



THE WOODLANDS TOWNSHIP

The Woodlands, TX

EXECUTIVE SUMMARY

MEETING DATE: September 22, 2010

SUBJECT MATTER: Property, Liability, and Public Officials Errors & Omissions Insurance

BUDGET IMPACT: October 1, 2010 – September 30, 2011 Premium Cost: \$122,679

FACTS/HISTORY:

In July 2010, the Board of Directors approved premiums totaling \$747,285 for property and liability insurance for coverage previously held by the Community Associations of The Woodlands and The Woodlands Fire Department. Those policies renewed on August 1, 2010 and are being administered by Willis HRH.

Policies that were held by The Woodlands Township prior to the transition date expire on September 30, 2010. Staff has received quotes from both Texas Municipal League (TML) and Willis HRH for these policies as follows:

Coverage	TML	Willis HRH	Recommended
Property	\$14,901	\$24,500	TML - \$14,901
General Liability	\$26,414 (a)	\$22,315 (b)	Willis - \$22,315
Public Officials E&O	\$12,558 (c)	\$85,463 (d)	Willis - \$85,463
Total			\$122,679

Notes:

- (a) This cost includes the TML quoted premium of \$12,414 plus the cost of additional policies secured through other vendors over the past year for the various special events produced by the Township or the Woodlands Convention & Visitors Bureau. The general liability quote provided by Willis includes insurance requirements for all special events and eliminates the need to procure separate coverage for each special event.
- (b) Chartis - Public Entities is the only insurance provider that submitted a quote to Willis for general liability coverage. Travelers Public Sector Unit declined to propose coverage as they wanted three years experience for the Township post-transition.

(c) TML's quote is based on the Township Board of Directors being responsible for operations similar to the scope and size prior to transition. Although staff requested a quote based on the scope and size of current operations (post-transition), one was not received.

(d) Willis received multiple quotes for Public Officials E&O premiums. Chartis was the lowest quote at \$85,463 as recommended above. Other quotes included Ace Westchester - \$150,000; Aspen - \$92,000; and XL Capital - \$141,000.

A detailed inventory of all assets owned by The Woodlands Township is ongoing and will be completed, in conjunction with a reserve study and the implementation of a new fixed assets management system, by the end of the first quarter 2011. Upon completion of the project, insurance coverage for all Township assets/operations will be bid. Both Willis HRH and TML will refund the prorated share of premiums previously paid but unused at the date on which a new insurance contract is executed.

RECOMMENDED BOARD ACTION:

Authorize the President/General Manager to execute property, general liability, and public officials errors & omissions insurance contracts as summarized above in the total amount of \$122,679.