

**TOWN OF DAVIE**  
TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Mark Alan, Director of Human Resources Management, 954-797-1169  
Prepared By: Daniel Lutzke, Risk Manager

SUBJECT: Resolution: Property & Casualty Insurance

AFFECTED DISTRICT: N/A

**TITLE OF AGENDA ITEM:** A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE HUMAN RESOURCES MANAGEMENT DIRECTOR TO NEGOTIATE A PROPERTY & CASUALTY INSURING AGREEMENT WITH THE FLORIDA MUNICIPAL INSURANCE TRUST (FMIT) THAT PROVIDES FOR PROPERTY, AUTO LIABILITY, GENERAL LIABILITY, AND WORKERS' COMPENSATION INSURANCE COVERAGES TO BE EFFECTIVE OCTOBER 1, 2006 AND THEREAFTER TO PROVIDE FOR CONTINUING INSURANCE PROTECTION FOR THE TOWN OF DAVIE AND ITS EMPLOYEES AND TO PRESENT THE RESULTING CONTRACT TO THE TOWN COUNCIL FOR SIGNATURE BY THE MAYOR.

**REPORT IN BRIEF:** A competitive proposal process was followed that solicited proposals from municipal Trusts and Pools and the private insurance sector. The Town received three (3) bid responses. Bids were received from the Florida Municipal Insurance Trust (FMIT), Southeast Risk Management Association (SERMA) and Public Risk Insurance Agency (PRIA). All Bids were from financially stable and professionally qualified groups. The Bid Selection Committee evaluated and ranked all proposals and after finding Florida Municipal Insurance Trust to be financially competitive and the best overall insurance coverage value for the Town of Davie did rank the proposal from Florida Municipal Insurance Trust FIRST.

**CURRENT SYSTEM:** The Town obtains all property casualty insurance coverage's from SERMA, a Municipal Self-Insurance Risk Pool administered by Employers Mutual Inc. This method of obtaining property and casualty insurance coverage has been used for the last four (4) years and has served the Town well. With insurance premiums increasing annually for all lines of coverage it was felt that the time was right to seek competitive proposals. Town of Davie Ordinance 2-238 requires that staff conduct an annual review of Town insurance programs and that the Town seek competitive insurance bids any year the staff feels it appropriate or a minimum of once every five (5) years. Placing Town of Davie insurance coverage's with a new source will not affect the SERMA coverage for unreported and/or existing claims that occurred under the SERMA coverage.

**PREVIOUS ACTIONS:** Not Applicable

**CONCURRENCES:** The Bid Selection Committee recommends and concurs with the decision to obtain Property, Auto Liability, General Liability and Workers Compensation insurance coverage from Florida Municipal Insurance Trust via the Florida League of Cities.

**FISCAL IMPACT:** Has the request been budgeted?  
Yes. Insurance is an on-going annual expense for the Town of Davie.

If yes, expected cost: \$ 4,459,544

Account Name: Multiple Insurance and Payroll Accounts

**RECOMMENDATION(S):** **Motion to approve this resolution**

**Attachment(s):** Resolution  
A. Selection Committee Rankings.  
B. PROCUREMENT AUTHORIZATION.  
C. Proposal Comparison Spread Sheet & Synopsis  
D. Proposal Comparison Spread Sheet & Synopsis at actual property values.

RESOLUTION \_\_\_\_\_

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE HUMAN RESOURCES MANAGEMENT DIRECTOR TO NEGOTIATE A PROPERTY & CASUALTY INSURING AGREEMENT WITH THE FLORIDA MUNICIPAL INSURANCE TRUST (FMIT) THAT PROVIDES FOR PROPERTY, AUTO LIABILITY, GENERAL LIABILITY, AND WORKERS' COMPENSATION INSURANCE COVERAGES TO BE EFFECTIVE OCTOBER 1, 2006 AND THEREAFTER TO PROVIDE FOR CONTINUING INSURANCE PROTECTION FOR THE TOWN OF DAVIE AND ITS EMPLOYEES AND TO PRESENT THE RESULTING CONTRACT TO THE TOWN COUNCIL FOR SIGNATURE BY THE MAYOR.

WHEREAS, the Town of Davie is in need of Property and Casualty Insurance to protect the assets and financial stability of the Town of Davie as well as to provide for Workers' Compensation Coverage for its employees; and

WHEREAS, The Town of Davie has solicited sealed Requests For Proposals for such service; and

WHEREAS, it is in the Town's best interest to execute an agreement for such services with Florida Municipal Insurance Trust (FMIT);

NOW, THEREFORE, BE IT RESOLVED, THAT THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council does hereby authorize the Human Resources Management Director to negotiate a Property & Casualty Insuring agreement with the Florida Municipal Insurance Trust (FMIT) that provides for property, auto liability, general liability, and workers' compensation insurance coverage's to be effective October 1, 2006. Pursuant to this Resolution, coverage's may be renewed for up to four (4) additional terms without soliciting proposals. Extensions, if appropriate, will be presented to the Town Council for approval.

SECTION 2. Upon conclusion of insuring agreement negotiations the agreement shall be presented to the Council for execution by the Mayor.

SECTION 3. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2006

\_\_\_\_\_  
MAYOR/COUNCILMEMBER

ATTEST:

\_\_\_\_\_  
TOWN CLERK

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2006

**Attachment A**

<b><u>PROPERTY &amp; CASUALTY INSURANCE</u></b>			
<b>18-Jul-06</b>			
<b>Bid Proposal Evaluation and Ranking Results</b>			
<b><u>COMMITTEE MEMBER</u></b>	<b><u>FMIT</u></b>	<b><u>SERMA</u></b>	<b><u>PRIA</u></b>
W. UNDERWOOD	1	3	2
R. MUNIZ	1	3	2
M. KUTNEY	1	3	2
D. LUTZKE	3	2	1
M. ALAN	2	3	1
H. HYMAN	<u>1</u>	<u>3</u>	<u>2</u>
TOTAL	9	17	10
<b>RANKING</b>	<b>1st</b>	<b>3rd</b>	<b>2nd</b>

# TOWN OF DAVIE      ATTACHMENT B

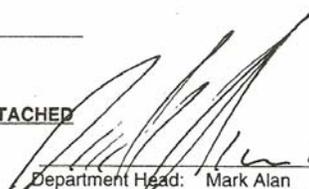
## PROCUREMENT AUTHORIZATION

ACCOUNT NUMBER	BUDGET ITEM & DESCRIPTION	APPROXIMATE COST
001-1510-513.05-20	Commercial Gen Liability Insurance	\$4,500,000
050-0720-381-1401	Auto Liability & Physical Damage	
Pay Roll Accounts	Workers Compensation	

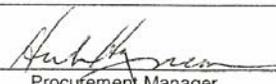
**METHOD OF PROCUREMENT (check the one that applies)**

- Open Competitive Bidding  
 Piggyback on Contract Number \_\_\_\_\_  
 Sole Source  
 Request For Proposals

**SPECIFICATIONS & LIST OF VENDORS MUST BE ATTACHED**

Signed  05/15/06  
 Department Head: Mark Alan  
 Have Funds been Reserved: N/A CANNOT SET UP A P.O. FROM NEXT YEARS BUDGET.  
 Date 5/25/06 Signed   
 Signed   
 Town Administrator

VENDOR	BIDS SUBMITTED	COST
FLORIDA LEAGUE OF CITIES (FMET)		RANKED 1 <sup>ST</sup>
BROWN + BROWN (PG&T P&IA)		RANKED 2 <sup>ND</sup>
EMPLOYERS MUTUAL, INC. (SERMA)		RANKED 3 <sup>RD</sup>

Signed   
 Procurement Manager

**BID SPECIFICATION COMMITTEE'S RECOMMENDATION**

Vendor	Cost
FLORIDA LEAGUE OF CITIES (FMET)	RANKED 1 <sup>ST</sup>

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
<b>DAVIE 2006' - 2007' PROPERTY CASUALTY PROPOSAL COMPARISON &amp; SYNOPSIS</b>																
1	Third-Party or BROKER:	Current Fiscal	FMIT	FLC	Pre.	FLC	EMIT	EMI	EMIT	EMIT	EMIT	EMIT	EMIT	EMIT	EMIT	EMIT
2	TYPE COVERAGE	Year Budget	Option - 1	Ded	Audit.	Option - 2 (3Mil)	SERMA	Ded	Audit.	PRIA	Ded	Audit.	PRIA	Ded	Audit.	PRIA
3	General Liability Premium:	\$650,000	\$ 367,092	0	Yes	\$ 375,897	\$ 3,009,992	0	No	\$ 321,446	0	No	\$ 321,446	0	No	
4	Law Enf./Civil Rights Liability:	Incl	\$ 201,459	0	Yes	\$ 206,291	Incl	0	No	\$ 185,907	5K	No	\$ 185,907	5K	No	
5	POL - Employment Practices Liability:	Incl	\$ 178,277	0	Yes	\$ 182,553	Incl	0	No	\$ 113,120	5K	No	\$ 113,120	5K	No	
6	Commercial Crime - Employee Dishonesty:	Incl	Min. Coverage	1K	Yes	Min. Coverage	Incl	0	No	\$ 5,292	10K	No	\$ 5,292	10K	No	
7	Police/Fire State Req. AD&D:	\$8,000	\$ 21,373	0	Yes	\$ 21,373	Incl	0	No	\$ 21,000	0	No	\$ 21,000	0	No	
8	Position Bonds:	\$4,000	\$ 9,650	0	Yes	\$ 9,650	Incl	0	No	\$ 10,000	0	No	\$ 10,000	0	No	
9	CRA:	\$550,000	\$ 277,776	0	Yes	\$ 323,816	Incl	0	No	\$ 468,832	0	Yes	\$ 468,832	0	Yes	
10	Business Auto Liability Premium:	Incl	\$ 77,124	1K	Yes	\$ 77,124	Incl	1K	No	Incl	5K	No	Incl	5K	No	
11	Auto Physical/Compre. Dmg Premium:	\$1,897,000	\$ 1,230,768	0	Yes	\$ 1,058,525	Incl	0	No	\$ 872,544	10K	Yes	\$ 872,544	10K	Yes	
12	Workers Compensation Premium:	Incl	N/A			N/A	Incl	0	No	N/A			N/A			
13	Workers' Comp DOL Assessments:															
14	Property Coverage's Insured Values: (RFP)	\$53,288,250	Fifty Mil.			Fifty Mil.	Fifty Mil.						Fifty Mil.	\$2.50/100		
15	PROPERTY PREMIUM:	\$587,000	\$ 1,476,004	1K	Yes	\$ 1,077,912	\$1,514,424	1K	No	\$ 1,250,000			\$ 1,250,000			
16	Inland Marine Premium:	Incl	Incl	5%w		Incl	Incl	5%w		Incl	1K	No	Incl	1K	No	
17	Business Income/Extra Expense:	Incl	Incl			Incl	Incl			Incl			Incl			
18	Boiler & Machinery Premium:	Incl	Incl			Incl	Incl			Incl			Incl			
19	Flood - 19 Buildings	Incl	\$ 16,000			\$ 16,000	Incl			Incl			Incl			
20	<b>COMBINED PREMIUM:</b>	<b>\$3,496,000</b>	<b>\$ 3,860,723</b>			<b>\$ 3,354,341</b>	<b>\$ 4,524,416</b>			<b>\$ 3,264,141</b>			<b>\$ 3,264,141</b>			
21	PLUS: Deductible Reserve Projections:															
22	Year End Audit Charges:		Yes			Yes	No			Yes			Yes			
23	Workers Compensation Deductible:		\$ -			\$ 225,000	\$ -			\$ 225,000			\$ 225,000			
24	Property/Auto Damage/Comprehensive Deductible:		\$ 125,000			\$ 200,000	\$ 50,000			\$ 200,000			\$ 200,000			
25	General Liability Deductible:		\$ -			\$ -	\$ -			\$ 75,000			\$ 75,000			
26	<b>PROGRAM COSTS:</b>	<b>\$3,496,000</b>	<b>\$ 3,985,723</b>			<b>\$ 3,779,341</b>	<b>\$ 4,574,416</b>			<b>\$ 3,764,141</b>			<b>\$ 3,764,141</b>			
27	Plan Deductible Levels:															
28	Work Comp Deductible:	0														
29	Property Deductible:	\$1,000														
30	Prop. Wind Deductible:	3%														
31	G/L Deductible:	0														
32	Law Enf. Deductible:	0														
33	Auto Lia. Deductible:	0														
34	POL-Employment Practices Liability Deductible:	\$1,000														
35	Inland Marine Deductible:	\$1,000														
36	Boiler & Machinery Deductible:	Incl														
37	LETN and Working Fire On-Line Training Program:		NO			NO	Yes									
38	COMMENTS:															
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NOTE: - PROPERTY  
 PRIA has quote of \$2.50 per  
 \$100 from Excess Carrier but  
 needs Broker Letter of Record  
 to bind coverage. If PRIA is  
 successful bidder we would  
 give such a letter to them per  
 the RFP.  
 NO  
 # 1

**Attachment C**



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