



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.11.

5/7/2024

Subject:

Renewal of Annual Property Insurance Program effective 6/1/2024

Fiscal Impact:

Due to the current market conditions and based on the information available from the County's insurance broker, the total cost of the Property Insurance Program Premiums will not exceed \$4,221,110. The premiums will be paid from budgeted funds in Business Area 5050 / Cost Center 389610 from both FY 23-24 and FY 24-25 based on a pro-rata share as the coverage runs through time periods in both fiscal years. If funds in excess of the already budgeted amount are necessary (not to exceed the stated maximum), insurance reserves will be utilized.

Dept/Office:

Human Resources

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 as presented and recommended by Brown and Brown, the County's property/casualty insurance broker, with an effective date of 6/1/2024, at a cost not to exceed \$4,221,110.

Summary Explanation and Background:

Risk Management instructed the County's insurance broker, Brown and Brown, 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 to ensure the County is in compliance with FEMA's "Obtain and Maintain" insurance requirements.

The County's Property Insurance program provides coverage for both windstorm and non windstorm related damage, however, the main driver of the increase in premium is related to the windstorm coverage. The Stafford Act requires that applicants insure facilities and their contents with the "types and extent" of insurance that is reasonably available, adequate, and necessary to protect against future loss to the property. Current market conditions have stabilized but remain unfavorable. Rate increases in 2023 were in the 40% to 100% range. Hurricane Ian (September 2022) disrupted the marketplace resulting in the significant rate increases in 2023. Insurance carriers are still limiting their capacity for Florida property risk and are maintaining most of the restrictions and increased deductibles imposed on insureds in 2023.

After evaluating the County's needs for Property and Flood coverage, Brown & Brown surveyed the property insurance market and solicited quotes from 26 different carriers. The County has been presented with a 6/1/2024 property insurance renewal proposal which reflects a premium cost of (Not to Exceed) \$4,221,110.

At this maximum amount, this represents an increase of \$106,346 (3%) over the expiring premium. Risk Management is currently working with the County's insurance broker to evaluate ways to reduce the overall cost of the program in a responsible manner.

The broker will continue to vigorously negotiate on behalf of the County and explore alternative insurance options with all current and interested insurers prior to the 6/1/2025 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 appropriate 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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Kimberly.Powell@brevardclerk.us

May 8, 2024

M E M O R A N D U M

TO: Melissa Powers, Human Resources Director

RE: Item F.11., Renewal of Annual Property Insurance Program Effective June 1, 2024

The Board of County Commissioners, in regular session on May 7, 2024, authorized you to bind and secure placement of the County's Property Insurance coverage as presented and recommended by Brown and Brown, the County's property/casualty insurance broker, with an effective date of June 1, 2024, at a cost not to exceed \$4,221,110.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

Kimberly Powell, Clerk to the Board

/tr

cc: Finance
Budget

Market Summary 6/1/24 Renewals	
Non-Utilities Property	
ACE/Westchester	Pending Response
Amrisc	Pending Response
Arch	Declined - Valuation and pricing is too low to attach anywhere in the \$20m layer
Arrowhead	No CAT capacity here due to makeup of schedule
Aspen	Unable to attach in first \$20m due to amount of coastal ordinary construction
AWAC	Pending Response
AXIS	Pending Response
Beazley (Lloyds)	Interested in offering capacity - Pending Pricing
Berkshire Hathaway	Incumbent; Quoted Renewal
Decus (Lloyds)	Incumbent: Indicated Capacity on Renewal
Everest	Pending Response
Endurance	Incumbent: Indicated Capacity on Renewal
General Star	Not able to consider due to amount of pre-1995 construction
IBIS/Catalytic	Declined - Unable to consider due to makeup of schedule
James River	Would not be able to attach anywhere in working layer due to amount of pre-1980 construction
Kinsale	Would not be competitive in 10 x 10 layer
Lexington	Pending Response
Liberty / Ironshore	Incumbent: Indicated Capacity on Renewal
Markel	Incumbent: Indicated Capacity on Renewal
Maxim/Navigators	Unable to attach in first \$20m due to amount of coastal ordinary construction
Mitsui	Pending Response
Munich Re	Pending Response
RSUI/Landmark	Incumbent: Indicated Capacity on Renewal
Seneca	Unable to consider - Not a market

Market Summary 6/1/24 Renewals	
Non-Utilities Property, continued	
Sigma/Empire	Unable to consider - Not a market
StarStone	Incumbent: Indicated Capacity on Renewal
Swiss Re	Incumbent: Indicated Capacity on Renewal
Velocity	Pending Response
Westfield	Pending Response
Utilities Property	
Starr Tech (Incumbent)	Quoted
Aegis	Declined – unable to compete
Boiler & Machinery/Equipment Breakdown	
National Fire Insurance of Hartford (CNA) (Incumbent)	Quoted
Federal Insurance Company/Chubb	Declined to quote, not competitive
Travelers	Declined to quote, not competitive
Inland Marine	
XL Specialty Insurance Company/AXA XL (Incumbent)	Quoted
AGCS	Not competitive
Great American	Not competitive
Travelers	Unable to compete
Allianz	Unable to compete
Ocean Marine	
Great American Insurance Company (Incumbent)	Quoted
ACE American Insurance Company/CHUBB	Pending Response
IMU/Intact	Pending Response
Liberty Mutual	Declined – type of vessels
Markel	Pending Response
Century	Pending Response

Covered Party:	Brevard County BOCC
Effective Date:	6/1/2024
Version Date:	4/16/2024

Coverage & Premium Comparison

LINE OF COVERAGE	2023/2024			2024/2025			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2023/2024	2024/2025
Non-Utilities Property:								
Layered Program (see below):								
TIV:	\$656,516,253	\$100,000 AOP		\$666,360,403	\$100,000 AOP		Exposure Difference	\$ 9,844,150
Policy Limit of Liability	\$50,000,000	5% Named Wind/\$500k Min		\$50,000,000	*5% / \$500k Minimum			1.50%
Named Windstorm	\$20,000,000	\$500,000 All Other Wind		\$20,000,000	\$500,000 All Other Wind			
Earth Movement	\$10,000,000	\$100,000		\$10,000,000	\$100,000			
Flood, Annual Aggregate	\$10,000,000	\$500,000		\$10,000,000	\$500,000			
Flood, SFHA Zones	\$5,000,000	5% / \$500,000 Building/		\$5,000,000	5% / \$500,000 Building/			
New Locations	\$10,000,000	\$500,000 Contents Minimum		\$10,000,000	\$500,000 Contents Minimum			
Debris Removal	\$1,000,000			\$1,000,000				
Demolition	\$5,000,000			\$5,000,000				
Miscellaneous Locations	\$1,000,000			\$1,000,000				
Valuation	Margin Clause - 110%			Margin Clause - 110%				
2023/2024 Structure:								
National Fire & Marine Insurance Co.	\$5,000,000 p/o \$20,000,000		\$ 800,000		*See Proposal for full Named Windstorm Deductible Details			
Ironshore Specialty Insurance Co.	\$2,000,000 p/o \$20,000,000		\$ 320,000					
StarStone Insurance Company	\$4,000,000 p/o \$20,000,000		\$ 640,000					
Lloyds of London	\$4,000,000 p/o \$20,000,000		\$ 540,000					
Endurance American Specialty Insurance Co./Somp	\$2,500,000 p/o \$10,000,000		\$ 600,000					
Evanston Insurance Company	\$1,500,000 p/o \$10,000,000 xs \$10,000,000		\$ 123,750					
SwissRe	\$1,000,000 p/o \$10,000,000 xs \$10,000,000		\$ 82,500					
Lloyds of London	\$2,000,000 p/o \$10,000,000 xs \$10,000,000		\$ 206,742					
Landmark American Insurance Company	\$30,000,000 xs \$20,000,000		\$ 112,500					
2024/2025 Structure:								
National Fire & Marine Insurance Co.	\$5,000,000 p/o \$20,000,000			\$5,000,000 p/o \$20,000,000		\$ 811,995	Rate	0.520
Ironshore Specialty Insurance Co.	\$2,000,000 p/o \$20,000,000			\$2,000,000 p/o \$20,000,000		\$ 325,000	Rate	-0.002
StarStone Insurance Company	\$4,000,000 p/o \$20,000,000			\$4,000,000 p/o \$20,000,000		\$ 648,000	Difference	-0.477%
Lloyds of London	\$4,000,000 p/o \$20,000,000			\$4,000,000 p/o \$20,000,000		\$ 710,000		
Endurance American Specialty Insurance Co./Somp	\$2,500,000 p/o \$10,000,000			\$2,500,000 p/o \$10,000,000		\$ 637,500		
Evanston Insurance Company	\$1,500,000 p/o \$10,000,000 xs \$10,000,000			\$1,500,000 p/o \$10,000,000 xs \$10,000,000		\$ 125,606		
SwissRe	\$1,000,000 p/o \$10,000,000 xs \$10,000,000			\$1,000,000 p/o \$10,000,000 xs \$10,000,000		\$ 90,000		
Landmark American Insurance Company	\$30,000,000 xs \$20,000,000			\$30,000,000 xs \$20,000,000		\$ 114,167		
		Fees	\$ 3,786		Fees	\$ 2,032	Premium Difference	\$ 35,042
		Sub-Total (Includes Policy Fee & Surcharge)	\$ 3,429,278		Sub-Total (Includes Policy Fee & Surcharge)	\$ 3,464,320		1.02%
Utilities Property:								
Star Surplus Lines Insurance Co.								
TIV:	\$205,320,048	\$100,000 AOP	\$ 583,235	\$206,247,358	\$100,000 AOP	\$ 644,456	Exposure Difference	\$ 927,310
Policy Limit	\$100,000,000	\$100,000,000		\$100,000,000	\$100,000,000			0.25%
Named Windstorm	\$15,000,000	5% / \$250,000 Minimum		\$15,000,000	5% / \$250,000 Minimum			224

LINE OF COVERAGE	2023/2024				2024/2025				Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM		LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM		2023/2024	2024/2025
Flood (except Zones A,V)	\$15,000,000	5% Flood / \$500,000 Minimum			\$15,000,000	5% Flood / \$500,000 Minimum				
Flood (Zones A & V)	\$1,000,000	5% Flood / \$500,000 Minimum							0.266	0.293
Optional TRIA			Rejected						Rate	
									Difference	
		Less Commission	\$ (43,743)			Less Commission	\$ (48,334)			
		Engineering Fee	\$ 7,500			Engineering Fee	\$ 7,500			
		Florida State Property Surcharge	\$ 4			Florida State Property Surcharge	\$ 4			
		Sub-Total (excluding Optional TRIA)	\$ 546,996			Sub-Total (excluding Optional TRIA)	\$ 603,626		Premium Difference	\$ 56,629
										10.35%

LINE OF COVERAGE	2023/2024			2024/2025			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2023/2024	2024/2025
Inland Marine:								
TIV:	\$43,442,317			\$41,297,510			\$ 43,442,317	\$ 41,297,510
Per Occurrence Limit	\$10,000,000	\$50,000 AOP, except \$100,000 Landfill/Compactor Equip	\$ 98,941	\$10,000,000	\$50,000 AOP, except \$100,000 Landfill/Compactor Equip	\$ 101,745	Exposure Difference	\$ (2,144,807)
Leased & Rented Equipment	\$1,000,000	5% / \$500,000 Minimum	Included	\$1,000,000	5% / \$500,000 Minimum	Included		-4.94%
Fine Arts	\$138,000	\$50,000, except \$50,000 Min Flood and NS	282	\$138,000	5% \$500,000 Min Flood and NS	345		
Unscheduled Tools & Equipment	\$1,000,000	5% \$500,000 Min Flood and NS		\$1,000,000	5% \$500,000 Min Flood and NS			
	Valuation: Agreed Value			Valuation: Agreed Value				
		Less Commission	\$ (14,883)		Less Commission	\$ (15,314)	Rate	0.213
		FIGA Fee	\$ 1,984		FIGA Fee	\$ 1,021	Rate	0.014
		Sub-Total	\$ 86,324		Sub-Total	\$ 87,797	Difference	6.99%
							Premium	\$ 1,474
							Difference	1.71%
Boiler & Machinery/Equipment Breakdown:								
National Fire Insurance of Hartford (CNA)							TIV	
TIV:	\$656,588,799			\$667,360,403			\$ 656,588,799	\$ 667,360,403
Total Limit per Breakdown	\$125,000,000	\$5,000	\$ 19,784	\$125,000,000	\$5,000	\$ 21,122	Exposure Difference	\$ 10,771,604
Business Income/Extra Expense	\$1,000,000	24 Hours		\$1,000,000	24 Hours			1.64%
		Less Commission	\$ (3,462)		Less Commission	\$ (3,696)		
		FIGA Fee	\$ 396		FIGA Fee	\$ 211	Premium	\$ 919
		Sub-Total	\$ 16,717		Sub-Total	\$ 17,637	Difference	5.50%
Watercraft:								
Great American Insurance Co.							Watercraft	
TIV:	\$364,943		\$ 10,453	\$649,196			\$ 364,943	\$ 649,196
		Various			Various	\$ 18,891	Exposure Difference	\$ 284,253
								77.89%
		Less Commission	\$ (1,045)		Less Commission	\$ (1,889)	Premium	\$ 7,594
		Sub-Total	\$ 9,408		Sub-Total	\$ 17,002	Difference	80.72%
NFIP Flood:								
Wright Flood Insurance Company								
	19 Policies	\$50,000	\$ 26,041	19 Policies	\$50,000	\$ 30,728		
					Estimated			
							Premium	\$ 4,687
		Sub-Total	\$ 26,041		Sub-Total	\$ 30,728	Difference	18.00%
TOTAL PREMIUM			\$ 4,114,764			\$ 4,221,110	Premium Difference	\$ 106,346
								2.58%