

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

Blue Sheet No. 20041142

I. REQUESTED MOTION:

ACTION REQUESTED: Approve not-to-exceed expenditure of \$3,865,137 for the purchase of excess property and casualty insurance coverage, associated professional fees for the period 10/1/04 - 10/1/05.

WHY ACTION IS NECESSARY: As required by AC 4-4, enables Risk Management to purchase insurance to protect the County's assets against unexpected losses.

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 property and casualty losses.

**2. DEPARTMENTAL CATEGORY:
COMMISSION DISTRICT #**

CIB

MEETING DATE:

09-14-2004

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

**5. REQUIREMENT/PURPOSE:
(Specify)**

- STATUTE
- ORDINANCE
- ADMIN. CODE AC-4-4
- OTHER

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER
- B. DEPARTMENT Budget Services
- C. DIVISION Risk Management

BY: Antonio B. Majul, Jr.
Director Budget Services

7. 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 04-05.

The not-to-exceed expenditure of \$3,865,137 is within budget. This expenditure represents an increase of 10% or \$352,184 over the prior year's cost of insurance/professional fees for Lee County's Insurance Program. The increase in premium was a result of the following:

- (1.) Total Insured Real and Personal Values increased 10%;
- (2.) Loss Ratio, expected insured claims from Hurricane Charley are \$17,000,000 to \$20,000,000;
- (3.) Annual projected payroll increased by 12%;
- (4.) Manual Workers' Compensation Premium increased 34%;
- (5.) Bridges, Ramps, Dock and Piers - Increase total available insurance from \$50,000,000 to \$70,000,000.

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

| A Department Director | B Purchasing or Contracts | C Human Resources | D Other | E County Attorney | F Budget Services | | | | G County Manager |
|--------------------------|------------------------------|----------------------|------------|----------------------|----------------------|---------------|---------------|---------------|---------------------|
| <i>AM</i> | | | | <i>KS</i> | <i>OA</i> | <i>OM</i> | <i>Risk</i> | <i>GC</i> | <i>IS</i> |
| <i>9/1/04</i> | | | | <i>9/1/04</i> | <i>9/1/04</i> | <i>9/1/04</i> | <i>9/1/04</i> | <i>9/1/04</i> | <i>9/1/04</i> |

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

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|-------------------------------|
| Rec. by CoAtty |
| Date: <i>9/1/04</i> |
| Time: <i>9:50</i> |
| Forwarded To: <i>Co Admin</i> |
| <i>9/1/04</i> |

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|-------------------------|
| RECEIVED BY |
| COUNTY ADMIN: <i>AD</i> |
| <i>9-1-04</i> |
| <i>11:30 AM</i> |
| COUNTY ADMIN |
| FORWARDED TO: <i>PH</i> |
| <i>9-1-04</i> |
| <i>4:30 PM</i> |

Funds will be available in Account #GC5133857700.504520, Self-Insurance Property & Liability Insurance; Flood; Bonds; Bridges, Dock, Ramps & Piers (except Tolls Bridges) in the amount of \$602,989.

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, Workers Compensation, in the amount of \$339,018.

Funds will be available in Account #GC5133857700.504540-02, Automobile Liability, in the amount of \$127,000.

Funds will be available in Account #GC5133857700.504540-03, General Liability, in the amount of \$318,000.

Funds will be available in Account #GC5133857700.504540-04, Property Insurance, in the amount of \$1,842,824.

The amount of ~~\$460,306~~ ^{#484,792} will be expensed by LCDOT to:

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