

**INSURANCE ADVISORY BOARD MINUTES**  
**City of Fort Lauderdale**  
**100 North Andrews Avenue**  
**8<sup>th</sup> Floor Conference Room**  
**Thursday, November 16, 2006**

<b>Board Members</b>	<b>Meeting Attendance</b>	<b>Cumulative Attendance (1/06 to 12/06)</b>	
Joseph Cobo, Chair	P	P-8	A-1
Mark Schwarz, Vice Chair	P	P-9	A-0
Randy Swenson	P	P-5	A-4
Ted Hess	P	P-7	A-2
Christopher Prestera	P	P-8	A-1
Roger Bond	P	P-7	A-2
Joe Piechura, Sr.	P	P-8	A-0

**Staff and Guests**

Marilyn Mullen, Employee Benefits Coordinator  
David Fortune, Fortune Consulting  
Betty Burrell, Director of Finance  
Jennifer Lindsey

**1. ROLL CALL**

The meeting was called to order at 8:00 a.m.

**2. APPROVAL OF MINUTES FOR OCTOBER 19, 2006.**

Motion made by Randy Swenson and seconded by Joe Piechura to approve the minutes of the October 19, 2006 meeting. In a voice vote, the motion passed unanimously.

**3. WORKERS COMPENSATION EXCESS POLICY RENEWAL – Jennifer Lindsey**

Ms. Lindsey raised the issue of rising costs on policies.

Ms. Lindsey advised that the number was deflated and explained how insurance costs trended along with the numbers provided. She advised there was \$6.3 million for the life of claims based on claims and type of injury.

Ms. Lindsey stated that another issue was that the carrier for 1997-2000 indicated 300,000 retention yet Gallagher's Report showed 600,000 retention. She spoke of the need for a loss run from the carrier in order to check claims for that period. Ms. Lindsey added that losses were higher than she normally saw.

Chair Cobo asked about a benchmark guide as to training and risk management. Ms. Lindsey advised that once the numbers were reviewed, the costs of the insurance program could be assessed. Chair Cobo asked if staff could look at the more common claims to see what could be done to reduce claim frequency.

## **INSURANCE ADVISORY BOARD**

**NOVEMBER 16, 2006**

**Page 2**

Betty Burrell stated that the City needed a stronger back-to-work program.

Mr. Piechura felt severity versus frequency of claims should be looked at. Ms. Lindsey stated that with so many numbers and occurrences it was difficult to do this without downloading all the claim information into the database. Mr. Piechura asked when the new database would be ready. Ms. Lindsey replied that it was anticipated by November 30. She stated that the City had been promised that it would be one of the first three municipalities with access to this database.

Mr. Bond asked for clarification on which database system would be operated. Ms. Lindsey advised it was the PERI -- Public Sector Risk Management Institute database.

Mr. Piechura stated that there had to be a way to get a handle on claims. He pointed out that as the City was part of NCCI coding, it should be trending in the same regard. Ms. Lindsey advised that the claims were trending better but she needed to identify what has changed. She stated there had been no loss over \$125,000 since 2005.

Ms. Lindsey recommended that the City purchase the excess Workers' Compensation and that 522,000 premium be credited for one month and that the effective date be changed back to November 1, 2006.

**Mr. Bond made a motion to accept the proposal as outlined including the date change as recommended by Ms. Lindsey. The motion was seconded by Mr. Swenson. In a voice vote, all voted unanimously in favor.**

#### **4. UPDATE ON HEALTH PLAN**

Ms. Mullen advised that the City Commission had recommended Av-Med and stated that all medical plans would fall under one managed care source. She added that the PPO plan would expire at the end of this year and that open enrollment would begin the following Monday.

Ms. Mullen advised that staff had received approval to reduce employee contributions by 16% this year. Mr. Piechura asked why. Ms. Mullen explained that this was due to a positive trend in health plus an additional contribution of \$40 was being paid by the City. Mr. Piechura pointed out that this was the opposite of what the private sector was doing.

Chair Cobo stated that this had been a problem in the past. Mr. Piechura stated that he had a problem with the public sector based on the performance of these plans.

Ms. Burrell explained that this was a collective bargaining agreement.

Mr. Piechura stated that organizations such as Ford and Chrysler were complaining about rising costs of medical expenses and wanted the City management to keep this issue at the forefront.

Ms. Burrell stated she had expected that the Mayor and City Manager understood and would be scrutinizing all contracts. She believed that the promises made today had a future impact. She was confident that the City would not put itself at risk by making promises it could not keep.

Chair Cobo responded in agreement.

#### **5. NEW BUSINESS**

- **Risk Manager Position.**

Chair Cobo asked for a status report on the new Risk Manager position.

**INSURANCE ADVISORY BOARD**

**NOVEMBER 16, 2006**

**Page 3**

Ms. Burrell advised that applications had been screened and that telephone interviews had been conducted. She stated that one candidate had been identified and was scheduled for an interview on November 28. She indicated she would have another update at the next meeting.

Ms. Burrell thanked Jennifer Lindsey for her valuable services to the City.

Ms. Burrell advised that on December 12, she would be asking the City Commission to approve the purchase of an upgrade of the Computer Sciences Corporation, Risk Master System. She explained that a meeting would be held to discuss the 2006 claims for auto accidents to determine why the increases were so high. She stated she was trying to improve the process and stressed that the new Risk Manager would have a lot to accomplish. However, she felt there were many opportunities for improvement.

▪ **Property Insurance - Don Dresbeck Proposal**

Dave Fortune wanted to follow up on the proposal of services offered by Don Dresbeck. He advised that he had discussed this with Ms. Lindsey after the last meeting. Ms. Lindsey explained that Mr. Dresbeck was an exclusive broker who offered different options for wind coverage.

Ms. Lindsey spoke of ongoing problems with FM Global regarding property insurance and claims. She advised that FM Global had not yet posted any reserves to the City after Hurricane Wilma and had not submitted any dollar figures for losses. She spoke of over \$72 million in damage claims after Hurricane Wilma and added that 122 buildings had sustained some sort of damage. She spoke of the need to market the City's property insurance this year. After brief discussion, Ms. Lindsey asked for an opportunity to get a better handle on this issue at the meeting she would attend later that day.

Mr. Schwartz asked if these issues had come to the City Attorney's attention yet. Ms. Lindsey stated a lot of these concerns were actually the City's fault. Mr. Swenson agreed that all the blame did not belong to FM Global.

Mr. Piechura felt that as the City was the largest payer in the community, it should look into getting another vendor.

Ms. Lindsey agreed to allow Rutherford to represent the City on this issue. Mr. Schwartz asked when Rutherford had come on board with the City. Ms. Lindsey replied this had taken place in November 2005.

Mr. Schwartz expressed concern that the Board was just learning that day that no monies had ever been received.

Ms. Lindsey stated that repairs were only just beginning.

**6. SCHEDULE FOR DECEMBER MEETING.**

Mr. Cobo announced that the next meeting would be held on Thursday, December 21, 2006 at 8 a.m.

With no other business to come before the Board, Mr. Swenson made a motion, seconded by Mark Schwarz, to adjourn the meeting at 8:55 a.m. In a voice vote, the motion passed unanimously.