



MEMORANDUM

To: James Scholl, City Manager

From: Lisa Takach Borzy, Risk Manager

Date: August 29, 2014

Subject: Proposal for Property and Casualty Insurance Program, Crime Coverage, AD&D, Marine Coverage, Pollution Coverage, and Flood Coverage, proposed by PRIA for Policy Period 10/1/2014-9/30/15.

ACTION STATEMENT:

Request the City Commission to accept the Proposal for Property and Casualty Insurance Program, Crime Coverage, AD&D, Marine Coverage, Pollution Coverage, and Flood Coverage, as submitted by Public Risk Insurance Agency (PRIA) for Policy Period 10/01/2014 – 9/30/2015 in accordance with City of Key West Code of Ordinances 2-797 Exemptions, (4)(b), Best Interests of the City.

BACKGROUND:

On September 15, 2009, and pursuant to RFP No. 09-010, the City Commission adopted Resolution No. 09-247 authorizing the acceptance of PRIA's proposal for the City's Property and Casualty Insurance Program for Policy Year 2009/2010 as well as recognizing PRIA as the Agent/Broker for two (2) successive policy years, specifically 2010/2011 and 2011/2012. On the 2nd of May 2012, the City Commission adopted Resolution No. 12-139 recognizing PRIA as the Agent/Broker for the policy period of 10/1/2012 – 10/01/2013. The intent of RFP No.09-010 was to provide the City the opportunity to re-evaluate the services provided by PRIA and to exercise its option for renewal in subsequent policy periods based on their performance. As such, Policy Year 2013-2014 represented the final one year period that the City exercised pursuant to Resolution No. 09-247. On March 4, 2014, the City Commission adopted Resolution No. 14-061 authorizing a one (1) year extension of the Agent/Broker Services Agreement with PRIA for Policy Year 2014/2015. It is the intent of the City to rebid insurance broker services for Policy Year 2015/2016 and possibly beyond.

Services Provided by PRIA

In addition to the enhancements in our insurance program PRIA has provided and continues to provide excellent, personalized service:

Agency/Broker Services Provided:

- Service Team Professionals have no less than 20 years insurance experience
- PRIA – 100% focused on Florida’s public entities
- Florida-based company with geographic familiarity with the City of Key West
- Marine expertise
- In-depth review of property schedule including assistance in risk analysis and property appraisal implementation
- Contractual risk transfer advise
- National Flood Insurance Program – Flood Audit completed
- Legislative updates

Loss Control Services Provided:

- Site Inspections
- On-Site Supervisory Training
- On-Site Operational Survey
- E-learning resources & Training resources to include DVD’s, posters, checklists
- Seminars and Webinars on issues of current topic

FINANCIAL IMPACT:

Since taking over the program in October of 2009, PRIA has assisted the City in the continuous refinement of its insurance program by providing superior property coverage, including higher available wind and flood limits. Working together, the City has identified significant exposures, assessed and updated property values and broadened coverage with a yield of lower and stabilized premiums. Insurance premiums are budgeted for the Fiscal Year 2014/2015 in account numbers 502-1952-519-4500 and 502-1953-519-4500. Please refer to the attached file document prepared by PRIA entitled “Key West Premium Comparison 2014-2015” for a concise and specific analysis, as well as the “Key West Proposal 2014-2015” for a detailed and in depth analysis.

RECOMMENDATION:

Request the City Commission to accept the Proposal for Property and Casualty Insurance Program, Crime Coverage, AD&D, Marine Coverage, Pollution Coverage, and Flood Coverage as submitted by PRIA for Policy Year 2014/2015.