

Village of Tequesta

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Tequesta, FL 33469



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To: Michael R Couzzo, Jr., Village Manager

From: Merlene Reid, HR Director

Date: July 29, 2015

Re: Property & Casualty Insurance Renewals 2015/16

I have attached the 2015/16 Florida Municipal Insurance Trust (FMIT) property and casualty evaluation numbers which propose a total annual renewal premium of \$346,479 (inclusive of brokers' fees). This represents an increase of \$14,420 or 4.3% over the expiring premium of \$332,059, due mainly to the anticipated increases in liability coverages related to 2 active lawsuits. General liability increased by \$7,138 (20.5%); public officials/employment practices liability by \$12,402 (32.5%); and law enforcement liability saw an increase of \$4,344 (12.3%).

On the other hand, our workers compensation insurance saw a decrease of \$8,986 (-7.2%) due to prior year's claims being removed from the calculation, lowering our mod factor from .93 to .81. Property, machinery, flood and inland marine coverage also had a decrease of \$3,287 (-5.7%), helping to offset increases in our liability coverages. The Village continues to receive a total of 7% credit due to HR's active enforcement of our Safety program (2%) and Drug Free Workplace policy (5%). For fiscal year 2015-16 we will once again receive a minimum Return of Premium Credit of \$9,154 in the second quarter.

Our brokers, The Gehring Group were asked to shop the market and two prominent municipal insurance providers were approached, namely Preferred Governmental Insurance Trust (PGIT) and Public Risk Management of Florida (PRM). PGIT submitted a proposal for a 22% increase, while PRM declined to quote, advising that our current claims experience would not allow for a competitive bid.

In addition to the total premium of \$346,479 outlined above, a further \$500 is being requested to cover the anticipated premium for the new vehicle budgeted in Parks & Recreation, making a total of \$346,979.

Based upon the renewal evaluation and market response, I am recommending that the Village renew the 2015/16 insurance program with the Florida Municipal Insurance Trust.

Vice-Mayor Vince Arena
Council Member Steve Okun

Mayor Abby Brennan
Village Manager Michael Couzzo

Council Member Tom Paterno
Council Member Frank D'Ambra