

Brown & Brown
INSURANCE®

Polk County Board of County Commissioners

2025-2026 Liability and Cyber Renewal

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Brown & Brown Insurance



Presentation Agenda

1

Current Liability Landscape

2

Comparing Years Coverage

3

Current Cyber Landscape

4

Comparing Years Coverage

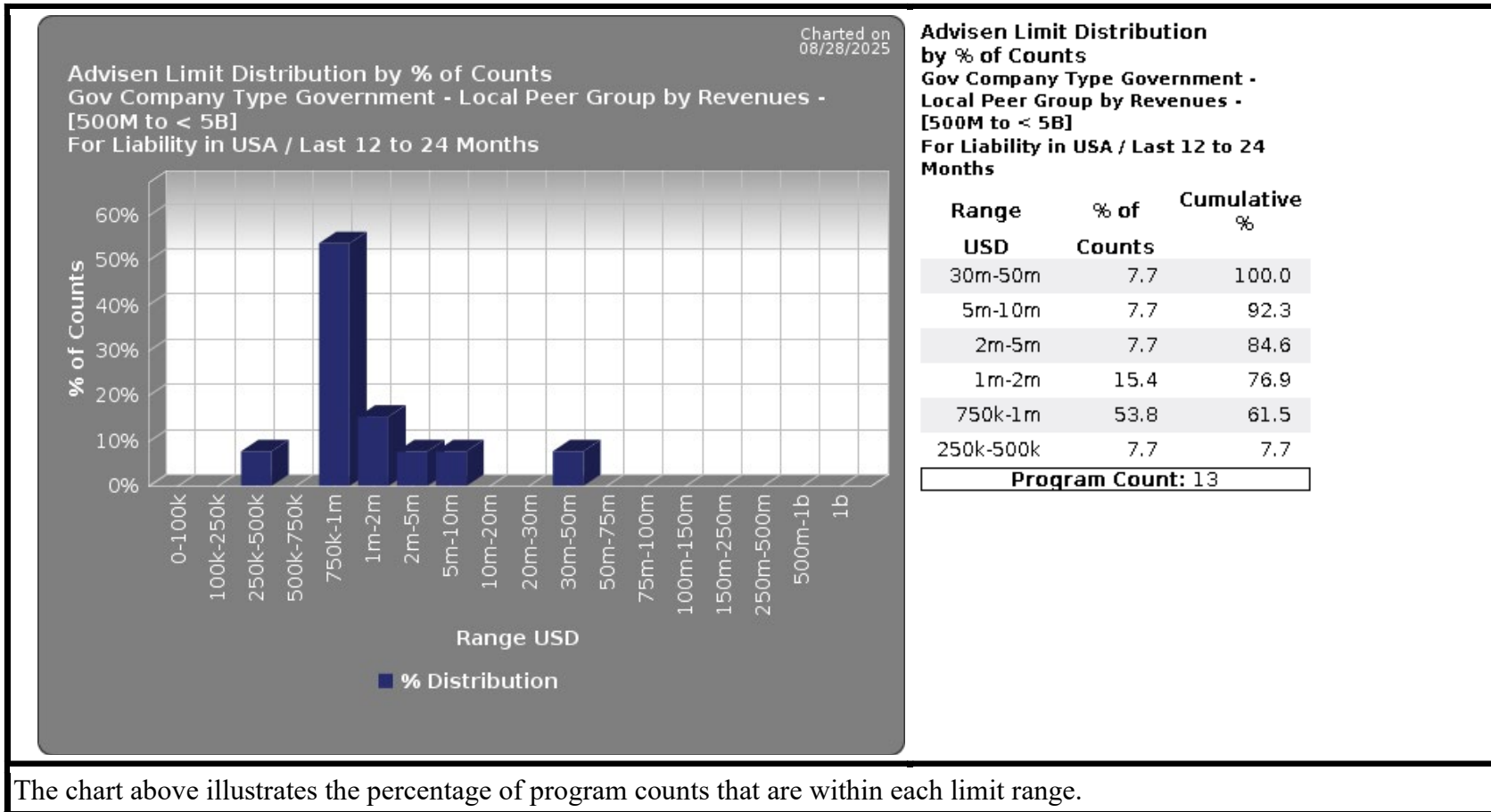
Liability Market Update

Public Entities

- 1. Market Conditions and Premiums:** Liability premiums have surged—with an 8% increase in early 2025—and coverage is tightening. High-litigation environments, such as California, are experiencing significant cost escalation and insurer departures.
- 2. Coverage Availability:** While underwriting remains selective, certain lines like management liability are more favorable. However, new risks, including AI and cyber exposures, are increasingly underwriting focal points.
- 3. Claims and Risk Management:** Social inflation and litigation costs continue to drive losses. Rate increases are moderating in some lines, but risk management effectiveness heavily influences outcomes.
- 4. Regulatory and Legislative:** Tort reform may offer relief, but impacts are limited and vary by jurisdiction. Workers' compensation improvements demonstrate beneficial regulatory influence.
- 5. Emerging Tools & Risk Strategies:** AI analytics, InsurTech, and alternative risk transfers (captives, parametrics, extended policies) are becoming key components of resilient insurance programs.
- 6. Market Outlook:** Public entities should expect ongoing volatility. To navigate this, they must ramp up risk management, explore alternative programs, leverage technology, and stay abreast of legal and legislative shifts.

Liability Limit Benchmark

Public Entities Across the United States

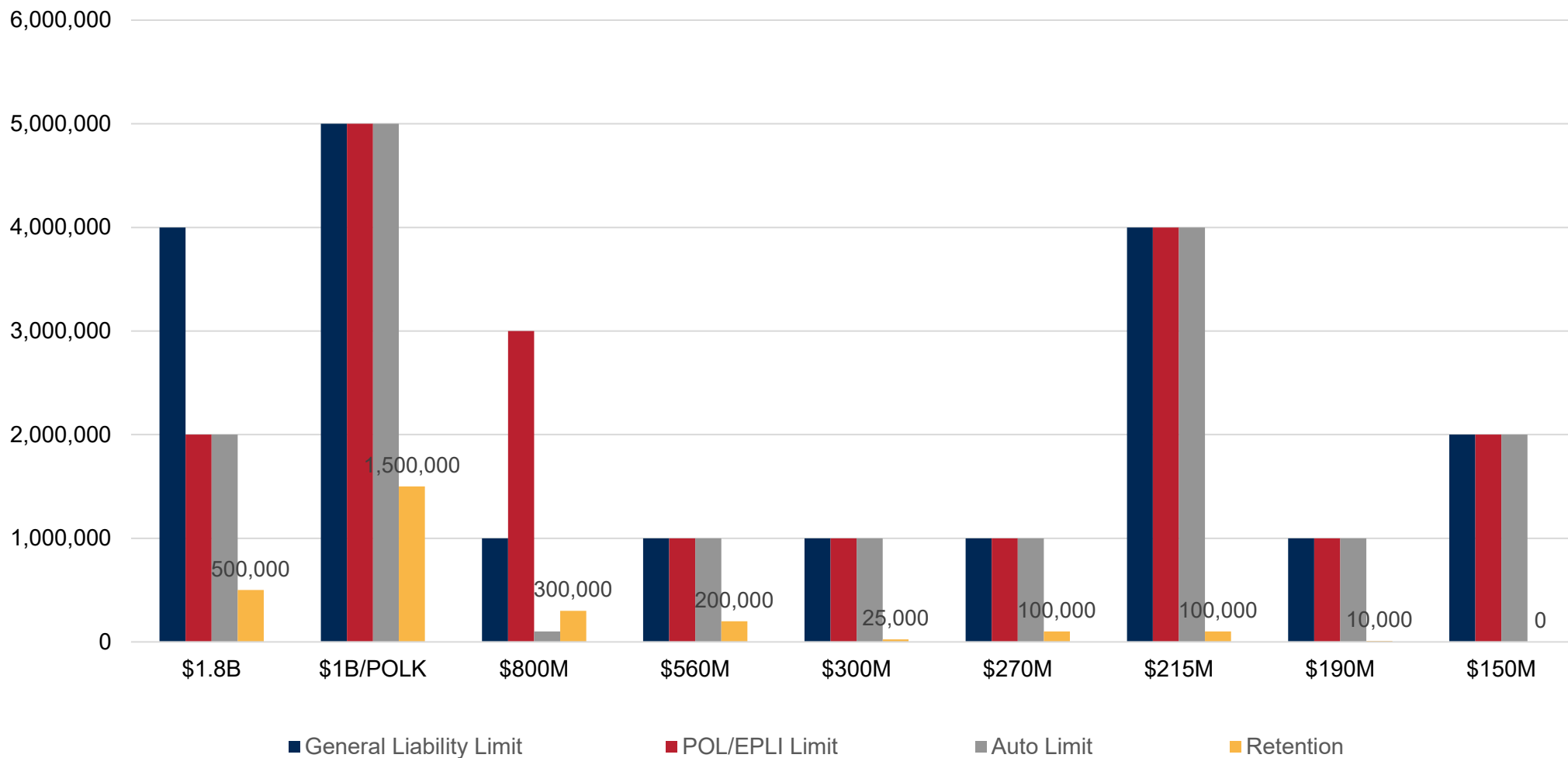


Polk County Liability 10 Largest Claims in 10 Years

Department	Description	Policy	Loss Date	Loss Paid
Sheriff	Allegation: excessive force, wrongful death, medical negligence, death of mentally ill son.	General Liability	3/20/2018	\$373,368
Sheriff	Alleged: Discrimination based on gender.	Employment Practices Liability	7/9/2019	\$255,480
Code Enforcement	Multiple claimants filed suit based on multiple allegations stemming from code enforcement inspections of the claimants' properties	General Liability	4/22/2022	\$231,743
Fire Rescue	Death of wife in structure fire.	General Liability	11/23/2018	\$203,815
Fire Rescue	Client vehicle struck barrier and lost control, striking claimant building. Client vehicle was in emergency mode.	Auto Liability	8/11/2023	\$201,911
Utilities	Client vehicle pulled out in front of CV	Auto Liability	3/28/2024	\$201,632
Roads & Drainage	IV attempted U-turn - CV struck rear of IV	Auto Liability	10/14/2020	\$198,342
Fire Rescue	County Employee, driving EMS vehicle was attempting to navigate a turn and began to hydroplane. While attempting to steer out of it. His rear end slid into Chevrolet owned by Citizen causing that vehicle to slide into UPS vehicle.	Auto Liability	10/25/2021	\$192,451
Sheriff	IV side-swiped the CV causing the CV to flip over (The front of the IV made contact with the passenger side rear quarter panel of claimant's vehicle causing it to flip over)	Auto Liability	1/19/2016	\$181,115
Sheriff	IV making u-turn to access roadway	Auto Liability	10/18/2017	\$162,405

Liability Benchmark

Florida Counties



Liability Year Over Year

General Liability	2024	2025
Limit of Liability	\$5M/\$10M	\$5M/\$10M
Retention	\$1.5M	\$1.5M

Employee Benefits	2024	2025
Limit of Liability	\$5M/\$10M	\$5M/\$10M
Retention	\$1.5M	\$1.5M

Auto Liability	2024	2025
Limit of Liability	\$5M	\$5M
Retention	\$1.5M	\$1.5M
GarageKeepers Liability	\$2M	\$2M

Law Enforcement Liability	2024	2025
Limit of Liability	\$5M/\$10M	\$5M/\$10M
Retention	\$1.5M	\$1.5M

Errors and Omissions	2024	2025
Limit of Liability	\$5M/\$10M	\$5M/\$10M
Retention	\$1.5M	\$1.5M

Employment Practices Liability	2024	2025
Limit Of Liability	\$5M/\$10M	\$5M/\$10M
Retention	\$1.5M	\$1.5M

Liability Limit Options and Historical Premiums

Liability Options	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$7M/\$14M Limit	\$565,000	\$564,950	\$564,075	\$502,912	\$517,308					
Carrier	Lloyds	Lloyds	Lloyds	Argonaut	Argonaut					
\$5M/\$10M Limit						\$517,500	\$459,625	\$499,600	\$552,800	\$514,250
Carrier						Lloyds	Lloyds	Lloyds	Lloyds	Lloyds

Liability Market Summary

Carrier	Response
Ambridge (Lloyd's)	Incumbent - Quoting
Chubb	Declined; size of jail exceeds current appetite.
Euclid	Declined; cannot compete
Gemini	Quoting
Genesis	Declined; cannot compete on the \$5M Xs, but can offer options above the \$5M x \$5M
Munich Re	Quoting
Old Republic	Declined; cannot compete
Safety National	Decline to quote; cannot write the abuse & molestation on claims made, would need to purchase a tail policy. Not competitive.



Cyber

Cyber Market Update

Public Entities

Market Conditions & Premiums

Premiums are stabilizing in 2024–25, with modest decreases or flat renewal rates for well-secured entities. However, overall market growth is strong, with global premiums expected to climb steadily—some estimates foresee annual growth of 15–20%, or a market value near \$23 billion by 2026.

Coverage Availability

Insurers remain highly selective, typically writing policies only for public entities that can demonstrate mature security controls. Public entity clients with outdated infrastructure remain at risk of reduced access or elevated pricing.

Ransomware & Claims Trends

The volume of payments is declining—total ransomware payouts dropped to \$813 million in 2024—but the average payment is up (approx. \$2 million), and recovery costs can exceed \$5 million per incident. In Q2 2025, payments spiked again (average \$1.13 million), with data-exfiltration extortion overtaking encryption-based attacks.

Threat Evolution & AI Risk

Attackers are increasingly leveraging AI to craft personalized ransomware payloads, accelerating attack cycles and evasion tactics. This trend significantly heightens exposure for organizations with insufficient defenses.

Regulatory & Structural Shifts

Calls for state-backed cyber coverage schemes are rising, as private insurers hesitate to underwrite major cyber events affecting critical infrastructure.

Outlook for Public Entities

While pricing pressures may ease slightly, the risk environment remains elevated. Public entities must prioritize cybersecurity investments, strengthen incident response frameworks, and work closely with brokers to secure comprehensive coverage. Engagement with potential public–private initiatives may be essential for insuring critical systems.

Historical Public Entity Cyber Market

Evolving Cyber Threats

Advanced Threats: Cyberattacks have become more sophisticated, with AI-fueled phishing and deepfake impersonation emerging alongside double- and triple-extortion ransomware tactics.

Current Focus: Public entities—particularly municipalities, schools, and municipal utilities—continue to be prime targets owing to legacy systems, limited cybersecurity budgets, and staffing constraints

Rising Costs

Global Average Data Breach Cost: Has declined by 9% to \$4.44 million in 2025, thanks in part to faster detection and containment enabled by AI-driven defenses.

U.S. Specific Cost: The U.S. now leads in breach costs, averaging a record \$10.22 million, driven by steeper regulatory fines and higher escalation costs.

Shadow AI Impact: Breaches involving "shadow AI" (unauthorized AI use) add around \$670,000 in extra cost, and account for 20% of all incidents studied.

Multi-Environment Breaches: Breaches affecting hybrid or multi-cloud environments cost about \$5.05 million and take roughly 276 days to contain.

Enhanced Regulations

Regulatory scrutiny continues to climb, especially in areas related to AI governance, data privacy, and operational resilience. Certain sectors (like EU financial institutions) have new mandates (e.g., DORA) for robust ICT and third-party risk oversight.

Evolving Coverage

Policy Features: Coverage now often includes forensic investigations, crisis management, public relations, ransomware loss coverage, and third-party liability for regulatory fines and business interruption—though availability hinges on demonstrable cybersecurity maturity.

Third-Party Claims: Coverage for vendor-related breaches and contractual liabilities continues to expand.

Merchant Services and Payment Security

Public-sector entities that process payments face increased forensic, reissuance, and compliance costs. Recent policies increasingly recognize and insure these unique exposures, though specifics will depend on the insurer and entity's cyber hygiene.

Vendor Risks

Responsibility for third-party vendor breaches remains a persistent challenge for public entities. Modern policies increasingly extend coverage for such incidents—but insurers expect strong vendor oversight and security protocols in place.

Cybersecurity Investment

Investments: Investing in AI-powered detection, SIEM, DevSecOps, and incident response pays off—organizations using advanced tools extensively saw average breach costs drop from \$5.52 million to \$3.62 million.

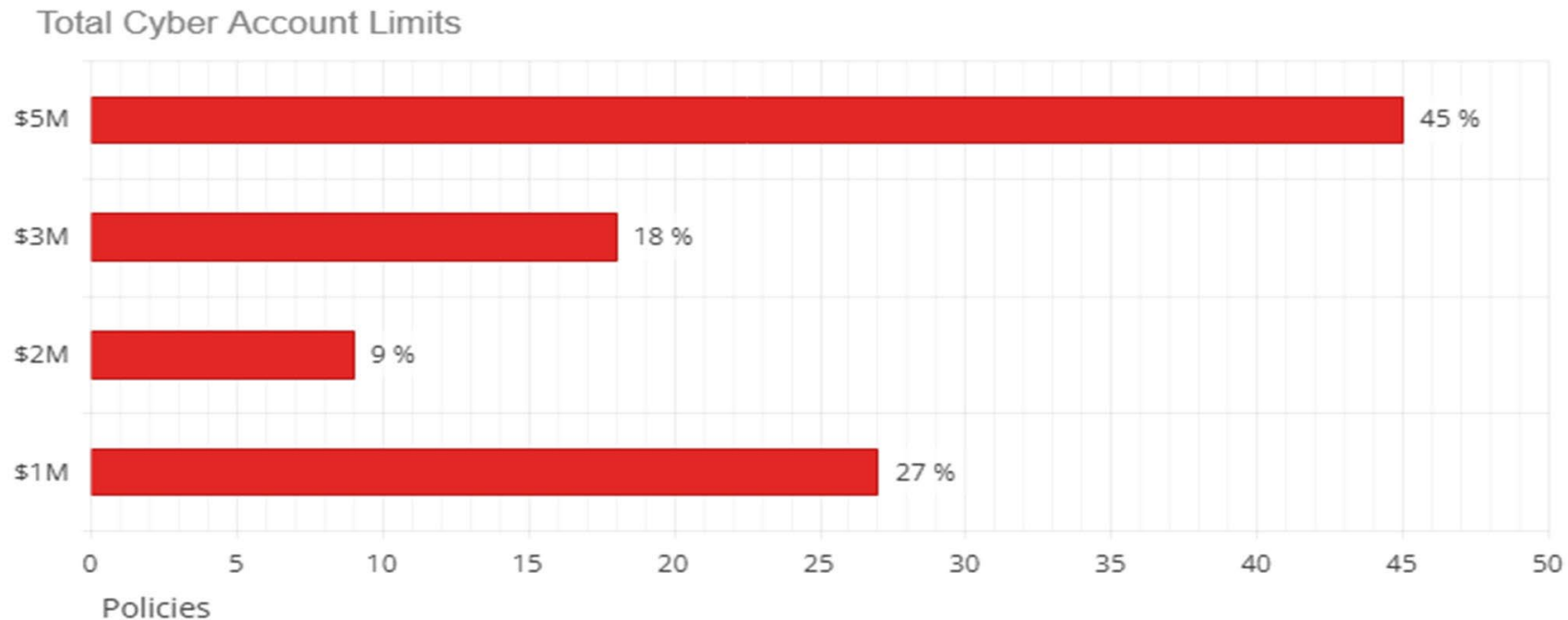
Insurance Implications: Entities with strong cybersecurity posture—especially around AI governance and rapid breach containment—are likely to qualify for more favorable terms, such as rate relief or broader coverage.

Summary: Public Entities must prioritize AI governance, vendor oversight, and invest in modern defenses to secure cyber insurance coverage and mitigate emerging costs.

Cyber Benchmark

Named Insured: Polk County Board of County Commissioners

The following Limits Benchmarking Analysis is derived from CRC Group's proprietary book of business and has been filtered by the parameters outlined below to compare only CRC Group accounts with similar risk profiles.

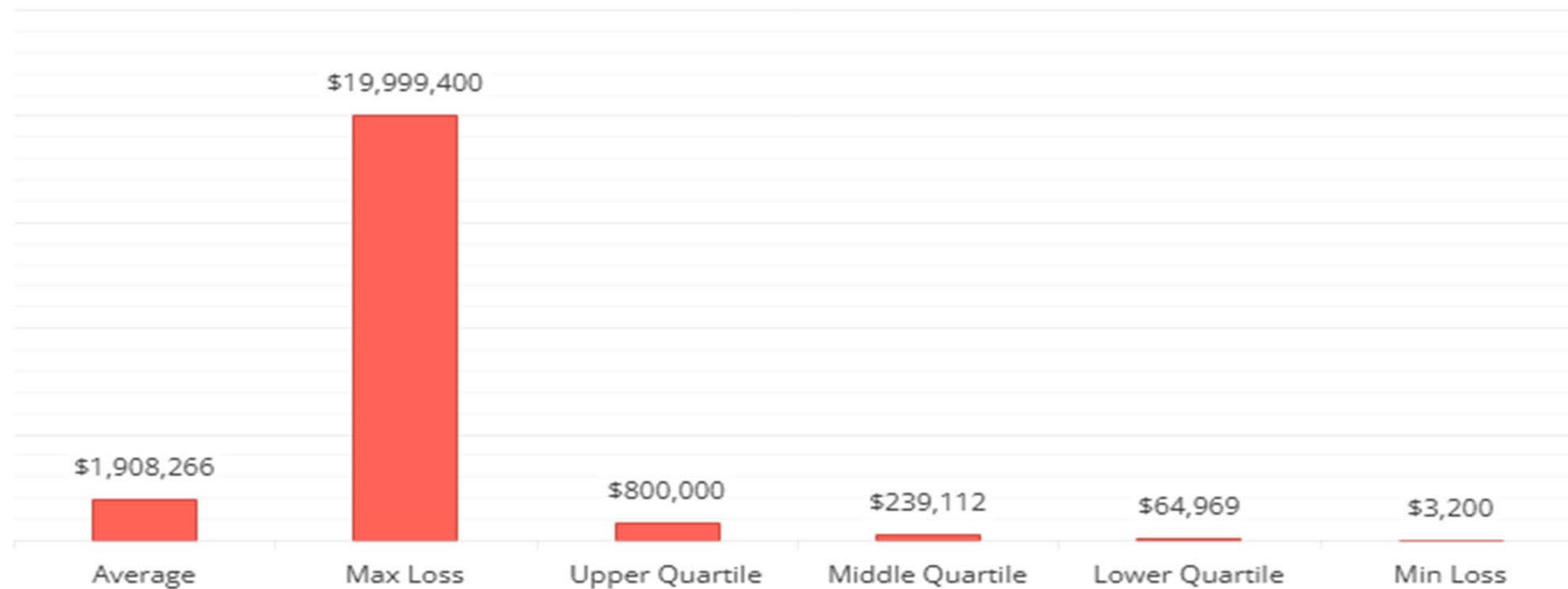


Cyber Benchmark

Named Insured: Polk County Board of County Commissioners

The above metrics are derived from an aggregated cyber breach and loss dataset provided by Advisen, but filtered to show results only for Institutional / Government companies.

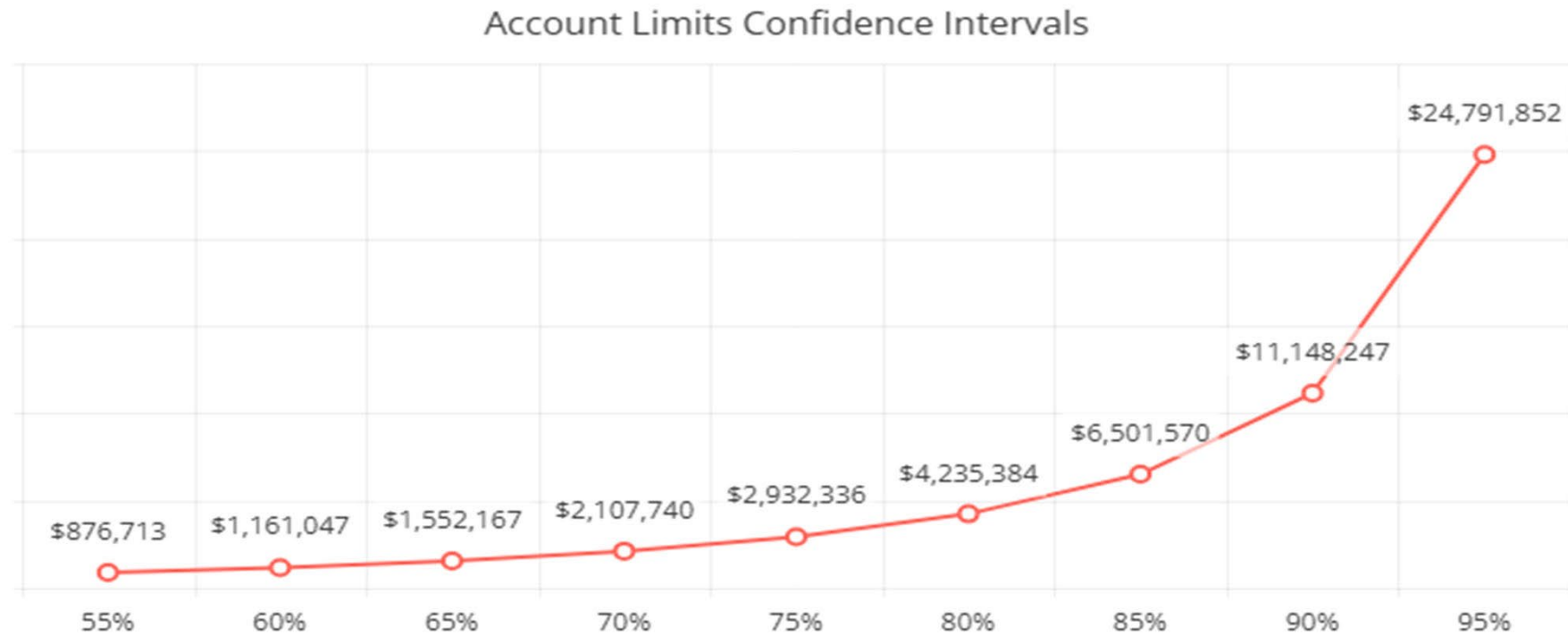
Historical Peer Group Losses



Cyber Benchmark

Account Limits Confidence Intervals

The 95% Confidence Interval above is derived from an aggregated cyber breach and loss dataset provided by Advisen, and models degrees of Cyber Limit confidence in the event of a breach for Institutional / Government companies and 10,000,000,000 records affected. The Sample Case Study below is filtered for Institutional / Government companies



Cyber Sample Case Study

When a regional bank was distracted by a large, distributed denial of service (DDoS) attack, thieves netted over \$900,000. Organized cyber crooks began moving money out of corporate accounts belonging to a California construction firm. A security firm contacted the construction company to inform them of the theft after interviewing one of the money mules (individuals who are willingly or unwittingly recruited to help the fraudsters launder and transfer stolen money) used in the scam. The mule had been hired through a work-at-home job offer after posting her resume to a job search site. She said she'd been conned into helping the fraudsters. The bank was unaware of the robbery, but very shortly verified that a series of unauthorized transactions had been undertaken.

Polk County Cyber Claims/Vulnerabilities

Claims	Loss Date	Loss Paid	Status
Alleging Possible Breach of Sensitive Information	8/25/2020	\$0	Closed
Matter Involves an Allegation Someone Hacked the System	6/25/2020	\$178,568	Closed
Bank Account Information was Compromised	9/18/2019	\$1,521	Closed
Ransomware Matter	7/29/2019	\$0	Closed
Alleged Lost Thumb Drive Sent Through Mail	3/29/2017	\$4,617	Closed

AIG Cyber Year Over Year

Media Content	2024	2025
Sublimit of Liability	\$1M	\$1M
Retention	\$100k	\$100k
Retroactive Date	Full Prior	Full Prior
Continuity Date	10/1/11	10/1/11

Event Management	2024	2025
Sublimit of Liability	\$1M	\$1M
Retention	\$100K	\$100K
Retroactive Date	N/A	N/A
Continuity Date	N/A	N/A

Security Privacy	2024	2025
Limit of Liability	\$1M	\$1M
Retention	\$100k	\$100k
Retroactive Date	Full Prior	Full Prior
Continuity Date	10/1/11	10/1/11

Cyber Extortion	2024	2025
Limit of Liability	\$1M	\$1M
Retention	\$100k	\$100k
Retroactive Date	N/A	N/A
Continuity Date	N/A	N/A

Network Interruption	2024	2025
Limit of Liability	\$1M	\$1M
Retention	\$100k	\$100k
Waiting Period	10H	8H
Retro/Continuity	N/A	N/A

Reputation Guard	2024	2025
Limit Of Liability	\$50K	\$50K
Retention	\$0	\$0
Retroactive Date	N/A	N/A
Continuity Date	10/1/11	10/1/11

Cyber Liability Limit Options and Historical Premiums

Cyber Liability Options	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$5M Limit	\$55,941	\$56,030	\$56,058	\$110,025					
Retention Level	\$100,000	\$100,000	\$100,000	\$100,000					
Carrier	(AIG) Illinois National	(AIG) Illinois National	National Union Fire	National Union Fire					
\$2M Limit					\$145,569				
Retention Level					\$750,000				
Carrier					AIG Specialty				
\$1M Limit						\$115,000	\$115,000	\$145,000	\$134,838
Retention Level						\$750,000	\$750,000	\$100,000	\$100,000
Carrier						AIG Specialty	AIG Specialty	AIG Specialty	AIG Specialty

Cyber Market Summary

Carrier	Response
Ambridge	Declined due to class of business/size
At-Bay	Declined due to class of business/size
Axis	Could not meet the deadline. We will advise if we receive any alternative competitive terms
AXAXL	Could not be competitive with current terms
Beazley	Declined due to class of business/size
CFC	Declined due to class of business/size
CN A	Declined due to class of business/size
Coalition	Could not meet the deadline. We will advise if we receive any alternative competitive terms
Corvus	Declined due to mitigation controls.
Cowbell	Declined due to class of business/size
Crum&Forster	Could not meet the deadline. We will advise if we receive any alternative competitive terms
CV Starr	Could not meet the deadline. We will advise if we receive any alternative competitive terms
Hartford	Declined due to class of business/size
Ironshore	Declined due to class of business/size
Markel	Declined due to class of business/size
Philadelphia	Declined due to class of business/size
TMHCC	Could not meet the deadline. We will advise if we receive any alternative competitive terms
Travelers	Declined due to class of business/size
Westchester	Could not meet the deadline. We will advise if we receive any alternative competitive terms



The Cheetah: Since our beginning, we have known that doing the best for our customers requires constant persistence and vision. The cheetah, which represents vision, swiftness, strength, and agility, embodies our company culture and has served as a symbol for Brown & Brown since the 1980s.

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