



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

23-0024

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

FROM: Greg Chavarria, City Manager

DATE: January 24, 2023

TITLE: Motion Authorizing Purchase of Property Insurance – Underwriters at
Lloyd's of London, et al. – \$2,981,532 – **(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 \$2,981,532.

Background

The City owns over 260 buildings/structures with an insurable value of just over \$550 million. The property insurance program is scheduled to renew on February 1, 2023. 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., d/b/a Brown and Brown, 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: ACE American Insurance Company; Underwriters at Lloyd's of London; National Fire & Marine Insurance Company; Ironshore Specialty Insurance Company; Wright National Flood Insurance Company; and XL Insurance America, Inc.

This year's premium, due to an active 2022 hurricane season and large losses in the industry, is up 19% from last year's premium of \$2,499,564. 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. However, this year's premium is conditioned upon a reduction in limits to both the utility and non-utility policies. Utility limits have been reduced from \$25 million to \$15 million and non-utility limits have been reduced from \$50 million to \$25 million. The proposed limits maintains the City's eligibility for FEMA's public assistance.

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 the amount of \$2,981,532

Resource Impact

There will be an estimated fiscal impact to the City in the amount of \$2,981,532

<i>Funds available as of January 17, 2023</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-543-9050-519-50-5101	Self-Insurance Claims	Non-Operating Expenses / All Risk Property Insurance	\$7,668,065	\$5,652,328	\$2,981,532
TOTAL AMOUNT ►					\$2,981,532

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 – 2023-2024 Premium – Not to Exceed Indication

Exhibit 2 – Five Year Historical Summary

Exhibit 3 – Program Illustration

Exhibit 4 – Insurance Advisory Board Meeting Minutes

Prepared by: Guy Hine, Risk Manager, Human Resources Department
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