

INSURANCE PREMIUMS
FY19 Actual vs FY20 Proposed vs Budget FY20

Exhibit “A”

Summary: The original FY20 budget submitted projected premium renewals totaling \$949,512. In an effort to reduce premiums and provide further savings, staff is recommending modifications to the existing insurance coverage levels including adjustments to limits of liability that would save \$20,000 from the quoted renewals, and save \$72,435 from the proposed FY20 budget.

Coverage Type	FY19 Actual	FY20 Proposed Budget	FY20 Renewal Proposals	FY20 Renegotiated Renewals	FY20 Proposed Budget to Renegotiated Renewals Difference (+/-)
Property includes Boiler & Machinery & Inland Marine ¹	\$312,737	\$394,130	\$370,439	\$370,439	(\$23,691)
Rental Equipment Coverage	\$6,285	\$6,285	\$6,250	\$6,250	(\$35)
General Liability	\$33,400	\$36,370	\$45,400	\$34,400	(\$1,970)
<i>Limit Change²</i>	\$5M/\$10M		\$5M/\$10M	\$1M/\$2M	
Cyber Liability	\$9,550	\$10,505	\$9,550	\$9,550	(\$955)
Law Enforcement Liability	\$45,980	\$50,578	\$48,500	\$48,500	(\$2,078)
Public Officials/ Employment Practices	\$104,060	\$119,669	\$100,000	\$100,000	(\$19,669)
Automobile Liability	\$43,560	\$47,916	\$46,000	\$37,000	(\$10,916)
<i>Limit Change²</i>	\$5M		\$5M	\$1M	
Automobile Physical Damage	\$15,520	\$18,504	\$17,902	\$17,902	(\$602)
Commercial Crime	\$5,251	\$5,215	\$5,251	\$5,251	No Change
Storage Tank Liability	\$6,021	\$6,021	\$5,691	\$5,691	(\$330)
Excess Workers' Compensation ⁴	\$118,029	\$129,832	\$118,021	\$118,021	(\$11,811)
Workers' Compensation State Assessment	\$15,000	\$14,000	\$14,000	\$14,000	No change
Claims Management	\$26,400	\$26,400	\$26,400	\$26,400	No change
Insurance Agent Flat Rate Fee	\$45,000	\$45,000	\$45,000	\$45,000	No change
NFIP Flood Insurance ³	\$25,775	\$31,142	\$31,142	\$31,142	No change
Marine Hull & Liability ³	\$7,945	\$7,945	\$7,567	\$7,567	(\$378)
Total Fixed Costs²	\$820,513	\$949,512	\$897,113	\$877,113	(\$72,435)

¹ Additional premium will be paid when the Town adds the Recreation Center to the policy.

² Total Fixed Costs represent premiums only, change to limits not included in total calculation.

³ All lines of coverage renew on 10/1/2019, except those marked with this footnote.

⁴ Subject to an annual audit by FMIT, the Town's excess insurance carrier.

SUMMARY OF LOSS FUND & PREMIUM RETURNS

Coverage Type	Actual FY19	Proposed FY20 Budget	FY20 Original Renewal Proposals
Loss Fund	\$1,100,00	\$1,647,500	\$1,647,500
Return of Property Premium	(\$47,097)	Per the FMIT Board of Trustees a return of premium will be made in FY20	Per the FMIT Board of Trustees a return of premium will be made in FY20

¹ Loss fund increased as a result of reducing limits of liability for General & Auto Liability Coverage

² Return of surplus funds provided to insured renewing members of the Florida Municipal Insurance Trust