



**City of Coral Gables
CITY COMMISSION MEETING
MAY 09, 2023**

ITEM TITLE:

Insurance & Risk Management Advisory Board meeting minutes March 06, 2023

SUMMARY OF MEETING:

OPENING:

Quorum was reached. Chair Juan C. Diaz-Padron opened meeting. Everyone introduced themselves. Meeting commenced 08:01am.

MINUTES APPROVAL:

Of Meeting on March 30, 2022

Draft Minutes Approved by Commission on April 26, 2022 – Meeting #22-4007

Motion by: 1st Gary Reshesky / 2nd: Austin Tellam

SECRETARY'S REPORT: None

BOARD MEMBERS REPORTS: None

NEW BUSINESS: None

OLD BUSINESS:

**Continual – Insurance Renewal – Arthur J. Gallagher – Maria Perez
Renewal Market Updated as of 3/6/23 (Exhibit 1)**

Ms. Perez advised the board of the progress and status regarding the insurance renewal. Applications and renewal information were sent out in the 1st week of January to the markets. Ms. Perez advised she is still waiting to hear back regarding Pollution Liability and the Property Markets. Ms. Perez advised that Arthur J. Gallagher staff as well as Raquel Elejabarrieta and David Ruiz from the city attended online meetings with the Property Insurance Markets as well as with Ambridge and Munich for the package policy. Ms. Perez stated the Property Market inquired about safety measures the city takes regarding Hurricane Preparedness. Mr. Ruiz advised the Property Insurance Markets about the City's hurricane plan. Accurate valuation of the properties was another subject the Property Markets inquired about, and Mr. Ruiz advised that 68% of the total Statement of Values was either appraised since 2021 and/or is new construction. The remaining 32% was indexed at an additional 15% for property and 8% for contents as per recommended industry standards for the renewal this year. Ms. Perez also mentioned that Mr. Ruiz advised \$117 million of property have impact windows and close to \$119 million of property have roofs that are less than 7 years old.

Ms. Elejabarrieta advised board FMIT provided notice that they would not be participating in this year's renewal. Ms. Elejabarrieta stated they were not taking on new clients and will be preserving all their resources for current clients.

Mr. Reshesky asked regarding outcome for property renewal. Ms. Perez advised that it might be very difficult for the Property Markets to commit to a quote by March 20, 2023. Ms. Perez stated worst case scenario would be a 45% rate increase. Mr. Reshesky asked if city was potentially looking at an \$800,000.00 increase in premium. Ms. Elejabarrieta stated this is correct. Mr. Reshesky asked if city will be recommending going forth with accepting a \$800,000.00 increase. Ms. Elejabarrieta stated the city will continue to review program and explore options where reductions can be obtained. Ms. Elejabarrieta advised the city will be requesting pricing for the property program “as is” and looking into the possibility increasing self-insured retentions. Ms. Perez advised she will look into having at least a minimum \$2 million self-insured retention for windstorm as we currently have a \$250,000 minimum self-retention. Mr. Diaz-Padron asked regarding the identification of the city bridges. Ms. Elejabarrieta advised the city has identified the bridges that belong to the city and have been appraised. Mr. Diaz-Padron asked if this process caused an increased TIV (Total Insured Value) and Mr. Ruiz advised the appraised values of the entire bridges increased by approximately 69%. The Board discussed possibly removing items from the listed statement of values that are now at risk such as the garages since they hold up during a storm as well as valuable papers. The Board also discussed regarding looking into a parametric type of windstorm coverage as point of comparison in addition to open market. Ms. Elejabarrieta advised she looked at the parametric program the City of Miami Beach has, which has a premium of over \$1 million, and it does not pay 100% of the damage unless it is a CAT 5 storm and does not pay anything on a CAT 1 storm.

Regarding Flood Insurance, Mr. Ruiz provided board chart regarding flood insurance current and renewal cost (Exhibit 2) with several different options. Mr. Ruiz advised Ms. Gogoshvili what is lacking in the comparisons is the price for flood for all current flood locations with the same coverage (\$500,000 limit) which is currently carried by the city.

Ms. Elejabarrieta advised due to delay in response of market to provide information and having to present to commission on next March 28, 2023, meeting, this will need to go forth with a “not to exceed” number. Ms. Elejabarrieta advised city will continue to review and work with markets in order to obtain the best rate possible.

UPDATE TO MARCH 6, 2023, MEETING MINUTES: During the March 17, 2023, board meeting, board member Mr. Paul Susz agreed with the March 6, 2023, meeting minutes subject to adding: (1) that a CAT Bond was discussed and (2) reducing property values from the statement of values was discussed.

NEXT MEETING: March 17, 2023

MEETING ADJORNED: 9:16am

ATTACHMENT(S):
Minutes of the March 06, 2023