

RESOLUTION NO. 40-09-09

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 FLORIDA MUNICIPAL INSUARNCNE TRUST FOR PROPERTY, INLAND MARINE, GENERAL LIABLITY, AUTOMOBILE, WORKERS' COMPENSATION AND CRIME INSURANCE COVERAGE AND FROM FIDELITY NATIONAL PROPERTY AND CASUALTY INSURANCE COMPANY FOR FLOOD INSURANCE FOR THE MARINA PRIMARY BUILDING; 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, inland marine, general liability, automobile, workers' compensation, and crime insurance coverage and for flood insurance coverage for the Marina primary building for Fiscal Year 2010; 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, 2009 presented by Gehring Group, a copy of which is attached hereto and incorporated herein as **Exhibit "A"**, for the provision of property, inland marine, general liability, automobile, workers' compensation, and crime insurance coverage through the Florida League of Cities Florida Municipal Insurance Trust and flood insurance coverage on the Marina primary building through Fidelity National Property and Casualty Insurance Company; and

WHEREAS, the Town Commission of the Town of Lake Park has directed that adequate funds be allocated for such coverage in Fiscal Year 2010.

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, inland marine, general liability, automobile, workers' compensation, and crime insurance coverage through the Florida League of Cities Florida Municipal Insurance Trust and flood insurance coverage on the Marina primary building through Fidelity National Property and Casualty Insurance Company as outlined in the attached **Exhibit A**.

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



Town of Lake Park
Property & Casualty &
Workers' Compensation
Renewal Recommendation
Effective Date: October 1, 2009

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. With the 2009/2010 property renewal, the Florida Municipal Insurance Trust Board of Trustees has approved an \$8,000,000 return of premium for members in good standing that had their property coverage with the Trust during FY 2007/2008. Along with the return of premium, the property, general liability and workers' compensation premiums decreased as well as a decrease in the Town's workers' compensation experience modification. Florida Municipal Insurance Trust provided the following renewal quotation for fiscal year 2009/2010.

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 \$ 91,166 based upon a Total Insured Value (TIV) of \$14,075,095. The expiring premium is \$152,936 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 \$ 61,770 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. Based upon property premiums paid in 2008/2009 the Town can expect to receive a minimum return of premium in the amount of \$29,704. The return of premium will be applied as a credit on the 2009/2010 second installment payment.

FMIT, as the incumbent provider for General Liability, Public Officials Liability/Employment Practices Liability, offers a renewal quote of \$39,850, a 0.87% decrease from the current year's premium of \$40,596. FMIT also provided a renewal quotation for Automobile coverage with a

1.42% decrease in premium for both liability and physical damage. The 2009/2010 quotation is \$32,039 versus the current premium of \$32,501.

WORKERS' COMPENSATION

FMIT is also the incumbent carrier for the Town's workers' compensation program and has provided a renewal quotation of \$93,922, a decrease of 25.77% from the expiring premium of \$126,536. The Town's experience modification factor decreased from a 1.60 to a 1.35 for the coming year. This reduction is due in part to the claims from FY 04-05 being removed from the overall claims experience calculation. 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 continues to work with staff to review trends, conduct safety programs 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.

FLOOD

Flood coverage is purchased through Fidelity National, separate from the FMIT package. The flood policy covers the primary building at the Marina which holds offices and the ship store. The policy renewal was slightly higher than last year with an increase of .33%.

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 and Flood with Fidelity for a combined premium of \$273,373. This recommendation represents an overall decrease to the Town of - 26.94%, or -\$100,660 from the expiring premiums, when the return of premium is taken into account.*

**TOWN OF LAKE PARK
PROPERTY & CASUALTY RENEWAL EVALUATION
2009 - 2010 PLAN YEAR**



Coverage Type	CURRENT FMIT			RENEWAL FMIT			% + or -
	Deductible	Liability Limits	Premium	Deductible	Liability Limits	Premium	
Property, Inland Marine & Equipment Breakdown	\$ 5,000	\$ 13,726,845	\$ 152,936	\$ 5,000	\$ 14,075,095	\$ 91,166	-40.39%
Flood	\$ 1,000	\$ 500,000	\$ 2,739	\$ 1,000	\$ 500,000	\$ 2,748	0.33%
General Liability	\$ 25,000	\$2,000,000	\$ 26,315	\$ 25,000	\$2,000,000	\$ 24,413	-7.23%
Stop Loss Deductible	\$ 75,000			\$ 75,000			
Public Official Liability & Employment Practices Liability	\$ 25,000	\$ 1,000,000	\$ 14,281	\$ 25,000	\$ 1,000,000	\$ 15,437	8.09%
Auto Liability	\$ 25,000	\$ 2,000,000	\$ 32,501	\$ 25,000	\$ 2,000,000	\$ 32,039	-1.42%
Stop Loss Deductible	\$ 75,000			\$ 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							
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	\$ 200,000	\$ 761	\$ 1,000	\$ 200,000	\$ 799	4.97%
Workers' Compensation	First Dollar Coverage	\$ 1,000,000	\$ 126,536	First Dollar Coverage	\$ 1,000,000	\$ 93,922	-25.77%
Modification Factor	1.60			1.35			
Annual Premium Sub Total:			\$ 356,069			\$ 260,524	
Gehring Group Administrative Services Fee:			\$ 17,629			\$ 12,849	
Total Net Premium:			\$ 373,698			\$ 273,373	
Minimum Return of Premium:			\$ (29,369)			\$ (29,704)	
Grand Total:			\$ 344,329			\$ 243,669	
\$ Increase or (decrease)						\$ (100,660)	
% Increase						-26.94%	

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, 2009. A 5% increase has been added for budget purposes only.

Return of Premium: Based on the property premiums paid in 2007-2008 the Town of Lake Park can expect at least \$29,704 in return of Premium should they elect to renew coverages for the 2009-2010 policy year.

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

	AYE	NAY
MAYOR DESCA DUBOIS	<u> / </u>	<u> </u>
VICE-MAYOR JEFF CAREY	<u> / </u>	<u> </u>
COMMISSIONER ED DALY	<u> / </u>	<u> </u>
COMMISSIONER PATRICIA OSTERMAN	<u> / </u>	<u> </u>
COMMISSIONER KENDALL RUMSEY	<u> / </u>	<u> </u>

The Town Commission thereupon declared the foregoing Resolution NO. 40-09-09 duly passed and adopted this 16 day of September, 2009.

TOWN OF LAKE PARK, FLORIDA

BY: 
DESCA DUBOIS
MAYOR

ATTEST:

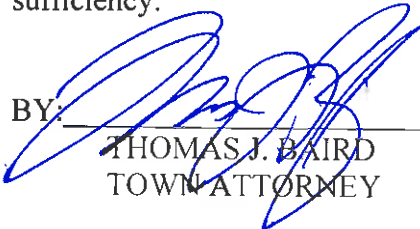


VIVIAN M. LEMLEY
TOWN CLERK

TOWN OF LAKE PARK
TOWN SEAL

FLORIDA

Approved as to form and legal
sufficiency:

BY: 
THOMAS J. BAIRD
TOWN ATTORNEY