



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 08/17/10

SUBJECT: Property, Liability and Workers' Compensation Insurance: Policy Year 2010-2011

DEPARTMENT: Finance Department

RECOMMENDED MOTION:

Approve the selection of the Florida Municipal Insurance Trust (FMIT), through Florida League of Cities, for the Property, Liability and Workers' Compensation Insurance Program with the coverage period from October 1, 2010 through September 30, 2011.

SUMMARY:

In 2009, the City issued an RFP for the insurance program which was awarded to Florida League of Cities. This will be the second year of insurance coverage through the Florida League of Cities.

For the 09-10 Policy Year, the total insurance premiums were \$1,096,183 (including the addition of property insurance for the New Police Station effective January 1, 2010). The proposed renewal premium is \$1,035,715, which is \$60,468 less than last year's premium, or -5.5%.

The comparisons to last year's premiums are as follows:

	<u>2009-10</u>	<u>2010-11 (Proposed)</u>	<u>Change</u>
General Liability	\$263,782	\$242,785	-8.0%
Automobile Coverages	\$108,889	\$77,644	-28.7%
Workers' Compensation	\$293,172	\$254,772	-13.1%
Property Insurance	\$430,340	\$460,514	+7.0%

The outline of the insurance program is contained in the Florida League of Cities' proposal dated August 2, 2010.

Staff and the City's insurance consultant recommend the selection of the FMIT Renewal Proposal.

ATTACHMENTS: Ordinance Resolution Budget Resolution

Other Support Documents/Contracts Available for Review in City Manager's Office

DEPARTMENT HEAD

John A. Shelley, Finance Director

Date

8/3/10

FINANCE DEPARTMENT

Approved as to Budget Requirements

Date

8/4/10

CITY ATTORNEY

Approved as to Form and Legality

Date

8/17/10

CITY MANAGER

Approved Agenda Item For:

COUNCIL ACTION:

Approved as Recommended

Disapproved

Tabled Indefinitely

Continued to Date Certain

Approved with Modification:

FLORIDA MUNICIPAL INSURANCE TRUST

RENEWAL PROPOSAL

FOR

CITY OF PORT ORANGE

PROPOSED EFFECTIVE DATE: October 1, 2010

ADMINISTERED AND PREPARED BY:

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

OF THE

FLORIDA LEAGUE OF CITIES, INC.

P.O. BOX 530065

ORLANDO, FL 32853-0065

August 2, 2010

"The Florida Municipal Insurance Trust Guarantee"

The FMIT will match any competitor's pricing for similar exposures, coverages, terms and conditions contingent on the ability of the competitor to verify that their rates are established by an independent actuary and that their reinsurance structure is currently in place. The competitor's reinsurer must have an AM Best rating of an A X or better.

A specimen agreement is attached. This proposal contains a brief, general description of coverages. It is not intended to describe or cover all the terms, limits, conditions and exclusions of the agreement.

The FMIT agreement language will supersede any differences between the agreement and this proposal summary.

FLORIDA MUNICIPAL INSURANCE TRUST
Renewal Proposal for 2010-2011

City of Port Orange
FMIT 0496

	<u>DEDUCTIBLE</u>	<u>LIMIT</u>	<u>NET PREMIUM</u>
Liability Coverages			
- Comprehensive General Liability	\$0	\$2,000,000	\$94,909
- Police Professional Liability	\$0	\$2,000,000	\$78,333
- Public Officials E & O/Employment Practices Liability	\$0	\$2,000,000	\$69,543
		Total	\$242,785
Automobile Coverage			
- Comprehensive Automobile Liability	\$0	\$2,000,000	\$74,106
- Personal Injury Protection (PIP)	\$0	\$10,000	Included
- Automobile Medical Payments	\$0	\$5,000	Included
* - Uninsured Motorist Protection	\$0	\$100,000	Included
- Automobile Physical Damage	Comprehensive \$10,000 Collision \$10,000	n/a n/a	\$3,538 <u>Included</u>
		Total	\$77,644
- StopLoss Amount	\$30,000		
**5 Vehicles with \$100,000 Uninsured Mortorist Coverage with \$1,000/\$1,000 Comprehensive and Collision Deductibles			
Workers' Compensation			
- Employers' Liability		\$1,000,000/\$1,000,000/\$1,000,000	\$254,772
- Total Payroll:	\$19,355,962	\$25,000	STATUTORY
- Experience Modification	0.870		
- Effective Date	10/1/10		
- StopLoss Amount	\$250,740		
- Drugfree Workplace Credit	*	Yes	
- Safety Credit	*	Yes	
		* Requires receipt of approved applications	
Property Coverage			
- Total Real & Personal Property		\$25,000	\$122,707,689
- Windstorm/Hail Deductible			\$460,514
		(See important note under the Property Coverage section)	
- Agreed Amount:	Yes		
- Coinsurance:	Waived		
- Valuation Basis:	Replacement Cost		
- Values:	100%		
- Coverage Form:	Special		
- Blanket or Specific	Blanket		
Miscellaneous Coverages			
- Business Income		n/a	\$1,000,000
- Electronic Data Processing			
- Equipment:		Included In Contents	Included
- Software:		Included In Contents	Included
- Equipment Breakdown		Included In Contents	Included
- Inland Marine	Yes	Per Schedule	\$2,852,866
			Included
Note: Items valued greater than \$50,000: Deductible is either the listed amount or 2% of the limit. (Whichever is greater)			
- Inland Marine - Blanket Coverage	Yes	\$500	Items under \$15,000
			Included

- Crime/Bonds Coverages				
- Money and Securities -	Loss Inside:	\$1,000	\$25,000	Included
	Loss Outside:	\$1,000	\$25,000	Included
- Computer Fraud		\$1,000	\$500,000	Included
- Bond Type *				
Honesty Blanket Bond		\$1,000	\$250,000	Included

*Certain Officers and Subordinates are excluded automatically from coverage by the terms of the designated Blanket Bonds:

1. All Coverages - Finance Directors, Treasurers and Tax Collectors by whatever title known.
2. Faithful Performance Coverages - Personnel required by law to furnish an individual bond to qualify for office (Policemen excluded).
3. Honesty Coverages - Personnel required by law to give bond for faithful performance duties.

TOTAL ANNUAL FMIT PREMIUM

\$1,035,715

IMPORTANT NOTE:

PRICING CONTAINED WITHIN THIS QUOTE IS CONTEMPLATED ON A PACKAGE BASIS. IF ANY OF THE LINES OF COVERAGE ARE NOT ACCEPTED, PRICING FOR THE OTHER LINES OF COVERAGE MAY CHANGE OR COVERAGE OFFERINGS ON THE REMAINING LINES COULD BE WITHDRAWN ALTOGETHER. THE FMIT RESERVES THE RIGHT TO SPLIT COVERAGES AT THEIR DISCRETION AND ADJUST PRICING IF DEEMED NECESSARY.

WORKERS' COMPENSATION PAYROLLS

<u>CODE</u>	<u>DESCRIPTION</u>	<u>PAYROLL</u>
5509	STREET OR ROAD MAINTENANCE	1,022,294
7520	WATERWORKS OPERATION	2,159,309
7580	SEWAGE DISPOSAL PLANT OPERATION	1,129,229
7704	FIREFIGHTERS	3,584,834
7720	POLICE OFFICERS	4,911,772
8380	AUTOMOBILE SERVICE OR REPAIR	338,295
8810	CLERICAL	3,783,090
8820	ATTORNEY - ALL EMPLOYEES	328,214
8831	HOSPITAL OR VETERINARY	125,041
9015	BUILDINGS - OPERATION BY OWNER	217,680
9102	PARK NOC	742,800
9410	MUNICIPAL, TOWNSHIP, COUNTY EMPLOYEES NO	1,013,404
	TOTAL PAYROLL	\$19,355,962