



**CITY OF FORT LAUDERDALE
Commission Agenda Memo
CONFERENCE MEETING**

#12-2658

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: December 18, 2012

TITLE: City Property Insurance Renewal

Recommendation

To review options available for the City's property insurance policy, from a policy/business perspective, and provide direction for final negotiations.

Background

The City owns over 260 buildings and structures with an insurable value of just over \$500 million. The property insurance policy is scheduled to renew on February 1, 2013. The City Manager's designee, Risk Management Associates, Inc., d/b/a Public Risk Insurance Agency, is marketing the City's property insurance program and is conducting negotiations with various insurance carriers and/or their agent, in order to structure a layered program, which allows the risk of loss to be spread among numerous carriers, which in turn, benefits the City with a lower premium price.

Due to the hardening property insurance market, this year's rate, on the same coverage limits and deductibles, is up just over 6% from last year generating an increase in overall premium. To off-set this increase, the Insurance Advisory Board has recommended that the City reduce the Named Storm limit from \$75 million to \$50 million on the non-utility program and from \$75 million to \$25 million on the utility program. In addition, there are some other policy/business decisions for the Commission to consider, including coverage for certain buildings and structures.

Preferences from the Commission will be relayed to the City's contracted agent for final negotiation and pricing. Staff will bring the item back to the Commission on the consent agenda at the January 8th meeting for a final vote.

Prior Commission Action:

November 20, 2012: The Commission unanimously (4-0) approved to market the

insurance through the negotiation method to obtain an insurance premium quote.

Prior Board Action:

November 7, 2012: The Insurance Advisory Board unanimously (7-0) approved the recommendation to market the insurance and to use the negotiation method to obtain an insurance premium quote.

December 5, 2012: The Insurance Advisory Board unanimously (6-0) approved the recommendation to purchase property insurance with Named Storm limits of \$50 million for the non-utility program and \$25 million for the utility program at a “not-to-exceed” premium of \$2,163,203. The expiring policy’s premium is \$2,189,958.

Resource Impact

There is no fiscal impact associated with this action.

Attachment(s)

Exhibit 1- Not-to-Exceed Quote for Property Policy Renewal

Exhibit 2 - Exceedance Probability Analysis

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