

RESOLUTION NO. 72-09-07

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AUTHORIZING THE TOWN MANAGER TO A EXECUTE THE RENEWAL QUOTATION FROM THE FLORIDA LEAGUE OF CITIES FOR PROPERTY, CASUALTY AND LIABILITY INSURANCE FOR THE TOWN OF LAKE PARK; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Town of Lake Park (“Town”) is a municipal corporation of the State of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

WHEREAS, the Town Commission has determined that it is in the best interest of the Town of Lake Park to provide for property, casualty and liability insurance for Fiscal Year 2008; and

WHEREAS, the Town Commission of the Town of Lake Park has reviewed the Property and Casualty and Workers’ Compensation Renewal Recommendation effective October 1, 2007 presented by Gehring Group, a copy of which is attached hereto and incorporated herein as **Exhibit “A”**, for the provision of property, casualty and liability insurance coverage for Fiscal Year 2008 through the Florida League of Cities Florida Municipal Insurance Trust; and

WHEREAS, the Town Commission of the Town of Lake Park has directed that adequate funds be allocated for such coverage in Fiscal Year 2008.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PAK, FLORIDA AS FOLLOWS:

Section 1. The whereas clauses are incorporated herein as true and correct and are hereby made a specific part of this Resolution.

Section 2. The Town Commission hereby authorizes and directs the Town Manager to execute the renewal quotation for property, casualty and liability insurance coverage through the Florida League of Cities Florida Municipal Insurance Trust for Fiscal Year 2008 as outlined in the attached **Exhibit A**.


Section 3. This Resolution shall become effective immediately upon adoption.

The foregoing Resolution was offered by Commissioner Balius, who moved its adoption. The motion was seconded by Commissioner Carey, and upon being put to a roll call vote, the vote was as follows:

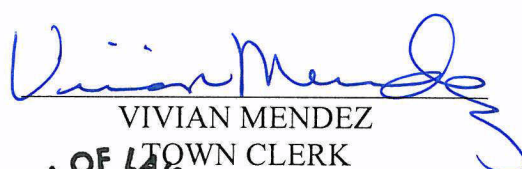
	AYE	NAY
MAYOR PAUL W. CASTRO	<u>X</u>	___
VICE-MAYOR ED DALY	<u>X</u>	___
COMMISSIONER CHUCK BALIUS	<u>X</u>	___
COMMISSIONER JEFF CAREY	<u>X</u>	___
COMMISSIONER PATRICIA OSTERMAN	<u>X</u>	___

The Town Commission thereupon declared the foregoing Resolution NO. 72-09-07 duly passed and adopted this 12 day of September, 2007.

TOWN OF LAKE PARK, FLORIDA


BY: 
PAUL W. CASTRO
MAYOR

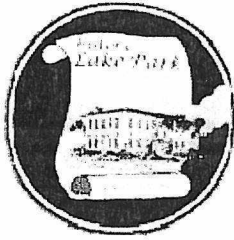
ATTEST:


VIVIAN MENDEZ
TOWN CLERK



Approved as to form and legal sufficiency:

BY: 
THOMAS J. BAIRD
TOWN ATTORNEY



**Town of Lake Park
Property & Casualty &
Workers' Compensation
Renewal Recommendation**
Effective Date: October 1, 2007

The Town of Lake Park has continued to renew their property and casualty insurance program with the Florida League of Cities/ Florida Municipal Insurance Trust since October 1, 2005. As such, the Town's incumbent carrier provided the following renewal quotation for fiscal year 2007/2008.

PROPERTY, INLAND MARINE, GENERAL LIABILITY, AUTOMOBILE

The incumbent provider for Property, Inland Marine, General Liability, and Automobile coverage is the Florida Municipal Insurance Trust (FMIT) administered through the Florida League of Cities. Regarding Property, the FMIT renewal quotation is \$144,038 based upon a Total Insured Value (TIV) of \$13,726,845. The expiring premium is \$105,355 based upon a TIV of \$9,505,113. The property premium increase is a direct result of increasing insurable values by \$4,221,732 in accordance with the recent appraisal completed by Specialty Property Services. Inland Marine coverage is included in the FMIT property quotation and covers items such as heavy equipment and small boats. The renewal quotation represents an increase in premium of \$38,683 above the expiring quote with a deductible of \$5,000 for All Other Perils. The Windstorm deductible remains unchanged at 5% of the Total Insured Value per building, per location, subject to the policy deductible or whichever is greater.

FMIT, as the incumbent provider for General Liability, Public Officials Liability/Employment Practices Liability, offers a renewal quote of \$37,601, a 12.5% increase from the current year's premium of \$33,420. FMIT also provided a renewal quotation for Automobile coverage which no increase in premium for both liability and physical damage.

WORKERS' COMPENSATION

FMIT is also the incumbent carrier for the Town's workers' compensation program. As such, it has provided a renewal quotation of \$159,188, an increase of 37% from the expiring premium of \$116,248. This is due to an increase in the experience modification factor for the Town from a 1.21 to a 1.61. Also, estimated payroll increased by 7.5% from the prior year. The FMIT continues to offer the Village the standard credits for maintaining and enforcing a Drug Free Workplace (5%) and Safety Program (2%) in addition to their standard Incentive Credit. The Gehring Group will work with staff to review trends and establish programs which over time will help to decrease the experience medication factor to an acceptable level.

CRIME

Coverage with the FMIT includes an honesty blanket bond with a limit of \$50,000. This type of bond protects the Town from employee dishonesty. The Town also has theft, disappearance and destruction coverage with a limit of \$10,000. These coverages' are included in the Property Coverage offered by the FMIT. In addition, the Town has a position schedule bond for the Finance Director and Town Manager. This bond does not renew until December 6, 2007.

SUMMARY

- *The Gehring Group recommends that the Town of Lake Park place its Property, Inland Marine, General Liability, Automobile, Workers' Compensation and Crime coverage's with the FMIT for a combined premium of \$367,114. This recommendation represents an overall increase to the Town of 30.76% from the expiring premiums.*

**TOWN OF LAKE PARK
PROPERTY & CASUALTY RENEWAL EVALUATION
2007 - 2008 PLAN YEAR**



Coverage Type	CURRENT FMIT			RENEWAL FMIT			% + or -
	Deductible	Liability Limits	Premium	Deductible	Liability Limits	Premium	
Property, Inland Marine & Equipment Breakdown	\$ 5,000	\$ 9,505,113	\$ 105,355	\$ 5,000	\$ 13,726,845	\$ 144,038	36.72%
	See Below for Wind						
General Liability	\$ 25,000	\$2,000,000 No Aggregate	\$ 22,493	\$ 25,000	\$2,000,000 No Aggregate	\$ 25,320	12.57%
Stop Loss Deductible	\$ 75,000						
Public Official Liability & Employment Practices Liability	\$ 25,000	\$ 1,000,000	\$ 10,927	\$ 25,000	\$ 1,000,000	\$ 12,281	12.39%
Auto Liability	\$ 25,000	\$ 2,000,000	\$ 26,286	\$ 25,000	\$ 2,000,000	\$ 26,287	0.00%
Stop Loss Deductible	\$ 75,000						
Personal Injury Protection	N/A	\$ 10,000	Included	N/A	\$ 10,000	Included	
Medical Payments	N/A	\$ 5,000	Included	N/A	\$ 5,000	Included	
Uninsured Motorists	N/A	\$ 20,000	Included	N/A	\$ 20,000	Included	
Physical Damage Comprehensive Coverage	N/A	Per Schedule	Included	N/A	Per Schedule	Included	
Physical Damage Collision Coverage	N/A	Per Schedule	Included	N/A	Per Schedule	Included	
Stop Loss Deductible	\$ 75,000						
Crime Coverage							
Employee Dishonesty Coverage	\$ 1,000	\$ 10,000	Included	\$ 1,000	\$ 10,000	Included	
Theft, Disappearance, Destruction	\$ 1,000	\$ 10,000	Included	\$ 1,000	\$ 10,000	Included	
Position Schedule Bond	N/A	\$ 50,000	\$ 725	N/A	\$ 200,000	\$ 725	0.00%
Workers' Compensation	First Dollar Coverage	\$ 1,000,000	\$ 116,248	First Dollar Coverage	\$ 1,000,000	\$ 159,188	36.94%
Modification Factor	1.21			1.61			
Annual Premium Sub Total:			\$ 281,309			\$ 367,839	
Gehring Group Administrative Services Fee:			\$ 14,065			\$ 18,392	
Total Annual Premium:			\$ 295,374			\$ 386,231	
\$ Increase			N/A			\$ 90,857	
% Increase			N/A			30.76%	

2007-2008 Property Deductible

Locations Greater than 1/2 Mile from Coastal Water: Named storm deductible: 5% of the value of the damaged properties per building/per occurrence, subject to the policy deductible, whichever is greater.

Position Schedule Bond renews on December 6, 2007.