

**DRAFT**  
**INSURANCE ADVISORY BOARD**  
 101 NW 3rd Avenue, 11th Floor  
 Tower 101 City Office  
 FORT LAUDERDALE, FL 33301  
 REGULAR MEETING  
 WEDNESDAY, DECEMBER 11, 2024 – 8:00 a.m.

<b>MEMBERS</b>	<b>ATTENDANCE</b>	<b>CUMULATIVE</b>	
		<b>PRESENT</b>	<b>ABSENT</b>
Mark Schwartz, Chair	P	6	0
Joe Piechura, Sr., Vice Chair	P	5	1
Steve Botkin	P	5	1
David Cooley	P	4	2
Ted Hess	P	6	0
Jonathan Perrillo	P	3	3

**Staff**

Guy Hine, Risk Manager  
 Matthew Cobb, Assistant Risk Manager  
 Alisha Auth, Senior Claims Adjuster  
 Paul Dawson, Brown & Brown Public Sector  
 Robin Russell, Brown & Brown Public Sector  
 Bill Wilson, Brown & Brown Public Sector

**Communications to City Commission**

None.

**1. Roll Call (including number of appointed members and quorum)**

Chair Schwartz called the meeting to order at 8:05 a.m. All members attended in person. As of this date, December 11, 2024, there are six (6) appointed members to the Insurance Advisory Board, which means four (4) would constitute a quorum. Roll was called and it was determined there was a quorum at this time.

**2. Approve Minutes**

None.

**3. Communications to City Commission**

None.

**4. Unfinished Business**

- **Update on Property Insurance Renewal for February 2025**

Mr. Hine provided a brief introduction on the history of the City's property insurance policies and advised that Mr. Dawson and his staff would provide more details.

Mr. Dawson advised that there is good news on the 2025 year's policies renewal regarding the insured rate, overall premium, and coverage terms. The City recently obtained an updated appraisal on the City's structures and contents, which did not go up significantly from the prior appraisal. As such, there was a reduction for the overall Total Insured Values (TIV) due to the removal of some insured locations from the City's Statement of Values, primarily the old City Hall and Police Station locations.

Mr. Dawson explained this reduction of TIV influenced reducing the policies' premium by 7.53% from the 2024 year's not-to-exceed premium of \$3,783,494. The utility coverage limit is \$15 million, and the non-utility coverage limit is \$25 million, which are the same limits as the prior policies. These limits maintain the City's eligibility for FEMA's public assistance while still providing coverage for a large loss event. In addition, through negotiations, the City obtained improved coverage terms on the non-utility named windstorm deductible which was lowered from \$5 million per loss to 5% with a \$1 million minimum.

Mr. Dawson also provided a review of the current property insurance market, which was not as challenging this year as it had been in 2023, which saw rate increases for the Florida public sector. After the 2024 year, the market has stalled any further hardening of rates by property insurance carriers since there is still plenty of financial capacity in the market. This is a result of reinsurance availability for catastrophic losses remaining flat, thus providing stabilization for the property market.

Discussion among the Board followed on the current state of the property insurance market, and what would be the impact of adding the new Police Station onto the policies once it is completed. Several Board members asked general questions about the renewal and if any large losses were incurred this year compared to the April flood in 2023.

Mr. Hine and Mr. Dawson explained that the projected TIV of the new Police Station is \$125 million, which would equal an estimated \$1.2 million in additional premium expense. Thankfully, the City has not experienced any large losses in 2024 with only two small pavilion fires occurring recently, which might not exceed the policies' \$50,000 all other perils deductible.

- **Motion to Approve Property Insurance Renewal for 2025**

Mr. Hine advised that staff was looking to obtain an approval from the Board for the Not to Exceed (NTE) premium quote of \$3,485,620 on the City's property insurance policies, as presented by Brown & Brown.

Mr. Dawson advised that after negotiations with the City's incumbent property insurance carriers the NTE premium quote for 2025 resulted in a 7.53% decrease at the quoted overall premium of \$3,485,620. The premium decrease was a combination of the removal of the old City Hall and Police Station, along with revised TIV to reflect the recent property

appraisal for repairs and rebuilding of structures. The 2025 property policies' quote maintains the insured limits of \$15 million for the utility program and \$25 million for the non-utility program. In addition, the utility coverage named windstorm deductible is unchanged at 7.5% of the TIV with a \$5 million minimum. However, the non-utility coverage named windstorm deductible was lowered to 5% with a \$1 million minimum. The TIV on the utility program remained unchanged at \$296,019,142, while the non-utility program decreased to \$263,176,050.

Mr. Dawson further advised that they were still negotiating and hope to secure a final premium for less than the \$3,485,620 NTE premium quote, and possibly some better coverage terms, when the City's policies renewed on February 1, 2025. Some carriers with lesser insured rates might increase their availability in the non-utility program, which would reduce the overall final premium.

Mr. Dawson advised that the utility program also has the option to reduce the named windstorm deductible to 5% of the TIV with a \$5 million minimum for an additional \$180,000 in premium, if that was something the City was interested in purchasing. However, he felt that it did not provide any significant advantages to the City considering that FEMA provides funding for losses beyond the insurance deductibles. The Board discussed this item along with staff and it was agreed that the additional cost of the option was not in the City's best interest.

Discussion among the Board followed on the property insurance premium quote, updated deductible limits, coverage terms, and pricing. Several Board members asked questions about the renewal that were answered by either Mr. Hine or Mr. Dawson. After discussion concluded, Chair Schwartz asked if there was a motion to approve the property insurance quote.

Motion by Vice Chair Piechura, seconded by Mr. Botkin, to leave the utility program named windstorm deductible unchanged, and to approve the City's property insurance policies' quote from multiple carriers on a layered program at the NTE premium of \$3,485,620. In a voice vote, the **motion passed with five votes in favor and Chair Schwartz abstaining.**