

City Commission Policy 216

Insurance Procurement Policy

DEPARTMENT: Treasurer-Clerk

DATE ADOPTED: July 12, 1992

DATE OF LAST REVISION: October 25, 2017

216.01 Authority:

This policy authorized and adopted by the Tallahassee City Commission on July 12, 1992 and becomes effective immediately upon such adoption.

216.02 Purpose:

To establish a method to be used by the City of Tallahassee for the procurement of all commercial property and casualty insurance coverages. Such procurement is an integral part of the City's overall loss financing/funding process to protect its assets from unexpected negative loss.

216.03 Scope and Applicability:

This policy, and all procedures implemented to accomplish its objective, shall be applicable to the procurement of all commercial property and casualty insurance coverages by the City of Tallahassee.

216.04 Policy Statement:

It shall be the policy of the City of Tallahassee to procure commercial property and casualty insurance through a Broker of Record for all loss exposures not specifically financed within the Self-Insurance Program. Loss exposures, which are potentially catastrophic in nature, such as Property & Boiler Machinery and Airport Liability, as well as specific specialty coverages including Fidelity Bonds, Fire/Police Death Benefits and Excess Worker's' Compensation are currently financed through commercial insurance. At the discretion of the City, the Broker of Record may also place commercial coverages for the Consolidated Dispatch Agency and Community Redevelopment Agency, subject to their approval.

216.05 Definitions:

Commercial Property and Casualty Insurance: shall mean specific lines of commercial insurance such as Property & Boiler/Machinery insurance coverage that transfer the loss exposure to the commercial insurer for a premium and specific coverage period.

Broker of Record: the firm or company which markets and places a particular insurance coverage.

Insurance Company: the company which actually underwrites and bears financial responsibility for a particular insurance coverage.

216.06 Procedures:

The City of Tallahassee shall procure a Broker of Record to place all commercial insurance coverages through the Request for Proposal (RFP) process. The Risk Management Division, at the direction of the City Treasurer-Clerk, shall be responsible for the development, release and evaluation of an RFP designed to elicit responses from the marketplace for brokerage service options. and premium quotations.

An RFP shall be developed and released to all interested commercial insurance agents, brokers, self-insured trust funds and underwriters via the Procurement department's usual procedures. Responses will be evaluated during the fourth quarter of that year by the Risk Management staff and selected committee to determine the best service options and rate quotes to meet the City's Broker of Record needs. The length of the Broker of Record agreement will be noted in the associated RFP. This RFP process shall be directed through the City Treasurer-Clerk's Office.

Quotations shall then be sought by the awarded Broker of Record for all loss exposure areas determined to be appropriately financed through the commercial insurance markets by the City's Risk Manager.

In the event a specific coverage problem should arise (such as policy cancellation during the awarded policy period) an interim insurance carrier (the insurance company) shall be selected by the insurance Broker of Record to the approval of the City's Risk Manager and the City Treasurer-Clerk.

All funds necessary to finance Broker of Record service fees are determined on an annual basis by the Risk Management Office for consideration and inclusion in each fiscal year budget. These funds are a part of the overall City insurance financing costs included in the internal service insurance fund.

216.07 Administration:

The City Treasurer-Clerk, through the Risk Management Office, shall be responsible for the administration, update and revision of this policy. Any substantial changes, additions or deletions shall be approved by the City Commission.

216.08 Sunset Provision:

This policy is also subject to sunset review by the City Commission no later than five (5) years from the date of adoptions. Subsequent reviews by the City Commission are to occur no later than five (5) years from the date of the prior review. Revisions will become effective immediately upon City Commission approval.

216.09 Effective Date:

This policy shall become effective immediately after City Commission approval on October 25, 2017.

Revision Dates:

July 2, 1997

February 24, 2010