

CORAL GABLES INSURANCE ADVISORY COMMITTEE
 Minutes of March 8, 2016
 2801 Salzedo Street – Human Resources Conference Room
 Coral Gables, Florida

MEMBERS	O	N	D	J	F	M	A	M	J	J	A	S	APPOINTED BY
	14	14	15	15	15	15	15	15	15	15	15	15	
Gary Reshefsky	-	-	-	-	-	P							Mayor Jim Cason
Jose Soto	-	-	-	-	-	P							Vice-Mayor Frank Quesada
Howard Schachter	-	-	-	-	-	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:

Elsa Jaramillo-Velez, Human Resources Director
 David Ruiz, Risk Manager

CONSULTANT:

George Erickson, Siver Insurance Consultants

GUESTS:

Maria Vergho, Arthur J. Gallagher Risk Management Services, Inc.
 Calvin Ellis, Arthur J. Gallagher Risk Management Services, Inc.

RECORDING SECRETARY:

Tatiana Mendez, Administrative Assistant

The meeting was called to order by the Human Resources Director, Elsa Jaramillo-Velez at approximately 9:10 a.m. A quorum was reached.

The following represents a summary of the items discussed during the Committee meeting.

I. OPENING ANNOUNCEMENTS

The Chairperson, Juan C. Diaz- Padron discussed the verbatim transcripts from last two previous meetings. Chairperson advised that he will leave it up to the board to approve minutes. The Human Resources Director explained that they are verbatim transcripts but going forward verbatim transcripts will be summarized. Mr. Diaz-Padron requested a motion from the board members to approve transcripts which were approved.

II. INSURANCE RENEWAL PRESENTATION BY MARIA VERGHO FROM ARTHUR J. GALLAGHER ALONG WITH DISCUSSION BY GEORGE ERICKSON, AN INDEPENDENT INSURANCE CONSULTANT FROM SIVER CONSULTANTS

Ms. Vergho advised that the insurance renewal pertaining to the Package Coverage which includes Workers Compensation and Liability coverages offered a renewal premium of \$726,000 which represents a 3% premium reduction despite a 2% increase in overall exposure for these coverages. She discussed the current insurance industry model for PML (Possible Maximum Loss) as it pertains to the City of Coral Gables in the event of a catastrophic windstorm / hurricane. There was discussion that the City has terrorism coverage for workers compensation and pollution related coverage for storage tanks under a separate policy that insure only the storage tanks.

Regarding Property Insurance, Ms. Vergho explained that there is a “soft market” right now as Arthur J. Gallagher was able to negotiate an 11% premium reduction with a 13% property rate reduction. Mr. Ellis mentioned the seawalls and docks owned by the City were added to this year’s property insurance. David Ruiz explained that the figures for the docks and seawalls will have to be appraised as the preliminary figures given for the insurance renewal were based on information provided by the Public Works department combined with consultation with Tony Abella from Arthur J. Gallagher. Mr. Ruiz advised that the City is in the process of getting the seawalls and docks appraised.

Ms. Vergho advised that there is \$2.5 million in artwork coverage. However, that is subject to a \$50,000 deductible. Mr. Ruiz is in process of getting information from Historical Resources in order to get the artwork on a separate insurance policy with a lower deductible.

Mr. Reshefsky inquired about coverage for outdoor property. Ms. Vergho explained that outdoor property that is within 1000 feet from the covered property/structure

Mr. Reshefsky inquired about covering City-owned leased property coverage, where the tenant per lease is responsible for insuring. Ms. Vergho and Mr. Ellis advised there is coverage for that scenario.

Ms. Vergho explained that the City does have Cyber Risk coverage. She also advised about a new coverage the City now has called Social Engineering Coverage which is under the City’s Crime Insurance and covers the City for being tricked in the release of funds to a fraudulent third party.

George Erickson from Siver Consultants was asked by Chairperson Juan Carlos Diaz-Padron to opine on the level of rate reduction for the City of Coral Gables as compared to his other public entity clients. Mr. Erickson opined that the rate reduction was in line with the current marketplace and the unique characteristics of the City of Coral Gables.

III. CLAIMS DATA SUMMARY

Ms. Verghe discussed workers compensation and liability loss experience for the past 10 years and the City is trending well in reducing losses. Mr. Ruiz advised of the regular monthly safety trainings the City has implemented as well as addressing known risks that the City becomes aware of.

IV. BOARD VOTE ON INSURANCE RENEWAL PRESENTATION

Mr. Diaz-Padron requested a motion from the board to submit renewal to commission, it was approved 5 -0.

V. NEXT MEETING DATE

No meeting was scheduled.

VI. ADJOURNMENT

The meeting was adjourned at approximately 10:06 a.m.

Respectfully submitted on behalf of the board, _____
Juan C. Diaz - Padron