

**MINUTES**  
**LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT**  
**BOARD OF TRUSTEES' RISK MANAGEMENT COMMITTEE MEETING**  
**LAS VEGAS, NEVADA**  
**JUNE 11, 2020**  
**(approved July 23, 2020)**

The Board of Trustees' Risk Management Committee of the Las Vegas-Clark County Library District met in regular session at the Summerlin Library and via WebX at Las Vegas, Nevada, at 4:30 p.m., Thursday, June 11, 2020.

**Present:** Committee: M. Francis Drake, Chair E. Foyt  
J. Meléndrez S. Ramaker  
F. Ortiz, ex-officio

Board: S. Bilbray-Axelrod K. Benavidez  
R. Wadley-Munier B. Wilson

Counsel: G. Welt

Absent:

Staff: Fred James, Acting Executive Director  
Steve Rice, General Services Director  
Numerous Staff

Guests: Brandon Lewis, USI Insurance Services, LLC  
Jennifer Fryer, USI Insurance Services, LLC

M. Francis Drake, Committee Chair, called the meeting to order at 4:30 p.m.

**Roll Call (Item I.)** All members listed above represent a quorum.

**Public Comment (Item II.)** None.

**Agenda (Item III.)** Trustee Wadley-Munier moved to approve the Agenda as proposed. There was no opposition and the motion carried.

**Discussion and possible Committee action regarding a report from the District's Broker of Record regarding its recommendation for contract award for property and casualty insurance and public officials and employment practices liability insurance for the policy year commencing on July 15, 2020.** General Services Director Steve Rice explained that the District's property and casualty insurance and public officials and employment practices liability insurance policies renew on July 15th. USI Insurance Services, Broker of Record, conducted a thorough review of the District's current policies and coverages and prepared a proposed insurance package and recommendation for contract award. Brandon Lewis and Jennifer Fryer of USI Insurance Services will make a presentation of their proposal and discuss staff's review and recommendation for contract award. The Risk Management Committee will bring forward a recommendation for contract award to the Board of Trustees at the June 11th meeting.

Mr. Lewis explained the annual process USI Insurance Services goes through as part of the renewal process for the District's insurance which starts in January or February of each year. Lewis explained that he had already understood from his discussions with underwriters that property insurance rates were expected to go up double digits in the District's coverage area, about 12-20%. For liability insurance, carriers

## Minutes - Board of Trustees' Risk Management Committee Meeting

June 11, 2020

Page 2

### (Item IV.)

were letting him know that they were expecting anywhere from 5-15% increases. Based upon this information, he and his team went to Travelers, who provides most of the District's coverage, to find out what they were anticipating. Initially, Travelers told Mr. Lewis' team to expect an overall increase of 6-8%. Travelers was not able to keep a flat renewal rate, which did occur last year, but Mr. Lewis and his team worked with the Travelers team and they were able to obtain what he describes as a "better than market" renewal, of less than 5%.

Mr. Lewis explained some of the changes that contributed to a lower overall premium cost for the next year. This included a three year prepaid premium cost for the Kidnap and Ransom coverage (includes Assault Threat and Response Coverage), a reduction in the deductible for underground storage tank coverage, and a reduction in property values. Per Mr. Rice, the reduction in property values was for library materials and it was due to staff's focus on clearing out expired and disposable materials.

Mr. Lewis then reviewed the District's different insurance coverage areas, briefly explained what each covered and who covers it (if not Travelers), and explained any changes that had occurred in the last year. The District's insurance coverage areas are:

- Property
- Inland Marine
- General Liability
- Automobile
- Public Entity Executive Liability
- Umbrella
- Crime and Cyber Liability Package
- Tank Environmental
- Kidnap and Ransom
- Active Shooter
- Tenant User Liability and Property Damage

A summary sheet which breaks out each line of coverage and the last year and upcoming year's premium is included as Appendix A.

Trustee Wadley-Munier asked for a clarification on medical payments coverage, which is listed at \$5,000 on the commercial auto coverage. She thought that was rather low. Mr. Lewis explained that this is actually part of the \$1,000,000 limit and the \$21,000,000 total limits. The carrier will pay up to \$5,000 without regard to fault, which will pay those immediate medical expenses. The goal is to create goodwill and hopefully avoid a claim. However, if a claim is made, the District has access to the full limit of the \$1,000,000 primary and \$20 million excess for a claim. It is low on purpose to create some goodwill, but not just pay out \$100,000 without regard to fault.

Trustee Foyt asked how the District's insurance coverage would address a situation where an employee unwittingly came to work with the COVID-19 virus and others were exposed to it, whether they were employees or customers. Mr. Lewis said in the case of General Liability coverage, which is for bodily injury coverage, he is not aware of any specific exclusions that would exclude coverage for that. The coverage

## Minutes - Board of Trustees' Risk Management Committee Meeting

June 11, 2020

Page 3

is written to provide coverage for the District's legal liability. So, if a claim was made, the carrier's duty to defend is generally considered broader than the duty to pay, so generally, the District would expect the carrier to have the duty to defend the District. Ultimately, claim payments would depend on legal liability, just as if the District did not have any insurance. If the District was defending it with our own attorneys and they were able to show that there is no legal liability on the part of the District, it would not have to pay, and that is how the insurance is geared to work as well. Foyt was satisfied.

Trustee Wilson complimented Mr. Lewis and his team and Travelers on keeping the premium rates low for the next year, but asked why, if everything was shut down, was there a big increase in rates due to less liability across the board in auto insurance, less staff and customers in the buildings, etc. Mr. Lewis went into a detailed explanation of why insurance rates in general had begun to increase last year. Basically, there are a number of factors that go into the increases, with several years of above average property losses, very significant liability settlements on auto and other lines and also reinsurance rates unfortunately going up. He acknowledged that it is the worst timing for it. Trustee Wilson thanked Lewis for the explanation and appreciated the good job everyone did to keep the rates low.

Mr. Rice added that the District had applied for a rebate on the auto insurance as the District's vehicles had been idle for a few months. Ms. Fryer explained that the District had applied for a 15% credit and she is just waiting for the final number from Travelers shortly.

Trustee Ortiz asked about flood insurance costs and whether every District property was required to be covered. Mr. Rice explained that only the Moapa Valley Library was located in a designated flood zone and was required to have the coverage by the US Government. All other District properties are covered under the \$15 million aggregate limit, with the Moapa Valley Library having a separate limit for \$2.2 million as the carrier could not include it in the aggregate limit. Ortiz then requested in the next 90 days that staff reevaluate the flood insurance cost for District buildings that are not required to be covered for flood insurance. Mr. Rice said he would do so, adding that, as Mr. Lewis said, coverage had been included for a number of years, as the valley's flood control system had not been able in the past to handle the flooding that sometimes occurs.

Trustee Wadley-Munier then asked about the reason for limits on which company the District could use for truck rentals due to a notation appearing on the commercial auto coverage. When the notation was explained and she was advised that there was no restriction on using different rental companies, she was satisfied.

Chair Francis Drake moved to recommend to the Board of Trustees that a contract for property and casualty insurance and public officials and employment practices liability insurance be awarded through USI Insurance Services to Travelers, Tokio Marine Specialty, Great American, Indian Harbor, and Atlantic Specialty at an annual premium, not to exceed \$329,558, for the policy year commencing on July 15, 2020, subject to final review by Counsel. There was no opposition and

the motion carried.

**Public Comment**           None.  
**(Item XI.)**

**Adjournment**           Chair Francis Drake adjourned the meeting at 5:11 p.m.  
**(Item XIII.)**

Respectfully submitted,

Marilyn Francis Drake, Committee Chair