



**City of Coral Gables
CITY COMMISSION MEETING
MARCH 29, 2022**

ITEM TITLE:

Insurance & Risk Management Advisory Board meeting minutes February 11, 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:

November 15, 2021

Motion Gary Reshesky / 2nd Motion: Austin Tellam

Board member Paul Susz voted "Nay" due to not having been present for that meeting

Remaining Board members: Approved

December 3, 2021

Motion Gary Reshesky / 2nd Motion: Paul Susz

All approved unanimously

SECRETARY'S REPORT:

Biltmore – Reduction in Property Insurance

Mr. Reshesky asked if the issue regarding The Biltmore's reduction in property insurance requirements had gone to Commission. Ms. Elejabarrieta stated it had not and should be going on the March 29th Commission Meeting. Ms. Elejabarrieta advised she will provide The Board with Resolution once it is approved.

BOARD MEMBERS REPORTS: None

NEW BUSINESS: None

OLD BUSINESS:

Continual – Insurance Renewal Review – Arthur J. Gallagher (Exhibit A)

Maria Perez

Ms. Perez conducted power point presentation. Ms. Perez commenced advising of timeline and ongoing status of renewal process. Ms. Perez stated that the city had received all of the applications in mid-November and by mid-December city had already completed and submitted them.

Ms. Perez stated on February 4, 2022, there were several insurance market meetings with the primary layers of insurance (1st \$10,000,000 in coverage) held with Arthur J. Gallagher along with David Ruiz and Raquel Elejabarrieta Ms. Perez advised there were discussions regarding various mitigation controls the

City has implemented including the City's response to a hurricane threat. Ms. Perez stated the appraisal program the City currently has in place was also very important to the carriers in terms of having accurate values. Ms. Elejabarrieta advised that the property insurance provided stated that the City has outperformed the market and the insurers that the insurers would like to continue with renewal and would expect the City to be at the lower end of increases as compared to the market range of increases.

Ms. Perez anticipates that by the next Board meeting scheduled for March, there should be an indication regarding increases from the insurance markets. Ms. Perez advised that the goal is to have the insurance renewal program placed on the April 12, 2022, Commission meeting.

Mr. Reshesky asked if there are major increases expected. Ms. Perez stated she anticipates for the City as seen with other clients, major increases in the cyber risk insurance. Ms. Perez does not anticipate any other major increases in the other insurance coverages. Ms. Perez stated that she and David Ruiz from the City met with Package (liability and workers compensation) Insurance provider, Mr. Ruiz advised them of the loss control and risk transfer programs the City has in place. Ms. Perez stated that she expects a 7 to 10 percent across the board increase in renewals.

Mr. Susz asked inquired about the City's loss ratio. Ms. Perez stated for the primary liability carrier the loss ratio has been 60% due to a couple of liability cases and for the property insurance carriers it is about the same. Ms. Perez stated at 60% ratio is a good loss ratio.

Mr. Diaz-Padron asked prior to continuing with the presentation, if there was something that truly needed to be discussed or addressed. Ms. Perez stated it would be regarding Cyber risk insurance as ransomware attacks are what is driving the cost of Cyber risk insurance.

Ms. Elejabarrieta shared information regarding cost for Cyber coverage last year compared to the previous year. Mr. Susz asked if information regarding average ransomware payment has been researched. Ms. Perez stated it can be researched and presented at next meeting as well as benchmarking for policy limits on ransomware. Ms. Elejabarrieta stated regarding the recovery time of an attack would be best addressed by the IT Director, Mr. Raimundo Rodulfo, who can be asked to come into the next meeting. Mr. Diaz-Padron asked if the government would have the same responsibilities of advising and provide monitoring for those affected by the incident. Ms. Jimenez stated first thing that is conducted is a review of what type of attack it was, information that was affected and then follow the laws in place for the area. Ms. Perez advised the insurance carrier takes over the system to conduct review and does not release it back until a thorough analysis is conducted.

Mr. Diaz-Padron stated if no further information has changed, perhaps pending information regarding Cyber and further numbers can be addressed at next meeting.

Mr. Tellam asked if the Cyber program city has in place has been reviewed by an outside source to assure what is in place is the very best. Ms. Elejabarrieta stated carriers come in to review the program and have determined it is a great program. Ms. Elejabarrieta stated city along with Arthur J. Gallagher for the last two years together have reviewed the program, conducted comparisons to assure best coverage at best rate is obtained.

Mr. Reshesky asked regards workers compensation claims and Covid claims. Ms. Perez stated workers compensation claims history looks great and Ms. Elejabarrieta stated the city has stopped processing accepting Covid claims as of June 2021.

Mr. Diaz-Padron asked regarding the city possibly considering FMIT. Ms. Elejabarrieta stated that the

city submitted applications back in December and had several questions which have not been addressed yet. Mr. Ruiz advised FMIT indicated to Arthur J. Gallagher that FMIT advised that the questions should be answered along with a quote by March 4, 2022. Mr. Diaz-Padron asked regarding renewal dates with FMIT. Ms. Elejabarrieta advised this has been addressed. Mr. Reshesky asked if a quote was received last year. Ms. Elejabarrieta stated it was determined to best proceed and to revisit FMIT for next year renewal conducting better research and seeking clarity.

It was determined that on the next meeting FMIT will be further discussed and the IT Director will be invited to address the Board.

MEETING ADJORNED: Meeting adjourned at 08:47am
Motion by: Paul Susz / 2nd Gary Reshesky / All approved unanimously

NEXT MEETING: March 2022

ATTACHMENT(S):
Minutes of the February 11, 2022