

## **CORAL GABLES INSURANCE & RISK MANAGEMENT ADVISORY BOARD**

Minutes of November 5, 2018 – 8:00am  
427 Biltmore Way – 2<sup>nd</sup> Floor Large Conference Room

MEMBERS	J 18	F 18	M 18	A 18	M 18	J 18	J 18	A 18	S 18	O 18	N 18	D 18	APPOINTED BY
Gary Reshefsky			P								P		Mayor Raul Valdes-Fauli
Jose Soto			P								E		Vice-Mayor Frank Quesada
James Blough			P								P		Commissioner Pat Keon
Juan C. Diaz Padron			P								P		Commissioner Vincent Lago
Patricia Fuller			E								A		Commissioner Michael Mena

### **STAFF:**

Raquel Elejabarrieta, Director Office of Labor Relations & Risk Mgt  
David Ruiz, Risk Manager

A = Absent

E = Excused Absence

P = Present

- = No meeting

\* = New Board Member

### **GUESTS:**

Mr. Tony Abella – Arthur J. Gallagher & Co.  
Ms. Maria Perez – Arthur J. Gallagher & Co.

### **PUBLIC GUEST:**

None

### **RECORDING SECRETARY:**

Eglys Hernandez, Administrative Assistant

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### **OPENING:**

The Chairperson, Juan C. Diaz Padron, opened the meeting and everyone introduced themselves for the record. Meeting was called to order at 7:58am. Quorum was reached.

### **MINUTES APPROVAL:**

March 15, 2018 – Which were submitted to Commission 04/10/18 as part of the Renewal back up paperwork.

Motion by: Mr. Reshefsky / 2<sup>nd</sup> Mr. Blough / All approved unanimously

**SECRETARY'S REPORT:** None

**BOARD MEMBERS REPORTS:** None

## **OLD BUSINESS:**

### ***Bollards***

Mr. Diaz-Padron revisited Resolution passed by Board in the past regarding a study to be conducted regarding installation of bollards. Mr. Diaz-Padron stated that he would like to express concern regarding events that take place in front of City Hall. Ms. Elejabarrieta stated that the City currently uses a triple redundancy method, which include placement of large vehicles, water barricades and under the barricades there are stop tracks with nails.

Mr. Diaz-Padron feels this system in place is still not enough and would like to have it reviewed once again. Mr. Diaz-Padron suggested the City look into possible installation of steel bollards which are underground and when needed come up.

## **NEW BUSINESS:**

### ***Annual Report for Fiscal Year Ending September 30, 2018***

To approve – Motion by: James Blough / 2<sup>nd</sup> Gary Reshefsky / All approved unanimously

### ***Insurance Renewal – Presentation by Arthur J. Gallagher***

Ms. Perez of Arthur J. Gallagher & Co. distributed and conducted presentation of Annual Stewardship Report (Exhibit 1) for Board members.

Ms. Perez advised regarding the time line set forth regarding renewal process. Ms. Perez stated the City will be provided application in November 2018, to hopefully be completed and backup information to be submitted by end of year and then in January 2019 commence renewal marketing process.

Ms. Elejabarrieta advised Board regarding advancement received in the amount of seven hundred fifty thousand dollars regarding Hurricane Irma insurance claim which was amount according to estimate provided by City. Ms. Elejabarrieta advised that the City is currently signing with a project manager in order to go forth with the required paperwork to proceed with a RFP for contractor who will be completing the necessary work. Ms. Elejabarrieta advised that total claim is of four million dollars and City expects to receive a total of two million dollars from insurance. Ms. Elejabarrieta advised that majority of damage has not been fixed; more than half of it are the pump stations. Mr. Ruiz stated the he has been informed that the damaged pump stations may have to be replaced.

Mr. Diaz-Padron addressed issue of light posts located on state road which were knocked down from storm which have exposed wires and would like to know if City can look into how it would be best to follow up on this matter. Mr. Ruiz advised that in the past when he has received calls regarding similar issues he contacts Public Works department to address who in turn will contact the corresponding parties. Ms. Elejabarrieta stated that a GovQA ticket can be created in order to facilitate the process and view status.

Ms. Perez stated that when review conducted regarding insurance premiums during last renewal on May 1, Excess Workers Compensation decreased by 3%, Cyber liability premium decreased by 37% due to more markets coming into that space and limits were increased limits to five million

dollars. Mr. Blough asked if there have been any incidents regarding hacking. Ms. Perez advised there have not been incidents, but she has been advised there have been attempts to do so.

In regards to trees/shrubs, Ms. Perez stated that they will review parametric tool which are available and bring to table, however Arthur J. Gallagher suggest that City continues if has not done so, to budget for these types of incidents.

In regards to Flood Zones, Ms. Perez stated that Arthur J. Gallagher will be running report again in January 2019 after FEMA publish their changes, however for City of Coral Gables there are no expected changes.

Ms. Perez started that once again a fifty-eight hundred dollar grant has been provided in regards to physical property appraisals. Ms. Elejabarrieta advised that the insurance carrier has advised that it is not necessary to have all the properties physically appraised and most were physically appraised in 2010, as well as indexed several times, last year being the most recent. Ms. Elejabarrieta stated that there are a few properties which record of past physical appraisal cannot be located, therefore physical appraisals will be conducted and records updated.

Mr. Diaz-Padron asked in regards to the Public Library if it is a City asset and how is it insured. Ms. Perez advised it is a City asset, however insured via Miami-Dade County.

Ms. Perez addressed regarding Acting Shooter coverage. Ms. Elejabarrieta stated that upon review during last renewal, it was determined that City could already obtain similar services utilizing current vendors. Mr. Abella advised that this coverage provides services such as counseling and public relations and that it can actually be purchased after the fact. Mr. Reshefsky expressed that he believes even though during last renewal product presented was not good that due to current events, there may be better services available out there and it would be best for Arthur J. Gallagher to review and bring it to Board.

Ms. Perez stated that regarding builders risk reference new Public Building was not purchased as a stand-alone basis. Mr. Ruiz stated that Ms. Bullard provided two different quotes from two companies which were conveyed to the Public Works Assistant Director and they determined it would be best to proceed with having the Contractor provide the insurance. Mr. Diaz-Padron asked if the specs of builders risk provided by the Contractor were the same as those provided by Arthur J. Gallagher. Mr. Ruiz stated it was, however only pending issue at this time was the contractor wanted to provide coverage only to Substantial Completion as opposed to Certificate of Occupancy, which he did not agree with. Mr. Ruiz reached out to Arthur J. Gallagher regarding same and they advised it should be Certificate of Occupancy. Mr. Blough stated that there is more than one Certificate of Occupancy. Mr. Ruiz stated that the contractor was advised it should be Certificate of Occupancy. Ms. Elejabarrieta advised that staff would have more information regarding this for the next meeting.

Ms. Perez addressed lost prevention and claims, contractual liability, their marketing efforts, overview of where City ended up in last renewal, appraisal grant from property carrier, trees and shrubs sub limits added and workers compensation.

Mr. Diaz-Padron expressed that he believes it would be best for perhaps a bullet point presentation be done reflecting not only cost, but other monies which the City receives from carrier and utilizes in other forms.

Ms. Perez stated that in accordance with meeting held with the Risk Management team, they will be looking into the possibility of decreasing the green box on Workers Comp tower in liability.

Mr. Abella stated that he believes next time there is a meeting with JohnsEastern liability should be reviewed especially for years of 2008 and 2010.

Mr. Ruiz advised that everyone was in agreement to submit applications prior to the Christmas break. Ms. Perez described process time line.

Ms. Perez advised that they will be going out again to market to see what the new options available regarding Active Shooter coverage are, they will also be evaluating regarding City fine arts and regarding pollution mold coverage, an application was recently given to Mr. Ruiz in order to obtain information so the market can be explored regarding available options. Ms. Perez stated they are also awaiting possible changes from FEMA regarding flood zones prior to going to market.

Ms. Perez also advised that they will be exploring options out in the market regarding accident coverage which is mostly for the Youth Center, review of the T core (total cost of risk including grants received on annual basis), as well as property carrier.

Mr. Reshefsky suggested that a motion be made in regards to property renewal to ask the underwriters come back to Board on January 31, 2019 with an indication primary layer in order to have something in record which can be utilized. Ms. Perez stated they will be able to provide this.

Motion by: Mr. Reshefsky / 2nd: Mr. Blough / All approved unanimously

Mr. Diaz-Padron states he had concern and does not understand role of having Siver as another consultant. Ms. Elejabarrieta stated that in the City's perspective, it's having another set of eyes and have provided assistance in the past. Mr. Reshefsky stated that he feels that the City should review the scope of services which Siver is used for.

Mr. Diaz-Padron stated that he would like to also address regarding the procurement process regarding broker services. Ms. Elejabarrieta stated it can be discussed and have procurement present at the January 2019 meeting.

Ms. Elejabarrieta suggested that dates be placed on calendar for future meetings and addressed as needed. Next meeting scheduled for January 14, 2019.

**MEETING ADJORNED: 9:39am**





## *City of Coral Gables*

### Stewardship Report

November 5<sup>th</sup> 2018

Arthur J. Gallagher Risk Management Services, Inc.

Mana Perez | Area Senior Vice President

Mana\_Perez@ajg.com | 305.629.3136



ajg.com

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## Gallagher

Insurance | Risk Management | Consulting

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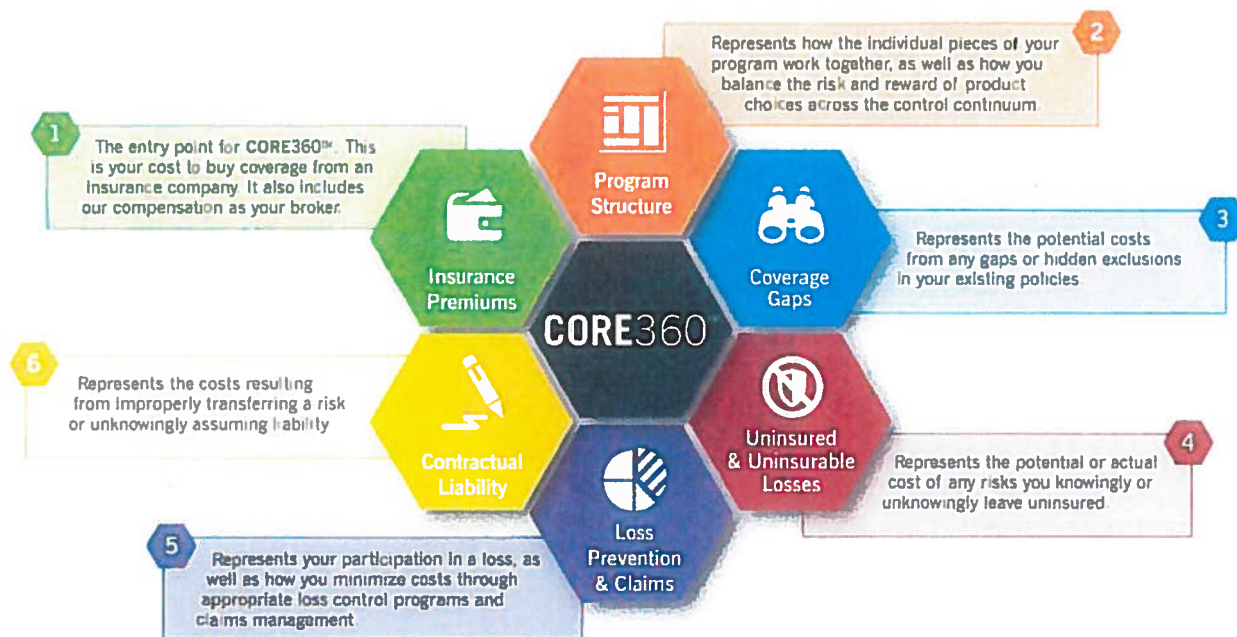
## Introduction

Arthur J. Gallagher & Co. (Gallagher) is pleased to be entering its thirty seventh year as The City of Coral Gables, strategic partner. We have worked as an extension of your Risk Management team to manage Total Cost of Risk (TCOR), which includes the premiums spent to transfer risks to an insurer and the direct and indirect costs associated with retained risks. This strategic, consultative approach to reducing TCOR is the basis of Gallagher's proprietary tool called CORE360. Insurance placement is only one component of the CORE360 toolbox, and given that most of our larger clients are generally self-insured and most of the risk is retained by the client, we usually spend as much, if not more time focused on implementing Loss Control and Claims Management services as we do on placing insurance policies. For Coral Gables, we have engaged several internal consulting resources, including:

- Casualty Loss Control
- Property Engineering
- Claims Management and Advocacy

Additionally, we have will continue to explore several new insurance options for consideration including the following:

- Pollution/ Mold Liability
- Fine Arts Coverage



## Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

### Team Leaders

**Antonio Abella Sr., CPCU, ARM**

Area Senior Vice President  
tony\_abella\_sr@ajg.com  
305.639.9102

**Maria Perez**

Area Senior Vice President  
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### Core Service Team

**Calah Bullard, ARM-P, CLCS**

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**Yane Martinez**

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**Tara Morrone**

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### Claims Management

**Scott Clark**

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**Jim Smith**

Loss Control Managing Director  
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561.998.6809



## CORE360™ Scorecard

Your CORE360™ Executive Summary Scorecard has been developed for you to get a quick snapshot of how we've impacted your total cost of risk for the policies detailed in this proposal.



### Insurance Premiums

- Excess WC premium decreased 3%
- Cyber Liability premium decreased by 37%
- Gallagher's Risk Management Fee remained fee.
- Obtained a flat rate agreement from both the Excess WC carrier and the Package carrier.



### Program Structure

- Increased Cyber Liability limits from \$3MM to \$5MM
- Marketed the city's insurance program to 50 different carriers to obtain the most favorable terms.
- Increased sublimit on property program for Trees, Shrubs and Plants.



### Coverage Gaps

- Added coverage for World Extrication Challenge in South Africa on the city's Business Travel Accident policy.
- Provided city a list of locations currently in Special Hazard Flood Area and recommended purchasing Flood Coverage.
- AmWINS has provided \$5,800 grant for property appraisals.



### Uninsured & Uninsurable Losses

- Quoted Active Assailant coverage. Did not purchase but may consider again
- Quoted Builders Risk Policy for the new Public Safety Building. Did not purchase



### Loss Prevention & Claims

- Developed an annual safety training matrix calendar to deliver various training courses.
- Conducted site assessments of sanitation garbage collection, Venetian Pool Operations, Youth Center and Golf Course Maintenance Building.
- Developed/completed a supervisor observation survey of safety training courses.



### Contractual Liability

- Issued 69 certificates of insurance on the city's behalf between 5/1/2018-9/21/2018.
- Issued 78 certificates of insurance on the city's behalf between 5/1/2017-5/1/2018

## 2018 Marketing List

CARRIER	LINE OF COVERAGE	CARRIER POSITION
Certain Underwriters at Lloyd's, London	Public Entity Package	Recommended Quote
AIX Specialty Insurance	Public Entity Package	Declined – Cannot Compete
Munich Re	Public Entity Package	Unresponsive
Old Republic	Public Entity Package	Declined – Cannot Compete
New York Marine And General Insurance Co	Excess Workers Compensation	Recommended Quote
Arch Insurance Group	Excess Workers Compensation	Quoted
Hartford Fire Insurance Company	Public Official Bond	Recommended Quote
Commerce and Industry Insurance Company	Storage Tank Liability	Recommended Quote
Scottsdale Insurance Company	General Liability (Sports)	Recommended Quote
Nationwide Life Insurance Company	ADD Amateur Sports	Recommended Quote
Travelers Property Casualty Co of America	Boiler & Machinery	Recommended Quote
Federal Insurance Company	Cyber Risk Liability	Quoted
Certain Underwriters at Lloyd's, London	Cyber Risk Liability	Recommended Quote
Travelers Insurance Company	Cyber Risk Liability	Premium Indication
Certain Underwriters at Lloyd's, London	Property	Recommended Quote
Alterra Excess & Surplus Insurance Company	Property	Recommended Quote
Ironshore Specialty Ins. Co.	Property	Recommended Quote
Landmark American Insurance Company	Property	Recommended Quote
Chubb-Westchester E&S	Property	Recommended Quote
Endurance	Property	Recommended Quote
Everest National Ins. Co.	Property	Quoted
Arch Specialty Insurance Company	Property	Declined to quote removing mold exclusion
Diamond State Group	Property	Declined Excess Market. Capacity not needed
AmRisc ( multi carriers)	Property	Declined. Not competitive
Aspen Insurance	Property	Declined. Not enough capacity
Allied World Assurance Co.	Property	Declined. Not competitive
Axis Surplus Ins. Co.	Property	Declined-Excess Market. Capacity not needed
Ariel Specialty Insurance Managers	Property	Declined. Not a preferred class of business.
Alteris	Property	Declined. Not competitive
Avondale Insurance Associates	Property	Declined. Not enough capacity
Berkley Risk Solutions	Property	Declined. Buffer market
Berkshire Hathaway	Property	Declined. Not competitive
Catalytic	Property	Declined. Not enough capacity
Colony Insurance Co.	Property	Declined. Not enough capacity
Hallmark E&S	Property	Declined. Not enough capacity
James River Ins. Co.	Property	Declined. Not enough capacity

CARRIER	LINE OF COVERAGE	CARRIER POSITION
Lexington Insurance Company	Property	Declined-Not competitive
Liberty International Underwriters	Property	Declined-Not interested in primary
Markel	Property	Declined-Not interested in primary
Maxum Specialty Insurance Group	Property	Declined. Not enough capacity
Nationwide E&S	Property	Declined. Not enough capacity
PartnerRe	Property	Declined-Not competitive
Peleus Insurance Company	Property	Declined. Not enough capacity
RSUI	Property	Declined-Not competitive
SRU	Property	Declined. Not enough capacity
Starr Companies	Property	Declined-Not interested in primary
Technical Risk Underwriters	Property	Declined-Not interested in primary
Ventus Risk Management	Property	Declined-Not competitive
Swiss Re	Property	Declined-Excess Market. Capacity not needed

## Insurance Program Architecture

- Package
  - Rate remained flat
  - \$7,000 Loss control grant
- Property
  - Obtained a \$5,800 appraisal grant
  - Added \$250,000 sublimit for Tree, Shrubs and Plants
- Excess Workers Compensation
  - 15% rate decrease
  - 2 year rate guarantee
- Business Travel & Statutory ADD
  - Second year of two year policy term
  - Added coverage for World Extrication Competition
- Cyber Liability
  - Changed carrier from AIG to BRIT.
  - 37% premium reduction
  - Increased limits from \$3,000,000 to \$5,000,000.
- Equipment Breakdown
  - Rate remained flat
- Crime Liability
  - Increased policy limits from \$1,000,000 to \$5,000,000 in 2017.
  - 14% premium increase due to large claim activity.
- Sports ADD & Liability
  - Rate remained flat
- Storage Tank Liability
  - 14% premium increase due to aging tanks
- Terrorism Liability
  - Rate remained flat
- Terrorism Property
  - 4.1% rate reduction



## 2018-2019 Program Schematic

Liability	Workers Compensation	Property Including Pumps & Fountains
<p>Carrier: Certain Underwriters at Lloyd's of London</p> <ul style="list-style-type: none"> <li><b>General Liability:</b> \$650,000 per occurrence Excess Limit: \$4M per Occurrence / \$8M Annual Aggregate Including the following sub-limits (not included in \$5 limit): <ul style="list-style-type: none"> <li>Sexual Harassment: \$4,650,000 per occurrence / \$4,650,000 Annual Aggregate</li> <li>Sexual Abuse: \$4,650,000 per occurrence / \$4,650,000 Annual Aggregate</li> </ul> </li> <li><b>Automobile Liability:</b> \$4,650,000 per occurrence</li> <li><b>Public Officials:</b> \$4,650,000 per occurrence / \$5,900,000 Annual Aggregate Including the following sub-limits: <ul style="list-style-type: none"> <li>Errors &amp; Omissions*: \$4,650,000 per occurrence / \$5,900,000 Annual Aggregate</li> <li>Employment Practice Liability*: \$4,650,000 per occurrence / \$5,900,000 Annual Aggregate</li> </ul> </li> <li><b>Employee Benefits Liability:</b> \$4,650,000 per occurrence / \$5,900,000 Annual Aggregate</li> <li><b>Law Enforcement Activities:</b> \$650,000 per Occurrence Excess Limit: \$4M per Occurrence / \$4M Annual Aggregate Including the following sub-limit (not included in excess limit): <ul style="list-style-type: none"> <li>Sexual Harassment: \$4,650,000 per occurrence / \$4,650,000 Annual Aggregate</li> <li>Sexual Abuse: \$4,650,000 per occurrence / \$4,650,000 Annual Aggregate</li> </ul> </li> </ul> <p><b>Premium:</b> \$605,675 + fees and assessments</p> <p>* Claims Made Coverage applies. Refer to policy for applicable Retroactive Date and limits</p>	<p>Carrier: New York Marine General Insurance Company</p> <p>Excess Workers Compensation</p> <p>Statutory Employers Liability: \$1,000,000 each accident / each employee for disease or cumulative injury Retention: \$1,000,000</p> <p><b>Premium:</b> \$188,735</p> <p>Carrier: Certain Underwriters at Lloyd's of London</p> <p>WC: \$500,000 per occurrence as \$500,000 Employers Liability: \$500,000 as \$500,000</p> <p><b>Premium:</b> Included in the Package policy</p>	<ul style="list-style-type: none"> <li><b>Named Windstorm Only:</b> \$25MM Excess of \$25MM per Occ.</li> </ul> <p>Carrier: Everest Indemnity Insurance Company <b>Limits:</b> \$25,000,000 <b>Premium:</b> \$158,000 + fees and surcharges</p> <ul style="list-style-type: none"> <li><b>Second Excess Property:</b> Excess of \$25MM per Occ.</li> </ul> <p>Carrier: Landmark American Insurance Company <b>Limits:</b> \$27,314,816 <b>Premium:</b> \$55,000 + fees and surcharges</p> <ul style="list-style-type: none"> <li><b>First Excess Excess Layer:</b> Part of \$15MM Excess of \$10MM per Occ.</li> </ul> <p>Carrier: Transist Insurance Company <b>Limits:</b> \$7,500,000 <b>Premium:</b> \$133,500 + fees and surcharges</p> <p>Carrier: Liberty Insurance Company <b>Limits:</b> \$7,500,000 <b>Premium:</b> \$139,500 + fees and surcharges <b>Total Layer Price:</b> \$249,404 + taxes and fees</p> <ul style="list-style-type: none"> <li><b>Primary Property:</b></li> </ul> <p>Carrier: Lloyd's of London <b>Limits:</b> Primary \$10,000,000 in any occurrence <b>Premium:</b> \$635,000 + fees and surcharges</p>
<p><b>SIR</b> Per Occurrence \$350,000</p>	<p><b>SIR</b> Per Occurrence \$500,000</p>	<p><b>Deductible:</b></p> <ul style="list-style-type: none"> <li>\$50,000 per Occurrence all other perils</li> <li>72-hour waiting for Time Element</li> <li>\$50,000 Earthquake</li> <li>Flood \$100,000 excess maximum NFIP limit available for Special Flood Hazard Areas (Prefix A or V)</li> <li>5% of total insured values affected at per unit subject to \$250,000 per occurrence minimum and a max of \$7,500,000 Flood as a result of Named Windstorm</li> <li>5% of the replacement cost value of each unit of insurance as per schedule on file subject to a min deductible of \$250,000 per occurrence and a max of \$7,500,000 per occurrence in respect to Named Windstorm and Hail</li> <li>\$100,000 per occurrence All Other Windstorm or Hail</li> </ul>





## 2017 vs 2018 Premium Summary Comparison

Policy Type	2017-2018	2018-2019	Δ%
Package (Lloyds)	\$580,000.00	\$605,675.00	4%
Excess WC	\$194,100.00	\$188,735.00	-3%
Property	\$984,906.00	\$1,115,000.00	13%
Boiler and Machinery	\$9,668.00	\$9,636.00	0%
ADD Business Travel	\$360.00	\$360.00	0%
ADD Police and Fire	\$12,338.00	\$12,338.00	0%
Bond Finance Director	\$1,138.00	\$1,138.00	0%
Storage Tank	\$2,549.00	\$2,900.00	14%
Crime	\$10,500.00	\$12,070.00	15%
Sports Liability	\$21,006.00	\$21,006.00	0%
ADD Sports	\$16,006.00	\$16,006.00	0%
Cyber Liability	\$29,639.00	\$18,563.00	-37%
Terrorism Liability	\$10,000.00	\$10,000.00	0%
Terrorism Property	\$13,750.00	\$14,318.00	4%
Total without surcharges	\$1,885,960.00	\$2,027,745.00	8%
EMPA	\$32.00	\$32.00	0%
Total after surcharges	\$1,885,992.00	\$2,027,777.00	8%
Premium Increase		\$141,785.00	
Appraisal Grant		\$5,800.00	
Broker Fee	\$120,000.00	\$120,000.00	0%
Total Cost of Program	\$2,005,992.00	\$2,147,777.00	7%



## Commission Disclosure

WHOLESALE, MGA OR INTERMEDIARY						
COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM <sup>1</sup>	COMM.% OR FEE <sup>2</sup>	NAME <sup>3</sup>	COMM.% OR FEE <sup>4</sup>	A/G OWNED? YES/NO
Public Entity Package	BRIT (Lloyd's Syndicate 2987)	\$605,675.00	0 %	Brit Global Specialty USA	N/A	No
Excess Workers Compensation	New York Marine And General Insurance Company (ProSight Specialty Group)	\$188,735.00	0 %	Midlands Management Corporation	*	No
Property-Primary Lloyds	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	\$635,000.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Property-First Excess Evanston	Ironshore Specialty Insurance Company	\$133,500.00	0 %	Risk Placement Services	5 %	Yes
Property-First Excess Liberty	Evanston Insurance Company (Markel Corporation Group)	\$133,500.00	0 %	Risk Placement Services	5 %	Yes
Property-Second Excess	Landmark American Insurance Company (Allegheny Corporation)	\$55,000.00	0 %	Risk Placement Services	5 %	Yes
Property-Third Excess (NWS)	Everest Indemnity Insurance Company	\$158,000.00	0 %	Risk Placement Services	5 %	Yes
Property - Terrorism	Indian Harbor Insurance Company (XL Group plc)	\$14,318.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Liability - Terrorism	Indian Harbor Insurance Company (XL Group plc)	\$10,000.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Boiler & Machinery	Travelers Property Casualty Co of America (The Travelers Companies, Inc.)	\$9,636.00	0 %	Risk Placement Services	5 %	Yes
Crime	Travelers Casualty and Surety Co of America (The Travelers Companies, Inc.)	\$12,070.00	0 %	Arthur J Gallagher - Itasca	5 %	Yes
Public Official Bond	Hartford Fire Insurance Company	\$1,138.00	0 %	N/A	N/A	N/A
Storage Tank Liability	Commerce and Industry Insurance	\$2,900.00	0 %	N/A	N/A	N/A

City of Coral Gables

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WHOLESALE, MGA OR INTERMEDIARY

COVERAGE(S)		CARRIER NAME(S)	EST. ANNUAL PREMIUM <sup>1</sup>	COMM.% OR FEE <sup>2</sup>	NAME <sup>3</sup>	COMM.% OR FEE <sup>4</sup>	AJG OWNED? YES/NO
		Company					
General Liability (Sports)		Scottsdale Insurance Company (Nationwide Mutual Insurance Company)	\$21,006.00	0 %	K & K Insurance Group, Inc.	*	No
ADD Amateur Sports		Nationwide Life Insurance Company (Nationwide Mutual Insurance Company)	\$16,006.00	0 %	K & K Insurance Group, Inc.	*	No
Cyber Liability		BRIT (Lloyd's Syndicate 2987)	\$15,345.00	0 %	N/A	N/A	N/A
Flood (8 policies)		American Bankers Insurance Company of Florida	\$7,593.00	\$993.30	N/A	N/A	N/A
Risk Management Service Fee		Arthur J. Gallagher Risk Management Services		\$120,000.00	N/A	N/A	N/A

\*Does Not Disclose Commission

## Workers Compensation Loss Summary Graph



Valued as of 9/30/2018

## General Liability Loss Summary Graph



Valued as of 9/30/2018



## Workers Compensation Loss Stratification

Policy Term	Total Incurred	Paid Losses	Total Losses		
			Open Claims	Closed Claims	Total Claims
2008-2009	\$524,156	\$494,075	1	77	78
2009-2010	\$875,061	\$755,085	5	86	91
2010-2011	\$570,449	\$546,685	2	95	97
2011-2012	\$1,010,677	\$863,934	4	103	107
2012-2013	\$928,415	\$762,268	5	97	102
2013-2014	\$742,944	\$714,753	3	102	105
2014-2015	\$922,142	\$778,457	5	86	91
2015-2016	\$1,094,835	\$715,362	15	88	103
2016-2017	\$841,796	\$618,996	15	78	93
2017-2018	\$963,430	\$625,496	37	76	113
2018-2019	\$169,359	\$68,864	23	21	44

Policy Term	Total Incurred	Paid Losses	Losses in Excess of \$500,001		
			Open Claims	Closed Claims	Total Claims
2008-2009	\$0	\$0	0	0	0
2009-2010	\$0	\$0	0	0	0
2010-2011	\$0	\$0	0	0	0
2011-2012	\$0	\$0	0	0	0
2012-2013	\$0	\$0	0	0	0
2013-2014	\$0	\$0	0	0	0
2014-2015	\$0	\$0	0	0	0
2015-2016	\$0	\$0	0	0	0
2016-2017	\$0	\$0	0	0	0
2017-2018	\$0	\$0	0	0	0
2018-2019	\$0	\$0	0	0	0

Policy Term	Total Incurred	Paid Losses	Losses \$250,001 - \$500,000		
			Open Claims	Closed Claims	Total Claims
2008-2009	\$0	\$0	0	0	0
2009-2010	\$0	\$0	0	0	0
2010-2011	\$0	\$0	0	0	0
2011-2012	\$258,850	\$164,083	1	0	1
2012-2013	\$291,400	\$184,140	1	0	1
2013-2014	\$0	\$0	0	0	0
2014-2015	\$0	\$0	0	0	0
2015-2016	\$0	\$0	0	0	0
2016-2017	\$323,000	\$270,529	1	0	1
2017-2018	\$0	\$0	0	0	0
2018-2019	\$0	\$0	0	0	0

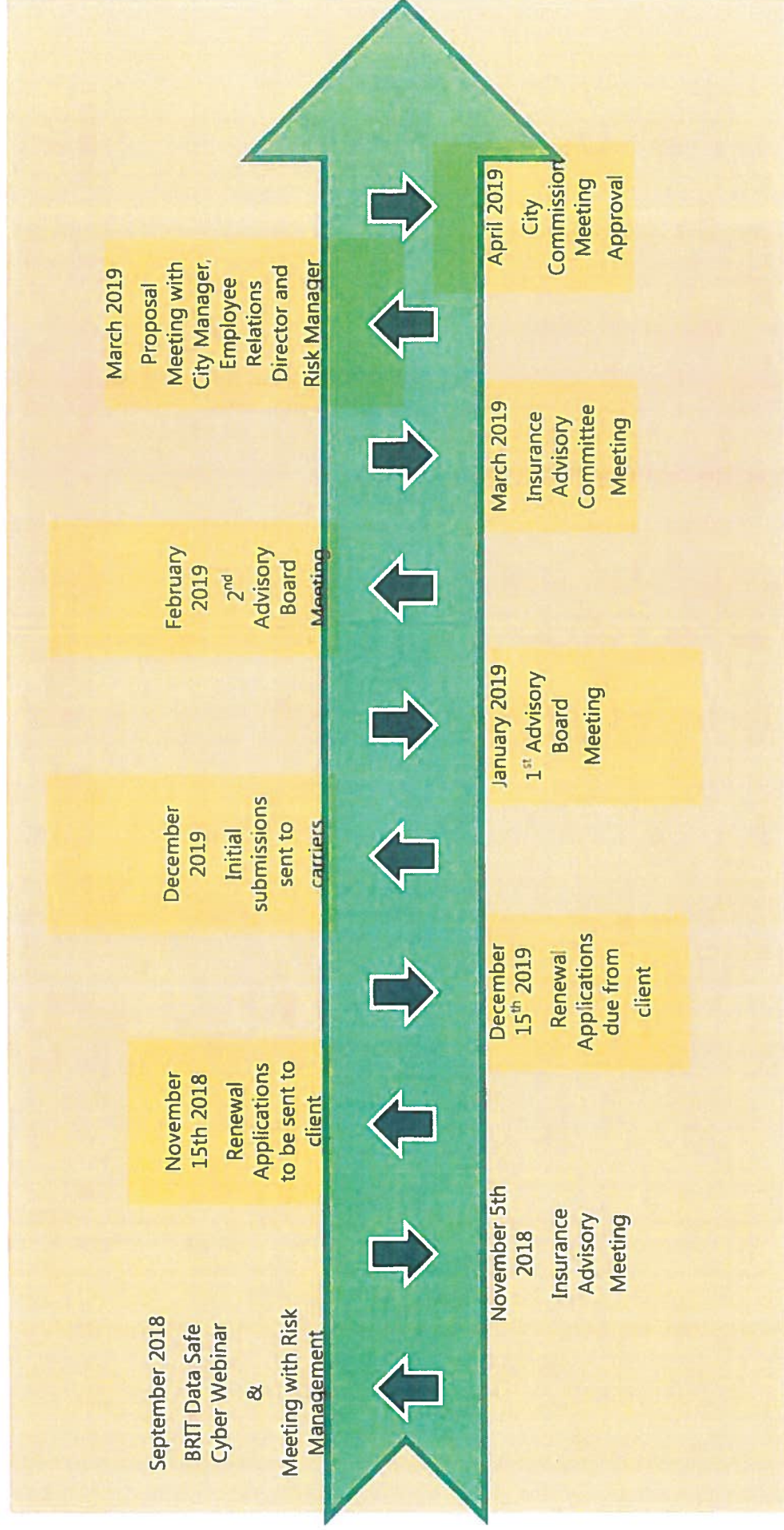
## General Liability Loss Stratification

Policy Term	Total Incurred	Total Losses		Open Claims	Closed Claims	Total Claims
		Paid Losses				
2008-2009	\$1,014,998	\$949,304		0	34	34
2009-2010	\$278,392	\$278,392		1	40	41
2010-2011	\$2,276,822	\$2,074,916		0	73	73
2011-2012	\$450,696	\$415,546		0	121	121
2012-2013	\$420,863	\$355,284		4	305	309
2013-2014	\$786,271	\$757,690		4	325	329
2014-2015	\$780,240	\$707,081		1	355	356
2015-2016	\$487,128	\$392,097		5	349	354
2016-2017	\$221,197	\$155,605		4	236	240
2017-2018	\$347,184	\$229,824		29	193	222
2018-2019	\$54,377	\$13,669		8	25	33

Losses in Excess of \$500,001					
Policy Term	Total Incurred	Paid Losses	Open Claims	Closed Claims	Total Claims
2008-2009	\$0	\$0	0	0	0
2009-2010	\$0	\$0	0	0	0
2010-2011	\$1,519,078	\$1,317,171	0	1	1
2011-2012	\$0	\$0	0	0	0
2012-2013	\$0	\$0	0	0	0
2013-2014	\$0	\$0	0	0	0
2014-2015	\$0	\$0	0	0	0
2015-2016	\$0	\$0	0	0	0
2016-2017	\$0	\$0	0	0	0
2017-2018	\$0	\$0	0	0	0
2018-2019	\$0	\$0	0	0	0

Losses \$250,001 - \$500,000					
Policy Term	Total Incurred	Paid Losses	Open Claims	Closed Claims	Total Claims
2008-2009	\$487,819	\$487,819	0	1	1
2009-2010	\$0	\$0	0	0	0
2010-2011	\$0	\$0	0	0	0
2011-2012	\$0	\$0	0	0	0
2012-2013	\$0	\$0	0	0	0
2013-2014	\$0	\$0	0	0	0
2014-2015	\$0	\$0	0	0	0
2015-2016	\$0	\$0	0	0	0
2016-2017	\$0	\$0	0	0	0
2017-2018	\$0	\$0	0	0	0
2018-2019	\$0	\$0	0	0	0

## 2019 Renewal Timeline





## Discussion Points for 2019 Renewal

1. We intend to explore a revised package structure:
  - Explore SIR options and corridor for the current Workers Compensation and Liability coverage
2. Revisit the Active Assailant enhancement to the Property Terrorism policy
3. Approach the market with an application to obtain a Fine Arts coverage suitable for the city
4. Explore Pollution/Mold coverage for the city
5. The city's schedule was reevaluated in June 2018 with no changes found. We will continue to keep track of any flood map changes and provide the city with a re-indexing at the beginning of 2019 when FEMA is expected to make changes.
6. Seek alternative carriers/wholesalers to K&K Insurance Group

## Benefits and HR Consulting

Similar to our CORE360™ approach, which focuses on the actual and potential costs that drive total cost of risk, our Benefits and HR consultants focus on more than just placing benefits insurance. They help clients with their total organizational wellbeing and talent risk management.

We would love the opportunity to introduce Gallagher Benefit Services to you to demonstrate the full power of Gallagher to improve your profitability and organizational wellbeing.

### Gallagher Better WorksK

Better. It's something all companies strive for. Better outcomes from better performance. But how do you get there?

You start by building a better workplace. One that attracts, engages and retains top talent at the right cost. That's why the Gallagher Better Works™ comprehensive approach to organizational wellbeing aligns your people strategy with your overall business goals.

It centers on strategically investing in your people's health, talent, financial wellbeing and career growth at the right cost structures to support a multigenerational workforce. And it utilizes data, helping you gather insights and apply best practices that promote productivity and growth.

As you develop and sustain a wellbeing-centric culture, you'll optimize your annual talent investment and mitigate organizational risk to maximize profitability. Best of all, you'll gain a competitive advantage as a workplace that simply works better.

Because while your best is finite, your better is never finished.

### Expertise and Solutions to Help You Optimize Your People Strategy

- 2018 Benefits Strategy and Benchmarking Survey: <https://www.ajg.com/lp/us-benefits-strategy-benchmarking-survey/> and 2017 Best-in-Class Benchmarking Analysis: [https://www.ajg.com/lp/best-in-class/?utm\\_source=Misc&utm\\_medium=Press\\_release&utm\\_campaign=GBS\\_BIC2017Q4](https://www.ajg.com/lp/best-in-class/?utm_source=Misc&utm_medium=Press_release&utm_campaign=GBS_BIC2017Q4)
- Thought leadership across multiple touchpoints through our Human Capital Insights report; visit <https://www.ajg.com/lp/human-capital-insights/> for a copy
- A full spectrum of solutions to help employers to recruit, retain and engage top talent
- Focus on benefits, compensation, retirement, employee communications and workplace culture

Gallagher's team of benefits and HR consultants paired with risk management and insurance consultants can serve your organization as a strategic business partner, uniquely positioned to help you:

- Take a holistic approach to reducing your total cost of risk
- Tackle any risk or challenge from multiple angles taking into account both the human capital and property perspectives





## Thank You for Your Business

We have enjoyed our partnership and appreciate the continued time, support and confidence you have placed in us as your risk management team. This past year has been successful as evidenced by your scorecard. Your total cost of risk is being impacted favorably and our strategy for this upcoming renewal continues to focus on ways to improve this positive impact on your profitability. Thank you.

### Legal Disclaimer

Gallagher provides insurance and risk management advice that is tailored to our clients' risk transfer needs. Our review can include evaluation of insurance premium, risk transfer options, finance agreements, insurance limits, indemnification obligations, and contracts to ascertain appropriate coverage. We do emphasize that any risk management advice, insurance analysis, and limited review of contract terms and conditions, is only provided from an insurance/risk management perspective and is NOT legal advice. We do not provide legal advice and always recommend that our clients seek advice from legal counsel to become fully apprised of all legal implications from their business transactions.

## Any Challenge. Any Risk. Anywhere in the World.

Grow your business with confidence by protecting your future and ensuring that your employees are securely invested in it. Gallagher's holistic approach keeps your best interests in focus.



Insurance Risk Management Consulting

**GLOBAL REACH. LOCAL PRESENCE.**

Founded in  
**1927**

**\$4.6B**  
Total Adjusted Brokerage & Risk Management Revenues (2017)

**26,700+**  
Employees worldwide

**700+**  
Offices in 33 countries

**150+**  
Countries served

**4 AREAS OF FOCUS**

- Organic growth
- Mergers and acquisitions
- Productivity and quality enhancements
- Unique team-oriented sales culture

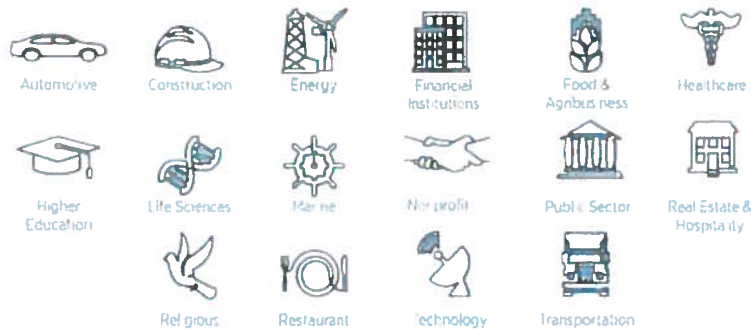
### HIGHLY SPECIALIZED DEEP EXPERTISE.

Alternative Risk & Captives	Environmental	Private Client Services
Aviation	Enterprise Risk Management	Property
Casualty	Equity Advisors	Risk Management
Commercial Surety & Bonds	Fine Arts	Trade Credit & Political Risk Insurance
Cyber Liability	Law Firms	
Entertainment	Management Liability	

### Our Approach to Risk.

**CORE360** Gallagher's proprietary, comprehensive approach that considers 6 cost drivers of a client's risk management program.

### 16+ INDUSTRY PRACTICES



### LEADERS WHERE IT COUNTS

Gallagher Named One of the World's Most Ethical Companies for 2018

The only insurance broker to have received this honor, Gallagher has been named as one of the World's Most Ethical Companies by the Ethisphere® Institute, a global leader in defining and advancing the standards of ethical business practices, seven years in a row.



### SHARED VALUES + PASSION FOR EXCELLENCE = PROMISES DELIVERED

**The Gallagher Way**  
25 tenets that have guided a team-oriented culture for 30+ years

**Social Responsibility**  
Companywide focus on ethical conduct, employee health and welfare, environmental integrity and community service



## Insurance & Risk Management Advisory Board

### *Annual Report for Fiscal Year Ending September 30, 2018*

In accordance with Section 2.66 "Annual Report" of the City's Code of Ordinance, the Insurance & Risk Management Advisory Board (the "Board") submits to the City Manager its annual report as follows:

*1. Whether the Board is serving the purpose for which it was created.*

Yes, the Board is serving the purpose for which it was created, which is to act in an advisory capacity to the City on the overall needs and requirements for various kinds of insurance coverages and issues related to risk management.

*2. A list of the Board's major accomplishments.*

- On March 15, 2018, the Board approved and recommended renewal of the City's property, general liability, automobile liability, public officials error & omissions, excess workers' compensation, crime liability, terrorism property and liability as well as other ancillary lines of insurance coverage and insurance broker fees for a not to exceed amount of \$2,147,777 for the policy period of May 1, 2018 to April 30, 2019. *(See Exhibit I)* Some highlights are as follows:
  - o Coverage limits for all lines of insurance remained same except for cyber liability, which increased from \$3,000,000 to \$5,000,000.
  - o The City's general liability and workers' compensation insurance carrier (Lloyds of London/BRIT) offered a flat renewal rate.
  - o The City's excess workers' compensation insurance carrier (Midlands) reduced its insurance premium by a 3% and provided a 2-year rate guarantee.
  - o The City increased its cyber liability coverage from \$3,000,000 to \$5,000,000 and obtained a 37% premium reduction.
- On June 26, 2018, and for the policy period of October 1, 2018 through September 30, 2019, the Board recommended and approved to renew the City's health insurance plan with Florida Blue with an overall decrease of 2% from the previous year (the previous year also received a 2% reduction). Florida Blue also will provide the City with \$50,000 in



wellness monies. (See Exhibit 2)

3. *Whether the ordinance creating the board should be amended to better enable the board to service the purpose for which it was created.*

The ordinance accurately reflects this Board's mission and does not require amendment.

4. *Whether the board 's membership requirements should be modified*


The Board may consider modification of membership requirements in the future but the Board does not recommend modification at this time.

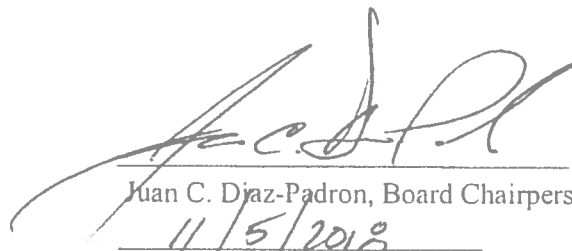
5. *The cost, both direct and indirect, of maintain the board:*

Approximately \$12,200.00

6. *A report on authorized fundraising, bank accounts and grant applications and approvals.*  
N A

Submitted by:

  
Raquel Elejabarrieta, Board Liaison  
11-5-2018  
Date

  
Juan C. Diaz-Padron, Board Chairperson  
11/5/2018  
Date

# EXHIBIT 1



**City of Coral Gables**  
**CITY COMMISSION MEETING**  
**April 10, 2018**

**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, EXCESS WORKERS' COMPENSATION, CRIME LIABILITY, CYBER LIABILITY, TERRORISM PROPERTY & LIABILITY, 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 \$ 2,147,777 FOR THE POLICY PERIOD OF MAY 1, 2018 TO MAY 1, 2019. (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 City Commission named Gallagher as the City's Agent of Record awarding Gallagher bid number RFP 2015.09.11- Risk Management & Insurance Brokerage Services for the Property and Casualty Lines of Insurance Coverage.

Coverage limits for all lines of insurance have remained the same except for cyber liability, which will increase from \$3,000,000 to \$5,000,000. The City's property insurance program premium increased by 13%, of which 4% was attributable to increased property values and 9% was attributable to a rate increase as market conditions adjusted after Hurricane Irma. The City's general liability and workers' compensation insurance carrier (Lloyds of London/BRIT) offered a flat renewal rate and the City's excess workers' compensation insurance carrier (Midlands) offered a 3% insurance premium reduction and 2-year rate guarantee. Although the City increased its cyber liability coverage from \$3,000,000 to \$5,000,000, the City was able to obtain a 37% premium reduction for its cyber liability coverage (Lloyds of London /BRIT).

The total cost to renew the various insurance policies with the increased coverage for cyber liability is \$141,785 more than the cost of these policies in the prior year for an amount not to exceed \$2,147,777.

The following is a summary description indicating insurance policies and premiums:

Description of the Insurance Policy, Surcharge or Fee	Premiums/Fees May 1, 2017 to May 1, 2018	Premiums/Fees May 1, 2018 to May 1, 2019
Package	\$580,000	\$605,675
Excess Workers Comp	\$194,100	\$188,735

Property	\$984,906	\$1,115,000
Boiler & Machinery	\$9,668	\$9,636
ADD Business Travel	\$360	\$360
ADD Police and Fire	\$12,338	\$12,338
Bond Finance Director	\$1,138	\$1,138
Storage Tank	\$2,549	\$2,900
Crime	\$10,500	\$12,070
Sports Liability	\$21,006	\$21,006
ADD Sports	\$16,006	\$16,006
Cyber Liability <i>(coverage increase from \$3,000,000 to \$5,000,000)</i>	\$29,639	\$18,563
Terrorism Liability	\$10,000	\$10,000
Terrorism Property	\$13,750	\$14,318
<b>Total without surcharges</b>	<b>\$1,885,960</b>	<b>\$2,027,745</b>
EMPA - State of Florida	\$32	\$32
<b>Total after surcharges</b>	<b>\$1,885,992</b>	<b>\$2,027,777</b>
Insurance Brokerage Fee (Gallagher)	\$120,000	\$120,000
<b>Total Cost</b>	<b>\$2,005,992</b>	<b>\$2,147,777</b>

Meetings of the Insurance and Risk Management Advisory Board (the "Board") took place on February 15, 2018 and March 15, 2018 to discuss in detail the renewal of the City's property and casualty insurance program. During these meetings, Gallagher discussed the renewal process and made a detailed presentation of the quotes obtained from the different carriers for the various types of insurance coverage. The Board is in agreement with the approval of the aforementioned insurance policies. Further, George Erickson from Siver Insurance Consultants, the City's independent insurance consultant, also concurs with the above recommendations (see attached summary and recommendation letter provided by Mr. Erickson).

#### FINANCIAL INFORMATION: (If Applicable)

	Amount	Account No.	Source of Funds
	Not to exceed \$ 2,147,777	540-000-590-4550	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. Siver Insurance Consultants Summary and Recommendation Letter
4. Board Minutes (February 15, 2018 and March 15, 2018)



**CITY OF CORAL GABLES, FLORIDA**

**RESOLUTION NO. 2018-115**

A 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, EXCESS WORKERS' COMPENSATION, CRIME LIABILITY, CYBER LIABILITY, TERRORISM PROPERTY & LIABILITY, 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 \$ 2,147,777 FOR THE POLICY PERIOD OF MAY 1, 2018 TO APRIL 30, 2019. (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**, the City's property insurance program premium increased by 13%, of which 4% was attributable to increased property values and 9% was attributable to a rate increase as market conditions adjusted after Hurricane Irma; and

**WHEREAS**, the City's general liability and workers' compensation insurance carrier (Lloyds of London/BRIT) offered a flat renewal rate; and

**WHEREAS**, the City's excess workers' compensation insurance carrier (Midlands) offered a 3% insurance premium reduction; and

**WHEREAS**, the City increased its cyber liability coverage from \$3,000,000 to \$5,000,000 and obtained by a 37% premium reduction (Lloyds of London /BRIT); and

**WHEREAS**, the general terms and conditions for all the other coverages are similar to last year; and

**WHEREAS**, the total renewal cost, is an estimated increase of \$141,785 from the cost of the prior year; and

WHEREAS, Funding has been allocated and will be available in 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 authorization is hereby granted for the renewal of the property and casualty insurance program 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 as well as other ancillary lines of insurance, coverage and insurance broker fees through Arthur J. Gallagher Risk Management Services, Inc. and an annual not-to-exceed amount of \$2,147,771 for the policy period of May 1, 2018 to April 30, 2019.

SECTION 3. Said Resolution shall become effective upon its passage and adoption hereof.

PASSED AND ADOPTED THIS FIFTH DAY OF APRIL, A.D., 2018  
(Moved: Quesada / Seconded: Mena)  
(Yeas: Quesada, Keon, Lago, Mena, Valdes Faut)  
(Unanimous: 5-0 Vote)  
(Agenda Item: J 4)

APPROVED

RAUL VALDES FAUT  
MAYOR

  
WALTER J. FORMAN  
CITY CLERK

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY

MIRIAM SOLER RAMOS  
CITY ATTORNEY



805 Executive Ctr. Dr. W., Ste. 110  
St. Petersburg, Florida 33702-2525  
Post Office Box 21343  
St. Petersburg, Florida 33742  
Telephone: (727) 577-2780  
Fax: (727) 579-8692  

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Email: gerickson@siver.com

April 5, 2018

SENT BY EMAIL

Ms. Raquel Elejabarrieta, Esq.  
Director of Labor Relations and Risk Management  
2801 Salzedo Street  
Coral Gables, FL 33134

Subject: City of Coral Gables  
Siver Summary and Recommendation  
Commercial Property and Casualty Insurance Program

Dear Ms. Elejabarrieta:

At the request of the City of Coral Gables, Florida ("the City"), Siver Insurance Consultants ("Siver") has reviewed various renewal options presented to the City by Arthur J. Gallagher and Company ("Gallagher") for renewal of the City's public entity liability insurance package policy ("the Package"), the City's commercial property insurance program ("the Property Program"), the Cyber-Liability policy and seven other miscellaneous policies purchased by the City.

As a result of our review of these proposals and additional supporting documentation, we offer the following recommendations and commentary.

## RECOMMENDATION

### Public Entity Package Policy

Siver recommends that the City accept the Package, including the Excess Liability proposal, from Underwriters at Lloyd's/Brit Syndicate 2987 ("Brit"), as presented by Gallagher. The Public Entity Package policy provides a total limit for the City of \$5,000,000 per occurrence (\$4,650,000 in excess of the City's self-insured retention levels of \$350,000 per occurrence)

Ms. Raquel Elejabarrieta, Esq.  
April 5, 2018  
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for the liability coverages included in the package.<sup>1</sup> The Workers' Compensation coverage provided by the Package is subject to a limit of \$500,000 for any one accident in excess of a self-insured retention of \$500,000 per occurrence. The premium for this package from Brit. before Florida fees and assessments, is \$605,675.

We recommend that the City accept the renewal proposal for Excess Workers' Compensation coverage from New York Marine Insurance Company ("New York") for a premium of \$188,735.

The excess workers' compensation employers' liability policy provides workers' compensation statutory coverage and a \$1,000,000 employers' liability limit over the Package policy's workers' compensation employer's liability coverage limit of \$1,000,000 per occurrence.

### **Commercial Property**

Our recommendation is that the City accept the proposed Property Program to be provided by a combination of Underwriters at Lloyd's ("Lloyds"), Ironshore Specialty Insurance Company ("Ironshore"), Evanston Insurance Company ("Evanston"), Landmark American Insurance Company ("Landmark"), and Everest Indemnity Insurance Company ("Everest") for a proposed combined program premium of \$1,115,000.

The recommended program includes \$50,000,000 of Named Windstorm coverage, \$10,000,000 of flood coverage, and \$252,314,816 of coverage for "all other perils," subject to a deductible of \$50,000 per occurrence, except for the perils of Named Windstorm and flood from Named Windstorms, which are subject to a deductible of 5% of the total insurable value of each "unit of insurance" at each damaged location.<sup>2</sup> Flood losses from other than a Named Windstorm are subject to a \$100,000 deductible per occurrence, except for those locations within a special flood hazard area where coverage will be provided in excess of the maximum limits available from the National Flood Insurance Program.

In addition, we recommend that the City renew the Boiler and Machinery coverage through Travelers Property and Casualty Insurance Company ("Travelers") with a limit of \$50,000,000 at a premium of \$9,636.

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<sup>1</sup> The Public Entity Package includes the City's general liability, automobile liability, public officials' liability, employee benefits liability, law enforcement liability, workers' compensation and employer's liability coverages.

<sup>2</sup> The Named Storm percentage deductible is subject to a \$250,000 minimum and \$7,500,000 maximum per occurrence for windstorm damage. For Named Storm related flood, the minimum deductible is \$500,000 for buildings and \$500,000 for contents, which is consistent with the maximum limits available from the National Flood Insurance Program.



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April 5, 2018  
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### **Cyber Liability**

We recommend that the City accept the proposal presented for Cyber/Privacy Liability coverage from Brit with a limit of liability of \$5,000,000 per claim/aggregate for a premium of \$18,563.

### **Crime**

The City's Crime insurance is provided by Travelers Casualty and Surety Company of America. We recommend that the City accept the proposal to continue the crime coverage with limits of \$5,000,000 per occurrence and subject to a \$50,000 deductible/retention for each occurrence<sup>3</sup> for a premium of \$12,070. The policy provides coverage for crime/theft losses suffered by the City as the result of:

- Employee Dishonest Theft
- Forgery or Alteration
- On Premises – Theft
- In Transit – Theft
- Money Orders and Counterfeit Money
- Computer Fraud
- Funds Transfer Fraud
- Social Engineering Fraud
- Claim Expenses

### **Terrorism – Liability**

We recommend that the City accept the renewal proposal from Indian Harbor Insurance Company, for liability arising out of acts of Terrorism for a premium of \$10,000. The policy, which the City first purchased last year, provides coverage for liability arising out of both certified and non-certified acts of terrorism and is subject to a per occurrence and aggregate limit of \$25,000,000. The policy is subject to a \$50,000 per occurrence deductible.

### **Terrorism - Property**

We are also recommending that the City accept the renewal proposal offered by Indian Harbor Insurance Company to continue the coverage for damage to City property resulting from an act of terrorism for a premium of \$14,318. The policy was first purchased by the City last year and provides coverage for damage to City property arising out of both

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<sup>3</sup> The coverage for money orders and counterfeit money is subject to a limit of \$50,000 and a retention of \$1,000 per occurrence. The coverage for claim expenses is subject to limit of \$5,000 and a retention of \$0 per occurrence.

## SIVER INSURANCE CONSULTANTS

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certified and non-certified acts of terrorism and is subject to a per occurrence limit equal to the City's total insured values of \$252,314,816 and a deductible of \$50,000 per occurrence.

### Miscellaneous Policies

In addition, we recommend that the City purchase the renewal of the following additional miscellaneous property and casualty policies for which renewal was offered by Gallagher:

Coverage	Insurer	Premium
Accidental Death & Dismemberment – Business Travel	Hartford Life and Accident Insurance Company	\$360
Accidental Death & Dismemberment – Police and Fire	Hartford Life and Accident Insurance Company	\$12,338
Public Official Bond – Finance Director	Hartford Fire Insurance Company	\$1,138
Storage Tank	Commerce and Industry Insurance Company	\$2,900
Sports Liability	Scottsdale Insurance Company	\$21,006
Accidental Death and Dismemberment – Amateur Sports	National Casualty Insurance Company	\$16,006
<b>TOTAL PREMIUM</b>		<b>\$53,748</b>

## DISCUSSION

### Public Entity Package

#### *Premium*

The premium for the expiring Brit Package policy is \$580,000. The premium for the 2018/2019 renewal will increase 4% to \$605,675. Although the premium rate for the renewal will stay the same as the expiring policy, in accordance with Brit's flat rate renewal guarantee, increases in the premium rating basis (expenditures, payroll, number of employees & automobiles) have resulted in the higher premium.

The City's excess workers' compensation/employers' liability policy is currently provided by New York Marine and General Insurance Company ("New York") at a premium of \$194,100. New York has proposed a renewal premium of \$188,735 with a two year rate guarantee. Gallagher also provided an alternative proposal for similar excess coverage but with no rate guarantee from Arch Insurance Company ("Arch"), for a premium of \$188,802.

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We recommend that the City continue their excess workers' compensation coverage with New York for a premium of \$188,735. The New York workers' compensation policy premium rate of .2510 per \$100 of remuneration should remain the same for the 2019 policy renewal.

#### *Brit Rate Guarantees*

Brit has offered to continue their flat renewal rate guarantee for the 2019 renewal subject to the following conditions:

- As of sixty days prior to the renewal date of May 1, 2019, the incurred losses (including ALAE) to Brit Global Specialty USA's 2018 Package policy is less than or equal to 50% of the 2018 policy year's gross premium.
- As of sixty days prior to the renewal date of May 1, 2019, the annual average incurred losses (including ALAE) to the 2014-2017 policies is less than or equal to 50% of the 2018 policy year's gross premium.
- Brit Global Specialty USA deem there is no material change in the physical and/or moral hazards of the Assured which significantly increases loss potential during this annual policy term or during the renewal term beginning May 1, 2019.
- Brit Global Specialty USA deem there is no material change to the terms and conditions, limits, deductibles, or policy language during this annual policy term or requested for or during the renewal term beginning May 1, 2019.
- A renewal statement of accurate exposures is provided to us no later than 30 days prior to the May 1, 2019 annual policy term.

#### **Property Program**

##### *Background*

The City's expiring Property Program is provided by a combination of seven different insurers, with Lloyd's providing the primary layer. The expiring Property Program includes \$50,000,000 of coverage for Named Storms and \$10,000,000 of coverage for flood. For perils other than Named Storm, Landmark provides property coverage excess over the first \$25,000,000 up to the City's 2017/2018 total insured values of \$252,314,816. The deductible in the City's Property Program is \$50,000 per occurrence, for all perils except for the perils of named windstorm and flood, which are subject to a deductible of 5% of the total insurable values at the damaged location, subject to a minimum of \$250,000 per occurrence.

The total program cost of the City's expiring Property Program is \$984,906.

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*Proposed Renewal Terms*

Gallagher has offered a renewal proposal to the City on basically the same terms as the expiring program, and with essentially the same structure of insurers for a proposed premium of \$1,123,188.00, which represents an increase in premium of \$138,282 or approximately 14%. 4% of that increase is due to higher total insurable property values for the renewal (from \$242,312,608 to \$252,314,816).

The City's renewal property program will include a limit of \$1,000 per tree, shrub, or plant, subject to a total sublimit for this coverage of \$250,000.

*Recommended Alternative Proposal*

Alternative Excess \$25,000,000 Wind Layer

In addition to the renewal proposal with the same insurer structure as the expiring policy, Gallagher has offered a proposal which replaces the current wind only layer of coverage which is currently provided on a shared basis by Westchester Surplus Lines, Ironshore Specialty Insurance Company and Endurance American Specialty, with one insurer, Everest Indemnity Insurance Company ("Everest"). The cost of the Everest policy is \$8,188 less than the shared arrangement, for a total property policy premium of \$1,115,000.

We recommend that the City accept the proposal for property coverage which includes Everest and a proposed policy property program premium of \$1,115,000.

*Optional Additional Tree Coverage*

Since there has been discussion regarding increasing the coverage limit for trees, shrubs and plants, Gallagher has provided an indication for a three year policy with the following staggered limits that would respond if a storm makes landfall within 25 miles of the City.

<u>Storm Strength</u>	<u>Limit</u>
Category 2 correlated storm	\$5,000,000
Category 3 correlated storm	\$7,500,000
Category 4 correlated storm	\$10,000,000

Gallagher did not identify the name of the insurer or provide further detail on this "parametric trigger" policy except to state that the indicated premium is \$500,000 per year or \$1,500,000 for all three years. Due to the excessive high premium, we have not recommended that tree coverage option.

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*Boiler and Machinery*

Boiler and Machinery/Equipment Breakdown coverage is not covered in the Property Program. As a result, the City purchases stand-alone Boiler and Machinery/Equipment Breakdown from Travelers. The Travelers policy provides \$50,000,000 of Boiler and Machinery/Equipment Breakdown coverage. The expiring premium for the Travelers Boiler and Machinery/Equipment Breakdown is \$9,668. For 2018/2019, Travelers has offered to renew the policy for a premium of \$9,636. This represents a nominal decrease in premium of \$32.

**Terrorism Property Coverage**

The City's coverage for damage to City property resulting from an act of terrorism is provided by Indian Harbor Insurance Company and Gallagher has offered a renewal proposal on the same terms and conditions as the expiring policy for a premium of \$14,318. The policy was first purchased by the City last year and provides coverage for damage to City property arising out of both certified and non-certified acts of terrorism and is subject to a per occurrence limit equal to the City's total insured values of \$252,314,816 and a deductible of \$50,000 per occurrence.

*Optional Coverage*

Gallagher has offered an optional coverage for property damage, business interruption and extra expense arising out of an Active Assailant event. The coverage, which is offered by the XL Catlin Group, is available for an additional premium of \$15,750 for a \$1,000,000 coverage limit and \$35,000 for a \$5,000,000 limit.

The coverage is intended to respond to a premeditated malicious physical attack by an Active Assailant who is armed with a hand-held weapon, explosive device in the hand or on the body or any road vehicle that is used as a weapon to cause physical damage or bodily injury. A covered event must affect three or more people physically present during the attack. The assailant may or may not be affiliated with a terrorist organization.

The extra expense coverage can include public relations consultancy costs, relocation expense, counselling and psychiatric care costs, medical expense, job retraining costs, recruitment costs and temporary security costs.

Due to the limited scope of the coverage provided, we have not recommended this coverage.



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### Cyber Liability

#### *Current Policy*

The City's expiring Cyber-Liability policy is written by Federal Insurance Company (Chubb) and provides a \$3,000,000 per claim aggregate limit for the following coverages:

- Cyber Liability;
- Regulatory Action;
- E-Business Interruption Extra Expense
- Privacy Notification & Crisis Mgmt Expense
- E-Threat Expenses
- E-Vandalism Expenses

The Chubb policy is subject to a \$50,000 self-insured retention. Reward and expenses coverage is subject to \$25,000 limit and a \$5,000 deductible.

The premium for the expiring Chubb policy is \$29,639.

#### *Proposed Chubb Renewal Terms*

Gallagher has offered a renewal proposal to the City on the same terms as the expiring program with Chubb for a renewal of \$25,695.

#### *Recommended Brit Proposal*

Gallagher offered an alternative coverage proposal for Cyber-Liability from Brit with a \$3,000,000 per claim/aggregate limit and a \$50,000 self-insured retention for a proposed premium of \$15,345 (\$10,350 less than Chubb's quote). Brit also offered coverage with a \$5,000,000 limit for \$18,563. We are recommending that the City accept the Brit quote with a \$5,000,000 limit for a premium of \$18,563.

While the structure of the Brit policy is different from the Chubb policy, the basic coverages are similar. Those coverages include:

- Privacy & Security Liability And Regulatory Coverage
- Privacy & Security Breach Response Coverage
- PCI DSS Assessment Coverage
- Cyber Extortion Coverage
- Business Income and Digital Asset Restoration Coverage
- Multimedia Liability Coverage

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One area where the Brit policy is not as broad as the current Chubb coverage is as respects Reward Coverage. The Chubb policy includes a \$25,000 limit, subject to a \$5,000 Retention, for amounts paid to an informant that leads to the arrest and conviction of a person or entity responsible for a cyber-attack, fraudulent access or transmission or a threat.

### Miscellaneous Property and Casualty Policies

#### *Premium Summary*

We have also recommended that the City purchase the renewal of the additional miscellaneous property and casualty policies which are shown below. With the exception of some changes in premium, which you can see in the chart, these policies have been offered for renewal without any significant changes in coverage unless otherwise noted.

As you can see from the chart below, most of the coverages either stayed at the expiring premium or increased marginally. For those coverages that did increase in premium, the increases were within the reasonable expectations of the current insurance marketplace, and the increases were also, to some extent, caused by increases in the exposure basis of the particular policy.

Coverage	Insurer	2016/2017 Premium	2017/2018 Premium	% Change
Accidental Death & Dismemberment – Business Travel (2 <sup>nd</sup> year of 2 year policy)	Hartford Life and Accident Insurance Company	\$360	\$360	0.0%
Accidental Death & Dismemberment – Police and Fire (2 <sup>nd</sup> year of 2 year policy)	Hartford Life and Accident Ins. Company	\$12,338	\$12,338	0.0%
Public Official Bond – Finance Director	Hartford Fire Insurance Company	\$1,138	\$1,138	0.0%
Storage Tank	Commerce and Industry Ins. Company	\$2,549	\$2,900	+14%
Sports Liability	Scottsdale Insurance Company	\$21,006	\$21,006	0.0%
Accidental Death and Dismemberment – Amateur Sports	National Casualty Insurance Company	\$16,006	\$16,006	0.0%
<b>TOTAL PREMIUM</b>		<b>\$53,397</b>	<b>\$53,748</b>	<b>+&lt;1%</b>

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### Financial Strength of Insurers

The insurers proposed by Gallagher have the following financial ratings from A.M. Best:

Insurance Company	Coverage	Best's Rating
Underwriters at Lloyd's (Brit)	Public Entity Package Policy Alternative Cyber Liability Coverage	A (XV)
New York Marine and General Ins. Co.	Excess Workers Compensation	A- (IX)
Arch Insurance Company	Alternative Excess Workers Compensation	A+ (XV)
Underwriters at Lloyd's	Property - First \$10,000,000 including named windstorm	A (XV)
Ironshore Specialty Ins. Co.	Property - \$7,500,000 part of \$15,000,000 excess of \$10,000,000 including named windstorm; also part of \$25,000,000 excess of \$25,000,000 named windstorm only	A (XIV)
Evanston Insurance Company	Property - \$7,500,000 part of \$15,000,000 excess of \$10,000,000 including named windstorm	A (XV)
Landmark American Insurance Company	Property - \$218,201,290 excess of \$25,000,000 excluding named windstorm	A+ (XIV)
Westchester Surplus Lines	Part of \$25,000,000 excess of \$25,000,000 named windstorm only	A++ (XV)
Endurance American Specialty Insurance Co.	Part of \$25,000,000 excess of \$25,000,000 named windstorm only	A- (XV)
Everest Indemnity Insurance Co.	Alternative proposal: \$25,000,000 excess of \$25,000,000 named windstorm only	A+ (XV)
Indian Harbor Insurance Company	Liability Terrorism Property Terrorism	A (XV)
Travelers Property Casualty Insurance Co.	Boiler and Machinery	A++ (XV)
Federal Insurance Company (Chubb)	Cyber Liability	A++ (XV)
Hartford Life and Accident Ins. Co.	Accidental Death & Dismemberment – Business Travel Police and Fire	A (XIV)
Hartford Fire Ins. Co.	Public Official Bond – Finance Director	A+ (XV)
Commerce and Industry Ins. Co.	Underground Storage Tank	A (XV)
Travelers Casualty and Surety Co. of America	Excess Crime	A++ (XV)
Scottsdale Insurance Company	Sports Liability	A+ (XV)
National Casualty Co.	Accidental Death and Dismemberment – Amateur Sports	A+ (XV)

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In our opinion, all of the insurers being used to place the City's insurance programs are acceptable and have very sound financial ratings.

### SUMMARY AND CLOSING

To summarize, Siver recommends that the City accept the Package from Brit as presented by Gallagher. The premium for this package option from Brit is \$605,675. We also recommend the excess workers' compensation renewal proposal from New York Marine and General Insurance Company, which provides statutory limits over the Package's workers' compensation limits for a premium of \$188,735 (total premium of \$794,410).

We recommend that the City accept the proposed Property Program to be provided by a combination of Lloyd's, Ironshore, Evanston, Landmark, and Everest, as presented by Gallagher, for a premium of \$1,115,000.

We recommend the City accept the purchase of Boiler and Machinery insurance from Travelers Property and Casualty Insurance Company for a premium of \$9,636.

We recommend that the City purchase the proposed Cyber Liability coverage from Brit with a \$5,000,000 limit for a premium of \$18,563.

We recommend that the City accept the proposal to renew the Crime policy with Travelers for a total premium of \$12,070.

We recommend that the City renew their coverage for liability arising out of both certified and non-certified acts of terrorism, subject to a per occurrence and aggregate limit of \$25,000,000 from Lloyd's of London for a premium of \$10,000.

We recommend that the City continue coverage for damage to City property arising out of both certified and non-certified acts of terrorism subject to a per occurrence limit equal to the City's total insured values of \$252,314,816 from Lloyd's of London for a premium of \$14,318.

In addition, we recommend that the City purchase the renewal of six additional miscellaneous property and casualty policies for which renewal was offered by Gallagher. These policies include the policies for Accidental Death & Dismemberment – Business Travel, Accidental Death & Dismemberment – Police and Fire, Public Official Bond – Finance Director, Storage Tank, Sports Liability and Accidental Death and Dismemberment – Amateur Sports. The combined premium for these seven policies before any applicable fees and assessments is \$53,748.

## SIVER INSURANCE CONSULTANTS

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In total, all of the insurance programs we have recommended to the City can be summarized as follows:

COVERAGE	2017/2018 COST	2018/2019 COST
Package	\$580,000	\$605,675
Excess Workers' Compensation	\$194,100	\$188,735
Property Program	\$984,906	\$1,115,000
Boiler and Machinery	\$9,668	\$9,636
Cyber Liability	\$29,639	\$18,563
Crime	\$10,500	\$12,070
Liability Terrorism	\$10,000	\$10,000
Property Terrorism	\$13,750	\$14,318
Miscellaneous Property and Casualty Policies (6 total)	\$53,397	\$53,748
Citizens – State of Florida Assessment	\$0	\$0
EMPA – State of Florida Assessment	\$32	\$32
Total after surcharges	\$1,885,992	\$2,027,777
Broker Fee	\$120,000	\$120,000
Total Cost of Program	\$2,005,992	\$2,147,777

We note the above total cost of the recommended program for the 2018/2019 policy year is \$141,785 (or 7%) more than last year's program.

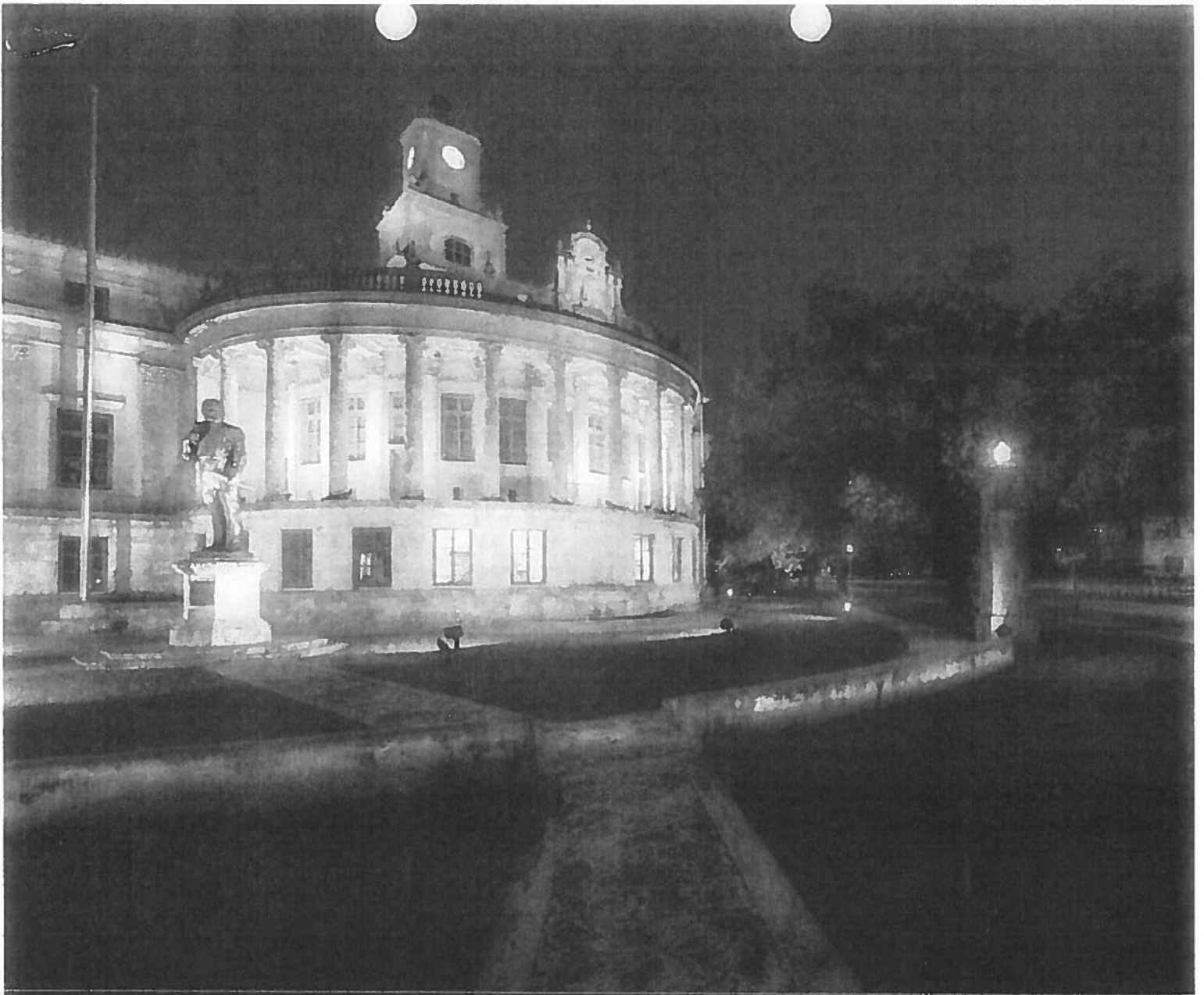
We appreciate this opportunity to be of service to the City of Coral Gables. If you have any questions, please let us know.

Very truly yours,



SIVER INSURANCE CONSULTANTS  
 George W. Erickson, JD, CPCU, LLM





## CITY OF CORAL GABLES

2801 Salzedo Street  
Coral Gables, FL 33134

### INSURANCE RENEWAL EXECUTIVE SUMMARY 2018-2019

Presented: April 3rd, 2018

Effective: May 01, 2018

Arthur J. Gallagher Risk Management Services, Inc.  
8333 NW 53rd Street Suite 600  
Miami, FL 33166

[www.ajg.com](http://www.ajg.com)

# City Of Coral Gables 2018-2019

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# City Of Coral Gables 2018-2019

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## About your Broker – Arthur J. Gallagher Risk Management Services, Inc

- Arthur J. Gallagher Risk Management Services and the City of Coral Gables have worked together for many years to provide the County with a comprehensive and cost effective solution to their Risk Management Program
- 4<sup>th</sup> largest in the World
- A public company traded on the New York Stock Exchange
- Over 500 offices throughout the United States and in all major insurance market centers
- Over \$20 billion worth of premiums placed Worldwide
- 25,000 employees worldwide linked together by Gallagher Online for immediate access to market information and client solutions
- Known nationally as the Public Entity, Non-Profit and Scholastic experts
- Unsurpassed FEMA public assistance expertise

## Our Florida Public Entity and Scholastic Position

- #1 Florida Public Entity & Scholastic Broker
- #1 Florida Property Broker → over 20 Accounts with property schedules over \$1 Billion in insurable values
- Over 40 Professionals specializing in the public sector in three branches throughout the state
- Cost Effective Programs - Gallagher offers our clients the best possible coverage for the lowest premium with financially secure carriers. We strive to deliver the most cost-effective risk management solutions available. We hold your interest first.
- Market access and leverage with all major carriers (Domestic, Bermuda and London) that write public sector clients in Florida. Market knowledge, access and evaluation are critical to the City's risk management program. Gallagher knows the markets to access and has strong relationships with these markets. This is crucial to the placement of a successful and cost-effective insurance program for the City. Our long-term experience with Public Entity institutions qualifies us to analyze and negotiate with markets to obtain the broadest terms and conditions with the most competitive pricing structure for our clients. This is demonstrated in the extensive marketing and quote analysis we have performed for the City every year for more than 30 years.
- Extensive knowledge and experience in public sector alternative risk and pooling programs
- Gallagher has specialized resources on staff available to our public sector clients in the area of claims advocacy and loss prevention
- Our staff has extensive experience in handling Florida catastrophic windstorm claims
- Our local staff has a high level of experience and expertise in dealing with FEMA and the Florida Office of Insurance Regulation to assure maximum recovery for our clients in a federally declared disaster
- Satisfied and long lasting Public Entity relationships
  - ✓ 17 Florida County Governments
  - ✓ 27 Florida County School Systems
  - ✓ 25 Florida Cities
  - ✓ 28 Florida State Colleges
  - ✓ More than 20 Florida Authorities and Special Districts



# City Of Coral Gables 2018-2019

## Service Team

Antonio Abella Sr. has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE / ALT. PHONE	EMAIL
Antonio Abella Sr., CPCU, ARM Area Senior Vice-President	305-639 3102	Tony_Abella_Sr@ajg.com
Maria Perez Area Senior Vice President	305-639-3136	Maria_Perez@ajg.com
Calah Bullard, ARM-P, CLCS Client Service Manager	305-639-3133	Calah_Bullard@ajg.com
Yane Martinez Client Service Associate	305-639 3120	Yane_Martinez@ajg.com
Tara Morrone Flood Specialist	561-995 6706	Tara_Morrone@ajg.com

- Arthur J. Gallagher Risk Management Services works closely with City of Coral Gables Human Resources/ Risk Management Division to provide resources and services that add value to the insurance purchasing decisions made throughout the year. Among the services we provide are:
  - ✓ Provide loss control & risk management services
  - ✓ Participate in claims review and provide claims advocacy
  - ✓ Obtaining catastrophic loss modeling every year
  - ✓ Obtaining current flood zone information for each location
  - ✓ Approaching the market for creative options, as well as new carriers, to enhance the program
  - ✓ Provide assistance with the Reasonableness letter to the state
- Needless to say that we take pride in our 36 years continuous relationship with the City of Coral Gables and pledge our ongoing service and support as we believe we need to continue earning your confidence and business every day.
- Other coverage to consider:
  - ✓ Pollution - currently excluded

# City Of Coral Gables 2018-2019

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## Loss Control and Claims Advocacy

NAME / TITLE	PHONE / ALT. PHONE	EMAIL
<b>Jim Smith, MS, CSO</b> Loss Control Manager Director	561-998-6809	Jim_Smith@ajg.com
<b>Bart Douglas, AIC</b> Managing Director	305-639-3121	Bart_Douglas@ajg.com

AJG recognizes the City Manager for the goal to advance safety health and reduce injuries and claim cost in the City  
AJG has been partnering with Office of Labor Relations and Risk Management

The following are services we provided during the current year

- Developed a comprehensive Claims Analysis and Trending Management Report to demonstrate loss drivers within the departments
- Work with Risk Manager to clean up the Third Party claims data. We went through 425 plus workers compensation claims to correct the causation coding and department/division assignments
- Assist the City in developing City wide Safety Committee. Conducted presentations and assisted in launching the committee. Attended three safety committees following the launching
- Conduct Supervisor Safety Management training sessions
- Developed completed a supervisor observation survey of what safety training courses they considered to be most important for their operations
- Conduct one day training course for professional development of City staff
- Conducted training sessions for sanitation drivers
- Conducted site assessment of the Youth Center and Golf Course Maintenance Building
- Conducted site assessment of Venetian Pool Operations
- Conducted site assessments of sanitation garbage collection
- Developed an annual safety training matrix calendar to deliver various training courses. Launch of the training was postponed as result of hurricane/claims. Launching starts in February 2018 with three training sessions

A Safety Survey for both supervisors and employees have been created to facilitate education programs to meet the City's needs



## Marketplace Status as of March 2018

### Property

After several years of a soft market that provided numerous rate decreases the property insurance market has taken a turn. Carriers are targeting 20-50% rate increases as a result of the following:

- Irma Loss Estimate: \$40-\$50 Billion
- Harvey Loss Estimate: \$25-\$30 Billion
- Maria Loss Estimate: \$15-\$30 Billion
- Wildfires Loss Estimate: \$6 Billion

In addition, flood coverage may become more limited and costly, especially when written on a stand-alone basis. While premiums will increase, we do not expect any shortage of capacity. Underwriters will be focusing on each individual risk, focusing on property construction, historical losses, and what Insureds are doing as respects loss mitigation.

### Liability

General Liability pricing is going up slightly as carriers try to broaden their pricing over other lines of coverage they have. South Florida Auto continues to see increases due to poor performance and adverse litigation. Umbrella's up due to underlying auto increases. Management Liability (D&O, EPLI, Fiduciary and E&O) up 10-20%+ in some cases due to losses and Wage and Hour Claims.

### Excess Workers Compensation

The excess workers compensation insurance market has been challenging to Florida Insureds and self Insureds for the last several years, especially for the municipal sector. During this time, many insurers have either exited the Florida marketplace or severely curtailed their writings of this line of coverage. Of the carriers that remain in the market, the trend has been for them to require higher retentions and higher premiums. Reasons for this include:

1. Public Safety presumptive claims that have increased the types of claims that fall under workers compensation and their long term financial liabilities
2. Increased use of higher-cost treatments in treating occupation injuries
3. More use of prescription medications for injured employees
4. Medical inflation
5. Insurance company combined ratios that have been exceeding 100%
6. Extremely low investment income

Excess workers compensation coverage is intended to cover infrequent and large catastrophic losses. However, due to the above factors, the trend has been for more claims to become "large" claims and enter the insured's layer.

# City Of Coral Gables 2018-2019

## Marketing List

Certain Underwriters at Lloyd's, London	Public Entity Package	Recommended Quote
AIX Specialty Insurance	Public Entity Package	Declined - Cannot Complete
Munich Re	Public Entity Package	Unresponsive
Old Republic	Public Entity Package	Declined - Cannot Complete
New York Marine And General Insurance Co	Excess Workers Compensation	Recommended Quote
Arch Insurance Group	Excess Workers Compensation	Quoted
Hartford Fire Insurance Company	Public Official Bond	Recommended Quote
Commerce and Industry Insurance Company	Storage Tank Liability	Recommended Quote
Scottsdale Insurance Company	General Liability (Sports)	Recommended Quote
Nationwide Life Insurance Company	ADD Amateur Sports	Recommended Quote
Travelers Property Casualty Co of America	Boiler & Machinery	Recommended Quote
Federal Insurance Company	Cyber Risk Liability	Recommended Quote
Certain Underwriters at Lloyd's, London	Cyber Risk Liability	Quoted
Travelers Insurance Company	Cyber Risk Liability	Premium Indication
Certain Underwriters at Lloyd's, London	Property	Recommended Quote
Alterra Excess & Surplus Insurance Company	Property	Recommended Quote
Ironshore Specialty Ins Co	Property	Recommended Quote
Landmark American Insurance Company	Property	Recommended Quote
Chubb Westchester E&S	Property	Recommended Quote
Endurance	Property	Recommended Quote
Everest National Ins Co	Property	Quoted
Arch Specialty Insurance Company	Property	Declined to quote removing mold exclusion
Diamond State Group	Property	Declined Excess Market Capacity not needed
AmRisc ( multi carriers)	Property	Declined Not competitive
Aspen Insurance	Property	Declined Not enough capacity
Allied World Assurance Co	Property	Declined Not competitive
Axis Surplus Ins Co	Property	Declined-Excess Market Capacity not needed
Ariel Specialty Insurance Managers	Property	Declined Not a preferred class of business
Alters	Property	Declined Not competitive
Avondale Insurance Associates	Property	Declined Not enough capacity
Berkley Risk Solutions	Property	Declined Buffer market
Berkshire Hathaway	Property	Declined Not competitive
Catalytic	Property	Declined Not enough capacity
Colony Insurance Co	Property	Declined Not enough capacity
Hallmark E&S	Property	Declined Not enough capacity
James River Ins Co	Property	Declined Not enough capacity t
Lexington Insurance Company	Property	Declined-Not competitive
Liberty International Underwriters	Property	Declined-Not interested in primary
Market	Property	Declined-Not interested in primary
Maxum Specialty Insurance Group	Property	Declined Not enough capacity
Nationwide E&S	Property	Declined Not enough capacity
PartnerRe	Property	Declined-Not competitive
Peleus Insurance Company	Property	Declined Not enough capacity
RSUI	Property	Declined-Not competitive
SRU	Property	Declined Not enough capacity
Starr Companies	Property	Declined-Not interested in primary
Technical Risk Underwriters	Property	Declined-Not interested in primary
Ventus Risk Management	Property	Declined-Not competitive
Swiss Re	Property	Declined-Excess Market Capacity not needed

# City Of Coral Gables 2018-2019

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## The City of Coral Gables Property & Casualty Insurance Program Renewal 2018

Thank you for the opportunity to present this executive summary for the City of Coral Gables Insurance Program Renewal. We are pleased to be able to bring the City a very favorable renewal.

The concept that led the city to adopt a protected all lines self insurance program remains the same: to retain all anticipated losses and purchase only catastrophic insurance while actively engaging in loss prevention and mitigation has proven itself and has saved the city many millions over the years.

- A **Package**: This will be the fifth renewal year for Lloyds of London (BRIT) as the liability and WC package carrier. The underwriting team offered a renewal premium of \$605,675 which represents a 4% premium increase; however, the rate has remained flat. The flat rate is due to BRIT's sign of commitment offering a rate agreement (with certain normal criteria that will need to be met) during last year's renewal. They are also providing \$7,000 for Loss Control as they have done in the past. We have also marketed this account for a second year. The results of this effort highlight that Coral Gables is currently placed with the best carrier for the city's needs. AIX has declined as they are not able to compete with BRIT. Old Republic has yet to provide a quote and Munich has been completely unresponsive.
- B **Property**: Total Insurable Values increased by 4%. However, due to the hardening market as a result of the three major hurricanes this past year, the primary property rate has increased 12.3%. The excess property carriers initially responded with a 10% rate increase. However, after negotiating, we were able to reduce 7% on the 1st excess, an option for a flat rate on the Named Storm layer and finally a flat rate on the 2<sup>nd</sup> excess layer.

As discussed, we are requesting coverage options for Trees, Shrubs, and Plants. Currently, the carriers have provided an additional sublimit for Trees, Shrubs, and Plants. As such, their quotes include a \$250,000 sublimit for this coverage, subject to a \$1,000 maximum any one item cap.

We have also obtained an indication for a parametric trigger coverage for the Tree exposure. The carrier will offer a staggered 10m occurrence and aggregate limit that would apply based on the strength of the storm. If a storm were to make landfall within 25 miles of the center of the City, the policy would pay the limits below based upon storm strength.

Category 2 correlated storm: \$5,000,000

Category 3 correlated storm:  
\$7,500,000

Category 4 correlated storm:  
\$10,000,000

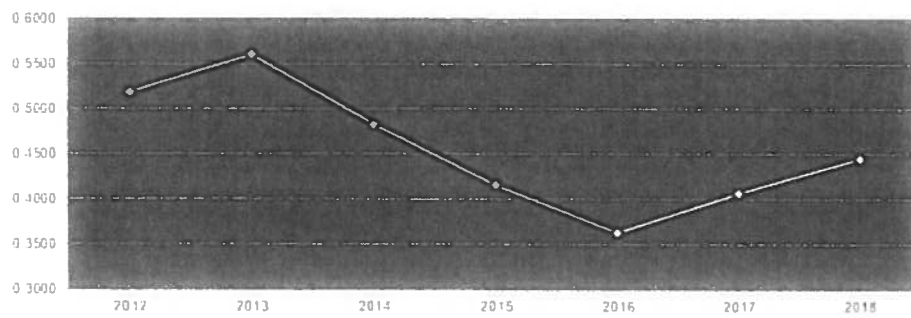
They would make this a three-year policy with a \$1,500,000 term premium. Payable at a rate of \$500,000 per year.

### Property Appraisal

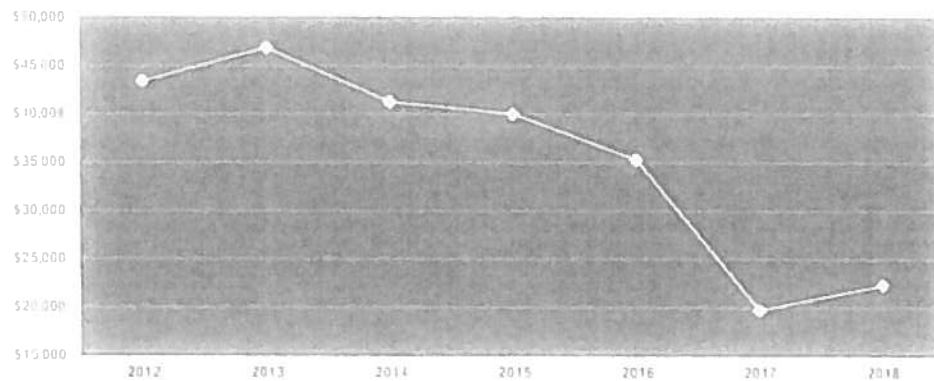
After some negotiations, the property wholesaler, AmWINS, has agreed to provide the city with a \$5,800 grant for property appraisals. This grant is being provided directly out of the wholesalers' revenue on this account, which equates to a 18% reduction in their revenue.

# City Of Coral Gables 2018-2019

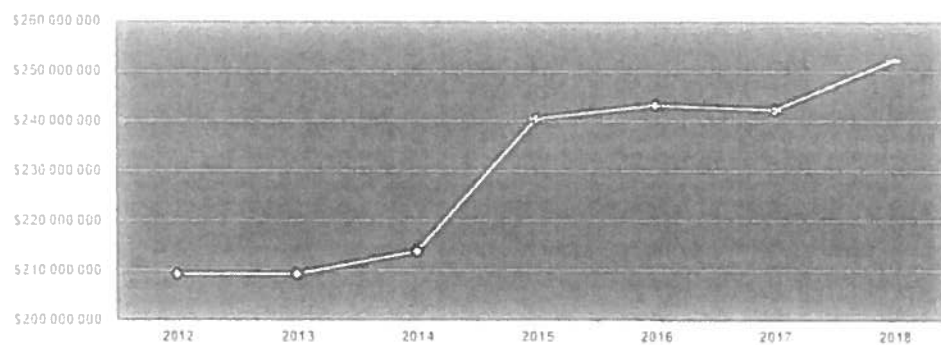
## Rate per \$100 of Property Coverage



## Price per \$1 Million of Named Windstorm



## Total Insured Values



## City Of Coral Gables 2018-2019

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- C **Excess Workers Compensation:** Although the City has a well-established relationship with the incumbent carrier (Midlands) we have received an additional quote from Arch. Both carriers have quoted a 15% rate decrease from last year's rate however Midlands is willing to provide a 2 year rate guarantee.
- D **Business Travel, ADD for Police and Fire:** This is a 2 year policy term with annual billing which was bound last year. The premium is the same as what was bound in 2017.
- E **Cyber Risk:** Last year the City decided to renew with Chubb in lieu of the incumbent AIG. This year we have obtained renewal quotes from the incumbent carrier (Chubb) and BRIT. Chubb provided a renewal quote with a 9% premium increase. BRIT is offering a 48% premium reduction. BRIT has also offered a higher limit option of \$5,000,000 for \$18,563. However, Traveler's has provided an indication with premium between \$21,500-\$23,000. A firm quote can only be provided if the city completes an additional application.
- F **Equipment Breakdown:** renewal has remained flat.
- G **Crime Liability:** Last year we increased the crime policy limits from \$1,000,000 to \$5,000,000. This year Travelers has offered a renewal quote with a 14% premium increase. This increase is due to a large claim that was closed and paid out last year.
- H **Sports Liability and Accidental Death and Dismemberment:** The renewal has remained completely flat with premiums the same as expiring.
- I **Storage Tank Liability:** Quoted with a 14% premium increase. Please note that UST premiums increase 15% at 6 years of age then again at 11 years and each year after 20 years of age.
- J **Terrorism Liability:** The renewal has remained completely flat with premiums the same as expiring.
- K **Terrorism Property:** Although the quote shows a 4% premium increase the carrier actually reduced the rate by 4.1%. The premium has increased as a result of the increase in TIV.
- L **Active Assailant:** We have also obtained an indication to add Active Assailant coverage to the terrorism property policy. \$1,000,000 in coverage can be added for \$15,750 additional premium. \$5,000,000 in coverage can be added for \$35,000 additional premium.



Program Structure 2018

Liability	Workers Compensation	Property Including Pumps & Fountains
<ul style="list-style-type: none"> <li>Carrier: Certain Underwriters at Lloyd's of London</li> <li>General Liability: \$650,000 per occurrence Excess Liability: per occurrence \$1M Annual Aggregate Including the following sub-limits (included in \$5 limit):                         <ul style="list-style-type: none"> <li>Special Hazard: \$4,650,000 per occurrence</li> <li>\$4,650,000 Annual Aggregate</li> <li>Structural: \$4,650,000 per occurrence \$4,650,000 Annual Aggregate</li> </ul> </li> <li>Automobile Liability: \$4,650,000 per occurrence</li> <li>Public Officers: \$4,650,000 per occurrence \$4,650,000 Annual Aggregate Including the following sub-limits:                         <ul style="list-style-type: none"> <li>Errors or Omissions: \$4,650,000 per occurrence</li> <li>Employment Practices Liability: \$4,650,000 per occurrence</li> </ul> </li> <li>Employee Benefits Liability: \$4,650,000 per occurrence \$4,650,000 Annual Aggregate</li> <li>Environmental Activities: \$50,000 per occurrence Excess limit: \$1M per occurrence \$4M Annual Aggregate Including the following sub-limit (not included in excess limit):                         <ul style="list-style-type: none"> <li>Special Hazard: \$4,650,000 per occurrence</li> <li>\$4,650,000 Annual Aggregate</li> </ul> </li> <li>Premium: \$599,678 + \$405,000 assessments</li> <li>Claims Made Coverage applies. Refer to policy for applicable retroactive date and limits</li> </ul> <p>SIR Per Occurrence \$350,000</p>	<ul style="list-style-type: none"> <li>Carrier: New York Marine General Insurance Company</li> <li>Excess Workers Compensation</li> <li>Statutory</li> <li>Employers Liability: \$1,000,000 each accident / each employee for disease or cumulative injury</li> <li>Retention: \$1,000,000</li> <li>Premium: \$188,735</li> </ul> <ul style="list-style-type: none"> <li>Carrier: Certain Underwriters at Lloyd's of London</li> <li>WCL: \$500,000 per occurrence or \$500,000 Employee Liability \$500,000 or \$500,000</li> <li>Premium: included in the Excess policy</li> </ul> <p>SIR Per Occurrence \$500,000</p>	<ul style="list-style-type: none"> <li>Carrier: Westchester Surplus Lines Limit: \$10,000,000 Includes: \$250,000 trees, shrubs and plants subject to \$1,000 maximum any one item</li> <li>Carrier: Foreman Specialty Ins. Co. Limit: \$10,000,000 Premium: \$66,475 + fees and surcharges</li> <li>Carrier: Foreman American Specialty Limit: \$5,000,000 Premium: \$38,238 + fees and surcharges Total Layer Price: \$106,188 + fees and fees</li> <li>Second Excess Property Excess of \$25MM per Occ.</li> <li>Carrier: Landmark American Insurance Company Limit: \$27,314,816 Premium: \$55,000 + fees and surcharges</li> <li>Excess Excess Layer Part of \$15MM Excess of \$10MM per Occ.</li> <li>Carrier: Evenson Insurance Company Limit: \$7,500,000 Premium: \$13,500 + fees and surcharges</li> <li>Carrier: Liberty Insurance Company Limit: \$7,500,000 Premium: \$13,500 + fees and surcharges Total Layer Price: \$220,406 + fees and fees</li> <li>Primary Property</li> <li>Carrier: Lloyd's of London Limit: \$10,000,000 in any occurrence Premium: \$635,000 + fees and surcharges</li> </ul> <p>Deductibles:</p> <ul style="list-style-type: none"> <li>\$50,000 per Occurrence all other perils</li> <li>72-hour waiting for Time Element</li> <li>\$50,000 Earthquake</li> <li>Flood \$100,000 excess maximum NFIP limit available for Special Flood Hazard Areas (Prefix A or V)</li> <li>5% of total insured values affected at per unit subject to \$250,000 per occurrence minimum and a max of \$7,500,000 flood as a result of:</li> <li>Named Windstorm</li> <li>5% of the replacement cost value of each unit of insurance as per schedule on file subject to a min deductible of \$250,000 per occurrence and a max of \$7,500,000 per occurrence in respect to Named Windstorm and Hail</li> <li>\$100,000 per occurrence All Other Windstorm or Hail</li> </ul>

# City Of Coral Gables 2018-2019

New York Marine & General Insurance Company Excess VEC and Employers Liability Coverage					Retention	
Excess Workers Compensation	Statutory	Occurrence Limit Sublimit	Aggregate Limit Sublimit	Statutory		
Excess Employers Liability	\$1,000,000			N/A	\$1,000,000	\$1,000,000
Travelers Casualty and Surety Company of America Crime Coverage					Retention	
Forgery or Alteration		Occurrence Limit Sublimit	Aggregate Limit Sublimit			
On Premises	\$1,000,000			N/A	\$25,000	\$25,000
In Transit	\$1,000,000			N/A	\$25,000	\$25,000
Money Orders and Counterfeit Money	\$50,000			N/A	\$1,000	\$1,000
Computer Fraud	\$1,000,000			N/A	\$25,000	\$25,000
Funds Transfer Fraud	\$1,000,000			N/A	\$25,000	\$25,000
Claim Expense	\$5,000			N/A	\$0	\$0
Hartford Life and Accident Insurance Company					Retention	
Business Travel Accident Coverage C-12 and C-41 Benefit (ADD)		Occurrence Limit Sublimit	Aggregate Limit Sublimit			
Rehabilitation	\$300,000		\$1,500,000		\$0	\$0
	10% of principal sum to a maximum of \$25,000		\$1,500,000		\$0	\$0
Seatbelt	10% of principal sum to a maximum of \$25,000		\$1,500,000		\$0	\$0
Medical Evacuation	Up to a combined max of \$1,000,000		\$1,500,000		\$0	\$0
Repatriation	Up to a combined max of \$1,000,000		\$1,500,000		\$0	\$0
Hartford Life Insurance Company					Retention	
Police & Fire ADD Coverage		Occurrence Limit Sublimit	Aggregate Limit Sublimit			
Hazard C-31 VL 11: Accidental Death Benefit Unlawful & Intentional Death	\$193,273			N/A	\$0	\$0
Hazard C-62 Accidental Death Benefit Unlawful & Intentional Death	\$65,042			N/A	\$0	\$0
Hazard C-64 Accidental Death Benefit Unlawful & Intentional Death	\$65,042			N/A	\$0	\$0
Commerce and Industry					Retention	
Storage Tank Liability		Occurrence Limit Sublimit	Aggregate Limit Sublimit			
Underground Storage Tank	\$1,000,000		\$2,000,000/\$4,000,000	Police, Agg	\$10,000	\$10,000
Aboveground Storage Tank	\$1,000,000		\$2,000,000/\$4,000,000	Police, Agg	\$10,000	\$10,000

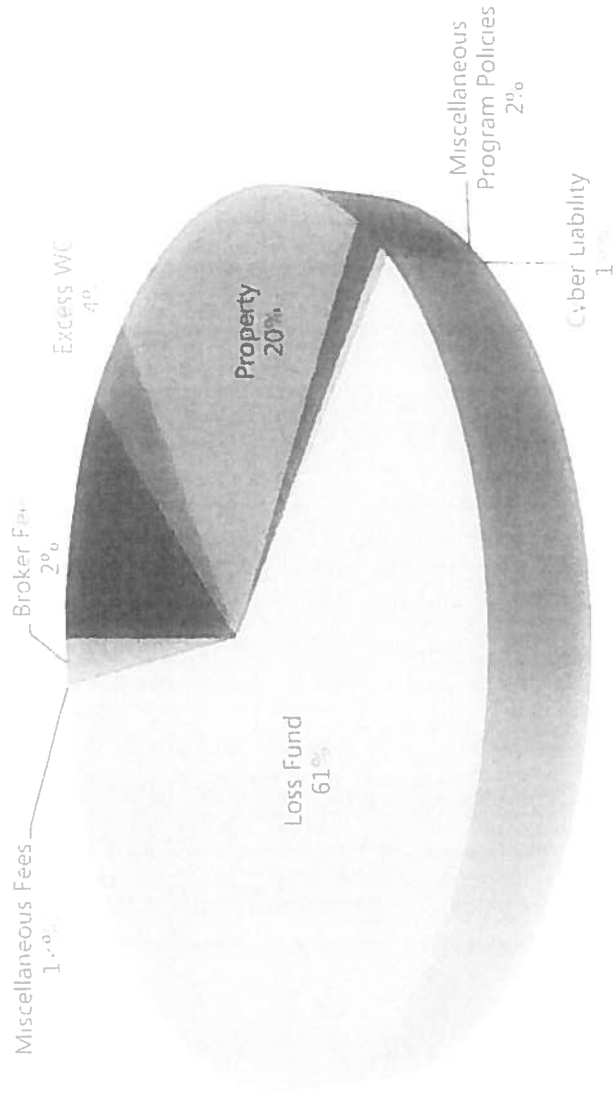
# City Of Coral Gables 2018-2019

Scottsdale Insurance Company			
Sports General Liability Coverage	Occurrence Limit/ Sublimit	Aggregate Limit/ Sublimit	Retention
Products and Completed Operations	\$ 1,000,000	N/A	\$0
Personal and Advertising Injury	\$ 1,000,000	N/A	\$0
Each Occurrence	\$ 1,000,000	N/A	\$0
Came to Premises Rented to you	\$300,000	N/A	\$0
Premises Medical Payments	\$5,000	N/A	\$0
Legal Liability to Participants	\$ 1,000,000	N/A	\$0
Crisis Response	\$25,000	\$25,000	\$0
Cyber Privacy & Client Identity Theft Supplementary Payment	\$10,000	\$1,000,000	\$0
Sexual Abuse & Molestation	\$1,000,000	\$ 1,000,000	\$0
Nationwide Life Insurance Company			
Sports - Amateur Program	Occurrence Limit/ Sublimit	Aggregate Limit/ Sublimit	Retention
Accidental Medical - Excess Limits	\$100,000	N/A	\$250
Accidental Death & Specific Loss	\$10,000	N/A	\$250
Hazard C-64 Accidental Death Benefit Unlawful & Intentional Death	\$66,042	N/A	\$0
Travelers Property and Casualty Company of America			
Equipment Breakdown	Occurrence Limit/ Sublimit	Aggregate Limit/ Sublimit	Retention
Total Limit per Breakdown	\$50,000,000	N/A	\$1,000
Dependent Property	\$10,000,000	N/A	\$1,000
Electronic Data or Media	\$5,000,000	N/A	\$1,000
Fungus, Wet Rot & Dry Rot	\$ 00,000	N/A	\$1,000
Hazardous Substance Limitation	\$ 0,000,000	N/A	\$1,000
Ordinance or Law	\$10,000,000	N/A	\$1,000

## City Of Coral Gables 2018-2019

### Total Cost Of Insurance

2018-2019



# City Of Coral Gables 2018-2019

## Premium Summary For All Incumbent Options

Policy Type	2017-2018	Includes Incumbent Options Only		Δ%
Package (Lloyds)	\$ 580,000.00	\$	605,675.00	4%
Excess WC	\$ 194,100.00	\$	188,735.00	-3%
Property*	\$ 984,906.00	\$	1,123,188.00	(10% rate increase) 14%
Boiler and Machinery	\$ 9,668.00	\$	9,636.00	-0.3%
ADD Business Travel	\$ 360.00	\$	360.00	0%
ADD Police and Fire	\$ 12,338.00	\$	12,338.00	0%
Bond Finance Director	\$ 1,138.00	\$	1,138.00	0%
Storage Tank	\$ 2,549.00	\$	2,900.00	14%
Crime	\$ 10,500.00	\$	12,070.00	15%
Sports Liability	\$ 21,006.00	\$	21,006.00	0%
ADD Sports	\$ 16,006.00	\$	16,006.00	0%
Cyber Liability**	\$ 29,639.00	\$	25,695.00	-13%
Terrorism Liability	\$ 10,000.00	\$	10,000.00	0%
Terrorism Property	\$ 13,750.00	\$	14,318.00	4%
Total without surcharges	\$ 1,885,960.00	\$	2,043,065.00	8%
EMPA	\$ 32.00	\$	32.00	0%
Total after surcharges	\$ 1,885,992.00	\$	2,043,097.00	8%
Premium Increase		\$	157,105.00	
Appraisal Grant		\$	5,800.00	
Broker Fee	\$ 120,000.00	\$	120,000.00	0%
Total Cost of Program	\$ 2,005,992.00	\$	2,163,097.00	8%

\* AN OPTION FOR PREMIUM SAVINGS \$8,188 OF SHOWN BELOW

\*\* AN OPTION FOR PREMIUM SAVINGS \$10,350 OF SHOWN BELOW

# City Of Coral Gables

## Property Premium Breakdown (All Incumbent Options)

### Incumbent

2018-2019	Carrier	Limit	Coverage	Premium	EMPA	Total
Primary	Lloyds of London	\$ 10,000,000	Incl Wind, Flood, Earthquake	\$ 635,000.00	\$ 4.00	\$ 635,004.00
1st XS Property	Ironshore Specialty Ins. Co.	\$7.5M p/o \$15M xs \$10M	Incl Wind	\$ 133,500.00	\$ 4.00	\$ 133,504.00
1st XS Property	Evanston Insurance Company	\$7.5M p/o \$15M xs \$10M	Incl Wind	\$ 133,500.00	\$ 4.00	\$ 133,504.00
2nd XS Property	Landmark American Ins. Co.	\$227,314,816 xs \$25M	AOP Only	\$ 55,000.00	\$ 4.00	\$ 55,004.00
3rd XS Property	Westchester Surplus Lines	\$ 25,000,000	Wind Only	\$ 66,475.00	\$ 4.00	\$ 66,479.00
3rd XS Property	Ironshore Specialty Ins. Co.	\$ 25,000,000	Wind Only	\$ 66,475.00	\$ 4.00	\$ 66,479.00
3rd XS Property	Endurance American Specialty	\$ 25,000,000	Wind Only	\$ 33,238.00	\$ 4.00	\$ 33,242.00
<b>Total</b>				<b>\$ 1,123,188.00</b>	<b>\$ 28.00</b>	<b>\$ 1,123,216.00</b>

## Property Premium Breakdown (Everest Option)

2018-2019	Carrier	Limit	Coverage	Premium	EMPA	Total
Primary	Lloyds of London	\$ 10,000,000	Incl Wind, Flood, Earthquake	\$ 635,000.00	\$ 4.00	\$ 635,004.00
1st XS Property	Ironshore Specialty Ins. Co.	\$7.5M p/o \$15M xs \$10M	Incl Wind	\$ 133,500.00	\$ 4.00	\$ 133,504.00
1st XS Property	Evanston Insurance Company	\$7.5M p/o \$15M xs \$10M	Incl Wind	\$ 133,500.00	\$ 4.00	\$ 133,504.00
2nd XS Property	Landmark American Ins. Co.	\$227,314,816 xs \$25M	AOP Only	\$ 55,000.00	\$ 4.00	\$ 55,004.00
3rd XS Property	Everest Indemnity Ins. Co.	\$ 25,000,000	Wind Only	\$ 158,000.00	\$ 4.00	\$ 158,004.00
<b>Total</b>				<b>\$ 1,115,000.00</b>	<b>\$ 20.00</b>	<b>\$ 1,115,020.00</b>

### NOTE:

\*Premiums above do not include TRIA except for the package which includes TRIPRA for WC



# City Of Coral Gables

## Premium Summary For Marketed Options (Recommended Options)

Policy Type	Various Carriers (Incumbent)	Various Including Everest	Δ%
Property	\$ 1,123,188.00	\$ 1,115,000	-0.73%
Policy Type	Chubb (Incumbent)	BRIT	Δ%
Cyber Liability	\$ 25,695.00	\$ 18,563.00	-29%
Policy Type	Midlands (Incumbent)	Arch	Δ%
Workers Compensation	\$ 188,735.00	\$188,802.00	0.04%

Policy Type	2017-2018		Including Cheaper Marketed Options 2018-2019		Δ%
Package (Lloyds)	\$	580,000.00	\$	605,675.00	4%
Excess WC	\$	194,100.00	\$	188,735.00	-3%
Property	\$	984,906.00	\$	1,115,000.00	13%
Boiler and Machinery	\$	9,668.00	\$	9,636.00	0%
ADD Business Travel	\$	360.00	\$	360.00	0%
ADD Police and Fire	\$	12,338.00	\$	12,338.00	0%
Bond Finance Director	\$	1,138.00	\$	1,138.00	0%
Storage Tank	\$	2,549.00	\$	2,900.00	14%
Crime	\$	10,500.00	\$	12,070.00	15%
Sports Liability	\$	21,006.00	\$	21,006.00	0%
ADD Sports	\$	16,006.00	\$	16,006.00	0%
Cyber Liability	\$	29,639.00	\$	18,563.00	-37%
			Increasing limits from \$3MM to \$5MM)		
Terrorism Liability	\$	10,000.00	\$	10,000.00	0%
Terrorism Property	\$	13,750.00	\$	14,318.00	4%
Total without surcharges	\$	1,885,960.00	\$	2,027,745.00	8%
EMPA	\$	32.00	\$	32.00	0%
Total after surcharges	\$	1,885,992.00	\$	2,027,777.00	8%
Premium Increase			\$	141,785.00	
Appraisal Grant			\$	5,800.00	
Broker Fee	\$	120,000.00	\$	120,000.00	0%
Total Cost of Program	\$	2,005,992.00	\$	2,147,777.00	7%

# City Of Coral Gables

## Commission Disclosure

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM <sup>1</sup>	COMM.% OR FEE <sup>2</sup>	WHOLESALE, MGA OR INTERMEDIARY	
				NAME <sup>3</sup>	COMM.% OR FEE <sup>4</sup> YES/NO
Public Entity Package	BRIT Lloyd's Syndicate 2987	\$605,675.00	0%	Brit Global Specialty USA	N/A No
Excess Workers Compensation	New York Marine And General Insurance Company (ProSight Specialty Group)	\$188,735.00	0%	Midlands Management Corporation	4% No
Excess Workers Compensation	Arch Insurance Group (Arch Insurance Group)	\$188,802.00	0%	N/A	N/A N/A
Property-Primary Lloyds	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	\$635,000.00	0%	AmWINS Brokerage of Florida Inc (Jacksonville)	5% No
Property-First Excess Evanson	Ironshore Specialty Insurance Company	\$133,500.00	0%	Risk Placement Services	5% Yes
Property-First Excess Liberty	Evanston Insurance Company (Market Corporation Group)	\$133,500.00	0%	Risk Placement Services	5% Yes
Property-Second Excess	Landmark American Insurance Company (Allegheny Corporation)	\$55,000.00	0%	Risk Placement Services	5% Yes
Property-Third Excess (NWS)	Westchester Surplus Lines Insurance Co (ACE Group)	\$166,188.00	0%	Risk Placement Services	5% Yes
Property-Third Excess (NWS)	Ironshore Specialty Insurance Company (Endurance American Specialty Ins Co (Endurance Specialty Insurance Ltd))	\$158,000.00	0%	Risk Placement Services	5% Yes
Property - Terrorism	Indian Harbor Insurance Company (XL Group plc)	\$14,318.00	0%	AmWINS Brokerage of Florida Inc (Jacksonville)	5% No
Liability - Terrorism	Indian Harbor Insurance Company (XL Group plc)	\$10,000.00	0%	AmWINS Brokerage of Florida Inc (Jacksonville)	5% No
Boiler & Machinery	Travelers Property Casualty Co of America (The Travelers Companies Inc)	\$9,636.00	0%	Risk Placement Services	5% Yes
Crime	Travelers Casualty and Surety Co of America (The Travelers Companies Inc)	\$12,070.00	0%	Arthur J Gallagher Itasca	5% Yes
Public Official Bond	Hartford Fire Insurance Company	\$1,138.00	0%	N/A	N/A N/A

# City Of Coral Gables

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM <sup>1</sup>	COMM.% OR FEE <sup>2</sup>	WHOLESALE, MGA OR INTERMEDIARY		
				NAME <sup>3</sup>	COMM.% OR FEE <sup>4</sup>	AJG OWNED? YES/NO
Storage Tank Liability	Commerce and Industry Insurance Company American International Group Inc	\$2 900 00	0 %	N/A	N/A	N/A
General Liability (Sports)	Scottsdale Insurance Company (Nationwide) Mutual Insurance Company	\$21 006 00	0 %	K & K Insurance Group Inc	4*	No
ADD Amateur Sports	Nationwide Life Insurance Company (Nationwide Mutual Insurance Company)	\$16 006 00	0 %	K & K Insurance Group Inc	4*	No
Cyber Liability	Federal Insurance Company (Chubb Group of Insurance Companies)	\$25 695 00	0 %	N/A	N/A	N/A
Cyber Liability	BRIT Lloyd's Syndicate 298	\$15 345 00	0 %	N/A	N/A	N/A

# City Of Coral Gables

## Exposure Comparison

	2017-2018	2018-2019	% Change
<b>Expenditures</b>	\$ 158,520,942	\$ 161,913,702	2%
<b># of Employees FT</b>	831	836	1%
<b># of Employees PT</b>	135	177	31%
<b># of Autos</b>	631	643	2%
<b>Payroll</b>	\$ 64,211,967	\$ 74,684,271	16%
<b>EMTs</b>	15	7	-53%
<b>Paramedics</b>	121	129	7%
<b>Armed Officers</b>	191	192	1%
<b>Population</b>	52,227	50,815	-3%
<b>TIV</b>	\$ 242,312,608	\$ 252,314,816	4%

	2017-2018	2018-2019	% Change
<b>Building</b>	\$ 175,515,640	\$ 184,883,000	5%
<b>Contents</b>	\$ 10,801,152	\$ 11,395,000	5%
<b>Vehicles</b>	\$ 17,714,261	\$ 17,714,261	0%
<b>Golf Carts</b>	\$ 488,214	\$ 488,214	0%
<b>BI</b>	\$ 5,285,000	\$ 5,285,000	0%
<b>EDP</b>	\$ 16,163,341	\$ 16,163,341	0%
<b>EDP EE</b>	\$ 2,000,000	\$ 2,000,000	0%
<b>Account Receivable</b>	\$ 7,400,000	\$ 7,400,000	0%
<b>Fine Arts</b>	\$ 3,500,000	\$ 3,500,000	0%
<b>Valuable Papers</b>	\$ 500,000	\$ 500,000	0%
<b>Pump Stations</b>	Included	Included	
<b>Fountains</b>	Included	Included	
<b>Seawalls &amp; Docks</b>	\$ 2,945,000	\$ 2,986,000	1%
<b>Total</b>	\$ 242,312,608	\$ 252,314,816	4%

	2017-2018	2018-2019	% Change
<b>Sports Program # of participants</b>	17,620	17,620	0%

WC Rate	2015-2016	2016-2017	2017-2018	2018-2019	Δ%
	0.3123	0.2967	0.2967	0.2510	-15%

# of Autos does not include Off the Road Equipment

# City Of Coral Gables

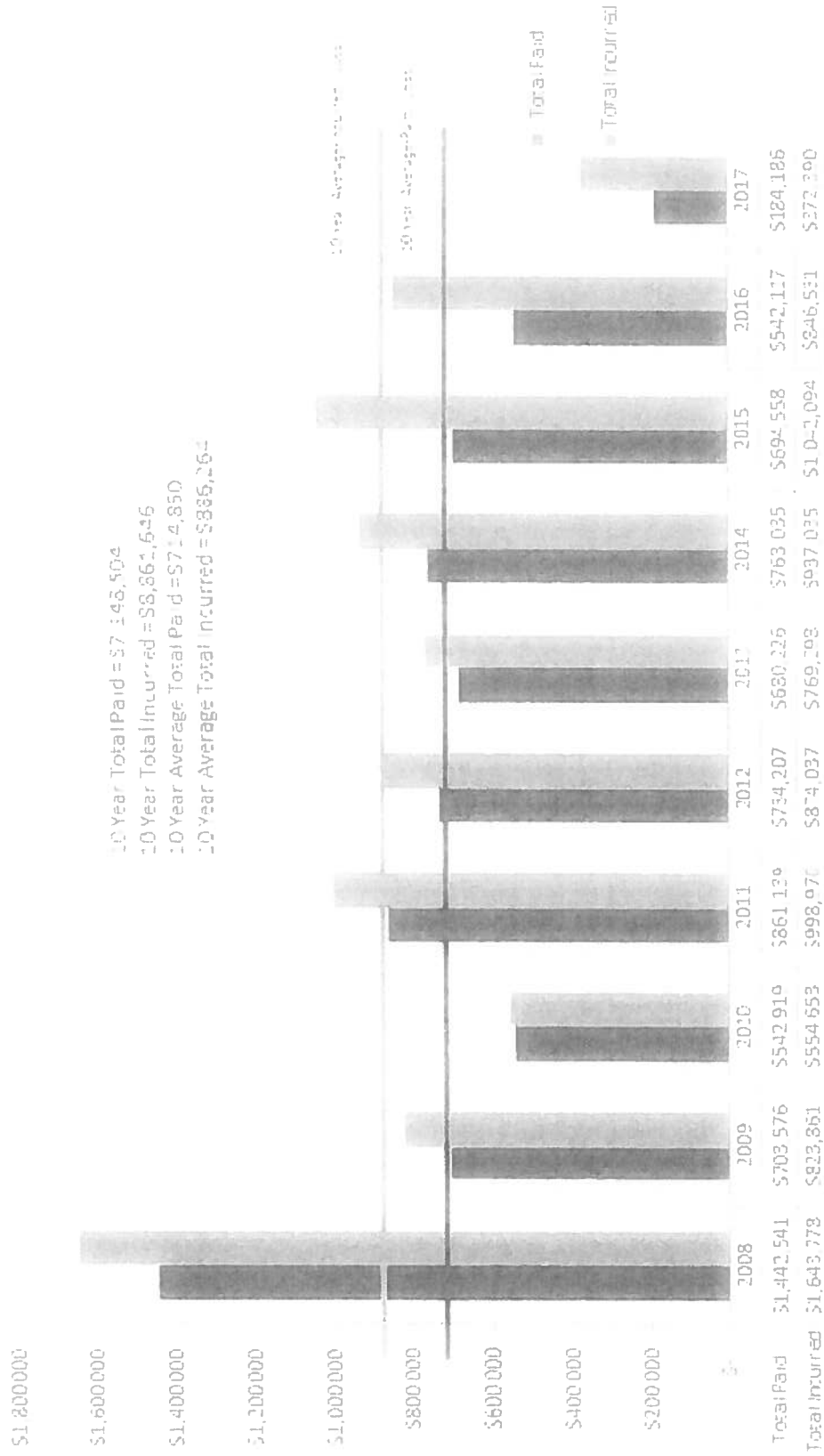
## Large Locations at Risk:

In addition to loss from a catastrophic peril such as a hurricane there is also concern for a significant loss to a single large building from a peril such as a fire or tornado. Listed below are the City's five largest buildings by total insured value. Please note that surrounding locations may represent additional values at risk.

### Top Five Valued Buildings

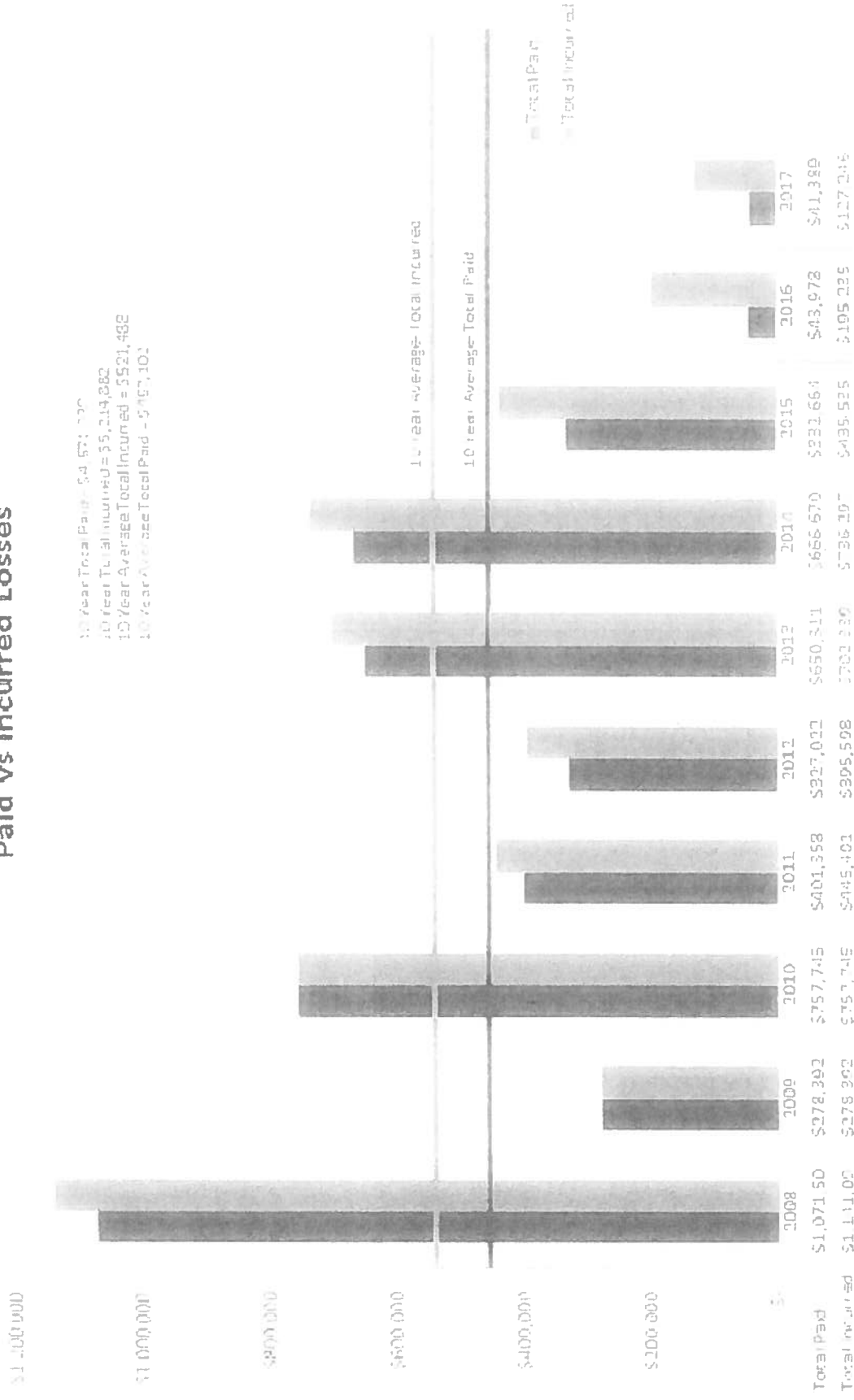
Building Name	Address	Total Insured Value
FIRE AND POLICE / CENTRAL GARAGE	2801 SALZEDO STREET	\$ 36,603,000
PARKING GARAGE 2	220 ARAGON AVENUE	\$ 20,637,000
PARKING GARAGE 6	1 ARAGON AVENUE	\$ 14,745,000
MUSEUM	235 ARAGON AVENUE	\$ 11,678,000
CITY HALL	405 BILTMORE WAY	\$ 11,201,000

# 10 Year WC Loss Summary- All WC Claims Paid vs Incurred Losses



# City Of Coral Gables

## 10 Year Liability Loss Summary Paid vs Incurred Losses







# **EXHIBIT 2**

**CITY OF CORAL GABLES, FLORIDA**

**RESOLUTION NO. 2018-206 (AS AMENDED)**

A RESOLUTION OF THE CITY COMMISSION AUTHORIZING THE CITY MANAGER TO RENEW THE MEDICAL INSURANCE PLAN WITH FLORIDA BLUE WITH AN OVERALL COST DECREASE OF APPROXIMATELY 2% FROM LAST YEAR FOR AN ADDITIONAL ONE-YEAR TERM, EFFECTIVE OCTOBER 1, 2018; FURTHER AUTHORIZING THE RENEWAL OF THE FLORIDA COMBINED LIFE DENTAL PLAN), FURTHER AUTHORIZING THE RENEWAL OF THE HUMANA VISION (WITH NO PREMIUM INCREASE GUARANTEED FOR 24 MONTHS THROUGH SEPTEMBER 30, 2020) AND THE UNUM LIFE AND AD&D INSURANCE PLANS (WITH NO PREMIUM INCREASE GUARANTEED FOR 12 MONTHS), EFFECTIVE OCTOBER 1, 2018 (FUNDING SOURCE: INSURANCE FUND).

**BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:**


**SECTION 1.** That the City Commission does hereby authorize the City Manager to approve the renewal of the medical insurance plan with Florida Blue for an additional one-year term, effective October 1, 2018; further authorizing the renewal of the Florida Combined Life dental plan, the Humana vision for an additional two-year term effective October 1, 2018 and the UNUM life and AD&D insurances for an additional one-year term, effective October 1, 2018.

**SECTION 2.** That said Resolution shall become effective upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS TENTH DAY OF JULY, A.D., 2018.

(Moved: Quesada / Seconded: Lago)  
(Yeas: Quesada, Keon, Lago, Mena, Valdes-Fauli)  
(Unanimous: 5-0 Vote)  
(Agenda Item: J-18)

ATTEST:

  
WALTER J. FOEMAN  
CITY CLERK

APPROVED:

  
RAUL VALDES-FAULI  
MAYOR

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

  
MIRIAM SOLER RAMOS  
CITY ATTORNEY

## Davis, Yolande

---

**From:** Suarez, Cristina  
**Sent:** Monday, August 06, 2018 3:33 PM  
**To:** Davis, Yolande  
**Cc:** Ramos, Miriam; Green, Karla; Ingersoll, Kenneth  
**Subject:** R. 2018-206  
**Attachments:** img-803110927-0001.pdf

Yoli:

We have been advised by the Human Resources Department that there is a scrivener's error in Resolution No. 2018-206 that must be corrected. Specifically, the title of the resolution must be corrected to insert the word "approximately" before "2%." The City Attorney has been granted express authority to make corrections to resolutions under Sec. 2-252(9) of the City Code.

Thus, please prepare an "Amended" resolution that includes the corrected title and process for signatures.

Thank you,  
Cristina

**Cristina M. Suárez**  
**Deputy City Attorney & City Prosecutor**  
City of Coral Gables  
405 Biltmore Way, 3rd Floor  
Coral Gables, Florida 33134  
Main Phone: (305) 460-5218  
**Direct Dial: (305) 476-7231**  
Email: [csuarez@coralgables.com](mailto:csuarez@coralgables.com)



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**City of Coral Gables**  
**CITY COMMISSION MEETING**  
**July 10, 2018**

**ITEM TITLE:**

A resolution authorizing the City Manager to renew the medical insurance plan with Florida Blue with an overall cost decrease of 2% from the previous year for an additional one-year term effective October 1, 2018; further authorizing the renewal of Florida Combined Life Dental Insurance (with no premium increase for the DHMO and PPO Plan) and the UNUM Life and AD&D insurance plans (with no premium increase guaranteed for 12 months), effective October 1, 2018.

**ACTION REQUESTED BY THE BOARD/COMMITTEE:**

The Insurance Advisory Committee is recommending that the City renew the medical insurance plan with Florida Blue for an additional one-year term, effective October 1, 2018, renew the Florida Combined Dental Insurance; renew UNUM Life and AD&D insurance plan.

**DEPARTMENT HEAD RECOMMENDATION:**

Approval

**BRIEF HISTORY:**

In 2014 the City issued an RFP for group health insurance, dental insurance and vision insurance. Florida Blue was selected to provide group health insurance, Florida Combined was selected for dental insurance, Humana was selected for vision, and UNUM was selected for life and AD & D insurances.

The Florida Blue group health renewal provides a decrease of 2% and will be providing the City with \$50,000 in wellness monies. The Florida Combined Life dental renewal, which is composed of 2 dental plans, has a 0% increase for the DHMO and PPO. The UNUM life and AD & D insurances will renew with no premium increase. Therefore, the monthly insurance rates will be as follow:

<b>HMO BLUECARE 57</b>	<b>FLORIDA BLUE PREMIUM</b>	<b>CITY SUBSIDY</b>	<b>EMPLOYEE MONTHLY COST</b>
Employee	\$780.52	\$780.52	\$-
Employee + Spouse	\$1,348.73	\$780.52 + \$284.33	<b>\$283.88</b>
Employee + Child(ren)	\$1,220.74	\$780.52 + \$202.28	<b>\$237.94</b>
Employee + Family	\$1,572.93	\$780.52 + \$404.23	<b>\$388.18</b>

*(Please note that there are 400 active employees in the HMO 57 plan and 28 retirees.)*

<b>HMO BLUECARE 56</b>	<b>FLORIDA BLUE PREMIUM</b>	<b>CITY SUBSIDY</b>	<b>EMPLOYEE MONTHLY COST</b>
Employee	\$920.60	\$780.52	<b>\$140.08</b>
Employee + Spouse	\$1,590.79	\$780.52 + \$284.33	<b>\$525.94</b>
Employee + Child(ren)	\$1,392.77	\$780.52 + \$202.28	<b>\$409.97</b>
Employee + Family	\$1,873.41	\$780.52 + \$404.23	<b>\$688.66</b>

*(Please note there are 9 employees in the HMO Bluecare 56 plan and 1 retiree.)*

<b>PPO BLUEOPTIONS</b>	<b>FLORIDA BLUE PREMIUM</b>	<b>CITY SUBSIDY</b>	<b><u>EMPLOYEE</u> <u>MONTHLY COST</u></b>
Employee	\$1,034.46	\$780.52	<b>\$253.94</b>
Employee + Spouse	\$1,787.54	\$780.52 + \$284.33	<b>\$722.69</b>
Employee + Child(ren)	\$1,618.70	\$780.52 + \$202.28	<b>\$635.90</b>
Employee + Family	\$2,105.11	\$780.52 + \$404.23	<b>\$920.36</b>

*(Please note there are 12 employees in the PPO Blueoptions plan and 4 retirees.)*

<b>FLORIDA COMBINED LIFE DENTAL INSURANCE</b>	<b>PRE-PAID (DHMO)</b>	<b>PPO</b>
Employee	\$ 13.14	\$ 50.27
Employee + Spouse	\$ 27.01	\$ 102.47
Employee + Child(ren)	\$ 21.82	\$ 91.20
Employee + Family	\$ 38.22	\$ 124.96

*(Please note that there are 251 employees in the DHMO and 46 retirees. There are 96 employees in the PPO and 22 retirees.)*

#### **UNUM LIFE AND AD&D**

Life Insurance - \$0.127 \$1000

AD&D - \$0.03 \$1000

*(Please note that the City pays for 786 employees for Life insurance and for 453 employees for AD & D.)*

#### **FINANCIAL INFORMATION: (If Applicable)**

<b>No.</b>	<b>Amount</b>	<b>Account No.</b>	<b>Source of Funds</b>
1.	Not to exceed budgeted funds	540-0000-590-4550	Insurance Fund

**APPROVED BY:**

#### **APPROVED BY:**

<b>Department Director</b>	<b>City Attorney (If Applicable)</b>	<b>City Manager</b>

#### **Attachments:**

1. Resolution
2. Bob Shafer - Digital Benefit Advisors - Renewal Summary



## City of Coral Gables

Insurance Advisory Committee

June 2018



## The City of Coral Gables

### Employee Benefit Renewal Summary October 1, 2018

#### Florida Blue – Health Insurance

The City's premium rates will decrease by -2% with no plan changes. Florida Blue will also include a \$50,000 wellness contribution. These new rates are guaranteed for 12 months. This follows a \$535,013 Profit Sharing Contribution received as part of the ProShare Agreement that is in place.

#### Florida Combined – Dental Insurance

The city has two voluntary dental plans, a PPO plan and the DHMO plan. Florida Combined is showing a rate pass with the current rates guaranteed for another 12 months. The City is exploring an upgrade in the DHMO benefits for inclusion at the upcoming anniversary date.

#### Humana – Voluntary Vision

The voluntary vision plan will renew with no plan change or rate change. These rates are guaranteed for 24 months (*through September 30, 2020*).

#### UNUM – Life and AD&D

The renewal from UNUM has not been confirmed; however, we expect to receive notification shortly.



# City of Coral Gables

Insurance Advisory Committee

Florida Blue Renewal Information

## City of Coral Gables

### Health Insurance Paid Claim Experience

#### Florida Blue

<u>Month</u>	<u>Employees</u>	<u>Premium</u>	<u>Paid Claims</u>		<u>Total Claims</u>
			<u>Medical</u>	<u>Rx</u>	
October 2014	444	\$ 376,761	\$ 2,264	\$ 22,906	\$ 25,170
November	442	376,295	122,851	33,195	156,046
December	443	372,463	279,981	48,174	328,155
January 2015	446	372,834	244,462	27,513	271,975
February	444	382,531	475,500	32,354	507,854
March	445	371,974	260,169	31,636	291,805
April	447	372,504	252,787	60,116	312,903
May	447	374,433	310,187	35,875	346,062
June	446	374,150	255,158	26,478	281,636
July	448	376,264	374,414	39,880	414,295
August	449	379,647	255,223	32,989	288,212
September	448	377,882	279,605	52,756	332,361
Total		\$4,507,736	\$3,112,603	\$443,874	\$ 3,556,477
			Average Claim per employee		\$ 664.89
			Loss Ratio		78.9%

#### Florida Blue

<u>Month</u>	<u>Employees</u>	<u>Premium</u>	<u>Paid Claims</u>		<u>Total Claims</u>
			<u>Medical</u>	<u>Rx</u>	
October 2015	446	\$ 425,561	\$ 323,945	\$ 24,997	\$ 348,942
November	445	428,923	251,237	49,076	300,313
December	449	417,907	291,485	53,965	345,450
January 2016	454	432,319	216,684	40,605	257,289
February	455	414,847	202,614	31,960	234,575
March	455	423,404	217,683	50,327	268,009
April	455	417,153	276,834	34,915	311,749
May	451	435,095	296,444	44,445	340,889
June	450	421,505	207,634	42,180	249,813
July	451	429,609	183,451	30,214	213,665
August	447	419,916	183,814	69,401	253,215
September	452	423,039	166,694	32,935	199,629
Total		\$5,089,277	\$2,818,518	\$505,020	\$ 3,323,538
			Average Claim per employee		\$ 614.33
			Loss Ratio		65.3%

## City of Coral Gables

### Health Insurance Paid Claim Experience

#### Florida Blue

<u>Month</u>	<u>Employees</u>	<u>Premium</u>	<u>Paid Claims</u>		<u>Total Claims</u>
			<u>Medical</u>	<u>Rx</u>	
October 2016	463	\$ 458,230	\$ 330,381	\$ 38,994	\$ 369,375
November	464	463,269	189,442	45,471	234,913
December	465	456,882	276,091	49,443	325,534
January 2017	462	470,370	258,405	39,037	297,442
February	465	456,262	379,138	37,227	416,365
March	467	457,498	193,247	52,429	245,676
April	466	462,787	299,192	39,079	338,271
May	461	464,906	195,451	55,791	251,242
June	463	452,044	233,002	33,760	266,762
July	465	461,412	159,018	42,650	201,668
August	462	461,412	240,905	55,246	296,151
September	462	451,462	310,435	47,938	358,373
Total		\$5,516,534	\$3,064,707	\$537,065	\$ 3,601,772
			Average Claim per employee		\$ 647.22
			Loss Ratio		65.3%

#### Florida Blue

<u>Month</u>	<u>Employees</u>	<u>Premium</u>	<u>Paid Claims</u>		<u>Total Claims</u>
			<u>Medical</u>	<u>Rx</u>	
October 2017	458	\$ 453,072	\$ 259,018	\$ 50,523	\$ 309,541
November	458	445,439	338,120	41,689	379,809
December	461	445,876	272,505	40,464	312,969
January 2018	458	454,142	444,900	53,628	498,528
February	456	440,093	222,244	45,783	268,027
March	455	441,454	365,394	28,987	394,381
April	457	441,584	523,923	38,295	562,218
May	458	446,672	296,965	59,417	356,382
Total		\$3,568,332	\$2,723,069	\$358,786	\$ 3,081,855
			Average Claim per employee		\$ 841.81
			Loss Ratio		86.4%

# City of Coral Gables

Health Insurance Paid Claim Experience  
Most Recent 24 Months

## Florida Blue

<u>Month</u>	<u>Employees</u>	<u>Premium</u>	<u>Paid Claims</u>		<u>Total Claims</u>
			<u>Medical</u>	<u>Rx</u>	
June 2016	450	\$ 421,505	\$ 207,634	\$ 42,180	\$ 249,813
July	451	429,609	183,451	30,214	213,665
August	447	419,916	183,814	69,401	253,215
September	452	423,039	166,694	32,935	199,629
October	463	458,230	330,381	38,994	369,375
November	464	463,269	189,442	45,471	234,913
December	465	456,882	276,091	49,443	325,534
January 2017	462	470,370	258,405	39,037	297,442
February	465	456,262	379,138	37,227	416,365
March	467	457,498	193,247	52,429	245,676
April	466	462,787	299,192	39,079	338,271
May	461	464,906	195,451	55,791	251,242
Total		\$ 5,384,274	\$2,862,939	\$ 532,201	\$ 3,395,140
			Average Claim per employee		\$ 615.84
			Loss Ratio		63.1%

## Florida Blue

<u>Month</u>	<u>Employees</u>	<u>Premium</u>	<u>Paid Claims</u>		<u>Total Claims</u>
			<u>Medical</u>	<u>Rx</u>	
June 2017	463	\$ 452,044	\$ 233,002	\$ 33,760	\$ 266,762
July	465	461,412	159,018	42,650	201,668
August	462	461,412	240,905	55,246	296,151
September	462	451,462	310,435	47,938	358,373
October	458	453,072	259,018	50,523	309,541
November	458	445,439	338,120	41,689	379,809
December	461	445,876	272,505	40,464	312,969
January 2018	458	454,142	444,900	53,628	498,528
February	456	440,093	222,244	45,783	268,027
March	455	441,454	365,394	28,987	394,381
April	457	441,584	523,923	38,295	562,218
May	458	446,672	296,965	59,417	356,382
Total		\$ 5,394,662	\$3,666,429	\$ 538,380	\$ 4,204,809
			Average Claim per employee		\$ 762.71
			Loss Ratio		77.9%

### City of Coral Gables

Health Insurance Paid Claim Experience

Renewal Period

Florida Blue

<u>Month</u>	<u>Employees</u>	<u>Premium</u>	<u>Paid Claims</u>		<u>Total Claims</u>
			<u>Medical</u>	<u>Rx</u>	
April	455	\$ 417,153	\$ 276,834	\$ 34,915	\$ 311,749
May	451	435,095	296,444	44,445	340,889
June	450	421,505	207,634	42,180	249,813
July	451	429,609	183,451	30,214	213,665
August	447	419,916	183,814	69,401	253,215
September	452	423,039	166,694	32,935	199,629
October 2016	463	458,230	330,381	38,994	369,375
November	464	463,269	189,442	45,471	234,913
December	465	456,882	276,091	49,443	325,534
January 2017	462	470,370	258,405	39,037	297,442
February	465	456,262	379,138	37,227	416,365
March	467	457,498	193,247	52,429	245,676
Total		\$5,308,829	\$2,941,574	\$516,691	\$ 3,458,265
			Average Claim per employee		\$ 629.69
			Loss Ratio		65.1%

Florida Blue

<u>Month</u>	<u>Employees</u>	<u>Premium</u>	<u>Paid Claims</u>		<u>Total Claims</u>
			<u>Medical</u>	<u>Rx</u>	
April	466	\$ 462,787	\$ 299,192	\$ 39,079	\$ 338,271
May	461	464,906	195,451	55,791	251,242
June	463	452,044	233,002	33,760	266,762
July	465	461,412	159,018	42,650	201,668
August	462	461,412	240,905	55,246	296,151
September	462	451,462	310,435	47,938	358,373
October 2017	458	453,072	259,018	50,523	309,541
November	458	445,439	338,120	41,689	379,809
December	461	445,876	272,505	40,464	312,969
January 2018	458	454,142	444,900	53,628	498,528
February	456	440,093	222,244	45,783	268,027
March	455	441,454	365,394	28,987	394,381
Total		\$5,434,099	\$3,340,184	\$535,538	\$ 3,875,722
			Average Claim per employee		\$ 701.49
			Loss Ratio		71.3%



# City of Coral Gables

Insurance Advisory Committee

Florida Combined Renewal Information





# Florida Combined Life

An Independent Licensee of the  
Blue Cross and Blue Shield Association

May 31, 2018

Michelle Mendizabal  
City of Coral Gables  
2801 Salzedo Street, Suite 200  
Coral Gables, FL, 33134

RE: Group Policy Number:  
159L92  
26550

Renewal Date: October 01, 2019

Dear Michelle Mendizabal :

Thank you for choosing Florida Combined Life Insurance Company, Inc. for your group Dental Insurance benefits. We value you as a customer and appreciate your business.

Your Group Dental Insurance Plan is about to renew. We have completed our annual review of your coverage with FCL, taking into account a variety of factors that affect rate development. After careful consideration and analysis, we have established your renewal rates for the next plan year. Your current and renewal rates are shown below. The renewal rates will take effect on your renewal date and are guaranteed for the following 12 months, subject to the terms and conditions of your group contract.

## BlueDental Choice Plus Voluntary 159L92

	Current Rates	New Rates
Employee	\$ 50.27	\$ 50.27
Employee + Spouse	\$ 102.47	\$ 102.47
Employee + Child(ren)	\$ 91.20	\$ 91.20
Family	\$ 124.96	\$ 124.96

## BlueDental Care PS220 26550

	Current Rates	New Rates
Employee	\$ 13.14	\$ 13.14
Employee + Spouse	\$ 27.01	\$ 27.01
Employee + Child(ren)	\$ 21.82	\$ 21.82
Family	\$ 38.22	\$ 38.22

We look forward to continuing our relationship well into the future. Should you have any questions regarding this letter, please contact your local Florida Blue representative or telephone our office at 1-800-772-8244.

Sincerely,

Debra Keller

Post Office Box 45132 • Jacksonville, FL 32232



# City of Coral Gables

Insurance Advisory Committee

Humana Renewal Information



City of Coral Gables

Group 621075

Effective date: October 1, 2018

Your current and new vision rates

Renewal rates guaranteed through: September 30, 2020

Current Plan Description (Discontinued*)	New Plan Description	Coverage Type	Enrollment	Current Monthly Rates	New Monthly Rates
<b>Plan 1</b>					
VCP Voluntary, \$20/\$20 In Network Exam/Material Copay, \$45 In Network Frame Allowance, \$110 In Network Contact Lens Allowance, 12/12/24 Exam/Lens or Contact Lens/Frame Frequency Limitation	Humana Vision Plan Voluntary, \$10/\$25 In Network Exam/Material Copay, \$100 In Network Frame Allowance, \$100 In Network Contact Lens Allowance, 12/12/24 Exam/Lens or Contact Lens/Frame Frequency	Employee Only:	173	\$4.99	\$4.99
		Employee & Spouse:	26	\$9.97	\$9.97
		Employee & Child(ren):	28	\$9.48	\$9.48
		Employee & Family:	27	\$14.89	\$14.89
		<b>Total</b>	254	\$1,790	\$1,790

\*You should have received a letter from Humana notifying you that your current plan is discontinued

#### Humana Vision

It needs to be easy for your employees to get the vision care they need. At home or on the road, your employees will find a provider with convenient hours and locations. And they'll receive substantial savings on eye wear and exams when they visit network providers.

It's important your employees keep their eyes healthy and get routine care. Exams can help prevent vision loss, but also detect more serious diseases in the body such as diabetes, hypertension, multiple sclerosis, and brain tumors.

Humana Vision plans encourage prevention, early diagnosis, and treatment, helping employees stay healthy and possibly prevent permanent vision loss.

Humana group vision plans are offered by Humana Insurance Company, HumanaDental Insurance Company, Humana Health Benefit Plan of Louisiana, Humana Insurance Company of Kentucky, Humana Insurance Company of New York, CompBenefits Insurance Company, CompBenefits Company, or The Dental Concern, Inc.

City of Coral Gables  
Humana Vision Plan  
Renewal – October 1, 2018

The vision plan is being enhanced with the following new benefits:

- Contact Lens Exam Fit and Follow Up - (also known as the Contact Exam) currently not covered, now new enhanced benefit will cover additionally up to \$55 for the contact fit and follow up exam
- Frame Allowance – Enhanced plan benefit from \$45 wholesale frame allowance benefit, enhanced to new Retail Frame Allowance of \$100 dollars and 20% off balance over \$100. The new retail frame allowance will ensure our members know their frame benefit without any guesswork the previous wholesale allowance.
- Diabetic Eye Care – Diabetic Care (Care and testing for diabetic members) – currently not covered, now new enhanced benefit will cover additional extra benefit care for Diabetic members; new benefit will cover Exam, Retinal imaging, Extended ophthalmoscopy, Gonioscopy, Scanning laser (Up to 2 additional services per benefit year for each listed service)
- Premium Progressive Lenses Copay Option
- Vision network counts with over 75,000 contracted providers nationwide, including private optometrist offices and major retailers like LensCrafters, Pearle Vision, Target Optical, Sears Optical, and JCPenney Optical.
- LASIK / PRK Surgery Benefit Plan - Lasik Benefit of 15 percent off retail price or 5 percent off promotional price for LASIK or PRK from the US Laser Network, owned and operated by LCA Vision
- Glasses.com – Online access to fully request and obtain their frames and lenses utilizing the in-network plan benefits
- Contacts.com– Online access to fully request and obtain their contact lenses utilizing the in-network plan benefits
- Safety Glasses Benefit Coverage -Includes Safety Frames, Lenses, Single vision, Bifocal, Trifocal, Standard and Premium Progressive lenses, Polycarbonate, UV Coating, and much more
- Quarterly Vision Wellness Webinar meetings for all employees to increase Vision wellness awareness and plan benefit offering

## City of Coral Gables

Florida Blue Renewal Premiums 10-1-2018  
Health Insurance Coverage

	<u>HMO 57</u>	<u>HMO 56</u>	<u>BlueOptions Plan 03559</u>
Current Rates:			
EE	\$796.13	\$939.01	\$1,055.15
E+Sp	\$1,375.70	\$1,622.61	\$1,823.29
E+Ch	\$1,245.15	\$1,420.63	\$1,651.07
E+Fam	\$1,620.12	\$1,910.88	\$2,147.21
Renewal Rates:			
EE	\$780.52	\$920.60	\$1,034.46
E+Sp	\$1,348.73	\$1,590.79	\$1,787.54
E+Ch	\$1,220.74	\$1,392.77	\$1,618.70
E+Fam	\$1,572.93	\$1,873.41	\$2,105.11



November 26, 2018

David J. Ruiz  
Risk Manager JD CPCU  
City of Coral Gables  
2801 Salzedo Street, 2nd Floor  
Coral Gables FL 33134

Dear Mr. Ruiz:

Duff & Phelps, LLC ("Duff & Phelps"), will provide City of Coral Gables ("City of Coral Gables" or "City") the appraisal services described within this agreement and the Exhibits attached hereto (collectively the "Agreement").

## Purpose of the Engagement

The purpose of this engagement is to provide City of Coral Gables a property insurance appraisal for City of Coral Gables use in connection with its internal analysis of its insurance needs with respect to the identified property. Our analysis will be dated as of the last day of our site inspection. Our opinion is intended to assist City of Coral Gables in making informed business decisions, it is not a recommendation. Any decisions relating to insurance coverage shall remain City of Coral Gables responsibility and be made solely at its discretion.

## Engagement Scope

We will research and report the insurable value (our "Opinion") of certain City of Coral Gables property.

### *Description of Identified Property*

The property is located at various sites as identified by City of Coral Gables in the Property Schedule (Exhibit B).

These property classifications will be included in the engagement:

- 1) Buildings, including 11 buildings
- 2) Personal property

The personal property consists of the following:

- Machinery and equipment
- Office furniture, fixtures, and office equipment

Assets not identified above will be excluded from the engagement.

If City of Coral Gables insurance policy excludes coverage of specific property classifications, in part or whole, City of Coral Gables should notify us in writing prior to beginning the engagement if those assets should be excluded.

PSA 2018-031

We will work with City of Coral Gables during the engagement to further refine the scope of the identified property to be included in the engagement, if applicable. Depending on the nature and extent of changes in the scope of the engagement we may need to revise our fee.

### ***Definition of Insurable Value***

We will develop our opinion of insurable value as cost of reproduction new ("CRN"), defined as the estimated amount required to reproduce a duplicate or a replica of the entire property at one time, in like kind and materials, in accordance with current market prices for materials, labor, and manufactured equipment; contractors' overhead and profit; and fees, but without provision for overtime, bonuses for labor, or premiums for material or equipment. CRN, as defined, is synonymous with the insurance-industry term "replacement cost new."

In estimating insurable value, we will allow for national building codes; however, we will not consider any construction codes imposed by state or local municipalities, ordinances, or other legal restrictions, nor will we consider the cost of demolition in connection with reconstruction or the cost of removal of destroyed property.

### ***Valuation Methodology***

Our appraisal will rely solely on the cost approach because the market and income approaches are not applicable for the purpose of this engagement.

### ***Scope of Work***

We anticipate this engagement will include the following:

#### **Buildings**

We will utilize a full-scope segregated cost approach including an inspection of each building to identify construction data that will be used in the valuation process. During inspection of the premises, we will calculate each building's area and perimeter by measuring the structure or through an analysis of the as-built blueprints; identify and record data of the major construction components (type of structure, walls, roof, etc.); determine the construction class; record data of major service systems (electrical, plumbing, security, elevators, heating, ventilation, cooling, etc.); photograph the building; and record the GPS coordinates. The insurable value of each building and the related construction, occupancy, protection, and exposure data obtained during the inspection will be reported on an itemized basis.

#### **Personal Property**

We will develop an opinion of the insurable value of personal property through use of a modeling approach, which relies on our proprietary database containing data from thousands of detailed equipment inventories we have performed. The model develops the insurable value of each building's personal property on the basis of building occupancy and square footage. The model can be altered to account for above- or below-average density of personal property. A single insurable value will be reported for each building's personal property.



## Terms and Conditions

This Agreement is subject to and incorporates the **Terms and Conditions** attached as **Exhibit A**.

## Fee

The fee is \$8,500 including expenses, and will be invoiced as follows:

- \$8,500 upon authorization of the engagement

This fee includes issuing the deliverables below and responding to customary questions from City of Coral Gables and its insurance brokers or advisors. Additional fee will be required for an increase in engagement scope or involvement in subsequent reviews beyond the customary work effort.

City of Coral Gables may cancel this engagement at any time and will only be obligated for fees and expenses incurred. Our fee is not contingent on our Opinion or any subsequent event related to it.

## Timing and Deliverables

This engagement will require cooperation, access, and timely receipt of requested information from management of City of Coral Gables. Assuming this Agreement is signed, no later than November 30, 2018 and all requested information is received and access to the identified locations provided, we will begin our analyses and deliver our Draft report by January 10, 2018.

The report will be provided in electronic format and will present our Opinion and related narrative discussion of the supporting analyses and assumptions, along with appropriate exhibits. Additional relevant information and analyses considered in our Opinion will be retained in our work files.

## Conclusion

We appreciate the opportunity to serve City of Coral Gables. To authorize, please sign below and return the full executed copy to david.jones@duffandphelps.com. This Agreement shall remain valid for signature for 30 days. Please contact David Jones at 678 916 2575 with any questions.

Sincerely,



Bradley Schulz  
Managing Director


Client of Record:  
City of Coral Gables

Signature

Name

Title:

Date:



Reginald Elejabarrieta  
Director of Labor Relations  
11-29-18

Approved as to form and legal sufficiency



Stephanie Moore Throckmorton  
Assistant City Attorney

## Exhibit A – Terms and Conditions

**Entire Agreement** – This is the entire Agreement between Duff & Phelps and City of Coral Gables and supersedes any prior oral or written agreements. This Agreement may only be modified in writing signed by both parties. Any purchase order covering this engagement is only for City of Coral Gables internal needs and shall not modify this Agreement.

**Fees** – Duff & Phelps' invoices are payable upon receipt. If payment of any invoice is not received within 45 days of the invoice date, Duff & Phelps shall be entitled, without prejudice to any other rights that it may have, to suspend services until all sums due are paid in full. In the event that Duff & Phelps is required to initiate a lawsuit or hire attorneys to collect any past due amounts, in addition to any other rights and remedies available, it shall be entitled to reimbursement of attorneys' fees and other costs of collection.

**Limited Use and Reliance** – City of Coral Gables is the sole intended user of Duff & Phelps' report or other work product. City of Coral Gables may disclose an informational copy of the report or other work product to its audit, tax, legal, or insurance professionals acting in an advisory capacity in connection with the purpose of this engagement. No third party shall have the right of reliance on the report, and neither receipt nor possession of the report by any third party shall create any express or implied third-party beneficiary rights.

**Confidentiality** – Duff & Phelps shall maintain the confidentiality of City of Coral Gables information and will not disclose or use it for any purpose other than in connection with this engagement. This excludes information (i) available to the public, (ii) already in Duff & Phelps' possession, or (iii) received from a party having no confidentiality obligation to City of Coral Gables. Duff & Phelps may include City of Coral Gables name and logo in its client list.

**Public Records** – Records subject to the provisions of Public Record Law, Florida Statutes Chapter 119, shall be kept and maintained in accordance with such Statute. Duff & Phelps acknowledges that records and books, not subject to exemption under Chapter 119, may be disclosed and/or produced to third parties by the City in accordance with requests submitted under Chapter 119 or court orders without penalty or reprisal to the City for such disclosure and/or productions. Duff & Phelps also agrees to assert, in good faith, any relevant exemptions provided for under Chapter 119 for records in its possession on behalf of the City. Furthermore, Duff & Phelps agrees to comply with the provisions outlined in Section 119.0701 of the Florida Statutes, the requirements of which are incorporated by reference herein.

**If Duff & Phelps has questions regarding the application of Chapter 119, Florida Statutes, to the contractor's duty to provide public records relating to this contract, contact the custodian of public records at 305-460-5210, [cityclerk@coralgables.com](mailto:cityclerk@coralgables.com), 405 Biltmore Way, 1<sup>st</sup> Fl, Coral Gables, FL 33134.**

**Engagement Limits** – Duff & Phelps' work may only be used for the specific purpose or premise of value stated in this Agreement and the work product. City of Coral Gables shall not reference Duff & Phelps or its work in any public filing or other materials distributed to actual or prospective shareholders, investors, financing parties, or similar third parties without Duff & Phelps' prior written consent.

**Independent Contractor** – Duff & Phelps shall perform as an independent contractor, with no authority to bind or obligate City of Coral Gables in any way.

**Retention** – All files, documents, and work papers received, created, or developed during the engagement will be retained for professional recordkeeping and legal/regulatory compliance purposes, all in accordance with Duff & Phelps' document retention policy. If required by applicable law to disclose any of the documents, Duff & Phelps will, unless legally prohibited, notify City of Coral Gables so it may seek a protective order at its discretion.

**Indemnification** – City of Coral Gables shall indemnify and hold harmless Duff & Phelps and its affiliates, including each of their respective employees, from and against any and all liabilities, losses, costs, and reasonable expenses, including, but not limited to, reasonable legal fees and expenses and billable hours of client service personnel, which are (i) incurred in responding to subpoenas, discovery, or other similar inquiries associated with or arising from the engagement or (ii) arising from or relating to third-party claims based on reliance or purported reliance on Duff & Phelps' work product or other alleged loss or damage caused to or alleged by any nonclient entity arising from unauthorized access to or reliance upon Duff & Phelps' work product. The foregoing indemnification obligations shall not apply in the event that a court of competent jurisdiction finally determines that such claims resulted directly from the gross negligence, willful misconduct, or fraudulent acts of Duff & Phelps.

**Limitation of Liability** – In no event shall Duff & Phelps be liable to City of Coral Gables (or any person claiming through City of Coral Gables) under this Agreement, under any legal theory, for any amount in excess of the total professional fees paid by City of Coral Gables to Duff & Phelps in connection with this engagement, except to the extent such liability is directly caused by Duff & Phelps' gross negligence, fraud, or willful misconduct. The foregoing limitation of liability shall not apply to liabilities that arise from personal injury or property damage resulting primarily from Duff & Phelps' negligence or willful misconduct. In no event shall Duff & Phelps be liable to City of Coral Gables for any consequential, indirect, lost profit, or similar damages relating to or arising from this engagement.

**Environmental Policy** – Duff & Phelps will not investigate, nor assume responsibility for, the existence or impact of any contamination or hazardous substance related to property or assets associated with this engagement.

**Governing Law** – This Agreement is governed by and construed in accordance with the laws of the State of New York.

## Exhibit B – Property Schedule

site_no	bldg_no	site_name	address_1	city	state	zip	bldg_crn	content_crn
098	001	HISTORICAL RESOURCES BUILDING	2506 PONCE DELEON	CORAL GABLES	FL	33134	2,636,000	51,000
099	001	MIRACLE MILE	286 to 294 MIRACLE MILE	CORAL GABLES	FL	33134	438,000	0
100	001	SEWER PUMP STATION ALHAMBRA PLAZA	99 ALHAMBRA PLAZA	CORAL GABLES	FL	33134	1,927,000	0
110	001	278 MIRACLE MILE	278 MIRACLE MILE	CORAL GABLES	FL	33134	940,000	0
111	001	CORAL GABLES ADULT CENTER	2 ANDALUSIA	CORAL GABLES	FL	33134	4,200,000	200,000

001	002	HISTORICAL CITY HALL ANNEX	405 BILTMORE WAY	CORAL GABLES	FL	33134	236,000	0
003	001	HISTORICAL MERRICK HOUSE MAIN HOUSE	907 CORAL WAY	CORAL GABLES	FL	33134	2,236,000	513,000
003	002	HISTORICAL MERRICK HOUSE GATE HOUSE	907 CORAL WAY	CORAL GABLES	FL	33134	204,000	21,000
005	001	HISTORICAL VENETIAN POOL FILTER BUILDING	2701 DESOTO BLVD	CORAL GABLES	FL	33134	55,000	0
005	002	HISTORICAL VENETIAN POOL MAIN BUILDING	2701 DESOTO BLVD	CORAL GABLES	FL	33134	1,705,000	88,000
		CORAL GABLES BRANCH LIBRARY	3443 SEGOVIA STREET	CORAL GABLES	FL	33134		

## Exhibit C – Insurance Requirements

During the term of this Agreement, Professional shall provide and maintain at its own expense the below described programs of insurance. Such evidence of insurance shall be satisfactory to the City and shall be primary to and not contributing with any other insurance or self-insurance program maintained by the City. Certificates or other evidence of coverage shall be delivered to:

City of Coral Gables  
Insurance Compliance  
P.O. Box 100085 – CE  
Duluth, GA 30096

Such certificates or other evidence of coverage shall be delivered prior to commencing performance under this Agreement, and shall specifically identify this Agreement. Duff & Phelps shall give the City advance written notice at least thirty (30) days in advance of any cancellation, non-renewal or material change of the insurance policy.

The Duff & Phelps shall maintain during the terms, except as noted, of this Agreement the following insurance:

**Professional Liability Insurance** with a limit of liability no less than \$1,000,000 per occurrence for claims arising out of the services performed by Duff & Phelps and its employees in connection with this Agreement. This insurance shall be maintained for three (3) years after any work covered by this Agreement.

**Automobile Liability insurance** covering all non-owned and hired vehicles used in connection with the performance of the work in an amount not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. The City shall be included as an additional insured on a primary and non-contributory basis and the policy shall contain waiver of subrogation.

All of the above insurance is to be placed with insurance companies with an A.M. Best or equivalent rating of "A-", "VI" or better, qualified to do business under laws of the State of Florida.