

**City of Coral Gables City Commission Meeting**  
**Agenda Item I-9**  
**March 23, 2021**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Raul Valdes-Fauli**  
**Vice Mayor Vince Lago**  
**Commissioner Pat Keon**  
**Commissioner Michael Mena**  
**Commissioner Jorge Fors**

**City Staff**

**City Manager, Peter Iglesias**  
**City Attorney, Miriam Ramos**  
**City Clerk, Billy Urquia**  
**Labor Relations & ADA Director, Raquel Elejabarrieta**

**Public Speaker(s)**

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Agenda Item I-9

A Resolution of the City Commission authorizing the renewal of the Property and Casualty Program which includes, but is not limited to property, general liability, automobile liability, public officials errors and omissions, excess workers' compensation, crime, cyber liability, terrorism, property and liability, pollution liability, active assailant coverage, flood, as well as other ancillary lines of insurance coverage and insurance broker fees through Arthur J. Gallagher Risk Management Services, Inc. for a not to exceed amount of \$2,967,592 for the policy period of May 1, 2021 to May 1, 2022. (Funding Source: Insurance Fund)

Mayor Valdes-Fauli: I-9.

City Attorney Ramos: I-9 is a Resolution of the City Commission authorizing the renewal of the Property and Casualty Program which includes, but is not limited to property, general liability,  
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automobile liability, public officials errors and omissions, excess workers' compensation, crime, cyber liability, terrorism, property and liability, pollution liability, active assailant coverage, flood, as well as other ancillary lines of insurance coverage and insurance broker fees through Arthur J. Gallagher Risk Management Services, Inc. for a not to exceed amount of \$2,967,592 for the policy period of May 1, 2021 to May 1, 2022.

Director Elejabarrieta: Good afternoon Commissioners, Mayor. As the City Attorney just read, the city's insurance renewal period for all of those insurance coverages run from May 1<sup>st</sup> to May 1<sup>st</sup>. This year, as we do every year, we had our broker, Arthur J. Gallagher go out to the open market to obtain the best trends and quotes for the city. They obtained over 90 quotes from 90 different carriers for the different insurance coverages. This year we also obtained a quote from Florida Municipal Insurance Trust, which is also known as FMIT. We conducted a very detailed analysis of the comparison between the quote that was provided to us by FMIT, in comparison to the city's current program structure in the open market. After very careful consideration, the city is recommending that for this renewal period, we continue in the open market. FMIT's quote excluded certain coverages that the city felt were important for the city to continue. On the property side, those coverages that were excluded included sea walls and historical reproduction costs. On the liability side, some of the issues that we had with the liability coverage that they quoted were issues on the current space versus claims made. Under the open market the city's overall property insurance rate increased 1.68 percent, which is a very good rate increase, in terms of it being a small rate increase. Our premium for property did increase close to 11 percent, but that is because our values increased. We had all our values re-indexed and we also are physically appraising some of the buildings, and we also added three new buildings at the time of renewal with the Trolley Station, Fire Station 2 and the new Public Safety Building. What we call the package insurance and excess workers comp, which is the majority of our liability insurance, the incumbent has quoted us a 7 percent rate increase. We did obtain a quote from a comparable carrier that would result in a reduction of about \$3,000 from last year's premiums. We are still working through that quote to ensure that the coverages are similar, but before you, we are going before you with a higher number with a not to exceed in the event that those coverages are not comparable. Cyber liability did increase significantly by \$60,000, as did sports liability also increased by another about \$60,000. Because this renewal period does not start till May, we are still working with our broker and these markets to see if we can work on that cyber liability and sports liability, to look at the terms and ensure that we can get the best quote. The total cost to renew all of these city insurance policies in the open market, assuming that we continue with the incumbent carrier for the package is a 12 percent increase, or about a \$326,000 increase for a total of about \$2.9 million dollars. I have Maria Perez from Arthur J. Gallagher who is available here via Zoom for any questions and I am also available for any questions that you may have.

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Mayor Valdes-Fauli: Any questions?

Vice Mayor Lago: No. I just wanted to say thank you to everybody on the Insurance Advisory Board. We had a long meeting and we discussed all the issues with staff, and you made me feel very comfortable. We are in a tough position right now. Obviously, like you said, we increased our liability, we have three new properties on the books. We are doing a lot of different work, construction work, so at the end of the day, our premiums are going to go up. I hope we can get that alternate carrier, hopefully that works out, that would be a big savings to the city, and I know that our Finance Director will be very pleased having that extra money. Again, I want to thank staff and I want to really thank the Insurance Advisory Board. I know that they really worked diligently. I brought up last year FMIT and thank God that we looked at it this year. I know that it wasn't a fit, but it's a good opportunity to keep everybody on their toes and make sure that its competitive.

Director Elejabarrieta: I do want to thank the Insurance Advisory Board. We had two very lengthy meetings during the month of March; one I think was a three-hour and a two-hour meeting, and they were an integral part of us really dissecting the FMIT proposal versus the open market. We are going to continue to keep FMIT – we are going to continue to work with FMIT during this renewal period and see if they can become a fit for our next renewal period.

Mayor Valdes-Fauli: Do I hear a motion?

Vice Mayor Lago: So moved.

Commissioner Keon: Second.

Mayor Valdes-Fauli: Will you call the roll please.

Commissioner Fors: Yes

Commissioner Keon: Yes

Vice Mayor Lago: Yes

Mayor Valdes-Fauli: Yes

(Vote: 4-0)

(Commissioner Mena: Absent)

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