

**Charlotte County Board Of County Commissioners
Agenda Item Summary**

Item Number: F- 15

1 DEPARTMENT MAKING REQUEST

Purchasing

2 MEETING DATE

9/9/2014 9:00:00 AM

3 REQUESTED MOTION/ACTION

Approve renewal of Contract #10-281 Property & Casualty Insurance Coverage with Florida League of Cities located in Orlando, FL, for the term October 1, 2014 up to and including September 30, 2015. This is an annual contract for a comprehensive program of self insurance.

4 AGENDA

Consent

5 IS THIS ITEM BUDGETED (IF APPLICABLE) - Yes

Budget Action

No action needed. Funding for this item will be budgeted in the FY14/15 Self Insurance Fund.

Financial Impact Summary Statement

No additional financial impact.

Detailed Analysis Attached -

Budget Officer-

6 BACKGROUND (Why is this Action Necessary, and What Action will be accomplished)

This is an annual contract for comprehensive program of self insurance to cover workers' compensation, property, and liability exposures. Attached is the renewal evaluation of the Property & Casualty Insurance Program for FY 2014/15. The Florida Municipal Insurance Trust (FMIT) is the incumbent for the County's Property, General Liability, Public Officials/Employment Practices Liability, Auto, Pollution Liability and Excess Workers' Compensation. The County also maintains policies for Statutory AD&D through the Hartford, Commercial Crime through Travelers Insurance, various Flood Policies through American Bankers Insurance & Wright National Insurance and Storage Tank 3rd Party Liability through Commerce & Industry, which will renew of December 11, 2014.

The FMIT program offered a renewal of \$2,101,048 which includes a flat renewal for Property and Pollution Liability coverages and an increase to Workers' Compensation coverage primarily due to a projected payroll increase for 2014/2015. The premium also includes a minimum return of premium credit to the County in the amount of \$339,559. The renewal premiums for Statutory AD&D and Crime have not yet been submitted by the Hartford or Travelers Insurance; however, based upon current renewal trends, a 10% increase is built into the premiums versus the currently expiring policies as a conservative, not to exceed amount. The policies with the 10% increases are highlighted in red. The evaluation of the County's entire P&C renewal program results in an overall premium cost of \$2,362,568, an overall increase of \$109,142 or 4.8% versus the currently expiring overall premium cost of \$2,253,426.

ATTACHMENTS:

Name:	Description:	Type:
<input type="checkbox"/> 10-281_renewal_FY14-15.pdf	Renewal FY14-15	Backup Material
<input type="checkbox"/> 072914 - Charlotte_Property_Casualty_Evaluation_14-15.pdf	Evaluation Listing	Backup Material



Department of Insurance and Financial Services

FLORIDA MUNICIPAL INSURANCE TRUST

RENEWAL QUOTE FOR 2014-2015

Charlotte County Board of County Commissioners

FMIT 1122

<u>Coverage</u>	<u>Self Insured Retention</u>	<u>Limit</u>	<u>Premium</u>
General/Professional Liability	\$350,000	\$1,500,000	\$181,663
Automobile Liability	\$350,000	\$1,500,000	\$75,896
Automobile Physical Damage	Per Schedule		\$23,320
Property	\$100,000	\$150,000,000	\$1,740,984
Workers' Compensation Experience Modification	\$300,000 0.78 10/1/13	Total Payroll \$68,924,931	\$280,596
Total Premium:			\$2,302,459
Service Fee:			\$138,148
GRAND TOTAL PREMIUM			\$2,440,607
RETURN OF PREMIUM			<u>\$339,559</u>
REDUCED GRAND TOTAL PREMIUM			\$2,101,048

The FMIT Board of Trustees has approved a \$7,000,000 return of premium for members that had property coverage in the 2012-2013 Fund Year. The directive of the Board was to return property premium on the renewing members for 2014-2015 that participated in the Trust's property program in 2012-2013. Based on the property premiums paid in 2012-2013 the Charlotte County Board of County Commissioners can expect \$339,559 in return premium should they elect to renew coverage for the 2014-2015 policy year.

*Includes: Drug Free Credit: Yes
Safety Credit: Yes

Note: Coverage summaries provided herein are intended as an outline of coverage only and are necessarily brief. In the event of loss, all terms, conditions, and exclusions of actual Agreement and/or Policies will apply.

Charlotte County Board of County Commissioners
Property, Casualty Insurance Program Renewal
2014/2015 Coverage Evaluation



Current

Renewal Proposal

Policy	SIR/				Proposed Carrier	SIR/			Proposed Premiums	Percent Change + or -
	Current Carrier	Deductible	Limits	Curent Premiums		Deductible	Limits			
Property	FMIT	\$ 100,000	\$ 150,000,000	\$ 1,845,443	FMIT	\$ 100,000	\$ 150,000,000	\$ 1,845,443	0.0%	
			Total TIV: \$507,337,240				Total TIV: \$480,914,709			
Boiler and Machinery	FMIT	\$ 25,000	\$ 50,000,000	Included in Property Premium	FMIT	\$ 25,000	\$ 50,000,000	Included in Property Premium		
Inland Marine	FMIT	\$500 Up To \$50,000	Per Schedule	Included in Property Premium	FMIT	\$500 up to \$50,000	Per Schedule	Included in Property Premium		
Sub Total				\$ 1,845,443				\$ 1,845,443		
Auto Physical Damage & Catastrophic	FMIT	\$ 100,000	n/a	\$ 27,025	FMIT	\$ 100,000	n/a	\$ 24,719	-8.5%	
Auto Liability	FMIT	\$ 350,000	\$ 1,500,000	\$ 83,344	FMIT	\$ 350,000	\$ 1,500,000	\$ 80,450	-3.5%	
EMT Liability	FMIT	\$ 350,000	\$ 1,500,000	Included In FMIT Program	FMIT	\$ 350,000	\$ 1,500,000	Included In FMIT Program	0.0%	
General Liability	FMIT	\$ 350,000	\$ 1,500,000	\$ 90,768	FMIT	\$ 350,000	\$ 1,500,000	\$ 92,861	2.3%	
Public Officials Liability	FMIT	\$ 350,000	\$ 1,500,000	\$ 84,379	FMIT	\$ 350,000	\$ 1,500,000	\$ 99,701	18.2%	
Excess Workers' Comp	FMIT	\$ 300,000	\$ 1,000,000	\$ 246,288	FMIT	\$ 300,000	\$ 1,000,000	\$ 297,432	20.8%	
		Payroll: \$65,962,910	Experience Mod: 0.77			Payroll: \$68,924,931	Experience Mod: 0.78			
Pollution Legal Liability	Chartis Specialty Insurance	\$ 10,000	\$1,000,000	\$ 34,153	Chartis Specialty Insurance	\$ 10,000	\$1,000,000	\$ 34,153	0.0%	
Flood Insurance***	American Bankers & Wright Flood	Various by Location	Various by Location	\$ 215,000	American Bankers & Wright Flood	Various by location	Various by Location	\$ 170,518	-20.7%	
Statutory Accidental Death & Dismemberment	Hartford		\$63,853.79 \$63,853.79 \$192,455.70	\$ 26,039	Hartford		\$63,853.79 \$63,853.79 \$192,455.70	\$ 28,643	10.0%	
Crime Policy	Travelers	\$ 25,000	\$1,000,000	\$ 4,758	Travelers	\$ 25,000	\$1,000,000	\$ 5,234	10.0%	
Storage Tank 3rd Party Liability**	Commerce & Industry	\$ 5,000	\$1,000,000 / \$2,000,000	\$ 20,885	Commerce & Industry	\$ 5,000	\$1,000,000 / \$2,000,000	\$ 22,973	10.0%	
Sub Total				\$ 832,638				\$ 856,684		
Total *				\$ 2,678,081				\$ 2,702,127		
Return of Premium				\$ (424,655)				\$ (339,559)		
Adjusted Grand Total Premium				\$ 2,253,426				\$ 2,362,568	4.8%	

*All standard carriers Include Commission/All FMIT Products Include a Six Percent Service Fee To The Gehring Group.
Locations Within 1/2 Mile of Coastal Waters Wind/Hail Deductible 5%, \$100,000 or Policy Deductible, Whichever Is Greater; Greater than 1/2 mile 5% Per Building Per Location Per Occurrence Subject to the deductible,
FMIT Return of Premium Credit Minimum of \$339,559 Credit will be adjusted after all members renew coverage.
**Storage Tank policy renews December 11, 2014.
***Flood renewal dates vary throughout the year. We have included a Not To Exceed number based upon the trend in flood renewals.