Agenda Item #: 3Z-1

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: October 7, 2025	**[X] 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

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Recommended By: Scott Marting

Digitally signed by Scott Marting
DN: DC=org, DC=pbcgov, OU=Enterprise, OU=RISK, OU=Users, CN=Scott Marting, E=SMarting@pbc.gov
Reason: I am the author of this document
Location:
Date: 2025.09.23 11:14:54-04'00'
Foxit PDF Editor Version: 12.1.0

Department Director **Date**

Approved By: [signature] 9/24/2025

Deputy County Administrator **Date**

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fiscal Years	2026	2027	2028	2029	2030
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

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:

9/12/25

DA 9/12 OFMB 9/12

Contract Dev. and Control 9.15.25

B. Legal Sufficiency:

9/10/25

Assistant County Attorney

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:

	Annual Claim Counts		
Policy Year	2023	2024**	2025**
Total Claims	17	19	16
Settled or currently reserved for over $10K	5	3	0
Total Experience	$585,137	$102,550	$34,628
Notes:	**Claims for policy years 2024 and 2025 are still developing within the statute of limitations and reserving has not been fully established.		
Current Active Open Claims	Number	Reserved over $10K	Percentage
	24	8	30%

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
	7.1%

Continued on page 4

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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%

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: [signature] 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

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