

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: October 7, 2025	☒ Consent	☐ Regular
	☐ Ordinance	☐ Public Hearing
Department: Risk Management		
Submitted By: Risk Management		
Submitted For: Airports		

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: The purchase of airport liability insurance, for the period October 10, 2025 through October 10, 2026; 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 \$342,260.

Summary: The renewal premium of \$342,260 for airport liability through AXA/XL represents a 79% increase over the expiring premium, but includes a \$0 retention, meaning that every incident will be the responsibility of the carrier in its entirety. Our expiring policy through AIG carried a \$10,000 per incident County retention. The per incident savings with a \$0 retention will serve to offset some of the premium increase based on an average annual count of approximately 18 claims. Purchasing this policy option was mutually agreed upon by Risk Management and the Department of Airports. Also factored into the premium is the continued instability in the war and terrorism portion of the market as well as a 6% increase in passenger activity at Palm Beach International Airport (PBIA) (8.5 million for the 12 months ending June 2025) which directly correlates to additional exposure for the insurer. The overall policy limit of liability will remain at \$200,000,000 with several sub-limits for miscellaneous coverages. Countywide (JBR)

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 (3) 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:	Scott Martin Digitally signed by Scott Martin DN: c=org, DC=pbogov, OU=Enterprise, OU=RISK Management, CN=Scott Martin, E=SMartin@pbogov gov, email=I am the author of this document 2025.09.23 11:14:54-0400 Foxit PDF Editor Version: 12.1.0	
	Department Director	Date
Approved By:	 Deputy County Administrator	9/24/2025 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fiscal Years	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Capital Expenditures					
Operating Costs	\$342,260				
External Revenues					
Program Income (County)					
In-Kind Match (County)					
Net Fiscal Impact	\$342,260				

ADDITIONAL FTE

POSITIONS (Cumulative)	0	0	0	0	0
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Is Item Included in Current Budget?

Yes X

No

Is this item using Federal Funds?

Yes

No X

Is this item using State Funds?

Yes

No X

Budget Account	Exp No.:	Fund	4100	Dept	120	Unit	Various	Obj	4501
	Rev No.:	Fund		Dept		Unit		Obj	

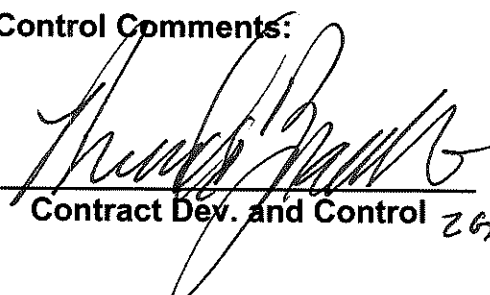
B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

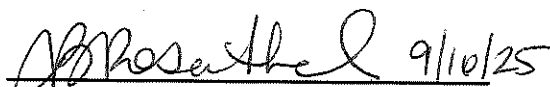


III. REVIEW COMMENTS

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

 ASB	9/12/25	 Contract Dev. and Control	26 9.15.25
DAS/12	OFMB 9/9/25		

B. Legal Sufficiency:


Assistant County Attorney 9/10/25

C. Other Department Review:

Department 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 Exposures	
2023/2024	2024/2025
Total Passengers	
8,077,442	8,573,728
Exposure Difference	496,286
	6.1%
Enplanements	
4,000,761	4,304,706
Exposure Difference	303,945
	9.2%

Annual Claim Counts		
2023	2024	2025
17	19	16**
** 2025 policy reporting year is not yet complete		

Expiring 2025 Premium Compared to the 2026 Renewal

LINE OF COVERAGE	LIMIT	DEDUCTIBLE/SIR	2025 ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	2026 ANNUAL PREMIUM
Bodily Injury / Property Damage	\$200,000,000	\$10,000	\$162,776	\$200,000,000	\$0	\$297,018.00
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		\$5,000,000	\$5,000,000	
Excess Employers Liability	\$15,000,000	\$5,000,000		\$5,000,000	\$5,000,000	
Non-Owned Aircraft Liability	\$200,000,000	\$0		\$200,000,000	\$0	
Property Damage to Non-Owned Aircraft	\$5,000,000	\$0		\$5,000,000	\$0	
War	\$50,000,000	\$0	\$16,358.00	\$200,000,000	\$0	\$27,002.00
TRIA Terrorism	\$200,000,000	\$0	\$9,767.00	\$200,000,000	\$0	\$14,850.90
		FIGA Assessment	\$1,889.01		FIGA Assessment	\$3,388.71
		Sub-Total	\$190,790.01		Sub-Total	\$342,259.61

Premium Difference \$ 151,469.60 or 79.39%

Page 3 – Background and Justification (continued)

Over the last few years, Risk Management has documented struggles with our current carrier over the timely assignment of claims to adjusters and legal counsel. In order to address these concerns, Brown & Brown aggressively marketed our program to numerous aviation carriers. Several provided quotes using our loss experience and current \$10,000 deductible. In addition, at Brown & Brown’s request, some proposers also included other options for consideration. After reviewing the quotes, we reached the decision to recommend the purchase of the first dollar (\$0) deductible policy for the following reasons:

- First dollar coverage allows us to completely separate ourselves from any and all liability.
 - The carrier will approach claims more aggressively if they have immediate exposure.
- The savings of having no deductible will serve to offset some of the premium increase.
 - Although it is difficult to predict the severity of claims from year to year, we can generally predict a frequency of approximately 18 claims and can expect approximately 30% of them will be reserved in excess of \$10,000 (severity).
- Immediate assignment of a defense team that specializes in airport liability which should serve to provide better long-term accuracy in our loss runs.

Quotes:

Current Terms			Alternative Options		
Insurer	\$10k deductible	Increase	\$25,000 deductible	\$50,000 deductible	\$0 deductible
AIG Aerospace	\$247,974	30%	no quote	no quote	no quote
AXA/XL	\$286,628	50%	no quote	\$263,203	\$342,260
Starr Aviation	\$247,450	30%	\$212,100	no quote	no quote
The below carriers declined to quote					
Allianz	Global Aerospace	QBE Aviation			
Chubb Aerospace	Old Republic Aerospace	USAIG			

Additional renewal program metrics used to determine premium:

Policy Year	Annual Claim Counts			Changes in Exposures	
	2023	2024**	2025**	2023/2024	2024/2025
Total Claims	17	19	16	Total Passengers	
Settled or currently reserved for over \$10K	5	3	0	8,077,442	8,573,728
Total Experience	\$585,137	\$102,550	\$34,628	Exposure Difference	496,286
Notes:	** Claims for policy years 2024 and 2025 are still developing within the statute of limitations and reserving has not been fully established.			6.1%	
				Enplanements	
Current Active Open Claims	Number	Reserved over \$10K	Percentage	4,000,761	4,304,706
	24	8	30%	Exposure Difference	303,945
				7.1%	

Continued on page 4

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Garagekeepers Liability, each Aircraft	\$250,000 / \$1,000,000	\$2,500		\$250,000 / \$1,000,000	\$2,500	
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Non-Owned Aircraft Liability	\$200,000,000	\$0		\$200,000,000	\$0	
Property Damage to Non-Owned Aircraft	\$5,000,000	\$0		\$5,000,000	\$0	
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TRIA Terrorism	\$200,000,000	\$0	\$9,767.00	\$200,000,000	\$0	\$14,850.90
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BUDGET AVAILABILITY STATEMENT
RISK MANAGEMENT

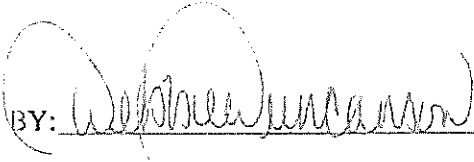
REQUEST DATE: 9/11/25 REQUESTED BY: Risk Management

REQUESTED FOR: Airport Liability Insurance Renewal

REQUESTED AMOUNT: 342,260 AGENDA DATE: 10/07/2025

BUDGET ACCOUNT NUMBER;

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

BAS APPROVED BY:  DATE: 9/11/2025

DEPARTMENT OF AIRPORTS
Airport Liability Premium
10/01/24- 09/30/25

General Liability Renewal

LANTANA	4100	120	1230	4501	\$ 17,113.00
GLADES	4100	120	1240	4501	\$ 17,113.00
ADMINISTRATION	4100	120	1250	4501	\$ 3,422.60
OPERATIONS INDIRECT	4100	120	1280	4501	\$ 3,422.60
AIRSIDE	4100	120	1320	4501	\$119,791.00
GROUND TRANSPORTATION	4100	120	1340	4501	\$ 34,226.00
FIS TERMINAL	4100	120	1410	4501	\$ 3,422.60
TERMINAL	4100	120	1430	4501	\$ 54,761.60
AVIATION	4100	120	1451	4501	\$ 17,113.00
NON-AVIATION	4100	120	1452	4501	\$ 3,422.60
NORTH COUNTY	4100	120	1550	4501	\$ 68,452.00

\$342,260.00