



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F18

9/17/2019

Subject:

Approval of Liability, Workers' Compensation, and Aviation Insurance Programs for FY2019-20

Fiscal Impact:

Premium cost, not to exceed \$1,462,635, will not require changes to the budgeted revenue requested in FY2019-20 in Business Area 5050 / Cost Centers 389620, 389630 and 389640.

Dept/Office:

Office of Human Resources / Risk Management

Requested Action:

We request the Board approve placement of the County's Auto, General, Professional, and Aircraft and Aviation Liability, Pollution and Workers' Compensation insurance coverage at a cost not to exceed \$1,462,635, 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 2019-20 renewal cycle. The renewal recommendations are:

Line of Business	Eff Date	Exp. Prem.	Renewal Prem.	Rate Change	Premium Summary	
					Change	Change (%)
Auto Liability	10/1/2019	82,809	85,179	2.86%	2,370	2.86%
General Liability	10/1/2019	349,513	373,795	3.33%	24,282	6.95%
Professional Liability	10/1/2019	138,544	183,412	28%	44,868	32.39%
Crime	10/1/2019	3,500	2,400		-1,100	-31.43%
Workers' Compensation	10/1/2019	698,606	754,612	4.5%	56,006	8.02%
Aviation	10/1/2019	55,186	63,237	14.5%	8,051	14.59%
Pollution	10/31/2017	103,907	3-yr pre-paid	N/A	N/A	N/A
TOTAL		\$1,328,158	\$1,462,635		\$134,477	10.13%

The incumbent, Preferred Governmental Insurance Trust (PGIT), continues to offer coverage and rate combinations, including a 2-year rate guarantee, that make alternatives non-competitive. The PGIT program provides insurance and claims administration services for those coverages.

Premium cost of the expiring program is \$1,328,158. The projected renewal premium for FY2019-20 is \$1,426,635, a net premium increase of 10.13% (\$134,477). The premium change is driven by changes in payroll, employee count and vehicle count, as well as recent adverse claims experience. After evaluating

419

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:



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Tammy.Rowe@brevardclerk.us

September 18, 2019

MEMORANDUM

TO: Jerry Visco, Human Resources Director

RE: Item F.18., Approval of Liability, Workers' Compensation, and Aviation Insurance Programs for FY 2019-2020

The Board of County Commissioners, in regular session on September 17, 2019, approved placement of the County's Auto, General, Professional, Aircraft and Aviation Liability, Pollution, and Workers' Compensation insurance coverage at a cost not to exceed \$1,462,635; and authorized the Risk Manager to bind coverage for FY 2019-2020.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

cc: County Manager
Finance
Budget

Covered Party: Brevard County BOCC
 Effective Date: 10/1/2019



PUBLIC RISK INSURANCE ADVISORS

Coverage & Premium Comparison

LINE OF COVERAGE	2018/2019			2019/2020			Changes in Exposures		
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2018/2019	2019/2020	
General Liability:									
Preferred Gov't Ins Trust	2-year policy term - 2nd installment								Payroll
General Liability	\$1,000,000	\$50,000 SIR	\$ 349,513	\$1,000,000	\$100,000 SIR	\$ 373,795	\$127,998,765	\$132,481,080	Exposure
Employee Benefits	\$1,000,000	\$50,000 SIR		\$1,000,000	\$100,000 SIR		Difference	\$ 4,482,315	3.50%
		Sub-Total	\$ 349,513		Sub-Total	\$ 373,795	Premium	\$ 24,282	6.95%
							Difference		
Crime:									
Preferred Gov't Ins Trust	2-year policy term - 2nd installment								
Employee Dishonesty	\$250,000	\$25,000 SIR	\$ 3,500	\$250,000	\$25,000 Deductible	\$ 2,400			
Theft, Disappearance & Destruction In/Out	\$250,000	\$25,000 SIR		\$250,000	\$25,000 Deductible				
Computer Fraud, Including Funds Transfer	\$250,000	\$25,000 SIR		\$250,000	\$25,000 Deductible				
Forgery/Alterations	\$250,000	\$25,000 SIR		\$250,000	\$25,000 Deductible				
		Sub-Total	\$ 3,500		Sub-Total	\$ 2,400	Premium	\$ (1,100)	
							Difference	\$ -31,43%	
Automobile:									
Preferred Gov't Ins Trust	2-year policy term - 2nd installment								Vehicles
Auto Liability	\$1,000,000	\$100,000/\$200,000 SIR	\$ 82,809	\$1,000,000	\$100,000/\$200,000 SIR	\$ 85,179	1547	1551	4
Uninsured Motorist	Rejected	N/A		Rejected	N/A		Exposure		0.26%
Comprehensive/Collision	Rejected	N/A		Rejected	N/A		Difference		
Hired Physical Damage	Rejected	N/A		Rejected	N/A		Premium	\$ 2,370	2.86%
		Sub-Total	\$ 82,809		Sub-Total	\$ 85,179	Difference		
Public Officials:									
Preferred Gov't Ins Trust	2-year policy term - 2nd installment								Payroll
Public Officials Liability	\$3,000,000/\$3,000,000	\$50,000 SIR	\$ 138,544	\$3,000,000/\$3,000,000	\$100,000 SIR	\$ 183,412	\$127,998,765	\$132,481,080	Exposure
Employment Practices Liability	\$3,000,000/\$3,000,000	\$50,000 SIR	Included	\$3,000,000/\$3,000,000	\$100,000 SIR		Difference	\$ 4,482,315	3.50%
Cyber Liability	\$2,000,000/\$2,000,000	\$50,000 SIR	Included	\$2,000,000/\$2,000,000	\$2,500 Deductible		Premium	\$ 44,868	
		Sub-Total	\$ 138,544		Sub-Total	\$ 183,412	Difference		32.39%
Excess Workers' Compensation:									
Preferred Gov't Ins Trust	2-year policy term - 2nd installment								Payroll
Workers' Compensation	Statutory	\$500,000 SIR	\$ 698,606	Statutory	\$500,000 SIR	\$ 754,612	\$180,514,810	\$186,584,900	Exposure
Employers Liability	\$1M/\$1M/\$1M	\$0	Included	\$1M/\$1M/\$1M	\$0	Included	Difference	\$ 6,070,090	3.38%
		Sub-Total	\$ 698,606		Sub-Total	\$ 754,612	Premium	\$ 56,006	8.02%
							Difference		

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	2018/2019			2019/2020			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2018/2019	2019/2020
Aviation Liability: Valkaria								
ACE Property & Casualty Insurance Company								
Aviation Liability	\$5,000,000	\$0	3,200	\$5,000,000	\$0	3,520		
Hangarkeepers	\$5,000,000	\$1,000 / \$1,000	Rejected	\$5,000,000	\$1,000 / \$1,000	352		
War			Rejected			60	Premium Difference	320
TRIA			Rejected					10.00%
		Sub-Total	\$ 3,200		Sub-Total (War & TRIA Not Included)	\$ 3,520		
Aviation Liability: Space Coast								
ACE Property & Casualty Insurance Company								
Aviation Liability	\$5,000,000	\$0	995	\$5,000,000	\$0	1,095		
Hangarkeepers	Not Included	N/A	Rejected	Not Included	N/A	110		
War			Rejected			19	Premium Difference	100
TRIA			Rejected					10.05%
		Sub-Total	\$ 995		Sub-Total (War & TRIA Not Included)	\$ 1,095		
Aircraft								
Westchester Fire Insurance Company								
Agricultural Spraying Tanks, Booms, Related Equip								
Liability	Included	N/A		Included	N/A	1,000		
Physical Damage	\$421,603	\$1,000 NIM / \$1,000 IM	1,054	\$421,603	\$1,000 NIM / \$1,000 IM	1,160		
N995BC Eurocopter								
Liability	\$5,000,000 / \$250,000	\$0	2,000	\$5,000,000 / \$250,000	\$0	2,200		
Physical Damage	\$3,082,624	\$1,000 NIM / \$62,950 IM	23,120	\$3,082,624	\$1,000 NIM / \$62,950 IM	26,202		
N995BC Eurocopter								
Liability	\$5,000,000 / \$250,000	\$0	2,000	\$5,000,000 / \$250,000	\$0	2,200		
Physical Damage	\$3,042,314	\$1,000 NIM / \$62,950 IM	22,817	\$3,042,314	\$1,000 NIM / \$62,950 IM	25,860		
War Liability & Hull			Rejected			3,673		
TRIA Liability & Hull			Rejected			3,673		
War & TRIA Combined Liability & Hull			Rejected			4,591	Premium Difference	7,631
		Sub-Total	\$ 50,991		Sub-Total (War & TRIA Not Included)	\$ 58,622		14.97%
Pollution								
Indian Harbor Insurance Company								
Each Pollution								
Aggregate								
		Sub-Total	\$ 1,328,158		Sub-Total (War & TRIA Not Included)	\$ 1,462,635	Premium Difference	134,477
TOTAL PREMIUM								10.13%

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.

BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

**INSURANCE MARKET SUMMARY
2019-2020**

EXCESS WORKERS' COMPENSATION - Statutory limits with \$500,000 Retention

Preferred Governmental Insurance Trust	Incumbent – Quoted \$754,612
Colony	Minimum Retention for police and fire exposure is \$1M
Safety National Casualty Corporation	Declined – premium would be higher than incumbent and retention would be \$750k
State National Insurance Company, Inc.	Does not quote any account with police or fire exposures.

EXCESS GENERAL LIABILITY \$1,000,000 Limit, \$50,000 Retention

Preferred Governmental Insurance Trust	Incumbent – Quoted \$373,795 with increase in retention to \$100k due to claim experience OPTION: \$200,000 Retention – Quoted \$309,027
Safety National Casualty Corporation	Declined – Casualty SIR would be a minimum of \$200,000/ \$300,000 across the board for all lines and premium would be higher than incumbent.
BRIT	In order to get close to expiring premiums, SIR's would need to increase to \$500k.

EXCESS AUTO LIABILITY - \$1,000,000 Limit with \$100k/\$200k Retention

Preferred Governmental Insurance Trust	Incumbent – Quoted \$85,179
Safety National Casualty Corporation	Declined – Casualty SIR would be a minimum of \$200,000/\$300,000 across the board for all lines and premium would be higher than incumbent.
BRIT	In order to get close to expiring premiums, SIR's would need to increase to \$500k

CRIME \$250,000 limit with \$25,000 Retention

Preferred Governmental Insurance Trust	Incumbent – Quoted \$2,400
--	----------------------------

PUBLIC OFFICIALS / EMPLOYMENT PRACTICES / CYBER LIABILITY - \$3,000,000 limit with \$50,000 Retention

Preferred Governmental Insurance Trust (Occurrence Form)	Incumbent - Quoted - \$183,412 with increase retention to \$100k due to claims experience.
Chubb	Only form available is Claims Made
AIG	Only form available is Claims Made
Western World	Only form available is Claims Made

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.



BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

INSURANCE MARKET SUMMARY (Continued)
2019-2020

AIRCRAFT HULL

ACE USA	Incumbent - Quoted - \$58,622 (15% rate increase)
Global Aerospace	Declined to quote – cannot meet current rate
Starr Aviation	Declined to quote – cannot meet current rate
W. Brown and Associates / Endurance American Ins. Co.	Declined to quote – cannot meet current rate
Old Republic	Declined to offer terms.

AIRPORT LIABILITY – VALKARIA

ACE USA / ACE Property & Casualty Ins. Co.	Incumbent - Quoted \$3,520 (10% rate increase)
Global Aerospace	Declined to quote – cannot meet current rate
Starr Aviation	Declined to quote – cannot meet current rate
W. Brown and Associates / Endurance American Ins. Co.	Declined to quote – cannot meet current rate
Old Republic	Declined to quote

AIRPORT LIABILITY – SPACE COAST REGIONAL

ACE/ USA / ACE Property & Casualty Ins. Co.	Incumbent - Quoted \$1,095 (10% rate increase)
Global Aerospace	Declined to quote – cannot meet current rate
Starr Aviation	Declined to quote – cannot meet current rate
W. Brown and Associates / Endurance American Ins. Co.	Declined to quote – cannot meet current rate
Old Republic	Declined to quote

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.