



Interoffice Memorandum

February 27, 2023

To: Mayor Jerry L. Demings
-AND-
County Commissioners

Carrie Mathes

Carrie Mathes, CFM, NIGP-CPP, CPPO, C.P.M, Manager II,
Procurement Division

Contact: John Petrelli, Director, Risk Management and Professional Standards
407-836-9640

Subject: Approval to Purchase All Lines of Commercial Insurance Coverage,
Contract Y20-1061

ACTION REQUESTED:

Approval to Purchase Renewals of All Lines of Commercial Insurance Coverage under
Contract Y20-1061, Insurance Broker and Consultant Services, with Arthur J. Gallagher
Risk Management Services, Inc. for premiums not-to-exceed \$8,868,550.

Table with 2 columns: Insurance Line Item and Amount. Total: \$8,868,550

\* The premium for the Neighborhood Services grant policy is paid from the General
Fund.

\*\* The premium for the unmanned aviation policy is paid from Fund 1009.

\*\*\* The premiums for the Corrections AD&D policies are paid from the General Fund.

PROCUREMENT:

This approval will facilitate the purchase of renewal policies of all-lines of commercial
insurance for the Board of County Commissioners, Clerk of the Circuit and County Courts,
Property Appraiser, Tax Collector, Comptroller, Supervisor of Elections, and the Orange
Blossom Trail Development Board (workers' compensation only).

Arthur J. Gallagher Risk Management Services, Inc. will serve as agent with insurers as yet
to be determined for policies with effective dates of April 1, 2023 through March 31, 2024.

FUNDING:

Funding is available in account number 5510-025-0328-3350.

APPROVALS:

The Risk Management Committee and the Risk Management Division concur with this recommendation.

REMARKS:

The Board selected Arthur J. Gallagher Risk Management Services, Inc. on December 15, 2020 to provide insurance broker and consultant services to the County for an initial 36-month contract with two one-year renewals. This particular request for Board approval will allow Risk Management and Arthur J. Gallagher Risk Management Services, Inc. to participate in ongoing negotiations with insurance carriers up to March 31, 2023, to achieve optimum coverage and pricing. The Risk Management Committee has given their approval of the not-to-exceed amount of \$8,868,550 of premium (in accordance with the intergovernmental self-insurance agreement adopted by the Board on August 6, 1997).

The requested not-to-exceed amount represents an increase of 47.4% in the authority that was requested for the previous policy year.

The hurricanes of 2022, the significant flooding damage in Australia in 2022, the significant flooding damage in Europe in 2022, and the Turkey/Syria earthquake of 2023 have had a significant negative impact on the global insurance industry. As a result of these global losses, quoted prices for the County's property coverage has increased by 72%. Coastal municipalities in Florida are seeing rate increases in excess of 100%. Risk Management and Arthur J. Gallagher Risk Management Services, Inc. will be exploring alternative risk financing options for 2024.