

Loxahatchee River District

Water Reclamation | Environmental Education | River Restoration

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D. Albrey Arrington, Ph.D., Executive Director



MEMORANDUM

DATE: MARCH 10, 2014

SUBJECT: LIABILITY INSURANCE RENEWAL

DEPARTMENT: ADMINISTRATION

Anna Williams, Administrative Services Director

BUDGET: These insurance policies were budgeted in the amount of \$397,180.

PURCHASE AMT.: \$355,008

ACTION REQUEST: Authorize Executive Director to enter into an agreement with Public Risk Insurance Agency for Property, General Liability, Automobile Liability and Physical Damage, Workers Compensation, and Fiduciary Liability insurance.

DESCRIPTION: The District needs to renew these insurance policies, which will expire on April 30, 2014. Passage of the motion below will result in an agreement for insurance coverage with *Preferred* through our agent – Brian Cottrell of Public Risk Insurance Agency. The renewal quote is summarized below and in detail on the following page, and represents a cost increase of \$17,698 (5.3%).

<u>Policy</u>	<u>2014-2015 Cost</u>	<u>Renewal Cost</u>	<u>% Change</u>
Property	\$ 235,454	\$ 239,517	1.7 %
Inland Marine (mobile equip.)	\$ 8,646	\$ 9,834	13.7 %
General Liability	\$ 18,231	\$ 19,016	4.3 %
Automobile	\$ 15,524	\$ 15,708	1.2 %
Workers Compensation	\$ 59,455	\$ 70,933	19.3 %
Total	\$ 337,310	\$ 355,008	5.3 %

The first four lines of insurance are increased proportional to the added coverage (i.e., compare ‘Exposure Difference’ and ‘Premium Difference’ on attached spreadsheet). The significant increase in Workers Compensation is based on the ‘experience modification’ increasing from 0.75 to 0.87 due to two non-trivial claims over the past two years (dog bite and knee). *Preferred* has offered to lock in these rates for two years if we so choose.

SUGGESTED MOTION:

“THAT THE DISTRICT GOVERNING BOARD authorize the Executive Director to enter into a one year agreement with Public Risk Insurance Agency for Property, General Liability, Automobile Liability and Physical Damage, Workers Compensation and Fiduciary Liability insurance in the amount of \$355,008.”

Covered Party: Loxahatchee River District
 Effective Date: 5/1/2015



LINE OF COVERAGE	2014/2015			2015/2016			Changes in Exposures		
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	2014/2015	2015/2016	
Property: Preferred									
Buildings & Contents	\$ 63,123,144	\$ 10,000	\$ 235,454	\$ 64,247,439	\$ 10,000	\$ 239,517	Property		
Equipment Breakdown	\$ 50,000,000	\$ 10,000		\$ 50,000,000	\$ 10,000		Exposure	\$ 1,124,295	
Flood	\$ 5,000,000	\$ 10,000		\$ 5,000,000	\$ 10,000		Difference	1.78%	
Earthquake									
Terrorism							Premium	\$ 4,063	
Windstorm	\$ 63,123,144	5% or \$25,000 minimum		\$ 63,123,144	5% or \$25,000 minimum		Difference	1.73%	
Accounts Receivable	\$ 250,000	\$ 10,000		\$ 250,000	\$ 10,000				
Additional Expense	\$ 500,000	\$ 10,000		\$ 500,000	\$ 10,000				
Business Income	\$ -			\$ 50,000					
Errors & Omissions	\$ 250,000	\$ 10,000		\$ 250,000	\$ 10,000				
Demolition & Increased Cost of Construction	\$ 1,250,000	\$ 10,000		\$ 1,250,000	\$ 10,000				
Inland Marine: Preferred							Inland Marine		
Communications Equipment	\$ 25,000		\$ 8,646	\$ 25,000		\$ 9,834	\$ 1,976,582	\$ 2,248,266	
Mobile Equipment	\$ 1,701,566			\$ 1,973,250			Exposure	\$ 271,684	
Electronic Data Processing	\$ 75,000			\$ 75,000			Difference	13.75%	
Emergency Services Portable Equip	\$ 50,000			\$ 50,000					
Fine Arts	\$ 10,000			\$ 10,000			Premium	\$ 1,188	
Other Inland Marine	\$ 10,000			\$ 10,000			Difference	13.74%	
Rented Borrowed Leased Equipment	\$ 50,000			\$ 50,000					
Valuable Papers	\$ 50,000			\$ 50,000					
Watercraft	\$ 5,016			\$ 5,016					
			Sub-Total \$ 244,100			Sub-Total \$ 249,351			
General Liability: Preferred							Payroll	Payroll	
							\$4,130,131	\$4,308,000	
General Liability	\$ 3,000,000	\$ 5,000	\$ 18,231	\$ 3,000,000	\$ 5,000	\$ 19,016	Exposure	\$ 177,869	
Employee Benefits	\$ 3,000,000			\$ 3,000,000			Difference	4.31%	
			\$ -			\$ -	Premium	\$ 785	
							Difference	4.31%	
			Sub-Total \$ 18,231			Sub-Total \$ 19,016			
Automobile: Preferred							Vehicles	Vehicles	
Auto Liability	\$ 3,000,000	\$ -	\$ 7,931	\$ 3,000,000	\$ -	\$ 7,931	40	40	
Uninsured Motorist	\$ 30,000	\$ -		\$ 30,000	\$ -		Exposure	0	
Collision	Symbol 10, 8	\$ 1,000	\$ 7,593	Symbol 10, 8	\$ 1,000	\$ 7,777	Difference	0.00%	
Hired Physical Damage	\$ 35,000	\$ 1,000		\$ 35,000	\$ 1,000		Premium	\$ 184	
Medical Payments	\$ 2,500			\$ 2,500			Difference	1.19%	
			Sub-Total \$ 15,524			Sub-Total \$ 15,708			
Workers' Compensation: Preferred							Payroll	Payroll	
	13/14 Payroll: \$4,130,131			15/16 Payroll: \$4,308,000			\$4,130,131	\$4,308,000	
	Experience Mod: .75			Experience Mod: .87			Exposure	\$177,869	
Workers' Compensation	Statutory	\$ -	\$ 59,455	Statutory	\$ -	\$ 70,933	Difference	4.31%	
Employers Liability	\$1m/\$1m/\$1m	\$ -	Included	\$1m/\$1m/\$1m	\$ -	Included	Premium	\$ 11,478	
			Sub-Total \$ 59,455			Sub-Total \$ 70,933	Difference	19.31%	
TOTAL PREMIUM	May 1st Total						\$ 355,008	Difference	5.25%

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.