

Insurance Committee
November 16, 1978

Present:

Mayor Hall
Fred LaBonte
Maurice Chandler

Ray Buckley
Dennis Buckley
M. C. Gilbert

Purpose of the meeting was to discuss the duties and responsibilities of the "Agent of Record" and insurance commissions to be paid as provided in Council resolution 4-2 adopted February 4, 1963.

Resolution 4-2 was reviewed and distribution of insurance commission on City insurance was reviewed.

The City Administrator stated that each Agent of Record has fulfilled requirements in regard to commissions as provided in the Resolution to the best of our knowledge. The resolution states that the "Agent of Record" shall provide for and write all of the fire insurance coverage of the City of Newberg. He shall retain a sum equal to 60% of all commissions for such fire insurance coverage and shall distribute and divide a sum equal to the remaining 40% of such commissions equal among other insurance agents eligible"

The resolution does not provide for the Agent of Record to divide or pay out any commissions received on other type of City insurance.

The question of commissions paid to Mr. Buckley by Bankers Life Insurance Co. on the Employees retirement fund was discussed. The Committee does find that Mr. Buckley was appointed Agent of Record on February 4, 1963. That the City's retirement plan became effective January 1, 1964. That Bankers Life did not have a soliciting agent at that time, and due to the fact that Mr. Buckley was the current Agent of Record for the City, Bankers Life named him as their agent on this policy. That the City's resolution did not provide that any commission other than fire insurance had to be divided with other agents in Newberg, and that Mr. Buckley had no obligation to divide commissions received on the Bankers retirement policy.

It was recommended that Resolution number 4-2 adopted February 4, 1963 establishing the Agent of Record and Resolution number 77-645 adopted March 7, 1977 be repealed, and that the City Attorney research regulations covering Insurance Agent of Record and necessary insurance bidding procedures for obtaining insurance coverage for the City of Newberg. As soon as this information is available the committee to meet to determine need for Agent of Record, his responsibilities and duties, and method to be used in obtaining future insurance coverage for the City.

The Committee recommended that they meet at least once a year to review all the City's insurance coverage; property values covered, etc.

Future pay increase negotiations were briefly discussed. Mr. Chandler called attention to the President's request based on 7% increase.

Maurice Chandler: "The only commissions to be split are those ~~xxx~~ policies that cover the fire insurance only. All other insurances are primarily to be on a bid basis with no split commissions.

We're talking about reviewing the Resolution No. 77-645. In respect to the Banker's Life policy we have found that in no way was Ray Buckley obligated to split the commission and in fact he was at the particular time that we started this program he was our agent of records and he was merely told (the Banker's Life company was told) to pay Ray Buckley Insurance. No communication was ever directed to him that because it was not a bid policy that he should in fact split it.

: Your resolution is directed to fire insurance only and that's what your letter should say that it's directed to that and has been split.

MC: It says all others there is no~~x~~ split. This sort of was in between it wasn't a bid and it wasn't a fire insurance policy so it was in a grey area. Consequently, under the rules though, only the fire insurance is to be split. Others were bid. Ray happened to be the agent of record which in a sense he was at the right spot at the right time and received it.

MC: The letter should go to Ray Buckley as the agent of record with a carbon copy to each of the other fellows.

: The letter should be directed to the fact that the matter was reviewed and the findings of the committee. The resolution related only to the fire insurance premiums and we have found that those premiums have been split in accordance with the resolution which was in effect. ~~The~~ And the other premium was not subject to the provisions of this resolution, and therefore would appear proper as they've been handled. (If there is any error, it's on the part of the City. MC) (It's just one of those things that Banker's Life has set there year in and year out and nobody given thought to it and then all at once here it is. MCG) I see no problems with Ray's handling of it. I'm sure he felt he was doing it ~~x~~ right and I feel he did. (Something, something, ha, ha, ha!)

I would like to set a time to meet and review our coverage the values and the policies as it is actually written.

MC: I think we should ~~h~~ get a book I think I've seen on the value of the agent of record. I think the insurance companies have that. How to really relate with an agent of record. Bob Hurford is the agent of record for the college.

The agent of record should be putting the bids out for us. It ~~x~~ keeps him honest. If he wants to keep as the agent of record he should keep us insured.

MCG: I think this number 2 pretty well spells out what the agent of record should be doing which they've never done. In fact I will go back and say this that when Ray had fire insurance policies,