



City of Coral Gables
CITY COMMISSION MEETING
April 28, 2015

ITEM TITLE:

Resolution 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, workers compensation, other ancillary lines of insurance coverage and insurance broker fees through Arthur J. Gallagher Risk Management Services, Inc., in the amount of \$ 2,174,013.35 for the policy period of May 1, 2015 to May 1, 2016.

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 second 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 the May 1, 2014 to May 1, 2015	Premiums/Fees for the May 1, 2015 to May 1, 2016
Primary Property Policy	\$ 750,000	\$ 750,000
Excess Workers Comp	188,205	188,205
Property	1,032,174	1,000,435
Boiler & Machinery	8,384	9,628
ADD Business Travel	360	360
ADD Police and Fire	11,803	12,338
Bond Finance Director	1,750	1,750
Storage Tank	1,639	1,757
Excess Crime	4,518	4,518
Sports Liability	21,296	21,504
ADD Sports	16,003	16,161
Cyber Liability	37,333	37,333
Total without surcharges	\$ 2,073,465	\$ 2,043,989
FCHFEA (1.3%) State of Florida	24,142.22	N/A
Citizens (1%) State of Florida	10,321.74	10,004.35
EMPA - State of Florida	20	20
Other Surcharges	75	
Total after surcharges	\$ 2,108,023.96	\$ 2,054,013.35
Insurance Brokerage Fee (Gallagher)	\$ 120,000	\$ 120,000
Total Cost	\$ 2,228,023.96	\$ 2,174,013.35

A meeting of the Insurance Advisory Committee took place on March 27, 2015 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, recommends approval as well of the insurance policies listed above.

FINANCIAL INFORMATION: (If Applicable)

	Amount	Account No.	Source of Funds
	\$ 2,174,013.35	540-000-590-4550	Insurance Fund
Total:		APPROVED BY: 	

APPROVED BY:

Department Director	City Attorney (If Applicable)	City Manager
		

Attachments:

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