

Consent Item – Business Insurance

Board of Governors Meeting
12/07/2016

Consent items are budgeted, contract extensions and/or previously approved by Citizens Board of Governors.

CONTRACT ID:	January 2017 Corporate Insurance Renewals			
CONTRACT HISTORY	The Board approved contract number 11-11-0036-01, Insurance Agent of Record for Citizens, on October 12, 2011.			
BUDGETED	Included in the 2016 Budget.			
CONTRACT AMOUNT:	<u>Policy</u>	<u>Insurance Carrier</u>	<u>Premium</u>	<u>Increase %</u>
	Business Owners	Allied Property & Casualty	\$113,060.13	-7.8%
	Workers Compensation	Zenith Ins. Company	\$249,482.00	15.2%
	Business Auto	Allied Property & Casualty	\$88,318.00	20.4%
	Financial Institution Bond	Crum & Forester	\$13,340.00	14.4%
CONTRACT TERM(S)	<u>Policy</u>	<u>Effective Date</u>	<u>Expiration Date</u>	
	Business Owners	January 27, 2017	January 26, 2018	
	Workers' Compensation	January 27, 2017	January 26, 2018	
	Business Auto	January 27, 2017	January 26, 2018	
	Financial Institution Bond	January 27, 2017	January 26, 2018	
PURPOSE / SCOPE:	<p>Purpose: To renew corporate insurance coverages for 2017.</p> <p>Scope:</p> <p><u>Business Owners</u> insurance combines coverages into a standard package at a premium that is less than would be required to purchase these same coverages separately. These coverages include property damage, commercial general liability, employee benefits liability, business interruption, inland marine and umbrella liability. We purchase the business owners policy, in part:</p> <ul style="list-style-type: none"> • to meet the requirements on two of Citizens' building leases (Tampa and Jacksonville Corporate locations) • to cover liability exposure for Citizens locations • to meet liability insurance requirements in order to park our emergency vehicles (MERV's) at catastrophe sites • to cover liability for leased equipment <p><u>Workers Compensation</u> insurance provides wage replacement and medical benefits protection for employees that are injured in the course of employment. This coverage is required by Florida law. The premium decrease for workers compensation results from both payroll and increased experience modification factor (1.25), Citizens has put a plan in place to reduce the experience modification factor over the past year.</p> <p><u>Business Auto</u> insurance covers owned, rented and borrowed (employee owned) vehicles used in the course of business. This policy covers approximately 73 vehicles owned by Citizens with coverage extending to rental cars and personally owned vehicles used in the course of business.</p> <p><u>Financial Institution Bond</u> insurance covers Citizens' employees acting in the course and scope of their employment for certain breaches of their fiduciary duty and other</p>			

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	errors or omissions covered under the policy, such as protecting Citizens' assets against fiduciary-related claims of mismanagement of the company's employee benefit plans. Fiduciary insurance does not cover fraudulent acts.
PROCUREMENT METHOD:	On August 10, 2011, Citizens issued Request for Proposal (RFP) No. 11-0036 for Business Insurance Agent(s) of Record. On October 12, 2011, the Board of Governors approved Rogers Gunter Vaughn Insurance, Inc. and Insurance Office of America, who received the highest overall scores of all vendors responding to Competitive Solicitation (RFP) No. 11-0035. The Agents of Record solicit and collect quotes and respective coverages from numerous carriers and submit to management for evaluation. The quotes are compared and analyzed for breadth of coverage, stability of underlying carrier, quality of service, and pricing. Recommendations are submitted by the Chief Legal Officer for Board approval.
RECOMMENDATION:	It is recommended that Citizens' Board: <ul style="list-style-type: none">a) Approve the renewal of the 2017 corporate insurance policies (Business Owners, Workers' Compensation, Business Auto, and Financial Institution Bond) above; andb) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
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