

RESOLUTION NO. 2016-104

**RESOLUTION BY THE FINANCE AND HUMAN RESOURCES COMMITTEE
AUTHORIZING THE TERMINATION OF PROPERTY INSURANCE COVERAGE WITH
THE LOCAL GOVERNMENT PROPERTY INSURANCE FUND (LGPIF) AND ELECT
PROPERTY INSURANCE COVERAGE FROM THE TRAVELERS COMPANIES, INC.**

To the Honorable Members of the Racine County Board of Supervisors:

WHEREAS, recent state budget discussions have included proposals to eliminate the Local Government property Insurance Fund (LGPIF); and

WHEREAS, due to deficits in funding at the LGPIF, municipal members of the LGPIF have seen skyrocketing premiums of up to 100% above current rates; and

WHEREAS, Racine County and other municipalities across the state have been scrambling to find positive alternatives to the LGPIF for property insurance coverage; and

WHEREAS, all necessary property information on file with LGPIF can be transferred to Travelers; all necessary applications have already been completed, accepted, and quotes have been provided; and

WHEREAS, after doing due diligence in checking market comparable alternatives, it is evident that Travelers is the best alternative for Racine County to have administer the County's property insurance fund; and

WHEREAS, it is anticipated that annual premium costs will be significantly less for Racine County by joining Travelers than the projected rates with LGPIF for 2017; and

WHEREAS, Travelers was founded in 1864 in Hartford, CT and merged with St. Paul Fire & Marine in 2004 with the name of St. Paul Travelers and in 2007, St. Paul Travelers merged with Citigroup and changed their name to Travelers Companies, Inc.; and

WHEREAS, in its most recent rating, AM Best gave Travelers an A++ (superior) credit rating, Travelers Financial Standing is rated XV (\$2 billion or greater), and Travelers' outlook is stable; and

WHEREAS, 17% of all businesses insured by Travelers are counties or cities including similar sized and nearby counties; Travelers insures approximately 60% of all counties and municipalities in Illinois; and

WHEREAS, Racine County has already paid the 2016-17 premium to LGPIF as the County's property insurance coverage was due to expire on December 31, 2016; and

WHEREAS, if Racine County obtains coverage from Travelers effective November 10, 2016, LGPIF will refund in the amount of \$16,179.00 to Racine County for the premium paid for the months of November and December 2016; and

3
4 **WHEREAS**, if Racine County obtains coverage from Travelers effective November
5 10, 2016, Travelers will provide a 5% discount for the first thirteen (13) months of
6 coverage; and
7

8 **WHEREAS**, pursuant to the requirements of section 605.21(3), Wis. Stats., to
9 withdraw from the Local Government Property Insurance Fund, a local municipality must
10 provide certified notice to the LGPIF by majority vote that the municipality has elected to
11 withdraw from the fund; and
12

13 **NOW, THEREFORE BE IT RESOLVED**, that pursuant to section 605.21(3) of the
14 Wisconsin Statutes, the Racine County Board of Supervisors, hereby elects to withdraw
15 from the Local Government Property Insurance Fund, effective November 10, 2016; and
16

17 **BE IT FURTHER RESOLVED** that a certified notice of this resolution be sent to the
18 Local Government Property Insurance Fund and the appropriate forms be completed;
19 and
20

21 **BE IT FURTHER RESOLVED** that the Racine County Board of Supervisors does
22 hereby elect to obtain property insurance coverage from The Travelers Companies, Inc.
23 effective on November 10, 2016.
24

25 Respectfully submitted,

26
27 1st Reading _____

**FINANCE AND HUMAN RESOURCES
COMMITTEE**

28
29 2nd Reading _____

30
31 BOARD ACTION
32 Adopted _____
33 For _____
34 Against _____
35 Absent _____
36

Q.A. Shakoor, II, Chairman

Robert N. Miller, Vice-Chairman

37 VOTE REQUIRED: Majority

Thomas Pringle, Secretary

38
39 Prepared by:
40 Corporation Counsel

Janet Bernberg

41
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43 _____
John A. Wisch

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45 _____
Donnie Snow

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47
48 _____
Brett A. Nielsen
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4 The foregoing legislation adopted by the County Board of Supervisors of
5 Racine County, Wisconsin, is hereby:

6 Approved: _____

7 Vetoed: _____

8

9 Date: _____,

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12 _____
Jonathan Delagrave, County Executive