PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: S	September 17, 2024	[X] Consent [] Ordinance	[]	Regular Public Hearing
•	Risk Management Risk Management Airports			

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: The purchase of airport liability insurance, for the period October 10, 2024 through October 10, 2025; to be purchased through the County's contracted broker, Risk Management Associates, Inc., a wholly owned subsidiary of Brown and Brown, for a total not-to-exceed cost of \$190,790.01.

Summary: The renewal premium of \$190,790.01 for airport liability through American International Group (AIG) represents a 25.26% increase over the expiring premium. The renewal accounts for increased instability in the war and terrorism portion of the market as well as increases in passenger activity at PBIA. Increased passenger activity leads to additional exposures and has resulted in a 122% loss ratio over the last two (2) years to AIG. Those changes in exposure will also necessitate a \$10,000 per claim retention (deductible) over the expiring policy which had a \$0 deductible. The overall policy limit of liability will remain at \$200,000,000 with several sub-limits for miscellaneous coverages. Countywide (HH)

Background and Justification: The Risk Management Department purchases airport liability insurance on behalf of the Department of Airports, covering the operations at PBIA as well as the County's three general aviation airports — North County, Glades and Lantana. Coverage is being placed through the County's contracted insurance broker Risk Management Associates, Inc., under Contract No. 21-040/DP. **(Continued on page 3)**

Attachments:

1) Budget Availability Statement, Liability Insurance Renewal – Airports

Recommended By:

| S | 2z | 2024 |
| Department Director | Date

Approved By:

Assistant County Administrator

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

, a rive your cummary of	nocal impact							
Fiscal Years	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>			
Capital Expenditures Operating Costs External Revenues Program Income (County)		\$190,790						
In-Kind Match (County)					, Included the second s			
Net Fiscal Impact	44000000000000000000000000000000000000	\$190,790						
# ADDITIONAL FTE POSITIONS (Cumulative)	0	0	0	0	0			
Is Item Included in P Is this item using Fe Is this item using Sta	deral Funds?	?	Yes <u>X</u> Yes Yes	No X				
Budget Account	Exp No.: Fund Rev No.: Fund	4100 Dept	120 Ur		Obj <u>4501</u> Obj			
B. Recommende	d Sources of Fu	nds/Summary	of Fiscal Ir	npact:				
C. Departmental Fiscal Review:								
	III. <u>REVI</u>	EW COMMEN	<u>ITS</u>					
A. OFMB Fiscal a	and/or Contract	Dev. and Con	trol Comme	ents:	0			
Just Co	th Plaglace DFMBDA8/2	ing C	MMU ontract Dev 9/5/04	MacMontro	h 9/5/24			
B. Legal Sufficie	ncy:		. (/					
De Dene Co Assistant C	Avigal 94	7-24						
C. Other Departr	ment Review:							
Departi	ment Director	····						

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

Page 3 – Background and Justification (continued)

Additional Renewal Program Metrics used to determine premium:

Changes in Exposure	os.		
2023/2024	2024/2025		
Total Pass	engers		
7,133,457	7,977,288		
Exposure Difference	843,831		
	11.83%		
Enplanements			
3,577,736	4,000,761		
Exposure	423,025		
Difference	11.82%		

Expiring 2024 Premium Compared to the 2025 Renewal

LINE OF COVERAGE	LIMIT	DEDUCTIBLE/SIR	2024 ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	2025 ANNUAL PREMIUM
Bodily Injury / Property Damage	\$200,000,000	\$0	\$149,775.00	\$200,000,000	\$10,000	\$162,776.00
Hangarkeepers Liability	\$200,000,000 / \$200,000,000	\$0		\$200,000,000 / \$200,000,000	\$0	
Garagekeepers Liability, each Aircraft	\$250,000 / \$1,000,000	\$2,500		\$250,000 / \$1,000,000	\$2,500	
Excess Auto Liability	\$15,000,000	\$5,000,000		\$15,000,000	\$5,000,000	
Excess Employers Liability	\$15,000,000	\$5,000,000	1000	\$15,000,000	\$5,000,000	
Non Owned Aircraft Liability	\$200,000,000	\$0		\$200,000,000	\$0	770492444
Property Damage to Non-Owned Aircraft	\$5,000,000	\$0		\$5,000,000	\$0	. 1000000000000000000000000000000000000
War	\$200,000,000	\$0	Included	\$200,000,000	\$0	\$16,358.00
TRIA Terrorism	Included	\$0	Included	Included	\$0	\$9,767.00
		FIGA Assessment	\$2,546.18		FIGA Assessment	\$1,889.01
		Sub- Total	\$152,321.18		Sub- Total	\$190,790.01

Premium Difference \$38,469 or +25.26%

BUDGET AVAILABILITY STATEMENT RISK MANAGEMENT

REQUEST DATE: 8/28/2024 REQUESTED BY: Risk Management

REQUESTED FOR: <u>Airport Liability Insurance Renewal</u>

REQUESTED AMOUNT: \$190,790 AGENDA DATE: 9/17/2024

BUDGET ACCOUNT NUMBER:

Fund: 4100 Dept: 120	Unit: Va	arious	Obj:	4501	Prog.	Prog Per.	
LANTANA	1230	\$	9,539.5	0			
GLADES	1240	\$	9,539.5	0			
ADMINISTRATION	1250	\$	1,907.9	0			
OPERATIONS INDIRECT	1280	\$	1,907.9	0			
AIRSIDE	1320	\$	66,776.5	0			
GROUND TRANSPORTATION	1340	\$	19,079.0	0			
FIS TERMINAL	1410	\$	1,907.9	0			
TERMINAL	1430	\$	30,526.4	0			
AVIATION	1451	\$	9,539.5	0			
NON-AVIATION	1452	\$	1,907.9	0			
NORTH COUNTY	1550	\$	38,158.0	0			

BAS APPROVED BY: WILLIAM DATE: 9 4 24

 $\label{lem:continuous} C:\Users\dumcanson\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\NZT3OS81\BAS\ FORM-Airports\ Liability\ 24-25\ amended\ -\ new\ agenda\ date.docx$