

CITY OF KEY WEST
RFP #07-015 Proposal Summary
2015-2016

LINE OF COVERAGE	EXPIRING LIMIT	EXPIRING DEDUCTIBLE/SIR	EXPIRING PREMIUM	RENEWAL LIMIT	RENEWAL DEDUCTIBLE/SIR	PRIA RENEWAL PREMIUM	AJG RENEWAL LIMITS	AJG RENEWAL DEDUCTIBLE/SIR	AJG RENEWAL PREMIUM	
PACKAGE POLICY - EFFECTIVE 10/1/14-15 Preferred Governmental Insurance Trust				PACKAGE POLICY - EFFECTIVE 10/1/15-16 Preferred Governmental Insurance Trust				Public Risk Management of Florida - Property Travelers - Equipment Breakdown		
Property:										
Buildings & Contents	\$ 57,531,060	\$ 25,000	\$ 672,587	\$ 71,344,215	\$ 25,000	\$ 621,301	\$ 71,344,215	\$ 25,000	\$ 391,879	
Equipment Breakdown	\$ 50,000,000	\$ 25,000		\$ 50,000,000	\$ 25,000		\$ 50,000,000	\$ 1,000	\$ 6,341	
Excess Flood	\$ 5,000,000	\$25,000/Excess NFIP A/V Zones or 5%		\$ 5,000,000	\$25,000/Excess NFIP A/V Zones or 5%		\$ 50,000,000	\$1,000/Excess NFIP A/V Zones	Included	
Catastrophic Vehicle Coverage	\$ 11,014,080	\$ 25,000		\$ 13,004,364	\$ 25,000		\$ 13,004,364	\$ 25,000	Included	
Named Windstorm for all Property types	Included	5%/\$35,000 minimum		Included	5%/\$35,000 minimum		Included	5%/no minimum	Included	
Additional Expense	\$ 1,000,000	Same as Property		\$ 1,000,000	Same as Property		\$ 50,000,000	Same as Property	Included	
Debris Removal	\$ 2,000,000	Same as Property		\$ 2,000,000	Same as Property		\$ 75,000,000	Same as Property	Included	
Demolition, Ordinance and ICC	\$ 2,250,000	Same as Property		\$ 2,250,000	Same as Property		\$ 25,000,000	Same as Property	Included	
Inland Marine	\$ 3,745,037	Same as Property	\$ 26,215	\$ 3,555,749	Same as Property	Included	\$ 3,555,749	Same as Property	Included	
See Policy for Additional Coverage Extensions										
			Subtotal \$ 698,802			Subtotal \$ 621,301			Subtotal \$ 398,220	
General Liability:										
GL	\$ 1,000,000	\$ 100,000	\$ 41,639	\$ 1,000,000	\$ 100,000	\$ 77,722				
Employee Benefits	\$ 1,000,000	\$ 100,000		\$ 1,000,000	\$ 100,000					
Law Enforcement Liability	\$ 1,000,000	\$ 100,000	\$ 45,442	\$ 1,000,000	\$ 100,000	Included				
Medical Payments	\$ -	\$ 100,000		\$ -	\$ 100,000					
			Subtotal \$ 87,081			Subtotal \$ 77,722				
Automobile:										
Auto Liability	\$ 1,000,000	\$ 100,000	\$ 47,379	\$ 1,000,000	\$ 100,000	\$ 31,241				
UM	rejected	\$ -		rejected	\$ -					
Physical Damage	See Property		\$ -	See Property		\$ -				
Hired Physical Damage	none			none						
Medical Payments	none			none						
			Subtotal \$ 47,379			Subtotal \$ 31,241				
Public Officials Liability:										
POL	\$1,000,000/\$1,000,000	\$ 100,000	\$ 51,800	\$1,000,000/\$1,000,000	\$ 100,000	\$ 53,455				
EPLI	\$1,000,000/\$1,000,000	\$ 100,000	\$ -	\$1,000,000/\$1,000,000	\$ 100,000	\$ -				
Cyber Liability				\$1,000,000/\$1,000,000	\$ -	\$ -				
			Subtotal \$ 51,800			Subtotal \$ 53,455				
Excess Work Comp:										
Employers Liability	1m/1m/1m	\$ 325,000	\$ 125,821	2m/2m/2m	\$ 325,000	\$ 125,567				
Workers Compensation	Statutory			Statutory						
			Subtotal \$ 125,821			Subtotal \$ 125,567				
Stop Loss Aggregate										
Applies to GL/LEL, AL, POL, EPLI, WC (no maintenance deductible or Limit)	Total of all claims SIR/deductible during the policy periods	\$ 1,600,000	\$ 16,000	Total of all claims SIR/deductible during the policy periods	\$ 2,000,000	\$ 16,000				
		Subtotal \$ 16,000			Subtotal \$ 16,000					
Package Subtotal			\$ 1,026,883			\$ 925,286			Quoted Property Only*	
Ancillary Policies										
Outer Mole Excess Liability - Great American - 10/1	\$4M xs \$1,000,000	\$ 25,000	\$ 10,130	\$4M xs \$1,000,000	\$ -	\$ 10,000				
Crime - Travelers - 10/1	\$ 975,000.00	\$ 25,000	\$ 3,284	\$ 975,000.00	\$ 25,000	\$ 3,465	\$ 1,000,000	\$ 1,000	*Included	
MOLL - Great American - 10/1	\$ 1,000,000.00	\$ 2,500	\$ 16,235	\$ 1,000,000.00	\$ 2,500	\$ 14,861				
Wharfingers - Great American - 10/1	\$ 2,000,000.00	\$ 10,000	\$ 26,585	\$ 2,000,000.00	\$ 10,000	\$ 24,208				
Hull - Great American - 10/1	\$ 964,256.00	\$5,000 AOP/5% Wind	\$ 12,242	\$ 964,256.00	\$5,000 AOP/5% Wind	\$ 11,475				
Vessel Pollution - Great American - 10/1	\$1m/\$1m	\$ -	\$ 4,971	\$1m/\$1m	\$ -	\$ 4,425				
Tank Storage Liab - Commerce & Industry - 10/1	\$1m/\$10m	\$ 25,000	\$ 2,138	\$1m/\$4m	\$ 10,000	\$ 2,423				
Tank Storage Liab - IL Union - 11/1	\$1m/\$2m	\$ 10,000	\$ 2,277	\$1m/\$2m	\$ 10,000	\$ 2,277				
Statutory AD&D - Chartis - 10/1	Statutory	\$ -	\$ 5,801	Statutory	\$ -	Pending				
Pollution/Tank Liab - XL - 11/1/14-11/1/17	\$1.25M/\$3M	\$ 100,000	\$ 12,455	\$1.25M/\$3M	\$ 100,000	\$ 12,455				
Ancillary Subtotal			\$ 96,119			\$ 85,589		Brokerage Fee	\$ 50,000	
Grand Total Expiring			\$ 1,123,002	Grand Total Renewal		\$ 1,010,875	Grand Total w/ PRM Prop.		\$ 834,329	

risk managers

BEN FEW & COMPANY, INC.

July 16, 2015

Ms. Lisa Takach Borzy
Risk Manager / Safety Officer
City of Key West
P.O. Box 1409
Key West, FL 33041

Dear Ms. Takach Borzy:

This year the City put its property and casualty insurance coverage out for bid on the open market (RFP #07-015). There were two responses: 1) the incumbent, Public Risk Insurance Agency (“PRIA”), proposing all lines of coverage through Preferred Governmental Insurance Trust (“PGIT”); and 2) Arthur J. Gallagher Risk Management Services, Inc. (“AJG”), proposing property coverage through Public Risk Management of Florida (“PRM”). Both proposed insurance products are long-standing municipal insurance pools.

This memorandum will highlight the responses received through the bid solicitation process, as necessary for the subsequent evaluation process by committee. In terms of qualifications, experience, service capabilities, and loss control services, both proposers are considered superior in the Florida marketplace. This office has enjoyed working with both on several mutual accounts and would defer to the City’s evaluation committee for the purposes of evaluation based on the above criteria. For that reason, this memo—and the attached spreadsheet—emphasizes responsiveness to the RFP, in terms of coverage points and pricing.

1. PRIA/PGIT

Renewal pricing as expiring is down approximately \$110,000.

PRIA has proposed all lines of coverage as expiring, with two exceptions: 1) the accidental death and dismemberment policy; and 2) one of the storage tank liability policies that renews on November 1. Under PRIA’s renewal premium column, the attachment shows the AD&D premium as ‘pending’ and shows the current premium for the November storage tank liability policy. Conservatively speaking, the grand total in this column could be estimated to be approximately \$5,801 more, which would incorporate the renewal AD&D premium, if similar to expiring. In all likelihood, the storage tank policy renewal will be similar to expiring as well.

It is worth noting that PRIA has proposed a two-year rate guarantee for the package policy through PGIT, subject to the criteria on page 93 of their proposal. This does not necessarily mean premiums would be flat in 2016-17, but that rating structures used to rate property schedules, number of employees, payroll, etc., will remain the same.

There were some coverages in the proposal that were different from what City currently carries, and are shown differently throughout the proposal. Debris removal, ordinance/demolition/increased cost of construction, and cyber liability were shown as having different limits in various places in the proposal. Although these differences should not be considered drastic, they should be clarified with the proposer.

2. AJG/PRM

AJG has proposed only the property line of coverage, through PRM. This includes everything that is covered by the current PGIT property policy, with the exception of equipment breakdown, which is being offered through Travelers. PRM's form also includes crime coverage. Pricing for this option is approximately \$175,000 less than the expiring property program.

There are a few notable coverage enhancements included in the PRM property form, such as replacement cost valuation on inland marine coverage and higher limits for excess flood, additional expense, debris removal, and ordinance/demolition/increased cost of construction. Perhaps the biggest difference is that while the Named Storm deductible is still 5%, there is no subject minimum per building.

One other interesting item of note is that AJG's proposal states that 'over-the-road' coverage is provided on the PRM property form for auto physical damage. This is certainly a coverage enhancement, but no comprehensive or collision deductibles are stated. This should be verified with AJG.

An additional item that needs to be verified is whether the additional value associated with the new transit facility has been included in AJG/PRM's pricing, as there are conflicting indications in the proposal. Coverage for additional value associated with vehicles as shown in Addendum 1 to the RFP needs to be verified as well.

The attached document, 7-16-15 Pre-Eval Response Summary, details the coverage limits, deductibles/SIRs, and pricing in the responses provided by each of the above respondents.

Thank you very much for the opportunity to work with the City of Key West on this project. We look forward to answering any questions you may have after your review of this document.

Very truly yours,

BEN FEW & COMPANY, INC.



Ben Few IV, CRM, AAI
President

Attachment: 7-16-15 Pre-Eval Response Summary