



**City of Coral Gables  
CITY COMMISSION MEETING  
APRIL 26, 2022**

**ITEM TITLE:**

Insurance & Risk Management Advisory Board meeting minutes March 15, 2022

**SUMMARY OF MEETING:**

**OPENING:**

Chair Juan C. Diaz-Padron opened the meeting. Meeting was called to order at 8:05am. Quorum was reached. Everyone introduced themselves for the record.

**MINUTES APPROVAL:**

February 11, 2022 minutes

Motion: \*Paul Susz / 2<sup>nd</sup> Motion: Austin Tellam

\*Mr. Susz advised of change required reflecting statement indicated by Ms. Perez regarding increase of the renewal. The changes are to include in the 4<sup>th</sup> paragraph under Old Business that Maria Perez expects an overall increase in premium of 7-10% (excluding cyber risk). Changes were noted for the record. All approved unanimously with above changes made.

**SECRETARY'S REPORT:** None

**BOARD MEMBERS REPORTS:** None

**NEW BUSINESS:** None

**OLD BUSINESS:**

Mr. Diaz-Padron asked about the current status of the cyber risk renewal. Raquel advised that it is a very hard market and that some other entities are going without cyber risk and instead having a several experts on retainer in the event of a breach. She also advised that FMIT's quote includes cyber risk coverage. David Ruiz mentioned that the FMIT cyber risk coverage is not a separate coverage but part of the FMIT package with a \$1,000,000 limits, but that further clarification will be needed from FMIT regarding what else is covered, for example ransomware.

**Cyber Presentation: Mr. Raimundo Rodulfo- Information Technology Director**

Director Rodulfo advised the Board the City is compliant with FDI, FDLE, CALEA, and PCI.

Mr. Rodulfo explained to Board the various layers of security and safety practices conducted by the City as it relates to IT. Mr. Rodulfo spoke in detail of audits conducted by top outside sources/consultants on the City's IT security practices and infrastructure. Mr. Rodulfo advised the current onsite team that composes the IT program and monitoring of systems have received numerous trainings and obtain various certifications. Mr. Rodulfo explained how the system is broken into different layers and how a possible cyber attack can be contained to just the one affected area. Mr. Rodulfo stated due to the current layers and backup systems in place that if a cyber-attack is successful, the city will be able to avoid paying

ransomware and should be able to bring the system back up within a week. Regarding MFA (multi-factor authentication), the police department is the only department that fully has MFA. The goal is to try to get the rest of the city employees on full MFA in next budget year. The city does not currently store credit card information as that is done by a clearinghouse. The most important component to prevent breaches is competent human capital which the city has in their IT Department.

**Insurance Renewal Review : Ms. Maria Perez from Arthur J. Gallagher**

Ms. Perez discussed the current status of the insurance renewal with the open market. The package program (liability and workers compensation) quote from Ambridge came in with only a 4% increase which is very good as some other clients have had a 10% increase. Ms. Elejabarrieta asked if Safety National (quoted excess workers compensation) has quoted the package, Ms. Bullard responded not yet but they may end up actually quoting. Ms. Perez advised the overall quote for the Excess Workers Compensation from Safety National has a 9% increase but that takes into consideration a payroll increase of 3%. Calah is awaiting to hear back from Ambridge regarding any premium increase should the City decide to no longer carry Sports Liability. Mr. Ruiz did advise that the City should keep Sports AD&D as that is medical payments insurance and promotes goodwill. All of the remaining ancillary coverages in the presentation were shown but there were not any discussions.

The property quote from the open market has not yet officially come in yet, but the underwriter advised that it will be an increase of 5.85% which amounts to an estimated quote of \$1.7 million for total insured value over \$244 million (all other perils) compared to the quote from FMIT of \$1.6 million for \$150 million (all other perils) in coverage. The question of whether the \$150 million are dedicated or not were discussed and further clarification and confirmation will be needed from FMIT.

Mr. Reshesky advised Ms. Perez to follow-up to see if the insurance carriers would pay for any of the appraisals.

**Biltmore – Follow Up**

Mr. Reshesky asked regarding Biltmore Hotel. Ms. Elejabarrieta explained it had past at first reading and second reading would be for commission meeting of March 29, 2022. Ms. Elejabarrieta stated a sovereign immunity paragraph was added and lowered property insurance to \$100,000,000. Mr. Diaz-Padron stated that he would prefer to have the Biltmore as part of the city’s portfolio.

Further brief discussion took place regarding differences between FMIT and current structure. Mr. Diaz-Padron advised due to various concerns perhaps it would be best to continue with current structure. Ms. Elejabarrieta advised city would like to continue to review FMIT and obtain clarity regarding various issues at an already scheduled March 17, 2022, meeting to better determine best course to go forth with. Ms. Elejabarrieta advised one of the differences for example is current structure allows city to be able to determine how to proceed with a claim, use its own attorneys and conduct actual property appraisals. Ms. Elejabarrieta advised FMIT does not conduct physical property appraisals and any taking place now would need to be stopped. Mr. Reshesky asked how these ongoing appraisals are being paid for and it was the city doing so, Ms. Perez should go back and request current insurance provider to pay for them.

**MEETING ADJORNED:** Meeting adjourned at 8:47am

Motion by: Paul Susz / 2<sup>nd</sup> Gary Reshesky / All approved unanimously

**ATTACHMENT(S):**  
**Minutes of the March 15, 2022**