



Legislation Details (With Text)

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Title:	FLORIDA MUNICIPAL INSURANCE TRUST (FMIT) FOR RENEWAL OF PROPERTY INSURANCE POLICY				
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Date	Ver.	Action By	Action	Result
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TO: Mayor and Commissioners
FROM: Duane D'Andrea, Human Resources
THROUGH: Terrence R. Moore, ICMA-CM
DATE: September 19, 2022

FLORIDA MUNICIPAL INSURANCE TRUST (FMIT) FOR RENEWAL OF PROPERTY INSURANCE POLICY

Recommended Action:

Staff is requesting approval for renewal of Property, Excess Workers' Compensation Insurance, and a fully insured liability program from the Florida Municipal Trust Fund (FMIT) for \$2,273,200 for the coverage period 10/1/2022 through 9/30/2023.

Background:

Relation, the Broker for the City of Delray Beach (City), presented proposals for Property, Excess Liability, and Excess Workers' Compensation insurance for the City's annual insurance renewal for the period of 10/1/2022 through 9/30/2023 for a cost of \$1,756,381. Relation also obtained a quotation for a fully insured liability program for the same time period (the workers' compensation portion will remain self-insured). Based on the various quote options, the Broker and Staff concur that the most cost effective and service driven program is the FMIT option with a fully insured liability program for a total cost of \$2,273,200. The difference between the two proposals is \$516,819. The premium is due largely from the effects of COVID-19, the Train Depot Fire, increase in payroll and the purchase of additional new vehicles, along with a fully insured liability program.

After careful analysis, if the fully insured liability program through FMIT is adopted by the City, the City will realize an approximate \$600,000 offset to the \$516,819 difference in proposals since the City will no longer pay for liability claims and third-party administration fees.

A Return of Investment (ROI) that FMIT provides to members of the pool is through their Synergy

Program. The City receives disaster recovery assistance in coordination with the City's Emergency Team during emergency weather related situations such as hurricane, floods, and other perils at no additional cost to the City. Staff has budgeted \$2,273,200 for Fiscal Year 2023. Therefore, Staff is requesting the City Commission to approve the renewal purchase of Property, Excess Workers' Compensation Insurance, and a fully insured liability program through FMIT for \$2,273,200 for the coverage period 10/1/2022 through 9/30/2023.

City Attorney Review:

City Attorney recommends approval.

Funding Source/Financial Impact:

Funding is available from General Liability Account 551130405134511, Package Policy Premium Account 551130405134531, Excess Workers' Compensation Premium Account 551130405134532, Insurance Liability Claims Account 551130405134551, and Insurance Claims Handling Costs Account 551130405134520. Funding will be through the 2023 budgeted amount for these account numbers.

Timing of Request:

Policy renewal due October 1, 2022