



MEETING DATE: January 21, 2025

AGENDA ITEM: 8. Insurance Update: Small Cities Organized Risk Effort (SCORE)

FROM: Adam Cox / Jon Kennedy

RE: Insurance Update: Small Cities Organized Risk Effort (SCORE)

BACKGROUND:

The City of Isleton contracts with Small Cities Organized Risk Effort ("SCORE"), a Joint Powers Authority that purchases primary and excess insurance coverage for its members.

EXECUTIVE SUMMARY:

Isleton currently contracts with SCORE to provide the following lines (along with 2024/25 annual premiums)

-General & Professional Liability (\$89,666)

-Property & Auto (\$62,487)

-Crime, Employee Assistance, Watercraft, Deadly Weapons, and other minor lines (\$1,621)

Total annual premiums for the current fiscal year are \$153,774, however as of January 17, 2025, SCORE reports that Isleton owes premiums of over \$211,000, due in its entirety by June 30, 2025. The reason that the city owes more than the total amount of its annual premiums is because the city hasn't paid its full bill to SCORE since at least 2022 and is severely in arrears. Notably, the city does not have a Crime policy or an Employment Practices Liability policy with SCORE; staff have been unable to locate alternative policies if they exist.

In 2024, SCORE set Isleton up with a \$15,000 per month payment plan to remain in good standing. So far in this fiscal year the city has made only three of the monthly payments, the last of which was in October.

On January 15 the SCORE executive committee voted to terminate Isleton's liability coverage in order to prevent the past-due amount from growing. The full SCORE board of directors will meet on January 24 and is expected to ratify Isleton's termination. Participation in the liability program is a requirement of SCORE membership, meaning that the city will lose liability coverage immediately* and its other coverages later this year at renewal time. (*Although liability coverage will be cancelled immediately it will not take effect until 90 days after the SCORE board vote.)

SCORE staff have notified the city that if it is able to make significant progress on paying the arrears by SCORE's March 28 meeting, the SCORE board may rescind the termination.

RECOMMENDATION:

None at this time; city staff are working to understand the city's ability to pay past-due and current SCORE premiums.

FISCAL IMPACT:

Approximately \$211,000 - specific funding source currently unknown
