

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: March 11, 2025	<input type="checkbox"/>	Consent	<input checked="" type="checkbox"/>	Regular
	<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Public Hearing
Department:	Risk Management			
Submitted By:	Risk Management			
Submitted For:	Safety and Casualty Division			

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: The renewal of the excess property, excess liability, excess workers' compensation insurance programs, and ancillary policies for the period April 1, 2025 through March 31, 2026, purchased under Contract No. 21-040DP through the County's contracted broker, Risk Management Associates, Inc. (aka Brown & Brown Public Sector), at a total cost not-to-exceed \$16,642,971.

Summary: The projected 2025-2026 excess insurance program renewal premiums reflect a total not-to-exceed cost of \$16,642,971 which is a decrease of approximately 5.7% (\$1,001,078) over the expiring total premium of \$17,644,049. The excess insurance market continues to stabilize and the County was successful in obtaining quotes which will reduced premiums and lower our maximum wind deductible from \$33.225 million to \$25 million even as our total insured values (TIVs) continues to increase. The increases in values is largely attributed to our ongoing five (5) year plan to reappraise all County properties. Proper valuations are essential to a successful property insurance program. These appraisals increased our TIV from \$2.97 billion to \$3.1 billion. The County traditionally purchases coverage in accordance with industry recognized catastrophe modeling for a 100-year storm event probability. Due to the TIV increase, these models now predict our probable maximum named wind loss at \$155 million instead of the expiring \$145 million. To incorporate this projection we have added \$10 million in additional coverage to the wind limits and \$15 million to the excess property limits. Both increases are contemplated in our not-to-exceed amount and rate decrease. Risk Management, in conjunction with our Broker has aggressively marketed our program to over 130 Global Insurance Companies to ensure securing the best available rates. This included meeting (either in-person or virtually) directly with underwriters of approximately 30 separate property insurers. This allowed us to explain in detail what separates Palm Beach County from other risks they may insure. Discussions included our favorable loss history, the quality of our building codes and structures, our commitment to Capital Improvements, and our Comprehensive Disaster Management Program. The insurance programs also include \$5 million of excess liability insurance, subject to a \$500,000 Self-Insured Retention (SIR). Excess workers' compensation insurance is included, and covers all costs in excess of \$2.25 million per occurrence. All state and federally mandated taxes, surcharges and assessments are included within the estimated renewal cost. Sufficient funds were budgeted and are available for this coverage. Countywide (HH)

Background and Policy Issues: continued on page 3.

Attachments:

- 1. Budget Statements – Airports, Water Utilities, Tourist Development

Recommended by: 
Department Director

2/20/2025
Date

Approved By: 
Assistant County Administrator

2/20/2025
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fiscal Years	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Capital Expenditures					
Operating Costs	\$8,321,485.50	\$8,321,485.50			
External Revenues					
Program Income (County)					
In-Kind Match (County)					
Net Fiscal Impact	<u>\$8,321,485.50</u>	<u>\$8,321,485.50</u>			
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget?	Yes	X	No					
Does this item include the use of Federal funds?	Yes		No	X				
Does this item include the use of State funds?	Yes		No	X				
Budget Account	Exp No.: Fund	VAR	Dept	VAR	Unit	VAR	Obj	4501
	Rev No.: Fund		Dept		Unit		Obj	

B. Recommended Sources of Funds/Summary of Fiscal Impact:



Fund 5010-700-7130 (Risk Management Property & Casualty)	\$10,470,131
Fund 5011-700-7242 (Risk Management Workers' Comp)	\$632,079
Fund 4100-120 Various (Airports)	\$2,594,772
Fund 1450-710-7420 (Tourist Development)	\$788,603
Fund 1458-710-7310 (Tourist Development)	\$407,898
Fund 1453-710-7310 (Tourist Development)	\$163,159
Fund 4001-720-1110 (Water Utilities)	\$1,586,329
Total	\$16,642,971

C. Departmental Fiscal Review:



III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

 OFMB 2/14/25 PA 2/14 VS 2/14	 Contract Administration 2/18/25
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B. Legal Sufficiency:


 Assistant County Attorney
 2-18-25

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Background and Policy Issues: (cont. from page 1) With this renewal, the County's excess insurance program for property coverage provides excess layers of insurance totaling \$215 million inclusive of the County's \$500,000 SIR. This is an increase of \$15 million over the expiring limits of \$200 million. There are also various ancillary insurance policies covering damage to County-owned property resulting from terrorism, boiler & machinery, employee dishonesty, and cyber incidents. Coverage highlights include liability insurance totaling \$5 million in excess of the County's \$500,000 SIR, and workers' compensation inclusive of a \$2.25 million per claim SIR with statutory limits (no cap). It is recommended that we purchase the above mentioned property limits, and increase the sublimit for named storm losses from \$145 million to \$155 million. Our wind deductibles remain at 5% of values involved in the loss, with a cap of \$25 million per occurrence which is lower than the expiring \$33.225 million. These coverage amounts safeguard large facilities with replacement values in excess of \$150 million, such as the Courthouse, PBI's Main Terminal and the Criminal Justice Center. While every indication is that there is limited room for improvement, negotiations will continue until the official April 1, 2025, renewal date.

The liability package policy provides a broad range of liability insurance coverage with limits of \$5 million, excess of the County's \$500,000 SIR. This overall package is designed to protect the County against the possibility of a Claims Bill approved by the Florida Legislature where an award could be made in excess of sovereign immunity limits in addition to certain liabilities not subjected to Florida's sovereign immunity provisions.

The cyber liability policy in the amount of \$5 million continues to be purchased as a stand-alone policy as opposed to self-insurance. Due to continued safeguards implemented by our ISS team, our premiums remain stable with a 2.42% decrease in premium and several coverage extensions compared to the expiring policy. These include increased sublimits for Contingent Business Partner Security Failure (\$2.5M from \$1M); Reputational Loss (\$5M from \$2.5M); Fraudulent Impersonation/Invoice Manipulation; Cryptojacking; Fraudulent Impersonation; Telecommunication Fraud (\$250k from \$100k).

Although there was no change in rate, there was a 4.6 % (\$27,452) increase in our Excess Workers' Compensation premium specifically to address an increase in overall payroll.

The following chart provides year-over-year cost comparisons and summaries of our program:

	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Property Limits					
Municipal Property					
All Other Perils	\$200 Million	\$200 Million	\$200 Million	\$200 Million	\$215 Million
Named Wind	\$130 Million	\$130 Million	\$130 Million	\$145 Million	\$155 Million
Utilities Property					
All Other Perils	\$200 Million	\$200 Million	\$200 Million	\$200 Million	\$200 Million
Named Wind	\$50 Million	\$50 Million	\$38.75 Million	\$38.75 Million	\$38.75 Million
Property Named Storm Deductibles					
Municipal Property	4%/\$25 Million CAP	4%/\$25 Million CAP	5%/\$34 Million CAP	5%;\$33.225 Million CAP	5%; \$25Million CAP
Utilities Property	4%	4%	5%	5%	5%
Premiums (including taxes, fees, assessments)					
Municipality Property Program	\$9,523,788	\$9,050,854	\$12,825,246	\$14,021,116	\$12,973,860
Water Utilities District Property Program	\$968,680	\$1,096,392	\$1,362,450	\$1,577,856	\$1,586,329
Terrorism	\$52,850	\$83,101	\$75,562	\$100,174	\$103,479
Boiler & Machinery	\$148,987	\$143,721	\$96,834	\$106,726	\$109,754
Package Policy	\$930,000	\$953,225	\$1,023,475	\$972,961	\$983,000
Cyber Liability	\$235,000	\$297,917	\$287,000	\$270,000	\$263,470
Excess Workers' Compensation	\$549,425	\$549,425	\$576,580	\$595,216	\$623,079
TOTAL COST	\$12,408,730	\$12,174,635	\$16,247,147	\$17,644,049	\$16,642,971
PROJECTED COST VARIANCE TO EXPIRING					(1,001,078)
					-5.7%

**BUDGET AVAILABILITY STATEMENT
RISK MANAGEMENT**


REQUEST DATE: 2/11/25 REQUESTED BY: Risk Management

REQUESTED FOR: Property Insurance Renewal – Airports

REQUESTED AMOUNT: \$2,594,772 AGENDA DATE: 3/11/2025

BUDGET ACCOUNT NUMBER:

Fund: 4100 Dept: 120 Unit: Various Obj: 4501 Prog. Prog
Per.

BAS APPROVED BY:  DATE: 2/11/25

LANTANA	0.99%	\$	12,870.46	4100	120	1230	4501
GLADES	0.47%	\$	6,096.38	4100	120	1240	4501
ADMINISTRATION	4.05%	\$	52,517.67	4100	120	1250	4501
INDIRECT OPERATIONS	4.59%	\$	59,507.54	4100	120	1280	4501
AIRSIDE	0.82%	\$	10,587.78	4100	120	1320	4501
GROUND TRANS.	23.00%	\$	298,376.26	4100	120	1340	4501
FIS TERMINAL	1.07%	\$	13,906.49	4100	120	1410	4501
TERMINAL	52.52%	\$	681,417.81	4100	120	1430	4501
AVIATION	3.09%	\$	40,142.64	4100	120	1451	4501
NON-AVIATION	4.57%	\$	59,285.30	4100	120	1452	4501
NCA	4.83%	\$	62,677.67	4100	120	1550	4501
						BSA	SBSA
PREPAID INSURANCE	100%	\$	1,297,386.00	4100	120	1550	7500

**BUDGET AVAILABILITY STATEMENT
RISK MANAGEMENT**

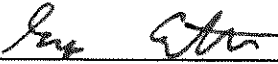
REQUEST DATE: 2/11/25 REQUESTED BY: Risk Management

REQUESTED FOR: Property Insurance Renewal – Water Utilities

REQUESTED AMOUNT: \$1,586,329.00 AGENDA DATE: 3/11/2025

BUDGET ACCOUNT NUMBER:

Fund: 4001	Dept: 720	Unit: 1110	Obj: 4501	Prog.	Prog Per.
_____	_____	_____	_____	_____	_____

BAS APPROVED BY:  DATE: 2/11/2025

**GUY EGGERTSSON
FISCAL MANAGER I
WATER UTILITES DEPARTMENT**



Budget Availability Statement (BAS)

REQUEST DATE: 2/11/2025

REQUESTED BY: RISK MANAGEMENT

REQUESTED FOR: Property Insurance Renewal (2025-2026)-TDC


AGENDA DATE: 3/11/2025

REQUESTED AMOUNT: \$ 1,359,660.80

BUDGET ACCOUNT NUMBER:

Name:	FUND	DEPT	UNIT	OBJECT	AMOUNT:
Roger Dean	<u>1453</u>	<u>710</u>	<u>7310</u>	<u>4501</u>	<u>\$ 163,159.26</u>
Cacti Park of PB	<u>1458</u>	<u>710</u>	<u>7310</u>	<u>4501</u>	<u>\$ 407,898.16</u>
Convention Center	<u>1450</u>	<u>710</u>	<u>7420</u>	<u>4501</u>	<u>\$ 788,603.38</u>

Please be advised that funds are available in the amount of and not to exceed \$1,359,660.80. This authorization is to cover the property insurance premiums for the Convention Center, Cacti Park of the Palm Beaches, & Roger Dean Stadium.

BAS APPROVED BY: 
Emanuel Perry
Executive Director

DATE: 2/13/25



Palm Beach County Tourist Development Council
2195 Southern Boulevard, Suite 500, West Palm Beach, Florida 33406
D-(561) 233-3130 D-FACSIMILE (561) 233-3113

TDC103
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PALM BEACH COUNTY, FLORIDA
 TOURIST DEVELOPMENT COUNCIL
 DETAIL LISTING OF OBLIGATIONS VS. BUDGET
 AS OF 02/11/2025
 FOR ACCOUNTING PERIOD: FEBRUARY 2025

FUND: 1453 TDC-4th Cent Local Option Tax DEPT: 710 Tourist Development
 UNIT: 7310 Tdc Administrative Expense

OBJECT		CURRENT PERIOD			FISCAL YEAR-TO-DATE			UNOBLIGATED
CODE	DESCRIPTION	ENCUMBRANCES	EXPENDITURES	TOTAL OBLIGATIONS	ENCUMBRANCES	EXPENDITURES	TOTAL OBLIGATIONS BUDGETED AMT.	BUDGET BAL.
4501	Ins & Surety Bonds Outside *	0.00	0.00	0.00	0.00	0.00	0.00	182,016.00
4969	Tax Collector Commission	0.00	24,062.06	24,062.06	0.00	66,416.17	66,416.17	210,459.00
4990	Inspector General Fee	0.00	0.00	0.00	0.00	157.00	157.00	811.00
APPR TOTAL 71073100B:		0.00	24,062.06	24,062.06	0.00	66,573.17	66,573.17	393,286.00
UNIT TOTAL 7310:		0.00	24,062.06	24,062.06	0.00	66,573.17	66,573.17	326,712.83

TDC103
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PALM BEACH COUNTY, FLORIDA
 TOURIST DEVELOPMENT COUNCIL
 DETAIL LISTING OF OBLIGATIONS VS. BUDGET
 AS OF 02/11/2025
 FOR ACCOUNTING PERIOD: FEBRUARY 2025

FUND: 1458 TDC-1st Cent Tourist Local Option Tax DEPT: 710 Tourist Development
 UNIT: 7310 Tdc Administrative Expense

OBJECT		CURRENT PERIOD			FISCAL YEAR-TO-DATE			UNOBLIGATED
CODE	DESCRIPTION	ENCUMBRANCES	EXPENDITURES	TOTAL OBLIGATIONS	ENCUMBRANCES	EXPENDITURES	TOTAL OBLIGATIONS BUDGETED AMT.	BUDGET BAL.
4501	Ins & Surety Bonds Outside *	0.00	0.00	0.00	0.00	0.00	0.00	476,710.00
4989	Tax Collector Commission	0.00	24,062.06	24,062.06	0.00	66,416.17	66,416.17	210,459.00
4990	Inspector General Fee	0.00	0.00	0.00	0.00	252.00	252.00	926.00
APPR TOTAL 71073100D:		0.00	24,062.06	24,062.06	0.00	66,668.17	66,668.17	688,095.00
UNIT TOTAL 7310:		0.00	24,062.06	24,062.06	0.00	66,668.17	66,668.17	621,426.83

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PALM BEACH COUNTY, FLORIDA
 TOURIST DEVELOPMENT COUNCIL
 DETAIL LISTING OF OBLIGATIONS VS. BUDGET
 AS OF 02/11/2025
 FOR ACCOUNTING PERIOD: FEBRUARY 2025

FUND: 1450 TDC-Convention Center Oper DEPT: 710 Tourist Development
 UNIT: 7420 Convention & Visitor'S Bureau

OBJECT		CURRENT PERIOD			FISCAL YEAR-TO-DATE			UNOBLIGATED	
CODE	DESCRIPTION	ENCUMBRANCES	EXPENDITURES	TOTAL OBLIGATIONS	ENCUMBRANCES	EXPENDITURES	TOTAL OBLIGATIONS	BUDGETED AMT.	BUDGET BAL.
3080	Operating Expense-Indirect	0.00	0.00	0.00	0.00	37,481.77	37,481.77	234,032.00	196,570.23
3124	Legal Services-County Attorney	0.00	0.00	0.00	0.00	0.00	0.00	5,624.00	5,624.00
3401	Other Contractual Services *	(283,557.68)	283,557.68	0.00	4,960,166.13	1,423,804.87	6,383,971.00	6,383,971.00	0.00
4501	Ins & Surety Bonds Outside *	0.00	0.00	0.00	0.00	0.00	0.00	821,839.00	821,839.00
4990	Inspector General Fee	0.00	0.00	0.00	0.00	2,340.00	2,340.00	17,887.00	15,547.00
5201	Materials/Supplies Operating	0.00	0.00	0.00	0.00	0.00	0.00	6,916.00	6,916.00
APPR TOTAL 71074200A:		(283,557.68)	283,557.68	0.00	4,960,166.13	1,463,606.64	6,423,772.77	7,570,069.00	1,146,296.23
UNIT TOTAL 7420:		(283,557.68)	283,557.68	0.00	4,960,166.13	1,463,606.64	6,423,772.77	7,570,069.00	1,146,296.23

Building_CRN	Content_CRN		Total Values
\$81,351,548		\$2,678,111	\$84,029,659
\$60,656,350			\$60,565,350
	Convention Center Total Values		\$144,595,009
\$74,108,698	\$-		\$74,108,698
	CACTI Park of the Palm Beaches Total		\$74,108,698
\$16,393,892		\$307,311	\$16,701,203
\$5,004,833		\$138,377	\$5,143,210
\$4,725,867		\$135,362	\$4,861,229
\$573,791		\$593,673	\$1,167,464
\$1,161,710	\$-		\$1,161,710
\$394,481	\$-		\$394,481
\$385,788	\$-		\$385,788
\$385,788	\$-		\$385,788
\$174,963	\$-		\$174,963
\$174,963	\$-		\$174,963
\$174,963	\$-		\$174,963
\$40,209	\$-		\$40,209
	Roger Dean Stadium Total Values		\$30,765,971
Total Property Values for TDC			\$249,469,678
County Total Insured Value (TIV)			\$2,615,271,172
Percent of TIV			10.48%
Total County Property Premium			\$12,973,860
TDC Total Property Premium			\$1,359,661
Breakdown			
Convention Center - 58%			\$788,603.38
CACTI of the Palm Beaches - 30%			\$407,898.16
Roger Dean Stadium - 12%			\$163,159.26
Total			\$1,359,660.80

Asset Number	Year Appraised	Site_ID	Site_Name	Bldg_Name	Address	City	State	ZIP	Building_CRN	Content_CRN	Total Values
078D0201		2022 D02	CONVENTION CENTER	CONVENTION CENTER	650 OKEECHOBEE	WEST PALM BEACH	FL	33401	\$81,351,548	\$2,678,111.00	\$84,029,659
078D0202		2022 D02	CONVENTION CENTER	CONVENTION CENTER GAR	650 OKEECHOBEE	WEST PALM BEACH	FL	33401	\$60,656,350		\$60,656,350
			Convention Center Total Values								\$144,595,009
078TG11		2022 TG1	CACTI PARK OF THE PALM BEACHES		544 HAVERHILL RI	WEST PALM BEACH	FL	33407	\$74,108,698	\$-	\$74,108,698
			CACTI Park of the Palm Beaches To								\$74,108,698
		A19	ROGER DEAN STADIUM	ROGER DEAN STADIUM	4751 MAIN STREE	JUPITER	FL	33458	\$16,393,892	\$307,311	\$16,701,203
		A19	ROGER DEAN STADIUM	MARLINS CLUBHOUSE	4751 MAIN STREE	JUPITER	FL	33458	\$5,004,833	\$138,377	\$5,143,210
		A19	ROGER DEAN STADIUM	CARDINALS CLUBHOUSE	4751 MAIN STREE	JUPITER	FL	33458	\$4,725,867	\$135,362	\$4,861,229
		A19	ROGER DEAN STADIUM	MAINTENANCE BUILDING	4751 MAIN STREE	JUPITER	FL	33458	\$573,791	\$593,673	\$1,167,464
		A19	ROGER DEAN STADIUM	KITCHEN AND PAVILION	4751 MAIN STREE	JUPITER	FL	33458	\$1,161,710	\$-	\$1,161,710
		A19	ROGER DEAN STADIUM	VISITORS BUILDING	4751 MAIN STREE	JUPITER	FL	33458	\$394,481	\$-	\$394,481
		A19	ROGER DEAN STADIUM	CARDINALS BATTING TUNN	4751 MAIN STREE	JUPITER	FL	33458	\$385,788	\$-	\$385,788
		A19	ROGER DEAN STADIUM	MARLINS BATTING TUNNEL	4751 MAIN STREE	JUPITER	FL	33458	\$385,788	\$-	\$385,788
		A19	ROGER DEAN STADIUM	CONCESSION STAND 1	4751 MAIN STREE	JUPITER	FL	33458	\$174,963	\$-	\$174,963
		A19	ROGER DEAN STADIUM	CONCESSION STAND 2	4751 MAIN STREE	JUPITER	FL	33458	\$174,963	\$-	\$174,963
		A19	ROGER DEAN STADIUM	CONCESSION STAND / PRES	4751 MAIN STREE	JUPITER	FL	33458	\$174,963	\$-	\$174,963
		A19	ROGER DEAN STADIUM	OBSERVATION TOWER	4751 MAIN STREE	JUPITER	FL	33458	\$40,209	\$-	\$40,209
			Roger Dean Stadium Total Values								\$30,765,971