

**CORAL GABLES INSURANCE ADVISORY COMMITTEE**

Minutes of March 10, 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                   |
|---------------------|----|----|----|----|----|----|----|----|----|----|----|----|--------------------------------|
|                     | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |                                |
| Gary Reshefsky      | -  | -  | -  | -  | -  | P  |    |    |    |    |    |    | Mayor Jim Cason                |
| Jose Soto           | -  | -  | -  | -  | -  | P  |    |    |    |    |    |    | Vice-Mayor Frank Quesada       |
| James Blough        | -  | -  | -  | -  | -  | P  |    |    |    |    |    |    | Commissioner Pat Keon          |
| Juan C. Diaz Padron | -  | -  | -  | -  | -  | P  |    |    |    |    |    |    | Commissioner Vincent Lago      |
| Leon Kellner        | -  | -  | -  | -  | -  | P  |    |    |    |    |    |    | Commissioner Jeannett Slesnick |

**STAFF:**

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

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

**CONSULTANT:**

George Erickson, Siver Insurance Consultants

**GUESTS:**

Maria Perez, 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 8:13am. A motion was made by Mr. Leon Kellner to “approve the minutes of March 3, 2017”. The motion was seconded by Mr. Jose Soto, voted upon and passed with a unanimous vote.

**NEW BUSINESS**

No new business was discussed during this meeting.

**OLD BUSINESS**

FOLLOW-UP INSURANCE RENEWAL PRESENTATION BY MARIA PEREZ FROM ARTHUR J. GALLAGHER ALONG WITH DISCUSSION BY GEORGE ERICKSON, AN INDEPENDENT INSURANCE CONSULTANT FROM SIVER CONSULTANTS

## **PACAAGE POLICY /LIABILITY INSURANCE**

Maria Perez advised that AIX increased their aggregate from \$7,000,000 to \$9,000,000. AIX's proposal is under one policy with no separate policy for excess and primary. BRIT's proposal on the other hand has no aggregate for the primary which covers up to \$650,000 per occurrence over the City's \$350,000 retention and an \$8,000,000 excess aggregate. Juan C. Diaz Padron asked George Erickson whether he was comfortable with the \$9,000,000 aggregate limit provided by AIX. George Erickson advised he was comfortable with the aggregate limit provided by AIX, however, he opined that the BRIT proposal was better in that there is no aggregate limit for claims under \$1,000,000 and historically it is very rare for a claim against the City of Coral Gables to exceed \$1,000,000. Leon Kellner noted that the BRIT proposal includes a 2<sup>nd</sup> year same rate guarantee.

George Erickson advised that he felt BRIT's proposal is better despite the premium being approximately \$80,000 more than AIX's as:

- BRIT's proposal has no aggregate for claims that do not exceed \$1,000,000
- BRIT'S policy limits for Sexual Harassment is \$4,650,000 while AIX's policy limits are \$2,650,000.
- BRIT'S policy limits for Sexual Abuse is \$4,650,000 while AIX's policy limits are \$650,000.

**A motion was made by Jose Soto and second by Leon Kellner to approve the BRIT proposal which was voted on and approved unanimously.**

Also, George Erickson advised that the definition of "occurrence" under both the BRIT and AIX is one essentially per incident.

## **WINDSTORM COVERAGE**

Per a request initiated by Gary Reshefsky at the meeting on March 3<sup>rd</sup>, Maria Perez presented the estimated cost (per indication by the markets not an actual quote) of \$175,000 to increase the City's current named windstorm coverage of \$25,000,000 by an additional \$25,000,000 and a total of \$ 275,000 to increase the City's current named windstorm coverage an additional \$50,000,000.

**A motion was made by Jose Soto and seconded by James Blough to approve obtaining an additional \$25,000,000 in named windstorm coverage which was voted on and approved unanimously.**

## **TERRORISM COVERAGE**

Maria Perez presented the option of obtaining Terrorism Property and also Terrorism Liability coverage. The City currently has Terrorism coverage on only workers compensation. The cost to obtain Terrorism Liability Coverage with \$25,000,000 limits is \$10,500 with a \$50,000 deductible. The Terrorism Property coverage was quoted at \$15,000 with a property limit of \$242,000,000. Gary Reshefsky asked whether Terrorism coverage is excluded if not purchased.

George Erickson confirmed that Terrorism coverage is excluded by the property and liability policies. Juan C. Diaz Padron asked whether the Terrorism coverage being offered also covered non-certified acts of terrorism. Maria Perez and George Erickson both confirmed that the Terrorism coverage being offered covers both certified and non-certified acts of terrorism.

**A motion was made by Jose Soto and seconded by Leon Kellner to approve obtaining the Terrorism Liability coverage, which was voted on and approved unanimously.**

## **CRIME COVERAGE**

Maria Perez presented the options of increasing the City's current Crime Insurance from \$1,000,000 limits to \$3,000,000 limits at a total cost of \$10,500.

**A motion was made by Gary Reshefsky and seconded by Leon Kellner to approve obtaining \$5,000,000 limits for Crime Insurance at a total cost of \$10,500 which was voted on and approved unanimously.**

## **CYBER INSURANCE**

Maria Perez advised that the insurance renewal with the incumbent carrier (AIG) was relatively flat with only a .6% reduction, while Chubb presented a 21% premium reduction and better coverage.

**A motion was made by Leon Kellner and seconded by Jose Soto to approve changing carriers by accepting the Chubb proposal which was voted on and approved unanimously.**

## **ADJOURNMENT**

The meeting was adjourned at 10:15am.