

**Lee County Board Of County Commissioners  
Agenda Item Summary**

**Blue Sheet No. 20051342**

**1. ACTION REQUESTED/PURPOSE:** Approve not-to-exceed expenditure of \$1.5 million for the purchase of excess property insurance in order to insure Lee County Toll Bridges for the period of 10/1/05 - 10/1/06.

**2. WHAT ACTION ACCOMPLISHES:** Enables the Budget Services/Risk Management to purchase the necessary reinsurance in order to provide the financial protection of County's assets against various causes of loss to Toll Bridges.

**3. MANAGEMENT RECOMMENDATION:** Approve

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

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

**9. Background:**

On June 17, 2003 the Board approved Blue Sheet #20030660 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 FY 05-06. The Risk Management office has arranged placement/purchase of \$35,000,000 blanket (no coinsurance) property insurance to insure the Toll Bridges.

Reasons for the significant premium increase: The current replacement cost (including loss of use) of the three Toll Bridges at \$588,716,258, which is 304 % increase over the previous year's insured value of \$193,206,816. Hurricane damage to the South East United States Public Bridges has been significant over the past several years. Hurricane Charley's damage for Sanibel Bridge is estimated at \$2,065,654. The very few insurance companies that are still making a market for bridge insurance are commanding higher insurance premiums for lower limits of liability. The cost to insure property only for the Sanibel, Cape Coral, and Midpoint Toll Bridges was \$484,792 in FY04-05 and for FY05-06 it is \$1.5 million dollars.

The amount of \$1.5 million will be expensed to:

- Funds will be made available in Account #PE5414742101.504520, DOT Tolls, Bridge Operating, Transportation Facility - Cape Coral Bridge, Insurance and Bonds.
- Funds will be made available in Account #PE5414742102.504520, DOT Tolls, Bridge Operating, Transportation Facility - Sanibel Bridge, Insurance and Bonds.
- Funds will be made available in Account #PE5414742103.504520, DOT Tolls, Bridge Operating, Transportation Facility - MidPoint Bridge, Insurance and Bonds.

**10. Review for Scheduling:**

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

**11. Commission Action:**

- Approved  
 Deferred  
 Denied  
 Other

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

RECVD. 9/15/05  
by CO. ATTY.  
3:55 PM  
CO. ATTY. I  
FORWARDED TO:  
Co. Mgr.  
9-15-05