



FY25 Risk Management Program Lines of Coverage Summary

Exhibit “B”

The following provides a summary of the various lines of coverage purchased within the Town’s hybrid Risk Management program, showing both FY24 and FY25 premium costs. The program utilizes premium plans and a budgeted loss fund that is determined by an actuarial evaluation of the projected claim exposure to cover the claims and expenses incurred in the various liability coverages outlined herein.

Table of Contents

Property	2
Boiler and Machinery	4
NFIP Flood	4
Commercial Crime/Employee Dishonesty	4
Storage Tank Pollution Liability	5
General Liability.....	5
Law Enforcement Liability.....	6
Public Officials Liability and Employment Practices Liability	6
Employee Benefits Liability	7
Automobile Liability	7
Automobile Physical Damage	8
Unmanned Aircraft Liability (public safety drones).....	8
Cyber Liability.....	8
Marine Hull & Liability and Protection and Indemnity.....	9
Carrier: The Great American Insurance Group	9
Workers’ Compensation and Employer’s Liability	9
Loss Fund	10
Insurance Broker Fee.....	10
Claims Management Services and Third-Party Administration (TPA)	11



Property

The Property insurance coverage is a traditional/first dollar policy. The property insurance covers the Town's buildings and contents for fire, theft, wind, and flood. Florida Municipal Insurance Trust, FMIT aka The Florida League of Cities provides this coverage.

The annual property coverage premium is \$1,530,538 with a \$25,000 per occurrence deductible. The Named Storm deductible is a 10% deductible of the insured value per location per occurrence. There is no minimum threshold on the deductible.

The proposal premium is for the total insured limit of \$87,957,104. This limit is dedicated to the Town and is **not** shared among other members within FMIT.

The limits and premium include the North Fire Station which is anticipated to be added back on the property schedule in October 2024. The limit of the North Fire station is \$15,400,000 for building and contents with an estimated annual premium of \$267,960.

Below is a 5 year Premium and total insured value history:

Year	Total insured value "TIV"	Property premium
FY2025 proposed	\$87,957,104	\$1,530,538 *
FY2024	\$72,681,714	\$1,250,030 *
FY2023	\$55,753,067	\$533,866
FY2022	\$53,942,363	\$495,899
FY2021	\$53,837,863	\$441,525
FY2020	\$42,432,363	\$370,439

* Increased name storm deductible from 5 % to 10%

The Town's Property insurance coverage exclude docks, wharves, and piers. This year, the Town obtained a quote to add the marina docks to the property schedule. The quote includes the (4) docks located at the marina for a limit of liability of \$16,650,941. The annual premium was quoted at \$1,523,445. This coverage is subject to a 10% deductible for a named storm and \$25,000 deductible for other perils, such as fire.

The Town has also received a quote to increase the business income coverage from \$500,000 to \$5,000,000 as part of adding the marina docks to the property policy. The additional annual premium to increase the business income coverage is quoted at \$33,500 and subject to a \$25,000 deductible.



The Town docks **must** be insured on the property policy for the business income coverage to include damage to the docks.

Historically, the Town has not purchased insurance for the Town docks due to the costs. Staff is not recommending adding the marina docks or increasing the business income due to the total cost being \$1,556,945/annually.

There is flood extension coverage up to a limit of \$5,000,000 per occurrence and subject to an annual shared aggregate flood limit. The applicable annual shared aggregate flood limit provides Insurance carriers and reinsurers a maximum flood coverage limit of \$150,000,000 per policy period and shared by all FMIT members. This coverage is in excess of the National Flood Insurance Program (NFIP) policies for Flood zones A or V. A \$5,000 or All Other Perils deductible, whichever is greater, per occurrence applies for other Flood zones.

The Property coverage includes various extensions of coverage including valuable papers and records at a limit of \$500,000, extra expense at a limit of \$1,000,000, business income \$500,000, electronic data processing software at \$250,000, fine arts up to \$250,000 with a maximum of \$15,000 any one item.

FMIT's provides their members with access to Synergy Disaster Preparedness and Turnkey Recovery Programs. These programs allow the Town direct access to services and programs for crisis planning, disaster response and recovery, from fires to floods to hurricanes. FMIT has decades of recovery experience combined with cutting-edge technology to provide critical incident communications both pre and post event, rapid damage assessments immediately after a catastrophe, and building stabilization services that maintain operations and reduce claim costs. Based upon the Town's losses over the past several years, we found that the Turnkey Recovery Program saves the Town time and money by quickly restoring the facilities to their regular operations and allowing the Town to transfer the risk of hiring contractors to FMIT.

FMIT also provides Property Damage Mitigation Coverage. This coverage will provide the Town with immediate stabilization services (such as water extraction and remediation services), through FMIT's disaster recovery partnership and vendor network with a \$500,000 per occurrence limit and no deductible. Their goal is to have the Town's buildings operational and return to business-as-usual as quickly and efficiently as possible.

As a condition of receiving Public Assistance for permanent work through FEMA, the Town is required to remain compliant with Section 311 of the Stafford Act and its implementing regulations, Title 44 CFR 206.250-253. This requires the Town to maintain wind coverage for the life of the facility. Should the Town fail to keep this coverage, FEMA will not provide assistance for the same facility in future disasters.

To ensure the best pricing, the Town's insurance broker, Relation Insurance Services did obtain estimated pricing with layering coverage, but it was not competitive with the FMIT premium and policy coverages.



Carrier: Florida Municipal Insurance Trust “FMIT”

	<u>FY24</u>	<u>FY25</u>
Premium:	\$1,250,030	\$1,530,538 (includes N. Fire)
Deductible:	\$25,000 <i>10% per scheduled location for Named Storm</i>	\$25,000 <i>10% per scheduled location for Named Storm</i>
Total Insured Value:	\$72,681,714	\$87,957,104 (includes N. Fire)

Boiler and Machinery

Boiler and Machinery is for equipment breakdown, is covered under the heading of property coverage. The Boiler and Machinery coverage includes equipment within the Town’s Water Resources Division such as storm water and sewer pumps, generators and air conditioning equipment as outlined in the Town’s equipment schedule.

Carrier: Florida Municipal Insurance Trust “FMIT”

	<u>FY24</u>	<u>FY25</u>
Premium:	Included in Property Premium	Included in Property Premium
Deductible:	\$25,000	\$25,000
Total Insured Value:	Same as Property	Same as Property

NFIP Flood

The Stafford Act requires the Town to purchase coverages such as flood and property, when possible, to qualify for FEMA reimbursement. The primary flood coverage under NFIP is directly through American Bankers Ins. Co. of Florida. The estimated renewal premium for the flood policies is \$45,000. Buildings located in the X or B Flood zone are considered Preferred Risk policies, allowing for only a \$1,250 deductible option. The Town has a total of 8 flood policies.

Carrier: American Bankers Insurance Co. of Florida

	<u>FY24</u>	<u>FY25</u>
Premium:	\$41,407	\$45,000 estimated
Deductible:	\$1,250 or \$5,000	\$1,250 or \$5,000
Limit of Liability:	\$500,000 building /\$500,000 contents	\$500,000 building /\$500,000 contents

Commercial Crime/Employee Dishonesty

Crime and Employee Dishonesty protects employers from actions of employees that may cause harm because of Forgery and Alteration, Funds Transfer Fraud, Employee Theft, Robbery or



Burglary in Transit, Computer Fraud, Money Orders/Counterfeit Paper Currency, Faithful Performance and Social Engineering (Phishing Frauds). There is an annual premium of \$5,525 with a \$1,000,000 limit of liability and \$100,000 deductible.

Carrier: Travelers Insurance Co.

	<u>FY24</u>	<u>FY25</u>
Premium:	\$5,525	\$5,525
Deductible:	\$100,000 All other coverages	\$100,000 All other coverages
Deductible:	\$25,000 Social Engineering	\$25,000 Social Engineering
Limit of Liability:	\$1,000,000	\$1,000,000

Storage Tank Pollution Liability

Storage Tank Pollution Liability responds to claims and associated litigation from above and below ground storage tanks that cause spills/leaks, bodily injury, or property damage. Commerce & Industry has provided the Town with a quote to insure 13 underground tanks and 18 above ground tanks at an annual premium of \$8,103 with a \$1,000,000 aggregate limit of liability to include legal defense expenses and \$4,000,000 aggregate limit of liability for storage tank incidents for both above and underground storage tanks with a \$5,000 deductible.

Carrier: Commerce & Industry Insurance Company

	<u>FY24</u>	<u>FY25</u>
Premium:	\$7,408	\$8,103
Deductible:	\$5,000	\$5,000
Limit of Liability:	\$1,000,000/\$4,000,000	\$1,000,000/\$4,000,000

General Liability

General Liability insurance covers claims involving bodily injuries and property damage resulting from Town operations, products, or services.

Bundling the General liability, Law Enforcement Liability, Automobile Liability, Employee Benefits Liability, Public Officials Liability and Employment Practices Liability with FMIT will not only provide the most competitive pricing, but it will also provide Cyber Liability coverage.

Carrier: Florida Municipal Insurance Trust "FMIT"

	<u>FY24</u>	<u>FY25</u>
Premium:	\$61,754	\$71,217
Deductible:	\$200,000	\$200,000
Limit of Liability:	5,000,000 per occurrence/ unlimited aggregate	5,000,000 per occurrence/ unlimited aggregate



Law Enforcement Liability

Law Enforcement Liability insurance protects against the inherent risks associated with the operation of a law enforcement agency such as false arrest, detention or imprisonment, malicious prosecution, etc.

The recent litigation against police agencies and officers, along with the defunding of the police movement have caused insurance carriers to lower the limits of liability and provide options to increase self-insured retentions. In addition, insurance carriers are focusing more on hiring practices, training, detention facilities, policies and procedures when determining coverage renewals.

Bundling the General liability, Law Enforcement Liability, Automobile Liability, Employee Benefits Liability, Public Officials Liability and Employment Practices Liability with FMIT will not only provide the most competitive pricing, but it will also provide Cyber Liability coverage.

Carrier: Florida Municipal Insurance Trust “FMIT”

	<u>FY24</u>	<u>FY25</u>
Premium:	\$35,167	\$34,682
Deductible:	\$200,000	\$200,000
Limit of Liability:	5,000,000 per occurrence/ unlimited aggregate	5,000,000 per occurrence/ unlimited aggregate

Public Officials Liability and Employment Practices Liability

Public Official Liability insurance provides elected officials protection for actions that may be deemed as wrongful or for failure to perform while acting in an official capacity. The Public Officials Liability has a limit of liability of \$5,000,000 per occurrence/\$5,000,000 aggregate with a \$100,000 per occurrence self-insured retention. Employment Practices Liability insurance provides protection for the insured employer against claims by employees, former employees or prospective employees resulting from negligent acts or omissions involving hiring, firing, EEOC, retaliation, discrimination, etc. The Employment Practices Liability has a limit of liability of \$5,000,000 per occurrence/\$5,000,000 aggregate with a \$200,000 per occurrence self-insured retention.

Bundling the General liability, Law Enforcement Liability, Automobile Liability, Employee Benefits Liability, Public Officials Liability and Employment Practices Liability with FMIT will not only provide the most competitive pricing, but it will also provide Cyber Liability coverage.

FMIT provides an exclusive Employment Law Advisor program at no additional cost to members. Under this program, FMIT can assist with a wide range of employment related matters, including hiring, discipline, promotion/demotion, termination, ADA compliance and more.

Carrier: Florida Municipal Insurance Trust “FMIT”



	<u>FY24</u>	<u>FY25</u>
Premium:	\$117,211	\$131,866
Deductible:	\$200,000 POL & EPLI	\$200,000 POL & EPLI
Limit of Liability:	5,000,000 per occurrence/ unlimited aggregate	5,000,000 per occurrence/ unlimited aggregate

Employee Benefits Liability

Employee Benefits Liability insurance provides coverage to an employer for errors or omissions in the employer's administration of its employee benefit program. For example, if a new employee requests to receive medical insurance through the employer and the employer failed to add the new employee to the plan. Then the health insurance company later denies coverage for the employee's medical claim. The Employee Benefits Liability coverage would pay for the benefits that would have been payable under the health insurance plan but for the employer's error.

This coverage applies to a wide range of employee benefits including health, life and disability insurance, retirement plans, and other benefits offered through plans administered by the employer.

Bundling the General liability, Law Enforcement Liability, Automobile Liability, Employee Benefits Liability, Public Officials Liability and Employment Practices Liability with FMIT will not only provide the most competitive pricing, but it will also provide Cyber Liability coverage.

Carrier: Florida Municipal Insurance Trust "FMIT"

	<u>FY24</u>	<u>FY25</u>
Premium:	Included	Included
Deductible:	\$200,000	\$200,000
Limit of Liability:	5,000,000 per occurrence/ unlimited aggregate	5,000,000 per occurrence/ unlimited aggregate

Automobile Liability

Automobile Liability insurance is for claims involving bodily injury or property damage because of an accident involving licensed vehicles, owned, leased, or hired by the Town. The Town's fleet consists of 196 vehicles. The limit of liability is \$1M per occurrence/ no annual aggregate with a \$100,000 per occurrence self-insured retention.

Bundling the General liability, Law Enforcement Liability, Automobile Liability, Employee Benefits Liability, Public Officials Liability and Employment Practices Liability with FMIT will not only provide the most competitive pricing, but it will also provide Cyber Liability coverage.



Carrier: Florida Municipal Insurance Trust “FMIT”

	<u>FY24</u>	<u>FY25</u>
Premium:	\$55,658	\$62,954
Deductible:	\$100,000	\$100,000
Limit of Liability:	\$1,000,000 per occurrence/ unlimited aggregate	\$1,000,000 per occurrence/ unlimited aggregate

Automobile Physical Damage

Automobile Physical Damage provides comprehensive and collision protection to scheduled vehicles in the event of an accident. Physical Damage coverage annual premium is \$27,416 with a \$10,000 deductible per occurrence.

Carrier: Florida Municipal Insurance Trust “FMIT”

	<u>FY24</u>	<u>FY25</u>
Premium:	\$23,139	\$27,416
Deductible:	\$10,000	\$10,000
Limit:	Actual Cash Value	Actual Cash Value

Unmanned Aircraft Liability (public safety drones)

Unmanned Aircraft Liability insurance provides liability for bodily injury, property damage and physical damage for the use of drones by the Town’s public safety departments. The Unmanned Aircraft Liability policy has a limit of liability of \$1,000,000 per occurrence with zero deductible and physical damage coverage has been included for drones valued over \$4,000 with a 5% deductible.

Carrier: Global Aerospace

	<u>FY24</u>	<u>FY25</u>
Premium:	\$3,652	\$4,982 estimated
Deductible:	zero (Liability) 5% (physical damage)	zero (Liability) 5% (physical damage)
Limit of Liability:	\$1,000,000	\$1,000,000

Cyber Liability

Cyber-attacks and data breaches have increased significantly in recent years, especially for public entities. The cyber events include, but are not limited to, theft or release of personally identifiable information such as social security numbers, personal medical and health information, bank



account numbers, credit card information, driver's license number and the transmission of malware from a computer to a third party. These incidents can result in a financial impact on a public entity, including the cost of lawsuits, crisis management and notification of the affected parties. Even when services are through third parties, liability remains with the Town as owner of the information. Other coverages such as Business Income & Extra Expense, Media Liability and System Failure are included resulting from a cyberattack, release of electronic media, or network failure.

Bundling the General liability, Law Enforcement Liability, Automobile Liability, Employee Benefits Liability, Public Officials Liability and Employment Practices Liability with FMIT will not only provide the most competitive pricing, but it will also provide Cyber Liability coverage.

Carrier: Florida Municipal Insurance Trust "FMIT"

	<u>FY24</u>	<u>FY25</u>
Premium:	\$7,875	\$8,269
Deductible:	\$35,000	\$35,000
Limit:	\$1,000,000 aggregate	\$1,000,000 aggregate

Marine Hull & Liability and Protection and Indemnity

The Town purchases Hull & Liability coverage that covers damage to the boat's hull, machinery and equipment and Protection and Indemnity that covers losses due to legal liability for injury to passengers.

The Town owns a 2015 34' SeaVee with twin Mercury 300 H.P. outboard engines. This boat is for the Police Department's Marine Unit.

Carrier: The Great American Insurance Group

	<u>FY24</u>	<u>FY25</u>
Premium:	\$7,580	\$7,800 estimated
Deductible:	\$5,000	\$5,000
Limit of Liability P & I:	\$1,000,000	\$1,000,000
Limit of Liability Hull & Liability:	\$130,000	\$130,000

Workers' Compensation and Employer's Liability

Workers' Compensation is statutorily required and provides protection to employees and volunteers while performing duties within the course and scope of their assigned duties pursuant to Florida State Statute 440. Workers' Compensation limits are statutory. The Town has a \$500,000 self-insured retention under the policy.



Employer's Liability is coverage B under the Workers' Compensation policy and applies to liability that maybe imposed on an employer outside the provisions of the Workers' Compensation law. The Employer's Liability coverage has a \$1,000,000 limit of liability per occurrence and \$500,000 self-insured retention.

The Workers' Compensation and Employer's Liability coverage at an annual premium of \$139,246. The premium is subject to an annual audit at the end of the policy period. There is also an annual assessment for self-insureds from the State of Florida estimated at \$8,000.

Workers' Compensation premiums are calculated based upon several variables such as payroll, job classification codes and experience modification rates. The Town's overall payroll has increased by 8% over the past year from \$33,001,058 to \$35,653,261.

Workers' Compensation rates increased this year due to the legislation that increased maximum reimbursement rates for physicians and surgical centers. There is also another bill (SB808) that expands physician access to first responders for presumption claims and becomes effective October 1, 2024.

The Town's experience modification rate is excellent at only .61. An experience modification of 1.0 is considered the average for any organization. The lower the experience modification, the lower the premium. The experience modification is a decimal number used by insurance companies to gauge both past cost of injuries and future chances of risk. As you can see, the Town has done an excellent job handling the claims and costs for workers' compensation, including implementation of policies, procedures, training and maintaining a safe workplace.

Carrier: Florida Municipal Insurance Trust "FMIT"

	<u>FY24</u>	<u>FY25</u>
Premium:	\$118,599	\$139,246
Assessment to State:	\$7,151	\$8,000 estimated
Total Costs:	\$125,750	\$147,246
SIR:	\$500,000	\$500,000
Limit of Liability:	Statutory	Statutory

Loss Fund

The loss fund is set up to cover the costs of claims within the Town's self-insured retention and deductible. During the annual actuarial evaluation of the Risk Management program, the long-term future impact of claims is determined, and funds are set-up accordingly. The loss fund for FY25 is \$1,250,000.

Insurance Broker Fee

The Town has two insurance brokers that have access to the open market so we can gain maximum flexibility within our insurance program. The Town entered into a Non-Exclusive Insurance



Broker Services Agreement with Relation Insurance Services, Inc. for the package insurance coverages and Arthur J. Gallagher Risk Management Services for the ancillary coverages.

<u>Flat Fee Rates:</u>	<u>FY24</u>	<u>FY25</u>
Relation Insurance Services, Inc.	\$50,000	\$65,000
Arthur J. Gallagher Risk Management Services	\$7,500	\$7,500

Claims Management Services and Third-Party Administration (TPA)

The Town's TPA is PGCS, Preferred Governmental Claims Solution. The claims administration program provided consists of workers' compensation, law enforcement liability, general liability, auto liability, auto physical damage, employment practices liability, public officials' liability, and property. PGCS also provides a dedicated subrogation unit to pursue reimbursements from at-fault third parties.

Provider: Preferred Governmental Claims Solution "PGCS"

	<u>FY24</u>	<u>FY25</u>
Flat Fee Rate:	\$65,792	\$67,766