

**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM**

**SUBJECT:** Self-Insurance Program Renewal

**DEPARTMENT:** Administrative Services **DIVISION:** Risk Management

**AUTHORIZED BY:** Jamie Croteau **CONTACT:** Linda Eiland **EXT.** 5950

<b>Agenda Date</b> <u>09/28/04</u> <b>Regular</b> <input checked="" type="checkbox"/> <b>Consent</b> <input type="checkbox"/> <b>Work Session</b> <input type="checkbox"/> <b>Briefing</b> <input type="checkbox"/>
<b>Public Hearing – 1:30</b> <input type="checkbox"/> <b>Public Hearing – 7:00</b> <input type="checkbox"/>

**MOTION/RECOMMENDATION:**

Authorization to renew Self-Insurance Program through Arthur J. Gallagher & Company effective 10/01/04, and authorization for Chairman to execute agreements.

**BACKGROUND:**

On February 10, 2004, the Board of County Commissioners approved a Broker Services Contract with Arthur J. Gallagher & Company. This contract includes brokering of Property, Liability, and Workers' Compensation coverages and Third Party Claims Administration services on behalf of Seminole County.

Arthur J. Gallagher & Company has presented renewal of the County's Self-Insurance Program at an estimated annual cost of \$2,588,742.

<b>Reviewed by:</b>
Co Atty: _____
DFS: _____
Other: _____
DCM: <u>[Signature]</u>
CM: <u>[Signature]</u>
<b>File No.</b> <u>RASR01</u>

Attachment A provides a summary of each line of coverage and the county's self-insured retentions (SIR's) effective 10/01/04. Attachment B provides a summary of renewal premiums for FY 04/05 as compared to FY 03/04 for the County's Property, Liability and Workers' Compensation coverages. Attachment B also summarizes cost including and excluding the Sheriff for Workers' Compensation coverage. The county's renewal will be at the lower cost since the Sheriff is moving his Workers' Compensation coverage to another program effective 10/01/04 and has budgeted the cost in his budget.

On 9/8/04 the County's Broker advised staff that property carriers were starting to withdraw their proposals in Florida due to the fact that we had already been affected by two hurricanes and were under threat of a third. Due to this concern, on 9/9/04 the County Manager authorized staff to bind the county's excess property coverage.

Not only does this renewal include a 4% decrease over FY 03/04 costs; it includes coverage for increased values from \$245,551,992 to \$298,728,890 which includes 43 million for the Criminal Justice Center.

In addition to a premium reduction, this year's renewal includes enhancements. Current policy reflects a 2% Named Windstorm deductible with a minimum of a \$500,000 deductible. Renewal policy reflects a flat \$500,000 deductible. Another change is Flood Zone A currently is excess of National Flood Insurance Program (\$500,000). The renewal is now subject to the property self insured retention of \$200,000. Currently Mold is excluded. For the renewal, Mold is still excluded; however, it will be covered when it arises out of a claim from a covered cause of loss. Example: roof blows off, rain water intrusion causes mold, this would be covered.

Staff is recommending renewal through Arthur J. Gallagher & Company for an estimated cost of \$2,588,742.

**SEMINOLE COUNTY BOARD OF COUNTY COMMISSIONERS  
PROTECTED SELF-INSURANCE PROGRAM  
PROPOSED PROGRAM  
2004-2005**

<u>PROPERTY</u>  <i>Landmark American</i> \$100,000,000 xs \$10,000,000	<u>GENERAL LIABILITY, AUTO LIABILITY &amp; PUBLIC OFFICIALS' LIABILITY</u>  <i>Princeton E &amp; S</i> \$4,000,000 xs \$1,000,000	<u>WORK COMP</u>  <i>Safety National</i>  Statutory Limits xs \$400,000  Annual Agg. Ded: \$250,000	<u>CRIME</u>  <i>Princeton E &amp; S</i> \$225,000 xs SIR	Aggregate Excess Applies when Loss Fund is Exhausted  \$1,000,000
<i>Axis Surplus Ins. Co.</i>  \$9,000,000 xs \$1,000,000				
<i>Princeton E &amp; S</i>  \$800,000 xs SIR	<u>SIR</u>  100,000	<u>SIR</u>  200,000	<u>SIR</u>  25,000	LOSS FUND  \$3,460,000 w/ Sheriff  \$2,705,000 w/out Sheriff  Minimum

ATTACHMENT A



REVISED 9/14/04 TO INCLUDE E-COM &amp; PKG TRIA

**SEMINOLE COUNTY BOCC  
PROGRAM COST SUMMARY  
2004/2005**

<b>Lines of Coverage</b>	<b>03-04 Premium</b>	<b>04-05 Premium</b>
<b>Package (INCLUDING Sheriff's)</b>	1,300,000	1,577,600
<b>Package (EXCLUDING Sheriff's)</b>	N/A	1,279,900
<b>Package Terrorism</b>	\$94,900(not purchased)	\$27,500
<b>Excess Property (Including additions through year) \$9 Mil XS \$1 Mil</b>	350,694	339,239
<b>Excess Property(Including additions through year) \$100Mil XS \$10 Mil</b>	152,810	158,194
<b>Excess Property Terrorism \$9M XS \$1 Mil</b>	27,680	23,747
<b>Excess Property Terrorism \$100 Mil XS \$10 Mil</b>	7,500	7,910
<b>Excess WC (Including Sheriff's)</b>	662,201	765,077
<b>Excess WC (EXCLUDING Sheriff's)</b>	N/A	540,707
<b>Boiler &amp; Machinery</b>	20,966	26,867
<b>Excess Liability \$4 Mil XS \$1 Mil</b>	154,440	166,500
<b>Excess Liability Terrorism</b>	3,960	4,060
<b>ECom (including Terrorism)</b>	15,902	\$14,118
<b>TOTAL (Including Sheriff's)</b>	<b>\$2,696,153</b>	<b>\$3,110,812</b>
<b>Overall Percentage Premium INCREASE</b>		<b>13.8%</b>
<b>Total (Excluding Sheriff's)</b>		<b>\$2,588,742</b>
<b>Overall Percentage Premium DECREASE FROM 03/04</b>		<b>11.2%</b>