



City of Coral Gables
CITY COMMISSION MEETING
March 28, 2017

ITEM TITLE:

Resolution authorizing the renewal of the property and casualty insurance program which includes, but is not limited to, property insurance, general liability, automobile liability, public officials errors & omissions, excess workers' compensation, crime liability, cyber liability, terrorism property & liability, 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 \$ 2,008,992 for the policy period of May 1, 2017 to May 1, 2018. (Funding source: Insurance Fund)

DEPARTMENT HEAD RECOMMENDATION:

Approve.

BRIEF HISTORY:

The City's Agent of Record, Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher"), has solicited and received quotes from various insurance carriers for the desired insurance policies shown below. The City Commission named Gallagher as the City's Agent of Record awarding Gallagher bid number RFP 2015.09.11- Risk Management & Insurance Brokerage Services for the Property and Casualty Lines of Insurance Coverage.

As shown below, a number of the coverage limits for certain lines of insurance have been increased and new terrorism liability and property lines of insurance have been added. The total cost to renew the various insurance policies with the expanded coverage and the new lines of insurance is approximately \$12,000 less than the cost of these policies in the prior year for an amount not to exceed \$2,008,992.

The following is a summary description indicating insurance policies and premiums:

Description of the Insurance Policy, Surcharge or Fee	Premiums/Fees May 1, 2016 to May 1, 2017	Premiums/Fees May 1, 2017 to May 1, 2018
Primary Property Policy	\$726,000	\$580,000
Excess Workers Comp	\$184,643	\$194,100
Property (<i>increased limits for a named windstorm from \$25 million to \$50 million for 2017-2018</i>)	\$882,200	\$987,906
Boiler & Machinery	\$9,578	\$9668
ADD Business Travel	\$360	\$360
ADD Police and Fire	\$12,338	\$12,338
Bond Finance Director	\$1,750	\$1,138
Storage Tank	\$2,375	\$2,549
Crime (<i>increased limits from \$1 million to \$5 million for 2017-2018</i>)	\$4,942	\$10,500
Sports Liability	\$22,639	\$21,006
ADD Sports	\$16,716	\$16,006
Cyber Liability	\$37,333	\$29,639
Terrorism Liability (<i>new coverage for 2017-18</i>)	N/A	\$10,000
Terrorism Property (<i>new coverage for 2017-18</i>)	N/A	\$13,750
Total without surcharges	\$1,900,874	\$1,888,960
EMPA - State of Florida	\$16	\$32
Total after surcharges	\$1,900,890	\$1,888,992
Insurance Brokerage Fee (Gallagher)	\$ 120,000	\$120,000
Total Cost	\$2,020,890	\$2,008,992

Meetings of the Insurance Advisory Committee took place on March 3, 2017 and March 10, 2017 to discuss in detail the renewal of the City's property and casualty insurance program. During each of these meetings, Gallagher made a detailed presentation of the quotes obtained from the different carriers for the various types of insurance coverage.

George Erickson from Siver Insurance Consultants, the City's independent insurance consultant, also participated in these meetings. The Insurance Advisory Committee recommended approval of the aforementioned policies and coverages and Mr. Erickson concurred with the recommendation (see attached summary and recommendation letter).

FINANCIAL INFORMATION: (If Applicable)

	Amount	Account No.	Source of Funds
	Not to exceed \$ 2,008,992	540-000-590-4550	Insurance Fund
Total:		APPROVED BY:	

Attachments:

1. Resolution
2. Siver Insurance Consultants Summary and Recommendation Letter
3. Insurance renewal proposal and premium summary presented by Arthur J. Gallagher