

RESOLUTION NO. 54-09-08

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 WORKERS' COMPENSATION 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 workers' compensation insurance for Fiscal Year 2009; 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, 2008 presented by Gehring Group, a copy of which is attached hereto and incorporated herein as **Exhibit "A"**, for the provision of property, casualty and workers' compensation insurance coverage for Fiscal Year 2009 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 2009.

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 workers' compensation insurance coverage through the Florida League of Cities Florida Municipal Insurance Trust for Fiscal Year 2009 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 Osterman and upon being put to a roll call vote, the vote was as follows:

	AYE	NAY
MAYOR DESCA DUBOIS	<u>/</u>	___
VICE-MAYOR ED DALY	<u>/</u>	___
COMMISSIONER CHUCK BALIUS	<u>/</u>	___
COMMISSIONER JEFF CAREY	<u>/</u>	___
COMMISSIONER PATRICIA OSTERMAN	<u>/</u>	___

The Town Commission thereupon declared the foregoing Resolution NO. 54-09-08 duly passed and adopted this 3 day of September, 2008.

TOWN OF LAKE PARK, FLORIDA

BY: Desca Dubois
DESCA DUBOIS
MAYOR

ATTEST:

Vivian Mendez Lemley
VIVIAN MENDEZ LEMLEY
TOWN CLERK

TOWN OF LAKE PARK
(TOWN SEAL)
SEP 2008
FLORIDA

Approved as to form and legal sufficiency:

BY: Thomas J. Baird
THOMAS J. BAIRD
TOWN ATTORNEY



**Town of Lake Park
Property & Casualty &
Workers' Compensation
Renewal Recommendation
Effective Date: October 1, 2008**

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. Based upon the "soft" market and its premium reductions, expanded capacity in the market and a return of premium, the Town's incumbent carrier provided the following renewal quotation for fiscal year 2008/2009.

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 \$105,525 based upon a Total Insured Value (TIV) of \$13,726,845. The expiring premium is \$144,038 based upon a TIV of \$13,726,845. Inland Marine coverage is included in the FMIT property quotation and covers items such as heavy equipment and small boats. The renewal quotation represents a decrease in premium of \$38,513 below the expiring premium 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, per occurrence, subject to the policy deductible or whichever is greater. With the 2008/2009 property renewal, the Florida Municipal Insurance Trust Board of Trustees has approved a \$10,000,000 return of premium for members in good standing that had their property coverage with the Trust during FY 2006/2007. Based upon property premiums paid in 2006/2007 the Town can expect to receive a minimum return of premium in the amount of \$26,863. A check can be issued or a credit can be taken on the 2008/2009 second installment payment per the member's choice.

FMIT, as the incumbent provider for General Liability, Public Officials Liability/Employment Practices Liability, offers a renewal quote of \$40,596, a 0.23% increase from the current year's premium of \$37,601. FMIT also provided a renewal quotation for Automobile coverage with a

0.29% increase in premium for both liability and physical damage. The 2008/2009 quotation is \$26,362 versus the current premium of \$26,287. This premium increased slightly due to the addition of seven vehicles during the current fiscal year.

WORKERS' COMPENSATION

FMIT is also the incumbent carrier for the Town's workers' compensation program and has provided a renewal quotation of \$126,536, a decrease of 20.51% from the expiring premium of \$159,188. The Town's experience modification factor decreased from a 1.61 to a 1.60 for the coming year. The rates issued by the National Council on Compensation Insurance (NCCI) and utilized by The FMIT for each class code have also experienced decreases which will apply the renewal quotation. The FMIT continues to offer the Town 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, 2008.

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 \$299,780. This recommendation represents an overall decrease to the Town of -18.50%, or -\$71,462 from the expiring premiums.*

**TOWN OF LAKE PARK
PROPERTY & CASUALTY RENEWAL EVALUATION
2008 - 2009 PLAN YEAR**



Coverage Type	CURRENT			RENEWAL			% + or -
	Deductible	FMIT Liability Limits	Premium	Deductible	FMIT Liability Limits	Premium	
Property, Inland Marine & Equipment Breakdown	\$ 5,000	\$ 13,726,845	\$ 144,038	\$ 5,000	\$ 13,726,845	\$ 105,525	-26.74%
	See Below for Wind						
General Liability	\$ 25,000	\$2,000,000	\$ 25,320	\$ 25,000	\$2,000,000	\$ 25,379	0.23%
Stop Loss Deductible	\$ 75,000						
Public Official Liability & Employment Practices Liability	\$ 25,000	\$ 1,000,000	\$ 12,281	\$ 25,000	\$ 1,000,000	\$ 15,217	23.91%
Auto Liability	\$ 25,000	\$ 2,000,000	\$ 26,287	\$ 25,000	\$ 2,000,000	\$ 26,362	0.29%
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*	\$ 1,000	\$ 50,000	\$ 725	\$ 1,000	\$ 200,000	\$ 761	5.00%
Workers' Compensation	First Dollar Coverage	\$ 1,000,000	\$ 159,188	First Dollar Coverage	\$ 1,000,000	\$ 126,536	-20.51%
Modification Factor	1.61			1.60			
Annual Premium Sub Total:			\$ 367,839			\$ 299,780	
Gehring Group Administrative Services Fee:			\$ 18,392			\$ 14,989	
Total Net Premium:			\$ 386,231			\$ 314,769	
Minimum Return of Premium:			N/A			\$ (26,863)	
Grand Total:			\$ 386,231			\$ 287,906	
\$ Increase						\$ (71,462)	
% Increase						-18.50%	

Property Deductible : Locations greater than 1/2 mile from Coastal Waters; Named Storm Deductible 5% of value per building/per location/per occurrence subject to policy deductible or whichever is greater.

*Position Schedule Bond renews on December 6, 2008. A 5% increase has been added for budget purposes only.