ACCG Insurance Programs
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June 8, 2015

The Honorable Chris Dockery, Chairman
Lumpkin County
99 Courthouse Hill, Suite A
Dahlonega, GA 30533

Attention: The Honorable Chris Dockery, Chairman

Attached is a summary of the ACCG – Interlocal Risk Management Agency (ACCG-IRMA) renewal for the property and liability insurance coverage provided to your organization for the coverage period July 1, 2015 through July 1, 2016. The entire renewal packet, Contribution Worksheet, invoice and a copy of this letter have been provided to the person copied on this letter. This includes an overview of the coverage and services provided by the ACCG-IRMA, a list of your fellow members, and a service contact list.

This marks our 29th year of providing insurance and risk management services for Georgia county governments. The structure of the ACCG-IRMA is designed to insulate the membership from the cycles of the commercial insurance market, which helps provide stability for county government budgets. Please note however, an individual member's renewal contribution may vary based upon the member's particular exposure increases/decreases as well as its loss experience.

On behalf of the ACCG-IRMA Board of Trustees, I am very pleased to inform you that the Board declared a dividend of $2,500,000 at its May 21, 2015 meeting. This brings the total dividends returned to the ACCG-IRMA membership to $22.6 million. The fund has always operated conservatively, which has served the membership well, especially during the current economic conditions. We are pleased to return dividends during times when our county government membership needs it the most.

The ACCG-IRMA has the ability to return dividends to its members because it is a member-owned and non-profit organization. Since its creation in 1987, the ACCG-IRMA has grown from its original 14 members to its current membership of 162 and has become a very financially strong program. As stated in the March 31, 2015 ACCG-IRMA financial statement filed with the Georgia Insurance Commissioner's office, it had assets of $125 million. While all insurance organizations must maintain a sufficient level of surplus to assure adequate funding, excess surplus may be returned to the membership. The ACCG-IRMA Board, its consultants and financial advisors believe that the ACCG-IRMA's healthy financial position allows for the prudent distribution of another dividend with this renewal.

This year, the dividends are derived from non-required surplus funds developed from the coverage periods October 1, 2000 through September 30, 2006. The $2,500,000 dividend will be returned in the form of dividend credits on the contribution requirement for the term beginning July 1, 2015 for those members who have had continuous membership in the program since the October 1, 2005 - 2006 coverage period.
Your share of the dividend is $32,037.

In addition to long-term cost savings through dividends, the ACCG-IRMA provides members with a stable source of broad insurance coverage, comprehensive loss control services and dedicated, professional claims services. Because the ACCG–IRMA operates solely for its members, it can provide specialized property and liability insurance coverage and services in a cost-efficient and highly effective manner.

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Insuring Georgia's Counties.

Cyber Risk Coverage
The ACCG-IRMA has the flexibility to respond quickly to new types of risks faced by Georgia counties and to provide coverage and services for those risks. The ACCG-IRMA Coverage Agreement provides $1,000,000 in coverage for each member for liabilities arising out of the actual or reasonable suspected release of private or confidential data or a violation or failure of the security of the member's computer system. Some coverage is included for regulatory penalties, event management, notification of effected parties and remediation. Higher limits are available upon request for an additional contribution. More details are provided under the Coverage & Limits section of this proposal.

Flood and Earthquake Coverage
The ACCG-IRMA provides limited Flood and Earthquake protection to you as noted in the Coverages and Limits section of this proposal. Higher limits may be available upon request for an additional cost.

Note that any property located in a Special Hazard Zone for Flood (Zones A or V) must be properly identified as such on the enclosed Statement of Values or Flood coverage will be excluded for that particular location. Those locations in Special Hazard Zones have a deductible of $500,000 per building and $500,000 contents before the Flood coverage provided by the ACCG-IRMA will apply, and coverage will be sub-limited to $1,000,000 per Occurrence and Aggregate for these locations. (Your standard property deductible applies for all other covered locations.) Upon written request from you, our administrator, Marsh, may arrange coverage through the National Flood Insurance Program (NFIP) to satisfy the ACCG-IRMA deductible requirements for locations in Special Hazard Zones. Should you have particular concerns about any of your locations' flood zones, how these provisions affect you, how to obtain a quote and coverage from NFIP (if necessary), or the cost to increase your limits, please call 1 (800) 295-8179 or (404) 995-3607.

Contribution Worksheet- Deductible and/or Coverage Options
It is imperative you return the Contribution Worksheet by July 1st via fax or regular mail to Penny Henderson at ACCG. Please note on the Contribution Worksheet that we may have offered deductible options in addition to options for higher limits of liability insurance. The costs of these options are shown on the Worksheet. **If you elect to change your deductible(s) or your liability limits, please circle the option(s) you desire.** If a claim occurs after the new coverage period begins and before we receive notice of a change in deductible and/or limits, last year's deductible and/or limits will apply.

Payment is due upon receipt. If you opt for any changes in your deductibles, limits or coverage, we will invoice you for the difference upon receipt of your completed Contribution Worksheet.

Safety Discount
Many ACCG-IRMA members who met specified loss control requirements will receive a discount on their renewal contribution. If you qualified for this discount, the amount of the discount is shown on the Contribution Worksheet and the invoice. We appreciate those members who have taken advantage of this initiative designed to further encourage the members in the reduction and mitigation of property and liability losses.

On behalf of the ACCG–IRMA Board of Trustees and the ACCG-IRMA team, we express our appreciation for your continued support of the ACCG Insurance Programs. The success of the programs is directly attributable to your entity's long-term commitment to its membership.

Very truly yours,

David C. Uhlman, CPCU
Director of Property & Casualty Insurance Programs

cc: Ms. Alicia Davis, HR Director

ACCG–IRMA

Renewal Proposal Summary

July 1, 2015 to July 1, 2016

Member: Lumpkin County

COVERAGE AVAILABLE THROUGH ACCG-IRMA

General Liability	Automobile Liability	Equipment Breakdown
Law Enforcement Liability (LEL)	Automobile Physical Damage	Crime
Public Officials Liability (POL)	Property	Cyber Liability & Expense

DEDUCTIBLES AND CONTRIBUTIONS

Unless noted otherwise, your deductible(s) will be the same as expiring and as noted in the Coverages & Limits section of this proposal.

Renewal Proposal	Contribution
Renewal Contribution:	$223,309
Less Safety Credit:	($5,000)
Less Dividend Credit:	($32,037)
Net Contribution Due:	$186,272

*The deductible will apply to all losses and all lines of coverage subject to a maximum of one deductible for all claims arising from a single loss. For scheduled properties in Special Hazard Zones for Flood, the deductible is the maximum limit available under the National Flood Insurance Program or if unavailable, $500,000 for building or structure and $500,000 contents. Highest applicable deductible will apply.

ADDITIONAL LIMITS OF LIABILITY COVERAGE

Your Limit for Liability Coverage (Included in Contribution Above): $1,000,000
Note that these are the limits you chose last year.

Your liability limits may be increased in increments of $1,000,000.
We have provided the cost of any additional limits below.

(If Automobile Liability is specifically itemized in Your Limit of Liability Coverage above, that limit will remain the same even if you increase the other liability limits.)

Option	Additional Annual Cost
Increase Limits to $3,000,000	$10,172
Increase Limits to $4,000,000	$16,109
Increase Limits to $5,000,000	$19,968

For those members buying a General Liability limit of $3,000,000 or more, liability arising out of dams which are either 25 ft. or more in height or have an impounding capacity of 50 acre ft. or more will be limited to $2,000,000 per occurrence unless underwriting requirements are met and the ACCG-IRMA Coverage Agreement is endorsed. Should you have questions about coverage on a particular dam, please call Marsh, the ACCG-IRMA Administrator, at 1-800-295-8179.

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LUMPKIN COUNTY
COMMUNITY AND EMPLOYEE SERVICES

June 23, 2015

Agenda Item:

ACCG General Liability, Law Enforcement Liability, Public Officials Liability, Automobile Liability, Automobile Physical Damage, Property, Equipment Breakdown, & Crime insurance renewal.

Facts & Historical Information:

ACCG has provided the cost of Lumpkin County's annual insurance renewal ($186,272.00) and requests that the BOC approve, sign and return the Renewal Contribution Worksheet. This is a contract that is renewed annually.

Potential Courses of Action:

A. Approve the contract renewal.

B. Refuse to renew the coverage, in which case it will become necessary to quickly find alternative coverage since the current agreement ends June 30, 2015.

Budget Impact:
This is an expected cost and is included in the County's annual budget.

Staff Recommendation:
The staff recommends that the County's ACCG property and casualty insurance be renewed.