



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

#24-0048

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

FROM: Greg Chavarria, City Manager

DATE: January 9, 2024

TITLE: Motion Authorizing Purchase of Property Insurance – Underwriters at
Lloyd’s of London, et al. – \$3,950,765 – **(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 \$3,950,765.

Background

The City owns over 260 buildings/structures with an insurable value of just over \$590 million. The property insurance program is scheduled to renew on February 1, 2024. 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; National Fire & Marine Insurance Company; Ironshore Specialty Insurance Company; Starr Surplus Lines Insurance Company; Sutton Insurance Company; Wright National Flood Insurance Company; and XL Insurance America, Inc.

This year’s premium is up 33% from last year’s not-to-exceed premium of \$2,981,532, due to the City’s flood claim in April, the current state of the insurance market (i.e., hard market which translates to higher insurance premiums based on a reduced supply of available insurance – which is in part due to the effects of Hurricane Ian), and an increase in the City’s insured values. This premium quote is a not-to-exceed amount as final figures are still being negotiated, although it will be very close to this figure. The utility limit at \$15 million and the non-utility 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. The non-utility “All Other Perils” deductible increased from \$50,000 to \$100,000.

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 \$3,950,765.

Resource Impact

There will be an estimated fiscal impact to the City in the amount of \$3,950,765.

Funds available as of December 13, 2023					
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	\$9,295,415	\$8,415,321	\$3,950,765
TOTAL AMOUNT ►					\$3,950,765

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

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: The Fort Lauderdale Comprehensive Plan shall accomplish the 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 - 2024-2025 Premium – Not to Exceed Indication
- Exhibit 2 - Five Year Historical Summary
- Exhibit 3 - Program Illustration
- Exhibit 4 - Insurance Advisory Board Meeting Minutes

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