

Lee County Board Of County Commissioners

Agenda Item Summary

Blue Sheet No. 20051341

1. ACTION REQUESTED/PURPOSE: As required by AC 4-4, approve not-to-exceed expenditure of \$3,750,000 for the purchase of excess property and casualty insurance coverage, associated professional fees for the period 10/1/05 – 10/1/06.

2. WHAT ACTION ACCOMPLISHES: Enables the Budget Services/Risk Management to purchase the necessary insurance in order to provide financial protection to the County's assets against various unexpected property and casualty type losses.

3. MANAGEMENT RECOMMENDATION: Approve

4. Departmental Category: / **CIB** **5. Meeting Date:** **09-27-2005**

6. Agenda:		7. Requirement/Purpose: (specify)		8. Request Initiated:	
<input checked="" type="checkbox"/> Consent		<input checked="" type="checkbox"/> Statute		Commissioner	
<input type="checkbox"/> Administrative		<input type="checkbox"/> Ordinance		Department	Budget Services
<input type="checkbox"/> Appeals		<input type="checkbox"/> Admin. Code	AC-4-4	Division	Risk Management
<input type="checkbox"/> Public		<input type="checkbox"/> Other		By:	Antonio B. Majul, Jr.
<input type="checkbox"/> Walk-On					Director Budget Services <i>Ap</i>

9. Background: On June 17, 2003 the Board approved Blue Sheet #20030600 authorizing the Risk Management office to commence negotiations with the number one ranked firm of Arthur J. Gallagher & Co., for Insurance Brokerage Services. Subsequently, Arthur J. Gallagher & Co. negotiated with various markets to provide Lee County with placement/purchase of property and casualty insurance for FY05/06.

The not-to-exceed expenditure of \$3,750,000 does not include the Toll Bridges, which is addressed by separate bluesheet. This expenditure represents an increase of 25% or \$749,753 (miscellaneous bridges, ramps, dock and piers accounts for 7% or \$198,347 of the increase) over the prior year's cost of insurance/professional fees for Lee County's Insurance Program. The increase in premiums was a result of the following:

- (1.) Total Insured Real and Personal Values increased 7.7%;
- (2.) Number of vehicle to insure increased 12.7%;
- (3.) Total insured windstorm damage (County owned real and personal property) was \$4,760,854;
- (4.) Annual projected payroll increased by 9%;
- (5.) Number of employee increased by 3.8%;
- (6.) Gross operating expenditures increased 7.4%;
- (7.) Bridges, Ramps, Dock and Piers – Values increased 71%;
- (8.) Increased the County General Liability Insurance to total of \$1.8 million excess of \$200,000, previously carried \$800,000 excess of \$200,000.
- (9.) The not-to-exceed expenditure of \$3,750,000 includes a premium reserve of \$72,963 for policy changes during the year.

(Continued on page #2)

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services				County Manager/P.W. Director
<i>9/15/05</i>				<i>9/15/05</i>	Analyst	Risk	Grants	Mgr.	<i>9-15-05</i>
					<i>9/15/05</i>	<i>9/15/05</i>	<i>9/15/05</i>	<i>9/15/05</i>	

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

RECEIVED BY
COUNTY ADMIN: *TD*
9-15-05
4:35
COUNTY ADMIN
FORWARDED TO:

REC'D
by CO. ATTY: *9/15/05*
3:55 PM
CO. ATTY.
FORWARDED TO:
Co. Mgr.

Funds will be available in Account # GC5133857700.504520, Self-Insurance Property & Liability Insurance; Bonds; Bridges, Dock, Ramps & Piers (except Toll Bridges) in the amount of \$401,792.

Funds will be available in Account # GC5133857700.503190, Other Professional Services, in the amount of \$175,000.

Funds will be available in Account # GC5133857700.504540-01, Worker's Compensation, in the amount of \$385,663.

Funds will be available in Account # GC51338577005.504540-02, Automobile Liability, in the amount of \$216,815.

Funds will be available in Account #GC5133857700.504540-03, General Liability, in the amount of \$390,267.

Funds will be available in Account #GC5133857700.504540-04, Property Insurance, in the amount of \$2,107,500 million.