SUMTER COUNTY BOARD OF COMMISSIONERS
EXECUTIVE SUMMARY

SUBJECT: Auto Liability and Auto Physical Damage Insurance Proposals
REQUESTED ACTION: **Auto Liability and Physical Damage Insurance award to Preferred Governmental Insurance Trust.**

☐ Work Session (Report Only) **DATE OF MEETING:** August 24, 2010
☒ Regular Meeting ☐ Special Meeting

CONTRACT: ☐ N/A Vendor/Entity: PGIT
Effective Date: October 1, 2010 Termination Date: September 30, 2011
Managing Division / Dept: Support Services/Risk Management

BUDGET IMPACT: Budgeted Item
☒ Annual **FUNDING SOURCE:** General Fund
☐ Capital **EXPENDITURE ACCOUNT:** #4504 within appropriate departments
☐ N/A

HISTORY/FACTS/ISSUES:
Sumter County presently has Auto Liability (zero deductible) and Physical Damage Insurance Coverage ($1,000 deductible) with Florida Association of Counties Trust (FACT) and Bituminus through our Broker, Brown & Brown.

For Fiscal year 2010-2011, we received proposals directly from FACT and from Brown & Brown for Preferred Governmental Insurance Trust (PGIT and now also referred to as Preferred) that include four (4) options. These options are detailed on the attached **Exhibit A**. Based upon review of our auto claims data over the past 4 years and 9 months and premium cost savings, we are recommending maintaining a zero deductible for the Auto Liability and increasing to a $2,000 deductible for the Auto Physical Damage. Despite the additional estimated administrative cost to provide the Actual Cash Values for all insured vehicles as required by PGIT and not FACT, there would be a an estimated annual cost savings (including premiums, additional deductibles paid out of pocket, etc.) of approximately $2,310 with PGIT.

FACT and PGIT both offer a variety of auto related trainings, safety evaluations, loss analysis, etc. at no additional cost to their clients. PGIT provides Fleet Automatic coverage where FACT does not. The Fleet Automatic Program does not charge for new vehicles added throughout the coverage term and also does not provide a credit for vehicles that are removed.

Exhibit B (see attached) provides a comparison of the financial structure of FACT and PGIT. FACT operates on a Reinsurance basis and PGIT on an Excess basis. Clients may choose to work directly with FACT or through and Agent/Broker. PGIT requires an Agent/Broker.

Exhibit C (see attached) provides a comparison of the Limits of Coverage and the premiums submitted on the original proposals along with premiums provided for requested options.

Staff recommends award to PGIT for Auto Liability with a zero deductible ($60,110) and Physical Damage with a $2,000 deductible ($24,496) for a total premium of $84,606. The total premium may be reduced after a review by staff and deletion of low value vehicles from physical damage coverage.