

**Sun Lakes Fire District  
Insurance & Legal Committee  
Meeting Minutes**

**March 18, 2011**

**Call to Order:**

A meeting of the Sun Lakes Fire District Insurance & Legal Committee was called to order by Fire Chief Wilson at 10:00 A.M. at the Fire Station 232 Training Room. Directors John Crawford and Forrest Kohler were present. Others in attendance included Deputy Chief McCoy, Vice President Ron Puchta and VFIS Agent John Hayes

**Introduction**

Chief Wilson opened the meeting by explanation of the purpose of the Committee Meeting was to Review and Discuss the Property, Auto, & Liability Insurance Proposals for Fiscal Year 2011/12.

He then introduced Mr. John Hayes, of VFIS, to go through the details of the VFIS Insurance Proposal.

**Agenda Item 1** - A presentation was made by Mr. John Hayes on the reduction in insurance costs to the District for 2011/12, based on the experience rating and the underwriting adjustment for the State of Arizona. Mr. Hayes provided a loss history for the District, and stated SLFD is one of the better rated District's in AZ. from a low loss perspective.

Mr. Hayes referred the Committee to page 32 of the proposal and summarized the premiums in each category, with the bottom line of a 2% reduction in total premium cost from the previous year. The FY 2011/12 premium is quoted at \$32,061. (The VFIS Proposal is available as part of the Agenda packet).

In response to a question by Director Crawford on why the Automobile category had lower rates, Mr. Hayes referred to page 17 of the proposal and indicated there was some adjustment in Agreed Value of District vehicles, but the majority of the rate decrease was due to the underwriter's adjustment. This was attributed to management liability costs increasing due to wrongful termination, EEOC, and hostile work environment claims.

In response to a question from Director Crawford, regarding the umbrella coverage Mr. Hayes referred to page 23 of the proposal and spoke about single occurrence coverage is provided at \$1M and then referred to page 30 where the umbrella coverage is provided as an additional \$10 M. This protects the District to an aggregate of \$11 M, per occurrence.

There was a discussion on the value of guaranteed replacement costs and how it related to the reconstruction of a fire station.

In response to a question from Vice President Puchta regarding are employees & volunteers covered when they drive a citizens' vehicle to the hospital or their home, Mr. Hayes answered Yes, the District policy covers them. The citizens' insurance company would most likely be primary and the Districts' secondary.

Director Kohler pointed out on page 16 under portable equipment how employees personal effects were covered “on and off premises while on authorized duty” by the District insurance. There was discussion of how a theft of a personal laptop, from fire station, had been previously covered.

In response from a question from Director Kohler regarding was he was hearing from other Fire Districts about insurance coverage due to tax revenue declines. Mr. Hayes said some Districts were increasing deductibles and decreasing umbrella coverage, just to afford the insurance premium.

In response from a question by Deputy Chief McCoy of which were greater claim costs for VFIS, driving accidents or liability claims, Mr. Hayes there were more driving accident claims however the liability such as hostile work environment were more expensive for the VFIS.

Mr. Hayes then referred to the last page of the proposal and discussed adjustments to the premiums, in the different Coverage(s), as compared to the 09/10 fiscal year.

The premium has decreased from \$32,811. for FY2010/11 to \$32,061.

Mr. Hayes and Chief Wilson asked in the Committee had any additional questions or wanted additional discussion on the coverage, hearing none, the Committee thanked Mr. Hayes for his presentation.

Chief Wilson indicated a recommendation of the Insurance & Legal Committee, to renew the VFIS for FY2011/12 was on the Board Agenda for March 22.

**Adjournment**

There being no further business to come before the Insurance & Legal Committee, the meeting adjourned at 10:50 a.m.