



Legislation Text

File #: 18-2097, **Version:** 1

ITEM: AUTHORIZATION TO RENEW AN EXISTING AGREEMENT TO PROVIDE GENERAL LIABILITY, PROPERTY, CASUALTY AND WORKERS' COMPENSATION INSURANCE

REQUEST: Authorization to renew an existing agreement with Florida Municipal Insurance Trust (Florida League of Cities) to provide general liability, property, casualty, and workers' compensation insurance at an estimated net annual cost of \$929,634.

EXPLANATION: The existing Village insurance coverage for general liability, property, casualty and workers' compensation is contracted through the Florida League of Cities' Florida Municipal Insurance Trust (FMIT). The agreement is set to expire on September 30, 2018. Staff is seeking authorization to renew the existing agreement through September 30, 2019.

The policy coverage includes general liability, property, casualty, workers' compensation and public official liability. Based on the current insured property, general liability and estimated payroll, FMIT's proposal for FY 2019 is \$972,908, or approximately \$135,958 more than the FY 2018 premium. The overall premium increase can be attributed to property insurance increases as a result of various natural disasters; hurricanes hitting the U.S Virgin Islands, Puerto Rico and Florida; flooding in Houston, Texas and wildfires in California. Other factors increasing the premiums include significant increases incurred for Employment Practices Liability from the Trusts reinsurers, and an increase in payroll attributed to Hurricane Irma (eligible for FEMA reimbursement) which affects both general liability and workers' compensation rates.

In addition, as part of their proposal, FMIT included a return on premium credit in the amount of \$43,274 which would be available to the Village in the event the contract is renewed with FMIT. The total annual cost provided by FMIT, while keeping the same deductible levels, and including any return on premium credit is approximately \$929,634 or approximately \$142,184 higher than the existing agreement.

Staff recommends renewing the existing agreement with FMIT at an annual cost of \$929,634, inclusive of all credits, for one additional year, effective through September 30, 2019.

BUDGET AMENDMENT REQUIRED: NO

PUBLIC HEARING: NO

QUASI-JUDICIAL:

FIRST READING:

SECOND READING:

LEGAL SUFFICIENCY: YES

FISCAL IMPACT: Funds are proposed in the proposed FY 2019 Risk Management Budget.

WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Authorization to renew an existing agreement with Florida Municipal Insurance Trust (Florida League of Cities) to provide general liability, property, casualty, and workers' compensation insurance

at an estimated net annual cost of \$929,634.