



# City of Tarpon Springs, Florida

HUMAN RESOURCES DEPARTMENT  
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**MEMORANDUM**

**SEPTEMBER 10, 2019**

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**TO: HONORABLE MAYOR AND BOARD OF COMMISSIONERS**

**FROM: JANE KNIFFEN, HUMAN RESOURCES DIRECTOR**

**SUBJECT: PROPERTY & CASUALTY, WORKERS' COMPENSATION INSURANCES**

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**RECOMMENDATION:**

That the Board of Commissioners approve renewal of the City's Property & Casualty and Workers' Compensation insurances with the Florida Municipal Insurance Trust (FMIT) administered by the Florida League of Cities, for a one-year period commencing October 1, 2019.

**BACKGROUND:**

The City has received renewal notice from FMIT for FY 2019 – 2020 property, casualty and Workers' Compensation insurances.

Historically the city's rates have largely been determined by claims experience driven by frequency and severity, as well as risk exposure and re-insurance market rates. A multi-year "smoothing" technique moderates large fluctuations that may occur in any one year, in an attempt to mitigate negative years and/or catastrophic events.

A number of factors continue to influence our premium rates:

- Decreased Workers' Compensation Experience Modification (claims ratio) from 1.28 to 0.88 which has reduced our premium by almost 16%, due to the smoothing technique and a revamping of the City's Safety program.
- Increased Property rates due to increased values, coverages and catastrophic weather events in the past three years.

As a result, there is an overall decrease in the risk management program of approximately 1% for FY 2020.

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

*Attachment 2* provides an historical summary of changes in risk management premiums over the last twelve years – premium reductions of \$238,329 and Return of Property Premiums of \$484,266 have resulted in a total reduction of \$722,595.

**CITY OF TARPON SPRINGS  
PROPERTY/CASUALTY AND WORKERS' COMPENSATION RENEWAL PREMIUMS  
FY 2019 - 2020**

<b>COVERAGE</b>	<b>FY 2018 - 2019 AUDITED FINAL</b>	<b>FY 2019 - 2020 FMIT RENEWAL</b>	<b>\$ DIFFERENCE</b>	<b>% DIFFERENCE</b>
<b>PROPERTY &amp; LIABILITY</b>	<b>\$662,616</b>	<b>\$738,703</b>	<b>\$76,087</b>	<b>11.00</b>
<b>WORKERS' COMPENSATION</b>	<b>\$528,386</b>	<b>\$445,371</b>	<b>-\$83,015</b>	<b>-16.00</b>
<b>TOTAL PREMIUM</b>	<b>\$1,191,002</b>	<b>\$1,184,074</b>	<b>-\$6,928</b>	<b>-1.00</b>

## Attachment 2

**RISK MANAGEMENT PREMIUM HISTORY**

<b>Fiscal Year</b>	<b>Premium Reduction</b>	<b>Return of Property Premium</b>	<b>Total Premium Reduction</b>
2007 – 2008	\$205,364	n/a	\$205,364
2008 – 2009	\$174,941	\$78,798	\$253,739
2009 – 2010	\$132,394	\$53,704	\$186,098
2010 – 2011	\$55,044	\$60,982	\$116,026
2011 – 2012	(\$5,325)	\$45,342	\$40,017
2012 – 2013	(\$5,557)	\$44,975	\$39,418
2013 – 2014	(\$51,758)	\$42,436	(\$9,322)
2014 – 2015	\$30,137	\$35,303	\$65,440
2015 – 2016	(\$24,340)	\$29,560	\$5,220
2016 – 2017	(\$75,661)	\$27,397	(\$48,264)
2017 – 2018	(\$97,185)	\$33,094	(\$64,091)
2018 – 2019	(\$99,725)	\$32,675	(\$67,050)
<b>Total</b>	<b>\$238,329</b>	<b>\$484,266</b>	<b>\$722,595</b>