

RESOLUTION NO. 28-08-10

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AUTHORIZING THE TOWN MANAGER TO A EXECUTE THE RENEWAL QUOTATION FOR FISCAL YEAR 2011 FROM THE FLORIDA LEAGUE OF CITIES/FLORIDA MUNICIPAL INSURANCE TRUST FOR PROPERTY, INLAND MARINE, GENERAL LIABILITY, AUTOMOBILE, WORKERS' COMPENSATION, AND CRIME INSURANCE, AND FROM FIDELITY NATIONAL PROPERTY 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 2011; 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, 2010 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 for 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 2011.

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 Fiscal Year 2011 for property, inland marine, general liability, automobile, workers' compensation, and crime insurance coverage through the Florida League of Cities/Florida Municipal Insurance Trust and for 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.

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

	AYE	NAY
MAYOR DESCA DUBOIS	<u>/</u>	—
VICE-MAYOR PATRICIA OSTERMAN	<u>/</u>	—
COMMISSIONER STEVEN HOCKMAN	<u>/</u>	—
COMMISSIONER JEANINE LONGTIN	<u>/</u>	—
COMMISSIONER KENDALL RUMSEY	<u>/</u>	—

The Town Commission thereupon declared the foregoing Resolution NO. 28-08-10 duly passed and adopted this 4 day of August, 2010.

TOWN OF LAKE PARK, FLORIDA

BY: Desca Dubois
DESCA DUBOIS
MAYOR

ATTEST:

Vivian M. Lemley
VIVIAN M. LEMLEY
TOWN CLERK
TOWN OF LAKE PARK
FLORIDA
(TOWN SEAL)

Approved as to form and legal sufficiency:

BY: Thomas J. Bard
THOMAS J. BARD
TOWN ATTORNEY



Town of Lake Park
**Property & Casualty &
Workers' Compensation**
Renewal Recommendation
Effective Date: October 1, 2010

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 2010/2011 property renewal, the Florida Municipal Insurance Trust Board of Trustees has approved a \$10,000,000 return of premium for members in good standing as of 2008/2009. In addition, the Town's workers' compensation experience modification factor has decreased from 1.35 to 1.19 resulting in a premium reduction. We are pleased to present the following renewal quotations for fiscal year 2010/2011.

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. The Town's property premium is based upon a Total Insured Value (TIV) of \$14,097,723, a slight increase over the prior year. The renewal quotation of \$91,612 represents a .5% increase from 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 \$46,838. The return of premium will be applied as a credit on the 2010/2011 second installment payment.

FMIT, as the incumbent provider for General Liability, Public Officials Liability/Employment Practices Liability, offers a renewal quote of \$42,987. FMIT also provided a renewal quotation for Automobile liability and physical damage. The 2010/2011 automobile quotation is \$31,219

WORKERS' COMPENSATION

FMIT is also the incumbent carrier for the Town's workers' compensation program and has provided a renewal quotation of \$72,792, a decrease of 22.5% from the expiring policy. The Town's experience modification factor continues to decrease from a 1.35 to a 1.19 for the coming fiscal year. This reduction is due in part to the claims from FY 05/06 being removed from the overall claims calculation. 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, audit claims for accuracy, 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 with a limit of \$200,000.

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 lower than last year with a decrease of 3.1%.

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, Flood with Fidelity, Storage Tank 3rd Party Liability with Commerce & Industry, Marina Operators Liability with Travelers and Liquor Liability with Liberty Surplus for a combined premium of \$250,427. This recommendation represents an overall decrease to the Town of -14.2%, or a savings of \$35,868.

**TOWN OF LAKE PARK
PROPERTY & CASUALTY RENEWAL EVALUATION
2010 - 2011 PLAN YEAR**



Current

Renewal

Coverage Type	All Property & Casualty Lines 2009-2010				All Property & Casualty Lines 2010-2011			
	Carrier	Deductible	Liability Limits	Premium	Deductible	Liability Limits	Premium	%
Property, Inland Marine & Equipment Breakdown	FMIT	\$ 5,000	\$ 14,075,005	\$ 91,166	\$ 5,000	\$ 14,097,723	\$ 91,612	0.5%
Crime Coverage	FMIT	\$ 1,000	\$ 10,000	Included	\$ 1,000	\$ 10,000	Included	
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*	FMIT	\$ 1,000	\$ 200,000	\$ 660	\$ 1,000	\$ 200,000	\$ 660	0.0%
General Liability	FMIT	\$ 25,000	\$ 2,000,000	\$ 24,413	\$ 25,000	\$ 2,000,000	\$ 24,809	1.6%
Stop Loss Deductible		\$ 75,000			\$ 75,000			
Public Official Liability & Employment Practices Liability	FMIT	\$ 25,000	\$ 1,000,000	\$ 15,437	\$ 25,000	\$ 1,000,000	\$ 18,178	17.8%
Auto Liability	FMIT	\$ 25,000	\$ 2,000,000	\$ 26,455	\$ 25,000	\$ 2,000,000	\$ 26,028	-1.6%
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		N/A	Per Schedule	\$ 5,584	N/A	Per Schedule	\$ 5,191	-7.0%
Comprehensive Coverage		N/A	Per Schedule	Included	N/A	Per Schedule	Included	
Physical Damage		N/A	Per Schedule	Included	N/A	Per Schedule	Included	
Collision Coverage		N/A	Per Schedule	Included	N/A	Per Schedule	Included	
Workers' Compensation	FMIT	First Dollar Coverage	\$ 2,842,954	\$ 93,922	First Dollar Coverage	\$ 2,857,808	\$ 72,792	-22.5%
Modification Factor		1.35			1.19			
Flood	Fidelity National Commerce & Industry	\$ 1,000	\$ 500,000	\$ 2,748	\$ 1,000	\$ 500,000	\$ 2,662	-3.1%
Storage Tank 3rd Party Liability	Insurance	\$ 25,000	\$ 1,000,000 Aggregate	\$ 816	\$ 25,000	\$ 2,000,000 Aggregate	\$ 1,172	43.6%
Marina Operators Legal Liability	Travelers	\$ 5,000	\$ 1,000,000	\$ 6,283	\$ 5,000	\$ 1,000,000	\$ 6,597	5.0%
Liquor Liability (Lake Park Harbor Marina)	Liberty Surplus Insurance	\$ -	\$ 1,000,000	\$ 742	\$ -	\$ 1,000,000	\$ 727	-2.1%
Total Annual Premium:				\$ 268,226			\$ 250,427	
Service Fees & Commissions:				\$ 13,998			\$ 13,063	
Total Net Premium:				\$ 282,224			\$ 263,490	
Return Of Premium Credit**				\$ (29,704)			\$ (46,838)	
Adjusted Total Annual Premium:				\$ 252,520			\$ 216,652	
\$ Increase or Decrease:				N/A			\$ (35,868)	
% Increase or Decrease:				N/A			\$ -14.20%	

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.

Return of Premium : Based on the property premiums paid in 2008-2009 the Town of Lake Park can expect at least \$46,838 in return of Premium should

they elect to renew coverages for the 2010-2011 policy year.