



City of Tarpon Springs, Florida

HUMAN RESOURCES DEPARTMENT
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MEMORANDUM

SEPTEMBER 5, 2017

TO: HONORABLE MAYOR AND BOARD OF COMMISSIONERS

FROM: JANE KNIFFEN, HUMAN RESOURCES DIRECTOR

SUBJECT: PROPERTY & CASUALTY, WORKERS' COMPENSATION INSURANCES

RECOMMENDATION:

That the Board of Commissioners approve renewal of the City's Property & Casualty and Workers' Compensation insurances with the Florida Municipal Insurance Trust (administered by the Florida League of Cities) for a one-year period commencing October 1, 2017.

BACKGROUND:

The City has received renewal notice from the Florida Municipal Insurance Trust (FMIT) for FY 2017 – 2018 property, casualty and Workers' Compensation insurances.

Favorable claims experience and low reinsurance rates over the past several years have contributed to substantial reductions in the City's risk management premiums; although premiums increased last year, the overall decrease in risk management premiums together with the return of property premiums from FY 2008 to FY 2017 amount to \$843,296.

A number of factors continue to impact premium costs:

- Increased Workers' Compensation experience modification (claims ratio) (+3%)
- Increased payroll which affects Workers' Compensation premiums (+5%)
- Changes passed by Florida Legislature, Supreme Court decisions (ongoing ~10%)
- Property insurance (+9%)

As a result our overall increase in the risk management program is 9.48 %

The appended chart (*Attachment 1*) summarizes the year-over-year changes to the City's risk management premium costs.

**CITY OF TARPON SPRINGS
PROPERTY/CASUALTY AND WORKERS' COMPENSATION RENEWAL PREMIUMS
FY 2017 - 2018**

COVERAGE	FY 2016 - 2017 AUDITED FINAL	FY 2017 - 2018 FMIT RENEWAL	\$ DIFFERENCE
PROPERTY & LIABILITY	\$562,780	\$595,505	\$32,725
WORKERS' COMPENSATION	\$429,158	\$493,618	\$64,460
TOTAL PREMIUM	\$991,938	\$1,089,123	\$97,185
RETURN OF PREMIUM (from Property Premium)	\$27,397	\$33,094	Change 9.48%
TOTAL PREMIUM AFTER APPLICATION OF <i>RETURN OF PREMIUM</i>	\$964,541	\$1,056,029	