

Holiday Island

Suburban Improvement District

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TO: HISID Board of Commissioners

FROM: Kevin Crosson, District Manager *KC*

DATE: February 12, 2010

SUBJ: *Consideration, Agreement for Risk Management Services*

As you know, the District has maintained a contractual relationship with Ramsey, Krug, Farrell & Lensing (RKF&L) of Little Rock since 2007 to broker the District's insurance policies, among a variety of other services. Prior to their engagement, the District placed all of their insurance coverages with the Arkansas Municipal League.

The District has realized its greatest benefit in having this contract by having RKF&L place our property insurance. In 2007, the Arkansas Municipal League only covered \$3.7 million in District assets at a premium rate of \$1.00 per \$1,000 in value (2006 premium was \$37,404). Upon review, staff determined that the District needed to be covering over \$14 million in assets. RKF&L was able to broker a much more favorable policy that today covers over \$14 million in assets at \$0.31 per \$1,000.

In addition to insurance brokerage services, RKF&L has provided (and will continue to provide) a variety of other very beneficial services, such as safety programs and training materials, human resource training, loss prevention/exposure analysis, and claims support and advocacy. With the approval of this agreement, RKF&L will provide the District with detailed assistance updating/modifying our employee handbook, as per one of our 2010 work plan objectives.

The attached agreement is for an annual contract term, with the option to extend for three additional annual terms. Their proposed fee of \$10,500 has not increased since their initial contract term in 2007. Staff recommends the Board approve the attached agreement as presented.

Please feel free to contact me at your convenience with any questions or comments regarding this agreement. Thank you.

