



TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager

DATE: October 16, 2012

TITLE: Motion to Approve Public Officials and Employment Practices Liability
Insurance Policy Renewal - \$166,860

Recommendation

It is recommended, by staff and the Insurance Advisory Board, that the City Commission approve the purchase of a one-year public officials and employment practices liability insurance policy from National Union Fire Insurance Company of Pittsburgh, PA, which it determines best meets the needs of the City, in the amount of \$166,860.

Background

The City's public official and employment practices liability insurance policy is scheduled to expire on October 31, 2012. As prescribed in Section 2-199(3), Code of Ordinances of the City of Fort Lauderdale, the City Manager's designee, Risk Management Associates, Inc., d/b/a Public Risk Insurance Agency, conducted negotiations with the current carrier. The negotiations resulted in a total premium quote of \$166,860, which is an increase of \$10,000 over last year's premium and an increase in one of the self-insured retention levels. As a result, the Insurance Advisory Board recommended marketing the insurance to see if the City could obtain a better combination of price and retention levels (see attached memo). The marketing, which included six carriers, did not yield an improved quote.

This policy provides coverage for claims arising out of the decisions made by the Commission and the City's advisory boards and employment related matters, such as wrongful termination and discrimination in hiring and firing. With the exception of a new retention level of \$175,000 on religious institution zoning, this policy will provide the exact same coverage as last year's policy, including a self-insured retention level of \$100,000

per claim on the public officials' policy and a \$150,000 retention level on the employment practices liability policy. It also provides a combined limit of \$4 million. The contract is for the period of November 1, 2012 through October 31, 2013. This item was reviewed and approved by the Insurance Advisory Board at its October 3, 2012 meeting.

Prior Commission Action: On June 5, 2012, the City Commission approved CAR 12-0955 (Item M-19) requesting authority to negotiate an insurance premium with the current carrier (vote 5-0).

Resource Impact

There is a fiscal impact to the City in the amount of \$166,860

Funding for this item is available in the FY 2013 budget in Fund 543, Subfund 01, Index Code INS010101, Subobjects 5134 and 5137.

FY Year	SUB		FUND NAME	INDEX #	INDEX NAME	SUB		AMOUNT
	FUND	FUND				OBJECT #	SUBOBJECT NAME	
2012-2013	543	01	City Insurance	INS010101	Self Insurance Claims	5134	Public Official Carrier	50,058.00
2012-2013	543	01	City Insurance	INS010101	Self Insurance Claims	5137	Empl Practices Carri	116,802.00
TOTAL								166,860.00

Attachment(s)

Exhibit 1 – Memo 12-270

Prepared By: Guy Hine, Risk Manager, ext. 5494

Department Director: Averill Dorsett