Alan Rosenzweig - property insurance

From: Tom Conley <TConley@flcities.com>
To: 'Alan Rosenzweig' <RosenzweigA@leoncountyfl.gov>
Date: 8/30/2010 10:19 AM
Subject: property insurance

Alan,
We will write Leon County's property coverage for $634,000, with a 3% named storm deductible, for the 2010/2011 policy year.

As you know, the FMIT is a non-profit program, providing insurance coverage for local governments. We are owned by our members, not by stockholders or a large insurance brokerage. Therefore, our focus is on our local government members. Back in 2008, our board of directors, who are local elected officials, decided to start our "return of premium" program, returning $10,000,000 in property premiums back to our renewing members, because there were no hurricanes in 2006/2007. The FMIT has been a very successful program, and has surplus of over $200,000,000. Thus, we are in a solid financial position and able to both protect our members and provide a benefit such as this to our loyal membership. The following year, $8,000,000 was returned to our members with property coverage, based on another hurricane-free year in 2007/2008. This year, $10,000,000 was again approved, based on the 2008/2009 year. Each year, this total has represented 25% - 30% of our renewing member's property premiums being returned to them. Had Leon County renewed their property insurance with us last year, and was renewing with us this year, there would have been a check written to the County for $228,000 this coming November.

Our board's plan is to continue offering this program. Leon County's best option for participation is to choose the FMIT as it's property insurer, and to stay with the program long enough to get into the pipeline to start receiving "return of premium" checks upon future renewals. You and I discussed the loyalty factor in the insurance business, versus jumping from carrier to carrier every year. It is clear that the "return of premium" ties into that discussion. Please let me know if you need any further information.

Tom Conley
Florida League of Cities
(850) 342-1737