



**City of Coral Gables**  
**CITY COMMISSION MEETING**  
**April 16, 2024**

**ITEM TITLE:**

RESOLUTION OF THE CITY COMMISSION AUTHORIZING THE RENEWAL OF THE PROPERTY AND CASUALTY INSURANCE PROGRAM WHICH INCLUDES, BUT IS NOT LIMITED TO, PROPERTY, GENERAL LIABILITY, AUTOMOBILE LIABILITY, PUBLIC OFFICIALS ERRORS & OMISSIONS, EXCESS WORKERS' COMPENSATION, CRIME LIABILITY, CYBER LIABILITY, TERRORISM PROPERTY & LIABILITY, POLLUTION LIABILITY, DEADLY WEAPON PROTECTION COVERAGE, FLOOD, AS WELL AS OTHER ANCILLARY LINES OF INSURANCE COVERAGE AND INSURANCE BROKER FEES THROUGH ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC., FOR A NOT TO EXCEED AMOUNT OF \$3,774,489 FOR THE POLICY PERIOD OF MAY 1, 2024 TO MAY 1, 2025 (FUNDING SOURCE: INSURANCE FUND)

**DEPARTMENT HEAD RECOMMENDATION:**

Approve.

**BRIEF HISTORY:**

The City's Agent of Record, Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher"), has solicited and received quotes from various insurance carriers for the desired insurance policies shown below.

The property insurance market faced several challenges in 2023, as rates climbed significantly, and capacity shrunk due to poor underwriter performance over multiple years. This was primarily due to catastrophic exposures such as hurricanes, wind/hail, wildfires, and unprecedented winter weather. As a result, the City experienced a 33% increase in its property rate. Additionally, due to the lack of capacity in the property insurance market, the City had to take a 19% self-retention on the second \$25 million layer for named windstorm insurance.

However, in 2024, the property insurance market became more stable, and there was an increase in capacity and rate relief. As a result, the City was able to fill the full \$50 million of named windstorm insurance without taking a self-retention as it had done the prior year, and still realize a 7% reduction in its property rate.

The general terms and conditions for all the other lines of coverage are similar to last year, with some minor increases to the premiums as set forth below.

The total cost to renew the various insurance policies based on the City's current property schedule is approximately \$52,000 less than the cost of these policies in the prior year for an amount not to exceed \$3,774,489.

The following is a summary indicating insurance policies and premiums:

<b>Description of the Insurance Policy, Surcharge or Fee</b>	<b>Premiums/Fees May 1, 2023 to May 1, 2024</b>	<b>Premiums/Fees May 1, 2024 to May 1, 2025</b>
--	---	---

Package	\$500,000	\$566,000
Excess Workers Comp	\$154,821	\$166,771
Property	\$2,804,657	\$2,675,271
Boiler & Machinery	\$11,503	\$14,792
ADD Business Travel	\$750	\$750
ADD Police and Fire	\$12,053	\$12,053
Bond - Finance Director	\$1,138	\$1,138
Bond - Golf and Country Club Health Studio	\$250	\$250
Bond – War Memorial Youth Center Health Studio	\$250	\$250
Pollution Liability (2 year premium)	\$34,500	\$0 (pre-pard last year)
Crime	\$9,561	\$9,657
Sports Liability	Included in Package	Included in the Package
ADD Sports	\$9,410	\$9,780
Cyber Liability	\$59,614	\$55,633
Terrorism Liability and Property	\$26,000	\$27,240
Deadly Weapon Protection	\$10,903	\$11,993
Flood ( adding 13 locations per flood map )	\$97,751	\$114,911
EMPA & TRIA fees	\$2,818	\$3,000
Insurance Brokerage Fee (Gallagher)	\$90,000	\$90,000
Contingency fee & other ancillary coverage	\$15,000	\$15,000
<b>Total Cost of Program</b>	<b>\$3,840,979</b>	<b>\$3,774,489</b>

On January 18, 2024, February 23, 2024, and April 1, 2024, we met with the Insurance and Risk Management Advisory Board (the “Board”) to discuss the City’s insurance renewal. During these meetings, the Board was provided with detailed presentations of the quotes obtained from the different carriers for the various types of insurance coverage as well as the terms that were offered. The Board agrees with the binding of the aforementioned insurance policies.

**FINANCIAL INFORMATION: (If Applicable)**

	<b>Amount</b>	<b>Account No.</b>	<b>Source of Funds</b>
	Not to exceed \$3,774,489	540-9915-590-2400, 540-9915-590-3118, & 540-9915-590-4500	Insurance Fund
<b>Total:</b>		<b>APPROVED BY:</b>	

**Attachments:**

1. Resolution
2. Insurance renewal proposal and premium summary presented by Arthur J. Gallagher
3. Board Minutes (January 18, 2024, February 23, 2024 and April 1, 2024)