



# Brevard County Board of County Commissioners

2725 Judge Fran Jamieson  
Way  
Viera, FL 32940

## Legislation Text

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**File #:** 1573, **Version:** 1

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### **Subject:**

Renewal of Annual Property Insurance Program Effective 6/1/2020

### **Fiscal Impact:**

These premiums will not require changes to budgeted revenue requested in FY 20-21. Premiums not to exceed \$ 2,204,604; funds budgeted in Business Area 5050 / Cost Center 389610.

### **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 6/1/2020, at a premium not to exceed \$ 2,204,604.

### **Summary Explanation and Background:**

Risk Management instructed the County's property/casualty insurance broker, PRIA (Public Risk Insurance Agency), 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 world-wide catastrophic losses in 2017, 2018 and 2019, as well as the large losses in Brevard County arising out of hurricanes Matthew, Irma and Dorian. Uncertainty among insurance carriers for future profitability due to the large potential business interruption losses arising out of the global pandemic, COVID-19, is also a factor driving rate increases.

After evaluating the County's needs for Property and Flood coverage, PRIA surveyed property insurance markets and solicited quotes from 26 different carriers. PRIA has presented Brevard County with a 6/1/2020 property insurance renewal proposal which reflects a premium cost of (Not to Exceed) \$ 2,204,604; this is an increase of \$235,880 (12%) over expiring premium. This change is a consequence of a combination of a small increase in total insurable property values and a rate increase of 11%, the result of the afore-mentioned influencing factors.

Pursuant to the Stafford Act, FEMA requires 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, and a failure to properly insure can result in FEMA

defunding 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 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 interested insurers prior to the 6/1/2020 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.

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