

Meeting Date
9/1/2015



AGENDA	
Section	CONSENT
Item No.	II.C.1

**AGENDA REPORT**  
**BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS**

SUBJECT:	APPROVAL OF LIABILITY, WORKERS' COMPENSATION AND AVIATION INSURANCE PROGRAMS FOR FISCAL YEAR 2015-2016
DEPT/OFFICE:	Office of Human Resources / Risk Management

**Requested Action:**

It is requested that the Board of County Commissioners approve placement of the County's Auto Liability, General Liability, Professional Liability, Crime, Workers' Compensation, and Airport & Aviation Liability insurance coverage at a cost not to exceed \$1,192,200, and authorize the Risk Manager to bind coverage effective 10/1/2015.

**Summary Explanation & Background:**

The County's authorized insurance broker, PRIA (Public Risk Insurance Agency) obtained quotes for components of the Auto Liability, General Liability, Professional Liability, Crime, Workers' Compensation, and Airport & Aviation Liability programs for the 10/1/2015 renewal period. The schedule of insurance below compares the current year expiring coverage with recommended replacement coverage:

Line of Business	Expiring Premium	Renewal Premium	Change (\$)	Change (%)
Auto Liability	76,860	74,184	(2,676)	-3.48%
General Liability	337,521	288,994	(48,527)	-14.38%
Professional Liability	150,252	123,765	(26,487)	-17.63%
Crime	3,500	3,500	-	-
Aviation: Hull/Liability/Facilities	77,807	58,257	(19,550)	-25.1%
Workers' Compensation	653,088	643,500	(9,588)	-1.47%
<b>TOTAL</b>	<b>1,299,028</b>	<b>1,192,200</b>	<b>(106,828)</b>	<b>-8.22%</b>

The incumbent, the Preferred Governmental Insurance Trust (PGIT) Program, continues to offer coverage and rate combinations that make other alternatives non-competitive, and this renewal cycle, PGIT will offer the County a two-year rate guarantee. As an insurance trust program designed to service public entity clients, the PGIT Program provides insurance as well as the claims administration services for these coverages.

Total premium cost of the expiring programs is \$1,299,028. The PGIT program has projected a FY 2015/16 premium of \$1,192,200; this represents a net premium decrease of \$106,828 (-8.22%). Based on current commercial market conditions, our favorable loss experience and the commitment made by PGIT to its members, Risk Management recommends that we continue to pursue a long-term relationship with the PGIT public entity insurance trust program, and requests the Board authorize the Risk Manager to execute Insurance Binders, Trust Agreements and contracts as necessary to renew insurance coverages as outlined above.

**Fiscal Impact:** These premiums will not require changes to budgeted revenue requested in FY 15/16. Premiums not to exceed \$1,192,200. Funds are budgeted in Business Area 5050/Cost Centers 289610, 389620, 389630, and 389640.

**Clerk to the Board Instructions:**

**Exhibits Attached:**

**Contract /Agreement (If attached):** Reviewed by County Attorney Yes  No  PR

County Manager	Assistant County Manager	Department Director / Extension
Stockton Whitten	Frank Abbate	Jerry Visco, Office of Human Resources Director
	Assistant County Manager	



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September 2, 2015

MEMORANDUM

TO: Gerard Visco, Human Resources Office Director

RE: Item II.C.1., Approval of Liability, Workers' Compensations, and Aviation Insurance Programs for FY 2015/2016

The Board of County Commissioners, in regular session on September 1, 2015, approved the placement of the County's Auto Liability, General Liability, Professional Liability, Crime, Workers' Compensation, and Airport and Aviation Liability Insurance coverage at a cost not to exceed \$1,192,200; and authorized the Risk Manager to bind coverage effective on October 1, 2015.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

*Tammy Etheridge*

✓ Tammy Etheridge, Deputy Clerk

/ds

cc: Risk Management  
Contracts Administration  
Finance  
Budget



Covered Party: **Broward County Board of County Commissioners**  
 Effective Date: **10/1/2015**

LINE OF COVERAGE	2014/2015			2015/2016			Changes in Exposures		
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	2014/2015	2015/2016	
<b>General Liability:</b>									
Preferred Gov't'l Ins Trust									
General Liability	\$ 1,000,000	\$ 50,000	\$ 337,521	\$ 1,000,000	\$ 50,000	\$ 288,994	Payroll	Payroll	
Employee Benefits	\$ 1,000,000	\$ 50,000		\$ 1,000,000	\$ 50,000		Exposure	Exposure	\$ (17,788,778)
							Difference	Difference	-14.38%
							Premium	Premium	\$ (48,527)
							Difference	Difference	-14.38%
							Sub-Total	Sub-Total	
							\$ 288,994	\$ 288,994	
<b>Crime:</b>									
Preferred Gov't'l Ins Trust									
Employee Dishonesty	\$ 250,000	\$ 25,000	\$ 3,500	\$ 250,000	\$ 25,000	\$ 3,500			
Theft, Disappearance & Destruction, In/Out	\$ 250,000	\$ 25,000	\$ 3,500	\$ 250,000	\$ 25,000	\$ 3,500			
Funds Transfer	included	included		included	included				
Computer Fraud	\$ 250,000	\$ 25,000		\$ 250,000	\$ 25,000				
Forgery/Alterations	\$ 250,000	\$ 25,000	\$ 3,500	\$ 250,000	\$ 25,000	\$ 3,500			
							Sub-Total	Sub-Total	
							\$ 3,500	\$ 3,500	
<b>Automobile:</b>									
Preferred Gov't'l Ins Trust									
Auto Liability	\$ 1,000,000	\$100,000/\$200,000	\$ 76,860	\$ 1,000,000	\$100,000/\$200,000	\$ 74,184	Vehicles	Vehicles	
Uninsured Motorist	rejected	-		rejected	-		1055	1262	
Collision	rejected	-		rejected	-		Exposure	Exposure	207
Hired Physical Damage	rejected	-		rejected	-		Premium	Premium	19.62%
Medical Payments	None	-		None	-		Difference	Difference	\$ (2,676)
									-3.48%
							Sub-Total	Sub-Total	
							\$ 74,184	\$ 74,184	
<b>Public Officials: Occurrence Form</b>									
Preferred Gov't'l Ins Trust									
Public Officials Liability	\$3,000,000/\$3,000,000	\$ 50,000	\$ 150,252	\$3,000,000/\$3,000,000	\$ 50,000	\$ 123,765	Payroll	Payroll	
Employment Practices Liability	\$3,000,000/\$3,000,000	\$ 50,000		\$3,000,000/\$3,000,000	\$ 50,000	included	Exposure	Exposure	\$ (64,449,606)
Cyber Liability	\$ 500,000	\$ 50,000		\$ 1,000,000	\$ 50,000	included	Difference	Difference	-37.83%
							Premium	Premium	\$ (26,487)
							Difference	Difference	-17.63%
							Sub-Total	Sub-Total	
							\$ 123,765	\$ 123,765	
<b>Excess Workers' Compensation:</b>									
Preferred Gov't'l Ins Trust									
Workers' Compensation									
Employers Liability	Statutory	\$ 500,000	\$ 653,088	Statutory	\$ 500,000	\$ 643,500	Payroll	Payroll	
	\$1m/\$1m/\$1m	included		\$1m/\$1m/\$1m	included		Exposure	Exposure	(2,536,695)
							Premium	Premium	\$ (9,588)
							Difference	Difference	-1.47%
							Sub-Total	Sub-Total	
							\$ 643,088	\$ 643,500	
<b>Aviation Liability: Valkaria</b>									
Ace USA (Alexander Aviation)									
Aviation Liability	\$ 5,000,000	1,000 / 15,000 agg	\$ 3,115	\$ 5,000,000	\$ 1,000	\$ 3,051	Premium	Premium	\$ (64)
Hangarkeepers	\$ 5,000,000	1,000 / 15,000 agg		\$ 5,000,000	\$ 1,000		Difference	Difference	-2.05%
War & TRIA Excluded									
							Sub-Total	Sub-Total	
							\$ 3,115	\$ 3,051	
<b>Aviation Liability: Space Coast Reg</b>									
Ace USA (Alexander Aviation)									
Aviation Liability	\$ 5,000,000	1,000 / 1,000	\$ 968	\$ 5,000,000	1,000 / 1,000	\$ 948	Premium	Premium	\$ (20)
Hangarkeepers	N/A	N/A		N/A	N/A		Difference	Difference	-2.06%
War & TRIA Excluded									
							Sub-Total	Sub-Total	
							\$ 968	\$ 948	
<b>Aircraft:</b>									
Ace USA (Alexander Aviation)									
Liability Limit	\$ 5,000,000	1,000 / 15,000	\$ 73,724	\$ 5,000,000	1,000 / 15,000	\$ 54,258	Premium	Premium	\$ (19,466)
Hull included Per Policy							Difference	Difference	-26.40%
TRIA									
							Sub-Total	Sub-Total	
							\$ 73,724	\$ 54,258	
<b>TOTAL PREMIUM</b>									
							\$ 1,299,028	\$ 1,192,200	-8.22%

# BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

## INSURANCE MARKET SUMMARY 2015-2016

### EXCESS GENERAL LIABILITY \$1,000,000 Limit, \$50,000 Deductible

Preferred Governmental Insurance Trust	Incumbent – Quoted \$288,994 (\$48,527 premium reduction)
One Beacon	Declined – Cannot be competitive. Indicated minimum premium of \$300,000
Old Republic	Declined – Underwriter could not compete with current rates
Safety National	Declined - minimum <u>self-insured</u> retention of \$200,000, must include Auto Liability and premium of \$260,000
ACE USA	Minimum self insured retention of \$350,000 and minimum premium of \$200,000.

### EXCESS Workers' Compensation - Statutory limits with \$500,000 self insured retention.

Preferred Governmental Insurance Trust	Incumbent - Quoted \$643,500 (\$9,588 premium reduction)
Midwest Employers Casualty Company	Minimum Self Insured Retention of \$1,000,000 and premium of \$200,000.
ACE Insurance Company	Declined - Minimum \$1,000,000 SIR . Premium indication of \$400,000
Safety National Casualty Corporation	Minimum Self Insured Retention of \$1,000,000 and premium of \$200,000.
New York Marine And General Insurance Company	Minimum Self Insured Retention of \$1,000,000 and premium of \$200,000.

### Excess Auto Liability - \$1,000,000 Limit with \$100k/\$200k Self insured Retention

Preferred Governmental Insurance Trust	Incumbent – Quoted \$74,184 (\$2,676 premium reduction)
One Beacon	Declined - Cannot be competitive. Indicated minimum premium of \$126,000
Old Republic	Declined – Underwriter could not compete with current rates
Safety National	Declined - minimum <u>self-insured</u> retention of \$200,000/\$300,000. Must include General Liability Premium indication of \$260,000

### CRIME \$250,000 limit with \$25,000 deductible

Preferred Governmental Insurance Trust	Incumbent -Quoted \$3,500 (no change in premium)
Travelers Insurance Co.	Declined – cannot meet current rates. Premium indication of \$9,000
Great American Insurance Co.	Declined – cannot meet current rates. Premium indication of \$10,000

# BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

## PUBLIC OFFICIALS / EMPLOYMENT PRACTICES / CYBER LIABILITY - \$3,000,000 limit with \$50,000 deductible

Preferred Governmental Insurance Trust	Incumbent - Quoted - \$123,765 (\$26,487 premium reduction)
ACE American Insurance Company	Declined – Cannot provide an Occurrence based policy form and no Cyber Liability coverage included. Premium indication of \$110,000.
Western World Insurance Company	Declined – Cannot provide an Occurrence based policy form and no Cyber Liability coverage included. Premium indication of \$170,000.
Chartis / AIG	Declined – Cannot provide an Occurrence based policy form

## AIRCRAFT HULL

ACE USA	Incumbent-Quoted - \$54,258 (\$19,466 premium reduction)
Starr Aviation	Declined to quote – Premium indication of \$80,000
Aerospace Ins Mgrs/ Hallmark Ins	Declined to quote – cannot meet current rate
Swiss Re	Declined to quote – cannot meet current rate
US Aviation Underwriters	Declined to quote – cannot meet current rate

## AIRPORT LIABILITY – VALKARIA

ACE USA	Incumbent - Quoted \$3,051(\$40 premium reduction)
Starr Aviation	Declined to quote – Premium indication of \$3,500
Global Aerospace/Member Companies	Declined to quote – Premium indication of \$3,200
Aerospace Ins Mgrs/ Hallmark Ins.	Declined to quote – cannot meet current rate
Swiss Re	Declined to quote – cannot meet current rate
US Aviation Underwriters	Declined to quote – cannot meet current rate

## AIRPORT LIABILITY – SPACE COAST REGIONAL

ACE Property And Casualty Insurance Company	Incumbent – Quoted \$948 (\$18 premium reduction)
Starr Aviation	Declined to quote – Premium indication of \$1,600
Global Aerospace/Member Companies	Declined to quote – Premium indication of \$1,200
Aerospace Ins Mgrs/ Hallmark Ins.	Declined to quote – cannot meet current rate
Swiss Re	Declined to quote – cannot meet current rate
US Aviation Underwriters	Declined to quote – cannot meet current rate

*This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.*