

City of Coral Gables
CITY COMMISSION MEETING
April 8, 2008

ITEM TITLE:

A resolution authorizing the City Manager to renew the property insurance coverage contracts with AON Risk Services, Inc. in the amount of \$1,034,274 for a one (1) year term, effective May 1, 2008.

RECOMMENDATION OF THE CITY MANAGER:

It is recommended that authorization be given to the City Manager to renew the property insurance coverage as presented by AON Risk Services, Inc.

BRIEF HISTORY:

AON Risk Services, Inc. of Florida is the City's broker for property/boiler and machinery insurance. The overall proposal option selected results in greater coverage for windstorm and a lower premium cost than for the expiring year.

The proposed option is for \$25 million in coverage for Named Windstorm coverage; and excess coverage, including Unnamed Windstorm, up to total insured value, at a total program cost of \$1,034,274, including fees and assessments. This represents a 17% savings over the expiring coverage. It is important to note that the \$25,000,000 wind limit is a significant increase over last year's limit. It is also significant that Coral Gables will now be buying up or very close to its 250 year storm estimate per the catastrophe study provided by AON Risk Services, Inc. of Florida.

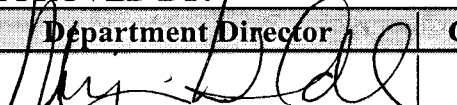
A number of improvements in terms are also included:

1. All Other Perils deductible from \$100,000 per occurrence is amended to \$50,000 per occurrence. The non-named windstorm coverage remains at \$100,000.
2. 5% Windstorm deductible is applicable to Named Storms on the primary layer of coverage.
3. Auto Physical Damage deductible has been reduced from \$100,000 per occurrence to \$50,000 per occurrence.
4. Errors and Omissions sublimit has been increased from \$1,000,000 to \$5,000,000.
5. Unnamed Locations sublimit has been increased from \$100,000 to \$1,000,000.
6. Excess policy through Landmark has been amended to exclude Named Windstorm peril in lieu of Windstorm peril.

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Account No.	Source of Funds
	\$ 1,034,274.00	540-0000-590-4550	Insurance Fund
APPROVED BY:			

APPROVED BY:

Department Director	City Attorney (If Applicable)	City Manager
		

Attachments:

1. Resolution
2. AON Risk Services Inc. renewal proposal/quote