

Meeting Date
8/22/2017



AGENDA	
Section	Consent
Item No.	II.C.3

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	APPROVAL OF LIABILITY, WORKERS' COMPENSATION AND AVIATION INSURANCE PROGRAMS FOR FISCAL YEAR 2017-2018
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, Aircraft & Aviation Liability and Pollution insurance coverage at a cost not to exceed \$1,409,550, and authorize the Risk Manager to bind coverage per the effective dates below.

Summary Explanation & Background:

We instructed the County's authorized insurance broker, PRIA (Public Risk Insurance Agency), to obtain market quotes for the 2017-18 insurance renewal cycle. Marketing effort included approaching 10 additional carriers for the various elements of renewal. After evaluating the resultant responses, the recommended renewal options are:

Line of Business	Effective Date	Expiring Premium	Renewal Premium	Rate Change	Premium	
					Change (\$)	Change (%)
Auto Liability	10/1/2017	77,300	80,491	1.06%	3,191	4.13%
General Liability	10/1/2017	323,075	343,363	Flat	20,288	6.28%
Professional Liability	10/1/2017	123,138	136,769	4.61%	13,631	11.07%
Crime	10/1/2017	3,500	3,500	Flat	-0-	-0-
Workers' Compensation	10/1/2017	700,189	692,049	Flat	(8,140)	-1.16%
Aviation Hull/Liability/Facilities	10/1/2017	54,990	54,990	Flat	0	0%
Pollution Liability	10/31/2017	103,907	98,388	-5%	(5,519)	-5.31
TOTAL		\$1,386,099	\$1,409,550		\$ 23,451	1.69%

The incumbent, the Preferred Governmental Insurance Trust (PGIT) Program, continues to offer coverage and rate combinations, including a 2-year rate guarantee, 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. The Pollution policy through Indian Harbor Insurance Company is being offered for a 3-year term (2017-2020) at a 5% decrease in premium for the expiring 3-year policy (2014-2017).

Total premium cost of the expiring programs is \$1,386,099. The program has projected a FY 2017/18 premium of \$1,409,550 which is a net premium increase of 1.69% (\$ 23,451), and which is reflective of changes in payroll, employee count and vehicle count.

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 17/18. Premiums not to exceed \$1,409,550. Funds are budgeted in Business Area 5050 / Cost Centers 389620, 389630, and 389640.

Clerk to the Board Instructions:

Exhibits Attached: Premium Comparison

Contract /Agreement (If attached): Reviewed by County Attorney		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager	Assistant County Manager					Department Director / Extension	
Frank B. Abbate	Assistant County Manager					Jerry Visco, Office of Human Resources Director	



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

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August 23, 2017

M E M O R A N D U M

TO: Jerry Visco, Human Resources Director

RE: Item II.C.3., Approval of Liability, Workers' Compensation, and Aviation Insurance Programs for Fiscal Year 2017-2018

The Board of County Commissioners, in regular session on August 22, 2017, approved placement of the County's Auto Liability, General Liability, Professional Liability, Crime, Workers' Compensation, Aircraft & Aviation Liability, and Pollution Insurance coverage at a cost not to exceed \$1,409,550; and authorized you bind coverage per the effective dates listed in the Agenda Report. Enclosed is a copy of the Agenda Report.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

Encl. (1)

cc: Finance
Budget

Covered Party:	Brevard County Board of County Commissioners
Effective Date:	10/1/2017



LINE OF COVERAGE	2016/2017			2017/2018			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	2016/2017	2017/2018
General Liability:								
Preferred Gov't Ins Trust							Payroll	Payroll
General Liability	\$ 1,000,000	\$ 50,000	\$ 323,075	\$ 1,000,000	\$ 50,000	\$ 343,363	\$118,431,687	\$125,746,641
Employee Benefits	\$ 1,000,000	\$ 50,000		\$ 1,000,000	\$ 50,000		Exposure Difference	\$ 7,314,954
							Premium Difference	\$ 20,288
			Sub-Total \$ 323,075			Sub-Total \$ 343,363		6.28%
Crime:								
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			included			
Computer Fraud	\$ 250,000	\$ 25,000		\$ 250,000	\$ 25,000			
Forgery/Alterations	\$ 250,000	\$ 25,000		\$ 250,000	\$ 25,000			
			Sub-Total \$ 3,500			Sub-Total \$ 3,500		
Automobile:								
Preferred Gov't Ins Trust							Vehicles	Vehicles
Auto Liability	\$ 1,000,000	\$100,000/\$200,000	\$ 77,300	\$ 1,000,000	\$100,000/\$200,000	\$ 80,491	1484	1529
Uninsured Motorist	rejected	\$ -		rejected	\$ -		Exposure Difference	45
Collision	rejected	\$ -		rejected	\$ -			3.03%
Hired Physical Damage	rejected	\$ -		rejected	\$ -		Premium Difference	\$ 3,191
Medical Payments	None			None				4.13%
			Sub-Total \$ 77,300			Sub-Total \$ 80,491		
Public Officials: Occurrence Form							Payroll	Payroll
Preferred Gov't Ins Trust							\$118,431,687	\$125,746,641
Public Officials Liability	\$3,000,000/\$3,000,000	\$ 50,000	\$ 123,138	\$3,000,000/\$3,000,000	\$ 50,000	\$ 136,769	Exposure Difference	7,314,954
Employment Practices Liability	\$3,000,000/\$3,000,000	\$ 50,000	included	\$3,000,000/\$3,000,000	\$ 50,000	included		6.18%
Cyber Liability	\$ 1,000,000	\$ 50,000	included	\$ 2,000,000	\$ 50,000	included	Premium Difference	\$ 13,631
			Sub-Total \$ 123,138			Sub-Total \$ 136,769		11.07%

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.

Covered Party: Brevard County Board of County Commissioners
 Effective Date: 10/1/2017



LINE OF COVERAGE	2016/2017			2017/2018			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	2016/2017	2017/2018
Excess Workers' Compensation:							Payroll	Payroll
Preferred Gov't Ins Trust	16/17 Payroll: \$182,638,150			17/18 Payroll: \$180,514,810			\$182,638,150	\$180,514,810
Workers' Compensation	Statutory	\$ 500,000	\$ 700,189	Statutory	\$ 500,000	\$ 692,049	Exposure Difference	(2,123,340)
Employers Liability	\$1m/\$1m/\$1m	included		\$1m/\$1m/\$1m	included		Premium Difference	\$ (8,140)
		Sub-Total	\$ 700,189		Sub-Total	\$ 692,049		-1.16%
Aviation Liability: Valkaria								
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							Premium Difference	\$ -
		Sub-Total	\$ 3,051		Sub-Total	\$ 3,051		0.00%
Aviation Liability: Space Coast Reg								
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			Premium Difference	\$ -
War & TRIA Excluded								0.00%
		Sub-Total	\$ 948		Sub-Total	\$ 948		
Aircraft:								
Ace USA (Alexander Aviation)								
Liability Limit	\$ 5,000,000	1,000 / 15,000	\$ 50,991	\$ 5,000,000	1,000 / 15,000	\$ 50,991		
Hull Included Per Policy								
TRIA		TRIA Excluded			TRIA Excluded		Premium Difference	\$ -
		Sub-Total	\$ 50,991		Sub-Total	\$ 50,991		0.00%
Pollution: 3-year term								
Indian Harbor Insurance Company								
		2014-2017			2017-2020			
Each Pollution	\$ 1,250,000	\$ 50,000	\$ 102,574	\$ 1,250,000	\$ 50,000	\$ 98,388		
Aggregate	\$ 5,750,000			\$ 5,750,000			Premium Difference	\$ (5,519)
Fees (FHCF)			\$ 1,333					-5.31%
		Sub-Total	\$ 103,907		Sub-Total	\$ 98,388		
TOTAL PREMIUM			\$ 1,386,099			\$ 1,409,550	Difference	1.69%

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