



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#12-2663

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager

DATE: January 8, 2013

TITLE: MOTION – A Motion to Approve Property Insurance Policy Renewal -
\$2,132,647

Recommendation

It is recommended that the City Commission approve the purchase of property insurance for City-owned properties, with a layered insurance program from specified insurers, in an amount not to exceed \$2,132,647 and determine that this policy/program and these insurance companies best meet the needs of the City pursuant to Section 2-199 of the Code of Ordinances.

Background

The City owns over 260 buildings/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, marketed the City's property insurance program and conducted negotiations with various insurance carriers in order to structure a layered program, which allows the risk of loss to be spread among the following participating carriers: Underwriters at Lloyds of London; Arch Specialty Insurance Company; Lexington Insurance Company; Liberty Surplus Insurance Corporation; Colony Insurance Company; Alterra Excess & Surplus Insurance Company; ACE American Insurance Company and Zurich American Insurance Company.

Due to the firming property insurance market, this year's rate is up about 3.3% from last year, however, due to a reduction in limits and a few other aspects, the premium will be less than last year. The policy recommended, Option #3 (see Exhibit #1), contains reduced limits from the current year's policy. The non-utility program Named Storm (wind) limit has been reduced from \$75 million to \$50 million and the utility program limit has been reduced from \$75 million to \$25 million. As discussed in the Conference Meeting on December 18th, the deductibles of \$5 million on each program will remain the same. Coverage on Lockhart Stadium and Fort Lauderdale Stadium will be valued at actual cash value (ACV) instead of replacement cost value (RCV) and the building located at 301 North Andrews Avenue will not be insured on the policy.

The Insurance Advisory Board has reviewed this proposal and concurs with the recommendation.

Resource Impact

There is a fiscal impact to the City in the amount of \$2,132,647

		SUB				SUB		
FY Year	FUND	FUND	FUND NAME	INDEX #	INDEX NAME	OBJECT #	SUBOBJECT NAME	AMOUNT
2012-2013	543	01	City Insurance	INS010101	Self Insurance Claims	5101	All Risk Property Carrier	2,132,647.00
					TOTAL			2,132,647.00

Related CAM(s): #12-2552, #12-2658

Attachment(s)
Exhibit 1 – Premium Options

Prepared by: Guy Hine, Risk Manager

Department Director: Averill L. Dorsett