

RESOLUTION NO. 35-09-11

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AUTHORIZING THE TOWN MANAGER TO RENEW FOR FISCAL YEAR 2012 THE PROPERTY, INLAND MARINE, GENERAL LIABILITY, AUTOMOBILE, WORKERS' COMPENSATION, AND CRIME INSURANCE THROUGH THE FLORIDA LEAGUE OF CITIES/FLORIDA MUNICIPAL INSURANCE TRUST; FLOOD INSURANCE THROUGH FIDELITY NATIONAL PROPERTY CASUALTY INSURANCE COMPANY FOR THE MARINA PRIMARY BUILDING; AND, STORAGE TANK THIRD PARTY LIABILITY INSURANCE THROUGH COMMERCE AND INDUSTRY INSURANCE, MARINA OPERATORS LEGAL LIABILITY INSURANCE THROUGH TRAVELERS INSURANCE, AND LIQUOR LIABILITY INSURANCE THROUGH LIBERTY SURPLUS INSURANCE FOR THE LAKE PARK HARBOR MARINA; 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; flood insurance for the Marina primary building; and, storage tank third party liability, marina operators legal liability, and liquor liability insurance coverage for the Lake Park Harbor Marina for Fiscal Year 2012; 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, 2011 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, flood insurance through Fidelity National Property Casualty Insurance Company for the Marina primary building; and, storage tank third party liability insurance through Commerce and Industry Insurance, marina operators legal liability insurance through Travelers Insurance, and liquor liability insurance through Liberty Surplus Insurance for the Lake Park Harbor Marina; and

WHEREAS, the Town Commission of the Town of Lake Park has directed that adequate funds be allocated for such coverage in Fiscal Year 2012.

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 renew for Fiscal Year 2012 for the property, inland marine, general liability, automobile, workers' compensation, and crime insurance coverage through the Florida League of Cities/Florida Municipal Insurance Trust, flood insurance through Fidelity National Property Casualty Insurance Company for the Marina primary building; and, storage tank third party liability insurance through Commerce and Industry Insurance, marina operators legal liability insurance through Travelers Insurance, and liquor liability insurance through Liberty Surplus Insurance for the Lake Park Harbor Marina as outlined in the attached **Exhibit A**.

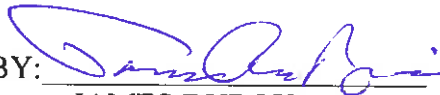
Section 3. This Resolution shall become effective immediately upon adoption.

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



	AYE	NAY
MAYOR JAMES DUBOIS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
VICE-MAYOR KENDALL RUMSEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COMMISSIONER STEVEN HOCKMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
COMMISSIONER JEANINE LONGTIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
COMMISSIONER TIM STEVENS	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The Town Commission thereupon declared the foregoing Resolution NO. 35-09-11 duly passed and adopted this 21 day of September, 2011.

TOWN OF LAKE PARK, FLORIDA

BY: 
 JAMES DUBOIS
 MAYOR

ATTEST:


 VIVIAN LEMLEY
 TOWN CLERK

 TOWN OF LAKE PARK
 SEAL
 (TOWN SEAL)
 FLORIDA

Approved as to form and legal sufficiency:

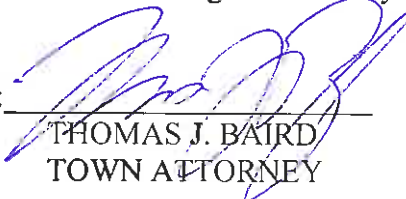
BY: 
 THOMAS J. BAIRD
 TOWN ATTORNEY



EXHIBIT A

**Town of Lake Park
Property & Casualty &
Workers' Compensation
Renewal Recommendation**
Effective Date: October 1, 2011

The Gehring Group submitted a market request for quotes (RFQ) to several brokers and carriers for the Town of Lake Park's fiscal year, 2011/2012 property and casualty insurance program. The deadline for the RFQ expired with no response from the contacted brokers and carriers. The incumbent insurance carrier, Florida Municipal Insurance Trust (FMIT) administered through the Florida League of Cities, has provided a renewal proposal for the Town's property and casualty insurance program.

PROPERTY, INLAND MARINE, GENERAL LIABILITY, AUTOMOBILE

The premium for the Town's Property and Inland Marine coverage is based upon a Total Insured Value (TIV) of \$14,125,777, a slight increase over the prior year. The renewal quotation of \$83,548 represents an (8.8%) decrease 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 2009/2010 the Town can expect to receive a minimum return of premium in the amount of \$23,711. The return of premium will be applied as a credit on the 2011/2012 second installment payment.

FMIT, as the incumbent provider for General Liability, Public Officials Liability/Employment Practices Liability, offers a renewal quote of \$47,880, an 11.3% increase versus the expiring. FMIT also provided a renewal quotation for Automobile liability and physical damage. The 2011/2012 automobile quotation is \$28,188, a decrease of (9.7%) versus the current premium of \$31,217.

WORKERS' COMPENSATION

After four consecutive years in decline, the Town's experience modification factor realized an increase from a rating of 1.19 to a rating of 1.33, for the coming fiscal year. This increase is in large part due to the claims from FY 09/10, which incurred a 218% loss ratio, being added to the overall calculation.

FMIT is the incumbent carrier for the Town's workers' compensation program and has provided a renewal quotation of \$82,951, an increase of 14% from the expiring policy. 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 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 \$100,000 each.

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 higher than last year with an increase of 11.9%.

STORAGE TANK 3RD PARTY LIABILITY

Storage Tank 3rd Party Liability coverage for the Town of Lake Park is placed with Commerce and Industry Insurance who has provided a renewal premium of \$1,280, a 3.2% increase over the current premium of \$1,172.

MARINA OPERATORS LEGAL LIABILITY

The Town of Lake Park Marina is covered for Marina Operators Legal Liability through Travelers Insurance. The renewal premium for that policy is \$6,358, a 3.6% reduction from the expiring premium of \$6,597.

LIQUOR LIABILITY

The Town maintains a Liquor Liability Insurance policy written by Liberty Surplus Insurance. The renewal premium for the 2011/2012 fiscal year is \$693, which reflects an increase of 0.2% versus the 2010/2011 fiscal year premium of \$692.

SUMMARY

The Gehring Group recommends 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 \$266,599. This recommendation represents total net premium increase to the Town of 1.6% or \$4,279.

**TOWN OF LAKE PARK
PROPERTY & CASUALTY RENEWAL EVALUATION
2011 - 2012 PLAN YEAR**



Proposed

Current

Coverage Type	All Lines - Property & Casualty 2010-2011			All Lines - Property & Casualty 2011-2012			%
	Excess	Producible	Liability Limits	Producers	Producible	Liability Limits	
Property, Inland Marine & Equipment Breakdown	FMIT \$ 5,000	\$ 14,097,723	\$ 91,612	\$ 5,000	\$ 14,125,777	\$ 83,548	-8.6%
Crime Coverage	FMIT \$ 1,000	\$ 10,000	Included	\$ 1,000	\$ 10,000	Included	
Theft of Money & Securities: Inside	\$ 1,000	\$ 10,000	Included	\$ 1,000	\$ 10,000	Included	
Theft of Money & Securities: Outside	\$ 1,000	\$ 10,000	Included	\$ 1,000	\$ 10,000	Included	
Position Schedule Bonds*	FMIT \$ 1,000	\$ 200,000	\$ 660	\$ 1,000	\$ 200,000	\$ 663	0.5%
General Liability	FMIT \$ 25,000	\$ 2,000,000	\$ 24,809	\$ 25,000	\$ 2,000,000	\$ 26,785	8.0%
Stop Loss Deductible	\$ 75,000			\$ 75,000			
Public Official Liability & Employment Practices Liability	FMIT \$ 25,000	\$ 2,000,000	\$ 18,178	\$ 25,000	\$ 2,000,000	\$ 21,095	16.0%
Auto Liability	FMIT \$ 25,000	\$ 2,000,000	\$ 26,026	\$ 25,000	\$ 2,000,000	\$ 22,834	-12.3%
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	\$ 5,191	N/A	Per Schedule	\$ 5,354	3.1%
Physical Damage							
Collision Coverage	N/A	Per Schedule	Included	N/A	Per Schedule	Included	
Workers' Compensation	FMIT \$ -	\$ 2,857,808	\$ 72,792	\$ -	\$ 2,619,345	\$ 82,951	14.0%
Experience Modification Factor		1.19			1.33		
Flood	Fidelity National Commerce & Industry Insurance \$ 1,000	\$ 500,000	\$ 2,662	\$ 1,000	\$ 500,000	\$ 2,980	11.9%
Storage Tank 3rd Party Liability	Insurance \$ 25,000	\$ 1,000,000 Aggregate	\$ 1,172	\$ 25,000	\$ 2,000,000 Aggregate	\$ 1,210	3.2%
Marina Operators Legal Liability	Travelers \$ 5,000	\$ 1,000,000	\$ 6,597	\$ 5,000	\$ 1,000,000	\$ 6,358	-3.6%
Liquor Liability (Lake Park Harbor Marina)	Liberty Surplus Insurance \$ -	\$ 1,000,000	\$ 692	\$ -	\$ 1,000,000	\$ 693	0.2%
Total Annual Premium:		\$ 250,390	\$ 254,471		\$ 254,471	\$ 254,471	
Gehring Group Service Fee:		\$ 11,930	\$ 12,128		\$ 12,128	\$ 12,128	
Total Net Premium:		\$ 262,321	\$ 266,599		\$ 266,599	\$ 266,599	
% Increase/Decrease		N/A	N/A		\$ 4,279	\$ 4,279	
% Increase/Decrease		N/A	N/A		1.6%	1.6%	

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 Bonds are in effect for the Town Manager and Finance Director positions.

Return of Premium Credit : Based on property premiums paid in 2009-2010 the Town of Lake Park can expect a minimum of \$23,711 in Return of Premium coverage's for FY 11/12.