



City of Coral Gables
CITY COMMISSION MEETING
April 8, 2014

H-2

ITEM TITLE:

Resolution authorizing the renewal of the property and casualty insurance program which include, but are not limited to, property, general liability, automobile liability, public officials errors & omissions, workers compensation, other ancillary lines of insurance coverage and insurance broker fees through Arthur J. Gallagher Risk Management Services, Inc., in the amount of \$ 2,279,174 for the policy period of May 1, 2014 to May 1, 2015.

DEPARTMENT HEAD RECOMMENDATION:

Approve.

BRIEF HISTORY:

The City entered into a three year contract with two, two year renewal options that began on May 1, 2009 for Risk Management and Insurance Brokerage Services with Arthur J. Gallagher Risk Management Services, Inc. and AON Risk Services, Inc. of Florida after the City advertised RFP 2009.01.05 – Risk Management & Insurance Brokerage Services for the Property and Casualty Lines of Insurance Coverage. This RFP created a controlled platform for the City to obtain competitive bids on insurance broker service fees and competitive quotations on insurance policies (net of commissions) through a market assignment process. We are entering the first year of the second renewal option period provided for under the contract with Arthur J. Gallagher Risk Management Services, Inc. The following is a summary description indicating insurance policies and premiums:

Description of the Insurance Policy, Surcharge or Fee	Premiums/Fees for May 1, 2013 to May 1, 2014	Premiums/Fees for May 1, 2014 to May 1, 2015
Primary Property Policy	\$ 877,495	\$ 750,000
Excess Liability	252,355	--
Excess Workers Comp	172,367	188,205
Property	1,172,112	1,082,174
Boiler & Machinery	8,157	8,384
ADD Business Travel	360	360
ADD Police and Fire	11,803	11,803
Bond Finance Director	1,750	1,750
Storage Tank	1,521	1,639
Excess Crime	4,518	4,518
Sports Liability	19,433	21,296
ADD Sports	15,240	16,003
Cyber Liability	18,452	37,333
Total without surcharges	\$ 2,555,563	\$ 2,123,465
FCHFEA (1.3%) State of Florida	\$30,625	24,792
Citizens (1% State of Florida	11,721	10,822
EMPA - State of Florida	20	20
Other Surcharges	--	75
Total after surcharges	\$ 2,597,929	\$ 2,159,174
Insurance Brokerage Fee (Gallagher)	\$ 120,000	\$ 120,000
Total Cost	\$ 2,717,929	\$ 2,279,174

A meeting of the Insurance Advisory Committee took place on March 25, 2014 to hear a presentation by Arthur J. Gallagher Risk Management Services, Inc., our insurance broker, regarding the renewal of the City's Property & Casualty Insurance Program. Siver Insurance Consultants, our independent insurance consultant, participated in this meeting. The Insurance Advisory Committee recommended approval of the renewal and George Erickson from Siver Insurance Consultants, recommend approval as well of the insurance policies listed above.

FINANCIAL INFORMATION: (If Applicable)

	Amount	Account No.	Source of Funds
	\$ 2,279,174	540-0000-590-45-50	Insurance Fund
Total:		APPROVED BY: 	

APPROVED BY:

Department Director	City Attorney (If Applicable)	City Manager
		

Attachments:

1. Resolution
2. Siver Insurance Consultants Summary and Recommendation Letter
3. Insurance renewal proposal and premium summary presented by Arthur J. Gallagher