

CORAL GABLES INSURANCE ADVISORY COMMITTEE

Minutes of March 3, 2017
 2801 Salzedo Street – Fire Department Conference Room
 Coral Gables, Florida

| MEMBERS | O | N | D | J | F | M | A | M | J | J | A | S | APPOINTED BY |
|---------------------|---|---|---|---|---|---|---|---|---|---|---|---|--------------------------------|
| | | | | | | 3 | | | | | | | |
| Gary Reshefsky | - | - | - | - | - | P | | | | | | | Mayor Jim Cason |
| Jose Soto | - | - | - | - | - | E | | | | | | | Vice-Mayor Frank Quesada |
| James Blough | - | - | - | - | - | P | | | | | | | Commissioner Pat Keon |
| Juan C. Diaz Padron | - | - | - | - | - | P | | | | | | | Commissioner Vincent Lago |
| Leon Kellner | - | - | - | - | - | P | | | | | | | Commissioner Jeannett Slesnick |

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

CONSULTANT:

George Erickson, Siver Insurance Consultants

GUESTS:

Maria Perez, Arthur J. Gallagher Risk Management Services, Inc.
 Tony Abella, Arthur J. Gallagher Risk Management Services, Inc.

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 8:05am.

NEW BUSINESS

INSURANCE RENEWAL PRESENTATION BY MARIA PEREZ AND TONY ABELLA FROM ARTHUR J. GALLAGHER ALONG WITH DISCUSSION BY GEORGE ERICKSON, AN INDEPENDENT INSURANCE CONSULTANT FROM SIVER CONSULTANTS

Ms. Perez provided the proposals from two companies regarding the insurance renewal pertaining to the Package Coverage which includes Workers Compensation and Liability coverage. One proposal is from BRIT which has insured the City the last 4 years. BRIT offered a renewal premium of \$696,000 which represents a 4% premium reduction from 2016-17. A quote was also

received from AIX which is offering a premium of \$579,685.00 which represents a 20% premium reduction from 2016-17.

Maria Perez advised when asked by George Erickson that AIX is an A rated company.

The following are what appear to be key differences and/or issues between the AIX and BRIT quote:

- The AIX proposal has a general aggregate limit of \$7,000,000 for General Liability while BRIT does not have a limit. Arthur J. Gallagher will re-visit this issue with AIX to see if they can eliminate or increase the aggregate limit.
- The AIX proposal regarding sexual abuse and harassment appears to cover only claims presented by employees and volunteers who are alleged victims. The BRIT proposal also covers claims presented by third parties who are alleged victims. Arthur J. Gallagher will follow-up with AIX to obtain clarification as to whether AIX also covers claims filed by third parties.
- The AIX proposal has a general aggregate limit of \$7,000,000 for Law Enforcement while BRIT does not have a limit. Arthur J. Gallagher will re-visit this issue with AIX to see if they can eliminate or increase the aggregate limit.
- It is not known whether the AIX proposal will have retroactive coverage should a decision be made to no longer be insured by BRIT. Arthur J. Gallagher will re-visit this issue with AIX for clarification.
- BRIT has the availability of online Safety Training modules while AIX does not.

In addition to following on the aforementioned issues, Arthur J. Gallagher will follow-up regarding the Crime Insurance policy limits which was asked about by Gary Reshefsky.

A motion was made by Gary Reshefsky for Arthur J. Gallagher to continue to negotiate the best terms for the insurance renewal up to and until the renewal date and for the administration to go before the City Commission with the not to exceed amount presented at the meeting by Arthur J. Gallagher. Motion was second by Leon Keller and was approved unanimously.

PROPERTY INSURANCE

The Board was advised that the City's properties were re-indexed last month for the insurance renewal.

The Board was given a list of the markets Arthur J. Gallagher approached for the property insurance renewal. Maria Perez advised that the property insurance renewal quote came in at approximately 6% less than last year. She also advised that she received an indication that in order to reduce the windstorm deductible from the current 5% to 3%, that would increase the premium by approximately \$350,000. Gary Reshefsky advised that Arthur J. Gallagher should look into having the windstorm coverage increased up to \$100,000,000 over the current \$25,000,000 in

coverage, which is based on the Probable Maximum Loss Model. Arthur J. Gallagher will follow-up on this for the next meeting.

NEXT MEETING DATE

The Board agreed to meet on Friday, March 10, 2017, at 8:00am to discuss updates regarding proposals from AXI and BRIT as Arthur J. Gallagher indicated they would have updates by then. Arthur J. Gallagher will also have proposals for increasing the windstorm coverage.

The next meeting will take place at 2801 Salzedo St. 1st Floor Fire Department Conference Room.

ADJOURNMENT

The meeting was adjourned at 9:43 a.m.