

**INSURANCE ADVISORY BOARD  
100 NORTH ANDREWS AVENUE  
8<sup>TH</sup> FLOOR CONFERENCE ROOM  
FORT LAUDERDALE, FL 33301  
WEDNESDAY, October 3, 2012 – 8:00 a.m.**

<b>MEMBERS</b>	<b>ATTENDANCE</b>	<b>CUMULATIVE</b>	
		<b>PRESENT</b>	<b>ABSENT</b>
Joseph Cobo, Chair	P	8	1
Mark Schwartz, Vice Chair	P	6	3
Joe Piechura, Sr.	P	7	2
Jim Drake	P	8	1
Charles Grimsley	A	7	2
Steve Botkin	P	7	2
Ted Hess	A	3	1

**Staff**

Guy Hine, Risk Manager  
Matthew Cobb, Risk Management Coordinator  
Paul Dawson, Public Risk Insurance Agency

**Communications to City Commission**

None.

**1. Roll Call (including number of appointed members and quorum)**

Chair Cobo called the meeting to order at 8:12 a.m.

As of this date, October 3, 2012, there are 7 appointed members to the Insurance Advisory Board, which means 4 would constitute a quorum. Roll was called and it was determined there was a quorum at this time.

**2. Approve Minutes of September 5, 2012**

**Motion** by Mr. Schwartz, seconded by Mr. Botkin, to approve the minutes of the September 5, 2012, meeting with corrections made to the Communications to City Commission section clarifying the Board's position by inserting the following language:

The Board was unanimously in consent of forwarding this communication onto the Commission. However, several Board members had issues with the proposed usage of the \$10,000,000 undesignated funds without designating an alternative funding source for the property insurance deductible.

In a voice vote, the motion passed unanimously.

### **3. Communications to City Commission**

None.

### **4. Unfinished Business**

- **Motion to approve public officials and employment practices liability insurance premium quote**

Mr. Hine discussed with the Board the updated quotes for the public officials and employment practices liability insurance renewal, which had been reviewed at the September 5, 2012 meeting. At that time, the Board had made a motion for the City's agent, Public Risk Insurance Agency (PRIA), to market the policy to see if any competitive renewal quotes were available.

PRIA marketed the insurance to all interested markets and were unable to find a policy that could match National Union, the incumbent, for similar price and coverage amounts. The industry as whole is seeing increases in pricing for this line of coverage.

The National Union policy is renewing with an increased deductible of \$175,000 for religious institution zoning claims. However, the rest of the coverage is the same as last year. The total cost of the policy for last year was \$156,860 and the renewal for this year is \$166,860, which is an increase of \$10,000 or 6%.

**Motion** by Mr. Schwartz, seconded by Mr. Piechura, to recommend approval of the public official and employment practices liability insurance policy renewal with National Union for \$166,860. In a voice vote, the motion passed unanimously.

### **5. New Business**

- **Discussion on property insurance**

Mr. Dawson with Public Risk Insurance Agency (PRIA) discussed the upcoming property insurance renewal in February 2013. He reviewed several important factors that will shape the City's property insurance renewal.

There is a continued firming of the market and many property policies saw on average 10-12% premium increases at the April 2012 renewals. In his opinion, on average 5% premium increases are likely to be expected for upcoming policy renewals, subject to the pricing of the January 2013 reinsurance renewals and overall market capacity.

The South Florida market has no significant new market players or restrictions that would positively or negatively affect our renewal in February 2013. In addition, PRIA will be working on preparations for the marketing of the policy to any interested carriers, and will be updating the Board at the November 7, 2012 meeting.

## **6. Open Discussion – Old/New Business**

- **Employee Health and Wellness Center**

Mr. Hine advised that the contract for the Employee Health and Wellness Center had been approved at the last City Commission meeting. The Commission just had a few questions regarding the location and implementation of the center which City staff will be addressing.

- **Employee health insurance rates for 2013**

Mr. Hine also discussed that an Employee Health Committee had been meeting with City staff to discuss changes to the health insurance plan and rates for January 2013. They will be presenting more information at the November 7, 2012 meeting.

- **Cyber liability and security**

Mr. Drake asked if there was any news on the cyber liability and security issue that had been previously discussed by the Board. Mr. Hine advised that a staff member from IT would be providing an update at the November 7, 2012 meeting.

## **7. Schedule Next Meeting – November 7, 2012**

## **8. Adjourn**

**Motion** by Mr. Schwartz, seconded by Mr. Botkin, to adjourn the meeting. Hearing no objection, the meeting was adjourned at 8:47 a.m.