



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.12.

5/6/2025

Subject:

Renewal of Annual Property Insurance Program effective 6/1/2025

Fiscal Impact:

As presented by the County's property insurance broker, favorable market conditions will allow us to renew property coverage for the period 6/1/2025-26 under same terms and conditions at an amount not to exceed \$3,801,034. The premiums will be paid from budgeted funds in Business Area 5050 / Cost Center 389610 from both FY 24-25 and FY 25-26 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 Arthur J Gallagher, the County's property insurance broker, with an effective date of 6/1/2025, at a cost not to exceed \$3,801,034.

Summary Explanation and Background:

Risk Management instructed Arthur, J Gallagher to secure renewal quotes for the Property Insurance program 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. Compliance with the Stafford Act, a condition for receiving FEMA funding, 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.

After evaluating the County's needs for Property and Flood coverage, Arthur J Gallagher surveyed the property insurance market and solicited quotes from 39 different carriers. The County has been presented with a 6/1/2025 property insurance renewal proposal which reflects a premium cost of (Not to Exceed) \$3,801,034, a decrease of \$420,076 (or 10%) over the expiring premium.

Risk Management continues to evaluate other methods to reduce the overall program cost and 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

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

May 7, 2025

M E M O R A N D U M

TO: Melissa Powers, Human Resources Director

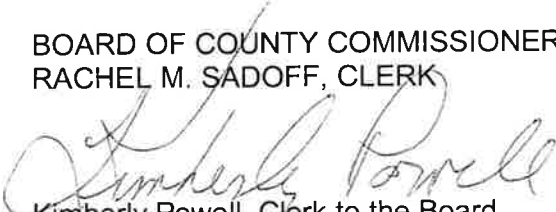
RE: Item F.12., Renewal of Annual Property Insurance Program Effective June 1, 2025

The Board of County Commissioners, in regular session on May 6, 2025, authorized the Risk Manager to bind and secure placement of the County's Property Insurance coverage as presented and recommended by Arthur J. Gallagher, the County's property insurance broker, with an effective date of June 1, 2025, at a cost not to exceed \$3,801,034.

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

A photograph of three business professionals in an office setting. On the left, a Black man in a dark suit and tie stands with his hands on his hips, looking towards the center. In the middle, a woman with blonde hair, wearing a white blouse and yellow trousers, stands with her hands on her hips, looking towards the right. On the right, a white man in a dark suit and glasses stands with his hands clasped, looking towards the center. They are in a bright, modern office with large windows in the background.

Brevard County

Property Renewal June 1 2025-2026

Arthur J. Gallagher & Co.

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Terry Stubbs | Area Vice President
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April 17 2025



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Gallagher

Insurance | Risk Management | Consulting

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US Public Sector– March 31, 2025

Property

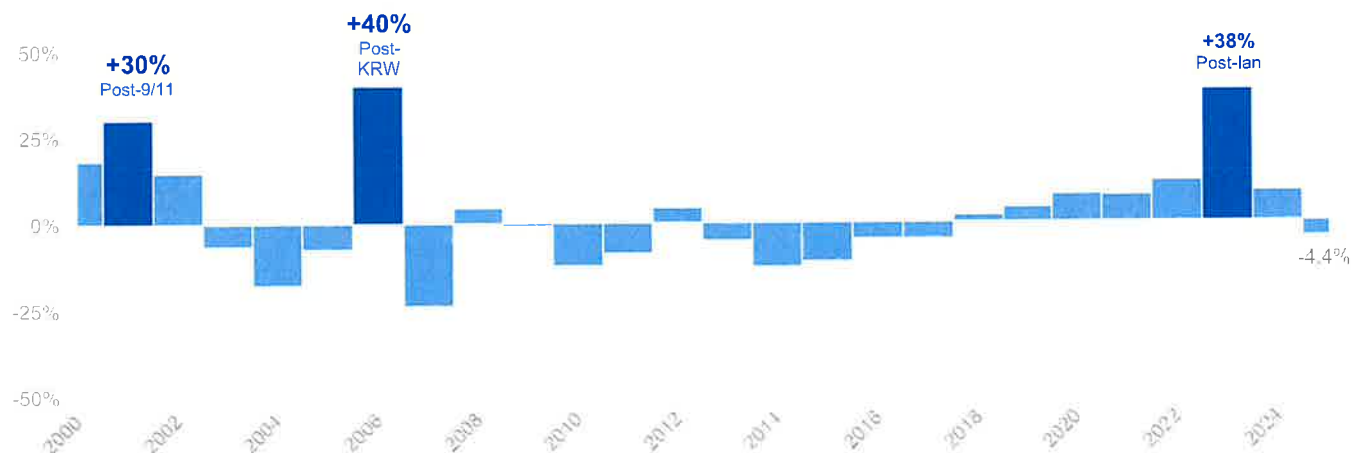
The key issues influencing property coverage in 2025 are similar to those in 2024, including:

- **Extreme weather events.** The National Centers for Environmental Information reported that there were 27 separate billion-dollar weather and climate disasters in the U.S. in 2024. Carriers will continue to examine their exposures to severe convective storms (SCS), wildfire, and flood, among other perils.
- **Data accuracy and information gaps.** Inadequate renewal information, incomplete property inventories, and missing components of construction, occupancy, protection and exposure (COPE) data all contribute to poor renewal outcomes. Many schools and public agencies struggle to keep up-to-date valuation records that accurately reflect the entity's property exposures. Carriers remain highly focused on insuring to appropriate values and inflation costs. Those with incomplete or inaccurate data are likely to experience increased pricing and fewer choices at renewal time.
- **Alternative solutions.** Although typically adverse to new, complicated or nontraditional risk financing solutions, a growing number of public entities are now considering creative buying strategies such as group purchasing, structured reinsurance, captives and parametric coverages.

Overall, the property market is stabilizing and gradually improving. However, general market changes are slower to materialize in the public sector, due to the factors listed above. Our regional experts indicate that there are improved coverage terms and rate decreases for accounts without losses and with good data and valuations. In areas that have long-required cat coverage, rates and terms are more stable and there is sufficient capacity. However, across the country, wind and hail deductibles remain a concern, and some markets are still reducing loss limits.

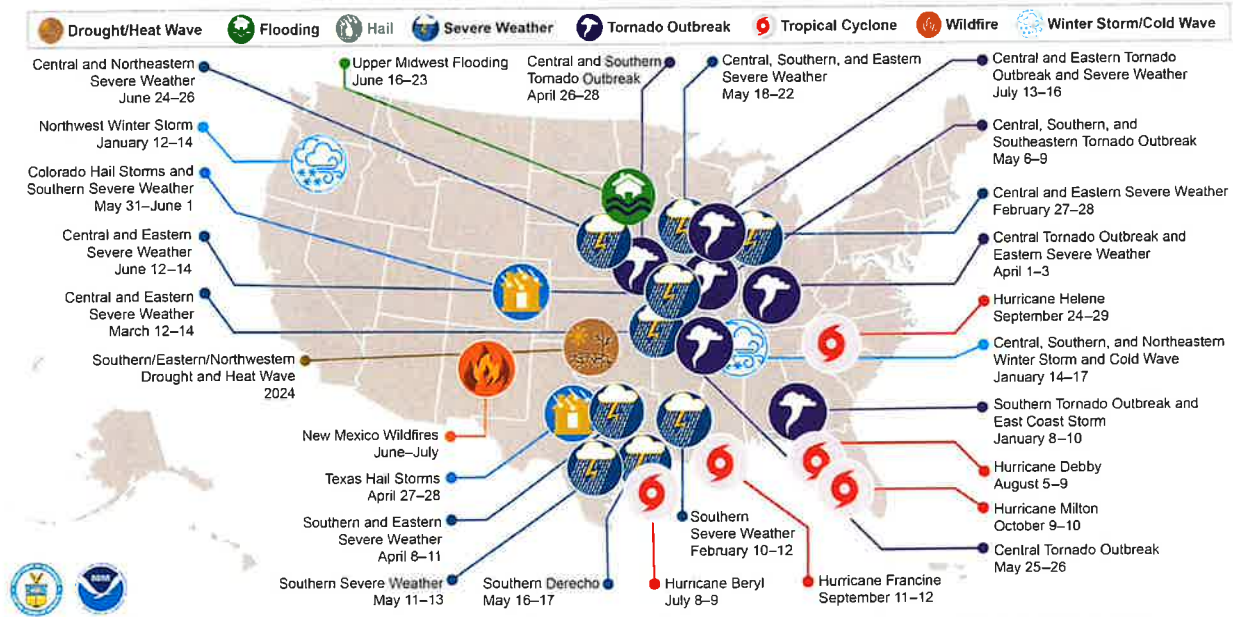
A survey of regional differences demonstrates the fluctuation that continues in the public sector property market. Keep in mind that the availability of specific markets varies by region and by appetite for certain types of risks (cat versus non-cat, SCS, etc.).

Region	Range of Rate Change
Northeast	Flat to increases of up to 20%
Southeast	Decreases to -20% for shared/layered Increases 10%+ for single placements
South Central	Flat to decreases of -15%



Brevard County

U.S. 2024 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 27 separate billion-dollar weather and climate disasters that impacted the United States in 2024.

Top 10 Billion Dollar events in the US in 2024		
Event	Date	Loss Amount
Hurricane Helene	9/24-29/2024	\$78.7B
Hurricane Milton	10/9-10/2024	\$34.3B
Hurricane Beryl	7/8/2024	\$7.2B
Central, Southern, Southeastern Tornado Outbreak	5/6-9/2024	\$6.6B
Central and Southern Severe Weather	3/12-14/2024	\$6.2B
Southern/Eastern/Northwestern Drought and Heat Wave	1/1-12/31/2024	\$5.4B
Central, Southern, Eastern Severe Weather	5/18-22/2024	\$4.9B
Central Tornado Outbreak	5/25-26/2024	\$3.5B
CO Hail & Southern Severe Weather	5/31-6/1/2024	\$3.0B
Southern Tornado Outbreak and East Coast Storm	1/8-10/2024	\$2.8B



Source: NOAA

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Insurance Premiums

PLEASE SEE BREVARD COUNTY 6-1 PREM COMPARISON EXCEL FOR DETAIL COMPARISON

Non-Utility Property	S&L 24-25	S&L 25-26	Change
Limit	\$50,000,000	\$50,000,000	0%
Wind Limit	\$20,000,000	\$20,000,000	0%
TIV	\$666,360,403	\$703,560,403	6%
Rate	\$0.500	\$0.391	-22%
Premium	\$3,330,543	\$2,749,532	-17%

Utility Property	Starr 24-25	Starr 25-26	Change
Limit	\$100,000,000	\$100,000,000	0%
Wind Limit	\$15,000,000	\$15,000,000	0%
TIV	\$206,247,358	\$206,247,358	0%
Rate	\$0.293	\$0.279	-5%
Premium	\$603,626	\$576,320	-5%

Inland Marine	XL 24-25	XL 25-26	Change
Limit	\$10,000,000	\$10,000,000	0%
TIV	\$41,297,510	\$41,297,510	0%
Rate	\$0.213	\$0.260	22%
Premium	\$87,797	\$107,325	22%

Boiler & Machinery	CNA 24-25	CAN 25-26	Travelers 25-26	Change	Change vs Travelers
Limit	\$125,000,000	\$125,000,000	\$250,000,000	0%	100%
TIV	\$667,360,403	\$704,560,403	\$703,585,403	6%	5%
Rate	\$0.003	\$0.003	\$0.003	25%	4%
Premium	\$17,637	\$23,268	\$19,331	32%	10%

Watercraft	Great American 24-25	Great American 24-25	Change
TIV	\$649,196	\$812,836	25%
Rate	\$2.619	\$2.505	-4%
Premium	\$17,002	\$20,362	20%

NFIP Flood	Wright 24-25	Wright 25-26	Change
Premium	\$30,728	\$36,259	18%

Total	2024-2025	2025-2026	Change
Premium	\$4,087,333	\$3,513,065	-14%



Program Structure

Last Year Program

\$50M	Landmark 100% \$30M xs \$20M \$114,187 \$30M					
\$20M	National Fire 25% Primary \$20M \$811,995 \$5M	Llyods 20% Primary \$20M \$710,000 \$4M	Starstone 20% Primary \$20M \$648,000 \$4M	Ironshore 10% Primary \$20M \$325,000 \$2M	Evanston 15% \$10M xs \$10M \$125,606 \$1.5M	SwissRe 10% \$10M xs \$10M \$90,000 \$1M
\$10M					Endurance 25% Primary \$10M \$637,500 \$2.5M	
SIR						

\$50M	Landmark 100% \$30M xs \$20M \$107,5000 \$30M				
\$20M					
\$10M	National Fire 25% Primary \$20M \$660,000 \$5M	Llyods 20% Primary \$20M \$528,000 \$4M	Starstone 20% Primary \$20M \$528,000 \$4M	Ironshore 10% Primary \$20M \$264,000 \$2M	Endurance 25% Primary \$20M \$666,000 \$5M
	SIR				

Coverage Sublimit

- 110% Margin Clause- Waiting Feedback on Primary \$20M Layer to Remove Margin Clause for no AP
- Projected Additional Premium to Increase Wind from \$20M to \$50M is \$2,000,000

Coverage	Expiring Program	Renewal Program	Increased Sublimit Program
Deductibles			
<i>All Perils</i>	\$100,000	\$100,000	\$100,000
<i>Named Windstorm</i>	5% Named Storm, \$500K Min	5% Named Storm, \$500K Min	5% Named Storm \$500K Min
Program Limits			
Flood	\$20,000,000	\$20,000,000	\$20,000,000
Accounts Receivable	\$100,000	\$100,000	\$2,500,000
Building Ordinance or Law	\$5,000,000	\$5,000,000	\$15,000,000
Business Interruption	\$1,000,000	\$1,000,000	\$10,000,000
Civil or Military Authority	\$100,000	\$100,000	\$250,000
Course of Construction	\$100,000	\$100,000	\$10,000,000
Decontamination and Clean up Expense	\$100,000	\$100,000	\$1,000,000
Debris Removal	\$1,000,000	\$1,000,000	\$15,000,000/ 25%
Errors or Omissions	\$1,000,000	\$1,000,000	\$10,000,000
Expediting Expense	\$100,000	\$100,000	\$1,000,000
Extra Expense	\$5,000,000	\$5,000,000	\$1,000,000
Fine Arts	\$100,000 or \$10K Per Item	\$100,000 or \$10K Per Item	\$500,000 or \$25K Per Item
Fungus, Mold, Wet or Dry Rot (Direct Physical Loss	\$50,000	\$50,000	\$500,000
Ingress/Egress	\$25,000/30 days	\$25,000/30 days	\$2,500,000/30 days
Land Improvements	NA	NA	\$1,000,000
Loss Adjustment Expenses	\$250,000	\$250,000	\$1,000,000
Miscellaneous Unnamed Locations	\$1,000,000	\$1,000,000	\$5,000,000
Newly Acquired Property	\$10,000,000/ 90 Days	\$10,000,000/ 90 Days	\$10,000,000/ 180 Days
Off Site Storage	\$200,000	\$200,000	\$100,000
Personal Property	\$100,000	\$100,000	\$250,000
Service Interruption	\$250,000	\$250,000	\$500,000
Soft Cost	\$10,000/ 72 Hour	\$10,000/ 72 Hour	\$1,000,000/ 24 Hour
Transit	\$100,000	\$100,000	\$1,000,000
Valuable Papers and Records	\$250,000	\$250,000	\$2,500,000
Period of Indemnity	365	365	365

Flood Zone	Flood Risk Description	Annual Flood Risk
Zone A	High risk. 100-year floodplain, no BFE determined.	1% chance
A1-A30	High risk. 100-year floodplain, BFE determined.	1% chance
AE	High risk. 100-year floodplain, BFE determined.	1% chance
AH	High risk. Areas of shallow flooding (ponding).	1% chance
AO	High risk. Areas of shallow flooding (sheet flow).	1% chance
AR	High risk. Flood protection under restoration.	1% chance
A99	High risk. Flood protection system under construction.	1% chance
Zone V	High risk. Coastal flood hazard with storm waves.	1% chance
V1-V30	High risk. Coastal flood hazard with storm waves.	1% chance
VE	High risk. Coastal flood hazard with storm waves and BFE determined.	1% chance
Zone B	Moderate risk. 500-year floodplain.	0.2% chance
Zone X (shaded)	Moderate risk. 500-year floodplain.	0.2% chance
Zone C	Minimal risk. Outside the 500-year floodplain.	Less than 0.2%
Zone X (unshaded)	Minimal risk. Outside the 500-year floodplain.	Less than 0.2%
Zone D	Undetermined risk due to insufficient analysis.	Unknown

Flood Zones	Building and Structures 1825 Total Locations \$806M	Total Assets List 27,876 Total Assets \$997M
A	36	264
AE	203	730
AH	2	70
AO	0	3
VE	14	26
X	1178	22434
X500	167	2396
Blank	427	1763

- Zone A:** Areas with a 1% annual chance of flooding (100-year floodplain). No base flood elevation (BFE) determined. There are different subcategories within Zone A:
 - AE:** Areas with determined BFEs.
 - AH:** Flooding areas with shallow water depths (ponding) ranging from 1 to 3 feet.
 - AO:** Areas with shallow flooding (sheet flow) with average depths between 1 and 3 feet.
- Zone V:** Coastal areas with a 1% or greater annual chance of flooding, with additional hazards from storm waves. There are also subcategories:
 - VE:** Coastal areas with determined BFEs and additional storm-related wave hazards.
- Zone B and Zone X (shaded):** Areas with a moderate risk of flooding. These areas have a 0.2% annual chance of flooding (500-year floodplain).
- Zone C and Zone X (unshaded):** Areas with minimal risk of flooding outside the 500-year floodplain.
- Zone D:** Areas with possible but undetermined flood risks due to insufficient analysis.
- Zone X:** A zone designation used to replace Zones B and C on newer flood maps, distinguishing between shaded and unshaded areas.

Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

Name/Title	Phone	Email	Role
Primary Service Team			
Nicholas Terlecki, ARM	407.563.3568 Work 407.923.2559 Cell	Nick_Terlecki@ajg.com	Team Leader
Terry Stubbs	713.304.2658 Cell	Terry_Stubbs@ajg.com	Co-Team Leader
Sandra Sierra	407.563.3531 Work	Sandra_Sierra@ajg.com	Client Service Manager
Susana Largaespada	407 563 3521 Work	Susana_Largaespada@ajg.com	Client Service Manager
Program Specialists			
Anthony Lehen	312.803.7447 Work	Anthony_Lehen@ajg.com	Environmental Insurance
Joey Sylvester	504.378.4605 Work	Joey_Sylvester@ajg.com	Terrorism
Ted Way	408.878.3823 Work	Ted_Way@ajg.com	Construction
Claims & Loss Control			
Bart Douglas	305.639.3121 Work	Bart_Douglas@ajg.com	Claims Advocacy
Scott Clark	561.998.6815 Work	Scott_Clark@ajg.com	Claims Advocate Senior
Jim Smith	561.998.6801 Work	Jim_Smith@ajg.com	Loss Control Manager, Southeast
Leadership Team			
Michael Gillon	407.563.3550 Work	Michael_Gillon@ajg.com	Executive Leadership

Thank You for Your Business

We have enjoyed our partnership and appreciate the continued time, support and confidence you have placed in us as your risk management team. This past year has been successful as evidenced by your scorecard. Your total cost of risk is being impacted favorably and our strategy for this upcoming renewal continues to focus on ways to improve this positive impact on your profitability. Thank you.

Market Summary 6/1 Renewals	
Non-Utilities Property	
National Fire & Marine	Quoted
Ironshore	Quoted
Endurance American	Quoted
Everest	Pending Response
Evanston	Pending Response
StarStone	Quoted
Landmark	Quoted
Westchester	Pending Response- Previously Declined due to Docks
Arch	Unable to compete – Docks & Boardwalks
Arrowhead	Unable to compete
Aspen	Unable to compete – Docks & Boardwalks
AXIS	Quoted- Higher Pricing Currently
Beazley (Lloyds)	Pending Response
Great American	Unable to compete
James River	Excess Market – Pending Response
Lexington	Pending Response
Maxim/Navigators	Unable to compete – Docks & Boardwalks
MunichRe	Pending Response
SwissRe	Pending Response
Velocity	Unable to complete
Hamilton (Lloyds)	Pending Response
Westfield	Pending Response
SRU	Pending Response
Argo	Pending Response
Sompo	Pending Response
Cincinnati (Lloyds)	Pending Response

Market Summary 6/1 Renewals	
QBE (Lloyds)	Pending Response
BRIT (Lloyds)	Pending Response
IGI (Lloyds)	Pending Response
WRB (Lloyds)	Pending Response
Markel	Pending Response
AML (Lloyds)	Pending Response
Utilities Property	
Starr Tech (Incumbent)	Quoted \$576,320
Aegis	Declined
Boiler & Machinery/Equipment Breakdown	
CNA	Quoted \$23,268
Travelers	Indicated \$19,331
Inland Marine	
XL Specialty Insurance Company/AXA XL (Incumbent)	Quoted \$124,451 (Confirming Netting Commission)
Travelers	Indication of \$150,000
Ocean Marine	
Great American Insurance Company (Incumbent)	Quoted \$20,362

Property Insurance Benchmark Report
as of April 2025

**Rate Change
from Last
Renewal**

Brevard County						
6/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
	\$909,807,761	\$150,000,000	\$35,000,000	\$3,325,852	5%	\$ 0.366 -17%
Not to Exceed Premium						
Brevard County Schools						
6/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
Sarasota County						
4/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
	\$1,058,430,573	\$50,000,000	\$50,000,000	\$4,254,688	5%/Min \$250K	\$ 0.402 -15%
Indian River County						
5/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
	\$410,974,002	\$75,000,000	\$35,000,000	\$2,032,685	5%	\$ 0.495 -13%
St Johns County						
4/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
	\$693,304,697	\$100,000,000	\$75,000,000	\$2,373,181	5%	\$ 0.342 -19%
Orange County						
4/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
	\$4,812,478,475	\$1,000,000,000	\$50,000,000	\$5,167,380	5%/Min \$500K	\$ 0.107 -13%
Okaloosa County						
4/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
	\$347,069,922	\$35,000,000	\$25,000,000	\$1,323,496	5%	\$ 0.38 0%
City of Sarasota						
4/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
25/26	\$218,388,008	\$25,000,000	\$25,000,000	\$1,947,536	5%	\$ 0.89 -0.41%
City of Fort Lauderdale						
2/1 Renewal Date	Total Insured Value	Loss Limit	Wind Limit	Premium	Wind Ded	25/26 Rate
25/26	\$263,176,050	\$25,000,000	\$25,000,000	\$2,158,528	5%	\$ 0.82 -9%