RESOLUTION NO. 11-16

RESOLUTION OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA AUTHORIZING THE PLACEMENT OF PROPERTY INSURANCE THROUGH THE SERVICES OF ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC., AN ILLINOIS CORPORATION, INSURING CITY PROPERTY, INCLUDING, BUT NOT LIMITED TO, BUILDINGS, CONTENTS, PROPERTY, EQUIPMENT, AND VEHICLES, FOR AN ANNUAL PREMIUM OF $739,990.27, COMMENCING ON MARCH 10, 2011 AND EXPIRING ON MARCH 10, 2012 FOR LAYERED INSURANCE COVERAGE WITH INSURANCE COMPANIES, AS IDENTIFIED IN EXHIBIT "1" ATTACHED HERETO AND MADE A PART HEREOF, OF A COMBINED AND TOTAL MAXIMUM LOSS LIMIT OF $25 MILLION AGAINST DAMAGES CAUSED BY NATURAL DISASTERS AND TERRORIST ACTS, WITH A DEDUCTIBLE OF $250,000 PER OCCURRENCE AND A 5% DEDUCTIBLE FOR A NAMED WINDSTORM AND HAIL STORM AND TO PLACE CITY'S REQUIRED FLOOD COVERAGE ON NECESSARY PROPERTIES IN ACCORDANCE WITH THE NATIONAL FLOOD PROGRAM AT APPROPRIATE RENEWAL PERIODS.

WHEREAS, pursuant to a duly-advertised request for proposal, responses were opened and received on February 1, 2011 from two providers of which only Arthur J. Gallagher Risk Management Services, Inc. submitted a bid and one other provider declined to bid; and

WHEREAS, the City, after extensive research, finds that the insurance costs are substantially less than the cost of comparable coverage for other local governments and public entities in Miami-Dade, Broward and Monroe Counties and that because of the timing and long-standing relationships with the various insurance companies providing coverage, the insurance costs, represents a reasonably low rate.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1: The foregoing facts and recitations contained in the preamble to this resolution are hereby incorporated and adopted by reference as if fully set forth herein.

Section 2: The Mayor and the City Council of the City of Hialeah, Florida hereby authorize the placement of property insurance through the services of Arthur J. Gallagher Risk Management Services, Inc., an Illinois corporation, insuring city property including, but not limited to, buildings, contents, property, equipment and vehicles, for an annual premium of $739,990.27, commencing on March 10, 2011 and expiring on March 10, 2012 for layered insurance coverage with insurance companies, as identified in Exhibit "1", which is attached hereto and made a part hereof, of a combined and total maximum loss limit of $25 million against damages caused by natural disasters and terrorist acts with a deductible of $250,000 per occurrence and a 5% deductible for a named windstorm and hail storm and to place City's required flood coverage on necessary properties in accordance with the National Flood Program at appropriate renewal periods.

PASSED AND ADOPTED this 22nd day of February, 2011.

Carlos Hernandez
Council President

Attest:

Approved on this 25 day of February, 2011.

David Concepcion, City Clerk

Mayor Julio Robaina

Approved as to form and legal sufficiency:

William M. Grodnick, City Attorney

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Resolution was adopted by a unanimous vote with Councilmembers, Caragol, Casals-Muñoz, Cue-Fuente, Garcia-Martinez, Gonzalez, Hernandez, and Yedra voting "Yes.

Option 1 ♦ $25,000,000 Loss Limit
Layer and Premium Schedule
Total Insured Values of $212,491,153

Coverage	Limit	Carrier	Premium
Primary Property	$10,000,000	Lexington Insurance Co.	$ 537,602.00
Excess Property	$5,000,000 p/o 15,000,000 xs $10,000,000	Aspen Specialty Insurance Co.	$ 53,280.00
Excess Property	$5,000,000 p/o 15,000,000 xs $10,000,000	Endurance American Specialty	$ 55,000.00
Excess Property	$5,000,000 p/o 15,000,000 xs $10,000,000	Alterra E&S Insurance Co.	$ 53,280.00
Terrorism	$25,000,000	Lloyds of London	$ 16,900.00
Boiler & Machinery	$100,000,000	Zurich American	$ 4,379.00
		Subtotal	$ 720,441.00
		Modeling Fee	$ 150.00
		FHCFEA (1.3%)	$ 9,310.76
		Citizens Surcharges (1.4%)	$ 9,790.37
		EMPA	$ 16.00
		Stamping Fee	$ 161.71
		Boiler & Machinery Surcharges	$ 120.43
		Total	**$ 739,990.27**

SUBLIMITS:

$ 10,000,000	Per Occurrence and Annual Aggregate as respects Flood, except
$ 10,000,000	Per Occurrence and Annual Aggregate as respects 100-year Flood Zones
$ 10,000,000	Per Occurrence and Annual Aggregate as respects Earthquake
$ 10,000,000	Builder's Risk
$ 5,000,000	Extra Expense
$ 5,000,000	Demolition and Increased Cost of Construction
$ 5,000,000	Newly Acquired Property (60 days reporting)
$ 1,000,000	Errors and Omissions
$ 500,000	Valuable Papers
$ 500,000	Accounts Receivable
$ 200,000	Fine Arts
$ 100,000	Property in Transit
$ 100,000	Offsite Storage Locations
$ 100,000	Personal Property of insured's Officers & employees while at the insured's premises

PERILS:
All Risk of direct physical loss or damage including Flood, Earthquake, Equipment Breakdown

VALUATION:
Replacement Cost on Buildings, Contents, Fire Trucks and Emergency Vehicles (5) years old or less
ACV on all other Vehicles and Mobile Equipment

DEDUCTIBLE(S):

$ 100,000	Per occurrence All Other Perils; ***except***
NFIP	Excess of available NFIP for Flood whether purchased or not for locations in the 100 year Flood Zone
5%	Of the Total Insured Values per building at locations involved in the loss or damage, subject to a minimum $250,000 any one occurrence. (Hurricane & Tropical Storm Deductible Endorsement Applies)

PREMIUM:

35% Minimum Earned Premium except as follows after the beginning of hurricane season
90% Lexington Insurance Co.
100% Aspen Specialty
75% Minimum Max Specialty

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EXHIBIT "1"