



## MEMORANDUM TO VENICE CITY COUNCIL

**THROUGH CHARTER OFFICER:** Edward Lavalley, City Manager      **E-SIGN:**  
**FROM:** Alan Bullock, HR Director  
**DEPARTMENT:** Human Resources  
**DATE:** August 31, 2023      **MEETING DATE:** September 12, 2023

**SUBJECT / TOPIC:** Property and Liability Insurance for Fiscal Year 2024

### **BACKGROUND INFORMATION:**

The Gehring Group is the city's agent/broker for property & liability insurance and has negotiated with the incumbent carrier Florida Municipal Insurance Trust (FMIT) for the major part of the property and liability portion of the City's insurance program for FY24. The commercial property as well as the personal lines insurance market following Hurricane Ian and other natural catastrophes have seen premium increases into the triple digits, with increased costs to build and reinsurance heavily impacting this sector. FMIT also made a policy form decision to only underwrite members at their full surveyed asset values, resulting in an increase to the City's Total Insured Value (TIV) of 38%. This provision does, however, still extend blanket coverage to all scheduled assets. FMIT also provides auto physical and auto liability, general liability, law enforcement liability and cyber liability as part of their package program. Lastly, FMIT provides Excess Workers' Compensation (WC) coverage and has maintained a reasonable \$200,000 retention (deductible). This retention effectively caps losses and reduces long term financial exposure to the City's WC program and is the lowest level the market will consider, with most excess carriers looking to write at \$350,000 and above. The City has also purchased flood insurance as well as other coverages including airport liability, statutory accidental death and dismemberment (AD&D), marine hull, drone, and pollution liability. The complete premium and coverage listing is attached. Ray Carter of The Gehring Group will attend the September 12<sup>th</sup> Council meeting and give a short presentation on the proposed Fiscal Year 2024 insurance program.

The recommendation is to maintain the same level of coverage on property, but with the newly revised TIV, with a premium of \$1,276,831 vs the expiring premium of \$645,203 for the property portion of the program. The total insurance program is projected to be \$1,982,486, a 51.9% increase to the expiring program.

**SUPPORTS STRATEGIC PLAN:** Goal Three: Ensure a Fiscally Sound City

**COUNCIL ACTION REQUESTED:** Presentation with Action Requested

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Yes    N/A

- Document(s) Reviewed for ADA compliance (required if for agenda posting)
  - City Attorney Reviewed/Approval
  - Risk Management Review
  - Finance Department Review/Approval
- Funds Availability (account number): 502, 504 funds