



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

#25-0013

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Susan Grant, Acting City Manager

DATE: January 7, 2025

TITLE: Motion Authorizing Purchase of Property Insurance – Underwriters at
Lloyd’s of London, et al. – \$3,485,620 – **(Commission Districts 1, 2, 3 and
4)**

Recommendation

Staff recommends the City Commission approve the purchase of one-year property insurance policies in an amount not-to-exceed \$3,485,620.

Background

The City owns over 260 buildings/structures and contents with an insurable value of just under \$560 million. The property insurance program is scheduled to renew on February 1, 2025. Inasmuch as the competitive solicitation and selection process is inapplicable to the purchase of insurance and insurance-related products pursuant to Subsection 2-176(d), Code of Ordinances of the City of Fort Lauderdale, Florida, the City’s contracted agent, Risk Management Associates, Inc., a/k/a Brown & Brown Public Sector, conducted negotiations with various insurance carriers and/or their agents, in order to structure a layered program, which allows the risk of loss to be spread among the following participating carriers: Underwriters at Lloyd’s of London; Beazley Excess & Surplus Lines Insurance Company, Palms Specialty Insurance Company, Inc., Sutton Specialty Insurance Company, National Fire & Marine Insurance Company; Ironshore Specialty Insurance Company; Starr Surplus Lines Insurance Company; Wright National Flood Insurance Company; and XL Insurance America, Inc.

Staff, through an outside expert, recently obtained an updated appraisal on the City’s buildings/structures and contents, which did not go up significantly from the prior appraisal. Conversely, there was a reduction in the City’s overall Total Insured Values (TIV) due to removal of some properties from our Statement of Values (e.g., City Hall, Police Station, etc.). This year’s premium is down 7.53% from last year’s not-to-exceed premium of \$3,783,494, at least in part due to the reduction in TIV. This premium quote is a not-to-exceed amount as final figures are still being negotiated, although the final premium will be very close to this figure. The utility coverage limit at \$15 million and the non-utility coverage limit at \$25 million, are the same limits as last year’s policy. These limits maintain the City’s eligibility for FEMA’s public assistance. Through negotiations,

the City received an improvement on the non-utility named windstorm deductible which was lowered from \$5,000,000 to 5%/\$1,000,000 minimum.

Staff, and by recommendation from the Insurance Advisory Board, requests City Commission approval for the purchase of property insurance from Underwriters at Lloyd's of London, et al., in an amount not to exceed \$3,485,620.

Resource Impact

There will be an estimated fiscal impact to the City in the amount of \$3,485,620.

Funds available as of December 11, 2024					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-543-9050-519-50-5101	Self-Insurance Claims	Non-Operating Expenses / All Risk Property Insurance	\$11,358,558	\$10,339,767	\$3,485,620
TOTAL AMOUNT ►					\$3,485,620

Strategic Connections

This item supports the Press Play Fort Lauderdale 2029 Strategic Plan, specifically advancing:

- Guiding Principles, Fiscal Responsibility

This item advances the Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United

This item supports the Advance Fort Lauderdale 2040 Comprehensive Plan specifically advancing:

- The Internal Support Focus Area
- Implementation Element
- Goal 1: Fort Lauderdale Comprehensive Plan shall accomplish City's Fast Forward Fort Lauderdale 2035 Vision Plan regarding the City's future growth and the six Cylinders of Excellence and shall be the City's primary policy document to guide all of its activities and development.

Attachments

Exhibit 1 - 2025-2026 Premium – Not to Exceed Indication

Exhibit 2 - Five Year Historical Summary

Exhibit 3 - Program Illustration

Exhibit 4 - Insurance Advisory Board Draft Meeting Minutes

Prepared by: Guy Hine, Risk Manager, Human Resources

Department Director: Jerome Post, Human Resources