

Public School Districts:

- Gwinnett, Columbia, Hall, Atlanta Public Schools
- Bulloch, Greene, Burke, Walker
- Sumter, Savannah-Chatham, Cook

County Governments:

- Gwinnett, Cobb, Forsyth
- Hall, Cherokee, Barrow
- Ware, Augusta-Richmond

20+ BILLION

Property Values Insured

Municipal Authorities and Special Districts:

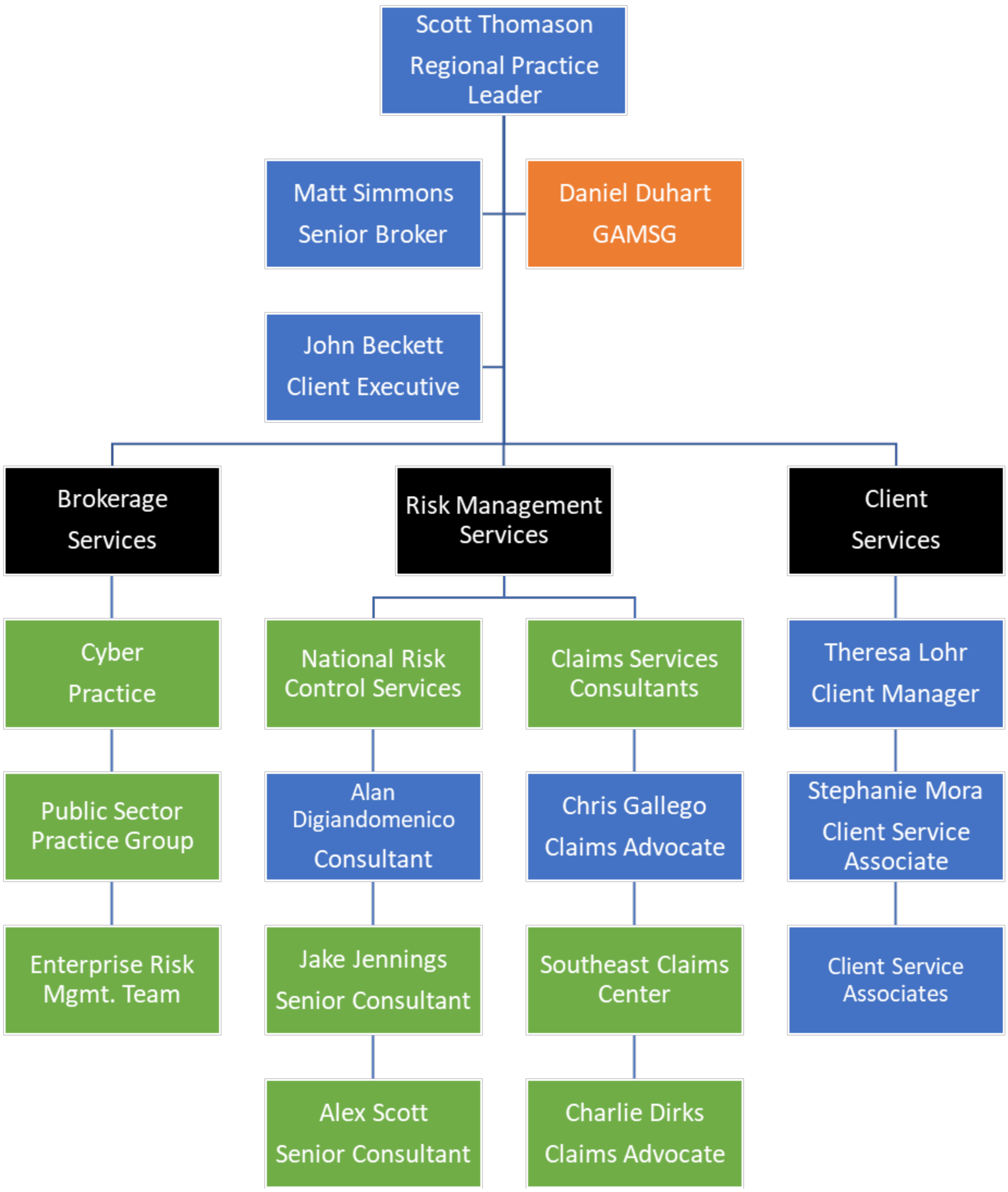
- Valdosta, Dublin, Warner Robins
- Roswell, Hapeville, Brunswick
- Locust Grove, Waycross, Canton
- Clayton County Water Authority, Atlanta Housing Authority

20+ Large

Risk Management Clients

Your Gallagher Team

Your core service team is based in Atlanta and specializes in Public Sector business. Our Atlanta team is responsible for placing coverage for approximately $40m in premium and managing a total cost of risk of over $60m through over 50 southeast public entities.



Our Core 360 Approach

CORE360® is our unique comprehensive approach of evaluating our clients' risk management program that leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk. The term Total Cost of Risk (TCOR) is not new and is widely used throughout the insurance industry.

Unlike traditional Total Cost of Risk conversations, we consult with you to understand all of your actual *and potential* costs, and the strategic options to reallocate these costs with smart, actionable insights. This will empower you to know, to control and to minimize your total cost of risk and improve your budget and financial results.

INSURANCE PREMIUMS
Cost for all your existing insurance policies. It also includes our compensation as your broker.

UNINSURED & UNINSURABLE LOSSES
Potential or actual costs of any risks you knowingly or unknowingly leave uninsured or uninsurable.

PROGRAM STRUCTURE
How the individual pieces of your program work together, as well as how you balance your risk appetite against your loss experience.

LOSS PREVENTION & CLAIMS
Your participation in a loss, and how you minimize costs through appropriate loss prevention programs and claims management.

COVERAGE GAPS
Potential costs from any gaps in existing policies, such as sublimits, removable exclusions and extensions of coverage.

CONTRACTUAL LIABILITY
Costs resulting from the unsuccessful transfer of risk to, or assumption of uninsured liability from, a third party.

Gallagher's Approach to Driving Results

Improving Our Clients' Risk Profile

The CORE360 Client Experience

We operate a step-by-step process to improve your specific risk profile:

1. Historical Analysis
2. Marketplace Discussion
3. Discovery
4. Assessment and Prioritization
5. Action Plan
6. Market Submission

Using proprietary analytical tools to help you understand and address your specific risks

#20 OUR TENET

We run to problems – not away from them.

Gallagher's Approach to Driving Results

Sample CORE360® Public Entity Project Plan

Insurance Premiums

- ✓ Review fixed asset report to ensure adequate coverage
- ✓ Benchmark coverages and terms to other municipal insurance programs
- ✓ Develop complete underwriting submission and coverage specs

Program Structure

- ✓ Evaluate deductible options – run through risk retention optimizer model
- ✓ Evaluate alternative structures for all lines to optimize Total Cost of Risk

Coverage Gaps

- ✓ Review pollution exposures and consider coverage
- ✓ Consider Fiduciary and public safety supplemental coverages
- ✓ Quantify Cyber loss estimates and evaluate insurability standards

Uninsured & Uninsurable Losses

- ✓ Assess Economic Damages from Convective Storms, Natural Catastrophes
- ✓ Tax Revenue Losses

Loss Prevention & Claims

- ✓ Meet with key administration and conduct selected site visits to assess culture and risks in order to determine strategically focused risk control measures, including training needs
- ✓ Analyze claims experience to determine root cause of loss / benchmarks
- ✓ Facilitate safety committee / incident review development and refinement

Contractual Liability

- ✓ Review procurement insurance requirements and selected high-risk potential contracts
- ✓ Meet with procurement staff to review modern insurance guidelines
- ✓ Review proposed contracts and coordinate with HR and legal as required

Current Insurance Market Conditions

The big picture

EXTERNAL FACTORS:

- Three major external factors continue to impact the public sector and property & casualty insurance:

WHERE WE ARE: WHAT WE'RE SEEING NOW

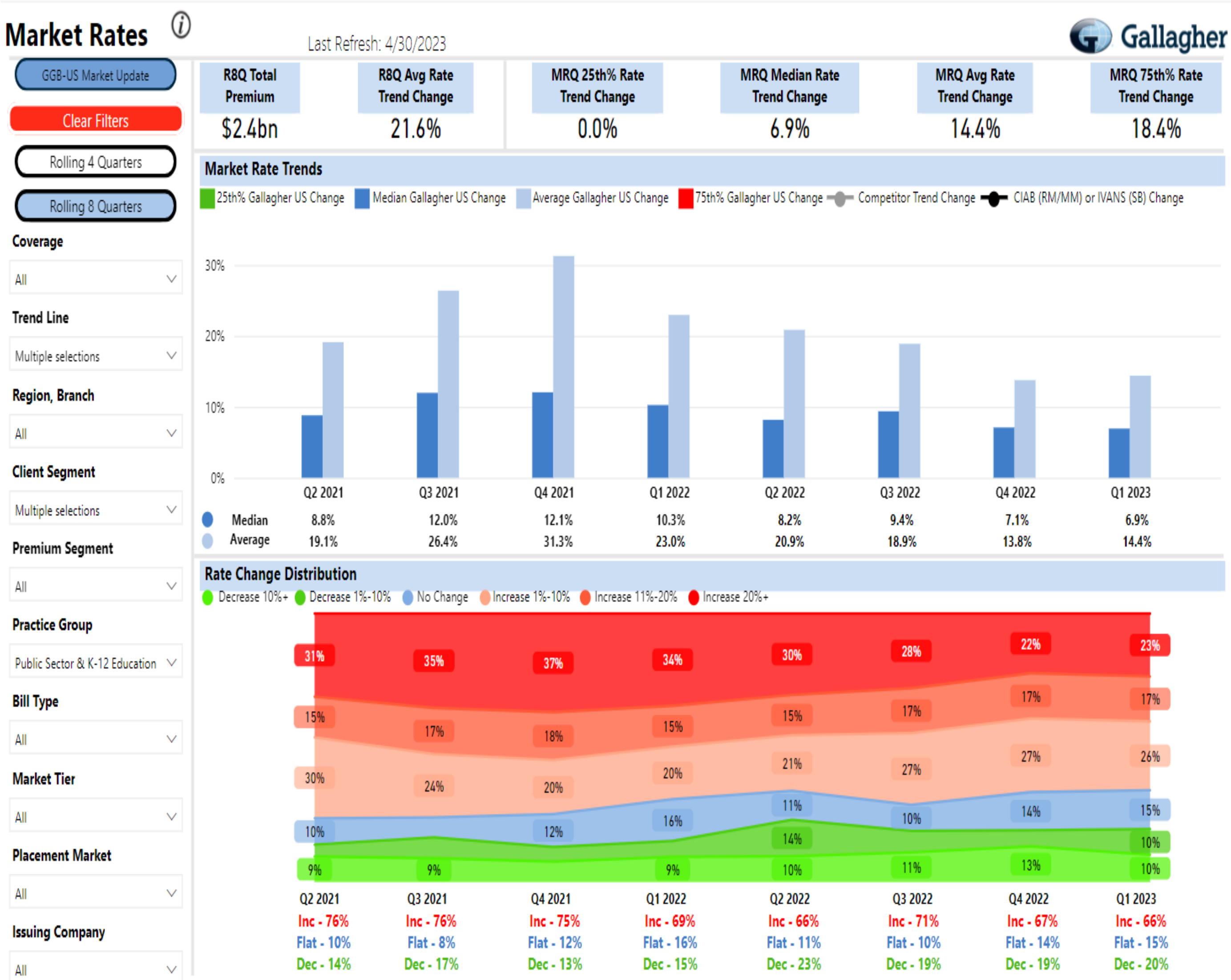
- Rate increases are moderating for some lines. After three years of substantial rate increases, we're approaching a point of rate adequacy in the market, which is leading to more moderate rate increases.
- Non-modeled weather events are becoming more severe and frequent which is adding to uncertainty in pricing in the property market.
- The market is trending slightly flatter, though not in every coverage line. Cyber, for example, has kept up sizeable year-over-year rate increases, with median increases of 39%, while Workers' Compensation rates were flat.
- The cyber marketplace is very concerned about systemic cyber risk, cyber underwriting practices and where hackers may hit next, as ever-escalating ransomware and cybersecurity risks continue to plague the cyber insurance marketplace.

WHERE WE'RE GOING: TRENDS WE ARE WATCHING

- With improving rate adequacy comes increased carrier competition. There are a number of new entrants to the market and increasing competition as underwriters look to write new business. We expect this to level off rate increases further into 2022. Exceptions are challenged placements, those with elevated risk profiles, and accounts that have experienced losses.
- Inflation, if it continues unabated, will push up loss costs and ultimately will have to be passed along through premium increases
- Social inflation shows no signs of slowing. A backlog of cases, slowed by pandemic shutdowns and short-staffing, will be telling about the full impact as these cases begin to move through the court system
- Modest rate reductions may be attainable for clients with an attractive risk profile that have not been out to market in years.

RATE CHANGE SUMMARY

- Overall rates are still increasing but at a pace of less than 10% except for cyber risks and loss driven lines of business.
- Public entities are also seeing rate increases of 10-15% or more on casualty lines and increased rates and retentions on excess workers compensation with significant police and fire exposures.


Market Rates
Last Refresh: 4/30/2023
Gallagher
GGB-US Market Update
Clear Filters
Rolling 4 Quarters
Rolling 8 Quarters
Coverage
All
Trend Line
Multiple selections
Region, Branch
All
Client Segment
Multiple selections
Premium Segment
All
Practice Group
Public Sector & K-12 Education
Bill Type
All
Market Tier
All
Placement Market
All
Issuing Company
All
R8Q Total Premium $2.4bn
R8Q Avg Rate Trend Change 21.6%
MRQ 25th% Rate Trend Change 0.0%
MRQ Median Rate Trend Change 6.9%
MRQ Avg Rate Trend Change 14.4%
MRQ 75th% Rate Trend Change 18.4%
Market Rate Trends
25th% Gallagher US Change
Median Gallagher US Change
Average Gallagher US Change
75th% Gallagher US Change
Competitor Trend Change
CIAB (RM/MM) or IVANS (SB) Change
30%
20%
10%
0%
Q2 2021 Q3 2021 Q4 2021 Q1 2022 Q2 2022 Q3 2022 Q4 2022 Q1 2023
Median 8.8% 12.0% 12.1% 10.3% 8.2% 9.4% 7.1% 6.9%
Average 19.1% 26.4% 31.3% 23.0% 20.9% 18.9% 13.8% 14.4%
Rate Change Distribution
Decrease 10%+
Decrease 1%-10%
No Change
Increase 1%-10%
Increase 11%-20%
Increase 20%+
31% 35% 37% 34% 30% 28% 22% 23%
15% 17% 18% 15% 15% 17% 17% 17%
30% 24% 20% 20% 21% 27% 27% 26%
10% 12% 16% 11% 10% 14% 15%
14% 10%
9% 9% 9% 10% 11% 13% 10%
Q2 2021 Inc - 76% Flat - 10% Dec - 14%
Q3 2021 Inc - 76% Flat - 8% Dec - 17%
Q4 2021 Inc - 75% Flat - 12% Dec - 13%
Q1 2022 Inc - 69% Flat - 16% Dec - 15%
Q2 2022 Inc - 66% Flat - 11% Dec - 23%
Q3 2022 Inc - 71% Flat - 10% Dec - 19%
Q4 2022 Inc - 67% Flat - 14% Dec - 19%
Q1 2023 Inc - 66% Flat - 15% Dec - 20%

Renewal Results

A strategic approach to marketing and impacting your premiums and total cost of risk.

	Expiring Program				Proposed 2023-2024				Analytics		
Line of Business	Expiring Program	Retention	Rating Basis	Premium	Proposed Program	Retention	Rating Basis	Premium	Exposure Change	Premium Change	Net Rate Change
Primary Package	**Travelers**				**Travelers**						
Auto Liability*	$1,000,000	$0	120	**$85,362**	$1,000,000	$0	143	**$116,982**	19.2%	37.0%	17.9%
Auto Physical Damage	Comp & Collision	$1,000	118	**$45,840**	Comp & Collision	$1,000	148	**$59,864**	25.4%	30.6%	5.2%
General Liability	$1,000,000	$0	$18,480,993	**$40,108**	$1,000,000	$0	$22,253,165	**$45,604**	20.4%	13.7%	-6.7%
Law Enforcement Liability	$1,000,000	$5,000	8	**$3,436**	$1,000,000	$5,000	64	**$31,671**	700.0%	821.7%	121.7%
PE Management Liability	$1,000,000	$5,000	81	**$21,429**	$1,000,000	$5,000	168	**$45,542**	107.4%	112.5%	5.1%
Employment Practices Liability	$1,000,000	$10,000		**Included**	$1,000,000	$10,000		**Included**			
Umbrella*	$5,000,000		$18,480,993	**$14,950**	$5,000,000		$22,253,165	**$12,230**	20.4%	-18.2%	-38.6%
Property	**Travelers**		**$63,205,471**	**$90,502**	**Travelers**		**$68,382,483**	**$111,239**	8.2%	22.9%	14.7%
All Risk / Blanket	$63,205,471	$5,000	*$0.1432*		$68,382,483	$5,000	*$0.1627*		13.6%		
Flood	$1,000,000	$50,000			$1,000,000	$50,000					
Earthquake	$1,000,000	$50,000			$1,000,000	$50,000					
Equipment Breakdown	$63,205,471	$5,000			$68,382,483	$5,000					
Inland Marine	**Travelers**		$3,864,490	**$16,309**	**Travelers**		**$3,070,027**	**$13,835**	-20.6%	-15.2%	5.4%
Miscellaneous Scheduled Items	$320,678	$1,000			$320,678	$1,000					
Contractors Equipment	$3,046,228	$1,000			$3,070,027	$1,000					
Cyber Liability*	**Beazley**		$18,480,993	**$16,193**	**Beazley**		$22,253,165	**$34,930**	20.4%	115.7%	95.3%
Data Breach Response	$2,000,000	$25,000			$2,000,000	$25,000					
Security Liability	$2,000,000	$25,000			$2,000,000	$25,000					
Ransomware	$100,000	$25,000			$100,000	$25,000					
Crime	**Travelers**		81	**$5,547**	**Travelers**		168	**$5,676**	107.4%	2.3%	-105.1%
Employee Dishonesty	$500,000	$1,000			$500,000	$1,000					
Sub-Total				**$339,676**				**$477,573**	**29.3%**	**40.6%**	**11.3%**
Optional Coverage					**Lloyd's Syndicate 33**						
Terrorism & Sabotage					**$68,642,983**	**$10,000**		**$10,708**			
Active Shooter					**$1,000,000**	**$10,000**		**$5,200**			
Grand Total				**$339,676**				**$493,481**	29.3%	**45.3%**	**15.9%**

DISLCAIMER: Premium+ includes any surplus lines taxes and fees if applicable. Broker Compensation is included unless specified as a broker fee. Risk management fees are for additional risk consulting services unrelated to the coverage placement. This summary is an outline of certain terms and conditions of the insurance proposed and does not include all of the terms, coverages, exclusions, and conditions of the actual policy language. We make no warranties with respect to policy limits, deductibles, or coverage considerations of the carrier.

Renewal Results Continued

	GIRMA				Travelers			
Line of Business	Expiring Program	Retention	Rating Basis	Premium	Proposed Program	Retention	Rating Basis	Premium
Primary Package	**GIRMA**				**Travelers**			
Auto Liability*	$1,000,000	$0	143	**$69,374**	$1,000,000	$0	143	**$116,982**
Auto Physical Damage	Comp & Collision	$1,000	134	**$33,188**	Comp & Collision	$1,000	134	**$59,864**
General Liability	$3,000,000	$0	$22,253,165	**$33,855**	$1,000,000	$0	$22,253,165	**$45,604**
Law Enforcement Liability	$3,000,000	$5,000	64	**$90,429**	$1,000,000	$5,000	64	**$31,671**
PE Management Liability	$3,000,000	$10,000	168	**$44,598**	$1,000,000	$5,000	168	**$45,542**
Employment Practices Liability	$3,000,000	$10,000		**Included**	$1,000,000	$5,000		**Included**
Umbrella	$2,000,000		$22,253,165	**$75,000***	$5,000,000		$22,253,165	**$12,230**
Property	**GIRMA**		**$71,866,695**	**$141,842**	**Travelers**		**$68,382,483**	**$111,239**
All Risk / Blanket	$63,205,471	$2,500	*$0.1974*		$68,382,483	$5,000	*$0.1627*	
Flood	$10,000	$50,000			$1,000,000	$50,000		
Earthquake	$10,000	$50,000			$1,000,000	$50,000		
Equipment Breakdown	$68,642,983	$1,000			$68,382,483	$5,000		
Inland Marine	**GIRMA**		$3,223,712	**$4,747**	**Travelers**		**$3,070,027**	**$13,835**
Miscellaneous Scheduled Items	$320,678	$1,000			$320,678	$1,000		
Contractors Equipment	$3,046,228	$1,000			$3,070,027	$1,000		
Cyber Liability	**Beazley**		$22,253,165	**$34,930**	**Beazley**		$22,253,165	**$34,930**
Data Breach Response	$2,000,000	$25,000			$2,000,000	$25,000		
Security Liability	$2,000,000	$25,000			$2,000,000	$25,000		
Ransomware	$100,000	$25,000			$100,000	$25,000		
Crime	**GIRMA**		168	**$3,234**	**Travelers**		168	**$5,676**
Employee Dishonesty	$500,000	$1,000			$500,000	$1,000		
Gallagher Brokerage Fee				**$35,000**				**Included**
Sub-Total				**$566,197**				**$477,573**
Optional Coverage					**Lloyd's Syndicate 33**			
Terrorism & Sabotage					**$68,642,983**	**$10,000**		**$10,708**
Active Shooter					**$1,000,000**	**$10,000**		**$5,200**
Grand Total				**$566,197**				**$493,481**

*Estimated Premium

DISLCAIMER: Premium+ includes any surplus lines taxes and fees if applicable. Broker Compensation is included unless specified as a broker fee. Risk management fees are for additional risk consulting services unrelated to the coverage placement. This summary is an outline of certain terms and conditions of the insurance proposed and does not include all of the terms, coverages, exclusions, and conditions of the actual policy language. We make no warranties with respect to policy limits, deductibles, or coverage considerations of the carrier.

Risk Control Service Offerings

NATIONAL RISK CONTROL TEAM	
SITE RISK ASSESSMENT	Site risk assessment consists of reviewing operations, identifying potential risk/hazards, and recommending corrective actions. Some of the services Gallagher can provide include: • Assist in developing a gap analysis that allows your risk management department to compare existing programs to your internal standards/best practices • Providing technical support for the risk management team in areas of safety/risk concerns.
RISK & SAFETY EDUCATIONAL TRAINING	Develop/conduct safety educational training for managers, supervisors and employees. Some of the services Gallagher can provide include: • Working with your risk management team to determine where specific training may be required. • Assist in developing a safety training matrix or reviewing existing training matrix • Conducting risk/safety training through a virtual platform. • Providing access to Gallagher's proprietary **Gallagher STEP** Online Safety Training
PROGRAM CONSULTATION	Program evaluation, assessment, and recommendations to various operational risk. Some of the services Gallagher can provide include: • Assisting your safety team in enhancing the mission and scope of activities. • Reviewing existing safety and health procedures and provide recommendations to enhance these procedures. • Reviewing your fleet safety program and comparing the program to best standards of practice.
SPECIAL PROJECTS	Client requested services for emerging risk or concerns. Examples include: • Collaborate with insurance carrier risk control consultants • Participate with your risk management team on serious accident events.

Gallagher Safety Training & Education Platform (STEP)

Safety training programs and educational material for employees are critical for reducing losses and minimizing your total cost of risk. Gallagher STEP features online training to support your safety program, provide real-time access to your loss control plans, and keep employees up to date with the latest safety standards.

The primary feature of Gallagher STEP is the safety training modules, available to all employees within your organization, regardless of size or location. Managers and employees gain annual access to 10 training modules at a time of their choosing, with the opportunity to refresh the 10 modules annually. Courses can be opened and closed at any time depending on your risk management needs. There is unlimited user access, no per user fee, unlimited module access to allow real-time review, and additional modules from the 100+ library which can be added for a fee.

The list of currently available modules and descriptions is over 25 pages long and can be provided upon request. Modules are usually 15-30 minutes with a quiz at the end to ensure employee engagement. The one exception is the Sexual Harassment Training which is modified per individual state requirements. Certificates of completion can be generated for proof of attendance.

If you feel your employees would benefit more from a quick refresher course, there are also a variety of safety shorts videos to choose from. Two safety shorts are the equivalent to one module, and they are quick five minute or less videos with no quiz at the end, perfect for the occasional reminder.

The Portal also features easy communication to send e-mails and set up reminds. The automatic e-mail function notifies employees of training assignment with a direct system link. Unique profiles can be made for users within the portal so managers can still communicate with employees without personal e-mail addresses.

Property Risk Engineering

Gallagher Property Risk Engineering (PRE) supports our property clients globally and within our Public Entity & K-12 Education Practice. Our Property Risk Engineers have specific expertise in the protection of fire, hazard, life, safety, sprinkler leakage, and other areas and will collaborate with you and your organization, as well as the carrier engineers and your property placement team, to develop a comprehensive property risk management plan that addresses your needs. Whether your organization is already a Highly Protected Risk (HPR), or seeks to improve your current risk rating, PRE can provide guidance and support.

Contractual Liability

Hidden Risk Transfers & Unknown Assumption of Liability

Contractual Liability

Gallagher provides a broad level of services to help our public entity clients ranging from educational services or specific products and guidelines.

Our key service offerings:

1. Contract Review

- Review insurance, hold-harmless, and indemnity provisions
- Verify limits and insurance coverages

2. Certificate of Insurance Issuance

- Our team provides normal 24 hour turnaround
- Can handle rush requests

3. Ceritifcate of Insurance Management

- Outsourced service called Gallagher Verify
- Manages COI reviews, follow ups & tracking
- Call center with licensed experts
- Fee based service

4. Modern Contractual Insurance Requirements

- Comprehensive guidelines
- Designed for public entities

5. Education & Training Resources

- Onsite or virtual training
- Can be targeted to procurement staff, leadership, risk management staff