

COUNCIL COMMUNICATION

	Number:	26-215	Meeting:	June 29, 2026
	Agenda Item:	42	Roll Call:	26-0760
	Submitted by:	Nickolas Schaul, Finance Director		

AGENDA HEADING:

Annual insurance renewal for July 1, 2026, (Fiscal Year {FY} 2026/2027) for property, casualty, and other City operations.

SYNOPSIS:

Authorization to purchase insurance coverage for property insurance, automobile liability insurance for enterprise funds, crime insurance, hazardous materials/mutual aid occupational injury insurance, excess workers compensation insurance, National Flood Insurance Program (NFIP), and cyber liability insurance.

The total preliminary quoted premium for July 1, 2026, to June 30, 2027, renewal of these insurance coverages is \$2,607,888. This is a decrease of \$461,465 from 2025/2026 insurance costs. This slight decrease is due to a decrease in rates in property insurance combined with the raising of some deductibles and self-insured retention on the City's end. Staff recommend approval of the 2026 Schedule of Insurance, which is below.

FISCAL IMPACT:

Amount: \$2,607,888

Funding Source: FY 2026 Operating Budget:

- Tort Fund – Tort Liability, G005, ND405645, Page 86
- Parking Operations Fund – Traffic and Transportation Parking Administration, E051, EG062085, Page 66
- Solid Waste Operations Fund – Solid Waste Collection, E151, PW250430, Page 228
- Solid Waste Operations Fund – Curbside Recycling, E151, PW250432, Page 229
- Sanitary & Storm Sewer Maintenance Fund – E101, PW247411, & E301, PW247413, Page 231 and 222
- Des Moines Public Housing Agency Fund – Housing Services – Public Housing S350, HS120130, Page 114
- Special Revenue Funds – Other Employee Benefits, S451, ND405649, Page 123

ADDITIONAL INFORMATION:

- Property Insurance – Alliant Insurance Services submitted a property insurance quote of \$1,195,220, which is a decrease of \$506,831 from the expiring premium. This policy includes flood coverage in Zones other than A or V, up to \$5,000,000 with a \$500,000 deductible. This deductible is up from prior years of \$250,000. The flood deductible is partially offset by the purchase of National Flood Insurance at certain high-risk locations that have sustained flood losses in prior years (see bullet point below National Flood Insurance).
- Crime Insurance – Travelers Insurance submitted a premium renewal quote of \$20,667, which is a decrease of \$483 compared to the prior year. This includes an increase to the available coverage for forgeries and alterations. This policy covers potential losses due to employee theft, forgery, robbery, computer fraud, etc.
- Enterprise Fund Automobile Liability Insurance – Travelers Insurance submitted a premium renewal quote of \$189,812 which is an increase of \$16,247 compared to the premium last year. This policy for Automobile Liability insurance covers Solid Waste Collection and Recycling, Sanitary Sewers, Storm Water Utility, and Housing Services vehicles.
- Excess Liability Insurance – Obsidian Specialty Insurance Company, Inc. submitted a renewal quote of \$555,340, which is a decrease of \$137 compared to the prior year premium. This policy provides a per occurrence limit of \$10,000,000 and an aggregate policy limit of \$20,000,000 for General Liability, Auto Liability, Law Enforcement Liability, and Public Officials Liability. Outside of Public Housing, which maintains a \$1,000,000 self-insured retention, the City's self-insured retention under this policy is \$2,000,000.
- Excess Workers' Compensation Insurance – Safety National submitted a premium renewal quote option of \$465,077, which is an increase of \$29,729 compared to the expiring policy. The City purchases Excess Workers' Compensation Insurance to cover employee occupational injuries that exceed the City's current self-insured retention. This policy covers indemnity (present and future lost wages) and medical expenses related to occupational injuries incurred by City employees. Only medical expenses are covered for Police and Fire personnel because their indemnity expenses are covered under Chapter 411 of the Code of Iowa by the Municipal Fire & Police Retirement System of Iowa.
- National Flood Insurance – The City purchases flood insurance through the NFIP. The renewal quote for this year is \$16,289. This is an increase of \$42 compared to the expiring policy. To remain FEMA reimbursement eligible, flood insurance is required on the Animal Shelter, Birdland Aquatic Center, the Birdland Aquatic Center Filter Building, City Hall, the Armory and Principal Park. At most locations, the limit is the maximum coverage available under the NFIP, \$500,000 for each building and \$500,000 at each location for contents.
- HazMat/Mutual Aid Workers' Compensation Insurance – The renewal quote for this coverage came in at \$43,617. This is the same amount as the prior fiscal year. This coverage extends from the time Fire Department personnel leave their station to the time they return. This policy is intended to cover most of the \$2,000,000 self-insured retention included in the excess Workers' Compensation policy. The cost of this coverage is apportioned to those counties having HazMat Services 28E Agreements with the City. Therefore, this coverage is cost-neutral to the City.

- Cyber Liability Coverage – CFC Underwriting Ltd is submitted a cyber liability premium quote of \$121,867 for the upcoming year, which is a decrease of \$30 from the prior year's premium. This coverage includes access to incident response experts as well as coverage for costs related to recovering data and bringing systems back online.

PREVIOUS COUNCIL ACTION(S):

Date: June 30, 2025

Roll Call Number: [25-0927](#)

Action: [Annual](#) insurance renewal for July 1, 2024 (FY 2024/25) for property, casualty, and other City operations. ([Council Communication No. 24-252](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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