

CORAL GABLES INSURANCE & RISK MANAGEMENT ADVISORY BOARD

Minutes of November 28, 2017 – 8:00am
 427 Biltmore Way, 2nd Floor Large Conference Room
 Coral Gables, Florida

MEMBERS	O	N	D	J	F	M	A	M	J	J	A	S	APPOINTED BY
	17	17	17	18	18	18	18	18	18	18	18	18	
Gary Reshefsky	P	P											Mayor Raul Valdes-Fauli
Jose Soto	E	E											Vice-Mayor Frank Quesada
James Blough	E	P											Commissioner Pat Keon
Juan C. Diaz Padron	P	P											Commissioner Vincent Lago
Patricia Fuller	E	P											Commissioner Michael Mena

A = Absent
 E = Excused Absence
 P = Present
 - = No meeting
 * = New Board Member

STAFF:

Raquel Elejabarrieta, Director Office of Labor Relations & Risk Mgt
 David Ruiz, Risk Manager

GUESTS:

Mr. Tony Abella – Arthur J. Gallagher
 Ms. Maria Perez – Arthur J. Gallagher
 Mr. Scott Clark – Arthur J. Gallagher

PUBLIC GUEST:

Mr. Manuel Torres – Financial Guide

RECORDING SECRETARY:

Eglys Hernandez, Administrative Assistant

OPENING:

The Chairperson, Juan C. Diaz Padron, opened the meeting and everyone introduced themselves for the record. Meeting was called to order at 8:05 am. Quorum was reached.

MINUTES APPROVAL:

September 27, 2017 meeting minutes – Motion to approve: Mr. Reshefsky / 2nd motion: Ms. Fuller, vote was unanimous.

October 30, 2017 meeting minutes: Mr. Reshefsky requested and received approval that approval vote be deferred until next meeting in order to have time to review.

SECRETARY'S REPORT: None

BOARD MEMBERS REPORTS: None

OLD BUSINESS: None

NEW BUSINESS:

Mr. Diaz-Padron introduced and welcomed new board member Ms. Patricia Fuller.

PRESENTATION & REVIEW BY ARTHUR J. GALLAGHER:

Arthur J. Gallagher conducted presentation and review regarding on-going services as well as preparing for upcoming insurance renewal.

Mr. Scott Clark was introduced as new member of Arthur J. Gallagher, Area Senior Vice President, Claim Advocacy Practice Group replacing Mr. Bart Douglas and will also be serving in a consulting capacity with the City of Coral Gables.

Ms. Maria Perez, Arthur J. Gallagher, thereafter commenced insurance presentation with a review of the proposed timeline for 2018 Property and Casualty insurance program renewal:

- 1) 12/15/17 – Renewal applications to be sent to client
- 2) 01/18/18 – Renewal applications due from client
- 3) 01/24/18 – Initial submissions sent to carriers
- 4) 02/17/18 – Review quotes and request options
- 5) March 2018 – Insurance Board Meeting
- 6) March 2018 – Proposal Meeting with City Manager, Employee Relations and Risk Management Director & Risk Manager
- 7) April 2018 – Commission Meeting Approval

Ms. Perez stated she does not anticipate there will not be an issue with insurance carriers regarding property insurance even though there may be a possible Hurricane Irma claim depending if the windstorm deductible is exceeded, which is 5% per location and \$250,000 minimum city-wide.

Mr. Blough asked if there was debris removal coverage. Mr. Abella advised there is no debris removal coverage available.

Mr. Ruiz advised of a claim which was filed shortly after Hurricane Irma in September 2017. Mr. Abella advised that insurance adjuster Mr. Rick Mullen from the property insurance company CJW was assigned to this claim. Ms. Perez advised that they were in the process of scheduling a meeting with Mr. Mullen in order for him to review some of the damage to the City's facilities. Mr. Ruiz indicated that at this time there are no actual expenses incurred at any particular location that has exceeded the City's 5% deductible. However, Public Works has provided numbers at each location and their initial assessment does exceed five percent at certain locations. Ms. Perez stated that should the adjuster feel that City has exceeded its deductible at several locations that the insurance carrier may provide funds in advance.

During the insurance presentation Mr. Abella indicated that the actuary determines the expected losses in order to determine what the City's uninsured loss fund should be. City of Coral Gables operates on a 75% certainty; however Mr. Abella indicated that most clients utilize only a 60% certainty and that the City of Coral Gables has high standards with regards to setting up the uninsured loss fund. The 75% certainty includes losses which are not covered by insurance and losses which are within the self-insured retention. Mr. Abella stated that the actuary does not include named windstorms in determining the expected losses for the City of Coral Gables or any entity for that matter. The expected losses also include not only property losses, but workers compensation, general liability and auto liability claims.

Ms. Perez continued with insurance presentation, which included review of self-insurance retention for liability, workers compensation and property.

TREES AND DEBRIS REMOVAL

Ms. Fuller inquired as to who is responsible of the process regarding tree and debris removal after Hurricane Irma. Ms. Elejabarrieta indicated that the City of Coral Gables Landscaping Department has a system in place to oversee the removal of trees and debris. Ms. Elejabarrieta also stated that the Landscaping Department has a tree succession program regarding the replacement of the trees which were recently planted.

Mr. Reshefsky motioned to have the City obtain approximate value of the trees City-wide in order to have them insured. 2nd Motion: by Ms. Fuller. All unanimously approved.

CONTINUATION OF INSURANCE PRESENTATION BY ARTHUR J. GALLAGHER:

Ms. Perez went over the liability program and advised City had purchased Terrorism for property and general liability for the past year, whereas in the past this was only purchased for Workers' Compensation Insurance. Mr. Reshefsky requested that Arthur J. Gallagher look into a lower self-insured retention with regards to sexual harassment coverage, and any other employment practice coverage and employee benefit liability.

Mr. Blough asked if the City legal department needed separate Professional liability coverage. Mr. Abella stated that they already have this coverage under the current insurance plan and it covers employees such as city attorneys, architects, anyone who is a city employee under professional liability. Mr. Abella stated that it does not cover medical malpractice. However, there is only one doctor required by law for City to employ, which is a Medical Director for EMT which is covered under the current insurance plan for his duties as Medical Director which includes: information, instructions and training given to EMTs. Mr. Reshefsky asked if Arthur J. Gallagher would then try to go out this year and obtain an enhancement for the EMTs. Mr. Abella stated that EMTs have always been covered.

Ms. Perez summarized the property insurance coverage and its deductible, including advising regarding that there is a 5% windstorm deductible per location for a named windstorm which comes with a minimum \$250,000.00 deductible city- wide. Ms. Perez also mentioned that the City had increased windstorm coverage from \$25,000,000 to \$50,000,000 and also added terrorism coverage for property.

Ms. Perez advised that the City purchases national flood insurance program policies via American Bankers for all properties in Zones A & B and that every year there is a determination program which is conducted in order to remap areas.

Mr. Blough stated he is with the understanding that a new Public Safety building needs to be built within the next 28 months. Mr. Diaz-Padron asked if the builders' risk is the contractor's responsibility. Mr. Ruiz stated that at this time it is but will visit the issue of possibly having the builder's risk insured through Arthur J Gallagher when the contract is entered into per prior conversations with Tony Abella. Ms. Perez stated that the City has the option of adding it on to its program, which has been done so in the past. Ms. Perez stated that they can work together with the city and review what the contractor is providing as builders risk coverage and seek to see if it is a better option to have the builder's risk insured through Arthur J. Gallagher.

Mr. Abella went over the property rate to value premium. Mr. Abella stated that the property rate to value in 2010 was \$.61 for every \$100.00 dollars' worth of coverage and in 2017 was only \$.34 per every \$100.00 worth of coverage. Mr. Abella also went over liability premium to payroll. The premium as compared to payroll has been going down over the years. Mr. Abella stated as for example in 2013 the premium was \$877, 495.00 with a payroll of \$57,360,585.00; while in 2017 the payroll increased to \$65,440,750.00 with a premium of only \$585,000.00.

Ms. Perez thereafter discussed proposed cyber & crime options and stated the City ended increasing limits to \$5,000,000 with a \$50,000.00 retention.

Ms. Perez stated that she does not foresee any changes on the liability due to excellent loss history same as for workers' compensation. Ms. Perez stated that the only one which may be a bit of a challenge is that of property. Ms. Perez stated that Arthur J. Gallagher will be very aggressive in working for City of Coral Gables. Ms. Perez reviewed the list of meetings Arthur J. Gallagher conducted with the City throughout the year and assistance provided in regards to training programs, inspections, and workers' compensation claims review.

Ms. Perez asked if the board would like to have another meeting sometime before March., Mr. Diaz-Padron stated that if there is a major update.

ADJOURNMENT

The meeting was adjourned at 09:49am.