

City of Coral Gables
CITY COMMISSION MEETING
April 8, 2008

ITEM TITLE:

A resolution authorizing the City Manager to renew the casualty and excess insurance coverage contracts with Arthur J. Gallagher & Co. in the amount of \$1,397,385 for an additional one (1) year term, effective May 1, 2008.

RECOMMENDATION OF THE CITY MANAGER:

It is recommended that authorization be given to the City Manager to renew the casualty and excess insurance coverage contract with Arthur J. Gallagher & Co.

BRIEF HISTORY:

Arthur J. Gallagher is the City's broker for Casualty and Excess Liability and Workers' Compensation insurance. For the Public Entity Package and Umbrella/Excess Liability coverages, two carriers submitted proposals: PESLIC and BRIT. The coverages proposed are the same, and the difference in premium is less than one (1%) percent. On this basis, the recommendation is to remain with PESLIC (Munich Re).

Arthur J. Gallagher was further authorized to approach PESLIC to meet the BRIT quotation. There was considerable movement, and the total financial recommendation to the Commission reflects the lower amount.

In the past year, the City moved to consolidate the renewals of six (6) small premium policies to match the May 1st date, thus providing a more accurate picture of the overall cost of the various liability coverages, the premiums for these six (6) policies total \$37,470.

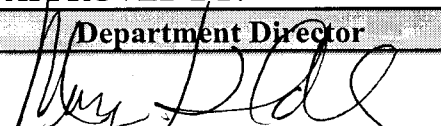
Even with the added \$37,470, the savings year over year is more than 3%, mainly reflective of a 23% reduction (\$88,398) in the excess workers' compensation premium.

The total package for all coverages, including the \$135,000 service fee, amounts to \$1,397,385.

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Account No.	Source of Funds
	\$ 1,397,385.00	540-000-590-4550	Insurance Fund
		APPROVED BY:	

APPROVED BY:

Department Director	City Attorney (If Applicable)	City Manager
		

Attachments:

1. Resolution
2. Arthur J. Gallagher renewal proposal/quote