

11.C.1.



AGENDA REPORT
May 8, 2018

SUBJECT:

Renewal of Annual Property Insurance Program effective 6/1/2018

FISCAL IMPACT:

Fiscal Impact: These premiums will not require changes to budgeted revenue requested in FY18/19. Premiums not to exceed \$1,805,188. Funds are budgeted in Business Area 5050 / Cost Center 389610.

DEPT/OFFICE:

Human Resources

REQUESTED ACTION:

It is requested that 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 PRIA with an effective date of 6/1/2018 at a cost not to exceed \$1,805,188.

SUMMARY EXPLANATION and BACKGROUND:

Risk Management instructed Public Risk Insurance Agency (PRIA), the County's property/casualty insurance broker, 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 the worldwide catastrophic losses in 2017 as well as the large losses in Brevard County arising out of Hurricanes Matthew and Irma. After evaluating the County's needs for Property and Flood coverage, surveying property insurance markets and soliciting quotes from 40 different carriers, PRIA has presented Brevard County with a 6/1/2018 property insurance proposal which reflects a premium cost Not to Exceed \$1,805,188, an increase of \$369,017 over expiring. This change is, in combination, a consequence of an increase of 9.4% in total insurable values (TIV), an overall property insurance rate increase of 12.6%, and procurement of the minimum (required by FEMA) amount of Flood Insurance using the largest available deductible of \$50,000 for structures valued in excess of \$100,000.

Pursuant to the Stafford Act, FEMA requires entities such as 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; a failure to properly insure can result in FEMA

de-funding or declining to fund claims. In order to maintain adequate levels of insurance coverage, the current proposal includes maintaining flood coverage for high hazard zones, and coverage 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 all current and interested insurers prior to the 6/1/2018 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.

ATTACHMENTS:

Description

No Attachments Available



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May 9, 2018

M E M O R A N D U M

TO: Jerry Visco, Human Resources Director

RE: Item II.C.1., Renewal of Annual Property Insurance Program Effective June 1, 2018

The Board of County Commissioners, in regular session on May 8, 2018, authorized you to bind and secure placement of the County's property insurance coverage as presented and recommended by PRIA, with an effective date of June 1, 2018, at a cost not to exceed \$1,805,188.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe

Tammy Rowe, Deputy Clerk

cc: Finance
Budget