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

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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:



FLORIDA'S SPACE COAST

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

Telephone: (321) 637-2001 Fax: (321) 264-6972 Kimberly.Powell@brevardclerk.us



May 5, 2021

MEMORANDUM

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

Kimberly Powell, Clerk to the Board

/ns

CC:

Finance

Budget



| Covered Party: Brevard County Board of County Commissioners | 6/1/2021

							COLIC MISH INSURANCE ADVISORS	משממואמע שו
		2020/2021			2021/2022		Changes in Exposures	Exposures
LINE OF COVERAGE	LIMIT	DEDUCTIBLE/SIR	ANNUAL	LIMIT	DEDUCTIBLE/SIR	ANNUAL	2020/2021	2021/2022
Property:								
TIV:	\$649,128,482 \$100,000 A	\$100,000 AOP		\$623,533,836	\$623,533,836 \$100,000 AOP	*Estimate	Property	erty
National Fire & Marine Insurance Co.	\$5M p/o \$20M	\$5M p/o \$20M \$250,000 Earth Movement	\$ 430,039.00	\$5M p/o \$20M	\$250,000 Earth Movement	\$ 469,004,00	Fxnosure	\$ (25.594.646)
Westchester Surplus Lines Ins. Co.	\$5M p/o \$20M 3% Named	3% Named Wind/\$500k Min	\$ 430,039.00	\$5M p/o \$20M	3% Named Wind/\$500k Min	\$ 469,004.00	Difference	-3.94%
Ironshore Specialty Insurance Co.	\$5M p/o \$20M	\$500,000 Flood	\$ 430,039.00	\$5M p/o \$20M	\$5M p/o \$20M \$500,000 Flood	\$ 469,004.00	Premium	\$ 157.306
Endurance American Specialty Ins. Co.	\$5M p/o \$20M		\$ 431,039.00	\$5M p/o \$20M		\$ 469.004.00	Difference	
Great American Insurance Co. of New York	\$30M x/s \$20M		\$ 50,054.00	\$30M x/s \$20M		\$ 52,500.00	20/21 Rate	0.273
							21/22 Rate	0.309
							Rate Increase	13%
		Sub-Total	Sub-Total \$ 1,771,210		Sub-Total	\$ 1,928,516		
Utilities Property:							Utility Property	operty
TIV:	\$ 160,276,170	\$100,000 AOP		\$ 199,238,930	\$100,000 AOP		Fynosiire	\$ 38,962,760
ACE American Insurance Co.	\$ 100,000,000	5% Named Wind/\$250k Min	\$ 309,818	\$ 100,000,000	5% Named Wind/\$250k Min	\$ 423.696	Difference	24.31%
Engineering Fee	\$15,000,000 Windstorm	5% Flood/\$500k Min		\$15,000,000 Windstorm	5% Flood/\$500k Min	ı	Premium	\$ 113.878
Florida State Property Surcharge			8				Difference	
							20/21 Rate	0,1933
							21/22 Rate	0.2127
		Sub-Total	\$ 317,022		Sub-Total	\$ 430,900	Rate Decrease	10%
Inland Marine:							Inland Marine	arine
TIV:	\$ 37,595,041	\$50,000 AOP		\$ 52,721,020	\$50,000 AOP		Exposure	\$ 15.125.979
XL Specialty Insurance Company			\$ 51,129			\$ 75.734	Difference	Ι.
Leased & Rented Equipment	1,000,000		\$ 850	1,000,000		\$ 893	Premium	\$ 22.959
Fine Arts	\$ 138,000		\$ 188	\$ 138,000			Difference	41.32%
Unscheduled Tools & Equipment	\$ 2,500,000		\$ 3,400	\$ 1,000,000		\$ 1,700	20/21 Rate	0.1360
							21/22 Rate	0.1437
		Sub-Total	\$ 55,567		Sub-Total	\$ 78,526	Rate Increase	%9
Boiler & Machinery:							Boiler & Machinery	achinery
TIV:	\$649,128,482 \$	\$ 10,000		\$623,533,836	\$ 10,000			
Federal Insurance Company (Chubb)							Exposure	\$ (25,594,646)
Total Limit per Breakdown	\$ 125,000,000		\$ 15,745	\$ 125,000,000		\$ 15,664	Difference	6-
			1				Premium	\$ (80)
		Sub-Total	\$ 15.745		Sub-Total	\$ 15.664	Difference	-1%

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.

			2020/2021			2021/2022		Changes in	Changes in Exposures
LINE OF COVERAGE		LIMIT	DEDUCTIBLE/SIR	ANNUAL	LIMIT	DEDUCTIBLE/SIR	ANNUAL	2020/2021	2021/2022
Watercraft:							"Estimate	Wate	Watercraft
TIV:	49	329,845	1,000	69	340.803	1,000			\$ 10.958
Great American Insurance Co.			\$ 2,500			\$ 2.500		Difference	
			\$ 5,000			\$ 5,000		Premium	\$ 943
			Sub-Total	\$ 7,078		Sub-Total	\$ 8.021	Difference	13%
NFIP Flood:									Flood
TIV:		0					*Estimate		
Wright Flood Insurance Company		19 Policies	\$ 50,000 \$	\$ 36.724	19 Policies	\$ 50,000	\$ 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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