

STAFF REPORT REGULAR MEETING

AGENDA DATE: October 7, 2025

DEPARTMENT: Human Resources

TITLE:

Property and Casualty Insurance Services renewals and for premium rates approval for FY 2026.

SUMMARY:

This proposal is for approval of the insurance premium rates for FY 2026.

BACKGROUND AND JUSTIFICATION:

The State regulates self-insurer programs in order to protect outstanding liability of public entities. The City of Lake Worth Beach is self-insured and entered into an agreement with Risk Management Associates, Inc. in October 2019, subsequently renewing its agreement after a public request for proposals in 2024.

The City's insurance broker Risk Management Associates, Inc., a wholly owned subsidiary of Brown & Brown, Inc., has provided the City's insurance at the cost of \$1,662,908 for FY 2026. This is an increase of \$128,836 compared to the prior year. The greater market increase for public entities across Florida is approximately 10% with many eclipsing that range, depending upon certain factors. This increase reflects an 8% upsurge over fourteen (14) lines of coverage due to market conditions and high-risk factors facing municipalities. In the case of the City, the increase is due to an increase in underlying exposures, namely, 1) higher replacement cost values due to recent appraisals, and 2) higher projected payrolls over the expiring program, upon which the main casualty lines are based (general liability, public official liability, and workers' compensation). In most cases, the rate itself is down from expiring.

Coverage lines include the following: Automobile Liability, Crime, Cyber and Privacy Coverage, Drone Liability, Equipment Breakdown, Excess Workers' Compensation, Fiduciary Liability, General Liability including Deadly Weapon Protection, Inland Marine, Pollution Liability, Property Coverage (Utility and Non-Utility), Public Officials Liability / Employment Practice Liability, Tenant Users Liability Insurance.

Annual insurance premium rates will be presented for the approval to the City Commission every year.

MOTION:

Move to approve/disapprove insurance premium rates for FY 2026.

ATTACHMENT(S):

Fiscal Impact Analysis
Proposal
Agreement

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
Inflows/Revenues					
Appropriated (Budgeted)	0	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	\$1,662,908	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact (If not budgeted)	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

Contract Award - Existing Appropriation (Budgeted in FY 2026)	
	Expenditure
Department	Human Resources
Division	Risk
GL Description	Insurance / Insurance Premium Paid
GL Account Number	520-1331-513.45-70
Project Number	N/A
Requested Funds	1,662,908
Remaining Balance	1,434,420
Source of Revenue (i.e. Paygo. Current Revenue, Bond Money, Grants, etc.)	Current Revenue