



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.22.

5/4/2021

Subject:

Renewal of Annual Property Insurance Program Effective 6/1/2021

Fiscal Impact:

Premiums not to exceed \$ 2,502,024; funds budgeted in Business Area 5050 / Cost Center 389610. These premiums will not require changes to budgeted revenue requested in FY 20-21.

Dept/Office:

Office of Human Resources / Risk Management

Requested Action:

It is requested the Board of County Commissioners authorize the Risk Manager to bind and secure placement of the County's Property insurance coverage with an effective date of 6/1/2021, at a premium not to exceed \$ 2,502,024.

Summary Explanation and Background:

Risk Management instructed the County's property/casualty insurance broker, PRIA (Public Risk Insurance Agency), to secure coverage and renewal quotes for the Property Insurance program in order to mitigate the County's loss exposure, maintain the County's ability to recover from a major catastrophic loss, and ensure the County is in compliance with FEMA's "Obtain and Maintain" insurance requirements.

Current market conditions remain unfavorable due to world-wide catastrophic losses in successive years 2017 through 2020, as well as the large losses experienced in Brevard County arising out of hurricanes Matthew, Irma and Dorian. Uncertainty among insurance carriers for future profitability due to the large potential business interruption losses arising out of the COVID-19 global pandemic is also a factor driving rate increases.

After evaluating the County's needs for Property and Flood coverage, PRIA surveyed property insurance markets and solicited quotes from 26 different carriers. PRIA has presented Brevard County with a 6/1/2021 property insurance renewal proposal which reflects a premium cost of (not to exceed) \$ 2,502,024; this is an increase of \$298,424 (13%) over expiring premium. This change is a consequence of a combination of an increase in total insurable property values and a 13% rate, the result of the afore-mentioned influencing factors.

Pursuant to the Stafford Act, FEMA requires the County to obtain and maintain insurance for its assets as long as coverage is reasonably available as determined by the State Insurance Commissioner. Compliance with this requirement is critical to current and future FEMA funding, and a failure to properly insure can result in FEMA defunding or declining to fund claims. In order to maintain adequate levels of insurance coverage, the current

proposal includes procuring flood coverage for high hazard zones and for high exposure assets such as piers, boardwalks and docks.

The broker will continue to vigorously negotiate on behalf of the County and explore alternative insurance options with interested insurers prior to the 6/1/2021 renewal date. All viable options and cost-saving solutions will be evaluated by County staff with the objective of securing additional rate reductions while maintaining current coverage levels.

Clerk to the Board Instructions:



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

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May 5, 2021

M E M O R A N D U M

TO: Jerry Visco, Human Resources Director

RE: Item F.22., Renewal of Annual Property Insurance Program Effective June 1, 2021

The Board of County Commissioners, in regular session on May 4, 2021, authorized the Risk Manager to bind and secure placement of the County's Property insurance coverage with an effective date of June 1, 2021, at a premium not to exceed \$2,502,024.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

A handwritten signature in cursive script that reads "Kimberly Powell".

Kimberly Powell, Clerk to the Board

/ns

cc: Finance
Budget



PUBLIC RISK INSURANCE ADVISORS

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

LINE OF COVERAGE	2020/2021			2021/2022			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	2020/2021	2021/2022
Watercraft:								
TIV:						*Estimate		
Great American Insurance Co.	\$ 329,845	\$ 1,000		\$ 340,803	\$ 1,000		Exposure Difference	\$ 10,958
		\$ 2,500			2,500		Premium Difference	\$ 3,32%
		\$ 5,000			5,000			\$ 943
		Sub-Total	\$ 7,078		Sub-Total	\$ 8,021		13%
NFIP Flood:								
TIV:								
Wright Flood Insurance Company	19 Policies	\$ 50,000	\$ 36,724	19 Policies	\$ 50,000	*Estimate \$ 40,396		
		Sub-Total	\$ 36,724		Sub-Total	\$ 40,396		
TOTAL PREMIUM			\$ 2,203,345			\$ 2,502,024	Difference	13.56%

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