

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: April 18, 2007

Division: Employee Services

Bulk Item: Yes X No

Department: Risk Management Office

Staff Contact Person/Phone #: Maria Slavik X3178

AGENDA ITEM WORDING: Approval to accept renewal with Arthur J. Gallagher to provide Liability Insurance for Bayshore Manor with Lantana Insurance Company at an annual premium of \$17,506.86

ITEM BACKGROUND: Coverage is for General Liability and Wrongful Acts/Vicarious Liability for abuse as required to maintain our State of Florida Assisted Living Facility License.

PREVIOUS RELEVANT BOCC ACTION: In March 2006, the BOCC previously approved the current policy which expires April 30, 2007. Approved proposal from Arthur J. Gallagher & Company in 2003.

CONTRACT/AGREEMENT CHANGES: Premium is \$16,936 which is an increase of \$929 or 5.8% from last year. The total cost of the renewal includes a \$400 annual membership fee to be eligible for this program. As a result of damages caused by the 2004 and 2005 hurricanes, the State also implemented a Catastrophe Fund Assessment of 1% (\$170.86 of an additional charge) of the premiums paid on all policies in Florida which the County did not have to pay last year.

STAFF RECOMMENDATIONS: Approval to renew the policy as submitted by the Insurance Agent, Arthur J. Gallagher for the period of 4/30/07 – 4/30/08.

TOTAL COST: \$17,506.86

BUDGETED: Yes X No

COST TO COUNTY: \$17,506.86

SOURCE OF FUNDS: Ad Valorum

REVENUE PRODUCING: Yes No X **AMOUNT PER MONTH** **Year** X

APPROVED BY: County Atty AM OMB/Purchasing Risk Management MS

DOCUMENTATION: Included X Not Required

DISPOSITION:

AGENDA ITEM #



BOARD OF COUNTY COMMISSIONERS

Mayor Mario Di Gennaro, District 4
Mayor Pro Tem Dixie M. Spehar, District 1
George Neugent, District 2
Charles "Sonny" McCoy, District 3
Sylvia J. Murphy, District 5

Office of the Employee Services Division Director
The Historic Gato Cigar Factory
1100 Simonton Street, Suite 268
Key West, FL 33040
(305) 292-4458 – Phone
(305) 292-4564 - Fax



TO: Board of County Commissioners

FROM: Teresa E. Aguiar,
Employee Services Director

DATE: March 29, 2007

SUBJ: General and Professional Liability Insurance
Renewal for Bayshore Manor 4/30/07 – 4/30/08

This item requests approval to renew Bayshore Manor's General and Professional Liability insurance with Lantana Insurance, LTD. The current policy expires on April 30, 2007.

The availability of insurance for Assisted Living facilities is extremely limited. Only a few insurance companies are willing and able to provide the insurance needed for Bayshore Manor. The current policy has provided stable and quality insurance protection for the County since 2003. It is recommended by the Consultant that we not obtain competitive bid proposals because it is believed that it would not produce favorable results and could also adversely affect the relationship the County has established with the current carrier, Lantana. Based on the limited number of insurers with the resources and desire to provide the necessary coverages, it is believed that this is an attractive renewal proposal.

It is therefore the recommendation that the Board approve the request to renew the General and Professional Liability Insurance with Lantana Insurance, LTD. If you have any questions on this item, please do not hesitate to contact me at X4458.



MONROE COUNTY BOCC DBA BAYSHORE MANOR
TRANSMITTAL LETTER

March 15, 2007

Ms. Maria Slavik
Monroe County BOCC
502 Whitehead Street
3rd Floor Rear
Key West, FL 33040

Re: Bayshore Manor Assisted Living Facility
Policy Term: April 30, 2007 to April 30, 2008

Dear Maria:

On behalf of Arthur J. Gallagher & Co. (Florida) and the Account Service Team, we are pleased to provide our proposal for the April 30, 2007 –April 30, 2008 policy term captioned above. This proposal includes the renewal terms negotiated by Arthur J. Gallagher & Co. (Florida) for the following coverage:

- Bayshore Manor Assisted Living Facility
 - General Liability Coverage and
 - Wrongful Acts/Vicarious Liability for Abuse Coverage

At this renewal, there are very few carriers willing to offer affordable coverage to small assisted living facilities due to the type of exposures and large minimum premium requirements. We were pleased that the expiring carrier, Lantana Insurance LTD, through Thompson Insurance Enterprises, Inc. (THOMCO) was able to offer a renewal with stable pricing and coverage terms as expiring. Coverage rates are as per expiring with a small increase in the premium for the claims made step.

We will need your authorization to bind coverage, along with the noted requirements outlined in our coverage detail. Please refer to section 8 in the proposal for all signatures required along with the following:

- Client Authorization to Bind
- Disclosure Notice of Terrorism Insurance Coverage
- Fraud Warnings



MONROE COUNTY BOCC DBA BAYSHORE MANOR

TRANSMITTAL LETTER

Ms. Maria Slavik
March 16, 2007
Page two

It is a pleasure to have Monroe County as a client and we look forward to renewing this coverage for the County. After you have had an opportunity to review the enclosed, please contact us with any questions that you may have, or if you would like further clarification of the coverage renewed.

Sincerely,

Jori Van der Voort

Jori L. Van der Voort, ARM
Area Vice President

Kathy Hill

Kathy Hill, CIC
Account Manager

cc: Sid Webber, ARM, CPCU
Interisk Corporation
1111 North Westshore Boulevard, Suite 208
Tampa, FL 33607



MONROE COUNTY BOCC DBA BAYSHORE MANOR

PREMIUM SUMMARY

Coverages		
General Liability		\$ 1,730.00
Wrongful Acts and Vicarious Liability for Abuse		\$15,206.00
Fees: Membership Fee is Non-Refundable		\$ 400.00
Florida Hurricane Catastrophe Fund Assessment 1%		\$ 170.86
TOTAL		\$17,506.86
Option - Terrorism Insurance as defined by and per terms of Terrorism Risk Insurance Act (TRIEA) extension legislation act 2005. Expires 12/31/07		\$ 150.00

Notes and Highlights:

1. Premiums for the above policies are due and payable as billed, in full or as insurance company installments. Premiums may be financed, subject to acceptance by an approved finance company. Note: Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required.
2. Quote is valid until 04/30/2007.

Gallagher is responsible for the placement of the following lines of coverage:

- ***General Liability and Wrongful Acts and Vicarious Liability for Abuse***

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.