

**PORT OF PAM BEACH DISTRICT
REQUEST FOR DISCUSSION AND
COMMISSION ACTION**

**NEW BUSINESS
ITEM H-5**

PREPARED BY: Paul J. Zielinski Deputy Director-CFO August 16, 2018

SUBJECT: PORT OF PALM BEACH GENERAL INSURANCE RENEWALS/PURCHASES

Consideration and approval of the following:

- A) All General Insurance needs, which include Property, Boiler & Machinery, Excess Flood, Inland Marine, Crime, Auto Liability, Auto Phys Damage, Public Officials Liability/EPLI, Workers Compensation, Marine Liability, P&I Hull Marine and Umbrella coverage.**

- B) Authorization for USI Insurance Services, LLC, as the Port's appointed Broker of Record, to purchase these policies.**

BACKGROUND: The Port of Palm Beach District secures all of its annual General Insurance policies through its Broker of Record. USI Insurance Services, LLC was appointed our Broker of Record for FY 2018 and FY 2019 by the Board in August 2017. Ms. Sharleen O'Toole, of USI Insurance Services, LLC, recommended that the Port of Palm Beach District purchase the necessary General Insurance coverage for FY 2018 and 2019 through the Preferred Government Insurance Trust (PGIT) for all policies excluding Marine Liability, P & I/Hull Marine and Umbrella Coverage, which are provided through other carriers'. Both PGIT and the other carriers 'agreed to a two-year rate guarantee. USI has also agreed to hold their Broker Fee consistent with the prior year.

The Gross Cost of acquiring the Port's General Insurance requirements under these recommendations will be \$507,096 including the USI Insurance Services, LLC service fee. This compares to \$488,642 for our FY 2018 premium, for a cost increase of \$18,454 or 3.8%. The increases are a result of property extensions, higher exposures, additional vehicles, and higher Port revenue receipts which offset the decrease in workers' compensation as a result of rate and modification reductions.

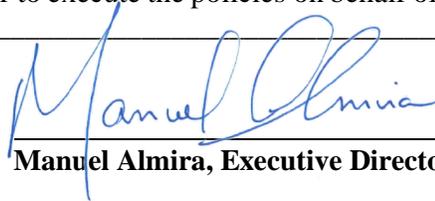
ADDITIONAL INFORMATION ATTACHED: No _____ Yes X

FINANCIAL IMPACT: The Proposed FY 2019 Operating Budget for General Insurance was projected before all the premium quotes were available and did not account for all of the net premium cost increase. The final FY 2019 Operating Budget will be presented in September 2018, and the General Insurance expense will reflect all of the actual premium quotes which results in an additional net increase of approximately \$12,000.

RECOMMENDATIONS: The Board is respectfully requested to:

- 1) Approve the proposal submitted by USI Insurance Services, LLC for insurance policies so as to provide coverage for FY 2019.
- 2) Authorize USI Insurance Services, LLC, as the Port's appointed Broker of Record, to purchase the recommended policies on behalf of the Port for FY 2020.
- 3) Authorize the Executive Director to execute the policies on behalf of the Board.

Respectfully Submitted By:



Manuel Almira, Executive Director

DATE ACTION TAKEN:

Approved: _____
Disapproved: _____
Deferred To: _____
Incorporated into Minutes: _____

Motion By: _____
Seconded By: _____
Unanimous: Yes _____ No _____
By: _____

PORT OF PALM BEACH PREMIUM COPMPARISON 10/1/2018-10/1/2019 VS 10/1/2017-10/1/2018

	2017-2018	2017-2018	2018-2019	2018-2019	
COVERAGE	EXPOSURES	PREMIUM	PREMIUM	EXPOSURES	Reasons for Premium change
Property	\$47,427,165 Blanket Building/Contents \$2500 Ded/5% Named Windstorm	\$ 283,140.00	\$286,047.00	\$47,927,165 Blanket Building/Contents \$2500 ded/5% named windstorm	Property Extensions were increased
Boiler & Machinery	\$50 Mil w/\$2500 Ded incl Bl	incl in Prop	incl in Prop	\$50 Mil w/\$2500 Ded incl	
Excess Flood	\$3 Mil excess of NFIP whether NFIP purchased or not	incl in Prop	incl in Prop	\$3 Mil excess of NFIP	
Inland Marine	\$4,081,438 with \$5000 Ded	\$ 9,323.00	\$10,222.00	\$4,599,191 with \$5000 Ded	Exposures are higher
Crime	\$250,000 ea coverage \$1000 Ded	\$ 1,058.00	\$1,058.00	\$250,000 ea coverage \$1000 Ded	
Auto Liability	\$2 Mil no Ded 26 Units	\$ 9,124.00	\$10,188.00	\$2 Mil no Ded 30 Units	Increase in # of units
Auto Phys Damage	\$1000 Ded Comp & Coll 26 units	\$ 2,447.00	\$2,982.00	\$1000 Ded Comp & Coll ACV \$313,220	Increase in # of units
Public Officials Liability/EPLI Includes Cyber \$2 Mil	\$2 Mil/\$2 Mil \$1000 Ded based on \$3,098,231 payroll/52 empl	\$ 26,438.00	\$ 30,745.00	\$2 Mil/\$2 Mil \$1000 Ded based on \$3,329,424 payroll/ 64 employees	Increase in payroll & # of employees
Workers Compensation	Based on \$3,098,231 Payroll EXP MOD .96	\$ 46,829.00	\$ 43,039.00	Based on \$3,329,424 Payroll EXP Mod .95	6/1/18 WC Rate Decrease , payroll increased and Mod from .96 to .95
Marine Liability	\$1 Mil/\$2 Mil with \$5,000 Ded based on \$17 Mil receipts, EE Benefits \$1Mil/\$2 Mil \$1,000 Ded ea claim Retro date 10/1/11	\$ 31,450.00	\$ 37,800.00	\$1 Mil/\$2 Mil with \$5,000 Ded based on \$20 Mil receipts, EE Benefits \$1Mil/\$2 Mil \$1,000 Ded ea claim Retro date 10/1/11	Receipts increased to \$20 Mil Rate decreased from .185 to .175
Hull P&I	Hull Limit \$41,500 w/\$1,000 ded P&I \$1 Mil w/\$2500 Ded	\$ 2,833.00	\$ 2,000.00	Hull Limit \$41,500 w/\$1,000 ded P&I \$1 Mil w/\$2500 Ded	\$833 lower
Bumbershoot	\$5 Mil \$0 Retention over MGL \$1Mil, Auto Liab \$1Mil, Employers Liab \$1Mil & P&I \$1Mil	\$ 13,000.00	\$ 15,120.00	\$5 Mil "0" Retention over MGL \$1Mil, Auto Liab \$1Mil, Employers Liab \$1Mil & P&I \$1Mil	Receipts increased to \$20 Mil
Excess Bumbershoot	\$15 Mil over \$5 Mil Bumbershoot	\$ 23,000.00	\$ 27,895.00	\$15 Mil over \$5 Mil Bumbershoot	Receipts increased to \$20 Mil
PREMIUM		\$ 448,642.00	\$ 467,096.00		
FEE		\$ 40,000.00	\$ 40,000.00		
TOTAL		\$ 488,642.00	\$ 507,096.00		