



# MEMORANDUM

## City of Venice

### Human Resources Department

TO: City Council

THROUGH: Edward F. Lavalley, City Manager

FROM: Alan Bullock, Director of Human Resources

DATE: September 3, 2019

COUNCIL APPROVAL: Yes

MEETING DATE: September 10, 2019

STRATEGIC PLAN GOAL: Provide Efficient, Responsive Government with High Quality Services

SUBJECT: Property & Liability Insurance for Fiscal Year 2020

**Background:** As you may recall, the city selected The Gehring Group in 2018 to act as its new agent/broker for property & liability insurance. In so doing, the city has since realized a \$7,500 annual savings in fees and has experienced an enhanced service level.

**Requested Action:** The Gehring Group has now marketed the city's property & liability insurance for fiscal year 2020. The incumbent carrier for the property portion Florida Municipal Insurance Trust (FMIT) and former property carrier Preferred Governmental Insurance Trust (PGIT) both submitted proposals for review. Each was very similar in coverage and limits. FMIT's premium is \$746,374 or approximately 3% below last year's renewal, and PGIT's premium is \$685,175 or roughly 11% below last year's renewal. However, one striking difference is the self-insured retention (SIR) on the Workers' Compensation (WC) excess coverage. FMIT maintained at \$200,000 per claim retention as the expiring policy, while PGIT's retention is \$350,000 per claim. Although the short term premium savings is attractive with the PGIT program, the ability, and benefit, to maintaining our \$200,000 WC retention will help limit future exposure. Forecast increased payroll over time, new positions being created and WC legislation being enacted all significantly increase exposures to the WC program. Additionally, once the SIR is raised in a WC program, it is difficult, if not impossible to buy back down at a later date.

Please note that because of increased losses across the state in the past two years due to hurricanes the property insurance market has 'hardened' significantly, and in light of this the proposed program renewal is very good. The timing of the city's decision to market the program with and through the Gehring Group in Spring of 2019 was timely indeed and will serve us well.

The following representatives of The Gehring Group and FMIT will be present at the September 10, 2019

Council meeting to give a short presentation on the proposed Fiscal Year 2020 coverage:

Ray Carter, Risk Management Consultant, The Gehring Group

Clay Austin, Director of Trust Services, FMIT

If for an agenda item, this document and any associated backup created by City of Venice staff has been reviewed for ADA compliance: Yes

City Attorney Review/Approved: N/A

Risk Management Review: Yes

Finance Department Review/Approved: Yes

Funds Availability (account number): Property & Liability Insurance Fund 504

**ORIGINAL(S) ATTACHED:** Premium recap (not to exceed amounts)

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