

CORAL GABLES INSURANCE ADVISORY COMMITTEE
 Minutes of March 15, 2018 – 8:00am
 Human Resources Conference Room 2801 Salzedo Avenue 2nd Floor
 Coral Gables, Florida

MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTED BY
	18	18	18	18	18	18	18	18	18	18	18	18	
Gary Reshefsky													Mayor Raul Valdes-Fauli
Jose Soto													Vice-Mayor Frank Quesada
James Blough													Commissioner Pat Keon
Juan C. Diaz Padron													Commissioner Vincent Lago
Patricia Fuller													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 & Co.
 Ms. Maria Perez – Arthur J. Gallagher & Co.
 Ms. Calah Bullard – Arthur J. Gallagher & Co.

PUBLIC GUEST:

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 8:00am. Quorum was reached.

MINUTES APPROVAL:

February 15, 2018

Motion by: Mr. Soto / 2nd Mr. Blough / All approved unanimously

SECRETARY’S REPORT: None

BOARD MEMBERS REPORTS: None

OLD BUSINESS: None

NEW BUSINESS:

INSURANCE SUMMISSION UPDATE BY ARTHUR J. GALLAGHER:

Exhibit 1 (Page 1) – Insurance Program Cost

Ms. Perez stated that after previous meeting they went out to market the items which Board wanted to be addressed. Ms. Perez stated the market is a little slower than last year and they have seen property market hardening but capacity has not shrunk. Ms. Perez stated the shift has been due to Harvey, Irma, and Maria Hurricane claims which has hit market place in the last couple of years.

Ms. Perez stated in reference Exhibit 1 (Page 1) Insurance Program Cost Overview 2015 through 2019 pie charts which have been utilized for the City for many years and gives a snap shot of where City dollars are going and what dollars are retained by the City for their loss fund.. Ms. Perez stated a review of 2015, 2016, 2017, 2018 year the City's Loss Fund is still in a very healthy conservative placement at 61%.

Exhibit 2 (Page 2) – Package Liability, Workers Compensation & Property Program Structure

Ms. Perez stated that on these charts Exhibit 2 (Page 2) 2018 Package Liability, Workers Compensation and Property Program structure provide an overview of each line of business being placed on City's behalf. Mr. Diaz-Padron stated he noticed Tree Shrubs was included and asked if this was something that City had last year as well. Ms. Perez stated that they were able to include it at no extra cost tree replacement coverage with a limit of \$250,000.00 but the trees needed to be near a building.

Ms. Perez stated that they have asked BRIT for another year rate guarantee for workers compensation and liability for 2019-2020 and BRIT has advised they will be able to do so with certain term conditions, which is standard practice.

Exhibit 3 (Page 3) – Liability Program Structure

Ms. Perez stated on these the Liability Program Structure can be reviewed. Ms. Perez stated there has not been any change in regards to this coverage. Ms. Perez stated yes there are no changes in coverage in the renewal .

Exhibit 4 (Page 4) – Property Program Structure

Ms. Perez stated on page 4 the Property Program Structure can be reviewed. Ms. Perez stated she has been working closely with catastrophe adjuster regarding Hurricane Irma. Ms. Perez stated the catastrophe adjusters still feel confident with the \$2.5 million dollars value net claim to the underwriters.

Mr. Reshefsky stated that it is advantageous for the City to continue on a per building deductible which the City has.

Exhibit 5 (Page 5) – Underwriting Information

Ms. Perez went over the underwriting information for the city with regards to number of employees, payroll, property and vehicles insured.

Exhibit 6 (Page 6) – Property Rate to Value

Ms. Perez stated the property rate to value went up this year, but is still at levels lower than all of the way back to 2010.

Exhibit 7 (Page 7) – Liability Premium to Payroll

Ms. Perez went over the premium to payroll which value went up this year, but is still at levels lower than all of the way back to 2010.

Exhibit 8 (Page 8) – Marketing Listing

Ms. Perez stated this page reflects the insurance market they approached for the insurance renewal.

Biltmore Hotel

Ms. Perez stated in order to add the Biltmore to the insurance program to the City's property insurance program, it would cost the City an estimated \$413,000 based on an appraised value of \$92,000,000 Mr. Ruiz stated that as per the Biltmore lease, The Biltmore is required to appraise the property every other year and the last appraisal was from June 2016, based on replacement cost.

Exhibit 10 (Page 10) – Property Premium Breakdown (Everest Option)

Ms. Perez and Ms. Bullard went over the property, cyber liability and workers compensation quotes. Ms. Elejabarrieta asked if there was any opportunity for the City to receive a credit for appraisals from the new underwriters and carriers. Ms. Perez stated that she would go back and check with the broker as it would go off their commission and they provided such a credit in the past.

Motion by: Mr. Soto / 2nd: Mr. Reshefsky / Unanimously approved

To approve new premium savings proposal of 1% contingent upon getting appraisal reduction

Ms. Bullard advised regarding Active Assailant coverage now available as an enhancement under Terrorism Coverage. However, Tony Abella advised that we do have liability coverage for such an exposure.

Ms. Elejabarrieta asked in regards to another meeting is needed. Mr. Soto stated that it will not be necessary unless credit regarding appraisal is not received.

Motion By: Mr. Reshesky to go forth with Midlands recommendation on excess workers compensation / 2nd: Mr. Soto / Unanimously approved

MEETING ADJORNED: 09:15am.

DRAFT