



# Agenda Report

2725 Judge Fran Jamieson  
Way  
Viera, FL 32940

## Consent

F.20.

9/13/2022

### Subject:

Approval of Liability, Workers' Compensation, and Aviation Insurance Programs for FY 2022-23

### Fiscal Impact:

Premium cost not to exceed \$1,778,449; funds are budgeted in Business Area 5050 / Cost Centers 389620, 389630, and 389640, and reserves are available to address market-driven premium increases.

### Dept/Office:

Office of Human Resources / Risk Management

### Requested Action:

We request the Board approve placement of the County's Auto, General, Professional, Aircraft & Aviation Liability, and Workers' Compensation insurance coverage at a cost not to exceed \$1,778,449, and authorize the Risk Manager to bind coverage per below.

### Summary Explanation and Background:

We instructed the County's authorized insurance broker, PRIA (Public Risk Insurance Agency), to obtain market quotes for the 2022-23 renewal cycle. The renewal recommendations are:

Line of Business	Eff Date	Exp. Prem.	Renewal Prem.	Rate Change	Premium Summary	
					Change	Change (%)
Auto Liability	10/1/2022	102,112	131,679	27%	29,567	29%
General Liability	10/1/2022	464,828	410,937	-9%	-53,891	-12%
Professional Liability	10/1/2022	180,154	186,751	7%	6,597	3%
Cyber Liability	10/1/2022	35,133	47,466	35%	12,333	35%
Crime	10/1/2022	2,400	2,645	10%	245	10%
Workers' Compensation	10/1/2022	857,085	909,795	8%	52,710	6%
Aviation	10/1/2022	75,918	89,176	17%	13,258	17%
<b>TOTAL</b>		<b>1,717,630</b>	<b>1,778,449</b>		<b>60,819</b>	<b>3.5%</b>

The incumbent, Preferred Governmental Insurance Trust (PGIT), continues to offer coverage and rate combinations that make alternatives non-competitive. Using the Trust's unique options, we are able to tailor coverage, retentions and limits, resulting in a robust insurance program with coverage combinations that cannot otherwise be procured in the current marketplace. The PGIT program provides insurance and claims administration services for those coverages.

Cost of the expiring program is \$1,717,630. The projected renewal premium for FY2022-23 is 1,778,449, a net increase of 3.5 % (\$60,819). The premium change is driven largely by external market factors, as well as influenced by internal factors such as changes in payroll, employee count and vehicle count, and recent adverse claims experience.

Detail regarding lines of coverage is provided in the attached exhibits. Recent Florida legislation has impacted public entity risk management programs relative to cyber liability, establishing public records exemptions for types of coverage, coverage limits, and deductibles or self-insured retentions. The exhibit for cyber liability has been redacted accordingly.

After evaluating current commercial market conditions, our 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 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.

### **Clerk to the Board Instructions:**



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

September 14, 2022

MEMORANDUM

TO: Jerry Visco, Human Resources Director


RE: Item F.20., Liability, Workers' Compensation, and Aviation Insurance Programs for FY 2022-23

The Board of County Commissioners, in regular session on September 13, 2022, approved placement of the County's Auto, General, Professional, Aircraft & Aviation Liability, and Workers' Compensation Insurance coverage at a cost not to exceed \$1,778,449; and authorized the Risk Manager to bind coverage as listed in the Agenda Report. Enclosed is a copy of the Agenda Report.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
RACHEL M. SADOFF, CLERK

  
Kimberly Powell, Clerk to the Board

Encl. (1)

/tr

cc: Finance  
Budget

Covered Party: **Brevard County BOGC**  
 Effective Date: **10/17/2022**



**Coverage & Premium Comparison  
 October 2022 Renewal**

As of 8/31/22

LINE OF COVERAGE	2021/2022			2022/2023			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2021/2022	2022/2023
<b>General Liability:</b>								
Preferred Governmental Insurance Trust								
General Liability	\$1,000,000	\$100,000 SIR	\$ 464,828.00	\$1,000,000	\$200,000/\$300,000 SIR	\$ 410,937.00	Exposure \$143,256,481	Payroll \$137,972,912
Employee Benefits	\$1,000,000	\$100,000 SIR		\$1,000,000	\$200,000/\$300,000 SIR		Difference \$ (5,283,569)	
		Sub-Total	\$ 464,828.00		Sub-Total	\$ 410,937.00	Premium Difference \$ (53,891)	Premium Difference \$ -11,59%
<b>Crime:</b>								
Preferred Governmental Insurance Trust								
Employee Dishonesty	\$250,000	\$1,000	2,400.00	\$250,000	\$1,000	2,645.00		
Theft, Disappearance & Destruction In/Out	\$250,000	\$1,000		\$250,000	\$1,000			
Computer Fraud, Including Funds Transfer	\$250,000	\$1,000		\$250,000	\$1,000			
Forgery/Alterations	\$250,000	\$1,000		\$250,000	\$1,000			
		Sub-Total	2,400.00		Sub-Total	2,645.00	Premium Difference	245 10.21%
<b>Excess Auto Liability:</b>								
Preferred Governmental Insurance Trust								
Auto Liability	\$1,000,000	\$100,000/\$200,000 SIR	102,112.00	\$1,000,000	\$100,000/\$200,000 SIR	131,679.00	1,159	1,182
Uninsured Motorist	Rejected	N/A		Rejected	N/A		Exposure Difference	23 1.98%
Comprehensive/Collision	Not Covered	N/A		Not Covered	N/A			
Hired Physical Damage	Not Covered	N/A		Not Covered	N/A			
Medical Payments	Not Covered	N/A		Not Covered	N/A			
		Sub-Total	102,112.00		Sub-Total	131,679.00	Premium Difference	29,567 28.96%
<b>Public Officials:</b>								
Preferred Governmental Insurance Trust								
Public Officials Liability	\$3,000,000 / No Agg	\$100,000 SIR	180,154.00	\$3,000,000 / No Agg	\$100,000 SIR	186,751.00	Exposure \$143,256,481	Payroll \$137,972,912
Employment Practices Liability	\$3,000,000 / No Agg	\$100,000 SIR	Included	\$3,000,000 / No Agg	\$100,000 SIR		Difference \$ (5,283,569)	
		Sub-Total	180,154.00		Sub-Total	186,751.00	Premium Difference	6,597 3.66%
<b>Excess Workers' Compensation:</b>								
Preferred Governmental Insurance Trust								
Workers' Compensation	Statutory	\$500,000 SIR	857,085.00	Statutory	\$500,000 SIR	909,795.00	Exposure \$205,714,017	Payroll \$202,089,721
Employers Liability	\$1M/\$1M/\$1M	\$500,000 SIR	Included	\$1M/\$1M/\$1M	\$500,000 SIR	Included	Difference \$ (3,624,296)	
		Sub-Total	857,085.00		Sub-Total	909,795.00	Premium Difference	52,710 6.15%

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.

LINE OF COVERAGE	2021/2022			2022/2023			Changes in Exposures		
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2021/2022	2022/2023	
<b>Aviation Liability: Valkaria</b>									
ACE Property & Casualty Insurance Company									
Aviation Liability	\$5,000,000	\$0 / \$	4,301.25	\$5,000,000	\$0 / \$	4,946.90			
Hangarkeepers	\$5,000,000	\$1,000 / \$1,000	Rejected	Not Covered	\$1,000 / \$1,000	\$			
Optional War			Rejected			494.88			
Optional TRIA			Rejected			\$			
Optional War & TRIA Combined			Rejected			618.83			
<b>Sub-Total (excluding War &amp; TRIA)</b>			4,301.25			106.96	Premium Difference		753
						5,053.86			17.50%
**3-year policy term option***									
<b>Aviation Liability: Space Coast</b>									
ACE Property & Casualty Insurance Company									
Aviation Liability	\$5,000,000	\$0 / \$	1,341.25	\$5,000,000	\$0 / \$	1,542.90			
Hangarkeepers	Not Covered	N/A	Rejected	Not Covered	N/A	\$			
Optional War			Rejected			154.48			
Optional TRIA			Rejected			\$			
Optional War & TRIA Combined			Rejected			193.33			
<b>Sub-Total (excluding War &amp; TRIA)</b>			1,341.25			33.36	Premium Difference		235
						1,576.26			17.52%
**3-year policy term option***									
<b>Aircraft:</b>									
<b>Westchester Fire Insurance Company</b>									
N995BC Eurocopter									
Liability (Each Occurrence / Per Passenger)	\$5,000,000 / \$250,000	\$0 / \$	2,682.50	\$5,000,000 / \$250,000	\$0 / \$	3,084.68			
Physical Damage	\$3,082,624	\$1,000 NIM / \$77,068 IM	31,365.83	\$3,082,624	\$1,000 NIM / \$77,068 IM	36,070.38			
N995BC Eurocopter									
Liability (Each Occurrence / Per Passenger)	\$5,000,000 / \$250,000	\$0 / \$	2,682.50	\$5,000,000 / \$250,000	\$0 / \$	3,084.68			
Physical Damage	\$3,042,314	\$1,000 NIM / \$76,058 IM	30,955.13	\$3,042,314	\$1,000 NIM / \$76,058 IM	35,598.63			
Agri Spraying Tanks, Booms, Related Equip (PD)	\$421,603	\$	1,433.75	\$421,603	\$	1,641.88			
Aquatic Weeds	\$1,000,000	\$	1,156.25	\$1,000,000	\$	1,318.13			
Optional War Liability & Hull			Rejected			3,450.25			
Optional TRIA Liability & Hull			Rejected			\$			
Optional War & TRIA Combined Liability & Hull			Rejected			4,311.43			
<b>Sub-Total (excluding War &amp; TRIA)</b>			70,275.95			1,747.00	Premium Difference		12,270
						82,545.75			17.46%
<b>Pollution:</b>									
<b>Indian Harbor Insurance Company</b>									
Each Pollution	\$1,250,000	\$50,000 / \$	99,845.00	\$1,250,000	\$50,000 / \$	99,845.00			
Aggregate	\$5,750,000			\$5,750,000					
<b>Sub-Total</b>			Prepaid			Prepaid			
<b>TOTAL PREMIUM</b>			<b>1,682,497.45</b>			<b>1,730,982.87</b>	Premium Difference		48,485
									2.88%

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.

Covered Party: Brevard County BOCC  
Effective Date: 10/17/2022



### Coverage & Premium Comparison Cyber Liability Renewal

As of 8/26/22

LINE OF COVERAGE	2021/2022		2022/2023		Changes in Exposures		
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2021/2022	2022/2023
Cyber Liability:							
Preferred Governmental Insurance Trust							
			\$ 35,133.00		\$ 47,466.00		
			Sub-Total		Sub-Total		
			\$ 35,133.00		\$ 47,466.00	Premium	12,333
						Difference	35.10%
<b>TOTAL PREMIUM</b>			<b>\$ 35,133.00</b>		<b>\$ 47,466.00</b>	<b>Premium</b>	<b>12,333</b>
						<b>Difference</b>	<b>35.10%</b>

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.

## Marketing Conclusion

The County's insurance program has been customized with tailored coverage features, retentions and limits.

The coverage terms provided by the Preferred Governmental Insurance Trust are unique and unmatched in the current marketplace specifically in the following areas:

- **Cyber Liability** – Coverage is afforded as part of the Public Officials' / Employment Practices Liability policy. Preferred is the only source for a policy with a \$2M limit and \$25,000 deductible. Typical terms for a county of similar size and exposure are a \$1M maximum limit and a minimum of a \$250,000 deductible.
- **Public Officials' / Employment Practices Liability** – This policy form is occurrence based which is also unique in the market. No other commercial insurer provides this coverage on an occurrence-based policy. An occurrence policy will accept claims years after the policy expires whereas a claims-made policy's coverage ceases at each annual expiration. An occurrence-based form is the broadest available and therefore most favored by risk managers.
- **General and Auto Liability** – Both policies are provided with very low self-insured retentions. General Liability at \$200,000 per occurrence and Auto Liability at \$100,000 per person and \$200,000 per accident. Commercial markets typically offer retentions at \$300,000 minimum for similar risks with most carriers offering terms at a \$500,000 retention.
- Preferred provides the County with these terms on "package" basis with each coverage providing financial support for the other Preferred policies. The resulting rates and terms have proven to be impossible to duplicate in the insurance marketplace.

<b>Market Summary</b> Revised 8/31/2022	
<b>Excess General Liability / Excess Auto Liability</b>	
<i>Preferred</i> Governmental Insurance Trust (PGIT) (Incumbent)	Quoted
Lloyd's of London/Ambridge	\$500k min retention
Old Republic Union Insurance Company	Declined due to pricing
ACE American Insurance Company/Chubb	Declined. Would need \$1M SIR due to the county's size and loss history
Euclid Insurance Group	Declined. Unable to compete with pricing
Munich Reinsurance America	Declined. Unable to compete with PGIT due to reinsurance
Safety National Casualty Corporation	Minimum retention of \$300k.
<b>Excess Workers Compensation</b>	
<i>Preferred</i> Governmental Insurance Trust (PGIT) (Incumbent)	Quoted- Must bound with other casualty insurance lines
State National Insurance Company	Minimum SIR of \$1M for Police and Fire
ACE American Insurance Company/Chubb	Minimum SIR of \$1M for all class codes
Arch Insurance Company	Declined. Unable to compete with PGIT due to reinsurance
Safety National Casualty Corporation	Minimum SIR of \$1M for Police and Fire
Midwest Employers Casualty Company	Minimum SIR of \$1M for Police and Fire
<b>Public Officials Liability / Employment Practices Liability</b>	
<i>Preferred</i> Governmental Insurance Trust (PGIT) (Incumbent)	Quoted - Must be bound with Cyber Liability
ACE American Insurance Company/Chubb	Quoted. Claims-Made Form
QBE Specialty Insurance Company	Multiple follow-ups. Still no response from carrier
Indian Harbor Insurance Company	Multiple follow-ups. Still no response from carrier
Ironshore Specialty Insurance Company	Multiple follow-ups. Still no response from carrier
Richmond National Insurance Company	Declined due to large population
Kinsale Insurance Company	Declined due to large population



<b>Market Summary</b>	
<b>Revised 8/31/2022</b>	
<b>Crime</b>	
<i>Preferred</i> Governmental Insurance Trust (PGIT) (Incumbent)	Quoted
Travelers Casualty and Surety Company of America	Quoted higher deductible and higher premium
Prosurance Group	Declined. Unable to compete with pricing.
Hiscox Insurance Company Inc	Declined. Not currently writing this class
Hanover Insurance Group	Requiring at least \$10k retention and premium expected to be much higher than expiring
<b>Cyber Liability</b>	
<i>Preferred</i> Governmental Insurance Trust (PGIT) (Incumbent)	Quoted – Must be bound with Public Officials Liability
Axis Specialty Insurance Company	Declined due to high revenue
Obsidian Specialty Insurance Company	Declined due to high revenue
HSB Specialty Insurance Company/AtBay	Declined due to high revenue
Lloyds/CFC	Declined due to high revenue
Hiscox Insurance Company Inc	Declined due to high revenue
AIG Specialty Insurance Company	MFA required. \$250k min retention
<b>Aviation Liability</b>	
ACE Property & Casualty (Incumbent)	Quoted. Included 3-year policy term option
W. Brown & Associates	Declined- Not writing Government risks
XL Insurance Company	Declined- Not writing Government risks
Commerce & Industry Insurance Company	Declined. Not competitive with renewal quote due to pricing
Old Republic Union Insurance Company	Multiple follow-ups. Still no response from carrier
Starr Aviation	Multiple follow-ups. Still no response from carrier

<b>Market Summary</b> Revised 8/31/2022	
<b>Aviation Hull</b>	
ACE Property & Casualty (Incumbent)	Quoted
W. Brown & Associates	Declined- Not writing Government risks
XL Insurance Company	Declined- Not writing Government risks
Commerce & Industry Insurance Company	Declined. Not writing aircraft hull policies
Old Republic Union Insurance Company	Multiple follow-ups. Still no response from carrier
Starr Aviation	Multiple follow-ups. Still no response from carrier
<b>Pollution Liability</b>	
3-year policy term: 10/31/20 to 10/31/23	