

MEMORANDUM

Date: July 6, 2004

To: Mayor Tom Barrett
Ald. Michael D'Amato

From: William C. Thompson II
Deferred Compensation

Subject: Milwaukee Deferred Compensation Board Indemnification
By the City for Excess Fiduciary Insurance Coverage

Over the years our fiduciary insurance's premiums have greatly increased. This year after discussions by the Board with our agent, they were able to obtain a price decrease on the primary insurance premium of five thousand dollars and a decrease of only four thousand dollars on the excess coverage. Although we have received a decrease in this years premiums, the Board is looking for ways to lower or eliminate the cost of the excess coverage.

We know that the Employee Retirement System has an Indemnification Agreement with the City of Milwaukee after their primary coverage. The Board would like to explore the same type of agreement with the City to lower our excess insurance coverage. I am therefore requesting a meeting with the Mayor and Chairman of the Judiciary and Legislation, Ald. D'Amato, to see if the same Indemnification agreement can be acquired for the Milwaukee Deferred Compensation Board.

An Indemnification agreement with the City on the excess coverage for the upcoming year would create savings of 51% on this year's cost to the plan. Which means instead of \$58.9k the cost would be \$35k. I'd like to meet quickly to see if an agreement is feasible before our Executive Finance Committee meeting on July 22, 2004.

Awaiting your response, please call me at x5563.

Bill Thompson