



### **Agenda Item Details**

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| Meeting            | Jan 27, 2016 - City Commission Meeting  |
| Category           | 9. CONSENT  |
| Subject            | 9.02 Approval of Amendments to City Commission Policy 200 -- James O. Cooke, IV, City Treasurer-Clerk |
| Access             | Public  |
| Type               | Action (Consent)  |
| Fiscal Impact      | No  |
| Budgeted           | No  |
| Budget Source      | None  |
| Recommended Action | Option 1: Authorize recommended changes as specified  |

### **Public Content**

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For more information, please contact: Gail Shuffler, Risk Management Administrator at (850) 891-2117.

#### ***Statement of Issue***

City Commission Policy 200, Claims Settlement Policy, adopted in October 1986, specifies the amounts and manner in which third party liability claims brought against the City are covered and administered under the self-insured automobile and general liability program established by City Commission Policy 214. The policy was last reviewed in 2010. The current review recommends changes in settlement authority levels to reflect the changes in limitations of liability found in Florida statutes, specifically 768.28. The recommended changes also add a periodic sunset review of this City Commission policy

#### ***Recommended Action***

Option 1: Authorize recommended changes as specified

#### ***Fiscal Impact:***

None

### **Supplemental Material/Issue Analysis**

#### ***History/Facts & Issues***

City Commission Policy 200 was adopted in 1986 to establish procedures for administering third-party claims brought against the City covered under the self-insured automobile and general liability program established by City Commission Policy 214. When the City policy was adopted, the limitations of liability specified in Florida law (F.S.768.28), were \$100,000 per person and \$200,000 per accident. The Florida Legislature raised the limits to \$200,000 per person, \$300,000 per accident in 2011. The City's self-insurance program has factored these statutory amounts into our claim reserve practices. Claims within Federal law jurisdiction do not have such limitations, but the City Risk Management Division also reserves Federal claims based on those factors. The increases by the Florida Legislature reflect rising costs of claims, particularly medical associated items and inflation.

Given inflationary increases in claims costs and related statutory changes, it is recommended that limits of authority be adjusted accordingly. The recommended changes are summarized as follow:

- Risk Management division – Increase authority to negotiate and settle claims from \$25,000 to \$50,000.
- Risk Management division with oversight of specified members of City management – Increase authority to negotiate and settle claims from a range of \$25,000-\$50,000 to a range of \$50,000-\$100,000.
- Risk Management Division, with oversight of specified members of City management and approval by the City Commission – Increase authority to negotiate and settle claims from \$50,000 and over to \$100,000 and over.

In addition to these primary changes, the recommended policy update removes certain detailed specifications (e.g. the City will pay up to 4 days reasonable lodging) as claims administration requires flexibility to respond to claimed losses on a case-by-case basis. It also adds a sunset review requirement to ensure periodic review of the policy; with this change, the policy will be subject to sunset review by the City Commission at least once every five years from the date adopted. Revisions to this policy will become effective immediately, upon City Commission approval; therefore, the first sunset review should occur not later than January 2021.

***Options:***

Option 1: Authorize recommended changes as specified

Pros: Provides updated settlement authorities to resolve liability claims reflecting increased expenses of bodily injury and property damage claims

Cons: none

Option 2: Reject recommended changes

Pros: Maintains current settlement levels

Cons: Delay settlements with injured parties which require higher authorization

***Attachments/References***

City Commission Policy 200

[200 agenda draft 01-27-16.pdf \(272 KB\)](#)

[200 as proposed 01-27-16 \(3\).pdf \(72 KB\)](#)