

AGENDA	
Section	Consent
Item No.	II C 5

Meeting Date
May 17, 2017



AGENDA REPORT
 BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Renewal of Property Insurance Program effective 6/1/2016
DEPT/OFFICE:	Office of Human Resources / Risk Management

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 with an effective date of 6/1/2016.

Summary Explanation & Background:

In anticipation of another difficult budget year, Risk Management instructed Public Risk Insurance Agency (PRIA), the County's property/casualty insurance broker, to secure renewal premium quotes at a cost as close as possible to the expiring 2015 property premium of \$1,464,112. After surveying the property insurance markets and soliciting quotes from 36 different carriers, PRIA has presented Brevard County with a 2016 property insurance renewal proposal which recognizes a reduction in total insurable values, a decrease in rate, and capitalizes on the current soft market conditions to procure insurance coverage for specific asset categories not previously available. This proposal provides insurance coverage at a premium cost of \$1,381,426, a reduction of \$82,686 (5.65%), and represents the third consecutive-year reduction in property premium.

All incumbent property carriers offered competitive terms, consequently, there are no changes in the basic structure or layers of the program, and the renewal coverage will mirror the expiring program: coverage will be underwritten through 5 carriers to include windstorm insurance limits of \$45 million (\$25M on utility property and \$20M on all other municipal property with a deductible of 5% of the total insured values at each location subject to a minimum deductible of \$500,000 per occurrence) with all other risks of loss having insurance limits of \$105 million (\$75M on utility property and \$30M on all other municipal property with a deductible of \$100,000 per occurrence). Current market conditions are favorable and these carriers will allow the County to obtain coverage on specific assets, heretofore not reasonably available, thus allowing the County to meet the minimum insurance requirements for future federal assistance from FEMA under the Stafford Act.

Therefore, in order to maintain adequate levels of insurance coverage, Risk Management requests the Board's authority to execute the policies and / or contracts recommended by PRIA, necessary to bind the 2016 property insurance renewal immediately at a cost not to exceed \$1,381,426.

Fiscal Impact: These premiums will not require changes to budgeted revenue requested in FY16/17. Premiums not to exceed \$1,381,426. Funds are budgeted in Business Area 5050 / Cost Center 389610.

Clerk to the Board Instructions:

Exhibits Attached:

Contract /Agreement (If attached):		Reviewed by County Attorney	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager		Assistant County Manager	Frank Abbate		Department Director / Extension	Gerard Visco		Office of Human Resources Director
Stockton Whitten		Assistant County Manager						



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May 18, 2016

MEMORANDUM

TO: Gerard Visco, Human Resources Office Director

RE: Item II.C.5., Authorization of Renewal of Property Insurance Program Effective June 1, 2016

The Board of County Commissioners, in regular session on May 17, 2016, authorized you to bind and secure placement of the County's Property insurance coverage with an effective date of June 1, 2016.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/cm

cc: Finance
Budget



Covered Party: Brevard County Board of County Commissioners
 Effective Date: 6/1/2016



LINE OF COVERAGE	2015/2016			2016/2017			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREM	2015/2016	2016/2017
Property:								
TIV:	\$595,504,206	100,000 AOP		\$588,394,524	100,000 AOP	\$ 77,500		Property
Piers and Boardwalks	No Coverage			\$7,650,193				
AXIS Surplus Insurance Company	\$2.5M p/o \$20M	\$250,000 Earth Movement	\$ 132,500	\$2.5M p/o \$20M	\$250,000 Earth Movement	\$ 117,825	Exposure	\$ 540,511
Ironshore Specialty Insurance Company	\$7.5M p/o \$20M	5% Named Windstorm	\$ 397,500	\$7.5M p/o \$20M	5% Named Windstorm	\$ 353,475	Difference	0.09%
Endurance American Specialty Insurance Co.	N/A	\$500,000 Flood	N/A	\$5M p/o \$20M	\$500,000 Flood	\$ 235,650	Premium	\$(55,511)
National Fire and Marine Insurance Co.	\$10M p/o \$20M		\$ 530,000	\$5M p/o \$20M		\$ 235,650	Difference	-4.97%
Great American Insurance Co. of New York	\$30M x/s \$20M		\$ 45,000	\$30M x/s \$20M		\$ 40,000	15/16 Rate	0.1874
FL Comm Fire Insurance Surcharge (Great American)							16/17 Rate	0.1803
FIGA (Great American)							Decrease	-3.83%
Policy Fee			\$ 105			\$ 140		
Florida State Property Surcharge			\$ 16			\$ 16		
CPIC			\$ 11,050			\$ 404		
			Sub-Total		Sub-Total	\$ 1,060,560		
Utilities Property:								
TIV:	\$ 115,238,083	\$100,000 AOP	\$ 236,935	\$ 115,408,430	\$100,000 AOP	\$ 213,557	Exposure	\$ 170,347
ACE American Insurance Co.	100,000,000	5% Named Windstorm	\$ 236,935	100,000,000	5% Named Wind/\$500K Min	\$ 213,557	Difference	0.15%
Engineering Fee	\$25,000,000 Windstorm	5% Flood	\$ 7,200	\$25,000,000 Windstorm	5% Flood/\$500K Min	\$ 7,200	Premium	\$(25,940)
Florida State Property Surcharge			\$ 4			\$ 4	Difference	-10.51%
CPIC			\$ 2,561			\$ 2,561	15/16 Rate	0.2141
			Sub-Total		Sub-Total	\$ 246,701	16/17 Rate	0.1913
							Decrease	-10.65%
Inland Marine:								
TIV:	\$ 49,218,942	\$50,000 AOP	\$ 76,289	\$ 49,218,942	\$50,000 AOP	\$ 76,289	Exposure	\$ -
XL Specialty Insurance Company			\$ 76,289			\$ 76,289	Difference	0.00%
Leased & Rented Equipment	1,000,000		\$ 1,000	1,000,000		\$ 1,000	Premium	\$(814)
Fine Arts	138,000		\$ 214	138,000		\$ 214	Difference	-0.99%
Unscheduled Tools & Equipment	2,500,000		\$ 3,875	2,500,000		\$ 3,875	15/16 Rate	0.1550
CPIC			\$ 814			\$ 814	16/17 Rate	0.1550
			Sub-Total		Sub-Total	\$ 81,378	Decrease	0.00%
Boiler & Machinery:								
TIV:	\$ 544,659,166	Zurich American Insurance Company	\$ 15,632	Federal Insurance Company (Chubb)		\$ 14,749	Exposure	\$ 514,443
Total Limit per Breakdown	100,000,000	10,000	\$ 15,632	545,173,609	10,000	\$ 14,749	Difference	0.09%
				100,000,000		\$ -	Premium	\$(883)
			Sub-Total		Sub-Total	\$ 14,749	Difference	-5.65%
Watercraft:								
TIV:	\$ 180,714	1,000	\$ -	\$ 205,204	1,000	\$ -		
Great American Insurance Co.		2,500	\$ -		2,500	\$ -		
		5,000	\$ -		5,000	\$ -		
		Sub-Total	\$ 3,416		Sub-Total	\$ 3,878		
TOTAL PREMIUM			\$ 1,464,112		Sub-Total	\$ 1,381,426	Difference	-5.65%