



Meeting Date
9-20-2016

AGENDA	
Section	Consent
Item No.	II.C.7

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

SUBJECT:	APPROVAL OF LIABILITY, WORKERS' COMPENSATION AND AVIATION INSURANCE PROGRAMS FOR FISCAL YEAR 2016-2017
DEPT/OFFICE:	Office of Human Resources / Risk Management

**Requested Action:**

It is requested the Board of County Commissioners approve placement of the County's Auto Liability, General Liability, Professional Liability, Crime, Workers' Compensation and Aircraft & Aviation Liability insurance coverage at a cost not to exceed \$1,282,192, and authorize the Risk Manager to bind coverage effective 10/1/2016.

**Summary Explanation & Background:**

As previously authorized by the Board during the fiscal year 2015-16 renewal, placement of insurance coverage with the incumbent, Preferred Governmental Insurance Trust (PGIT), for fiscal year 2016-17 is premised on exercising the second year of a 2-year rate guarantee for Auto Liability, General Liability, Professional Liability, Crime and Workers' Compensation. We did instruct the County's authorized insurance broker, PRIA (Public Risk Insurance Agency), to obtain market quotes for 10/1/2016 renewal cycle for the Aircraft & Aviation Liability program. Current year expiring coverage with recommended replacement coverage follows:

Line of Business	Expiring Premium	Renewal Premium	Rate Change	Change (\$)	Change (%)
Auto Liability	74,184	77,300	Flat *	3,116	4.20%
General Liability	288,994	323,075	Flat *	34,081	11.79%
Professional Liability	123,765	123,138	Flat *	(627)	-0.51%
Crime	3,500	3,500	Flat *	-0-	-0-
Workers' Compensation	643,500	700,189	Flat *	56,689	8.81%
Aviation: Hull/Liability/Facilities	58,257	54,990	Premium reduction	(3,267)	-6.02%
<b>TOTAL</b>	<b>\$ 1,192,200</b>	<b>\$1,282,192</b>		<b>\$ 89,992</b>	<b>7.6%</b>

\*Exercising the 2<sup>nd</sup> year of a 2-year rate guarantee

The incumbent, the Preferred Governmental Insurance Trust (PGIT) Program, continues to offer coverage and rate combinations that make other alternatives non-competitive. 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 \$1,192,200. The PGIT program has projected a FY 2016/17 premium of \$1,282,192 which represents a net premium increase of 7.6% (\$ 89,992). By exercising the second year of the two-year rate guarantee, this premium change is simply a product of changes in property value, payroll, head count and/or vehicle count and mix. Based on current commercial market conditions, our favorable loss experience and the commitment made by PGIT to its members, Risk Management recommends 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 16/17. Premiums not to exceed \$1,282,192. Funds are budgeted in Business Area 5050/Cost Centers 289610, 389620, 389630, and 389640.

**Clerk to the Board Instructions:**

Exhibits Attached: Premium Comparison

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

County Manager  Stockton Whitten	Assistant County Manager Frank Abbate Assistant County Manager	Department Director/ Extension Jerry Visco, Office of Human Resources Director
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September 21, 2016

**M E M O R A N D U M**

To: Jerry Visco, Human Resources Director

Re: Item II.C.7., Approval of Liability, Worker's Compensation and Aviation Insurance Programs for Fiscal Year 2016-2017

The Board of County Commissioners, in regular session on September 20, 2016, approved placement of the County's Auto Liability, General Liability, Professional Liability, Crime, Worker's Compensation, and Aircraft and Aviation Liability insurance coverage at a cost not to exceed \$1,282,192; and authorized Risk Manager to bind coverage effective October 1, 2016.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

*Tammy Rowe*  
✓ Tammy Rowe, Deputy Clerk

/cm

cc: Contracts Administration  
Finance  
Budget



LINE OF COVERAGE	2015/2016			2016/2017			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	2015/2016	2016/2017
<b>General Liability:</b>								
Preferred Gov't Ins Trust							Payroll	Payroll
General Liability	\$ 1,000,000	\$ 50,000	\$ 288,994	\$ 1,000,000	\$ 50,000	\$ 323,075	\$105,938,327	\$118,431,687
Employee Benefits	\$ 1,000,000	\$ 50,000		\$ 1,000,000	\$ 50,000		Exposure	\$ 12,493,380
							Difference	11.79%
							Premium	\$ 34,081
							Difference	11.79%
							Sub-Total	\$ 323,075
<b>Crime:</b>								
Preferred Gov't 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		\$ 250,000	\$ 25,000			
Funds Transfer	Included	\$ 25,000		Included	\$ 25,000			
Computer Fraud	\$ 250,000	\$ 25,000		\$ 250,000	\$ 25,000			
Forgery/Alterations	\$ 250,000	\$ 25,000		\$ 250,000	\$ 25,000			
							Sub-Total	\$ 3,500
<b>Automobile:</b>								
Preferred Gov't Ins Trust								
Auto Liability	\$ 1,000,000	\$100,000/\$200,000	\$ 74,184	\$ 1,000,000	\$100,000/\$200,000	\$ 77,300	Vehicles	Vehicles
Uninsured Motorist	rejected	\$ -		rejected	\$ -		1262	1484
Collision	rejected	\$ -		rejected	\$ -		Exposure	222
Hired Physical Damage	rejected	\$ -		rejected	\$ -		Difference	17.59%
Medical Payments	None			None			Premium	\$ 3,116
							Difference	4.20%
							Sub-Total	\$ 77,300
<b>Public Officials: Occurrence Form</b>								
Preferred Gov't Ins Trust							Payroll	Payroll
Public Officials Liability	\$3,000,000/\$3,000,000	\$ 50,000	\$ 123,765	\$3,000,000/\$3,000,000	\$ 50,000	\$ 123,138	\$105,938,327	\$118,431,687
Employment Practices Liability	\$3,000,000/\$3,000,000	\$ 50,000	Included	\$3,000,000/\$3,000,000	\$ 50,000	Included	Exposure	12,493,380
Cyber Liability	\$ 1,000,000	\$ 50,000	Included	\$ 1,000,000	\$ 50,000	Included	Difference	11.79%
							Premium	\$ (827)
							Difference	-0.51%
							Sub-Total	\$ 123,138
<b>Excess Workers' Compensation:</b>								
Preferred Gov't Ins Trust							Payroll	Payroll
Workers' Compensation	Statutory	\$ 500,000	\$ 643,500	Statutory	\$ 500,000	\$ 700,189	\$187,851,238	\$182,638,150
Employers Liability	\$1m/\$1m/\$1m	Included		\$1m/\$1m/\$1m	Included		Exposure	14,786,912
							Difference	8.81%
							Premium	\$ 56,689
							Difference	8.81%
							Sub-Total	\$ 700,189
<b>Aviation Liability: Valkaria</b>								
Ace USA (Alexander Aviation)								
Aviation Liability	\$ 5,000,000	\$ 1,000	\$ 3,051	\$ 5,000,000	\$ 1,000	\$ 3,051		
Hangarkeepers	\$ 5,000,000	\$ 1,000		\$ 5,000,000	\$ 1,000			
War & TRIA Excluded								
							Sub-Total	\$ 3,051
<b>Aviation Liability: Space Coast Reg</b>								
Ace USA (Alexander Aviation)								
Aviation Liability	\$ 5,000,000	\$ 1,000 / 1,000	\$ 948	\$ 5,000,000	\$ 1,000 / 1,000	\$ 948		
Hangarkeepers	N/A			N/A				
War & TRIA Excluded								
							Sub-Total	\$ 948
<b>Aircraft:</b>								
Ace USA (Alexander Aviation)								
Liability Limit	\$ 5,000,000	\$ 1,000 / 15,000	\$ 54,258	\$ 5,000,000	\$ 1,000 / 15,000	\$ 50,991		
Hull included Per Policy								
TRIA								
							Sub-Total	\$ 54,258
<b>TOTAL PREMIUM</b>							\$ 1,192,200	\$ 1,282,192
							Difference	7.55%