

**To the Mayor and Members of the City Council****January 6, 2026**

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SUBJECT: INSURANCE PROCUREMENT – COST SAVINGS ACHIEVED**Purpose**

This Informal Report summarizes the City of Fort Worth's recent property insurance procurement efforts and highlights significant cost savings achieved through strategic market engagement, broker selection, and improved risk positioning.

Background

The Risk Management Department annually procures property insurance coverage to protect City assets and ensure adequate financial protection. This process includes asset valuation, preparation of the Statement of Values (SOV), and competitive marketing of coverage through a commercial insurance broker to domestic and international insurers. Over the past several years, the property insurance market has experienced sustained rate increases. The City's total property insurance premium increased from \$1.51 million in 2017 to \$7.78 million in 2023, driven by market conditions, growth in City assets, and insurer pricing practices that did not fully reflect the City's strong risk profile.

Actions Taken

To address rising costs, the City implemented the following actions:

- Conducted enhanced asset valuation and data validation to strengthen insurer confidence;
- Emphasized the City's strong safety programs, loss mitigation efforts, and data management practices;
- Re-marketed the property insurance program to expand competition among insurers;
- Introduced new carriers into the first layer of coverage to improve pricing leverage; and
- Selected a new broker of record, Marsh McLennan LLC (formerly McGriff), through a competitive RFP process in 2025.

Financial Results and Savings

These efforts produced measurable and sustained cost reductions:

- Policy Years 2024–2025:
 - Premium reduced from \$7,778,861 to \$6,604,256
 - Savings achieved: \$1,174,605
- Policy Year 2025–2026:
 - Premium further reduced to \$5,765,749.51
 - Additional savings: \$838,506
- Total savings over two policy years:
 - More than \$2.0 million

These savings were achieved while maintaining appropriate coverage limits across a diversified insurance tower consisting of 26 participating insurers, protecting City assets valued at approximately \$3.3 billion.

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Through proactive risk management, disciplined market engagement, and competitive broker selection, the City successfully reversed a multi-year trend of escalating property insurance costs. The results demonstrate strong fiscal stewardship, effective use of competitive procurement, and continued protection of City assets at a significantly reduced cost to taxpayers.

For questions regarding this Informal Report please contact Donnette Murphy, Property and Casualty Manager at (817) 392-7784 or Tony Rousseau, Deputy Finance Director, at (817) 392-8338.

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