

# Interisk

Corporation

Risk Mgt. & Employee Benefits Consultants

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August 27, 2020

Via Email to: [DChin@Palmetto-fl.gov](mailto:DChin@Palmetto-fl.gov)

Mr. Desmond Chin, CPA  
Director of Finance  
Village of Palmetto Bay, Florida  
9705 E. Hibiscus Street  
Palmetto Bay, FL 33157

Subject: Property and Casualty RFP

Mr. Chin:

The Village's Property and Casualty Insurance program expires on October 1, 2020. The program is currently provided by the Florida Municipal Insurance Trust (FMIT) with the Florida League of Cities (FLC) serving as the agent. The FMIT is a self-insured trust that has been providing the insurance needs for Florida governmental entities for the past 43 years. They are recognized as one of the leading insurers for governmental entities.

The Village's current program provides the following insurance coverages.

- Real and Personal Property
- Active Assailant Coverage
- Premises and Operations Liability
- Crime
- Public Officials Liability
- Vehicle Liability
- Vehicle Physical Damage
- Statutory Workers' Compensation
- Employers Liability

It is believed that the FMIT provides coverages comparable, and in some cases, broader than those provided by traditional insurers. The Village paid an annual premium of \$382,566 for their current program.

Interisk Corporation was asked to assist the Village in receiving competitive proposals for their 2020/21 insurance program. An RFP was developed and published on 4/29/20. While every effort was made to provide interested proposers with the information they would need to develop their proposals, provisions were made for them to submit Requests for Additional Information and several addendums to the RFP were issued responding to all questions asked. Proposals were received through 8/6/20 when they were publically opened. Proposals were received from:

- ❖ The Florida Municipal Insurance Trust (FMIT)
- ❖ The Preferred Governmental Insurance Trust (PGIT)

Village of Palmetto Bay, Florida

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The Public Risk Insurance Agency (PRIA) would serve as the agent for the PGIT program.

PGIT was established in 1999 and is viewed as a leading competitor to the FMIT program. Both the FMIT and PGIT are believed to be financially sound and has never failed to meet their claim obligations.

Following the bid opening the proposals were forwarded to Interisk who evaluated each proposal in detail. The attached document compares the major features of the Village's current program to those being proposed by the FMIT and PGIT. While there are some minor differences in the coverages being proposed by the FMIT and PGIT none are viewed as being significant and should not impact the Village's insurance protection significantly. Both the FMIT and PGIT proposed insurance coverages comparable to the Village's current program.

The FMIT proposed an annual premium of \$299,522. If the Village accepts the FMIT proposal they will reduce their annual premium cost by \$83,014 (21.7%). PGIT proposed an annual premium of \$346,102. If the Village accepts the PGIT proposal they will reduce their annual premium by \$36,464 (9.5%).

Since the FMIT has offered to provide insurance coverages comparable to the Village's current program at a lower cost, it is recommended that the Village of Palmetto Bay accept the Florida Municipal Insurance program, as presented by the Florida League of Cities for their insurance program for the policy period of 10/1/20 to 10/1/21. This will result in the Village significantly reducing their insurance costs while not sacrificing on their insurance protection.

I will make myself available to discuss this issue in more detail at your convenience.

Cordially,

INTERISK CORPORATION



Sidney G. Webber  
CPCU, ARM

**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 REAL & PERSONAL PROPERTY**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
Insurer(s)	Florida Municipal Insurance Trust	Florida Municipal Insurance Trust	The Preferred Governmental Insurance Trust
AM Best Rating	N/A	N/A	N/A
<b>Insured Values</b>			
Building, Contents and PITO	Buildings - \$19,352,802 Contents - \$1,107,180 PITO - \$210,000 (Unscheduled)	Buildings - \$19,352,802 Contents - \$1,107,180 PITO - \$210,000 (Unscheduled)	Buildings - \$19,352,802 Contents - \$1,107,180 PITO - \$210,000 (Unscheduled)
Miscellaneous Inland Marine	Scheduled - \$29,675 Unscheduled - \$1,000,000	Scheduled - \$29,675 Unscheduled - \$1,000,000	Scheduled - \$29,675 Unscheduled - \$1,000,000
<b>Limits of Liability</b>			
Buildings	\$19,352,802	\$21,807,448	\$20,712,165
Contents	\$1,107,180	Incl. in Buildings	\$1,155,283
PITO	\$210,000 (Unscheduled)	Incl. in Buildings	Incl. in Building limit
Named Windstorm Sub-Limits	\$20,669,982	\$21,807,488	\$21,867,448
Flood Sub-Limits	\$5,000,000 and subject to a shared aggregate limit of \$150 million	\$5,000,000 and subject to a shared aggregate limit of \$150 million	\$5,000,000
Boiler and Machinery	\$20,669,982	\$21,807,488	\$21,867,448
Terrorism	\$5,000,000 Annual Aggregate	\$5,000,000 Annual Aggregate	\$1,000,000
Miscellaneous Inland Marine	Scheduled - \$29,675 Unscheduled - \$1,000,000	Scheduled - \$29,675 Unscheduled - \$1,000,000	Scheduled - \$29,675 Unscheduled - \$1,000,000
Valuable Papers	\$500,000	\$500,000	Incl. in Building limit
Outdoor Signs	\$25,000 per sign	\$25,000 per sign	Incl. in Building limit
Accounts Receivables	\$500,000	\$500,000	\$500,000
Extra Expense	\$1,000,000 Aggregate	\$1,000,000 Aggregate	\$1,000,000
Law or Ordinance	25% of insured damages	25% of insured damages	\$500,000

**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 REAL & PERSONAL PROPERTY  
 (Continued)**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
Business Income	\$500,000 Aggregate	\$1,000,000 Aggregate	\$1,000,000
Suspension due to Civil/Military Authority	60 days	60 days	Incl. in Building Limit
<b>Deductibles</b>			
AOP	\$1,000	\$1,000	\$1,000
Named Wind Storm	5%	5%	5% subject to a \$10,000 minimum
Flood	\$500,000	\$500,000	Excess of NFIP or 5% whichever is greater
Coverage Form	All Risk	All Risk	All Risk
Agreed Amount?	Yes	Yes	Yes
Blanket Coverage?	Yes	Yes	Yes
New/Substitute properties added at Blanket Rate	Yes	Yes	Yes
Permission Granted to Rebuild on Alternate Site	Yes	Yes	Yes
Settlement Basis	Replacement Value	Replacement Value	Replacement Value
COVID19/Infectious Disease Exclusion/Limitation	No	No	No
Premium	\$178,492	\$132,122	\$105,516
Comments	The Pedestrian Bridge located at 7895 SW 152 Court is only insured for "Basic" coverages and excludes wind coverage.	Piers, wharves, docks, boardwalks and bridges will be insured for "Basic" coverages and will exclude wind coverage	

**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 ACTIVE ASSAILANT COVERAGE**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
Insurer(s)	Florida Municipal Insurance Trust	Florida Municipal Insurance Trust	The Preferred Governmental Insurance Trust
AM Best Rating	N/A	N/A	N/A
Limits	\$1,000,000	\$1,000,000	\$1,000,000
Deductible/Retention	\$2,500	\$2,500	None
<b>Coverage Limits</b>			
Property Damage	\$1,000,000	\$1,000,000	Subject to an overall policy limit of \$1,000,000
Business Income/Extra Expense	\$1,000,000	\$1,000,000	Subject to an overall policy limit of \$1,000,000
Third Party Liability	\$1,000,000	\$1,000,000	Subject to an overall policy limit of \$1,000,000
Medical and Dental Expenses	\$20,000 per person	\$20,000 per person	Subject to an overall policy limit of \$1,000,000
Counselling Services	\$10,000 for injured parties and \$5,000 for non-injured parties	\$10,000 for injured parties and \$5,000 for non-injured parties	Subject to an overall policy limit of \$1,000,000
Funeral Costs	\$10,000 per person and \$150,000 per event	\$10,000 per person and \$150,000 per event	Subject to an overall policy limit of \$1,000,000
Employee Retraining Costs	\$10,000	\$10,000	None
Replacement Employee Recruitment Costs	\$1,000,000	\$1,000,000	None
Occurrence/Claims Made	Occurrence	Occurrence	Occurrence except Claims Made for Active Assailant
Retroactive Date	N/A	N/A	10/1/20

**VILLAGE OF PALMETTO BAY, FLORIDA  
2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
ACTIVE ASSAILANT COVERAGE**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
COVID19/Infectious Disease Exclusion/Limitation	No	No	No
Premium	Incl. in Real and Personal Property	Incl. in Real and Personal Property	Included
Comments			Could not determine which coverage line premium includes this coverage

**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 PREMISES AND OPERATIONS LIABILITY**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
Insurer(s)	Florida Municipal Insurance Trust	Florida Municipal Insurance Trust	Preferred Governmental Trust
AM Best Rating	N/A	N/A	N/A
Limits	\$5,000,000	\$5,000,000	\$5,000,000
Annual Aggregate	None	None	None
Deductible/Retention	None	None	None
Aggregate Stop Loss Deductible	N/A	N/A	N/A
<b>Occurrence/Claims Made</b>			
General Liability	Occurrence	Occurrence	Occurrence
Employee Benefits	Occurrence	Occurrence	Occurrence
<b>Retroactive Dates</b>			
General Liability	N/A	N/A	N/A
Employee Benefits	N/A	N/A	N/A
<b>Coverages</b>			
Premises and Operations	Yes	Yes	Yes
Independent Contractors	No	No	No
Prod/Compl. Operations	Yes	Yes	Yes
Blanket Contractual	No	No	Yes
Personal Injury Liability	Yes	Yes	Yes
Employee Benefit Liability	Yes	Yes	Yes
Cyber Liability	Yes subject to a \$1,000,000 sublimit	Yes subject to a \$1,000,000 sublimit	Yes
COVID19/Infectious Disease Exclusion/Limitation	No	No	No
Premium	\$125,308	\$42,616	\$103,122
Comments	Cyber Liability is provided on a Claims Made basis with full prior acts coverage	Cyber Liability is provided on a Claims Made basis with full prior acts coverage	Could not determine if a sub-limit applies to the Cyber Liability coverage

**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 CRIME**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
Insurer(s)	Florida Municipal Insurance Trust	Florida Municipal Insurance Trust	Preferred Governmental Insurance Trust
AM Best Rating	N/A	N/A	N/A
<b>Coverages and Limits</b>			
Employee Theft	\$500,000	\$500,000	\$500,000
Forgery or Alterations	\$250,000	\$250,000	\$500,000
Computer and Funds Transfer Fraud	\$250,000	\$250,000	\$500,000
Faithful Performance Blanket Bond	\$500,000	\$500,000	\$500,000
<b>Deductible/Retention</b>			
Employee Theft	None	None	\$1,000
Forgery or Alterations	None	None	\$1,000
Computer and Funds Transfer Fraud	None	None	\$1,000
Faithful Performance Blanket Bond	None	None	\$1,000
COVID19/Infectious Disease Exclusion/Limitation	No	No	No
Premium	Incl. in Real and Personal	Incl. in Real and Personal	\$1,840
Comments			



**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 PUBLIC OFFICIALS LIABILITY**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
<b>Insurer(s)</b>	Florida Municipal Insurance Trust	Florida Municipal Insurance Trust	Preferred Governmental Insurance Trust
<b>AM Best Rating</b>	N/A	N/A	N/A
<b>Limits</b>	\$5,000,000	\$5,000,000	\$5,000,000
<b>Annual Aggregate</b>	None	None	\$5,000,000
<b>Deductible/Retention</b>	None	None	None
<b>Individuals Covered</b>			
Board Members	Yes	Yes	Yes
Appointed Officers	Yes	Yes	Yes
Employees	Yes	Yes	Yes
Volunteers	Yes	Yes	Yes
<b>Occurrence/Claims Made</b>	Occurrence	Occurrence	Occurrence
<b>COVID19/Infectious Disease Exclusion/Limitation</b>	No	No	No
<b>Premium</b>	Incl. in Premises and Operations	\$67,670	\$67,185
<b>Comments</b>			

**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 VEHICLE LIABILITY AND PHYSICAL DAMAGE**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
Insurer(s)	Florida Municipal Insurance Trust	Florida Municipal Insurance Trust	Preferred Governmental Insurance Trust
AM Best Rating	N/A	N/A	N/A
<b>Limits</b>			
Liability	\$1,000,000	\$1,000,000	\$1,000,000
Physical Damage	ACV	ACV	ACV
<b>Deductible/Retention</b>			
Liability	None	None	None
Physical Damage	\$500	\$500	\$500
Occurrence/Claims Made	Occurrence	Occurrence	Occurrence
Stop Loss Deductible	None	None	None
<b>ISO Symbols</b>			
Liability	The FMIT does not use ISO symbols. Effectively Symbol 1 (Any Auto)	The FMIT does not use ISO symbols. Effectively Symbol 1 (Any Auto)	1 (Any Auto)
PIP	The FMIT does not use ISO symbols. Effectively Symbol 1 (Any Autos)	The FMIT does not use ISO symbols. Effectively Symbol 5 (Owned Autos subject to No-Fault statutes)	5 (Owned Autos subject to No-Fault statutes)
Physical Damage	The FMIT does not use ISO symbols. Effectively Symbol 7 (Scheduled Autos)	The FMIT does not use ISO symbols. Effectively Symbol 7 (Scheduled Autos)	2 (All owned autos) 8 (Hired autos)
Uninsured/Underinsured Motorists	Rejected	Rejected	Rejected
Non-Owned and Hired Auto Coverage	Yes	Yes	Yes
Employer Provided Vehicle Coverage	Yes	Yes	Yes
COVID19/Infectious Disease Exclusion/Limitation	No	No	No

**VILLAGE OF PALMETTO BAY, FLORIDA  
2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
VEHICLE LIABILITY AND PHYSICAL DAMAGE  
(CONTINUED)**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
<b>Premium</b>			
Liability	\$10,673	\$11,492	\$6,693
Physical Damage	\$3,673	Incl. in Liability	\$6,129
Comments			

**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 WORKERS' COMPENSATION AND EMPLOYERS LIABILITY**

	<b>Current Program (Florida League of Cities)</b>	<b>Florida League of Cities</b>	<b>Public Risk Insurance Agency</b>
Insurer(s)	Florida Municipal Insurance Trust	Florida Municipal Insurance Trust	Preferred Governmental Insurance Trust
AM Best Rating	N/A	N/A	N/A
<b>Limits</b>			
Workers' Compensation	Statutory	Statutory	Statutory
Employers Liability	\$1,000,000/\$1,000,000/\$1,000,000	\$1,000,000/\$1,000,000/\$1,000,000	\$1,000,000/\$1,000,000/\$1,000,000
Deductible/Retention	None	None	None
Stop Loss Deductible	None	None	None
Total Payroll	\$4,771,490	\$4,914,634	\$4,914,634
Stop Loss Deductible	None	None	None
Experience Modification Factor	.99	1.01	1.01
COVID19/Infectious Disease Exclusion/Limitation	No	No	No
Premium	\$64,420	\$45,652	\$55,617
Comments			

**VILLAGE OF PALMETTO BAY, FLORIDA  
 2020/2021 PROPERTY, LIABILITY AND WORKERS' COMPENSATION PROGRAM  
 REQUEST FOR PROPOSALS**

**EVALUATION OF PROPOSALS  
 PREMIUM ONLY SUMMARY**

COVERAGE	CURRENT PROGRAM	FLORIDA LEAGUE OF CITIES	PUBLIC RISK INSURANCE AGENCY
Real and Personal Property	\$178,492	\$132,122	\$105,516
Active Shooter	Incl. in Real and Personal Property	Incl. in Real and Personal Property	Incl.
Premises and Operations Liability	\$125,308	\$42,616	\$103,122
Crime	Incl. in Real and Personal Property	Incl. in Real and Personal Property	\$1,840
Public Officials	Incl. in Premises and Operations Liability	\$67,670	\$67,135
Vehicle Liability	Liability - \$10,673 Phys. Damage - <u>3,673</u> Total \$14,346	11,492	Liability - \$6,693 Phys. Damage - <u>6,129</u> Total \$12,822
Workers' Compensation/Employers Liability	\$64,420	\$45,652	\$55,617
Total	\$382,566	\$299,552	\$346,102