



## MEMORANDUM TO VENICE CITY COUNCIL

**THROUGH CHARTER OFFICER:** Edward Lavalley, City Manager      **E-SIGN:**  
**FROM:** Alan Bullock, HR Director  
**DEPARTMENT:** Human Resources  
**DATE:** September 16, 2024      **MEETING DATE:** September 24, 2024

**SUBJECT / TOPIC:** Fiscal Year 2025 Property and Liability Insurance

### **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 property and liability portion of the City's insurance program for FY25. The insurance market continues to see premium increases due to increased costs of construction and inflationary pressures. However, this year's renewal evaluation for the Property portion of the city's insurance program is \$1,352,700 vs the expiring premium of \$1,312,211, a 3.1% increase. This is a result of the rating correction performed by FMIT in FY24, in addition to new and increased capital entering the reinsurance market, helping to alleviate the hardened market.

FMIT also provides Auto Physical and Auto Liability, General Liability, Law Enforcement Liability and Cyber Liability insurances 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. The City has also typically purchased Flood insurance for property located in Special Flood Hazard Areas (SFHA's) to provide primary coverage, as well as other insurance policies including Public Official and Employment Practices Liability, Airport Operators Liability, Statutory Accidental Death and Dismemberment (AD&D), Marine Hull, Drone Liability, and Pollution Liability. The complete premium and coverage listing is attached. Representatives of the Gehring Group will attend the September 24<sup>th</sup> Council meeting and give a short presentation on the proposed Fiscal Year 2025 Insurance Program.

The recommendation is to maintain the same level of coverage on the Property portion of the insurance program with a premium of \$1,352,700, along with all of the other coverages stated for a total annual renewal premium amount of \$2,149,149 vs the expiring of \$2,067,375, an increase of 3.96%.

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

**COUNCIL ACTION REQUESTED:** For Discussion and Immediate Action

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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 and 504 funds