



Achieve Anything

**Property & Casualty Insurance
Workers' Compensation**



History

The City of North had been a member of Public Risk Management of Florida (PRM) for over 25 years. PRM is a risk management and self-insurance company for governmental entities in the State of Florida.

Several entities participate with PRM. Premiums are paid in and the risk of all claims are shared.

This also included catastrophic coverages for property. The available limits are shared between entities.

The City of North Port was the largest entity in the pool.

Fiscal Year 2014/2015

The City of North Port hired Ben Few & Company to perform a risk analysis of the City.

A presentation was made to the Commission with analysis, statistics and the recommendation to move forward with becoming self-insured. The Commission supported this action.

Fiscal Year 2015/2016

The City became self-insured. As this was not a funded endeavor, it was determined that the first 3 years will be spent building the risk fund.

At the time the City developed a self-funded plan, City leadership agreed that the departments would pay the same premiums as they paid in for Fiscal Year 14/15 when the City was covered under PRM, approximately \$1.6 million.

That premium would go unchanged for 3 years.

Savings to the City

The average increase from the PRM pool was 13% to 15% annually.

The first year the City saved approximately \$208,000 based on the 13%.

The second year the City saved approximately \$235,040 based on the 13 %.

The third year the City will save approximately \$265,595 based on the 13%.

Total savings is estimated to be \$708,635.00

Example of Self- Insured (WC)

Insect Bite - PRM FY14/15 Cost \$2533.62

Insect Bite - Self-Insured FY 15/16 Cost \$139.00

Debris in Eye – PRM FY 14/15 Cost \$3265.25

Debris in Eye – Self-insured FY 15/16 Cost \$182.47

Laceration – PRM FY 14/15 Cost \$1897.68

Laceration – Self-Insured FY 15/16 Cost \$396.85

Insurance Comparison

PRM FY 14/15 total cost of claims paid out
\$757,823.58

Self-Insured FY 15/16 total cost of claims paid out
\$174,926.22

Fiscal Year 15/16

Funded with \$1,600,000

Expenditures

Third Party Administrator \$27,500

Insurance \$737,612

Bank Transaction Fees \$971.37

Fees (state) \$21,969.18

Claim Cost \$174,926.22

Savings \$637,021.23

Fiscal Year 15/16

The plan is automatically funded annually with \$250,000 out of the \$1,600,000

Total First Year's savings totaled \$887,021.23

Self-Insured Structure

The City purchases excessive insurance coverage.

The City has a self-insured retention per policy.

The City contracts with a Third Party Administrator for all lines of coverage.

Excessive Policies

Property

Boiler & Machinery

General Liability

Law Enforcement Liability

Public Officials Liability

Automobile Liability

Automobile Physical Damage

Excess Workers' Compensation

Pollution Liability

AD&D (first responders only)

Insurance Retentions

The self-insured program purchases excessive coverages of insurance and the risk fund pays the retention.

Once the retention has been met the cost of the claims will be covered by the excess carrier(s).

Liability Claims \$100,000 per incident

Workers' Compensation \$350,000 per injury

Third Party Administrator

TPAs provide a variety of services to the City. They help expedite claims while providing timely customer service.

The adjusters specialize in one line of coverage.

TPAs also provide billing services, networks with negotiated rates, data and analytics and in some cases subrogation expertise.