



**City of Coral Gables  
CITY COMMISSION MEETING  
April 27, 2010**

**H-2**

**ITEM TITLE:**

Resolution authorizing the renewal of the casualty insurance policies which include, but are not limited to, general liability and workers compensation, with Arthur J. Gallagher Risk Management Services, Inc. in the amount of \$1,098,639 for the policy period of May 1, 2010 to May 1, 2011. (Funding Source: Insurance Fund)

**ACTION REQUESTED BY THE BOARD/COMMITTEE:**

The Insurance Advisory Committee is recommending that the City bind the renewal insurance proposal presented by Arthur J. Gallagher Risk Management Services, Inc. for insurance coverage with an effective date of May 1, 2010 to May 1, 2011.

**RECOMMENDATION OF THE CITY MANAGER:**

Approve.

**BRIEF HISTORY:**

The City entered into a three year contract with two, two year renewal options that began on May 1, 2009 for Risk Management and Insurance Brokerage Services with Arthur J. Gallagher Risk Management Services, Inc. and AON Risk Services, Inc. of Florida after the City advertised RFP 2009.01.05 – Risk Management & Insurance Brokerage Services for the Property and Casualty Lines of Insurance Coverage. This RFP created a controlled platform for the City to obtain competitive bids on insurance broker service fees and competitive quotations on insurance policies (net of commissions) through a market assignment process. This is the second year of a three year contract with Arthur J. Gallagher Risk Management Services, Inc.

Description of the Insurance Policy or Fee	Premiums/Fees for the May 1, 2010 to May 1, 2011	Premiums/Fees for the May 1, 2009 to May 1, 2010
Public Entity Package	\$ 694,583	\$ 699,031
Excess Liability	\$ 129,476	\$ 100,755
Excess Workers Compensation	\$ 122,076	\$ 155,268
Business Travel Accident	\$ 360	\$ 360
AD&D	\$ 11,205	\$ 11,205
Bond – Finance Director	\$ 1,750	\$ 1,750
Storage Tank Liability	\$ 1,451	\$ 1,748
Crime Insurance	\$ 4,421	\$ 2,865
<b>Total Insurance Premiums</b>	<b>\$ 965,322</b>	<b>\$ 972,982</b>
FCHFEA (1%) Florida Fee	\$ 8,317	\$ 8,062
Insurance Brokerage Fee	\$ 125,000	\$ 125,000
<b>Total Premiums and Fees</b>	<b>\$1,098,639</b>	<b>\$1,106,044</b>

The savings in excess workers compensation is directly correlated to a reduction in payroll. The increase in excess liability and crime insurance premium is a direct result of a higher limits being purchased.

**FINANCIAL INFORMATION: (If Applicable)**

Amount	Account No.	Source of Funds
\$1,098,639	540-000-590-4550	Insurance Fund
<b>Total:</b>	<b>APPROVED BY:</b>	<i>Charles A. Alvarado</i>

**APPROVED BY:**

Department Director	City Attorney (If Applicable)	City Manager
<i>Elmo J. Sarmiento</i>	<i>John C. Murphy</i>	<i>Charles A. Alvarado</i>

**Attachments:**

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