

VILLAGE OF ESTERO, FLORIDA

VILLAGE COUNCIL MEETING
MARCH 17, 2015

REQUEST FOR VILLAGE COUNCIL CONSIDERATION

Agenda Item: 8. (A)	Prepared By: Bob Lienesch, ECCL/ Andrew Hanson, Florida League of Cities
Agenda Section: Consent Agenda	
Subject:	Resolution to Purchase Liability, Errors, and Omissions Insurance from Florida Municipal Insurance Trust

BACKGROUND:

Area municipalities are insured by the Florida Municipal Insurance Trust. Attached is the quote for liability insurance for the Village. Andrew Hanson from the Florida League of Cities will be in attendance at the Council Meeting on March 17 to answer any questions.

FUNDING SOURCE / FISCAL IMPACT:

N/A

RECOMMENDATION:

Approve the immediate purchase of liability insurance from the Florida Municipal Insurance Trust.

POTENTIAL MOTION:

I make a motion to approve the immediate purchase of liability insurance from the Florida Municipal Insurance Trust and authorize the Mayor to execute all documents necessary to complete the purchase.



February 26, 2015

Mr. Bob Lienesch
Finance Director ECCL
Village of Estero

RE: Property & Casualty Quote

Dear Mr. Lienesch:

We appreciate the opportunity to present you with our proposal for your Insurance Program for the Village of Estero. As always, we welcome the opportunity to meet with you at any time to discuss this matter.

The Florida League of Cities Insurance Program was established in 1977 to provide an affordable insurance alternative for the governmental entities of Florida. Over the years the Florida Municipal Insurance Trust has evolved into one of the largest public entities programs in the United States and is recognized for its outstanding service and broad coverage forms.

The Trust, governed by a board of elected officials, is a non-assessable, non-profit, tax-exempt risk sharing pool. Each year these elected officials approve an actuarially recommended premium structure based on loss experience. The FMIT has superior financial strength presently highlighted by \$466 million in assets, \$211 million in surplus and over 600 members. With over 100 insurance professionals serving the FMIT, we have the resources and the product offering necessary to design a risk management solution to fit the unique coverage issues facing your Village.

When examining other insurance markets, it will become obvious that our self-insured group concept is a most attractive insurance alternative. To be certain, the FMIT is highly qualified to meet all your risk management needs. Our expertise in the areas of public entity coverages, coupled with our outstanding claims, loss control, and a nationally recognized fraud (SIU) department translates to considerable service and savings.

Thank you for your time and consideration. I plan to attend the Village Council meeting on March 17, 2015 and will be available to answer any questions and, if you choose, bind coverage.

Sincerely,

A handwritten signature in cursive script that reads "Andy Hanson".

Andy Hanson
West Florida Account Executive
941-744-7889
ahanson@flcities.com



FLORIDA MUNICIPAL INSURANCE TRUST

COVERAGE PROPOSAL

FOR

VILLAGE OF ESTERO

PROPOSED EFFECTIVE DATE: March 1, 2015

ADMINISTERED AND PREPARED BY:

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

OF THE

FLORIDA LEAGUE OF CITIES, INC.

P.O. BOX 530065

ORLANDO, FL 32853-0065

"The Florida Municipal Insurance Trust Guarantee"

The FMIT will match any competitor's pricing for similar exposures, coverages, terms and conditions contingent on the ability of the competitor to verify that their rates are established by an independent actuary and that their reinsurance structure is currently in place. The competitor's reinsurer must have an AM Best rating of an A X or better.

A specimen agreement is attached. This proposal contains a brief, general description of coverages. It is not intended to describe or cover all the terms, limits, conditions and exclusions of the agreement.

The FMIT agreement language will supersede any differences between the agreement and this proposal summary.



Department of Insurance
and Financial Services

FLORIDA MUNICIPAL INSURANCE TRUST
Proposal for 2014-2015

Village of Estero

PROPERTY COVERAGE

	Limit
Real & Personal Property	\$125,000
Electronic Data Processing:	
- Equipment:	Included in Contents
- Software:	Included in Contents
- Equipment Breakdown:	Included in Contents
Coinsurance:	100%
Values:	100%
Valuation Basis:	Replacement Cost
Coverage Form:	Special

Deductibles: \$1,000 Per Occurrence - Real & Personal Property, Other Property

Named Storm Deductible is 5% of the scheduled Building, Personal Property, Other Property (including property in the open) and Business Income. The percentages are calculated using the Schedule of Values on file with FMIT. The Named Storm deductible is calculated separately and applied individually to each Building, Personal Property, Other Property and Business Income. The minimum deductible is 5% of the scheduled value or the stated Property deductible, whichever is greater.

Business Income waiting period is 72 hours.

PROPERTY COVERAGE EXTENSIONS:

‣ Excess Flood Coverage	\$4,500,000
o Flood Zones A & V deductible in excess of NFIP	
o Other Flood Zones - \$100,000 deductible	
‣ Terrorism	\$5,000,000
‣ Unintentional Errors & Omissions	\$250,000
‣ Newly Acquired or Constructed Property	\$2,000,000
‣ Newly Acquired Business Personal Property	\$500,000
‣ Business Income	\$500,000
‣ Extra Expense	\$1,000,000
‣ Valuable Papers & Records	\$500,000
‣ Signs - Not attached to Buildings	\$25,000
o Vehicular damage to signs	\$10,000 Maximum
‣ Accounts Receivable	\$500,000
‣ Police Dogs & Horses	
o Death in line of duty	\$15,000
o Annual Maximum	\$30,000
‣ Electronic Data Processing Equipment (Software)	\$250,000
‣ Antiques & Objects of Art	
o Per Item	\$15,000
o Annual Maximum	\$250,000
‣ Off Premises Power Failure	\$100,000
‣ Pollutant Clean Up & Removal	\$100,000
‣ Fungus Clean Up & Removal	\$25,000
‣ Personal Property Off Premises	\$250,000
‣ Personal Property of Others	\$50,000
‣ Preservation of Property	\$100,000
‣ Service Interruption Coverage	\$100,000
‣ Property In Transit	\$250,000
‣ Recertification of Equipment/Fire Extinguisher Recharge	\$250/Day
‣ Debris Removal	25% of Loss
‣ Building Ordinance Coverage, Including Demolition	25% of Loss
‣ Miscellaneous Unscheduled Fixtures	\$25,000/\$100,000
‣ Leasehold interest	\$100,000
‣ Arson Reward	\$5,000

EQUIPMENT BREAKDOWN COVERAGE

Subject to any applicable limits on the Property, Allied Lines and Crime Declarations, the Equipment Breakdown Limit is the most we will pay for loss or damage arising from any "one accident."

These coverages apply to all locations covered on the policy, unless otherwise specified.

I. Coverages	Limits
Equipment Breakdown	Subject to the Real and Personal Property Limit described in proposal or \$50,000,000, whichever is less.
Business Income	Subject to the Business Income Limit described in proposal.
Extra Expense	Subject to the Extra Expense Limit described in proposal.
Expediting Expense	\$1,000,000
Hazardous Substances	\$500,000
Spoilage	\$500,000
Data Restoration	\$500,000
"Fungus," Wet Rot, Dry Rot And Bacteria	\$25,000
Service Interruption*	Subject to Business Income, Extra Expense, and Spoilage Limits
Water Damage	Included in Property Coverage.
II. Deductibles	
Direct Coverages	Subject to the Real and Personal Property deductible described in proposal.
Indirect Coverages	Subject to the Time Element deductible described in proposal.

III. Other Conditions

*Unless the interruption exceeds 24 hours, we will not pay for any loss under Service Interruption.

"Covered equipment" does not include "electrical generating equipment"; however, this exclusion does not apply to emergency generators.

GENERAL LIABILITY COVERAGE

Comprehensive General Liability

Limits

Limit Per Occurrence:	\$1,000,000
Annual Aggregate:	Unlimited
Deductible:	\$0

**Public Officials E & O / Employment
Practices Liability**

Limits

Limit Per Occurrence:	\$1,000,000
Annual Aggregate:	Unlimited
Deductible:	\$0

Note: For Members that choose a deductible - Members are **only** responsible for the deductible if a judgment or settlement occurs. Legal expenses are outside the deductible and paid solely by the Trust for General Liability and / or Automobile Liability.

Important Note: The deletion of any of the above coverages does not automatically reduce the premium. These premiums are based on all of the above coverages. Any deletions of coverage will alter the experience modification factor originally used and may result in a higher premium.

ADDITIONAL BENEFITS:

- Defense Costs paid in addition to policy limits
- Premises Operations
- Products/Completed Operations
- Contractual Liability (Designated Contracts Only)
- Owners & Contractors' Protective Liability
- Personal Injury Liability
- Host Liquor Liability
- Incidental Medical Malpractice Liability
- Watercraft Liability
- Fire Legal Liability - Maximum \$500,000 in any one Trust Year
- Broad Form Property Damage - Maximum \$500,000 in any one Trust Year
- Advertising Injury Liability
- Skate Facility Liability
- Employment Practices Liability
- Employee Benefits Program Administration Liability
- Extra Contractual Legal Expense - \$100,000 Limit
 - (EEOC, Florida Commission on Human Relations, Ethics)
- No-fault Sewer Backup Expense - \$100,000 Limit
- Crisis Intervention
- HR Helpline - Full Legal Support and Online Services
- Bert Harris Act/Inverse Condemnation - \$300,000 Limit. (Higher limits are available.)
 - Deductible is \$5,000 or the policy deductible, whichever is greater.
- Cyber Coverages including Privacy, Network Security and Data Breach - \$250,000 Annual Aggregate. Claims Made.
- Cyber Risk Management Tools Web Site.

CRIME & BOND COVERAGE

Limits

Bond Coverage:

Employee Theft - Per Loss \$500,000

Deductible: \$1,000

Faithful Performance - Per Loss \$500,000

Deductible: \$1,000

Finance Director \$500,000

Deductible: \$0

Crime Coverage:

Money - Loss Inside \$50,000

Deductible: \$1,000

Robbery or Safe Burglary of Other Property \$50,000

Deductible: \$1,000

Outside the Premises \$50,000

Deductible: \$1,000

Computer and Funds Transfer Fraud \$500,000

Deductible: \$1,000

Forgery or Alteration \$500,000

Deductible: \$1,000

Money Orders and Counterfeit Money \$500,000

Deductible: \$1,000

WORKERS' COMPENSATION PAYROLLS

	Limit
Workers' Compensation	Statutory
Employers Liability	\$1,000,000 / \$1,000,000 / \$1,000,000

<u>CODE</u>	<u>DESCRIPTION</u>	<u>PAYROLL</u>
8810	CLERICAL	435,000
TOTAL PAYROLL		\$435,000

Deductible StopLoss:		\$0
Experience Modification Factor:	10/1/2014	1.00
Safety Credit:		Yes
Drug Free Credit:		Yes

The Workers' Compensation premium is subject to adjustment when the October 1, 2014 experience modification is received.
 Premium calculation includes 5% Drugfree Credit and 2% Safety Credit - Requires receipt of approved applications.

Village of Estero

PROPOSAL FOR GENERAL LIABILITY - \$1,000,000 LIMIT OF LIABILITY

PREMIUM SUMMARY

Coverage Line	Annual Premium	Pro-Rata 3/1/2015 - 10/1/2015
Real & Personal Property	\$2,806	\$1,644
Equipment Breakdown Coverage	INCLUDED	INCLUDED
Crime & Bond Coverage	INCLUDED	INCLUDED
General Liability Coverage	\$8,708	\$5,103
Public Officials E&O / Employment Practices Liability	\$9,519	\$5,578
Bert Harris Limit of \$1,000,000	\$196	\$115
Automobile Coverage - Hired and Non-Owned only	\$192	\$113
Workers' Compensation Coverage	\$1,157	\$678
Total Premium	\$22,578	\$13,231

INTEREST FREE INSTALLMENT PLAN

<u>First Installment</u>	<u>Second Installment</u>	<u>Third Installment</u>	<u>Fourth Installment</u>
25% minimum due	25% minimum due	25% minimum due	25% minimum due
October 1, 2014	January 1, 2015	April 1, 2015	July 1, 2015

Payment will be forwarded to the Florida League of Cities in Tallahassee

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VILLAGE OF ESTERO, FLORIDA

RESOLUTION NO. 15- _____

A RESOLUTION AUTHORIZING AND RATIFYING THE PURCHASE OF LIABILITY, ERRORS, AND OMISSIONS INSURANCE THROUGH THE FLORIDA MUNICIPAL INSURANCE TRUST; AUTHORIZING THE MAYOR TO EXECUTE NECESSARY DOCUMENTS TO EFFECTUATE PURCHASE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Village of Estero is a newly incorporated municipality and is commencing business on March 17, 2015; and

WHEREAS, it is necessary for the Village to obtain liability insurance coverage from the beginning date of operations; and

WHEREAS, the Florida Municipal Insurance Trust as an affiliate of the Florida League of Cities provides liability coverage for new Florida Cities in their start-up phases; and

NOW, THEREFORE, be it resolved by the Village Council of the Village of Estero, Florida:

SECTION ONE. The Village Council of the Village of Estero, Florida hereby approves the immediate purchase of liability insurance for the Village from the Florida Municipal Insurance Trust in accordance with the quote attached hereto.

SECTION TWO. The Mayor is hereby authorized to execute the application for coverage and all other documents necessary for the procurement of insurance.

SECTION THREE. This Resolution shall take effect immediately upon adoption.

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46 **ADOPTED BY THE VILLAGE COUNCIL** of the Village of Estero, Florida this _____ day
47 of March, 2015.

48
49 Attest:

VILLAGE OF ESTERO, FLORIDA

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51 By: _____

By: _____

52
53 _____

54 Interim City Clerk

Mayor

55
56 Reviewed for legal sufficiency:

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58 By: _____

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60 _____

61 Interim City Attorney