

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: Sept 19, 2007

Division: Employee Services

Bulk Item: Yes X No

Department: Risk Management

Staff Contact Person/Phone #: Maria Slavik X3178

AGENDA ITEM WORDING: Approval for the renewal with The Florida Municipal Insurance Trust Agreement to provide General and Vehicle Liability Insurance at a premium of \$355,256.00 to be paid in four quarterly payments.

ITEM BACKGROUND: The policy provides insurance coverage for sums which the County may become legally obligated to pay as a result of bodily injury, property damage, or personal injury arising out of its operations. The policy also provides for a reimbursement percentage of legal fees incurred in the defense of criminal, civil or ethics proceedings.

PREVIOUS RELEVANT BOCC ACTION: This is the third renewal of the policy. The policy will be re-bid April or May, 2008.

CONTRACT/AGREEMENT CHANGES: This renewal represents an increase of 10.2% over last year's premium.

STAFF RECOMMENDATIONS: Approval to renew the current policy.

TOTAL COST: \$355,256 yr **BUDGETED:** Yes X No

COST TO COUNTY: \$355,256 yr **SOURCE OF FUNDS:** Ad Valorum

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

APPROVED BY: County Atty  OMB/Purchasing Risk Management 

DOCUMENTATION: Included X Not Required

DISPOSITION:

AGENDA ITEM #

MONROE COUNTY BOARD OF COUNTY COMMISSIONERS

CONTRACT SUMMARY		
Contract with: <u>FMIT #386</u>	Contract #	Effective Date: <u>10/1/2007</u>
		Expiration Date: <u>9/30/2008</u>
Contract Purpose/Description: <u>General Liability Insurance Renewal</u>		
Contract Manager: <u>Maria Slavik</u>	<u>3178</u>	<u>Risk Management</u>
(Name)	(Ext.)	(Department)
for BOCC meeting on <u>September 19, 2007</u> Agenda Deadline: <u>September 4, 2007</u>		

CONTRACT COSTS	
Total Dollar Value of Contract: <u>\$355,256</u>	Current Year Portion: <u>\$0</u>
Budgeted? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Account Codes: <u>503-08502-530-450-</u>
Grant: \$ _____	- - - - -
County Match: \$ _____	- - - - -
	- - - - -
ADDITIONAL COSTS	
Estimated Ongoing Costs: \$ _____/yr	For: _____
(Not included in dollar value above)	(eg. maintenance, utilities, janitorial, salaries, etc.)

CONTRACT REVIEW				
	Date In	Changes Needed	Reviewer	Date Out
Division Director	<u>8-22-07</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>J. C. Aguirre</u>	<u>8-22-07</u>
Risk Management	<u>8-22-07</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>M. Slavik</u>	<u>8-22-07</u>
<i>RK</i> O.M.B./Purchasing	<u>8/24/07</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>R. Poy</u>	<u>8/24/07</u>
County Attorney	<u>8/22/07</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>S. Hutton</u>	<u>8/22/07</u>
Comments: _____				




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: August 20, 2007

SUBJ: Insurance Renewal – with FMIT (Florida Municipal Insurance Trust)
General and Vehicle Liability

This item requests approval to accept renewal with FMIT to provide General and Vehicle Liability coverage at a premium of \$355,256 to be paid in four quarterly payments.

Excess General/Professional Liability: \$ 234,347 premium (retention: \$100,000 per occurrence)
Vehicle Liability and Physical Damage: \$ 120,909 premium (deductible: \$1,000 physical damage)

The total premium has increased 10.2% from the 2006/07 policy year.

This insurance provides coverage for which the County may become legally obligated to pay as a result of bodily injury, property damage, or personal injury arising out of its operations. In addition, the County will be reimbursed a percentage of legal fees incurred by a public officer in defending any criminal, civil, or ethics proceeding which is not otherwise covered by the policy.

It is therefore the recommendation that the Board approve the request to renew this policy with an effective date of October 1, 2007 – September 30, 2008. If you have any questions on this item, please do not hesitate to contact me at X4458.



FLORIDA LEAGUE OF CITIES, INC.
Public Risk Services
P. O. Box 530065
Orlando, FL 32853-0065

RENEWAL QUOTE FOR 2007-2008

Monroe County Board of County Commissioners
FMIT 0386

<u>Coverage</u>	<u>Deductible</u>	<u>Limit</u>	<u>Premium</u>
General/Professional Liability	\$100,000 Self Insured Retention	\$5,000,000	\$234,347
Automobile Liability	\$100,000 Self Insured Retention	\$5,000,000	\$115,102
Automobile Physical Damage	Per Schedule		\$5,807
TOTAL PREMIUM			\$355,256

IMPORTANT NOTE:
THIS IS A PACKAGE QUOTE. IF ANY OF THE LINES OF COVERAGE ARE NOT RENEWED, THE OTHER LINE PRICING WILL CHANGE OR COVERAGE OFFERINGS ON THE REMAINING LINES COULD BE WITHDRAWN ALTOGETHER.

INTERISK CORPORATION

Consultants

Risk Management
Employee Benefits

1111 North Westshore Boulevard
Suite 208
Tampa, FL 33607-4711
Phone (813) 287-1040
Facsimile (813) 287-1041

August 10, 2007

Ms. Maria Slavik
Risk Management Specialist
Monroe County
1100 Simonton St.
Suite 268
Key West, Florida 33040

Subject: Renewal of Liability Insurance

Dear Maria:

I have received a copy of the Florida League's proposal for the renewal of the County's Excess Liability Insurance that expires on September 30, 2007. The following table compares the proposed premiums for the 2007/08 policy year to those the County paid for the 2006/07 policy.

	2006/07	2007/08	Increase/(Decrease)	Percent
General/Professional Liability	\$199,465	\$234,347	\$34,882	17.5%
Vehicle Liability and Physical Damage	122,744	120,909	(1,835)	(1.5%)
Total	\$322,209	\$355,256	\$33,047	10.2%

While the increase is believed to be consistent with industry standards, it is higher than anticipated based on earlier conversations you and I had with the Florida League. When you and I requested justification from the League for the increase, we were advised that the majority of the increase was due to the League's "Excess" factors being raised. When the League develops a premium for any of its Members, they start by calculating a premium assuming the program does not contain a deductible or retention. For those Members (such as the County) that selects a program with a deductible or retention the initial premium that was developed is multiplied by the Excess factor to determine what premium would be charged.

The Excess factors are determined by an actuarial study based on the League's historical loss experience. According to the League, it has been a number of years since such a study has been performed. This has resulted in the premiums for Members that have a deductible or retention being artificially low.

Despite the fact that the County's proposed premiums for the 2007/08 policy year are slightly higher than first anticipated, they are competitive based on premiums being charged other Interisk's clients, despite the 10.2% increase. It is therefore recommended that Monroe County renew its Excess Liability Insurance with the Florida League of Cities for the 2007/08 policy year with the understanding that competitive proposals be received through an RFP process for the 2008/09 policy year.

Cordially,

INTERISK CORPORATION

A handwritten signature in cursive script, appearing to read "S G Webber".

Sidney G. Webber
CPCU, ARM

CC: Teresa Aguiar

INTERISK CORPORATION

Consultants

Risk Management
Employee Benefits

1111 North Westshore Boulevard
Suite 208
Tampa, FL 33607-4711
Phone (813) 287-1040
Facsimile (813) 287-1041

July 6, 2007

Ms. Maria Slavik
Risk Management Specialist
Monroe County
1100 Simonton St.
Suite 268
Key West, Florida 33040

Subject: Renewal of Liability Insurance

Dear Maria:

The County's Liability Insurance is currently placed through the Florida League of Cities and includes the following coverages:

- Excess Liability (General Liability)
- Vehicle Liability
- Public Officials Liability
- Employment Practices Liability
- Miscellaneous Other Coverages

The policy expires on September 30, 2007. The last time the County received competitive proposals for this policy was in 2004. Typically the County obtains competitive proposals for its various insurance every 3 years to 4 years. This practice would suggest that an RFP be prepared and competitive proposals received either this year or at the latest, next year.

The Liability market place is relatively stable right now and I have received preliminary indications from the League that they do not anticipate any significant increases in their rates for the 2007/08 policy year. With this in mind, it is recommended that the County consider deferring obtaining competitive proposals until the 2008/09 policy year. This recommendation is being primarily made because of the new Professional Liability insurance the County purchased this year providing protection for the nurses participating in the Medical Air Transport program. You and I spent considerable time and effort securing this coverage and was ultimately placed through the Florida League.

According to recent newspaper articles there are unresolved issues associated with the Air Transport program and if the County were to select any other firm (other than the Florida League) to provide its Liability insurance, this would leave the Professional Liability as the only insurance placed through the League. Normally the League prefers not to provide ancillary coverages without the support of its main coverages provided by the Florida Municipal Insurance Trust (FMIT). This could leave the County in an unfavorable position of having to locate and obtain alternative insurance for its Medical Air Transport program on an expedited basis. By renewing its Liability insurance with the Florida League for the 2007/08 policy year, time will be provided for the County to resolve the outstanding issues associated with

its Air Transport program and can be more easily transferred to a new agent and insurer if the League is not retained as the County's Liability insurer.

Please give me a call if you have any questions or wish to discuss this issue in more detail.

Cordially,

INTERISK CORPORATION

A handwritten signature in cursive script, appearing to read "S G Webber".

Sidney G. Webber
CPCU, ARM

CC: Teresa Aguiar