

**INSURANCE ADVISORY BOARD**

**Q=(Elsa Jaramillo-Velez)**

**A=(Gary Reshefsky)**

**A1=(David Ruiz)**

**A2=(Maria Vergo)**

**A3=(Tony Bell)**

**A4=(Calvin Ellis)**

**A5=(Juan Carlos Diaz Padron)**

**A6=(Jose Soto)**

**A7=(Tatiana Mendez)**

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18 Q: Good morning. Uh, my name is (Elsa Jaramillo-Velez) from the Department  
19 of Human Resources. And I serve as the liaison for the Insurance Advisory  
20 Committee. Today is January 27, 2016. The time now is approximately 9:15  
21 in the morning. And if we can go around the room and everybody present  
22 themselves. And then we can get started.

23  
24 A: (Gary Reshefsky), Board Member.

25  
26 A1: Uh, (David Ruiz), City of Coral Gables.

27  
28 A2: (Maria Vergo), Arthur J. Gallagher, Risk Management Services.

29  
30 A3: (Tony Bella), Arthur re- Arthur J. Gallagher & Co.

31  
32 A4: (Calvin Ellis), Arthur J. Gallagher.

33  
34 A5: (Juan Carlos Diaz Pedron), Board Member.

35  
36 A6: And (Jose Soto), Board Member.

37  
38 Q: Okay.

39  
40 A7: (Tatiana Mendez), administrative assistant.

41  
42 Q: Okay, um, actually, the first order of business, and I didn't put it on the  
43 agenda here, is to actually select a chairperson. Uh, we had that similar  
44 meeting last time. And we held off. So we had a full board. Today we have,  
45 uh, we're missing two of the members. We're missing, uh, (Leon), who, um,

46 e-mailed me this morning at 8:50 and said that he had an emergency and, “I  
47 have to miss the meeting.” And then we also have Mr. (Howard), um, who,  
48 um, is not present here. And I have not received an e-mail from him. So I’m  
49 not sure if you wanna hold off again until we have the full board to select the  
50 chairperson.  
51

52 A6: When was our next...

53

54 Q: Eh...

55

56 A6: ...scheduled meeting?

57

58 Q: A – it should be...

59

60 A6: The...

61

62 Q: ...soon because I know that we will have to – the e- we are entering,  
63 obviously, into the agreement with Gallagher. And, um, thereafter, they’re  
64 gonna go to the market. And they’re gonna get us what the rates or the quotes  
65 are. So we’ll be meeting in – in like a couple a months, I’d say at most, you  
66 know, maybe earlier than that.  
67

68 A6: Okay.

69

70 Q: So I don’t know if you wanna move forward, what you wanna do.

71

72 A6: Um, I – I guess we could. And then after that, we probably have a break to  
73 the – ‘cause we’ve already taken care of the property and casualty meeting,  
74 right?  
75

76 Q: Right.

77

78 A6: I mean, it’s, uh...

79

80 Q: We’ll probably have a break until we do the – the health insurance. And with  
81 the health insurance, that renews on October 1st, so sometime before then  
82 unless you need some additional information. And obviously, we can  
83 continue meeting.  
84

85 A6: Okay anything you wanna table to at least, uh, next meeting or...

86

87 A5: I mean, one of the things I wanted to bring up is, um, given the fact that we  
88 don’t meet very often...

89

90 Q: Mm-hm.

91  
92 A5: ...I don't know what the, um, uh, regulation is for a board that doesn't meet  
93 on a monthly basis consecutively. But I'd like to talk about absences, uh, you  
94 know, as we move forward. I don't know, uh, Board Member (Howard), um,  
95 when he was appointed. But this is now our second meeting. And we have  
96 two – two absences. Um, you know, um, I'd kinda like to talk about that and  
97 see if we wanna...  
98  
99 A: Yeah.  
100  
101 A5: ...come up with something to...  
102  
103 Q: Absolutely. And what we could do also is, um, the city clerk's office is the  
104 one who handles – like we submit the – the minutes of the meeting. So they'll  
105 figure it out that somebody's been absent or not. I'm sorry. And, um, make  
106 sure these – I'm sorry.  
107  
108 A5: It's okay.  
109  
110 Q: Um, somebody's been absent or not and so they – they're the ones who keep  
111 track. And if a member needs to be removed from the board, they're the ones  
112 that make that determination. I can – what I – we could do is I can ask  
113 somebody from the city clerk's office to make a presentation to the board  
114 members for next time. Eh...  
115  
116 A6: I think when I – memory serves me correct, when...  
117  
118 Q: Mm-hm.  
119  
120 A6: ...it was (Roger) – (Roger Solo) was chair when...  
121  
122 Q: Yes.  
123  
124 A6: I – I briefly remember one of my first meetings back then, was that there was  
125 two – two missing, two...  
126  
127 A: Consecutive.  
128  
129 A6: ...two consecutive absences.  
130  
131 Q: It depends on whether it's excused or un- or unexcused.  
132  
133 A6: Okay. All right.  
134

135 Q: And that's something that – that's up to the city clerk's office. But we can  
136 certainly invite the s- somebody – a representative from the city clerk's  
137 office...  
138  
139 A5: Okay.  
140  
141 Q: ...so they can expand on that.  
142  
143 A6: All right so in relationship to the voting of a board director to – and that  
144 (unintelligible). Do we wanna do that now, or do we wanna move forward?  
145 Go ahead.  
146  
147 A: Uh, we can do it today. I mean, we have – we have three – three of us here.  
148 Uh, you know, I – I think that as we go through this, we may find that there  
149 are topics that we think we might be useful to the city that we may wanna  
150 meet more often. I don't know. But I – I think that, um, just because they met  
151 quarterly or twice a year doesn't mean we won't do it more if we think it's  
152 necessary to help the city.  
153  
154 Q: Absolutely.  
155  
156 A5: Right. Okay. So anybody wanna nominate somebody?  
157  
158 A: Uh, I'll nominate (Juan) – (Juan Carlos). Okay, (Juan).  
159  
160 A5: Yep.  
161  
162 A: (Juan Carlos), um, he's been on the board for awhile. Um...  
163  
164 A5: Okay.  
165  
166 A: That'd be my suggestion as I make a motion.  
167  
168 A6: Sure. I'll second that.  
169  
170 Q: Okay so you'll take a vote?  
171  
172 A: Sure.  
173  
174 A: Uh, all in favor?  
175  
176 A6: Aye.  
177  
178 A: Aye. All opposed?  
179

180 Q: Okay. Well, ca- ca- congratulations.  
181  
182 A1: Congratulations.  
183  
184 A5: And I think we need a vice chair as well, right?  
185  
186 Q: Yes.  
187  
188 A5: Okay, um, (unintelligible) chair.  
189  
190 A: Sure. G- I'll go with that.  
191  
192 A5: All right, uh, I nominate (Jose).  
193  
194 Q: Okay.  
195  
196 A: Second the nomination.  
197  
198 Q: Take a vote.  
199  
200 A5: Aye.  
201  
202 A: Aye.  
203  
204 A6: Aye.  
205  
206 A1: That was easy.  
207  
208 Man: Yeah, no any checks. (Unintelligible).  
209  
210 A2: Checks.  
211  
212 Man: Got it.  
213  
214 Q: Okay so I will turn it over to you...  
215  
216 A5: Okay.  
217  
218 Q: ...to follow the agenda.  
219  
220 A5: All right sounds good.  
221  
222 A2: Well, you've been around for how many years now?  
223

224 A5: Um, well, I had a – I had a gap where I think (Jose) came in, uh, after me. But  
225 I – but quite a few.  
226  
227 A5: Quite a few.  
228  
229 A5: Yeah.  
230  
231 A2: Yes.  
232  
233 A5: Yeah, during (Roger)'s...  
234  
235 Man: (Unintelligible).  
236  
237 A5: ...during (Roger)'s terms.  
238  
239 A2: Yes.  
240  
241 Man: Yeah.  
242  
243 A5: So, um, yeah, I mean, I – I look forward to – to working with this new board.  
244 Um, you know, I think that, you know, (Gary)'s suggestions of how we can  
245 get more involved. Um, you know, I think that's something that, you know,  
246 I'd like to discuss with – if you wanna discuss it today or if we wanna wait for  
247 the other board members to kind of come in. Um, you know, kind of I'd like  
248 to also hear from – from (Elsa) to see, you know, what exactly is the – the –  
249 the purpose of the board by city, you know, by – by city's resolution.  
250  
251 Q: Mm-hm.  
252  
253 A5: Um, we might need to change that and adopt it and mold it a little bit. I know  
254 other board are doing the same thing, um, you know, kinda broadening or  
255 narrowing their scope to a certain degree. Um, you know, um, so I'd like to  
256 entertain that at some point in time today. Um, but I know that in our last  
257 meeting we talked about, um, you know, getting – getting a – getting a – a  
258 presentation of the city's history, um, you know, when it comes to the – to the  
259 insurance, um, portion of it, obviously, um, whether it's claims, um, you  
260 know, who's – who's been involved, what broker's been involved, um, you  
261 know, kinda give us a, you know, a scenario, you know, what – what was the  
262 past? It's very important in our industry and – and – and what we do. And  
263 then looking forward, um, you know, what – what the goals are and – and  
264 what we can improve on. Um, so I believe that's why, uh, we have the  
265 presentation today for Arthur J. Gallagher.  
266  
267 A2: Mm-hm.  
268

269 A6: Be- before we get to that presentation, I have a question. I understood there  
270 previously when we've had a consultant, independent consultant, is attorney –  
271 is it sha- (Shaffer)?  
272  
273 Q: There – there's two – there's two consultants.  
274  
275 A6: Okay.  
276  
277 Q: There's the one for the like the property insurance...  
278  
279 A6: Correct. Right.  
280  
281 Q: ...which is (George Erickson) from (Cyber).  
282  
283 A6: (Cyber), right.  
284  
285 A6: Um, and so we have him, as well as for the group health insurance. It's (Bob  
286 Shaffer).  
287  
288 A6: Okay.  
289  
290 A: Uh, I would – I would suggest a- as we look at this contract for Arthur  
291 Gallagher, we looked at it at the last meeting, that we should also look at those  
292 contracts, particularly the one for the insurance consultant, um, because, uh...  
293  
294 Q: The – the health insurance?  
295  
296 A: No, the – the other...  
297  
298 Man: (Unintelligible).  
299  
300 A: The other...  
301  
302 Q: The property?  
303  
304 A: Ye- yeah, the property.  
305  
306 Q: (George Erics)?  
307  
308 A: Yeah, I'd like to just...  
309  
310 Q: Mm-hm.  
311  
312 A: ...understand whether we put that out to bid and those specs because...  
313

314 Q: Mm-hm.  
315  
316 A: ...the way we procure the insurance, as you know that I raised at the last  
317 meeting, is – is – is concerning. It's not that it's like concerning. I just think  
318 there's other ways it can be done.  
319  
320 Q: Mm-hm.  
321  
322 A: And I – I just think that, um, we should just have that, uh, consultant be, um,  
323 defacto, the way it's always been done is the way we continue to do it. I think  
324 we should look at how other...  
325  
326 Q: Okay.  
327  
328 A: ...how other, you know, private entities and public entities are doing it.  
329  
330 Q: Perfect.  
331  
332 A6: Good point. And so there – there – that – that representative is not here today  
333 for...  
334  
335 Q: No.  
336  
337 A6: Okay.  
338  
339 Q: No. We – and because he – he charges on an hourly basis.  
340  
341 A6: Okay.  
342  
343 Q: So he usually – we – we bring him on board. Or we get him a – a – to – to  
344 work with the city whenever we have – for example, eh, part of today's  
345 meeting is the actual professional service agreement with Gallagher. So we  
346 had him review that. And he provided his comments. And that's what we  
347 also brought to you as well. Um, but we only invite him to meetings if there's  
348 like something going on, like something big, as opposed to today, which is a  
349 presentation...  
350  
351 A6: Right.  
352  
353 Q: ...of the history.  
354  
355 A6: That sounds good.  
356  
357 A2: Would you – you would like to start with us?  
358



359 Q: A – the – Mr. Chair?  
360  
361 A5: Yeah. And real quick, just one – one thing before I forget. One thing that I –  
362 I've always asked for if it's possible...  
363  
364 Q: Mm-hm.  
365  
366 A5: ...is to get agendas and – and any documentation beforehand so we can, you  
367 know, read over it, you know, carefully and – and have, you know, be  
368 prepared for – for our meetings.  
369  
370 Q: Perfect. And of course, you – you'll – you'll be – we always submit, for  
371 example, whether it's the draft agenda and then afterwards draft minutes. And  
372 we always submit it to the chairperson, not to the board as a whole.  
373  
374 A5: Okay.  
375  
376 Q: Um, just to the chairperson. And the chairperson would provide their input.  
377  
378 A5: Okay.  
379  
380 Q: That's what...  
381  
382 A5: S- so...  
383  
384 Q: ...we used to do with (Roger), so...  
385  
386 A5: Okay but for – to the city commission goes – draft minutes before we meet  
387 again and proof the minutes.  
388  
389 Q: Draft minutes go to city commission.  
390  
391 A5: Okay.  
392  
393 Q: It depends on the extent of how often we meet because, eh, let's say for  
394 example boards don't meet on a monthly basis. It's very easy for them to  
395 approve the minutes as opposed to this board, in the past we've only met  
396 maybe twice a year, three times a year...  
397  
398 A5: Right.  
399  
400 Q: ...at most. So the minutes are always like, uh, you're behind. So we submit  
401 to the commission draft minutes. Okay.  
402  
403 A5: All right so ready to go ahead?

404  
405 A3: Okay.  
406  
407 A2: Twenty (unintelligible).  
408  
409 A3: Well, they – we – we’re going over how the program is today. The program  
410 has essentially – it – it’s a protected self-insurance program where – where the  
411 city retains the expected claims per year and buys insurance (unintelligible)  
412 the excess, the catastrophe type. And, uh, we made some changes along the  
413 board, along the way over the years. We – for instance, we started back in  
414 1981. We got \$100,000, uh, self-insured retention. And now we have a  
415 \$350,000 self-insured retention for liability and a half a million for workers’  
416 comp. At that time it was \$100,000 for everything. So it – it has evolved. As  
417 the city has grown, the budgets have grown, then their ability to, uh, the whole  
418 idea is not to trade dollars with insurance. We don’t – we don’t give ‘em  
419 money. So they give us (unintelligible) cover the catastrophes. And in the  
420 last few years, we’ve covered the two big catastrophes here. One was a  
421 contract with a country club. And the other was a – a lady that was run over  
422 by the...  
423  
424 A: Street sweeper.  
425  
426 A3: ...by – by the sweeper. So tho- those were the two big, uh, paid policy limits.  
427 At that time, the policy, uh, \$1,750,000 in excess of \$350,000 and paid their  
428 limits in both cases. Now, at that time because of the exposure to the city, the  
429 city manager decided to buy additional limits. So now we buy \$5 million,  
430 which includes the self-insured retention of \$350,000. So for liability, we  
431 have \$5 million. For workers’ comp, we have unlimited (unintelligible)  
432 authority coverage. That’s...  
433  
434 A2: And it’s \$5 million per occurrence?  
435  
436 A3: It’s \$5 million per occurrence. The property – the same thing, the property –  
437 with the property we buy, the – a little bit over the limit provided by the  
438 modeling. The model says that the city has some exposure about \$23.5  
439 million for everything’s. And we buy \$25 million. Um, more limits are  
440 available. But the question is, you know, the – the history of the city is – on  
441 Hurricane Katrina, we had zero losses. On Hurricane Andrew, the ground-up  
442 loss was \$350,000. The city did collect at that time \$24 million or \$24.5 from  
443 FEMA for cleaning up the city streets, the trees, replacement trees and so on.  
444 But they, you know, that, um, we have covered for everything. But FEMA  
445 picked up the bill. So the city manager decided, “No, we don’t want to hit the  
446 insurance for more.” And, uh, it – it was there. It was a big ol’ – but  
447 basically, we covered it. And the damage to the buildings because they are ol-  
448 old buildings that, uh, that have boarding. And, uh, you should see how the

449 city has handled hurricanes in the past with just having the city employees  
450 cover every – every inch (unintelligible) building, the damage that  
451 (unintelligible). Um, we can go over some more details. We have some...

452  
453 Man: Bless you.

454  
455 Q: Bless you.

456  
457 A: Thank you.

458  
459 A3: We have some detailed documents here. But basically, we cover, um, the –  
460 the liability is with Lloyd's of London. And it – it – it makes practically it  
461 makes every employee, um, even volunteers are covered. They're working  
462 for the city. And they sue – like – like you guys as a board member, you have  
463 liability coverage as board members.

464  
465 Q: Insurance (unintelligible).

466  
467 A3: Uh, the coverage is for \$5 million. And it covers the board individually and  
468 as a group. And it – it's so those, um, with the commissioners it does, with  
469 every – every – every board that we have in the city. Eh, employees are  
470 covered individually. Police officers are covered individually. Um, EMTs  
471 are covered individually. Firemen are covered individually. They are also  
472 covered as a group. Most of the time, the – the claims come against the city.  
473 Nobody wants to sue the individuals. But the coverage is for the individual if  
474 they so need it. As long as they are acting within the scope of their  
475 employment, it's a key. It's not – not if they have moonlighting. So, um, we  
476 have same – we have auto liability. And we have general liability. You will  
477 notice a difference there between the general aggregate and the \$4 million.  
478 The – the – the limit is \$4,650,000 per occurrence. The – the – the general  
479 aggregate applies to – to – it's – it's like general aggregate has – has a high  
480 limit simply because there is (unintelligible) coverage in (unintelligible). Uh,  
481 but, you know, an automobile that – it claim that has to be an automobile at  
482 work is comp. And so when you – there – there would be one inside our  
483 (unintelligible) the city, the largest one. But then the coverage applies. Um,  
484 the premium for that liability policy is \$750,000.

485  
486 A2: And that includes, um, harassment and abuse coverage. Those are sublimated.  
487 You will see those on the first section of the liability tower.

488  
489 A1: That's a significant reduction, too, over what the city was paying.

490  
491 A3: Yeah, you'll...

492  
493 A2: For the premium.

494  
495 A3: You will see how that came about. That came about – we had – for about 20  
496 years, we had Munich Re. Uh, they paid all the big claims. But then they –  
497 they – they started recovering some of the claims. And we said, “No, no.” As  
498 – as we get better and we don’t have the losses, we need to – we need to get –  
499 every year we – we check the market. And we, you know, we - we have  
500 access to the whole market. But we – also there people that (unintelligible) in  
501 cities. And, uh, we want to be sure that it’s broad coverage. So, uh, a couple  
502 of years ago, we brought in Brit insurance, Lloyd’s of London. We, uh,  
503 probably gave us a discount, came up with about half what we were paying  
504 before. They were very aggressive. But they maintained the price in the  
505 following year. And (unintelligible) thing is this year ‘cause we haven’t had  
506 any catastrophic loss.  
507  
508 A5: Quick question on the – on the auto. Um, eh, fleet size obviously affects that -  
509 that portion of the premium?  
510  
511 A3: No.  
512  
513 A5: No?  
514  
515 A3: What happens when you have a self-insurance program like this that is  
516 mature, it (unintelligible) looking at your losses. Your exposures remain  
517 pretty much the same. So if you would add a couple of vehicles, you know,  
518 unless you’ve had a very bad experience on the automobile that you’re  
519 starting to hit – they – they – they – they start to hit – be put on notice on large  
520 claims, they are not going to do any action on it.  
521  
522 A5: And the auto has been good?  
523  
524 A3: The autos have been excellent.  
525  
526 A2: We’ve only had one cata- catastrophic claim. Um, that was...  
527  
528 A3: (Unintelligible).  
529  
530 A2: ...years ago. No, uh, the suites – the street sweeper, um, was most recently.  
531 But then we also had the, um, rollover.  
532  
533 Q: The van? The van?  
534  
535 A2: Van coming back from Orlando.  
536  
537 Q: Two thousand seven or eight.  
538

539 A2: Yeah.  
540  
541 A3: This...  
542  
543 A2: It just dropped off of the loss history.  
544  
545 Q: Mm-hm.  
546  
547 A3: Seven are police officers. They – their tires in the back were very  
548 underinflated. And the thing, um, one tire blew up, and they flip. And it – it  
549 injured pretty bad at least a couple of the police officers.  
550  
551 A2: Mm-hm.  
552  
553 A3: Uh, the worker's complaint was serious. We've also had a very – the most  
554 serious single workers' comp claim we ever had was a – a – a garbage  
555 collector that was hit in the head by, uh, as – as the – he was high – riding in  
556 the back of the truck. And he hit a light pole as he was sticking out on the  
557 side. Uh, it almost killed him. Uh, but he is recover amazingly. Uh, we  
558 thought he would be paralyzed for life. He didn't. Maintenance  
559 (unintelligible).  
560  
561 A2: The most catastrophic claims have been workers' comp, not necessarily  
562 liability other than the street sweeper.  
563  
564 A3: Yeah, and that was over \$1 million, a workers' comp case.  
565  
566 A2: Um, and we've never had an argument with an insurance company about  
567 paying claims. As a matter of fact, on the street sweeper claim, um, the check  
568 was in the city's hands within 30 days, policy limits. So, um, we've had, you  
569 know, very good response from the insurance carriers to the moments when  
570 you actually need the monies to pay the claims. Um...  
571  
572 A: What do they cla- uh, limits stack up, uh, the excess limit, the \$5 million, Mr.  
573 (Billa) on – on other municipalities and benchmarking that?  
574  
575 A2: Mm-hm.  
576  
577 A: Where – where is this?  
578  
579 A2: Good question.  
580  
581 A: Where do you guys s- s-...  
582

583 A3: Well, they – it varies all over the place. Some municipalities rely on so many  
584 (unintelligible) the limits, and they buy \$1 million. Okay? A lot of people  
585 buy \$1 million. Other – others like the school board, they buy higher limits.  
586 But then they control the – the claims deals. And they get a lot of claims  
587 deals. Uh, the county school board for instance, we had the one on Broward  
588 County School Board. And they – they all have a lot of – a lot of claims bills.  
589 But they – they are all pre- prearranged claims bills. So a kid gets hurt real  
590 bad and we (unintelligible) settle it for \$1 million. And we'll settle for \$1  
591 million now. Somebody can sue me for \$10 million. But it – it co- they are  
592 going to have a hard time passing a claims bill for the \$10 million. So they  
593 settle for the \$1 million. And we – we go to the legislature and have 'em  
594 approve the \$1 million, uh, preapprove. So it's prearrange. Um,  
595 (unintelligible) \$5 million is reasonable for the size of Coral Gables. Uh, we  
596 can buy more. But really, they – they – we do not give up sovereign  
597 immunity.

598  
599 A2: Hm.

600  
601 A3: Uh, the only real exposure is on federal claims that get outside in front  
602 immunity. Um...

603  
604 A2: That's (unintelligible).

605  
606 Man: Civil rights, so...

607  
608 A3: We don't see many of those.

609  
610 A2: Civil rights?

611  
612 A3: There's not a heck of a s- a lot of civil rights issues in Coral Gables. So – and  
613 only – in other places, they may need more limits because of the civil rights  
614 issues and so on. We – we have very little of that. We've never had, uh,  
615 we've had instances of people calling civil rights. And matter of fact, the  
616 largest case we have right now is a civil rights issue. It's an interesting case.  
617 I just met with the assistant city attorney. We went over the coverage. And  
618 there's no issues in coverage. But, uh, we don't have a civil rights case.

619  
620 A: Eh, here in the city?

621  
622 A3: See here in the city.

623  
624 A2: Mm-hm. Yeah. That's recent in the last 30 days.

625  
626 A3: Yeah.

627

628 A2: Um, it's not expensive...

629

630 A3: Right. Well, I...

631

632 A2: ...though, to buy excess.

633

634 Man: Okay.

635

636 A2: Because it's usually not touched, so we – we – we've presented those options  
637 before. But the recommendation's been to keep it at \$5 million. But again,  
638 it's only been \$5 million since the street sweeper case. That kind of, um,  
639 alerted, at that time, the city manager to...

640

641 A: The civil rights case is – a lot of that – some of those arise out of shootings,  
642 bad shootings. And sometimes those are – some of those claims are...

643

644 A3: We have...

645

646 A: ...high arrest and...

647

648 A3: We – we settled for – we settled for \$1 million a civil rights case...

649

650 A2: Mm.

651

652 A3: ...where our police officer – the police were told that somebody, uh, was  
653 afraid to – two fellows had broken up with each other. And one of them was  
654 afraid that the other will come and steal something at night.

655

656 A2: Business partners.

657

658 A3: So the police – business partners. So the police was told this happened, uh,  
659 right...

660

661 A2: (Unintelligible).

662

663 A3: And, yeah, the police was told that this guy – these people were – they – these  
664 people were going to be, uh, that that could happen. But the – the night of the  
665 incident, they called the police department and said, "I'm – I'm starting for  
666 the bar. I'm going to be in the office all night. I want you to know." Well,  
667 the police officer that was not told that came over at night and saw the light  
668 on. And he went. And this guy, without shoes, jump in front of him in – in –  
669 in a...

670

671 A2: Hall.

672

673 A3: ...dark alley. And the police officer shot him and killed him. Um, it was a  
674 very sad incident because the police officer knew – the police knew that the  
675 guy was going to be there. Uh, but they had not passed the information to the  
676 following shift. So what we did was we settled for \$1 million quickly. We  
677 didn't want the publicity. It never went anywhere. And, uh, we – we've –  
678 again, the – the – the – the idea was, well, they are going to have a big claim.  
679 Well – well, we – we said we have so many immunity. You can take the \$1  
680 million and walk or – or try to sue us. It may take years (unintelligible). So it  
681 was settled successfully. That – that was one, again, one of our big claims.  
682 Again, the system works very well for the big claims. Eh, little claims where  
683 we, you know, we work with a – with a, um, adjustment company, uh, and to  
684 see if (unintelligible) settle the smaller ones. But, uh, the one we have right  
685 now is very interesting. It's a – a gentleman who – you – you know the case,  
686 right? The other one...

687  
688 Q: They're trying to say some...

689  
690 A3: ...(unintelligible) the gentleman – a gentleman goes over, comes from Palm  
691 Beach to where somebody has stolen. The police had a – a trap for drinking  
692 and driving. And he comes over and – and goes on the police line on purpose.  
693 And when the police officer ask him to lower his – his, um, window, uh,  
694 because they – they are checking everybody, the guy pulls out a – a sign on  
695 the wall that says, "I have the right..."

696  
697 A2: (Unintelligible).

698  
699 A3: No. "I want my lawyer. I have the right not to say anything. Here's my  
700 driver's license. You can get the information out of my driver's license."

701  
702 A1: It's almost (unintelligible) I would say that...

703  
704 A3: So he absolutely refused to open the door. The question is very complex  
705 because he has the right to refuse. He has the right to an attorney and the right  
706 to refuse opening the door. And the police has an obligation to check if  
707 somebody's driving drunk. So it – it – the case could end up in the Supreme  
708 Court. I mean, it's – it's a very interesting case. But this was provoked by  
709 this person who is now suing the city for violation of civil rights. Uh, I met  
710 with a outside attorney and the city attorney. And, uh, we believe we are  
711 right. He is actively suing, um, Mr. (Leem), uh, city attorney personally.

712  
713 A1: Personally.

714  
715 A3: Uh, because he was the one who wrote a legal opinion to the police telling  
716 them they could do that. So it's – it's going to be an interesting case. We



717 might probably read, uh, it in the paper. It's already been in the paper. It's  
718 already been on TV.  
719  
720 A1: And he's suing other mas- municipalities as well, though.  
721  
722 A3: Yeah.  
723  
724 A1: (Unintelligible), right.  
725  
726 A3: He's suing other municipalities, so...  
727  
728 ((Crosstalk))  
729  
730 A2: It's under the same lawsuit.  
731  
732 A1: Yeah.  
733  
734 ((Crosstalk))  
735  
736 A: You guys understand sa- this whole (soccer meeting) card out, some what  
737 they – how you can get around this, you know...  
738  
739 A2: So it'll be probably legal expenses, too.  
740  
741 A3: The guy is a lawyer. And he's, uh, so he's representing himself. So it's  
742 complicated. Anyway, these are the fun things that happen at the city. Not  
743 everything is that much fun.  
744  
745 A: Mr. (Bell), one of the – one other thing on the lim- liability, eh, the sexual  
746 abuse with the sublimit, that's \$650,000?  
747  
748 A3: Yes.  
749  
750 A: Is that something that you're concerned about or that can...  
751  
752 A3: No.  
753  
754 A: ...be adjusted?  
755  
756 A3: No. We haven't had even a single issue here. You know, sexual abuse is  
757 always – sexual abuse is – is always, uh, a problem. But – but, uh, you know,  
758 the – the – the – again, the employee relations tries to manage the cases. If  
759 somebody comes with a complaint, how do you handle it, uh...  
760  
761 A2: I – we...

762  
763 A3: We would...  
764  
765 A2: ...investigate.  
766  
767 A1: Hm?  
768  
769 A2: We investigate.  
770  
771 A3: Yeah, so – so...  
772  
773 A: And any kids programs that they have here...  
774  
775 A2: Right.  
776  
777 A: ...you try to transfer that risk to, um, if you have a – if you have a third-party  
778 vendor...  
779  
780 A2: That's right.  
781  
782 A: ...that's, um, you know, doing something in one of the parks, um, we require  
783 sexual abuse probably at some respects. I – I would think (unintelligible)  
784 so...  
785  
786 A1: Yeah, I'd have to look at some of the agreements that our parks and recs  
787 department has. But, uh, yeah, we do transfer risk, uh, uh...  
788  
789 A: 'Cause those – those things are...  
790  
791 A5: ...different (unintelligible).  
792  
793 A: Those things (unintelligible).  
794  
795 Q: We – but, you know, because we are – we would do it anyway. But we're  
796 required by Florida statutes. Anybody who deals with our children, you  
797 know, the vulnerable elderly, we do do fingerprints. And so we know, um, if  
798 anybody's a sexual predator, if they have a history, if they have a (prendisity)  
799 for let's say battery, um, you know, Florida statutes don't allow you for those  
800 individuals to work. So we do take that – those precautionary measures.  
801  
802 A1: And – and on top of that, if we suspect anything, uh, you know, parks and  
803 recs department's already trained in, uh, calling the – I believe it's 1-800 child  
804 abuse number or, um, you know, if they suspect something. And when I say  
805 suspect, I'm not saying our own staff. I'm saying from the outside, okay?  
806

807 A3: The biggest exposure is at the youth center. Oh they have it – they have the  
808 program. They have (unintelligible) have a lot of staff there. You know, not  
809 that the staff is immune from having – creating the problem. But, you know,  
810 at least, uh, we – we have not had a single one. They do have cameras there.  
811 They, I mean, they have, uh, ways of looking at it.  
812

813 A5: Have we ever had any claims of – of those particular arrest for sexual abuse in  
814 the city?  
815

816 A3: Na- none that ended up in the – in – in...  
817

818 A2: Insurance.  
819

820 A3: ...in the insurance.  
821

822 A: Okay.  
823

824 Q: During – during the time that I've been here, um, which is gonna be six years  
825 now, um, we've had maybe three or four just regular EOC cases, uh, you  
826 know, 'cause it's somebody claiming they didn't get a job for example. It's  
827 because of an – an ADA, um, issue. Um, that - that's one that I can recall.  
828 There's been a few that they were discriminated based on race. Um, they  
829 haven't gone anywhere. Obviously, the EOC would always give the – the –  
830 the – the person making the c- the complaint the right – a right-to-sue letter.  
831 Um, and – but presently, I'm doing an investigation on an EOC.  
832 (Unintelligible) sexual harassment. And that's at this moment. That's all I  
833 can share with you.  
834

835 A3: Right, right. And...  
836

837 A4: And another potential area is with your law enforcement (unintelligible)  
838 common area for a lot of municipalities in terms of sexual abuse or sexual  
839 harassment type claims, so...  
840

841 A2: Or age discrimination.  
842

843 A3: Yeah, employment practices. But we – we see a lot of girls with employment  
844 practices around the country. But we're not seeing it at the city.  
845

846 A2: There's so much risk management. And I think given that title, that it's  
847 actually managed within this city, that that's the reason why the accounts  
848 history has been so clear, especially in the last, I'd say, eight to ten years.  
849 Um, there's – there – you know, they're, you know, we – they restaffed, um,  
850 the directors. A lot of them have, as you know, their attorneys. So things  
851 ought to be controlled very differently than they were back in the '90s and

852 early 2000s. So we've (unintelligible) that long and seen – we've seen the  
853 shift and the change from the, um, the – the claims that are being reported.  
854

855 A3: And you also have the very positive recognition for employees that do well. I  
856 was at the last city commission meeting. And they were (recommending) one  
857 of the garbage workers for – because people were coming to, uh, praise them  
858 for the service they have been providing and how quickly they responded to  
859 somebody was complaining that their garbage has not been pick up the  
860 following day. Or somebody – within that hour, somebody was at their place  
861 picking up the garbage and apologizing. I mean, it – it – it – it's – it – it  
862 breeds positiveness.  
863

864 A2: Right.  
865

866 A3: That whole system breeds positiveness.  
867

868 A2: Mm-hm.  
869

870 A: Good. Great.  
871

872 A3: Uh, if you don't have any more questions on liability...  
873

874 A: No.  
875

876 A3: ...we can look at the workers' comp. It's very basic. You know, it's, uh,  
877 workers' comp and employee liability. And the package – the package that  
878 costs \$750,000 also provides \$500,000 – excess of \$500,000 workers' comp.  
879 So the – the workers' comp is included in the package because the carriers  
880 that really give us a good deal do not want to attach except that over \$1  
881 million when you have police officers and firemen. Uh, you know, we – we  
882 have the – the issue of the presumption that if s- if a police au-...  
883

884 Q: One twelve (unintelligible).  
885

886 A3: ...(unintelligible) fireman has a heart attack, it must have been caused because  
887 of the stress of the job. And that, of course, cost us a lot of problems as far as  
888 almost anything that happens, it's going to be workers' comp. So...  
889

890 A2: Mm-hm.  
891

892 A3: ...they are our – they are our workers' comp losses. But they, uh, the city  
893 retains the first half a million. So, uh, I – I probably should have mentioned  
894 that the city does – in – in addition to the consultant Siver company, the city  
895 has an actuary that every year looks at the losses and verifies that the retention  
896 level that we have is reasonable for the amount of losses that happening had –

897 and also calculates and lets the – the – the, uh, departments know what should  
898 be the reserves for the expected claims to be retained by the city the following  
899 year. So that's done on an annual basis. It's a fellow by the name of (Bob  
900 Inko), has his own company, been doing it for a number of years.  
901  
902 A1: I have a question on – on the workers' comp, you got retention \$1 million.  
903  
904 A2: Mm-hm.  
905  
906 A3: Yes. The excess has a retention of \$1 million. The package provides the half  
907 a million.  
908  
909 A1: Okay.  
910  
911 A3: So there's a retention of half a million. The package provides half a million.  
912 And the (unintelligible) carry – I – I thought you said \$1 million.  
913  
914 A1: I say. I say.  
915  
916 A: That's, uh...  
917  
918 A2: So the green box...  
919  
920 A3: Yeah.  
921  
922 A2: ...is your retention?  
923  
924 A1: Right. So – so actually, the – the package is primary.  
925  
926 A2: Yes.  
927  
928 A3: Package is primary on...  
929  
930 A1: Yeah, yeah.  
931  
932 A2: Yes.  
933  
934 A3: ...you know, retention, yes.  
935  
936 A1: All right.  
937  
938 A2: Yes.  
939  
940 A1: It's just the way it was laid out.  
941

942 A2: Yes.  
943  
944 A1: I wasn't sure.  
945  
946 A3: I'd say the blue – the blue is the package.  
947  
948 A1: Okay, okay.  
949  
950 A3: This green is your retention. The blue is the package.  
951  
952 A: All right so that – that – that...  
953  
954 A1: That package...  
955  
956 A: ...premium is \$188,000 for...  
957  
958 A2: For just the New York Marine piece.  
959  
960 A1: Excess of \$1 million.  
961  
962 A3: Yes.  
963  
964 A2: Yes.  
965  
966 A: Claims excess of \$1 million, you're paying \$188,000 a year.  
967  
968 A2: Yes.  
969  
970 A: And where – and that policy, any loss experience in that policy?  
971  
972 A2: Losses. Um...  
973  
974 A1: We'll get that later.  
975  
976 A3: Uh, yeah, yeah. There have been no loss experience on that policy. There  
977 have been no losses on it.  
978  
979 A: Okay so the question – so question is – I guess we'll talk about it when we get  
980 into the claims. If you have a, you know, a la- la- long-time claim that's –  
981 that's trending up, eventually, that – that – that...  
982  
983 A3: Sure.  
984  
985 A: ...policy could get hit, right?  
986

987 A3: Sure. It could...  
988  
989 A: But it takes a long time, uh, you know...  
990  
991 A3: It could face years.  
992  
993 A: Yeah.  
994  
995 A3: It's just why it's always (unintelligible) provide excess workers' comp. You  
996 need carriers that you think are going to be there 20 years from now because it  
997 may take 20 years before I hit it. So the number of carriers that we would go  
998 to is kind of limited. And we are further limited by the number of carriers that  
999 are willing to carry this exposure. Uh, I mean, some of (unintelligible)  
1000 carriers. I mean, AIG used to do it. And they pulled out of it about three  
1001 years ago. Uh, so it reduces the number of choices. But...  
1002  
1003 A2: Well, we have – we have about half a dozen carriers...  
1004  
1005 A3: Yeah.  
1006  
1007 A2: ...that write public, um, companies such as cities, counties, school boards, etc.  
1008 But their attachment points are not \$500,000. They're more in the \$750,000  
1009 and \$1 million.  
1010  
1011 A3: Mm-hm.  
1012  
1013 A4: Or even \$2 million, \$2.5 million for...  
1014  
1015 A2: Or even \$2 million, \$2.5 million, especially if they have police and fire. But  
1016 that's because the history and losses there and their risk management and  
1017 management all – all, per se, is – is very different than what you have here.  
1018 This is – this is a, um, the way that you're set up here from a management  
1019 standpoint for your, uh, what you – employees are about to do, the training  
1020 that is, uh, available to them, the communication and so open between the  
1021 department heads and anybody in this building. Um, that has made it – it – it  
1022 amazing difference. So this is one of the very few accounts in our, um,  
1023 division that carries a, um, insured \$500,000 retention. Most of them are  
1024 carrying the \$750,000s and – and \$1 million. And again, it's all about the  
1025 history of the claims. I mean, we – we sit in the claim reviews on a quarterly  
1026 basis. Um, some of the reviews are twice a year. And they – I told – you used  
1027 to have 'em all the time on a quarterly basis. And now we have 'em twice a  
1028 you know, year because, um, there aren't that many claims to go over  
1029 anymore. Uh...  
1030  
1031 A: So that limit, the excess limit is unlim- it's unlimited.

1032  
1033 A3: Yes.  
1034  
1035 A: Okay.  
1036  
1037 A2: Yes.  
1038  
1039 A: And it – it – for a claim that comes in this year, call it the hard-line claim...  
1040  
1041 A2: Mm-hm.  
1042  
1043 A: ...that we report. And this year's policy would respond if it got peers – ten  
1044 years from now, right?  
1045  
1046 A3: Right.  
1047  
1048 A2: Absolutely.  
1049  
1050 A3: Right.  
1051  
1052 A2: They stay on it.  
1053  
1054 A: So we had continuity coverage on the excess? Or we have...  
1055  
1056 A3: (Unintelligible).  
1057  
1058 A: Over the years we haven't had it or...  
1059  
1060 A2: No, (unintelligible).  
1061  
1062 A3: But, uh, we have, uh, continuity with all – since 1981 when I took it over, it's  
1063 always been – there's...  
1064  
1065 A2: Mm-hm.  
1066  
1067 A3: ...always been a (unintelligible) coverage on workers' comp.  
1068  
1069 A: Okay.  
1070  
1071 A2: Not a limited, so not a limited, so – and then – and again, the – just to echo  
1072 what (Tony) said earlier, that's why it's so important that the carriers that we  
1073 do have, um, the workers' comp specialist – it's long – what we call long tail  
1074 – are, um, highly rated, uh, AM best rated practice.  
1075



1076 A: So – so I really believe in this – this – it’s expensive. But on your balance  
1077 sheet, it c- it could become a huge issue if you don’t have that coverage. So,  
1078 um, you know, these – these could be multi-million dollars and these multi-  
1079 million dollar claims. And this (unintelligible) issues is – is huge, so...  
1080  
1081 A4: Yeah. Yeah, ‘cause typically, the age, you got worse. And once the –  
1082 especially the presumption claims, once they make the claim, you basically  
1083 own them.  
1084  
1085 A3: And property, um, we – we put a little notice on the property that says  
1086 included (unintelligible). Not always did the city insure – when the market –  
1087 the market was tough, uh, the city decided not to insure the pumps on fountain  
1088 relying on FEMA to cover that. And – and frankly, FEMA will probably  
1089 cover that. But now that they – that the coverage is le- well, a lot less  
1090 expensive, the carriers did not charge any extra for adding the pumps on  
1091 fountains, which was interesting. They – they – they had a price. And adding  
1092 – adding a few million worth of something, they don’t change the price.  
1093  
1094 A: So this is why at the Biltmore you got the fountain working again out there?  
1095  
1096 A2: Hopefully that was not insurance (unintelligible).  
1097  
1098 A3: They...  
1099  
1100 A4: (Unintelligible).  
1101  
1102 A3: They – they – they di- they – the primary property, we went to Lloyd’s of  
1103 London because it was a lot cheaper. Uh, the market is actually very soft. We  
1104 – we may even see a little more reduction this year. But – but a couple of  
1105 years ago, we had a huge reduction, uh, because of the very soft market on the  
1106 property. Now, we can buy more than the \$25 million but frankly, for the –  
1107 for the main win. But frankly, I don’t think that – that that’s really necessary.  
1108  
1109 A2: You’re the only account...  
1110  
1111 A3: (Unintelligible).  
1112  
1113 A2: ...that we have that buys (CAT model)...  
1114  
1115 A3: There’s...  
1116  
1117 A2: ...limits.  
1118  
1119 A3: Yeah.  
1120

1121 A: Hm.  
1122  
1123 A2: Um, other accounts are buying a – a – a fraction of what their...  
1124  
1125 A3: They're applying more than...  
1126  
1127 A2: ...they're now...  
1128  
1129 A3: ...100 percent of what the model says...  
1130  
1131 A2: Of the PM, uh...  
1132  
1133 A3: ...that your exposure is.  
1134  
1135 A4: They're relying more on FEMA.  
1136  
1137 A4: Right.  
1138  
1139 A3: Yeah. Others are relying on...  
1140  
1141 A2: (Unintelligible).  
1142  
1143 A3: ...FEMA. Now, we do get a letter every year from the state saying that the  
1144 sta- that the city has to purchase reasonable insurance for the pricing...  
1145  
1146 A2: Mm-hm.  
1147  
1148 A3: ...which will – that helps trigger FEMA coverage should be coverage so the  
1149 loss exceed the limit that we're purchasing.  
1150  
1151 A4: Yes.  
1152  
1153 A2: That's called the reasonableness letter. And it's on a annual letter.  
1154  
1155 A4: Mm-hm.  
1156  
1157 A2: And it has to get approved by the state...  
1158  
1159 A3: State of Florida.  
1160  
1161 A2: ...of Florida. And every year we have received that back. That's kinda like  
1162 the ticket to say okay, I've got \$25 million in coverage. I've blown my \$25  
1163 million. Now I need your help.  
1164

1165 A3: But since we're buying – since we're buying more than the model calls for,  
1166 we don't anticipate that ever happening. But, you know...  
1167

1168 A2: If we have \$25 million worth of losses...  
1169

1170 A3: Yeah.  
1171

1172 A2: ...in the city of Coral Gables, we'll be living somewhere else for awhile.  
1173

1174 A3: Now, the notice – and we also buy excess \$214 million excess.  
1175

1176 A6: Uh, I have a question in the property.  
1177

1178 A3: Sure.  
1179

1180 A6: The last meeting I was here, the city manager, city clerk sat in on it.  
1181

1182 Q: City manager.  
1183

1184 A6: City manager. She was inquiring as to our work under the property. And we  
1185 said we were gonna look into that and how that fell within the property. And  
1186 so I haven't been, you know, that was the last meeting I attended. I'm not  
1187 sure if that was addressed. But I know it was something that was important to  
1188 her.  
1189

1190 A3: It was addressed. As a matter of fact, (David) and I met with, uh, some of the  
1191 people in the – in the department.  
1192

1193 Q: (Donna Spain).  
1194

1195 A4: Yeah, historical.  
1196

1197 A3: And they...  
1198

1199 Q: Historical.  
1200

1201 A3: In the museum.  
1202

1203 A4: Recent, yes.  
1204

1205 A3: And we also met with the – with the staff over at the Merrick House. It was a  
1206 concern because they are – they have remodeling the Merrick House. And  
1207 they have to...  
1208

1209 A4: Right.

1210  
1211 A3: ...take all this stuff out of there. We raised the limit from half a million to \$2  
1212 million. Uh, by the way, we were able to do that without any charge from the  
1213 carriers.  
1214  
1215 A: Okay.  
1216  
1217 A3: And, uh, the only issue is that we're concerned about the evaluation of any  
1218 item.  
1219  
1220 A: Right.  
1221  
1222 A3: We – we, you know, the problem is with the evaluation of any item, we have  
1223 automatic coverage for the first \$5,000 of any item without question. But then  
1224 after that is a matter. We've met with the department. And we suggested that  
1225 they needed appraisals in some of the pieces. I went there and, uh, took  
1226 pictures of every contents of significance that was in the Merrick House and,  
1227 uh, file a copy with (David) so that we would have copies in case – in case of  
1228 a loss. But the stuff was then pack and sent to a bonded warehouse for storage  
1229 while the house is being, uh, remodeled. Uh, I call it recondition. Uh, it  
1230 needs a lot of maintenance. Uh...  
1231  
1232 A2: I think her question was also about the art, um, museum and the lending...  
1233  
1234 A3: Yes.  
1235  
1236 A2: ...of art, um...  
1237  
1238 Q: It was also about the I – the – like just today we got an E – (E News)...  
1239  
1240 A: Yeah, (unintelligible).  
1241  
1242 Q: ...about the statue that – it's not a statue. It's a monument. I'm – I'm not  
1243 sure.  
1244  
1245 A5: A sculpture. A sculpture.  
1246  
1247 A2: A sculpture.  
1248  
1249 A4: Right.  
1250  
1251 Q: That's gonna be placed in – in one of the circles.  
1252  
1253 A4: Yeah, the Sego – the Segovia Circles.  
1254

1255 Q: And so that's one of the, um, I – I think that was her main concern...  
1256  
1257 ((Crosstalk))  
1258  
1259 A4: ...how much – how much...  
1260  
1261 A3: We can cover that on anything. But we need a – we – we – first of all, there's  
1262 a \$50,000 deductible. So if we have one statue, we could insure it for – for a  
1263 less of deductible. But we would need a separate policy. And it probably be  
1264 very inexpensive to have an art policy. But we need a schedule...  
1265  
1266 A4: Yeah.  
1267  
1268 A3: ...of values with the list of the items with a value next to each item. And that  
1269 needs an appraisal.  
1270  
1271 Q: Right.  
1272  
1273 A1: So the ba- the bottom line right now – and correct me if I'm wrong – we – we  
1274 have too many dollars' worth of art coverage citywide, okay?  
1275  
1276 A: Right.  
1277  
1278 A1: But there's like \$50,000 self, uh, insured retention.  
1279  
1280 A: Right.  
1281  
1282 A1: So what we're trying to do is look into possibly, uh, going into a, uh, separate  
1283 artwork policy...  
1284  
1285 A: Mm-hm.  
1286  
1287 A1: ...where we don't have such a large deductible. But, um, in fact, (Tony) and I  
1288 just talked about it this morning. Uh, we need to meet back with historical  
1289 resources just to see what – what type of information they can provide us, uh,  
1290 appraisals and whatnot as far as getting these things, uh, itemized and  
1291 actually, um, getting a value, an insured value for these items individually. So  
1292 this way God forbid there's a – there's a loss, we don't have that \$50,000  
1293 retention if it's a listed item.  
1294  
1295 A6: That's how we, you know, and then insurance agency, we al- we always  
1296 recommend it.  
1297  
1298 A1: Yeah.  
1299

1300 A6: You know what I mean? It's things like that, it's probably better you schedule  
1301 them off and (unintelligible).  
1302  
1303 A5: Yeah. The...  
1304  
1305 A: (Unintelligible).  
1306  
1307 A5: The – these brand-new sculptures that are being put in, I mean, I think they're  
1308 worth more than \$50,000. Eh...  
1309  
1310 Q: Well, yeah.  
1311  
1312 A1: You got a lot more than that.  
1313  
1314 Q: And then that, yeah.  
1315  
1316 A1: Yeah.  
1317  
1318 A: Yeah.  
1319  
1320 A5: So, I mean, I – I really think that we should start looking into scheduling these  
1321 pieces, especially the ones that we already know...  
1322  
1323 A2: Yeah.  
1324  
1325 A: Well...  
1326  
1327 A1: ...right off the bat how much we paid for it.  
1328  
1329 A3: Well, first of all...  
1330  
1331 A2: Right.  
1332  
1333 A3: ...they would be automatically covered.  
1334  
1335 A: Yeah.  
1336  
1337 A3: ...and for 120 days as long as they are not over \$1 million. They are  
1338 automatically covered. And then (unintelligible).  
1339  
1340 Q: They – they could be.  
1341  
1342 A2: (Unintelligible).  
1343  
1344 Q: They could be. I think this – the – these could be...

1345  
1346 ((Crosstalk))  
1347  
1348 Q: ...from the last...  
1349  
1350 ((Crosstalk))  
1351  
1352 Q: ...conversation I had.  
1353  
1354 A: Yeah.  
1355  
1356 Q: So (David) will look into it.  
1357  
1358 A1: Yeah, yeah, we could...  
1359  
1360 Q: Because we just got the (E News) about the...  
1361  
1362 A1: Right. Eh...  
1363  
1364 Q: ...sculpture that's coming up, so we have...  
1365  
1366 A4: (Unintelligible) they've got some fine arts...  
1367  
1368 A1: Right.  
1369  
1370 A4: ...policy. And – and the premiums are really reasonable.  
1371  
1372 A1: Yeah.  
1373  
1374 A2: Yes.  
1375  
1376 A1: And – and quite frankly, we met with historical services with regards to these  
1377 issues about two months ago. So we need to follow up back with 'em, let 'em  
1378 know how important it is to try to get these...  
1379  
1380 A3: We...  
1381  
1382 A1: ...things scheduled.  
1383  
1384 A3: We have one...  
1385  
1386 A2: (Unintelligible).  
1387  
1388 A3: ...one (item) for one of our clients that is worth \$1 million. It's inside a  
1389 church. And the premium every year, eh, they – it has a \$5,000 deductible.

1390 And the premium is \$7,000 a year. So it's inexpensive to cover as long as –  
1391 as long as you have an appraisal on it.  
1392  
1393 Q: Right.  
1394  
1395 A2: We also want a fine arts policy that – that can – can – we can park, uh, lend  
1396 arts of work that, um, pieces of art that is being lent to us, right?  
1397  
1398 A: Yeah.  
1399  
1400 A2: Um, because that's also, uh, something we wanna cover because normally, uh,  
1401 it – it could be a – a – an artist. Or it could – could even be a family who  
1402 lends you that piece of art, uh, now that you have somewhere that you can  
1403 actually, um, show it at. Um, and they are expecting the city to cover, eh, if it  
1404 gets damaged.  
1405  
1406 A: Mm-hm.  
1407  
1408 A2: Right? Or stolen, which is probably much more difficult than it being  
1409 damaged. But let's say we had a lot of rain. And for some, uh, reason it seeps  
1410 through and it damaged that piece of art.  
1411  
1412 A: Mm-hm.  
1413  
1414 A2: That family is gonna expect that you're gonna cover it.  
1415  
1416 A: Mm-hm.  
1417  
1418 A2: Um, so whenever we get a call like that about a situation like that, we say is  
1419 there – is there an appraisal...  
1420  
1421 A: Mm-hm.  
1422  
1423 A2: ...that the family or – or the artist can supply, um, so that we know what the  
1424 value of it is? And then if we schedule it and park it for awhile on this policy,  
1425 as (Tony) said earlier, it will have its full value covered but up to now...  
1426  
1427 A: Mm-hm.  
1428  
1429 A2: ...\$2 million.  
1430  
1431 A: Okay.  
1432  
1433 A2: Right? So, um, and that's a brand-new endorsement that...  
1434



1435 A: Mm-hm.  
1436  
1437 A2: ...you know, negotiate it without any extra cost.  
1438  
1439 A: Mm-hm.  
1440  
1441 A2: But the reality is you could have more than \$2 million right now of art sitting  
1442 in the city.  
1443  
1444 ((Crosstalk))  
1445  
1446 A2: And I'm sure you do.  
1447  
1448 A: No, I'm sure we do.  
1449  
1450 ((Crosstalk))  
1451  
1452 A6: That – that's near the front of the – the youth center. I'm pretty sure it's worth  
1453 quite – quite a bit, um...  
1454  
1455 A2: Uh, or it's priceless.  
1456  
1457 A: Yeah.  
1458  
1459 A2: But, uh, you know, we – we have this already happen to us. Remember –  
1460 remember when we had the flamingos...  
1461  
1462 A: Yep.  
1463  
1464 A2: ...um, and the roosters? Was it roosters or flamingos?  
1465  
1466 A3: Yep, flamingos.  
1467  
1468 A2: That was ten years ago.  
1469  
1470 A3: City of Miami – city of Miami had the roosters. We had the flamingos.  
1471  
1472 A2: We had the flamingos. And we had them all over the city of Coral Gables.  
1473 And they were covered under the policy at that time. The city chose not to  
1474 cover...  
1475  
1476 A: Mm-hm.  
1477  
1478 A2: ...them separately. And they were being leant to you.  
1479

1480 A: Mm-hm.  
1481  
1482 A2: So they were kinda like on consignment until somebody said, you know, I  
1483 want it for my lawn. And then they would buy it and take it. But, um...  
1484  
1485 A5: Now, the museum is – is – is owned – is – is the city's museum or is that –  
1486 that's, uh...  
1487  
1488 Q: No.  
1489  
1490 A5: So art – art that gets – art that gets leant to the museum is...  
1491  
1492 Q: Separate.  
1493  
1494 A5: That's – that's – that's...  
1495  
1496 Q: The museum is separate...  
1497  
1498 A5: ...a separate organization that has...  
1499  
1500 A2: We're not responsible for what's in it.  
1501  
1502 A5: ...to deal with their responsibility. Right. And – and...  
1503  
1504 A2: Oh.  
1505  
1506 A5: You know...  
1507  
1508 A2: Who – who – I'm sorry. Who – who owns the museum. Is it – is it the  
1509 county?  
1510  
1511 A5: It's an – I think it's a nonprofit (unintelligible) museum.  
1512  
1513 A2: Nonprofit.  
1514  
1515 A3: A nonprofit corporation.  
1516  
1517 Q: It's a nonprofit.  
1518  
1519 A2: So the contract between that entity and you...  
1520  
1521 Q: Mm-hm.  
1522  
1523 A: Mm-hm.  
1524

1525 A2: ...should s- very clearly state that any art that is in there...  
1526  
1527 A3: It's there wi-...  
1528  
1529 A2: ...it's protected and secured by them and under their insurance?  
1530  
1531 A1: Right. And that's one of the subjects (Tony) and I covered with them a couple  
1532 months ago when we went over there.  
1533  
1534 A2: Sure. That's, um...  
1535  
1536 A3: Yeah, it's, uh, you know, uh, they're i- i- items that are amazing how we  
1537 cover for art or how they can be recovered because for instance, you talk  
1538 about these nails. These nails were probably made with a mold. So if this nail  
1539 gets destroyed, probably can go to the guy who made the mold and ask for a  
1540 copy of it. And that will be a nominal price.  
1541  
1542 A: Mm-hm.  
1543  
1544 A3: When – when that Hurricane Andrew came, I – I wasn't sure (unintelligible)  
1545 among other – all the county properties. And, uh, I was surprised that be  
1546 (skya) that – that little island that they have there outside, it was totally  
1547 destroyed. And when I went there, I said oh my God. This is going to cost  
1548 millions of dollars. They're now the curators of the (skya) had made molds of  
1549 each individual item. And remaking the molds with concrete costs practically  
1550 nothing. I mean, it cost 10 percent of what we thought would cost to replace  
1551 everything there. So it's just a matter of finding a way of doing it. The same  
1552 thing, flamingos, we can probably got the mold for the flamingos and  
1553 (unintelligible).  
1554  
1555 Q: We got – got the Cartagena shoes. We got the (hana) shoes, remember?  
1556  
1557 A2: Got the (hana) shoes.  
1558  
1559 Q: The shoes at the, um...  
1560  
1561 A3: The co- the (Copa Plam Circle).  
1562  
1563 Q: The (Copa Plam Circle).  
1564  
1565 A4: Uh-huh. Uh-huh.  
1566  
1567 Q: When – when a car hit it, remember that, too?  
1568  
1569 A4: Yeah.

1570  
1571 A2: Yeah.  
1572  
1573 A4: Yeah, right.  
1574  
1575 A: Um, (Tony), uh, terms of the – the – the PML study that you mentioned, um,  
1576 and – and how that was developed, do you – I think it’s important we  
1577 understand that and we understand what went into that, what’s in that.  
1578  
1579 A3: Sure. Sure.  
1580  
1581 A: What – what are the exposures? I know you have the exposures  
1582 (unintelligible) listed on that – our page here but...  
1583  
1584 A3: We’ll run – we’ll run the model. We’ll give you...  
1585  
1586 A1: Yeah.  
1587  
1588 A3: ...give you a copy of the model. We always run the model two ways. We run  
1589 the IMS model. Then now this year will be the IMS 15. IMS 15 is coming  
1590 out about 10 percent less than the – than last ye- the (unintelligible) 13 that we  
1591 use last year. So, um, nobody u- have used IMS 14 as far as I know. So you  
1592 jump. But it’s coming out about 10 percent less. So I expect this year will be  
1593 – and – and will also, um, run the – the other model (unintelligible).  
1594  
1595 A1: Yeah, we gotta understand what – what exposure we put into the model.  
1596  
1597 A3: Okay sure.  
1598  
1599 A: And – and – and – and I think that, um, you know, (unintelligible) this is  
1600 really important, I think, is that we understand that – that the city understand  
1601 what they’re insuring and the – what’s – what – what’s in that property  
1602 schedule and that, you know, sometimes, you know, like do we – do we insure  
1603 the Coral Gables museum? No. That – that’s their thing. And is it in the  
1604 model or not? And sometimes you can find things that shouldn’t be there  
1605 because they’re insuring it. Or – or county facility or something, so...  
1606  
1607 A3: I – I get...  
1608  
1609 A: ...you know, standing on the art. Like we should just understand what that is  
1610 because if we’re gonna bless that this \$25 million is the right number and  
1611 we’re gonna advise staff and the commission that that’s the right number...  
1612  
1613 A2: Mm-hm.  
1614

1615 A1: ...then we should know what was put into that to get to that number.  
1616  
1617 A5: Yeah, I remember a few years back. Um, I don't know if it's – it's when you  
1618 came on board, (David), or it was previously, you know, it – we discovered  
1619 that there was some city property that was not being, you know, included in  
1620 that master list or whatever and not necessarily the insurance portion of it but  
1621 in the – in the master list of what – what we knew we had.  
1622  
1623 A4: No. That wa- that was me.  
1624  
1625 A: Uh, yeah.  
1626  
1627 A1: Uh, when I came on board, I – I found a few things that were missing.  
1628  
1629 A5: Yeah, um, so I – I – I agree with you. Um, you know, I – I would start that  
1630 process and how – how you wanna get us information and, you know, I don't  
1631 know if it's part – partially them, partially through – through the city, um, in  
1632 conjunction with...  
1633  
1634 A: Yeah. And – and I know it's really hard for you sometimes to get that  
1635 information from other departments sometimes, right?  
1636  
1637 A1: Right. Yeah.  
1638  
1639 A: 'Cause – 'cause they're relying on what you give 'em and...  
1640  
1641 A1: Exactly. And that's what I told (Elsa). I have to rely on what public works  
1642 provides us. And, uh, so when I sent the list, uh, down, they said, "Oh,  
1643 (Dave), we're missing such and such things." So you – you know how that  
1644 works. I mean...  
1645  
1646 A2: Eh...  
1647  
1648 A1: ...eh, you rely on public works.  
1649  
1650 A2: Once a year we go through this exercise with (David).  
1651  
1652 A1: Uh, yeah.  
1653  
1654 A2: Um, we – and – and it's part of (unintelligible). We – we go and we provide a  
1655 – a list of the properties...  
1656  
1657 A1: Yeah.  
1658  
1659 A2: ...on this schedule of insurance.

1660  
1661 A: And we never assume...  
1662  
1663 A2: Our schedule of values.  
1664  
1665 A1: We never assume it's 100 percent accurate. You know, that's very dangerous.  
1666  
1667 A2: Right. But it's – those...  
1668  
1669 A1: I – I have to send it to public works. And say, "Okay is this 100 percent  
1670 accurate?" Sure enough, there's a few things that we're missing and...  
1671  
1672 ((Crosstalk))  
1673  
1674 A3: ...\$1 million. There was some (omissions) coverage for inadvertent  
1675 (unintelligible) (omissions) that somebody forgot to – that was a lot of piece  
1676 of property.  
1677  
1678 A2: So you...  
1679  
1680 A3: But, uh, we also get the – remember that city property wa- appraised by  
1681 American Appraisal. And, uh, the fountains and, uh, interests where more  
1682 recently were appraised...  
1683  
1684 A2: I...  
1685  
1686 A3: ...by American Appraisal when they were added. The city piggybacks on the  
1687 county contract to get the appra- the appraisals, I believe. Um, I don't – I  
1688 don't know. I think we have a separate contract.  
1689  
1690 ((Crosstalk))  
1691  
1692 Q: We have a separate contract.  
1693  
1694 A4: Yeah, yeah.  
1695  
1696 A3: (Unintelligible).  
1697  
1698 Q: Maybe three or four years ago.  
1699  
1700 A3: American...  
1701  
1702 ((Crosstalk))  
1703  
1704 A3: ...does the appraisal. So they are pretty reliable.

1705  
1706 A: Mm-hm.  
1707  
1708 A3: And, uh, we rely also and then they – they – American then, when they look at  
1709 the city property, they provide a latitude and longitude of each piece. And  
1710 that is what is used by the model. So when we see a gap, it's where if – if  
1711 some location doesn't have a latitude and longitude, then it will go to all other.  
1712 But the all other is not too bad because it goes by zip code. Um, we don't  
1713 have a lot of properties. We do have a fire station down south that is probably  
1714 under water. We don't have a lot of – we don't have a lot of locations that are  
1715 subject to flood. That's probably one of the few ones, the five stations down  
1716 south. And I think we do – well, we have the police boats out there by, uh,  
1717 down south also. Um...  
1718  
1719 Q: I'm trying to remember the name.  
1720  
1721 A3: (Unintelligible)...  
1722  
1723 Q: MS – is it...  
1724  
1725 A2: Yeah.  
1726  
1727 A3: ...have the police boats on that, so that one and, uh, you know...  
1728  
1729 A2: So the CAT model – and we – we share the CAT model results, um, at – at the  
1730 renewal time. Um, of course, we – we'll be happy to, uh, share that with you  
1731 any time that you'd like. As a matter of fact, it's being – it – it's being  
1732 modeled now for the next renewal which is a May 1 renewal. But, um, those  
1733 results, um, are – are – are provided within our proposal. And, um, on page 4,  
1734 you will see the four-year history of the values as afforded by the city, um,  
1735 have been. And, uh, the building and contents values come from American  
1736 Appraisal, um, as (Tony) stated. American Appraisal actually has appraised,  
1737 um, your locations. And then on an annual basis, they trend the appraised  
1738 properties to, um, to whatever level it is to be, uh, on the – on any given year.  
1739 So we're – they're being trended now by (David) for...  
1740  
1741 A1: Right.  
1742  
1743 A2: ...the next renewal.  
1744  
1745 A1: What – and of course, our fine au- arts that obviously, I believe we have more  
1746 than \$1 million. But, uh, as we discussed earlier, we're working on it.  
1747  
1748 A3: Now we have to...  
1749

1750 A2: Now it's \$2 million.  
1751  
1752 ((Crosstalk))  
1753  
1754 A1: What's – what's some of the – where does the outdoor property fit into this?  
1755 Like, um, you know, lights and fences and, uh, you know, the parks, building,  
1756 you know, sish- uh, structures?  
1757  
1758 A3: Well, outdoor property within – anything that is around buildings and  
1759 compass has been appraised by American Appraisal. And they show it as land  
1760 improvements, which is added as the total. But, um, but we do not have  
1761 coverage for other than the listing. So if – if somebody has a fence that is  
1762 over south some fee- anything within the south, some feet of the buildings, I  
1763 do not know that we have anything over the south some feet from the building  
1764 other than – than (comps) and, uh, other than fountains. And the fountains  
1765 and monuments and so on in city interest is – all of that is within that – within  
1766 that, uh, \$11 million - \$11 million quotes at the bottom, uh, the last line there.  
1767  
1768 A2: (Gary), you may wanna see, um, the schedule of insurance just kinda like take  
1769 spot.  
1770  
1771 A3: Yeah.  
1772  
1773 A: The...  
1774  
1775 A2: (Unintelligible) spot and check – look at it and see if anything pops out at you  
1776 that either you see there that you think is undervalued or anything that you  
1777 think should be schedule because if it's scheduled, it's automatically included.  
1778 If it's not scheduled, then it goes to a loss. Um, and it is within 1,000 feet of a  
1779 – of a building, then there is, you know, coverage for that...  
1780  
1781 A: Yeah, and the things I think of...  
1782  
1783 A2: ...the policy.  
1784  
1785 A: ...are, you know, the campuses, things that – that usually are gonna get  
1786 damaged, things, uh, over the playground, campuses, playground equipment,  
1787 lights and parks, those types of things.  
1788  
1789 A2: Mm-hm.  
1790  
1791 A: Um, so when you calculate your PML, go into that calculation or not...  
1792  
1793 A2: Well...  
1794



1795 A: ...because those things add up pretty quickly, right?  
1796  
1797 A3: Yeah, if...  
1798  
1799 A2: The PML is...  
1800  
1801 A3: Right.  
1802  
1803 A2: The PML is picking up, um, is – the (CAL) model is based on building and  
1804 contents only.  
1805  
1806 A: Okay.  
1807  
1808 A2: Um, and if – if there was lands improvements, um, that would have been  
1809 picked up also. Um, and then if there’s any builders risk, like anything you’re  
1810 building brand new, which we don’t see a lot up here, that would have gone in  
1811 there too. But, um, the (CAL) model, those are based mostly on building and  
1812 content values.  
1813  
1814 A: Okay.  
1815  
1816 A2: So, um...  
1817  
1818 A5: You mentioned building (unintelligible). And I – I know we brought this up  
1819 late last – last meeting. The – the new renovations in Miracle Mile, any  
1820 garages that are being built, that – that is – that is all the builder’s risk. All  
1821 that insurance is being handled by the contractor?  
1822  
1823 A1: Well, okay, uh, if you’re talking about the streetscape...  
1824  
1825 A2: Yeah.  
1826  
1827 A3: ...uh...  
1828  
1829 A1: With the new garages.  
1830  
1831 A3: Well – well, okay let’s go first to the streetscape.  
1832  
1833 A1: Okay.  
1834  
1835 A1: Uh, there was an issue there where the contractor says, “Well, what do I need  
1836 builder’s risk for? You know, I’m doing – all the construction’s horizontal.  
1837  
1838 A: Horizontal.  
1839

1840 A4: Right. So I said, “Well, you know, unless I’m missing something, I don’t  
1841 think they need builder’s risk.” So I actually asked (Tony). I said, “Look.  
1842 Am I missing something?”  
1843  
1844 A3: We agree. We agree we are not going to spend...  
1845  
1846 A4: Yeah.  
1847  
1848 A3: ...another \$7,000 to insure the – the – the...  
1849  
1850 A4: Well...  
1851  
1852 A3: ...the sidewalks...  
1853  
1854 A4: Sidewalks, yeah.  
1855  
1856 A3: ...replacement.  
1857  
1858 A1: Well, it would have cost the contractor \$56,000, okay, for the builder’s risk  
1859 for the streetscape project. So I ask (Tony), I said, “Look, (Tony). I got thick  
1860 skin. If you disagree with me, let me know. But I don’t think we need  
1861 builder’s risk in this case.” And he – he agreed.  
1862  
1863 A3: Yeah.  
1864  
1865 A1: As far as any garages, any – any structure that are being built by a contractor,  
1866 we – we do require builder’s risk from them.  
1867  
1868 A3: And a bond.  
1869  
1870 A4: And of cour- you have the bond. It...  
1871  
1872 A2: Until – until the structure is completed. And then it gets...  
1873  
1874 A4: Yeah.  
1875  
1876 A2: ...it gets added on to the schedule of insurance.  
1877  
1878 A1: It’s just – that’s why the bonds are handled by the city attorney’s office.  
1879  
1880 A: Okay.  
1881  
1882 A4: I – I – I handle the insurance aspect of it.  
1883  
1884 A: Okay.

1885  
1886 A4: And, you know, I – I – just like I mentioned, another important task that  
1887 American Appraisal provides is they gather and update the secondary  
1888 characteristics on your – a lot – a lot of your structurers, which has a direct  
1889 impact on your modeling. That was...  
1890  
1891 A2: Yeah, that's impor- that's an important point because...  
1892  
1893 A5: Yeah.  
1894  
1895 A2: ...um, there was a time when American was only doing like desktop  
1896 appraisals. And then about four years ago, you signed them on to do actual...  
1897  
1898 A5: In – in person.  
1899  
1900 A2: ...uh, uh, per- physical appraisals...  
1901  
1902 Q: Right. Physical.  
1903  
1904 A2: ...and pick up – those secondaries are like type of roof, whi- openings. Do  
1905 they have, uh, hurricane-proof windows and doors, etc.?  
1906  
1907 A4: The age of the building.  
1908  
1909 A2: Age of the building, age of the roof.  
1910  
1911 A4: The geometry.  
1912  
1913 A2: Plumbing, electrical, all these things. And the more info you – you populate  
1914 your schedule...  
1915  
1916 A1: Mm-hm.  
1917  
1918 A2: ...of values with, the better the results on the CAT model.  
1919  
1920 A1: Right.  
1921  
1922 A3: There – there are some things that – that we don't check much. For instance,  
1923 you notice the – the – the line for golf carts, uh, don't change much.  
1924  
1925 A1: Right.  
1926  
1927 A3: The golf carts that are insure are the ones that are being used by the – by the...  
1928  
1929 A: (Unintelligible).

1930  
1931 A3: ...uh, huh?  
1932  
1933 A6: The key – the – the police, the 20s (unintelligible).  
1934  
1935 A3: The police, yeah, that go around, uh, giving you tickets.  
1936  
1937 A: Mm.  
1938  
1939 A3: You get any tickets, uh, they...  
1940  
1941 A2: When we...  
1942  
1943 A3: ...they, uh...  
1944  
1945 A2: Oh that reminds me (unintelligible).  
1946  
1947 A: Reminds me, yeah.  
1948  
1949 ((Crosstalk))  
1950  
1951 A2: Let me go look at my, uh...  
1952  
1953 A3: It's...  
1954  
1955 ((Crosstalk))  
1956  
1957 A3: You feel it off of two hours, it go to 11 o'clock 'cause it doesn't start...  
1958  
1959 A2: Yes.  
1960  
1961 A3: ...counting until 9:00.  
1962  
1963 A2: Yes.  
1964  
1965 A: Yeah.  
1966  
1967 A2: I'm fine.  
1968  
1969 A1: Now, I just wanna make sure everybody's has accurate information. So that  
1970 last column for fine arts should be \$2 million instead of \$1 million, correct?  
1971  
1972 A3: Yes.  
1973  
1974 A2: Yeah, it's – now it's...

1975  
1976 A4: Yeah, yeah, just to make sure everybody...  
1977  
1978 A: But foun- fountains is outdoor property or just fountains?  
1979  
1980 A4: What's that?  
1981  
1982 A: It's labeled fountains but outdoor property?  
1983  
1984 A3: Yes, it is. It is.  
1985  
1986 ((Crosstalk))  
1987  
1988 A3: The fountains are outdoor property.  
1989  
1990 A: But the – the – the...  
1991  
1992 A2: No.  
1993  
1994 A1: ...the catchall should be out there probably not fountains or...  
1995  
1996 A2: No, no, no, no, no.  
1997  
1998 A3: Oh.  
1999  
2000 A2: Fountains is really just fountains.  
2001  
2002 A1: Okay.  
2003  
2004 A3: It's fountains and entrances.  
2005  
2006 A1: Okay.  
2007  
2008 A: Yeah.  
2009  
2010 A2: And they were just added in 2015.  
2011  
2012 A4: Mm-hm. Yeah, this last renewal.  
2013  
2014 A2: Prior to that, you did not have those scheduled and insured. Well, they would  
2015 have been insured under the...  
2016  
2017 A: I – I – I do wanna talk about this at our next meeting is – is that whole issue  
2018 because, um, I think we – it's – it could be an opportunity in the soft market to  
2019 get some more coverage on the...

2020  
2021 A2: Mm-hm.  
2022  
2023 A1: ...outdoor stuff 'cause it's...  
2024  
2025 A2: Like what other stuff are you thinking of?  
2026  
2027 A: I'm thinking of, um, and maybe your – maybe it's already covered, like signs,  
2028 entrance signs, you know, around – around the city.  
2029  
2030 A2: Okay.  
2031  
2032 A: I'm thinking of, um, light poles and parks, um, uh, bleachers. I'm thinking of  
2033 playground equipment. I'm thinking of the – the canvas, uh, um, gate  
2034 structures in the parks that go over the playgrounds, those types of things that  
2035 may not be covered right now that maybe you can in the soft market, you can  
2036 take advantage of – of getting picked up.  
2037  
2038 A3: And we have a law. So I would insist that they are covered.  
2039  
2040 A4: Yeah, I was gonna say...  
2041  
2042 ((Crosstalk))  
2043  
2044 A2: ...1,000 feet...  
2045  
2046 A3: Oh, yeah, yeah.  
2047  
2048 A4: Yeah, yeah.  
2049  
2050 A2: ...of a building?  
2051  
2052 A4: Yeah.  
2053  
2054 A3: They're – they're within...  
2055  
2056 A2: They're (unintelligible).  
2057  
2058 A3: Remember that we have the...  
2059  
2060 A1: Yeah, okay.  
2061  
2062 ((Crosstalk))  
2063  
2064 A3: ...\$1 million. We – oh, yeah, yeah, everything is covered, you know?

2065  
2066 A2: I mean, uh, signs, I – like you don't mean like street signs, right?  
2067  
2068 A: No. Uh, yeah, the (monumentram) signs. I don't know how much money –  
2069 how mu- I don't know...  
2070  
2071 A2: So those are entrances. So those entrance signs, if those entrances are now  
2072 fountain or – or entrances, then it's automatically covered...  
2073  
2074 A3: Yeah, I just, uh...  
2075  
2076 A2: ...within 1000 feet.  
2077  
2078 A1: Okay.  
2079  
2080 A3: This is all within the fountains deal, those entrances...  
2081  
2082 A2: Mm-hm.  
2083  
2084 A3: ...fountains, entrances, everything is included...  
2085  
2086 A2: And remember...  
2087  
2088 A3: ...in those \$11 million.  
2089  
2090 A5: But it's – it's...  
2091  
2092 A2: You ha-...  
2093  
2094 A5: ...within 1,000 feet on your insurance building, right?  
2095  
2096 A2: That is correct, of a...  
2097  
2098 A1: Uh, I mean...  
2099  
2100 A2: ...of a...  
2101  
2102 ((Crosstalk))  
2103  
2104 A2: ...structure.  
2105  
2106 Q: But we also have the fountains. And the entrance is covered.  
2107  
2108 A2: That's a structure.  
2109

2110 Q: That, in itself, it's separate, you know? It's – it – it like what you saying in  
2111 terms of – I mean, you can explain it better.  
2112  
2113 A2: Well, I – I wanna call a fountain a unit of insurance because...  
2114  
2115 A4: Okay and...  
2116  
2117 A2: ...in – and now our world is changing as far as the definition of a structure...  
2118  
2119 A4: Right.  
2120  
2121 A2: ...is no longer just a building. It's a unit of insurance. So a fountain, is that  
2122 considered a unit of insurance? So if it's within 1,000 feet and it's yours  
2123 within that unit...  
2124  
2125 A1: Okay.  
2126  
2127 A2: ...that is being scheduled, then we can argue that there's coverage.  
2128  
2129 A3: But s- some of the...  
2130  
2131 A1: (Unintelligible).  
2132  
2133 A3: Some of the light poles...  
2134  
2135 A2: But...  
2136  
2137 A3: ...within the city are part of the count, you know...  
2138  
2139 ((Crosstalk))  
2140  
2141 A2: Mm-hm.  
2142  
2143 A3: But all (unintelligible) the city. Like, you know, once you see around, uh,  
2144 (unintelligible) a golf course for instance, those are owned by the city.  
2145  
2146 A: Mm-hm.  
2147  
2148 A3: Well...  
2149  
2150 A2: And we got coverage for that during Andrew with FEMA.  
2151  
2152 A3: We got 'em all with...  
2153  
2154 ((Crosstalk))



2155  
2156 A: I – I – I (unintelligible).  
2157  
2158 A3: So the only thing that thing is going to go over the \$50,000 is when we have a  
2159 hurricane.  
2160  
2161 A: Mm-hm.  
2162  
2163 A3: And we have a hurricane, we're getting it covered by FEMA rather than use  
2164 the city's insurance. But...  
2165  
2166 A5: Yeah, and now the city's now looking to do – to, um, you know, again, with –  
2167 with the cast molds, do the historical street lights again. And I believe, if my  
2168 understanding is correct...  
2169  
2170 A2: No.  
2171  
2172 A: ...I think they wanna take possession and own the street lights...  
2173  
2174 A1: Mm-hm.  
2175  
2176 A5: ...and the city, take it away from FPL. They're doing the teste pilot with the  
2177 LED and all that. I don't know exactly what – what their – their long-term...  
2178  
2179 A2: Well...  
2180  
2181 A5: ...goal is. But, um, ye- you know, I – I did get – again, through the (E city)  
2182 and use that they're doing the historical...  
2183  
2184 Q: Right.  
2185  
2186 A: ...street lights which are...  
2187  
2188 Q: Right.  
2189  
2190 A: ...expensive.  
2191  
2192 A2: Kinda like Miami Lakes is done and...  
2193  
2194 A4: Yeah.  
2195  
2196 A5: Well, they usually – that's where the historic Gables Street, like, you know,  
2197 they – they did a...  
2198  
2199 A4: Yeah.

2200  
2201 A: ...cast mold...  
2202  
2203 A2: Yeah.  
2204  
2205 A: ...of the private partnership.  
2206  
2207 A2: (Unintelligible).  
2208  
2209 A: You know, so...  
2210  
2211 A3: And – and it took...  
2212  
2213 A: I'm sorry.  
2214  
2215 A4: No, no. I mean, just – just to keep those things...  
2216  
2217 A4: Yeah.  
2218  
2219 A5: ...in mind as well. And I think that's – we could serve a purpose...  
2220  
2221 A2: Right.  
2222  
2223 A: ...on that as well...  
2224  
2225 A2: Yes.  
2226  
2227 A5: ...as things evolve.  
2228  
2229 A1: Right. Yeah.  
2230  
2231 A: And ta- keep bringing 'em up and – and make sure that, you know...  
2232  
2233 A1: And just to let you know, (Gary), I – I'm not aware of any claim for outdoor  
2234 equipment or whatnot. The things you're describing where we actually had a  
2235 claim that was denied, I mean, unless you guys remember something like that.  
2236  
2237 A: Well, FEMA might pay you for some of that stuff but...  
2238  
2239 A2: Yes.  
2240  
2241 A: But whether you can get that – they pay you once, they – they – they'll pay  
2242 again. It's only a flood issue.  
2243

2244 A2: It – it – and, um, that’s a flood issue. And it’s also, uh, how many years have  
2245 gone by ‘cause so many years have gone by since the last time you...  
2246  
2247 A1: But it...  
2248  
2249 A2: ...attacked ‘em.  
2250  
2251 ((Crosstalk))  
2252  
2253 A4: ...and you’re gonna lose – you’re gonna, you know, you’re gonna lose some  
2254 parks. You’re gonna lo-...  
2255  
2256 A: Mm-hm.  
2257  
2258 A4: ...these build – little play – and if they’re covered, they’re covered. But if  
2259 you...  
2260  
2261 A3: Right.  
2262  
2263 A1: ...you – the insur-...  
2264  
2265 A3: But one issue, it actually applies only to where they have already paid for  
2266 flood and, uh...  
2267  
2268 A2: And if you have insurance.  
2269  
2270 A3: ...and the time of the – the hurricanes here where they don’t have any  
2271 significant property damage by flood. The only property was out there on the  
2272 – on – on Matheson Hammock, we had some damage to the (dump) that we  
2273 have there. Um, but other than that, there was really nothing. We didn’t have  
2274 – at that time, the fire station was not built. With that fire station is – is  
2275 subject to flood. Other than that, I don’t think we have anything else.  
2276  
2277 A2: You wanna – well, how – how – the docks, we do have some...  
2278  
2279 A3: Yeah.  
2280  
2281 A2: ...a couple of docks...  
2282  
2283 A3: Yes.  
2284  
2285 A2: ...here.  
2286  
2287 A3: Yes.  
2288

2289 A2: And they are not scheduled, I believe.  
2290  
2291 A3: Okay we have to – well, we need to add them to the values. We can get ‘em  
2292 covered...  
2293  
2294 ((Crosstalk))  
2295  
2296 A1: As long as they’re scheduled...  
2297  
2298 A2: As long as they’re scheduled...  
2299  
2300 A3: The city owns the...  
2301  
2302 A2: ... (unintelligible) that.  
2303  
2304 A3: If you have the boats...  
2305  
2306 A1: Mm-hm.  
2307  
2308 ((Crosstalk))  
2309  
2310 A2: Let’s take a look at the dock.  
2311  
2312 A3: ...couple of boats. I don’t know what ever happened to them.  
2313  
2314 A: And sea walls, you have sea walls.  
2315  
2316 A2: Right. Then we don’t have those schedule either, the sea wall.  
2317  
2318 A1: Yeah.  
2319  
2320 A3: I don’t know if we have a sea wall. But it’s good to find out.  
2321  
2322 A2: I think we do. I don’t know what color.  
2323  
2324 A1: I – I – I can find out from public works.  
2325  
2326 A2: Yeah, let’s – let’s take a look at that.  
2327  
2328 A3: In the soft market, we’ve been able to have everything cover and the sea  
2329 walls, the docks.  
2330  
2331 A: Now – now is the time to go get whatever we can find, right?  
2332  
2333 A2: This is the time to ask for...

2334  
2335 ((Crosstalk))  
2336  
2337 A2: ...yeah, the kitchen sink. Yeah, definitely. Definitely.  
2338  
2339 A: So, uh, if we can do that in our next meeting, just – they can come back to us.  
2340 And we get a proper schedule...  
2341  
2342 A3: Sure.  
2343  
2344 A: I think that would be helpful to everybody that we...  
2345  
2346 A2: Mm-hm. Well, we can – we can send you, um, the property schedule now  
2347 that we're gonna be working with for the renewal.  
2348  
2349 A3: Mm-hm.  
2350  
2351 A2: And if something pops up...  
2352  
2353 A5: That – that shouldn't be a problem. You – you – I think – also can you e-mail  
2354 it to all the board?  
2355  
2356 Q: You – you can – you can e-mail it to me.  
2357  
2358 A2: Yeah, do we have it back the (unintelligible).  
2359  
2360 Q: And then I'll forward it to you. But don't...  
2361  
2362 A2: Yeah.  
2363  
2364 A4: (Unintelligible).  
2365  
2366 Q: No discussion by...  
2367  
2368 A5: Yeah, if you could just...  
2369  
2370 ((Crosstalk))  
2371  
2372 A5: ...forward it to each individual board member.  
2373  
2374 ((Crosstalk))  
2375  
2376 Q: Individually. I could do that better.  
2377  
2378 A5: And then just FYI type of thing.

2379  
2380 Q: Yeah.  
2381  
2382 A5: And then when we meet again...  
2383  
2384 Q: Yeah.  
2385  
2386 A5: ...we're prepared for it.  
2387  
2388 Q: I'll do that.  
2389  
2390 A2: Do you already have it?  
2391  
2392 A1: Yeah. I already sent it to (Monte), um...  
2393  
2394 A2: Okay so you...  
2395  
2396 A1: ...either last week or week before.  
2397  
2398 A2: Okay so let me take a look at it. And I'll send it to you with, um, some notes.  
2399  
2400 A: Okay, they...  
2401  
2402 A1: Yeah, we had a few things.  
2403  
2404 A2: Uh, use the e-mail address from the (unintelligible) today or another one?  
2405  
2406 A5: Yes. No. I'll give you another one.  
2407  
2408 A2: Okay.  
2409  
2410 A3: The (Cyber) coverage, remember last year we raised that to \$3 million. We  
2411 had options for \$5 million. Uh, the city decided not to purchase \$5 million.  
2412 So it stands at \$3 million right now. It's, uh, it (unintelligible).  
2413  
2414 A6: We increased it. We increase it. We recommended the increase.  
2415  
2416 A3: We went from – from \$1 million to \$3 million.  
2417  
2418 A6: Million to three, I...  
2419  
2420 A3: Yep.  
2421  
2422 A6: I remember that.  
2423

2424 A3: When we – when it’s – this is impressive because when we left, we brought  
2425 an expert to meet with the city, I think (Keith).  
2426  
2427 Q: Mm-hm.  
2428  
2429 A3: And, uh, at that point, before we brought our guy, uh, the city I think did – I  
2430 think (unintelligible) we were so protected. We didn’t need any coverage.  
2431 But when they talk to this guy who – between them, they were talking...  
2432  
2433 A6: Their language.  
2434  
2435 A3: Uh, their language, uh, uh, uh, yeah, they said, “We don’t need a lot of  
2436 coverage.”  
2437  
2438 A4: Mm-hm.  
2439  
2440 A3: That’s why on the first year, we – we – with the \$1 million. And then, uh, so  
2441 they – they realized the exposure that they had.  
2442  
2443 A1: Yeah, and – and – and (Tony) can you discuss the – with the (Cyber) risk,  
2444 with the upcoming renewal. There’s another that, uh, social (unintelligible),  
2445 uh...  
2446  
2447 A3: Yes. The – the...  
2448  
2449 A4: ...exposure that’s growing now that more and more...  
2450  
2451 A3: We’re...  
2452  
2453 A4: ...entities are – are purchasing...  
2454  
2455 A3: We are adding that to the crime (unintelligible).  
2456  
2457 A4: Mm.  
2458  
2459 A3: It’s a social engineering endorsement.  
2460  
2461 A1: (Unintelligible).  
2462  
2463 A3: It’s very inexpensive.  
2464  
2465 A1: That’ what I said. (Unintelligible).  
2466  
2467 A3: You guys might want to think it for your clients. The social engineering  
2468 endorsement, um...

2469  
2470 A2: On the crime policy.  
2471  
2472 A3: On the crime. This is how the loss goes. The loss goes that they – this – the –  
2473 the finance director receives a – an e-mail from the city manager indicating  
2474 that they should transfer \$25,000 to such and such bank. Everything is clear.  
2475 It's her signature, her e-mail. She's requesting (unintelligible) so on. If they  
2476 transfer that money voluntarily, it's a fraud. The fraud is created by  
2477 whomever generates the e-mail mimicking the city manager's address, the city  
2478 manager's signature, the code number, everything is clear. Now, we have, uh,  
2479 three instances...  
2480  
2481 A2: Three.  
2482  
2483 A3: ...going against our clients. In each case it was discovered be – well, not only  
2484 in one case...  
2485  
2486 A2: One case.  
2487  
2488 A3: In – in one case, there were two – two small losses. Well, two losses that  
2489 were significant. And they were – but that was a client where we already have  
2490 the endorsement on. Uh, in other cases, it was discovered before the money  
2491 was transferred. And one of the persons – in one of the cases, the – the – the –  
2492 the city, uh, finance director comes over to the person and says, "Did you  
2493 really send me this request to transfer this money?" And it was – it's, uh, the  
2494 person says, "It was my signature. It was my e-mail. It was – I was ready to  
2495 freak out. Did I forget that I sent this thing? How could I have billed this?"  
2496 And it was all a fraud.  
2497  
2498 A2: It's happening in the nonprofit, in the public entity, in the private sector. It's  
2499 this new...  
2500  
2501 A: So...  
2502  
2503 A2: ...way of – of getting funds, um...  
2504  
2505 A: Through trickery and...  
2506  
2507 A2: ...through trickery.  
2508  
2509 A: Right, yeah.  
2510  
2511 A2: And – but there was a loophole.  
2512  
2513 A: Yeah.



2514  
2515 A2: We found – when the first one hit, we found that, um, there was no coverage  
2516 under the crime policy. And there was – this is not a (Cyber).  
2517  
2518 A1: Right. There was a cap.  
2519  
2520 A2: Claim.  
2521  
2522 A1: Well, it’s an exclusion because of the voluntary party (unintelligible).  
2523  
2524 A2: Right. Because you – you went ahead and transferred those dollars. So the –  
2525 that within – and it’s all within. Um, then that – there was a – there was this  
2526 loophole, this gap...  
2527  
2528 A1: (Unintelligible).  
2529  
2530 A2: ...of coverage.  
2531  
2532 A6: Yeah.  
2533  
2534 A2: There was an exclusion. So then the social engineering...  
2535  
2536 A6: That really sounds like a loophole, definitely sounds...  
2537  
2538 A1: Yeah.  
2539  
2540 A2: It is.  
2541  
2542 A6: ...like a loophole.  
2543  
2544 A1: Yeah, that’s why I’m recommending that we have...  
2545  
2546 A4: Because it’s...  
2547  
2548 A1: ...it this year.  
2549  
2550 A6: This (Cyber), you know, fa- you would think it would fall in the scope of  
2551 (Cyber) liability.  
2552  
2553 A1: Right. And (unintelligible).  
2554  
2555 A2: And the bank cleaned their hands because they said, “You asked us to do it.”  
2556  
2557 A1: Right.  
2558

2559 A2: The e-mail came from someone we know. We...  
2560  
2561 A3: (Unintelligible) on you.  
2562  
2563 ((Crosstalk))  
2564  
2565 A2: You know it's like – it's like...  
2566  
2567 A1 (Unintelligible) making.  
2568  
2569 A2: ...(David) sending the finance department, "Oh sends, uh, at least pay...  
2570  
2571 A1: Yeah, uh...  
2572  
2573 A2: ...American Appraisals annual fee."  
2574  
2575 A1: Mm-hm.  
2576  
2577 A2: "They just finished the appraisals for \$20,000. Here's their, uh, routing  
2578 number and bank...  
2579  
2580 A1: Mm-hm.  
2581  
2582 A2: ...information." And that's legitimate. If – that's something that happens  
2583 every year.  
2584  
2585 A1: Mm-hm.  
2586  
2587 A2: They – their balance and possibly not check the routing and banking because,  
2588 oh, everybody – sometimes they changes their banks.  
2589  
2590 A4: And I get e-mails from American Appraisals.  
2591  
2592 Q: We – we get invoices. We pay by check.  
2593  
2594 A4: Yeah.  
2595  
2596 Q: The old-fashioned way.  
2597  
2598 A2: No, I personally had to pick them up with a bodyguard.  
2599  
2600 A3: See, this is, uh, the reason it doesn't follow their (Cyber) because (Cyber)  
2601 really doesn't cover money and securities.  
2602  
2603 A2: Right.

2604  
2605 A4: (Unintelligible).  
2606  
2607 A3: So (Cyber) will cover all the (unintelligible) loss. But nobody take – and their  
2608 client policy doesn't cover the voluntary transfer of money.  
2609  
2610 A4: And sometimes (unintelligible).  
2611  
2612 A3: And that's where – that's where, you know...  
2613  
2614 A2: Oh by phone, yeah.  
2615  
2616 A3: ...equivalent to the old trick and device coverage of the people that had  
2617 automobile dealers. You ever wrote automobile dealers. One other thing to  
2618 somebody want to check the car and drives away with it and you gave 'em the  
2619 keys.  
2620  
2621 A1: Yeah.  
2622  
2623 A3: So it's a old trick that we buy coverage.  
2624  
2625 A2: So you don't have that coverage right now? 'Cause (David) is completing  
2626 some...  
2627  
2628 A1: Right, right.  
2629  
2630 A2: ...questions that we have.  
2631  
2632 A1: Yeah, yeah. When – when this was brought up, I said, "Oh," I says, "We  
2633 gotta get this coverage."  
2634  
2635 A2: Mm-hm.  
2636  
2637 A1: We – we definitely have to have it.  
2638  
2639 A3: And when – when this thing first started a few months ago, the underwriters  
2640 would ask no question for a couple a hundred dollars...  
2641  
2642 A1: Yeah, yeah.  
2643  
2644 A3: ...to give 'em the coverage.  
2645  
2646 A1: Mm-hm.  
2647  
2648 A3: But now they've been hit by a number of...

2649  
2650 A5: It's the future.  
2651  
2652 A3: ...claims. They're asking a few questions...  
2653  
2654 A2: Yeah.  
2655  
2656 A3: ...about (unintelligible).  
2657  
2658 A1: Yeah, yeah.  
2659  
2660 A4: Well, e- even – they're – they're putting in additional requirement. They have  
2661 a call-back provision. So you have to get the level authentication of the  
2662 transfer (unintelligible). So even if you have the coverage and you done  
2663 through the call-back verification, they won't provide coverage.  
2664  
2665 A2: So...  
2666  
2667 A6: Is that – is there another carrier that would automatically include this endors-  
2668 said endorsement as part of the pol- you know, policy provision?  
2669  
2670 A3: No. We know that...  
2671  
2672 A2: Is it crimes?  
2673  
2674 A3: ...shop, for instance, we'll – we'll (unintelligible) it every time they have a  
2675 renewal unless...  
2676  
2677 A2: Mm-hm.  
2678  
2679 A3: ...it's a new thing, they need some coverage. And they are the first ones that  
2680 came up with a endorsement. But, uh, we going to probably see it  
2681 everywhere. Some will add it automatically. Others will want, uh, to  
2682 highlight it that we're (unintelligible) the cost. But the – the cost is  
2683 insignificant.  
2684  
2685 A6: Right. I can imagine.  
2686  
2687 A3: (Unintelligible).  
2688  
2689 A2: And you have a carrier that isn't (unintelligible) just – just will – I'll be more  
2690 than happy to share with you the verbiage. It – like I said, it just was created  
2691 in 2015.  
2692  
2693 A: And they sublimit it to \$200,000 right now, I think? Is that...

2694  
2695 A3: No, they sub...  
2696  
2697 A2: No.  
2698  
2699 A3: ...sublimit. They're offering – it's like \$50,000 because they said you're  
2700 going to be transferring...  
2701  
2702 A: Yeah.  
2703  
2704 A3: ...hundreds of thousands of dollars without double checking.  
2705  
2706 A2: To the (unintelligible).  
2707  
2708 A3: It's not – it's they – they...  
2709  
2710 A: Mm-hm.  
2711  
2712 A3: The – the – the deals have – so far nobody has – has tried to do it for more  
2713 than \$25,000 because that's pretty much where even at a large operation, it's  
2714 not going to be transferring money blindly.  
2715  
2716 A2: But, (Gary), I bet you then in the future for more money...  
2717  
2718 A: Yeah.  
2719  
2720 A2: ...they sell you whatever value, whatever limit you want.  
2721  
2722 A: Yeah, yeah.  
2723  
2724 A5: I – I just had a concern with the (Cyber), um, and – and – and kind of  
2725 understand as we use, we talked about just, uh, you know, the pay by phone.  
2726 Uh, the city's now, you know, being more user friendly, allowing things to be  
2727 paid online for, you know, for example and no longer needs to be checked by  
2728 mail, that sort of thing.  
2729  
2730 A2: Mm-hm.  
2731  
2732 A5: Um, kind of, you know, and (Cyber) is a new thing. And everybody's policy  
2733 is different. You know, how – what type of contracts do we need to have?  
2734 And who – who is, for example, pay by phone gets hacked. And it gets  
2735 everybody who paid, you know, in the last hour and see if Coral Gables and  
2736 starts...  
2737  
2738 A2: Mm-hm.

2739  
2740 A5: ...you know, some – who’s – whose does that – where – where does the line  
2741 fall under? Because I know some policies say, well, you know, you have to  
2742 have contractual liability, you know, that – that sort of thing. Where – where  
2743 does it fall into...  
2744  
2745 A2: Well – well...  
2746  
2747 A3: Well, remember the purchasing department and then it goes to the city  
2748 attorney to work out the contract and accept the contract with the – with  
2749 certificate of insurance from this corporations that we’re doing business with.  
2750  
2751 A4: And (unintelligible).  
2752  
2753 A2: Everything goes back to the contract, which is...  
2754  
2755 A4: Okay.  
2756  
2757 A2: ...well, we met with your (Cyber) team here, your IT team. Um, we, you  
2758 know, there were certain contracts that they weren’t sure who was responsible  
2759 for what. And that’s when we, eh, you know, we stated, along with our – with  
2760 our, um, experts, (Cyber) experts that we brought with us, it’s all about the  
2761 contract. If your contracts with these outside vendors don’t (unintelligible)  
2762 states that they are responsible for whatever transactions occur and any  
2763 damage control, then, um, you’re gonna – you’re going not only to be  
2764 responsible for the damage control part, which is like providing people with  
2765 two years’ worth of...  
2766  
2767 A: Credit protection.  
2768  
2769 A2: ...(unintelligible) reports.  
2770  
2771 Q: Credit protection. Mm-hm.  
2772  
2773 A2: But you’ll – you may also have a monetary responsibility for the funds, right?  
2774 So pay by – pay by phone...  
2775  
2776 A: Right.  
2777  
2778 A2: ...right, which I use all the time, too.  
2779  
2780 A: Right.  
2781  
2782 A2: Um, they – they are, um, they should be responsible for the funds. Since you  
2783 are the one providing the pay-by-phone services, you are ultimately

2784 responsible for the damage control. And that's where the (Cyber) liability  
2785 comes in. So you're allowing them to be in your city. And you're allowing  
2786 their services within your city. But if – but that's why you are ultimately  
2787 responsible, not for the loss of – of funds but for the damage control and...  
2788  
2789 A: It's the city attorney who is responsible to make sure that the (Cyber) liability  
2790 contract dies with the pay-by-phone contract.  
2791  
2792 A2: That is correct.  
2793  
2794 A: 'Cause if they ha- you know...  
2795  
2796 A2: It all goes back to the contract...  
2797  
2798 A: Okay.  
2799  
2800 A2: ...and the contract wording.  
2801  
2802 A: Okay.  
2803  
2804 A2: So we...  
2805  
2806 A1: Well, we...  
2807  
2808 A2: ...stated at the time of our meeting that you should look at your old contracts  
2809 'cause then there was...  
2810  
2811 A: Yeah.  
2812  
2813 A2: ...even questions of, well, I don't even know if we renewed that contract. I  
2814 don't even know where that contract is.  
2815  
2816 A: Right.  
2817  
2818 A2: Um...  
2819  
2820 A: 'Cause I take from – from, you know, from the – from my private enterprise,  
2821 you know, we – we looked at doing business with people. You know, when  
2822 where – where's the data gonna be stored and all that. And then their contract  
2823 very nicely says, well, you know, you're responsible for everything.  
2824  
2825 A2: Hold on s-...  
2826  
2827 A: But yet our – yeah, but yet our (Cyber) policy doesn't cover certain third-party  
2828 types of liabilities because...

2829  
2830 A2: Absolutely.  
2831  
2832 A: ...we don't have control over their security.  
2833  
2834 A2: The contingent.  
2835  
2836 A: So...  
2837  
2838 A2: Absolutely.  
2839  
2840 A5: You know, the guys kinda talk to each other. And if there's a – a loose wire,  
2841 then – then you – you have some type of a gap. You could have some type...  
2842  
2843 A2: Yes.  
2844  
2845 A: ...of gap.  
2846  
2847 A2: You could. And – and...  
2848  
2849 A: Um...  
2850  
2851 A2: ...that's why, again, it goes all the way back to your contract. That's why  
2852 (Cyber) is still very inexpensive.  
2853  
2854 A: Right.  
2855  
2856 A2: Because the – the coverage it's providing you, um, it's mostly damage control  
2857 type coverage and PR. Um, I don't know if you've heard anything different.  
2858  
2859 A: Yeah.  
2860  
2861 A2: But that's...  
2862  
2863 A1: Yeah.  
2864  
2865 A2: Until now, that's – that's what it's covering. It's not the funds that are lost.  
2866 That would be under the crime.  
2867  
2868 A1: Some...  
2869  
2870 A2: And...  
2871  
2872 A1: ...(unintelligible) loss.  
2873



2874 A2: No. It's – and if you're relying on a third party to manage those funds once  
2875 they receive them, um, then they, eh, the contract should – between the city  
2876 and them should clearly state that they are responsible for that, not you.  
2877

2878 A: I think, uh, you know, (David Miller) talked about what you do in terms of  
2879 that whole contract management stuff with that service 'cause it's pretty cool  
2880 how you do that and – and the – and the specs all the different types of  
2881 contracts have and...  
2882

2883 A1: Oh you're talking about (ebix) things.  
2884

2885 A: Yeah.  
2886

2887 A1: Yeah, the insurance occupation. Yeah, what happens is, um, whe- when I get  
2888 a contract, which, uh, I just wanna let you know our standard contracts has –  
2889 have, uh, identification provisions, okay? Um, when I get a contract, I – I get,  
2890 uh, hit with the question, "Okay, (Dave), what type of coverages should we  
2891 have." And what I do on the new contracts, I set up all their requirements.  
2892 And I say this is what we need. And I have a checklist of things that I need.  
2893 And I – and I tell the vendor, "Send it to your broker. Your broker will  
2894 understand," because they get overwhelmed when they see my checklist of 20  
2895 items. They're like, "Oh, oh, you know, the city of Hollywood doesn't ask for  
2896 this." And, you know, I get that a lot. I says, "Loo- trust me." I says, "Just  
2897 send it to your broker. They'll understand." So what happens is, uh, I think  
2898 what (Gary) is alluding to is that once I get all the requirements to my  
2899 satisfaction, eh, uh, we put it in a database. We have a vendor, uh, called  
2900 (Ebex). They're out of California. And they're really our insurance  
2901 documentation, uh, gatekeeper so to speak. So what happens is – is that the  
2902 vendor knows at – at time of insurance renewal, whenever the policies renew,  
2903 they're to send things to (Ebex). And then (Ebex) – I can look at the account  
2904 and find out where the contractor is currently deficient. Like for example, if  
2905 we have a contract, we enter original contract. And the contractor's insurance  
2906 expires say in April. Um, then (Ebex) may send me a notice that say – says,  
2907 "Hey, look. You know, these guys are still not, uh, well, these guys, their  
2908 insurance expired. They need more insurance documentation." So I follow  
2909 up with the vendor and ask 'em, "Hey, look. You know, this is what I need."  
2910 And, um, so it's kinda cool because we have that. Au- au- obviously, we  
2911 don't really have the resources here for us to be the gatekeeper of all the  
2912 insurance documentation with every vendor.  
2913

2914 A2: We used to.  
2915

2916 A1: Yeah, yeah.  
2917

2918 A2: We used to.

2919  
2920 A1: Yeah, yeah. But we have – right now as of today, we have 745 active  
2921 accounts. So, eh, uh, you know, we really don't have that, uh, resource  
2922 internally. So what I can do is, eh, eh, I think what (Gary)'s alluding to is say,  
2923 "Okay, (Dave), wa- we're dealing with A, B and C Company. Um, can you  
2924 check and see if they're currently complying with their insurance  
2925 requirements." And I check it and – and go into the database and find out  
2926 they're, uh, they are or not. I actually deal with the front line of it, you know?  
2927 The maintenance of it, I rely on (Ebex) to let me know that, "Hey, look, um,  
2928 you know...  
2929  
2930 A2: Excuse me.  
2931  
2932 A1: ...make – make sure you send notices out to them that their insurance is re- g-  
2933 going to expire soon, in three weeks. Let them know that they need to supply  
2934 yada, yada, yada." And then...  
2935  
2936 A: And they review the certificate. If they sees wording they don't like, they  
2937 kick it back and...  
2938  
2939 A1: Yeah, they kick it back.  
2940  
2941 A5: The contracts you – you do – the contract you do, the initial contract you do?  
2942  
2943 A1: Yes, and the insurance requirements.  
2944  
2945 A4: Okay.  
2946  
2947 A2: (Unintelligible).  
2948  
2949 A1: Uh, yeah, yeah. I deal – I deal with the insurance requirements. And I ta- uh,  
2950 I – I'm the one that approves whether they, uh, comply with our insurance  
2951 requirements or – or not on the, uh, new contracts. But, uh, uh, (Ebex) has  
2952 been very helpful, though. They – they have. You know, it – it helps to have  
2953 that, uh, resource. You know, anybody calls me, I can just look it up and see  
2954 if they're criminally compliant or not.  
2955  
2956 A2: We see a connection between this program that, you know, the city...  
2957  
2958 A: Mm-hm.  
2959  
2960 A2: ...invests a lot of money into, uh, four or five years ago. And the – the, um,  
2961 less frequency of claims coming from third parties not having workers' comp  
2962 and getting injured at your city or causing, um, you know, leaving water or –

2963 or – or cable hanging out. And now there are lot a more – a lot of these  
2964 nuisance claims are being just shifted over to the contractor...  
2965  
2966 A: Mm-hm.  
2967  
2968 A2: ...or the third party.  
2969  
2970 A: Right.  
2971  
2972 A2: Where in the past, how could you have reviewed 700...  
2973  
2974 A: Right.  
2975  
2976 A2: ...um, you know, uh...  
2977  
2978 A: Good.  
2979  
2980 A2: ...contracts and contract requirements...  
2981  
2982 A: Mm-hm.  
2983  
2984 A2: ...with the person?  
2985  
2986 A1: Yeah, I handle – yeah, I handle the initial part of it or – or the insurance renew  
2987 or the, uh, uh, contract renewals. I just make sure – (Ebex) takes care of the  
2988 rest. But I still check on (Ebex), though, nonetheless because, um...  
2989  
2990 A2: Yeah.  
2991  
2992 A1: ...you know, just ‘cause they say they’re com- uh, they’re deficient on yada,  
2993 yada things, I make sure that they didn’t miss out on it. Because if you will  
2994 know, on some policies, the additional insured is built...  
2995  
2996 A4: (Unintelligible).  
2997  
2998 A1: ...yeah, it’s built into the policy as opposed to ne- needing an endorsement.  
2999  
3000 A2: Right.  
3001  
3002 A1: Sometimes they’ll miss one – one of those little nuances there. But does  
3003 that...  
3004  
3005 A: Yeah. No. I think it’s important that...  
3006  
3007 A1: (Unintelligible).

3008  
3009 A: Yeah. No. It's important that – that everybody knows that you kinda have  
3010 that thing.  
3011  
3012 A1: Yeah.  
3013  
3014 A2: Oh, yeah.  
3015  
3016 A: I think it's very helpful to use.  
3017  
3018 A1: Yeah, it's...  
3019  
3020 A2: It's bringing it up.  
3021  
3022 A1: It's awesome.  
3023  
3024 A2: Yeah. I wanna go back...  
3025  
3026 A: Okay.  
3027  
3028 A2: ...um, to, um, slide 3 for just a moment because I think this is an important,  
3029 um, piece of our or of the (unintelligible) insurance program and actually an  
3030 insurance program that's been around since 1981. And that is the retro dates.  
3031 And as you know, um, uh, ENO or, uh, professional liability coverages, um,  
3032 under the liability of program are – are under claims made, uh, forms, which  
3033 means that the, um, if a claim, um, is made today – so let's just use a public  
3034 official you know that has a retro date of 1981, February 13th of 1981 – 1981  
3035 for the first \$1,650,000 excess (unintelligible). So the first \$2 million of that  
3036 claim that could be made today that occurred post 1981 will have \$2 million  
3037 worth of coverage. And you say why – why is there a split in the retro dates  
3038 on that coverage where the second piece has a retro date of 2010? And that is  
3039 because in 2010 is when you increased your liability limits from \$2 million to  
3040 \$5 million. So at that time, uh, May 1st of 2010, which happens to be your  
3041 renewal date, is when the remaining three X of \$2 million carried an  
3042 additional \$3 million worth of coverage. So if I go back to my, uh, example,  
3043 so you have a public official's ca- claim that is made and reported today.  
3044 And, um, it – it – somebody who just decided through therapy or whatever to  
3045 say – come out and – and, “Oh this is the reason why I'm s- you know, I can't  
3046 work. And this is the reason. So I'm – I'm so distraught. And that is because  
3047 I used to work for the city. And in 1982, um, I was, eh,” there – there –  
3048 there's a public official claim triggered. Well, that claim would only have \$2  
3049 million worth of coverage. But, um, in another example, if that claim  
3050 occurred post May 1st of 2010, so it happened in, uh, reported today and  
3051 occurred let's say May 2nd of 2010 and so on, then that claim would have a  
3052 full \$5 million worth of coverage. So I – I...

3053  
3054 A: Was there sexual abuse coverage on an occurrence form prior to '99? Or  
3055 that's wasn't even at the coverage?  
3056  
3057 A2: Um, well...  
3058  
3059 A3: It was not excluded.  
3060  
3061 A2: That's right.  
3062  
3063 A3: It was there. So we do have the coverage. But it was occurrence basis. And  
3064 it – it was not excluded.  
3065  
3066 A2: Yeah, um, you know, the whole world changed right around that time. So not  
3067 only did it, um, affect the religious, uh, sector, but it all affected nonprofit,  
3068 um...  
3069  
3070 A1: Yeah, because of the Trump...  
3071  
3072 A2: ...public entity.  
3073  
3074 A1: The Trump care stuff that came out.  
3075  
3076 A2: Mm-hm.  
3077  
3078 A: Yeah.  
3079  
3080 A1: That changed everything.  
3081  
3082 A2: Mm-hm. That changed everything.  
3083  
3084 A3: You were too young to remember the – the cover of Time magazine, that full  
3085 page of Time. Like I seen the red. Sorry America, your insurance has been  
3086 cancelled.  
3087  
3088 A2: But that was in 1986.  
3089  
3090 A3: 1986 for Lloyd's...  
3091  
3092 A2: You said he's too young?  
3093  
3094 A3: ...of Lon- Lloyd's of London.  
3095  
3096 A1: Yeah. I was 26 years old.  
3097

3098 A2: I was gonna say.  
3099  
3100 ((Crosstalk))  
3101  
3102 A2: 'Cause I remember that.  
3103  
3104 A1: I'm gonna be 56.  
3105  
3106 ((Crosstalk))  
3107  
3108 Q3: I have – I have a copy of the magazine somewhere. It's very interest.  
3109  
3110 A: And I'm sure you tell your kids about that all the time, right?  
3111  
3112 A3: I tell 'em (unintelligible).  
3113  
3114 A: 'Cause I hear all about it all the time.  
3115  
3116 A3: Especially – especially since he works with me.  
3117  
3118 A2: His kids, yeah, uh-huh.  
3119  
3120 A3: My kids, uh...  
3121  
3122 A2: But, um, I – I think the retro dates are important to bring up and to remind...  
3123  
3124 A3: Yeah.  
3125  
3126 A2: ...that these policies – even though we moved from Munich Re to...  
3127  
3128 A3: Mm-hm.  
3129  
3130 A2: ...Lloyd's of London, Brit, um, a few years ago, they – they also rolled over  
3131 and took over those claims and it's...  
3132  
3133 A1: So only the – to, uh, purchase tail coverage from the prior areas, right?  
3134  
3135 A2: No, no, no, no, no.  
3136  
3137 A1: So there's no gap in time? Okay.  
3138  
3139 A2: No, no.  
3140  
3141 A3: No gap.  
3142

3143 A1: All right.  
3144  
3145 A3: There's no gap.  
3146  
3147 A: Okay.  
3148  
3149 A2: Page 6 is just a snapshot of any other coverage that is not part of this self-  
3150 insurance program that is in this, um, structure here. Um, these are all  
3151 separate policies on page 6 that are purchased outside of that program. And  
3152 they have different deductible levels, retention levels depending on – and  
3153 limits to kinda, you know, what it is. And their – their premiums are also  
3154 show. Remember these are the premiums that were paid for the 2015, '16  
3155 policy period that expires now for May 1st. So...  
3156  
3157 A3: The – the one thing missing here is the bond for the finance director.  
3158  
3159 A2: Mm-hm.  
3160  
3161 A3: But, uh, that's a bond that's required. The state of Florida requires a bond of  
3162 the finance director. And that – that is a separate bond. That (unintelligible)  
3163 selfish, too. But it's the finance director.  
3164  
3165 A2: And ADD, um, accidental death and dismemberment for the police and fire,  
3166 um...  
3167  
3168 A1: And the ADD business travel for, uh, uh, directors and, uh, assistant – the  
3169 city...  
3170  
3171 A2: Mm-hm.  
3172  
3173 A1: ...managers and city...  
3174  
3175 A2: As you can see...  
3176  
3177 A1: ...managers.  
3178  
3179 A2: And the premium for that is \$360.  
3180  
3181 A1: Mm-hm.  
3182  
3183 A2: Um, very minimal. The (Cyber) storage tank, crime. And the other pieces  
3184 now to show here is flood. You do carry flood insurance. Um, any, um,  
3185 property that is within the high risk flood zones, which are the A – A's or V as  
3186 in Victor zones. Um, and every year we run your schedule of properties that  
3187 we just received again to see if there are any other properties that pop up

3188 because FEMA is constantly remapping. It wasn't like that for years. And  
3189 now they're remapping just about every year. So every year we may – we  
3190 may pick up one or two extra. But then we quoted. We get the elevation  
3191 certificates if they're necessary. And – and then you – you, uh...  
3192  
3193 A: Why would you include that in here?  
3194  
3195 A2: I don't know why it's not included in this exhibit. But you will...  
3196  
3197 A: How many do they carry?  
3198  
3199 A2: Usual...  
3200  
3201 A: Like approximately, like ballpark, how many flood policies do you think?  
3202  
3203 A2: Not that many.  
3204  
3205 A1: I think three.  
3206  
3207 A: Okay.  
3208  
3209 A2: No.  
3210  
3211 A1: (Unintelligible).  
3212  
3213 A2: No, a little bit more than that.  
3214  
3215 A1: Yeah, a little bit more because...  
3216  
3217 A2: Yeah.  
3218  
3219 A1: ...(unintelligible). Yeah, 'cause I get like five or six different...  
3220  
3221 A4: Okay.  
3222  
3223 A1: ...envelopes of the same thing for (unintelligible) every year.  
3224  
3225 A4: Okay.  
3226  
3227 A2: (Gary), you'll see it in the (unintelligible)...  
3228  
3229 A: Yeah, yeah, yeah.  
3230  
3231 A2: ...package.  
3232



3233 A1: It's like why am I getting the same thing over and over?  
3234  
3235 A3: A lot – a lot of printing (unintelligible).  
3236  
3237 A1: Yeah.  
3238  
3239 A3: The four-year premium history at the back, I would say the first, uh, fir- the  
3240 two things to notice is the package...  
3241  
3242 A: Mm-hm.  
3243  
3244 A3: ...in the first line. In 2014 we went from \$1,130,000 to \$750,000. And the  
3245 second significant one is the property. And – and the property – where's the  
3246 property? The – oh – oh the property...  
3247  
3248 A1: (Unintelligible).  
3249  
3250 A3: ...went from \$1,349,000 to \$1 million. Uh, once – as we look at the renewal  
3251 and you say, "Well, what do you anticipate for the renewal?" I anticipate the  
3252 – the liability will stay pretty much the same.  
3253  
3254 A1: Mm-hm.  
3255  
3256 A3: It – it went to even – it went to a very low number. I – I don't think we have a  
3257 lot of room to improve there. But, you know, nothing – nothing – we still  
3258 check the market. The property could come down as much as another 10  
3259 percent. Uh, the property, you could also say got – well, you want to test the  
3260 market to go for this 3 percent deductible instead of a 5 percent deductible. I  
3261 would anticipate that would cost another \$250,000. So we save 10 percent  
3262 and cut it to 900. Then we pay another \$250,000 for \$150,000 more than this  
3263 year. We can go to a 3 percent deductible. We'll look at it. We'll present it  
3264 to you. I don't know that it's doable. But we'll try it. And if – if it's doable,  
3265 we – we'll – you'll – you'll have a choice. I mean, it's not – nothing to do  
3266 right now unless you want to tell us what your feeling is about it right now.  
3267  
3268 A2: So...  
3269  
3270 A3: But other than that, it's okay.  
3271  
3272 A2: So if we look at the '14, '15 exposures on page 4 and then au- you know,  
3273 sorry. Yeah, eh, on page 4 they're exposures. We added, in 2015, \$11  
3274 million worth of fountains.  
3275  
3276 A: Mm-hm.  
3277

3278 A2: And the, um...

3279

3280 A6: Pump stations.

3281

3282 A2: Pump stations.

3283

3284 A1: Mm-hm.

3285

3286 A2: So the fountains, the pump stations and the values pretty much stay the same.

3287

3288 A3: And the fine arts – the fine arts another \$1 million.

3289

3290 A2: Another \$1 million for fine arts.

3291

3292 A3: So it's about 26 for you.

3293

3294 A2: Yeah. The premium for property insurance went down \$32,000 last year

3295 between '14 and '15. So we added all those extra values and the property

3296 values. So matter of fact, we came in at the renewal with a decr- with a

3297 decrease larger than that. But, um, the city decided to add these other items to

3298 it and – and just take the...

3299

3300 A: Right.

3301

3302 A2: ...\$32,000.

3303

3304 A: So your deductible is – is \$25 million or, no, 5 percent. Where's – what's

3305 that...

3306

3307 A3: If you (unintelligible) it for – for (unintelligible) it's 5 percent of the value of

3308 each insurable unit.

3309

3310 A4: \$250,000 minimum, \$250,000.

3311

3312 A3: \$250,000 minimum.

3313

3314 A2: The deductible is listed on page in the yellow box.

3315

3316 A: What's the one with the a- the blast asterisk on the top part, the \$25 million

3317 deduc- extra deductible at \$25 million. What does that mean?

3318

3319 A2: Um, are you looking...

3320

3321 A: Sorry.

3322

3323 A2: ...at this structure?  
3324  
3325 A: The, uh, yeah, s- this last line, what does that mean?  
3326  
3327 A2: The (unintelligible) provide the limit of (unintelligible) Xs, um, of deductible.  
3328 So – so, um, the named windstorm has a limit of \$25 million. Maybe the way  
3329 it's worded, it's kind of strange. But it – there's a \$25 million limit for named  
3330 windstorm losses. And, um...  
3331  
3332 A: Okay.  
3333  
3334 A2: And that's access of the deductible. So the...  
3335  
3336 A: Okay.  
3337  
3338 A2: ...deductible for named windstorm is the one, two, three, four – the fifth bullet  
3339 starting with 5 percent. And there's where that word unit comes up as  
3340 opposed to building.  
3341  
3342 A: Mm-hm.  
3343  
3344 A2: And it's 5 percent of the values, not 5 percent of the loss, the total loss. It's 5  
3345 percent of the value of the unit. It's going to be the deductible subject to a  
3346 \$250,000 minimum. So, um, the – so let's just say that you have one building  
3347 only, which is very odd, but, um, damaged in a named windstorm, then that  
3348 building – if – if the 5 percent of that building's value do not reach \$250,000,  
3349 then that's a self-insured loss.  
3350  
3351 A: Mm-hm.  
3352  
3353 A2: But if you have multiple buildings that are – are damaged with a named  
3354 windstorm occurrence and you add up all those 5 percents, which are taken off  
3355 of the value of those buildings, once it hits \$250,000, then insurance kicks in.  
3356  
3357 A3: FE- FEMA.  
3358  
3359 A2: All up to \$25 million.  
3360  
3361 A3: FEMA will pick up the...  
3362  
3363 A2: And FEMA will pick up the 5 percent.  
3364  
3365 A: Yeah.  
3366  
3367 A3: It's...

3368  
3369 A6: So, I mean, in regards to – my – it’s my opinion, uh, I think maybe you could  
3370 present it to us. And, you know, is it a foregone conclusion that we’re gonna  
3371 see a 10 percent reduction in the property?  
3372  
3373 A2: It – it...  
3374  
3375 A3: No.  
3376  
3377 A2: No, it’s not...  
3378  
3379 A3: No, so...  
3380  
3381 A2: ...set in stone. But...  
3382  
3383 A6: So...  
3384  
3385 A1: That’s what we were seeing...  
3386  
3387 A3: (Unintelligible).  
3388  
3389 A1: ...market conditions, I mean...  
3390  
3391 A3: We – well...  
3392  
3393 A1: ...if...  
3394  
3395 A3: (Unintelligible) renewals right now we’re...  
3396  
3397 A2: Right.  
3398  
3399 A3: ...seeing the...  
3400  
3401 A1: Right.  
3402  
3403 A3: ...prices come down about 10 percent from what they were last year.  
3404  
3405 A1: So...  
3406  
3407 A3: (Unintelligible) last year we made a big push, so we – that’s why I’m – I’m  
3408 weighing in the games how much we lower it before.  
3409  
3410 A6: Yeah. So I understand it’s a soft market. But I, you know, I don’t know what  
3411 – how important moving to 3 percent is, especially in a windstorm being that,  
3412 as previously mentioned, how much (unintelligible).

3413  
3414 A3: FEMA will pay it back.  
3415  
3416 A6: These are bunkers. The city employees cover the open protection, you  
3417 know...  
3418  
3419 A3: Yeah.  
3420  
3421 A5: ...(unintelligible), so...  
3422  
3423 A3: Yeah.  
3424  
3425 A2: So the question comes up, do you wanna transfer dollars with the insurance  
3426 company? Or do you wanna keep your 5 percent deductible and just go back  
3427 to FEMA for the reimbursement of the 5 percent? You have this reasonable –  
3428 reasonableness letter – have a hard time saying that – that is only available to  
3429 public entities. It's not...  
3430  
3431 A1: Hm.  
3432  
3433 A2: ...available to any of our other private or nonprofit clients.  
3434  
3435 A1: Yeah, I...  
3436  
3437 A2: So it's a – it's a matter of...  
3438  
3439 A1: Well, what...  
3440  
3441 A2: ...transferring dollars.  
3442  
3443 A1: Yeah. And I would like to add further, too, um, although it's good to have  
3444 FEMA, I – I can tell you this from experience, uh, and working in Miami-  
3445 Dade College and (Unintelligible) County School District as a risk manager,  
3446 uh, at – at those two places, FEMA takes a long time sometimes to pay.  
3447  
3448 A3: Yeah.  
3449  
3450 A1: So that – that extra 2 percent may be something we should look at in terms of  
3451 cash flow for the city. I me- that's just a consideration that – that we haven't  
3452 discussed here.  
3453  
3454 A2: And we can. We can – we can look at that. Um, there's a couple of options –  
3455 options that (unintelligible). One is – one is the 3 percent. We'll look at that,  
3456 uh, which is not being given very freely on accounts this large in the Tri-  
3457 County area.

3458  
3459 A1: Mm-hm.  
3460  
3461 A2: And the course Coral Gables is in the Tri-County area. But there's gonna be a  
3462 price for it. We'll look at that.  
3463  
3464 A1: Right.  
3465  
3466 A2: The other option I wrote down is to – is to request a cap on the two – on the  
3467 out-of-pocket deductible. So right now you have a minimum of \$250,000 out-  
3468 of-pocket deductible with that 5 percent attached to it. But I'm also seeing  
3469 options to cap that deductible. To – so it would be a \$250,000 minimum.  
3470 And let's just say \$10 mini- \$10 million max. So that would be your out of  
3471 pocket for the 5 percents. And it might even be less than \$10 million. Um,  
3472 we will go out to the market. Um, and when we say we go out to the market,  
3473 we don't just stick with the markets you have right now. We will go out to the  
3474 market with a price. And that's something we haven't sat down and discussed  
3475 yet because the exposures just came in. But we will come in. We will ask for  
3476 a 10 percent reduction on the as-is, meaning 5 percent to 50, mm, minimum  
3477 with your new values. And then we – we'll – we'll start with that baseline  
3478 and see where that takes us. And then any other options will be after we rec-  
3479 we reach that baseline that's...  
3480  
3481 Q: But – and then usually, you always provide, you know, a few options.  
3482  
3483 A3: Right.  
3484  
3485 A2: Yes.  
3486  
3487 Q: Two to four options...  
3488  
3489 A6: That's what I think is, you know...  
3490  
3491 Q: ...for the board to, you know, consider.  
3492  
3493 A2: Yes.  
3494  
3495 A4: It – it's just like a multi-year rate guarantee and, you know, claims  
3496 (unintelligible) specific carriers are willing to negotiate.  
3497  
3498 A2: There are several things that are – that are – I call them sexy products in the  
3499 property market right now that everybody's willing to do in order to stay on  
3500 your account because there's so – there's so much capacity out there.  
3501  
3502 A1: Mm-hm.

3503  
3504 A2: Just keep in mind that all those things can fly away as soon as the first  
3505 windstorm hits the area and hits the account. But let's take advantage of  
3506 them.  
3507  
3508 A: I think it's hard to – to make a recommendation without knowing what's in  
3509 that...  
3510  
3511 A1: (Unintelligible) say.  
3512  
3513 A: ...property schedule and what's in that P – what's driving that PML model. I  
3514 think we need to see that, um, before we can kinda say hey, 2 percent versus 3  
3515 percent or, um, obviously getting a multi-year deal or something like that,  
3516 locking in a rate, which I, you know, would be awesome for the city, I think.  
3517 Um...  
3518  
3519 A2: Mm-hm.  
3520  
3521 A: ...we'll be good. But, um, I think it would be helpful for us to know what's –  
3522 what – what we're insuring. Um...  
3523  
3524 A2: So we should have that CAT model back within the next couple of weeks.  
3525  
3526 A5: When does this renew?  
3527  
3528 A2: May 1st.  
3529  
3530 A1: May, yeah.  
3531  
3532 A2: So we'll meet again. And we talked about that before the meeting started...  
3533  
3534 Q: Mm-hm.  
3535  
3536 A1: Mm-hm.  
3537  
3538 A2: ...sometime in the beginning of March.  
3539  
3540 A: Okay.  
3541  
3542 A2: 'Cause that's when, uh, I requested – I have a timeline of my own. I want my  
3543 quotes in by ma- March 1st, which give us another week or two. So let's say  
3544 the middle of March we can set up...  
3545  
3546 Q: Right.  
3547

3548 A2: ...our preproposal meeting, if you wanna call it that.  
3549  
3550 Q: Right.  
3551  
3552 A2: We're – we are gonna go over our options with you.  
3553  
3554 Q: Right.  
3555  
3556 A2: And then if we have to go back to the market, there will be still time to get  
3557 additional options.  
3558  
3559 Q: Right.  
3560  
3561 A1: (Unintelligible).  
3562  
3563 Q: Right. 'Cause we have to work our way backwards...  
3564  
3565 A2: Yeah.  
3566  
3567 A1: Of course.  
3568  
3569 Q: ...'cause we have to go to the city manager. Then we have to go to the city  
3570 commission. So all of that...  
3571  
3572 A2: Yeah.  
3573  
3574 A3: And (unintelligible)...  
3575  
3576 Q: And having it (unintelligible) by May 1st.  
3577  
3578 A3: ...you guys agree on something and that goes to the city manager and then the  
3579 city manager signs off on it and sent it to the commission. And then we  
3580 (unintelligible) the commission.  
3581  
3582 A: So you're gonna have your quotes by March 4th, mar- middle of March? Is  
3583 that what you're saying?  
3584  
3585 A2: Yeah, sure.  
3586  
3587 A: Oh, well, okay.  
3588  
3589 A2: Sure. We have to...  
3590  
3591 Q: We have to.  
3592



3593 A2: ...because there's like four meetings...  
3594  
3595 Q: We have to.  
3596  
3597 A2: ...we have to go to.  
3598  
3599 A: Then I – then I think you ought – you ought to get us that information  
3600 before...  
3601  
3602 A1: Yeah.  
3603  
3604 A: ...that then. And we can...  
3605  
3606 A1: Yeah.  
3607  
3608 A: ...see that 'cause that could change, you know...  
3609  
3610 A2: Yeah.  
3611  
3612 A: I don't think it will change dramatically.  
3613  
3614 A2: So...  
3615  
3616 A: But I think we should know what it is and...  
3617  
3618 A2: And since we have your property schedule already, I'll – I'll push to have that  
3619 ba- uh, model immediately. It'll take – let's just say – about two weeks to get  
3620 it back and may – maybe even sooner. I'll get it back...  
3621  
3622 A1: Mm-hm.  
3623  
3624 A2: ...uh, filter that and the schedule through.  
3625  
3626 A1: Mm-hm.  
3627  
3628 A2: Um...  
3629  
3630 A1: Ca- can I...  
3631  
3632 A2: (David)...  
3633  
3634 A1: Yeah. Can I be given the opportunity like last year to do my spiel on whoever  
3635 – whatever carrier looks favorable? Like last year it was Brit, remember?  
3636 You brought the gentleman from Brit. And I s- explained (unintelligible)  
3637 we're implementing here and what we're doing to try to do s-...

3638  
3639 A2: As a matter of fact, that's one of the things I wanted to talk to you about  
3640 because the gentleman from Brit is going to be in town.  
3641  
3642 A1: Okay.  
3643  
3644 A2: Um, actually, there's – there's two different trips they're gonna be in town  
3645 and the – before your renewal. So I would like to sit down and talk about it.  
3646  
3647 A1: Yeah, and if we need it, yeah, if it end...  
3648  
3649 A2: Mm-hm.  
3650  
3651 A1: ...it ends up being Brit, I wanna have my, um, due process and tell 'em, you  
3652 know...  
3653  
3654 A2: Yeah.  
3655  
3656 A1: ...what we're doing here in the city (unintelligible) last year.  
3657  
3658 A2: Well, remember that Brit does your liability, not your property.  
3659  
3660 A1: Right.  
3661  
3662 A2: So, yes, of course. We've been...  
3663  
3664 A1: Yeah, and they're...  
3665  
3666 A2: ...talking about that.  
3667  
3668 A1: And – but – and they're – they're the primary wor-...  
3669  
3670 A2: And work comp.  
3671  
3672 A1: Right. And that's what I wanna focus on...  
3673  
3674 A2: Mm-hm.  
3675  
3676 A1: ...liability and comp for him.  
3677  
3678 A2: Okay.  
3679  
3680 A1: Or – or one would say...  
3681  
3682 A2: It's him. And it's me s-...

3683  
3684 A1: It's him again, yeah.  
3685  
3686 A2: Yeah.  
3687  
3688 A1: Yeah.  
3689  
3690 A2: Yeah, we'll talk to them, um...  
3691  
3692 A1: Yeah, I'd be...  
3693  
3694 A2: ...on that.  
3695  
3696 A1: Yeah, I wanna meet with them and, uh, if...  
3697  
3698 A2: They're gonna be in town.  
3699  
3700 A1: ...if – if – if in fact it's Brit, that's the contender, I guess, or, uh, the best.  
3701  
3702 Q: Well, we don't know because it's gonna be based on what – when they go out  
3703 to market...  
3704  
3705 A1: Right, right.  
3706  
3707 Q: ...and what the different options are...  
3708  
3709 A1: Right, right.  
3710  
3711 Q: ...and then what the board recommends.  
3712  
3713 A1: Yeah.  
3714  
3715 A2: Right.  
3716  
3717 A6: So in the interest of time, we – we kinda went over a high, you know, high  
3718 level of review, um, you know, to – to kind of move things along. Uh, we,  
3719 you know, do we need to – are there any pressing matters, you know, get clo-  
3720 getting close to the – to the top of the hour where we needed to look at this  
3721 agreement in this meeting or this...  
3722  
3723 Q: No, the, uh...  
3724  
3725 A1: ...right now?  
3726

3727 Q: The agreement is something separate. It's actually the agreement with  
3728 Gallagher.  
3729  
3730 A1: Okay.  
3731  
3732 Q: And it's just for you to have, (David), I thought we had attached the exhibits  
3733 that are part of the agreement which are not here, which is ABC. I know, um,  
3734 that (Gary) had mentioned – (Gary) had sat in the...  
3735  
3736 A1: Yeah.  
3737  
3738 Q: ...evaluation committee. And he wanted to make sure that the representations  
3739 from Gallagher, that we're not part of the RFP but we're mentioned different,  
3740 um, areas, uh, we're taking into account and we're incorporated into the  
3741 contract. So what we could do is we're not gonna go over that and, um, the –  
3742 the – the attachments.  
3743  
3744 A1: Yeah, yeah.  
3745  
3746 Q: It's very thick.  
3747  
3748 A1: Yeah, um...  
3749  
3750 Q: Um, we'll – we'll be – we'll – we can send those by...  
3751  
3752 A1: Well, yeah...  
3753  
3754 Q: ...e-mail.  
3755  
3756 A1: ...(unintelligible) procurement.  
3757  
3758 A5: And your main points because we didn't send that evaluation committee. But  
3759 I know that you – you – you have, um...  
3760  
3761 A: Yeah, um, they proffered a few things at the meeting, things that they would  
3762 do in addition to what was in their RFP. So I – I didn't get a chance to look at  
3763 this to see if it's in there. But I'd like to just take a look and...  
3764  
3765 Q: Like it's not...  
3766  
3767 A: Yeah.  
3768  
3769 Q: I no- I just noticed that the...  
3770  
3771 A: Right.

3772  
3773 Q: ...attachments are not in here.  
3774  
3775 A: Okay.  
3776  
3777 Q: The attachments are the ones that make reference to it.  
3778  
3779 A: Okay.  
3780  
3781 Q: And those – there may – this is just a regular, um, RA – PSA, professional  
3782 service agreement.  
3783  
3784 A1: Mm-hm.  
3785  
3786 Q: But if you look at page 15 and we make reference to the, um, the RFP itself, it  
3787 – it says ABC.  
3788  
3789 A1: Mm-hm.  
3790  
3791 Q: The amendment of scope and the RFP re- responses from Gallagher. So those  
3792 are the exhibits that you would have to focus on.  
3793  
3794 A1: Yeah.  
3795  
3796 Q: Well, (David) can you send me...  
3797  
3798 A1: Yeah, yeah.  
3799  
3800 Q: ...those – get those exhibits?  
3801  
3802 A1: I'll get those from (unintelligible) and send it to you.  
3803  
3804 Q: Yeah.  
3805  
3806 A1: And then you can...  
3807  
3808 Q: Right.  
3809  
3810 A1: ...channel.  
3811  
3812 Q: But – but (Gary) wanted to make sure...  
3813  
3814 A1: Mm-hm.  
3815  
3816 Q: ...that whatever Gallagher said...

3817  
3818 A1: Right.  
3819  
3820 Q: ...in fact was incorporated into the contract, so that's why – that's why we  
3821 added it to the agenda.  
3822  
3823 A: It was like some extra loss control or loss assessment stuff...  
3824  
3825 Q: Right.  
3826  
3827 A: ...that they said they would do.  
3828  
3829 Q: Eh, extra trainings.  
3830  
3831 A: I don't – I don't remember – yeah, yeah.  
3832  
3833 Q: Additional training and things like that.  
3834  
3835 A: Things like that.  
3836  
3837 A3: They – they – so if loss control services, instead of five that we had in the  
3838 past, and, uh, that – that's actually...  
3839  
3840 A2: Which includes training.  
3841  
3842 A3: ...pretty much to train others...  
3843  
3844 Q: Right.  
3845  
3846 A3: ...training others that they can provide more loss control.  
3847  
3848 A2: So...  
3849  
3850 A3: Uh, the city decides how it wants to be like that. I mean, we don't...  
3851  
3852 Q: Right.  
3853  
3854 A3: (Unintelligible)...  
3855  
3856 A2: But we don't...  
3857  
3858 A3: ...care.  
3859  
3860 A2: We're not like attorneys that are like – an- nothing...  
3861

3862 ((Crosstalk))

3863

3864 A2: ...personal. No.

3865

3866 ((Crosstalk))

3867

3868 A2: Billable hours, so...

3869

3870 A3: When you bill by the hour, we never go by the hours.

3871

3872 A1: (Unintelligible).

3873

3874 A2: (David) can tell you that he's in constant.

3875

3876 ((Crosstalk))

3877

3878 A3: Yeah.

3879

3880 A2: (David) can tell you he's in constant contact with our loss control...

3881

3882 A1: Yeah, yeah.

3883

3884 A2: ...chiefs all the time. So we don't – whatever it takes to...

3885

3886 A1: Yeah.

3887

3888 A2: ...help you. So...

3889

3890 Q: Okay.

3891

3892 A1: Yeah.

3893

3894 Q: So that was, you know, that was the – that was the intent pu- of putting that in there.

3895

3896 A: Gotcha.

3897

3898 A1: Yeah, we left – I – we apologize for that.

3900

3901 A: It's okay.

3902

3903 A1: But, um...

3904

3905 A: It's all right. I mean, there – we went over the important things, the insurance, right?

3906

3907  
3908 A1: Yeah.  
3909  
3910 A6: So we can always come back and circle back to that and make sure...  
3911  
3912 A3: (Unintelligible)...  
3913  
3914 ((Crosstalk))  
3915  
3916 A3: ...no objections on the contract, the way it's worded. We, uh, we agree to  
3917 what was provided in the RFP and – and what (unintelligible).  
3918  
3919 A2: We need to get the certificate of insurance or whatever procurement needs for  
3920 the (unintelligible).  
3921  
3922 Q: So, eh, if you can all look at your...  
3923  
3924 A2: (Unintelligible).  
3925  
3926 Q: ...calendars and tell us if there...  
3927  
3928 A2: Yes.  
3929  
3930 Q: ...if you have a conflict in mid-March. We – we, you know, we need to look  
3931 at the calendars. I can't look at mine right now.  
3932  
3933 A6: You da- you always used to do a great job of sending out like an – an e-mail  
3934 with like...  
3935  
3936 Q: Mm-hm.  
3937  
3938 A5: ...a date or two. And...  
3939  
3940 Q: Yes, we always do it.  
3941  
3942 A5: I'm al- I'm almost always open unless it's...  
3943  
3944 Q: Okay.  
3945  
3946 A5: ...a vacation.  
3947  
3948 Q: So we'll do that.  
3949  
3950 A5: Right? But...  
3951



3952 Q: Okay we'll do that.  
3953  
3954 A5: I think what we – I think what would work out best is like, “Please let me  
3955 know if this date...”  
3956  
3957 Q: Yeah.  
3958  
3959 A5: ...(unintelligible).  
3960  
3961 Q: And this time works fine for everybody, 9:00 in the morning?  
3962  
3963 A5: Yeah. Remember I actually wanted to address the time. I – I...  
3964  
3965 Q: Yeah, sure.  
3966  
3967 A6: Um, under my impression, I thought we started a little bit earlier. I thought  
3968 the meetings were at 8:00. Um, I – I like to move...  
3969  
3970 Q: It – it – it depends on...  
3971  
3972 A2: They have been in the past.  
3973  
3974 A5: I'd like to move...  
3975  
3976 Q: They have been. They've been at 8:00.  
3977  
3978 A5: ...just (unintelligible).  
3979  
3980 Q: They've been at 8:30.  
3981  
3982 A2: Yeah.  
3983  
3984 A: That's fine. I – I...  
3985  
3986 Q: Eight, uh, eight in the morning?  
3987  
3988 A5: You know, 8:00 in the morning...  
3989  
3990 A1: Okay.  
3991  
3992 A5: ...because it's, you know, I mean, uh, not – I – I love being here. But, you  
3993 know, it's – we're finishing closer to...  
3994  
3995 A1: Sure.  
3996

3997 Q: Okay.  
3998  
3999 A1: Mm-hm.  
4000  
4001 Q: Okay.  
4002  
4003 A5: ... (unintelligible), so ...  
4004  
4005 A: Yeah.  
4006  
4007 Q: Okay so we'll – we'll ...  
4008  
4009 A: That's fine.  
4010  
4011 Q: ... schedule them for the ...  
4012  
4013 A4: Remember that in mid-March is spring break.  
4014  
4015 Q: I know.  
4016  
4017 A4: I don't have anything planned as of yet. But just ...  
4018  
4019 ((Crosstalk))  
4020  
4021 Q: Eh, everybody has different spring breaks.  
4022  
4023 A1: Yeah.  
4024  
4025 Q: Universities have s- different ...  
4026  
4027 A4: I know public school is, um ...  
4028  
4029 Q: The – the third week of March.  
4030  
4031 A4: ... the third – third – third week of March.  
4032  
4033 Q: Private school is – is the 4th.  
4034  
4035 A2: So is that the 21st or the 14th?  
4036  
4037 A4: The ...  
4038  
4039 A2: The 21st.  
4040  
4041 A4: ... 21st.

4042  
4043 ((Crosstalk))  
4044  
4045 A2: Okay well, um, the – the...  
4046  
4047 A6: What do you got down (unintelligible)?  
4048  
4049 A2: ...the week of the 14th, if you wanna just write a couple of date down...  
4050  
4051 A1: (Unintelligible).  
4052  
4053 A2: ...to check.  
4054  
4055 Q: To check. Well, we check...  
4056  
4057 A2: The week of the 14th, um, wide open 14th, 15, 16.  
4058  
4059 Q: Fourteenth, fifteenth and sixteenth. And we'll check because I can't check my  
4060 calendar.  
4061  
4062 A2: The week of the 21st, wide open.  
4063  
4064 A1: Okay.  
4065  
4066 A2: Um...  
4067  
4068 A5: Yeah, I'm always, uh, you just send me...  
4069  
4070 Q: Okay.  
4071  
4072 A5: ...a couple of options and...  
4073  
4074 Q: I'll s- we'll send you...  
4075  
4076 A2: Okay.  
4077  
4078 Q: ...three or four options and then...  
4079  
4080 A2: And then there's two commission meetings in April.  
4081  
4082 Q: Right.  
4083  
4084 A2: I believe it's the, uh, the first week and the – and the 19th. So we – we could  
4085 fit in to any one of those.  
4086

4087 Q: (Unintelligible).  
4088  
4089 A5: 'Cause we'll have, uh, we'll have to make that April commission meeting.  
4090  
4091 Q: (Unintelligible).  
4092  
4093 A2: Okay.  
4094  
4095 A: Now – now – now, eh, if we were to go back and we – since the time I've  
4096 been here, we've never gone back really, per se. Um, you said that there  
4097 would be enough time.  
4098  
4099 A2: Oh, yes.  
4100  
4101 A: But we gotta...  
4102  
4103 A2: Let's say you want it...  
4104  
4105 A: We'd have to put the second commission meeting in April, right? That would  
4106 be our – our last – last...  
4107  
4108 A2: No. We've done that before. Yeah, but by then...  
4109  
4110 A: W-...  
4111  
4112 A2: ...we've met with you...  
4113  
4114 A: Right.  
4115  
4116 A2: ...met with the city manager and – and (Oso) and (David). And it's just a  
4117 matter of usually – it doesn't go on the consent of agenda. But it's almost like  
4118 a consent agenda item.  
4119  
4120 Q: Right.  
4121  
4122 A: I'm not opposed to being earlier in March either. I mean, if that's...  
4123  
4124 Q: The...  
4125  
4126 A: ...(unintelligible).  
4127  
4128 Q: The thing is that wa- they have the information...  
4129  
4130 A2: Yeah.  
4131

4132 Q: ...from the market.  
4133  
4134 A2: We're not gonna get those quotes...  
4135  
4136 Q: Right.  
4137  
4138 A2: ...any earlier than the first week of March.  
4139  
4140 Q: Right. That's the...  
4141  
4142 A2: Because underwriters are swamped with...  
4143  
4144 A: And – and what do we wanna do as far as meeting? We wanna meet before  
4145 that date and go over the model and go over...  
4146  
4147 A4: Yeah.  
4148  
4149 A: ...the schedule and...  
4150  
4151 A: 'Cause the only thing we didn't cover today which I was insterni- eh, are the –  
4152 are the claims, the losses on the liability side, the, you know, what's – what  
4153 the city's exposures are there 'cause that's what – one thing I wanted to see.  
4154 Other than that, you know, I – I'll be happy.  
4155  
4156 Q: But you're saying to actually review some of the claims?  
4157  
4158 A4: I'm just curious, yeah, what the city's (unintelligible) are on the, you know,  
4159 the long tail...  
4160  
4161 A2: So we could do, uh...  
4162  
4163 A4: ...(unintelligible) and liability stuff.  
4164  
4165 A2: We can work with (John Zester) to do a claim summary...  
4166  
4167 Q: And do a claims review.  
4168  
4169 A2: ...with no names.  
4170  
4171 Q: And...  
4172  
4173 A2: Right?  
4174  
4175 Q: Yeah, exactly.  
4176

4177 A2: Just kinda like this is how many open and closed. And...  
4178  
4179 Q: Yeah.  
4180  
4181 A2: What would you – how many years would you like to see?  
4182  
4183 A: Um, probably s- I mean, well, you're – you – you're gonna show all the open  
4184 claims. I mean, those could go back...  
4185  
4186 A2: Well...  
4187  
4188 A: ...pretty far, right?  
4189  
4190 A3: We'll show...  
4191  
4192 A2: No.  
4193  
4194 A3: ...total incurred, total incurred. We're gonna go ten years of total incurred if  
4195 you want to. And let's say that we pick up old claims excess of \$50,000 or  
4196 \$100,000 because you don't want to see every little...  
4197  
4198 Q: Something that you'll ask...  
4199  
4200 A3: ...(unintelligible) claim, you know?  
4201  
4202 Q: ...(John Zester).  
4203  
4204 A: Mm-hm.  
4205  
4206 A3: There are hundreds.  
4207  
4208 A: Yeah, just aggregate number on what the total cost of...  
4209  
4210 Q: (Unintelligible).  
4211  
4212 A: ...of claims are. I don't need some small ones.  
4213  
4214 A3: Oh.  
4215  
4216 A: But, you know, all...  
4217  
4218 A3: Oh okay.  
4219  
4220 A: But – and the big ones and where they are, what type of claims they are just so  
4221 we can have an understanding of that.

4222  
4223 A2: Open and closed.  
4224  
4225 A1: Okay.  
4226  
4227 A2: Total incurred.  
4228  
4229 A1: What – but what threshold you – you’re looking at (Gary) as far as, uh...  
4230  
4231 A3: Well, totals will be ground up.  
4232  
4233 A: Yeah, right.  
4234  
4235 Q3: Totals will be ground up. This...  
4236  
4237 A1: Okay.  
4238  
4239 Q3: How much is the city repaying? That’s – matter of fact, it be interesting for  
4240 them to see those.  
4241  
4242 A1: Yeah.  
4243  
4244 Q3: So what the actuary projects...  
4245  
4246 A1: Yeah.  
4247  
4248 Q3: ...for claims to be retained by the city.  
4249  
4250 A: Okay.  
4251  
4252 Q3: So that...  
4253  
4254 ((Crosstalk))  
4255  
4256 Q3: ...that every year.  
4257  
4258 A1: Yeah. But is there a minimum you wanna look at? In other words, a claim  
4259 has to b- you just interested in claims that are over \$25,000?  
4260  
4261 A: Yeah, (unintelligible) claims \$25,000 or \$50,000. I mean, it doesn’t – an-  
4262 nothing...  
4263  
4264 ((Crosstalk))  
4265  
4266 A3: It’s a lot – a lot of \$25,000s.

4267  
4268 A2: Yeah, yeah.  
4269  
4270 A1: Uh, \$50,000. Claims over \$50,000? Okay.  
4271  
4272 A3: Yeah, yeah.  
4273  
4274 A2: So (David) will work with (John Zester)...  
4275  
4276 A1: Yeah.  
4277  
4278 A: Yeah.  
4279  
4280 A2: ...that's where the third party (unintelligible) to get that report to you?  
4281  
4282 A: I just need – it's important we're looking at how much we're spending on  
4283 insurance, how much are we also spending on claims. I just think that...  
4284  
4285 ((Crosstalk))  
4286  
4287 A2: And that's the actuary report because that's gonna show you the actual total  
4288 dollars and...  
4289  
4290 A: Yeah, that'd be great, yeah...  
4291  
4292 A2: ...the (IVNR)s.  
4293  
4294 A: ...to share with us.  
4295  
4296 A2: So also the acsh-...  
4297  
4298 A3: If you look at the city's, uh, budget – annual budget, the city's financial  
4299 statement, it also shows how much they – it shows how much their overall  
4300 losses are 'cause remember that – that the city – the city has been self-insured  
4301 for a long time. So this year we're paying some claims that are ten years old.  
4302  
4303 A1: Mm-hm.  
4304  
4305 A3: And they are some workers' comp claims. And we're just paying so much per  
4306 week, uh, indemnity to the – to a person. So it – what you see in the financial  
4307 statement is the cumulative of how much is being paid for all those years.  
4308  
4309 A2: Are you thinking of setting up a date, um...  
4310  
4311 Q: Temporary date in fe-...



4312  
4313 A2: Uh, yeah, a date in February to do that?  
4314  
4315 ((Crosstalk))  
4316  
4317 A: (Jay) – (Jay).  
4318  
4319 A5: Okay, um, I'm sorry.  
4320  
4321 ((Crosstalk))  
4322  
4323 Q: Do you want...  
4324  
4325 A6: I was just saying that I – I...  
4326  
4327 Q: Yeah.  
4328  
4329 A6: ...was in the impression – I got here at 8:00 in the morning.  
4330  
4331 Q: Yeah.  
4332  
4333 A6: I was under the impression that it was at 8:00. So I had scheduled an 11  
4334 o'clock appointment. So I do- don't wanna take off on the meeting, especially  
4335 we're gonna vote. But I may need to excuse myself if need to go  
4336 (unintelligible) today.  
4337  
4338 Q: No, we don't – we don't need to go over anything.  
4339  
4340 A5: Okay.  
4341  
4342 Q: Th- so – but we were saying do – we wanna – do we wanna schedule, um, you  
4343 know, after (David) gets, uh, the information from (John Zester), for a  
4344 meeting in February?  
4345  
4346 A1: I'm open to whatever that...  
4347  
4348 A3: Yeah.  
4349  
4350 Q: So we'll...  
4351  
4352 ((Crosstalk))  
4353  
4354 Q: ...do the same thing. We'll provide a few date.  
4355  
4356 A2: (Unintelligible) call, yeah.

4357  
4358 A1: And – and, (Gary), are you looking at, uh, uh, liability...  
4359  
4360 ((Crosstalk))  
4361  
4362 A1: ...claims only?  
4363  
4364 ((Crosstalk))  
4365  
4366 A1: Uh, liabil- and workers' comp?  
4367  
4368 A: Sure.  
4369  
4370 A1: Okay.  
4371  
4372 A: Sure. That's what your actuarial thing is gonna pick up, right?  
4373  
4374 A2: That's right.  
4375  
4376 A3: Yeah, yeah.  
4377  
4378 A6: On that, I'm – I'm – I'm not particularly concerned with it. I wouldn't vote  
4379 against it, though. But, you know, so if – if it's important to you, I – I'm fine  
4380 with that. You know what I mean? So...  
4381  
4382 A: I think it's a good thing annually – annually look at and since this is our  
4383 first...  
4384  
4385 A3: Sure.  
4386  
4387 A: ...time putting a committee together, we should do it. So – but I don't think  
4388 it's something we do every – every meeting. (Unintelligible)...  
4389  
4390 A5: Right, right, right, right.  
4391  
4392 A: ...see what those numbers are.  
4393  
4394 A5: Where are we gonna end up on – with the – with the art portion? What – what  
4395 is the timeline? And what – what is the art...  
4396  
4397 A5: I – I'm sorry.  
4398  
4399 A5: That's something that I – that I – that I am concerned about. I think that it's...  
4400  
4401 A1: It...

4402  
4403 A5: ...up – it’s on the table as a red flag as you – or...  
4404  
4405 A1: Okay I’m work...  
4406  
4407 A5: ...you know, we, you know, they’re gonna do installation on the  
4408 (unintelligible) circles.  
4409  
4410 A1: Yeah.  
4411  
4412 A5: Those are expensive pieces that, um, we’ve been many, many years...  
4413  
4414 A1: Right.  
4415  
4416 A5: ...without any wind blowing.  
4417  
4418 A1: Yeah, well...  
4419  
4420 A5: But this looks like, you know...  
4421  
4422 A: Yeah.  
4423  
4424 A1: Like I said, (Tony) and I, we met with historical services a couple months ago.  
4425 We’re still waiting to hear back from them. So right before you came to this  
4426 meeting today, (Tony) and I discussed that we need to set up a – a meeting  
4427 with historical service, uh, resour- uh...  
4428  
4429 Q: Resources.  
4430  
4431 A1: ...resources, yeah.  
4432  
4433 A: Okay.  
4434  
4435 A1: Uh, to make – to tell ‘em, “Look. We need to get the – the, you know, the  
4436 information in order to get a fine wor- uh, fine arts, uh, policy.” Because like  
4437 right now, we got \$2 million worth of coverage with a \$50,000 deductible.  
4438 That’s city-wide. So thank you.  
4439  
4440 A6: Thank you everybody.  
4441  
4442 Q: Thank you.  
4443  
4444 A6: Sorry – sorry that I’m leaving.  
4445  
4446 ((Crosstalk))

4447  
4448 Q: Thank you.  
4449  
4450 ((Crosstalk))  
4451  
4452 A3: Let me tell you what I believe it's going to take. It's going to take a message  
4453 from the city manager to that department saying, "I need (unintelligible)  
4454 here." If you need appraisals, let's go out and – and get it, a quote for the  
4455 appraisals.  
4456  
4457 A1: Mm-hm.  
4458  
4459 A3: We gotta appraise the company. And let go to the (unintelligible). It – it's not  
4460 going...  
4461  
4462 A1: Mm-hm.  
4463  
4464 A3: ...to move as long as we ask 'em that they...  
4465  
4466 A1: (Unintelligible).  
4467  
4468 A3: They don't see the importance.  
4469  
4470 A1: So, (Tony), are – are you suggesting we get appraisals for items that are over  
4471 \$50,000?  
4472  
4473 A3: I suggest we get appraisals for items over \$5,000.  
4474  
4475 A2: Yes.  
4476  
4477 ((Crosstalk))  
4478  
4479 A1: Just wanna make sure (unintelligible).  
4480  
4481 A3: 'Cause we – we have all the money covered pretty much up to \$5,000...  
4482  
4483 A2: Per.  
4484  
4485 A3: So I'd like to see items (unintelligible) and even – even the items we go  
4486 \$5,000.  
4487  
4488 A1: Yeah.  
4489  
4490 A3: If we have a loss, we're going to have to prove that they were worth the  
4491 \$5,000.

4492  
4493 Q: Right.  
4494  
4495 A1: Yeah.  
4496  
4497 A3: So – so, you know?  
4498  
4499 A2: And I'd like to add that if you have any pieces that are – are been – have been  
4500 leant to you that contractually, you need to – you need to, um, figure out if  
4501 you're responsible for those items.  
4502  
4503 A1: Mm-hm.  
4504  
4505 Q: Mm-hm.  
4506  
4507 A3: Right.  
4508  
4509 A2: And if they're physical damage.  
4510  
4511 Q: Back to the contract.  
4512  
4513 A5: I think this nail – I think this nail isn't ours. I think this nail was been leant to  
4514 us, right?  
4515  
4516 Q: I think so, too.  
4517  
4518 A5: I'm not sure. But I know we got a whole bunch of them.  
4519  
4520 ((Crosstalk))  
4521  
4522 Q: Yeah, you're right.  
4523  
4524 ((Crosstalk))  
4525  
4526 Q: They were – they were leant.  
4527  
4528 A1: Yeah, so really we need a list of – an itemized list of everything and with  
4529 prices.  
4530  
4531 A2: You care, custody...  
4532  
4533 A3: And we...  
4534  
4535 A2: ...and control.  
4536

4537 A1: Right. And response to the – right.  
4538  
4539 A2: And your care, custody and control.  
4540  
4541 A3: When – when they borrow from (unintelligible), it’s easy because  
4542 (unintelligible) always comes through the contract and comes to an appraised  
4543 value on each item.  
4544  
4545 Q1: Mm-hm.  
4546  
4547 A3: The question is when you borrow from individuals and they may say, “My  
4548 piece...  
4549  
4550 A1: Mm-hm.  
4551  
4552 A3: ...is worth half a million dollars...”  
4553  
4554 Q: Right. And there’s no real appraisal.  
4555  
4556 A3: ...you got no way of proving it. And the – it gets lost. And the person then  
4557 wants a half a million dollars.  
4558  
4559 A1: Yeah.  
4560  
4561 A3: (Unintelligible). Let me...  
4562  
4563 A1: Last week I copied you on this one as well. I think I sent the follow-up e-mail  
4564 reminding him about the artwork coverage.  
4565  
4566 A2: Yeah, I think (Tony)’s right. It’s gonna take a...  
4567  
4568 A1: Yeah, yeah, ton- ton-...  
4569  
4570 A2: ...higher authority.  
4571  
4572 A1: Yeah, ton-...  
4573  
4574 A3: Yeah, it’s going to take the city manager...  
4575  
4576 A2: Nothing bumps him up...  
4577  
4578 ((Crosstalk))  
4579  
4580 A3: ...to say this is important to...  
4581

4582 ((Crosstalk))

4583

4584 A2: And it's her. And it's her.

4585

4586 Q: We can – we can tell the manager that at a c- at a meeting today in the  
4587 insurance advisory board.

4588

4589 A1: Oh okay.

4590

4591 Q: (Unintelligible) was discussed.

4592

4593 A1: Would you like a motion or re- a – a (unintelligible)?

4594

4595 ((Crosstalk))

4596

4597 A5: Unfortunately, we just lost our, uh...

4598

4599 Q: But don't worry. We'll do an e-mail.

4600

4601 A5: But she takes those – yeah, she takes those comments seriously...

4602

4603 A1: Oh, yeah, yeah.

4604

4605 A: ...when it comes from the board, so...

4606

4607 A1: Yeah, so I'll – I'll send you an e-mail just following up our discussion here.

4608

4609 Q: Yes.

4610

4611 A1: And then you can forward it to...

4612

4613 Q: The manager.

4614

4615 A1: Yeah. And...

4616

4617 Q: Yes.

4618

4619 A1: And Mr. (Fernandez).

4620

4621 A2: Um, if the...

4622

4623 A3: If we get the appraisals, that would be an additional (unintelligible). And we  
4624 will bring is the quote for the – for an arts policy.

4625

- 4626 A5: I mean, I know the (unintelligible) valuable pieces in it. You know, um, and  
4627 obviously the – these new artworks with the new initiative that the city’s  
4628 doing, I mean, these are the mo- obviously the newest and most expensive  
4629 pieces I think that we own.
- 4630
- 4631 Q: Gotcha.
- 4632
- 4633 A: The (carta henna) shoes...
- 4634
- 4635 Q: Mm-hm.
- 4636
- 4637 A: ...um, have some value. I don’t know how mu- they’re worth. But they  
4638 have...
- 4639
- 4640 Q: Mm-hm.
- 4641
- 4642 A: ...some value, um...
- 4643
- 4644 A3: And (unintelligible) it’s a very tricky thing because some items, they have  
4645 duplicates. And some of the items that they had there, they (unintelligible)  
4646 it’s a duplicate. The originals are safeguarded somewhere else.
- 4647
- 4648 Q: Mm-hm.
- 4649
- 4650 A3: So that was fine. But there were many items that were one of a kind. If they  
4651 get lost, what the value? Whatever value you want to put on them.
- 4652
- 4653 A1: Yeah.
- 4654
- 4655 A3: I mean, a painting that was painted by Mrs. (Merrick) that used to painting the  
4656 painting, from an art point of view is worth nothing. From a sentimental point  
4657 of view, it’s worth whatever value you want to put on it.
- 4658
- 4659 A1: Right.
- 4660
- 4661 A3: It – it – it – it was not a, you know, not a – not a (unintelligible).
- 4662
- 4663 Q: This morning I was telling my daughter, I’m like, “Okay when eventually,  
4664 next should we go to the Vatican? You’re gonna see the (thieta) there that’s  
4665 not the real one. The real one is in the treasury. You have to go underneath  
4666 and pay more money and see the real one.
- 4667
- 4668 A2: It’s true.
- 4669
- 4670 A1: Is that true?



4671  
4672 Q: It's true.  
4673  
4674 A1: Wow.  
4675  
4676 Q: It's true.  
4677  
4678 A2: I did not know that.  
4679  
4680 A1: I didn't know that either.  
4681  
4682 A3: Well, they – they – that – many years ago when...  
4683  
4684 Q: Mm-hm.  
4685  
4686 A3: ...somebody came over with a hammer and started...  
4687  
4688 A1: (Unintelligible).  
4689  
4690 A3: ...hammering at the statue...  
4691  
4692 A1: (Unintelligible).  
4693  
4694 A3: ...and – and smash just the foot of the – of, uh, (unintelligible). So they –  
4695 they remove it and replace it.  
4696  
4697 Q: So it's – okay.  
4698  
4699 A5: And we may have a newly acquired property which is the one on – on Ponce.  
4700  
4701 A: Yeah.  
4702  
4703 A1: Yeah, uh...  
4704  
4705 A5: The – the new building that – that the – they did a proposal...  
4706  
4707 A1: Yes.  
4708  
4709 A: ...new purchase on Ponce.  
4710  
4711 A1: Well, yes, uh, (Elsa) and I got an e-mail on that I believe last week was it?  
4712  
4713 Q: Yeah, we did.  
4714

4715 A1: Yeah, yeah, and – and (Elsa) already advised the city manager, “Please let us  
4716 know when the deal is done so we can have it.”  
4717  
4718 Q: Yeah, with the closing. So we could add it.  
4719  
4720 A1: Yeah.  
4721  
4722 A5: Which inside has some valuable...  
4723  
4724 A1: Yeah.  
4725  
4726 A4: ...furniture, apparently, that...  
4727  
4728 Q: Yes.  
4729  
4730 A5: ...you know...  
4731  
4732 Q: Yes.  
4733  
4734 A: So...  
4735  
4736 Q: Yes, I heard that it’s got...  
4737  
4738 A: So I think it’s a bigger – it’s a bigger s- you know...  
4739  
4740 Q: Yes.  
4741  
4742 A2: Deal than we...  
4743  
4744 A1: So would the artwork and antiques, right, I mean, essentially?  
4745  
4746 Q: Yeah.  
4747  
4748 A3: Yeah.  
4749  
4750 A1: Yeah.  
4751  
4752 A2: Anything that is, uh, more than regular, average value is considered fine arts.  
4753  
4754 A1: Right.  
4755  
4756 A3: You know, uh...  
4757  
4758 A2: So even, uh...  
4759

4760 A3: The way I usually word it is...  
4761  
4762 A2: So for anything.  
4763  
4764 A3: ...items that you can replace with like kind and quality in the open market are  
4765 not fine art.  
4766  
4767 A1: Mm-hm.  
4768  
4769 A3: So you have a piece of, uh, carpet and fancy whatever. But if you can replace  
4770 it with like, kinda and quality in the open market, all you need is the value for  
4771 that open market item.  
4772  
4773 Q: Mm-hm.  
4774  
4775 A3: We do that with a lot of church properties 'cause a lot of people say, "Oh they  
4776 have all these fancy stained glass...  
4777  
4778 A1: (Unintelligible).  
4779  
4780 A3: ...windows." Well, yes, they cost \$150 up to \$250 a square foot.  
4781  
4782 A1: Mm-hm.  
4783  
4784 A3: They're worth a lot of money. But the factor is they made those things in the  
4785 1920s (unintelligible) in Germany. And you can get a copy of that thing  
4786 redone for that amount of value.  
4787  
4788 A1: Yeah.  
4789  
4790 A3: That's not a fine art is something, it's a Monet. It has an intrinsic value.  
4791 Monet is not (unintelligible).  
4792  
4793 A1: (Unintelligible).  
4794  
4795 A3: You cannot reproduce it. So – so that – that is worth what everybody want to  
4796 put it.  
4797  
4798 A1: Right. Yeah.  
4799  
4800 A3: Whatever you can get at Christy's or...  
4801  
4802 A1: Okay I'll send you the e-mail today.  
4803

4804 A2: (Gary), if you – once you get those losses, if – if – if you'd like to get together  
4805 to review that even though (unintelligible) we're involved in those 'cause we  
4806 (unintelligible) with you. I just wanted to give you a couple of dates in  
4807 February 'cause February is getting kinda popular and...  
4808  
4809 A: Sure. I understand.  
4810  
4811 A2: And...  
4812  
4813 A: Um...  
4814  
4815 A2: The 18th and 19th or 25 and 26th of February right now are wide open.  
4816  
4817 A: Eighteenth is okay with me.  
4818  
4819 A5: Yeah, I'm fine on any of those dates.  
4820  
4821 A1: That's 8 o'clock...  
4822  
4823 A2: Yeah?  
4824  
4825 A1: ...8 o'clock on the 18th?  
4826  
4827 A4: Yeah.  
4828  
4829 A2: Okay.  
4830  
4831 Q: I gotta check...  
4832  
4833 A2: Do (unintelligible).  
4834  
4835 Q: I – I gotta check my calendar.  
4836  
4837 A2: If it's good for you, can your office send...  
4838  
4839 Q: If not, you know, (David)...  
4840  
4841 A: It's a...  
4842  
4843 Q: ...can certainly cover.  
4844  
4845 A: It's a Thursday. You don't have commission on Thursday?  
4846  
4847 A2: Yeah.  
4848

4849 Q: Eh, no, we have commissions on Tuesdays. But I know I have an executive  
4850 session coming up. And I forgot if it's the 18th or 19th.  
4851  
4852 A2: Can you please send an in- invite whichever date is good?  
4853  
4854 A1: Um...  
4855  
4856 Q: Yes.  
4857  
4858 A1: Okay.  
4859  
4860 A2: Okay.  
4861  
4862 Q: Yes.  
4863  
4864 A2: But, you know, if it's not, just give us an option, okay? Okay?  
4865  
4866 A7: Yes, definitely.  
4867  
4868 A2: Thank you. I'm sorry. But the calendars get kinda crazy and...  
4869  
4870 Q: No, I know.  
4871  
4872 A1: Oh, yeah.  
4873  
4874 A2: And – and the last – I – I'm sorry I haven't been here the last couple of times  
4875 but that's because we kinda find out – found out after something else was set  
4876 up or I was out of town or something.  
4877  
4878 Q: Okay.  
4879  
4880 A2: Thank you. Thank you for your time.  
4881  
4882 A1: All right thank you.  
4883  
4884 Q: Thank you and...  
4885  
4886 A1: And so we'll adjourn.  
4887  
4888 Q: And the time now is a – approximately 11:08.  
4889  
4890 A1: 08. So they're taking you to your car right now?  
4891  
4892 Q: No. I – I extended it with my...  
4893

4894 ((Crosstalk))

4895

4896

4897 The transcript has been reviewed with the audio recording submitted and it is an accurate  
4898 transcription.

4899 Signed \_\_\_\_\_

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