

RESOLUTION NO. 13-233

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AUTHORIZING ACCEPTANCE OF THE PROPOSAL FROM THE PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT) AS SUBMITTED BY THE PUBLIC RISK INSURANCE AGENCY (PRIA) IN THE AMOUNT OF \$1,020,184.00 FOR THE CITY'S PROPERTY AND CASUALTY INSURANCE PROGRAM FOR POLICY YEAR 2013/2014; AUTHORIZING ACCEPTANCE OF THE PROPOSALS RECEIVED FROM TRAVELERS, HARTFORD, GREAT AMERICAN, COMMERCE & INDUSTRY, ILLINIOS UNION AND THE NFIP AS SUBMITTED BY THE PUBLIC RISK INSURANCE AGENCY (PRIA) FOR CRIME COVERAGE (\$3,189), AD & D (\$5,626), MARINE COVERAGE (\$54,923), POLLUTION COVERAGE (\$5,341) AND FLOOD COVERAGE (\$58,000) RESPECTIVELY; AUTHORIZING ACCEPTANCE OF PRIA AS THE AGENT/BROKER FOR THE CITY'S PROPERTY AND CASUALTY INSURANCE PROGRAM FOR POLICY YEAR 2013/2014; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City issued RFP #09-010 requesting proposals for "property and casualty insurance program", which was opened on August 25, 2009; and

WHEREAS, pursuant to RFP #09-10, the City approved the acceptance of the proposal from the Preferred Governmental Insurance Trust (PGIT) as submitted by the Public Risk Insurance Agency (PRIA) for policy year 2009/2010 including an option for up to four annual renewals; and

WHEREAS, in Resolution No. 09-247, the City Commission

approved Public Risk Insurance Agency (PRIA), a Brown and Brown company, as the agent/broker for policy years 2009/2010, 2010/2011 and 2011/2012 for the City's property and casualty insurance program pursuant to RFP #09-010; and

WHEREAS, in Resolution No. 12-139, the City Commission approved a one-year extension with Public Risk Insurance Agency (PRIA), a Brown and Brown company, as the agent/broker for policy year 2012/2013; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the proposal from Preferred Governmental Insurance Trust (PGIT) as submitted by the Public Risk Insurance Agency (PRIA) in the amount of \$1,020,184.00 for the City's property and casualty insurance program for policy year 20013/2014 is hereby accepted.

Section 2: That PRIA is accepted as the agent/broker for the City's property and casualty program for policy year 2013/2014.

Section 3: That the proposals for Crime Coverage from Travelers in an amount of \$3,189, AD & D Coverage from Hartford in an amount of \$5,626, Marine Coverage from Great American in an amount of \$54,923, Pollution/Tank Coverage from Commerce & Industry and Illinois Union in an amount of \$5,341 and Flood

Coverage from NFIP in an amount of \$58,000, as submitted by the Public Risk Insurance Agency (PRIA), are authorized.

Section 4: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 17 day of September, 2013.

Authenticated by the presiding officer and Clerk of the Commission on September 18, 2013.

Filed with the Clerk September 18, 2013.

Mayor Craig Cates	Yes _____
Vice Mayor Mark Rossi	Yes _____
Commissioner Teri Johnston	Yes _____
Commissioner Clayton Lopez	Yes _____
Commissioner Billy Wardlow	Yes _____
Commissioner Jimmy Weekley	Yes _____
Commissioner Tony Yaniz	Yes _____



CRAIG CATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

To: Bob Vitas, City Manager
From: Mark Z. Finigan, Assistant City Manager
Date: August 18, 2013
Subject: Renewal of 2013-2014 Property & Casualty Insurance Brokerage Services

ACTION STATEMENT:

Request the City Commission approve and extend the broker services of existing broker, Brown & Brown - Public Risk Insurance Agency (PRIA) for the policy period of 10/01/2013 – 10/01/2014 in accordance with the Request for Proposal published in April 2009: *"It is the intent of the City to purchase coverages from the successful proposer for a period of one (1) year and to renew the coverages with the successful proposer for four (4) additional years at the sole option of the City."*

BACKGROUND:

On September 15, 2009 the City Commission adopted Resolution No. 09-247 authorizing the acceptance of PRIA's proposal for the City's Property & 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 12-139 recognizing PRIA as the Agent/Broker for the policy period of 10/01/2012 – 10/01/2013. The intent of the RFP 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. Policy Year 2013-14 represents the final one year period that can be exercised by the City pursuant to Resolution No. 09-246 and RFP 09-011. It is the intent of the City to rebid insurance broker services for Fiscal Year 2014-15 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 in 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 a continuous refinement of its insurance program by providing superior property coverage, including higher available wind & 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.

RECOMMENDATION:

Request the City Commission to extend the City's Broker of Record agreement with PRIA for the renewal period of 2013-2014 as allowed for in the RFP No. 09-010.



FINAL PREMIUM COMPARISON 9-9-2013
 COVERED PARTY: DIVISION 788
 EFFECTIVE DATE: 10/1/2013 - 12/31/2013

LINE OF COVERAGE	2012/2013			2013/2014			Changes In Exposures	
	LIMIT	DEDUCTIBLE	ANNUAL PREM	LIMIT	DEDUCTIBLE	ANNUAL PREM	2012/2013	2013/2014
Property:								
Preferred								
Buildings & Contents - Blanket	\$ 52,100,340	\$ 25,000	\$ 809,308	\$ 56,648,060	\$ 25,000	\$ 661,063	Property	\$ 4,547,720
Equipment Breakdown	\$ 50,000,000	\$ 25,000		\$ 50,000,000	\$ 25,000		Exposure	\$ 4,547,720
Excess Flood	\$ 5,000,000	See Policy		\$ 5,000,000	See Policy		Difference	8.73%
Catastrophic Vehicle Coverage	\$ 10,375,802	\$ 25,000		\$ 10,375,802	\$ 25,000		Premium	\$ 51,765
Named Windstorm	Included	5%/\$35,000 Minimum		Included	5%/\$35,000 Minimum		Difference	8.49%
TRIA Terrorism	Not Included			Not Included				
Accounts Receivable	\$ 250,000	\$ 25,000		\$ 250,000	\$ 25,000			
Additional Expense	\$ 1,000,000	\$ 25,000		\$ 1,000,000	\$ 25,000			
Business Income	\$ 250,000	\$ 25,000		\$ 250,000	\$ 25,000			
E&O	\$ 2,250,000	\$ 25,000		\$ 2,250,000	\$ 25,000			
Demo/ilion & ICC			\$ 28,466			\$ 28,466	Inland Marine	\$ 4,086,632
Inland Marine:							Exposure	\$ 20,000
Mobile Equipment	\$ 2,177,096	\$ 25,000		\$ 2,177,096	\$ 25,000		Difference	0.49%
EDP	\$ 1,210,941	\$ 25,000		\$ 1,210,941	\$ 25,000		Premium	\$ -
Fine Arts	\$ -	\$ -		\$ 20,000	EST PREMIUM	\$ 150	Difference	0.00%
Other Inland Marine	\$ 367,000	\$ 25,000		\$ 367,000	\$ 25,000			
Rented Borrowed Leased Equipment	\$ -	\$ -		\$ -	\$ -			
Valuable Papers	\$ -	\$ -		\$ -	\$ -			
Watercraft	\$ 321,695	\$ 25,000		\$ 321,695	\$ 25,000			
			Sub-Total \$ 637,774			Sub-Total \$ 689,678	Payroll	\$ 15,709,610
General Liability:							Exposure	\$ 2,080,370
Preferred							Difference	15.27%
General Liability	\$ 1,000,000	\$ 100,000	\$ 39,080	\$ 1,000,000	\$ 100,000	\$ 38,143		
Employee Benefits	\$ 1,000,000	\$ 100,000	Included	\$ 1,000,000	\$ 100,000	Included	# of FT Officers	126
Law Enforcement Liability	\$ 1,000,000	\$ 100,000	\$ 42,890	\$ 1,000,000	\$ 100,000	\$ 58,425	Exposure	\$ 38,466%
							Premium	\$ 20,588
							Difference	27.10%
			Sub-Total \$ 78,980			Sub-Total \$ 96,568		
Automobile:								
Preferred								
Auto Liability	\$ 1,000,000	\$ 100,000	\$ 44,642	\$ 1,000,000	\$ 100,000	\$ 44,160	Vehicles	295
UIM	rejected			rejected			Exposure	\$ -
Physical Damage	See Property			See Property			Difference	-1.67%
Hired Physical Damage	None			None			Premium	\$ (482)
Medical Payments	None			None			Difference	-1.08%
			Sub-Total \$ 44,642			Sub-Total \$ 44,160		

FINAL PREMIUM COMPARISON 9-9-2013

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LINE OF COVERAGE	2012/2013			2013/2014			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIF	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIF	ANNUAL PREM	2012/2013	2013/2014
Public Officials:								
<i>Preferred</i>								
POL	\$1,000,000/\$1,000,000	\$ 100,000	\$ 44,836	\$1,000,000/\$1,000,000	\$ 100,000	\$ 50,989	Exposure	\$24,194,126
EPLI	\$1,000,000/\$1,000,000	\$ 100,000		\$1,000,000/\$1,000,000	\$ 100,000		Difference	3,680,896
*NEW COVERAGE EFFECTIVE 01/2013:							Premium	\$ 6,147
							Difference	13.71%
							Sub-Total	
			\$ 44,836			\$ 50,989	Payroll	
							Payroll	\$24,194,126
Excess Workers' Compensation:								
<i>Preferred</i>								
Workers' Compensation							Exposure	3,680,896
Employers Liability							Difference	17.94%
							Premium	\$ 18,540
							Difference	18.82%
							Sub-Total	
			\$ 103,287			\$ 122,827	Limit Increase	
							Premium	\$ 275,000
							Difference	5.97%
							Sub-Total	
			\$ 15,068			\$ 15,967	Payroll	
							Payroll	\$ 98,587
Stop Loss Aggregate:								
<i>Preferred</i>								
Applies to GL, LEL, AL, POL, EPLI, WC	\$		\$ 15,068	\$ 1,100,000	\$	\$ 15,967	Limit Increase	
							Premium	\$ 275,000
							Difference	5.97%
							Sub-Total	
			\$ 15,068			\$ 15,967	Payroll	
							Payroll	\$ 98,587
NET PACKAGE TOTALS			\$ 921,587			\$ 1,020,184		10.70%

FINAL PREMIUM COMPARISON 9-9-2013

Covered Party: **LOWE'S WORLD**
 Effective Date: **10/1/2013 TO 9/30/2014**



LINE OF COVERAGE	2012/2013			2013/2014			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	2012/2013	2013/2014
Crime:								
Travelers	\$ 975,000	\$ 25,000	\$ 2,849	\$ 975,000	\$ 25,000	\$ 3,143		
Employee Dishonesty	\$ 250,000	\$ 25,000	\$	\$ 250,000	\$ 25,000	\$	483	482
TDD Inside	\$ 250,000	\$ 25,000	\$	\$ 250,000	\$ 25,000	\$		
TDD Outside	\$ 975,000	\$ 25,000	\$	\$ 975,000	\$ 25,000	\$		
Computer Fraud	\$ 75,000	\$ 25,000	\$	\$ 75,000	\$ 25,000	\$		
Forgery/Alterations	\$ 50,000	\$ 25,000	\$	\$ 50,000	\$ 25,000	\$		
Money Orders/Counterfeit Money		Fees/Surcharges \$ 38	\$		Fees/Surcharges \$ 46	\$		
		Sub-Total \$ 2,888	\$		Sub-Total \$ 3,189	\$		
AD&D:								
Statutory AD&D - Hartford (10/1)		Statutory \$ 5,947	\$		Statutory \$ 5,628	\$	199	198
		Sub-Total \$ 5,947	\$		Sub-Total \$ 5,626	\$		-3,40%
Marine:								
Great American (10/1)	\$ 1,000,000	\$ 2,500	\$ 24,650	\$ 1,000,000	\$ 2,500	\$ 25,365		
Marina Operators	\$ 2,000,000	\$ 10,000	\$ 23,391	\$ 2,000,000	\$ 10,000	\$ 21,754		
Wharfingers	\$ 1,000,000	\$	\$ 4,657	\$ 1,000,000	\$	\$ 4,657		
Vessel Pollution - All Vessels*	\$ 172,000	5000/5% Wind	\$ 2,442	\$ 172,000	5000/5% Wind	\$ 2,442		
Hull and Machinery - 2 pumps only		Fees/Surcharges \$ 719	\$		Fees/Surcharges \$ 705	\$		
		Sub-Total \$ 56,058	\$		Sub-Total \$ 54,923	\$		-2.03%
Pollution:								
Tank-Commerce & Industry (10/1)	\$ 1,000,000/10,000,000	\$ 25,000	\$ 2,261	\$ 1,000,000/10,000,000	\$ 25,000	\$ 2,058		
Tank - Illinois Union (11/1)	\$ 1,000,000/1,000,000	\$ 10,000	\$ 3,080	\$ 1,000,000/1,000,000	\$ 10,000	\$ 3,241		
		Fees/Surcharges \$ 87	\$		Fees/Surcharges \$ 42	\$		
		Sub-Total \$ 5,428	\$		Sub-Total \$ 5,341	\$		
ANCILIARY TOTALS			\$ 70,322			\$ 69,079	\$ (1,244)	-1.77%
INFIP:								
Various Limits - 12/1 renewal			\$ 44,081		Estimate, renewing current policies @ 20% increase	\$ 56,000		
		Sub-Total \$ 44,081	\$		Sub-Total \$ 56,000	\$		31.56%
TOTAL PREMIUM			\$ 1,035,990			\$ 1,147,263	Difference	10.74%
Options:								
Excess WC: \$500,000 SIR - \$109,213					Budget (1952&1953) Assessments	\$ 1,197,640		
Stop Loss Aggregate: \$825,000 - \$46,375					Insurance Budget	\$ 1,191,590		
					BUDGET VS ESTIMATE	\$ 14,327		

NOTE: XL Pollution policy is effective 3 years-11/1/2012-2014; no premium due until the 2014 renewal.