



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Cassey Ogden  
**DATE:** March 19, 2024

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the emergency purchase of Emergency Medical Services/Emergency Medical Technicians Professional Liability insurance coverage for the City of Denton, through the City's sole broker of record, Lockton Companies, LLC; and providing an effective date (File 8467 – awarded to Admiral Insurance Company, in the three (3) year not-to-exceed amount of \$112,155.00).

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

### **INFORMATION/BACKGROUND**

The City of Denton purchases Emergency Medical Services (EMS) / Emergency Medical Technicians (EMT) Professional Liability protection for the operation of the City's ambulance service and the activities of the City's EMT. This policy covers potential liability due to the provision of professional ambulance services by the EMTs and paramedics in the Fire Department. In addition to coverage for the typical liability exposures associated with emergency medical care, this type of insurance also offers coverage for sexual abuse and breaches of provisions of the Health Insurance Portability and Accountability Act (HIPAA). The City's current policy will expire on February 11, 2024.

Given the complexities of this insurance product solicitation as described in greater detail below, and given that Chapter 252.024 of the Texas Local Government Code provides that the City can utilize the services of a broker of record, the City elected to have our broker, Lockton, to assist with competitively procuring this coverage.

#### **State of the Market:**

The Miscellaneous Medical industry aspect of ambulance services has become an extremely hard market over the past year, resulting in renewals in the sphere of ambulance services going up significantly. The incumbent, Admiral Insurance Company (Admiral), has presented a favorable renewal premium reflecting a 14% increase from last year.

<b>Policy Period</b>	<b>Annual Premium</b>	
24/25	\$32,298	
25/26	37,143	This estimated premium includes the 15% YOY increase
25/26	42,714	This estimated premium includes the 15% YOY increase
<b>Total Contract</b>	<b>\$112,155</b>	

Lockton worked alongside a wholesaler (CRC Insurance Services) to obtain renewal terms this year. CRC approached 4 insurance carriers for renewal terms, including Admiral (incumbent), RSUI, CapSpecialty, and TDC. Admiral was able to offer renewal terms directly in line with the expiring policy that includes a \$10,000 self-insured retention. The three other markets were unable to offer this deductible structure, and the premium is substantially higher than Admiral.

In addition, the expiration date of this policy will be moved to 12/31/2024, in order to align with the City's other casualty policies.

To prevent a lapse in coverage, EMS/EMT Professional liability coverage renewals for the 2024/2025 coverage year must be bound by February 09, 2024, by Admiral Insurance, through the City's broker of record, Lockton, in the amount of \$112,155.

Staff recommends the approval of expenditures for the purchase of EMT Professional liability coverage in a one (1) year amount of \$32,298, for an estimated three (3) year not-to-exceed amount of \$112,155 including funding to accommodate a year-over-year price increase of 15% per year.

### **RECOMMENDATION**

Award a contract with Admiral Insurance Company, for the emergency purchase of Emergency Medical Services/Emergency Medical Technicians Professional Liability insurance coverage for the City of Denton through the City's broker of record, Texas Series of Lockton Companies, LLC, in a three (3) year not-to-exceed amount of \$112,155.

### **PRINCIPAL PLACE OF BUSINESS**

Lockton Companies, LLC  
Kansas City, MO

### **ESTIMATED SCHEDULE OF PROJECT**

This is a three (3) year contract.

### **FISCAL INFORMATION**

These services will be funded from Risk Retention Fund 860002.6709. Requisition #163850 has been entered into the Purchasing software system in the amount of \$32,298. The budgeted amount for this item is \$112,155.

## **EXHIBITS**

Exhibit 1: Agenda Information Sheet  
Exhibit 2: Declaration of Emergency  
Exhibit 3: Recommendation Letter  
Exhibit 4: Comparison Summary  
Exhibit 5: Ordinance

Respectfully submitted:  
Lori Hewell, 940-349-7100  
Purchasing Manager

For information concerning this acquisition, contact: Megan Gilbreath, 940-349-8357.

Legal point of contact: Marcella Lunn at 940-349-8333.