


TOWN OF OCEAN VIEW
DELAWARE

April 15, 2024

TO: Mayor and Council

FROM: Carol Houck, Town Manager 
Dawn Parks, Finance Director

SUBJECT: Insurance Renewal – Sole Source Notification of Change in Broker
Strategic Insurance Partners/DeLea Founders Insurance Trust
Proprietary Group Property and Casualty Insurance Program
Exclusive to Delaware Municipalities - Effective May 7, 2024

Background

In October of 2023 we met with Strategic Insurance Partners (SIP) Public Sector Director Terri Desanto, to discuss their providing Ocean View with a proposal for their proprietary group Property and Casualty insurance program in time for consideration for our renewal term of May 2024. This early engagement required the Town to share current coverage details, claims information, loss runs and ultimately their ushering our property and casualty insurance needs through underwriting.

Strategic Insurance Partners is familiar to Ocean View through our participation in the DeLea Founders Insurance Trust (the DFIT) since inception in 2008. DFIT is the first statewide group self-insurance Workers Compensation Program exclusively for Delaware municipalities, now representing 31 communities including Kent County. SIP is the service team for DFIT's workers compensation program, handling claims and risk control programming and training. Our experience with SIP in this regard and the success of the DFIT Workers Compensation self-insured program has been very positive.

Strategic Insurance Partners was able to successfully expand the DFIT program to offer, as the broker, a proprietary group municipal Property & Casualty program in 2015 with 11 towns/cities, which has now grown to 21, also including Kent County. Over the years members have touted the benefits of this program. Outreach to several nearby Towns resulted in positive feedback in relationship to claims response, and public entity focus. (see attached)

The proprietary nature of this property and casualty program, developed solely for Delaware local governments eliminated the need for public advertisement. While we have not been dissatisfied with our current Broker arrangement with the Lyons Companies, the Town has been with Lyons since 2013 and we felt it necessary to take the time to explore the SIP/DFIT proprietary Group Property and Casualty Insurance program, that 21 other Towns and Cities in our State are aligned with.

Trident, Public Risk Solutions is the Managing General Agent (MGA) for this proprietary program that focuses on public entities and offers public entity enhancements, such as risk control and training opportunities. As such, they're uniquely positioned to represent our interests. More importantly, Trident only works with group programs like that of SIP/DFIT, so our current broker or the regular carrier market can't access it, thereby rendering this a sole-source opportunity. Trident as the MGA, accesses various carriers including primarily Ascot and Arch, handling all risk control, claim coverage determinations across

all lines, plus all underwriting is handled through Trident. Trident is also in a position to manage rates specifically for the group, based on group performance, not all industry.

May 2024 Renewal

After review of the proposal from Strategic Insurance Partners received on April 1, 2024, for the proprietary program and Lyons' renewal submittal received on April 12, 2024, we have determined it to be in the best interest of the Town of Ocean View to enter a broker relationship with SIP effective May 7, 2024, for the proprietary Property and Casualty program, offered by Trident. Doing so represents an across-the-board savings of approximately 31% or \$38,605 for premium costs, while also adding value from the stronger municipal focus, client service engagement, and multiple coverage limit improvements (Umbrella or Excess).

The proposed premiums are as follows:

Strategic Insurance Partners Premium	\$123,240
Lyons Companies Renewal Premium	\$161,845

Lyons has primarily brokered our property and casualty insurance lines through Selective Insurance, Indian Harbor and Travelers. It is our intent to maintain Lyons as our broker for the Guardian insurance coverages of disability, life and dental for its next renewal period later this year. These lines are renewed separately from Property and Casualty with a new term beginning in July.

For full awareness and clarity, our employee health insurance continues to be provided through the State of Delaware's State Benefit Office (SBO) as a participating member (for at least this renewal year of July 1, 2024, through June 30, 2025).

Coverage Areas

The Property and Casualty package coverages to be brokered by SIP on behalf of Ocean View include:

- General Liability
- Property/Equipment Breakdown
- Inland Marine
- Auto Liability and Physical Damage
- Umbrella coverages
- Public Officials Liability
- Employment Practices Liability
- Law Enforcement Professional liability
- Crime
- Cyber

Recommendation

While insurance brokerage doesn't fit into a typical purchase between the Town and one entity (as premiums also include fees and commissions between the managing general agent/broker and/or carriers), the fact that we are making a change in brokers to participate in this proprietary Property and Casualty program warranted full awareness and support from Council. For that reason, we ask that you accept the recommendation of the Town Manager and Finance Director to enter into a new broker relationship with Strategic Insurance Partners (SIP) for the Town of Ocean View's Property and Casualty insurance coverage as proposed by SIP on April 1, 2024, and beginning May 7, 2024.

Carol,

We are very happy with our relationship with SIP. They are prompt in taking care of claims and we have had no issues when making a claim. We have really saved money on our Workman's Compensation rates through DFIT. Our property casualty rates have increased over the years, but that is true throughout the industry. Overall, we expect to continue working with SIP.

Regards,

Dean L Gary

Finance Manager, Town of Fenwick Island

Hi Carol,

We've had a very positive experience with them. Celeste Santos is so easy to work with and we are very pleased with their structuring and our cost. I would definitely recommend SIP.

Maureen

Maureen Hartman, ICMA-CM

Town Manager, Town of South Bethany

Phone conversation with Bill Zolper, Town Manager , Dewey Beach

We are completely happy with SIP. Terri D. is off the hook with help when needed. She was Johnny on the spot when they had a significant claim. Quick turnaround on Christmas eve even for a new vehicle purchased that day.