Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.19. 8/26/2025

Subject:
Approval of Liability, Workers' Compensation, Crime, and Aviation Insurance Programs for FY2025-26.

Fiscal Impact:
Premium cost of $2,621,769 will not require changes to the budgeted revenue requested in FY2025-26 in Fund 5050 / Cost Centers 389620, 389630 and 389640, Fund 1090 Cost Center 258001, and Fund 0020 / Cost Center 219600.

Dept/Office:
Office of Human Resources / Risk Management

Requested Action:
We request the Board approve placement of the County's Auto, General, Professional, Crime, Cyber, Workers' Compensation, and Aircraft and Aviation Liability insurance coverage at a cost of $2,621,769 and authorize the Risk Manager to bind coverage per below.

Summary Explanation and Background:
We instructed the County's authorized insurance broker, Brown & Brown, to obtain market quotes for the 2025-26 renewal cycle. Based on the information obtained, the Broker's renewal recommendations are to continue coverage with the incumbent programs:

The incumbent, Preferred Governmental Insurance Trust (PGIT), continues to offer coverage and rate combinations that make alternatives non-competitive.

Line of Business	Renewal Prem.	Change over Expiring (%)
Auto Liability	$189,134	7%
General Liability	$619,980	15%
Professional Liability	$258,490	14.68%
Cyber Liability	$65,987	9.99%
Crime	$2,821	0%
Workers' Compensation	$1,368,775	16.54%
Valkaria Aviation	$5,385	7%
Space Coast Aviation	$1,624	4%
Aviation	$109,574	7.55%
TOTAL	$2,621,769	14.73%

Premium cost of the expiring program is $2,285,235. The projected renewal premium for FY2025-26 is $2,621,769, a net premium increase of 14.73% ($336,534). The premium change is driven by changes in payroll, employee count, and adverse loss experience. We are requesting that the Board authorize the Risk Manager to execute Insurance Binders, Trust Agreements and contracts as necessary to renew insurance coverages as recommended by the Broker as outlined above.

Clerk to the Board Instructions:

BREVARD County
BOARD OF COUNTY COMMISSIONERS

FLORIDA'S SPACE COAST

Kimberly Powell, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

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August 27, 2025

MEMORANDUM

TO: Melissa Powers, Human Resources Director

RE: Item F.19., Approval of Liability, Workers' Compensation, Crime and Aviation Insurance Programs for FY 2025-26

The Board of County Commissioners, in regular session on August 26, 2025, approved placement of the County's Auto, General, Professional, Crime, Cyber, Workers' Compensation, and Aircraft and Aviation Liability insurance coverage at a cost of $2,621,769; and authorized the Risk Manager to bind coverage per the Agenda Report. Enclosed is the Agenda Report.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

Kimberly Powell

Kimberly Powell, Clerk to the Board

/ds

Encl. (1)

cc: Risk Management
Finance
Budget

Market Summary
8/12/2025

Excess General Liability / Excess Auto Liability	
Preferred Governmental Insurance Trust (PGIT) w/ Pkg (Incumbent)	Quoted - $809,114 ($200/$300k SIR)
Lloyd's of London/Ambridge	Declined, Can't match terms
ACE American Insurance Company/Chubb	Declined. Would need $1M SIR due to the county's size and loss history
Safety National Casualty Corporation	Indicated $700k premium with $500k SIR for POL, AL and GL
Excess Workers Compensation	
Preferred Governmental Insurance Trust (PGIT) w/ Pkg (Incumbent)	Quoted $1,368,775 with $500k SIR- Must be bound with other casualty insurance lines
Midwest Casualty	Quoted $562,441 with $2M SIR
Safety National Casualty Corporation	Minimum SIR of $1M. Quote Pending
Public Officials Liability / Employment Practices Liability	
Preferred Governmental Insurance Trust (PGIT) (Incumbent)	Quoted $258,490 - Must be bound with Cyber Liability. SIR is $100k
Safety National	Quoted with the AL & GL. Coverage is an occurrence form. SIR is $500k
Crime	
Preferred Governmental Insurance Trust (PGIT) (Incumbent)	Quoted $2,821
Travelers Casualty and Surety Company of America	Cannot compete with pricing/retention
Hiscox Insurance Company Inc	Declined - Not currently writing government
Hanover Insurance Group	Minimum retention $10k

Cyber Liability	
Preferred Governmental Insurance Trust (PGIT) (Incumbent)	Quoted $65,987 – Must be bound with Public Officials Liability. $2M limit with a $25k deductible
Chubb/ACE American	Cannot compete with pricing/retention
Starr Indemnity Insurance Company	Minimum Retention $500K
AIG Specialty Insurance Company	$250k min retention

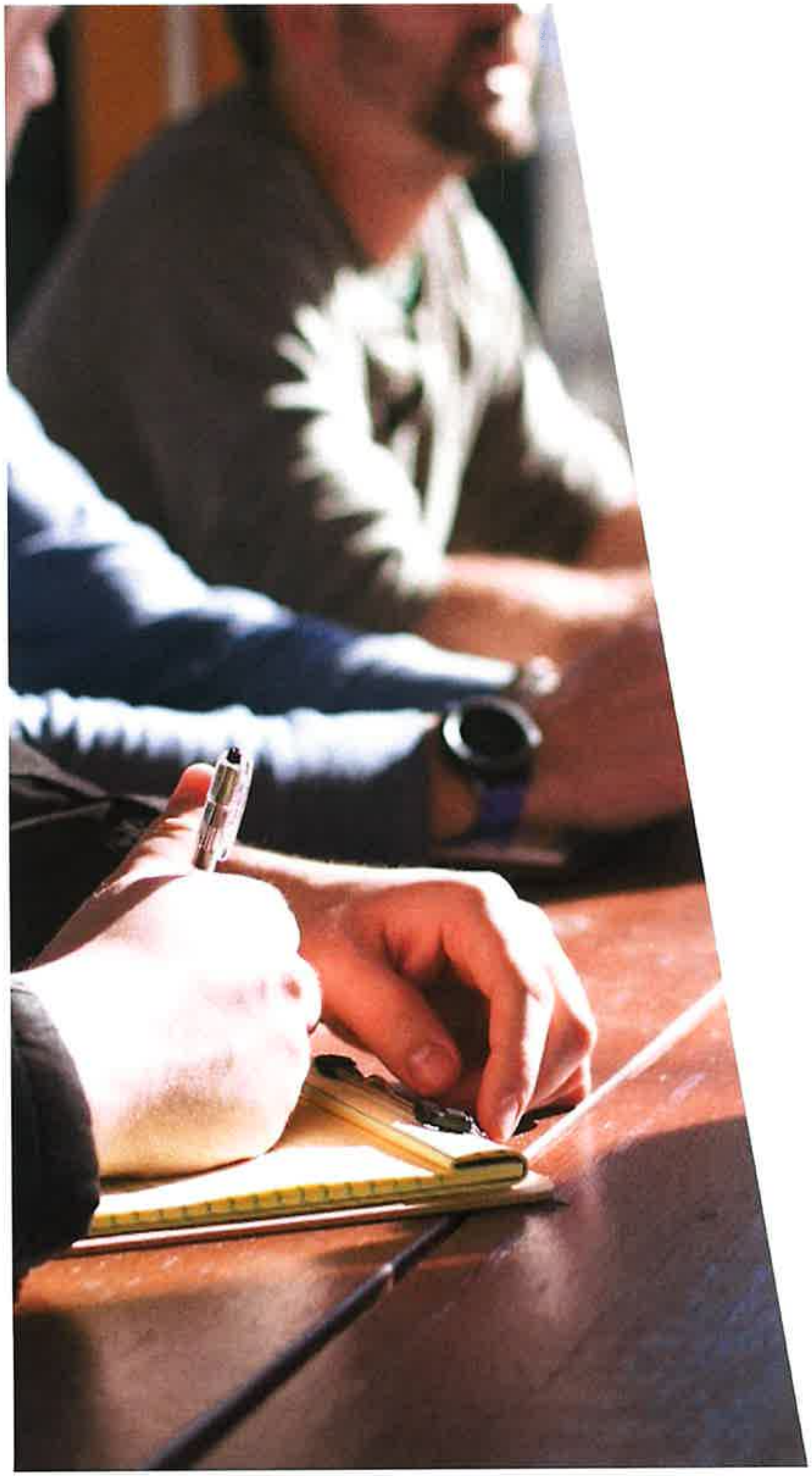
Market Summary 8/12/2025	
Aviation Liability	
ACE Property & Casualty (Incumbent)	Quoted 3 year term. $5,327 annual Premium
Starr	Declined due to class of business
Old Republic	Declined due to class of business
AIG	Declined due to class of business
Allianz	Declined due to class of business
Aircraft Liability and Hull	
ACE Property & Casualty (Incumbent)	Quoted $109,574
Pollution Liability	
Indian Harbor Insurance (XL) (Incumbent) – Quoted 3-year policy term: 10/31/23 to 10/31/26	

Brevard County BOCC
Casualty Stewardship Report
10/01/2025

Brown & Brown

Presented By:

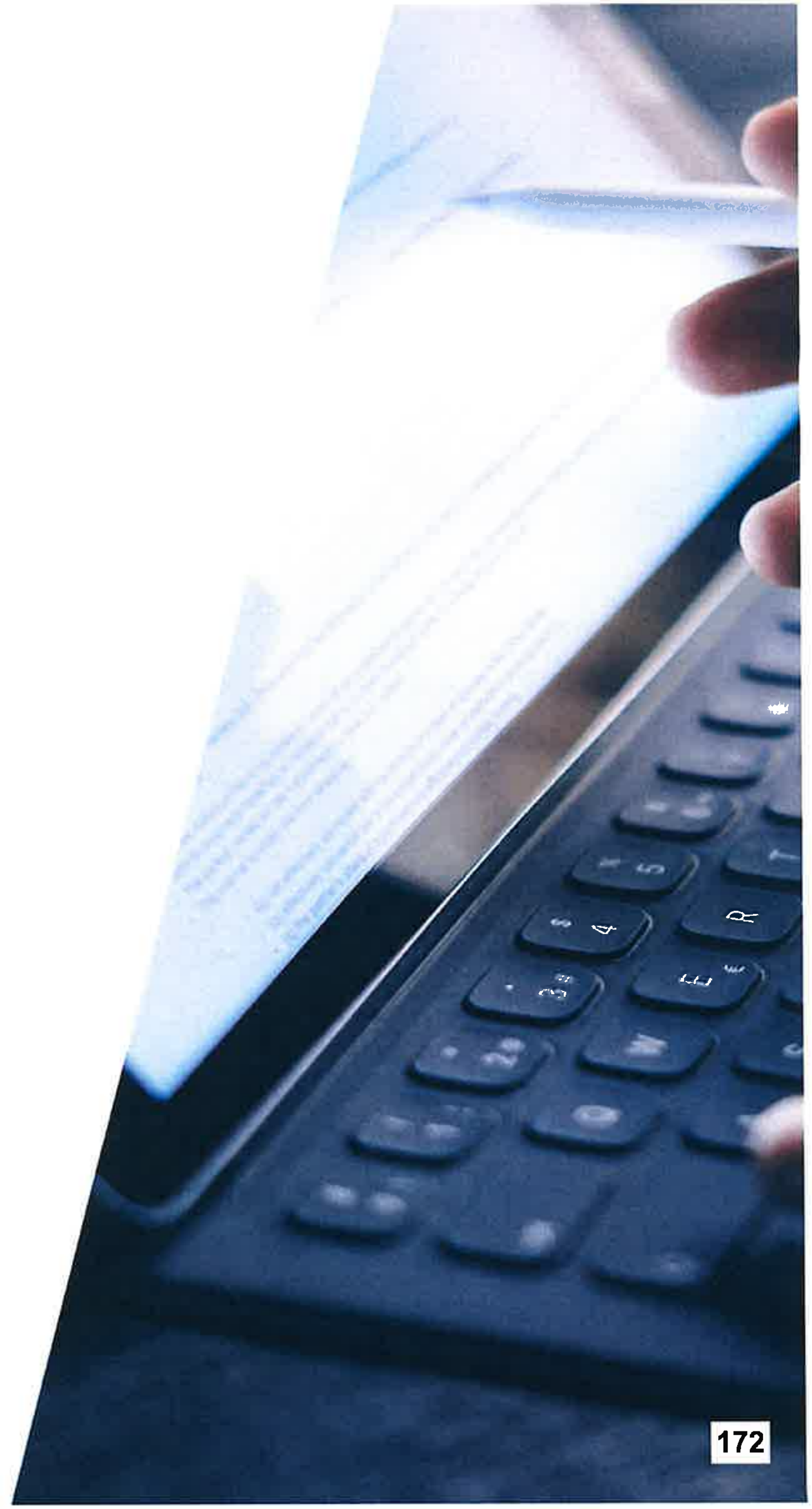
Paul Dawson ARM-P, Senior VP
Kyle Stoekel ARM-P, CIC, CRM



PRESENTATION AGENDA

1. Insurance Market Update
2. Operation & Risk Exposure Overview
3. Marketing Strategy

Insurance Market Update



INSURANCE MARKET UPDATE

Casualty

In 2025, the increase in the sovereign immunity tort cap did not pass but we expect this legislation to be filed again in 2026. 19 claims bills were filed for consideration during the 2025 legislative session and 9 were passed. The Tort Reform law passed in 2023 has yet to show positive results.

Cyber Liability

Rates and terms are stabilizing currently averaging flat to plus 5% on renewals. Social Engineering and Ransomware claims continue to dominate the public entity sector. Employee training and enhanced controls are crucial to prevent these claims. Underwriters are still requiring strong loss control measures such as multi-factor authentication.

Workers Compensation

Workers Compensation rates in the public sector have increased for the first time in many years. SB 362 provided for a 60% increase in physician rates and a 50% increase in surgical rates. Excess workers compensation rates are expected to increase by single digits. There continues to be limited markets willing to write Florida public entity exposures., especially with police and fire presumption exposures.

INSURANCE MARKET UPDATE

Public Officials & Employment Practices Liability

This market segment continues to firm with increasing litigation and litigation expenses climbing steadily. Underwriters are universally increasing self-insured retentions. We are beginning to see flattening pricing trends and expect a 0% to 5% rate increase for 2025 renewals.

Aviation Liability

The aviation market is stabilizing with increases tied to inflation. A large increase in costs to repair aircraft has driven hull damage rates.

Operation & Risk Exposure Overview

Operation & Risk Exposure Overview

The County faces traditional exposures to loss but enjoys a statutory cap for tort liability claims of $200,000 per person and $300,000 per occurrence (FS 768.28). There is no cap for claims against the County brought in Federal court.

Auto Liability & Physical Damage

- The County insures this risk with an Excess Auto Liability policy which includes a $200,000/$300,000 retention for claims against the County and self-insures the physical damage for their fleet.
- Risks include liability damages arising out at-fault accidents and damage to County vehicles.

General Liability

- The County insures this risk with a General Liability policy which includes a $200,000/$300,000 retention for claims against the County.
- County operations include traditional services provided by a Florida county including water and wastewater utilities, public works and parks and recreation services.
- Risks include bodily injury liability arising out of the publics use of streets, sidewalks, parks and premises; third party property damage & bodily injury arising out of operations and delivery of utility products (water).

Operation & Risk Exposure Overview

Public Officials and Employment Practices Liability

The County is subject to Federal Civil Rights laws as well as all Federal and State regulations governing public entities.

- Risks include employment practice liability such as hiring and firing liability, workplace retaliation, discrimination, workplace harassment, ADA violations, and FMLA violations.
- The County's Governing Board exposure to loss includes breach of duty, malfeasance, misfeasance, denial of due process, and violations of federal law.
- The County insures this risk with a Public Official's Liability policy which includes a $100,000 retention for claims against the governing board and a $100,000 retention for employment related claims.

Workers Compensation

- The County is subject to the workers compensation laws of the State of Florida.
- The exposure to future loss is measured by the number of employees, total payroll, job classifications and past loss experience.
- The County insures this risk via an excess insurance policy with a $500,000 retention.

Emerging Loss Exposures & Risk Management Challenges

- Legislative Changes- Will the state government raise the sovereign immunity cap in 2026?
- Cyber and Technology– Hacks continue to increase in frequency and sophistication, making carriers require more stringent controls from clients.
- Climate Change – Florida is experiencing sea level rise and increases in unexpected, adverse weather events. What impact might this have on municipal functions and services?

Marketing Strategy

Marketing Strategy Highlights

Cyber Liability

- The County currently enjoys having their Cyber Liability packaged with the casualty lines through Preferred. This is advantageous because it keeps the cost lower than a monoline cyber policy and doesn't require a stringent review of County controls. Preferred also offers a $350,000 Cyber Crime (Social Engineering) limit – one of the highest available in the current market. The current $25,000 deductible is a market segment low.

Workers Compensation

- The County currently has a $500k SIR, the lowest available in the marketplace for police and fire exposure. We reviewed market appetites for the few Excess Workers Compensation markets writing Florida police and fire exposures and found their minimum SIR remain $1M. Preferred quoted a 2.8% rate increase with no change in retention.

Public Officials and Employment Practices Liability

- The County currently has a $3,000,000 POL limit at a $100,000 SIR. This is priced very competitively. We discussed the County's program with a few other POL/EPL markets this year and nearly all advised they would not be able to compete with the 2025 renewal terms. Safety National provided a quote with a $500k SIR. Renewal pricing from Preferred included a 20% rate reduction.

Marketing Strategy Highlights

General Liability & Auto Liability

- Currently, none of our public entity casualty markets are offering retentions below \$200k/\$300k . Safety National provided terms with much higher SIR's for XS WC, AL, GL and POL. Preferred offered a flat renewal rate on the GL and a 10% rate increase on the AL. The AL increase is due to a large pending claim.

THANK YOU!

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