

INSURANCE ADVISORY BOARD MINUTES
City of Fort Lauderdale
100 North Andrews Avenue
7th Floor Conference Room
Thursday, February 17, 2005 – 8:00 a.m.

Board Members	Meeting Attendance	(1/05 to 12/05) Cumulative Attendance	
Joseph Cobo, Chair	P	P-2	A-0
Mark Schwartz, Vice Chair	P	P-2	A-0
Ted Hess	P	P-2	A-0
Randall Swenson	P	P-2	A-0
Larry Castello	A	A-0	A-2
Christopher Prester	P	P-2	A-0
Roger Bond	P	P-1	A-0

Staff and Guests

Daniel Jilek, Risk Manager
David Fortune, Consultant
Don Dresbeck, FM Global
P. Scott Buzzanca, FM Global
Lisa Edmondson, Recording Clerk

1. Roll Call

The regular meeting of the Insurance Advisory Board was convened by Chair Cobo at 8:00 a.m. on Thursday, February 17, 2005, in the 7th Floor Conference Room, City Hall, 100 North Andrews Avenue, Ft. Lauderdale, Florida.

2. Approve Minutes of January 27, 2005

Motion made by Mr. Swenson, seconded by Mr. Hess, to approve the minutes of the January 27, 2005 meeting, with a correction on page two in the motion recommending an increase in Risk Management settlement authority to \$15,000. In a voice vote, the motion passed unanimously.

3. Verbal Confirmation of Property Renewal Efforts and Presentation by Broker

Mr. Jilek reported that he had received a written proposal from FM Global, a copy of which was given to the Board.

The following highlights of the proposal were pointed out by Mr. Dresbeck:

- The rate per \$100 value will remain at .302 (30 cents).
- There will be no dividend this year.
- Insured property values have decreased with elimination of the Museum of Science from the policy due to the requirement of a \$12 million windstorm deductible.
- Lockhart Stadium and Memorial Stadium are leased with insurance coverage being provided by the lessees.

- The renewal premium proposed is \$822,000, plus certified and non-certified terrorism, for a total premium of \$862,854.

Mr. Dresbeck pointed out that FM had originally asked for a ten percent inflationary increase in building values and construction costs; however, subsequent to checking rates with construction companies and other insurance carriers which reflected closer to a 15% increase, Mr. Buzzanca was able to negotiate a 6% increase in building value and 2% increase on contents.

Coverage enhancements will include:

- Reduction in wind deductible to 3% of total loss value.
- Addition of \$10 million in coverage for non-physical damage loss to programs and software.
- Except for windstorm, total coverage has been increased to \$300 million.
- Flood insurance has been changed to a \$25 million aggregate cap per occurrence, with policy coverage restrictions based on zones and subject to various deductibles under the policy.

Mr. Dresbeck indicated there were five locations (water treatment plant, police department, public works, Swimming Hall of Fame, and War Memorial) on which loss prevention recommendations had been made, although not yet complied with, resulting in special deductibles of 10-20% being placed on those locations.

Mr. Jilek stated that they would be filing for FEMA loss prevention measures with early indications being that the City would receive a portion of their request. Two FEMA grant applications are being prepared; one for flood and one for wind. He added that the City has been taking steps to increase their ISO rating with the hope that in the upcoming year the flood rating for the City will be enhanced.

Mr. Buzzanca pointed out that non-physical damage would include loss to data and software through hacker damage, viruses, etc. There is a two-day waiting period and then the deductible would apply. Soft cost coverage would include architectural, engineering, loan commitment/origination, marketing, consultant, attorney, accountant, and loan interest costs.

4. Initial Verbal Report on Blanket Crime Insurance Renewal Efforts

Mr. Jilek stated that, although he has not yet received the original, he has received a faxed proposal for the renewal with Great American Insurance Group. The premium will be \$13,795, with the same coverage provisions. Mr. Jilek stated that the City has never had a claim in this regard; adding however, that there is a statutory requirement to have this coverage.

Motion made by Mr. Swenson, seconded by Mr. Pretera, to accept the proposal from Great American for Blanket Crime Insurance. In a voice vote, the motion passed unanimously.

Mr. Bond introduced himself as a new member of the Board providing a brief overview of his experience in the insurance field.

5. Schedule Next Meeting

The next Board meeting will be held on Thursday, March 24, 2005.

With no further business to come before the Board, the meeting was adjourned at 8:35 a.m.