

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO.2023 - _____

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 \$3,930,212 FOR THE POLICY PERIOD OF MAY 1, 2023 TO MAY 1, 2024 (FUNDING SOURCE: INSURANCE FUND)

WHEREAS, the City desires to protect its assets through the purchase of various insurance products; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc., serves as the City's agent of record and solicited and/or obtained quotes from different carriers for the various types of insurance coverage named above on behalf of the City; and

WHEREAS, initial indications for the City's property insurance rate show that the maximum rate increase for the City's property insurance rate is currently estimated at approximately 37%, which is attributable to a hardening market due to large natural disaster losses and decreased market capacity. This estimated rate increase will result in the City's overall property insurance premium to increase by approximately 62%, as the City's statement of values increased by 18% from last year. Because of the volatility of the property insurance market, underwriters are not providing firm property quotes until closer to the entity's renewal date. The City's property renewal date is May 1st and, as such, we anticipate obtaining firm quotes by mid-April. In the interim, the City will continue exploring options regarding the structure of the property insurance program (e.g., reduced TIV, reduced coverage for all other perils, etc.) in an effort to reduce the rate and premium while ensuring that the risk remains similar; and

WHEREAS, the City's Package policy premium (general liability and workers' compensation) decreased by 38%, which was attributable to changing insurance carriers and increasing the self-insured retention for workers' compensation from \$500,000 to \$1,000,000; and

WHEREAS, the City's flood insurance increased by approximately \$97,000, which is this is attributable to a rate increase of 16% due to the hardening market and the addition of 13 locations per current flood zone map determination (for a total of 23 locations); and

WHEREAS, the City's general terms and conditions for all the other coverages are similar to last year with some less significant increases/terms; and

WHEREAS, funding has been identified and will be available from the City's Insurance Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

SECTION 1. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon adoption hereof.

SECTION 2. The City Manager is authorized to renew the City’s property and casualty insurance program for the policy period of May 1, 2023 to May 1, 2024, which includes, but are not limited to, property insurance, general liability, automobile liability, public officials errors & omissions, excess workers’ compensation, crime liability, cyber liability, terrorism property and 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 \$3,930,212 and is authorized to make changes to the structure of the City’s property and casualty insurance program in an effort to reduce the rate and premium while ensuring that the risk remains similar.

SECTION 3. That said Resolution shall become effective upon the date of its passage adoption herein.

PASSED AND ADOPTED THIS _____ DAY OF _____, A.D., 2023.

APPROVED:

VINCE LAGO
MAYOR

ATTEST:

BILLY URQUIA
CITY CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

CRISTINA M. SUAREZ
CITY ATTORNEY