



Polk County Board of County Commissioners

2010 E Georgia St,
Bartow, FL 33831

Executive Summary

Property Renewal

April 1, 2026-2027

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Gallagher

Insurance | Risk Management | Consulting

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State of the Market

Commercial Property Insurance

- In 2025, profitability and competition in the property insurance marketplace resulted in decreased premium rates and abundant catastrophe capacity
- Despite concerns about (est. \$40 billion) Q1 2025 L.A. wildfire, catastrophe insurance rates trended downward, as previous treaty renewals exceeded expectations.
- In 2026, after a benign 2025 Atlantic hurricane season, we have received favorable reports about the property reinsurance marketplace (one of several factors affecting primary insurance rates). According to industry reports:
 - Strong returns and abundant capital resulted in 10% to 20% 1/1/26 property reinsurance rate-on-line reductions (Reinsurance News 1/2/26, Business Insurance and Zywave FPN1/5/26)
 - 2025 catastrophe bond issuance grew 24% to new record (Artemis 1/2/26)
 - Looking ahead, catastrophe bonds are not expected to yield as strong a return in 2026 as they did in 2025 (Artemis 1/5/26). However they remain a viable source of risk capital and should continue to temper carriers' reinsurance rates.

Exposure Analysis

Property Value Comparison

Property	2025-2026	2026-2027	% Change	\$ Change
Building	\$821,727,428	\$878,029,433	6.85%	\$56,302,005
Contents	\$68,439,292	\$68,454,292	0.02%	\$15,000
Misc.	\$27,945,000	\$27,945,000	0.00%	\$0
Leased/Owned EDP	\$18,800,000	\$17,885,000	-4.87%	-\$915,000
Vehicles & Heavy Equipment	\$62,005,354	\$62,005,354	0.00%	\$0
Builders Risk Utility	\$0	\$21,430,000	100.00%	\$21,430,000
Builders Risk Non-Utility	\$57,692,483	\$27,643,887	-52.08%	-\$30,048,596
Total TIV	\$1,056,609,557	\$1,103,392,966	4.43%	\$46,783,409

The 5 Largest Valued Locations

Location	Address	City	Zip Code	2026 Values
Polk County Courthouse	255 North Broadway Ave	Bartow	33830	\$141,771,080
South County Jail - Main Compound	1103 HWY 98 W	Frostproof	33843	\$61,015,140
Neil Combee Administration Building	330 W. Church St.	Bartow	33830	\$45,380,740
Correctional Main Housing Unit	2390 Bob Phillips Rd	Bartow	33830	\$34,175,060
Indigent Health Care Bldg.	2135 Marshall Edwards Dr	Bartow	33830	\$28,145,180

10 Year Property Program History

Property	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	% Change
Premium	\$1,697,000	\$1,443,628	\$1,642,360	\$1,766,977	\$1,850,674	\$2,153,279	\$2,205,000	\$2,297,211	\$1,779,430	\$1,732,375	-2.64%
EMPA + Fees	\$972	\$28	\$36	\$28	\$32	\$44	\$2,544	\$2,552	\$2,390	\$3,394	42.01%
Total Premium (incl fees)	\$1,697,972	\$1,443,656	\$1,642,396	\$1,767,005	\$1,850,706	\$2,153,323	\$2,207,544	\$2,299,763	\$1,781,820	\$1,735,769	-2.58%
TIV	\$822,725,074	\$827,965,360	\$836,850,360	\$848,692,165	\$886,234,825	\$957,200,774	\$1,023,129,271	\$1,106,750,057	\$1,056,609,557	\$1,103,392,965	4.43%
Rate	0.2063	0.1744	0.1963	0.2082	0.2088	0.2250	0.2155	0.2076	0.1684	0.1570	-6.77%

Wind Modeling

Hurricane Including Storm Surge

Polk County has approximately \$1.0 billion in values exposed to hurricane related events in the State of Florida. The following chart illustrates the probability of ground up losses exceeding various amounts due to one event in a given year, as described by the Occurrence Exceedance Probability (OEP). The 250yr event loss probability is commonly used by the insurance marketplace as a gauge for insurance pricing

Critical Probability	Return Period (years)	2026	
		Ground Up Loss AIR WS ₁	Ground Up Loss RMS WS ₁
0.01%	10,000	238,471,134	251,701,618
0.02%	5,000	176,377,182	202,570,263
0.10%	1,000	61,644,505	115,854,064
0.20%	500	36,341,903	85,297,721
0.40%	250	28,236,053	58,094,280
1.00%	100	14,593,458	28,260,024
2.00%	50	8,387,121	12,012,159
4.00%	25	3,786,171	2,874,701
10.00%	10	834,475	26,457
20.00%	5	48,896	15
Average Annual Loss		717,997	1,018,236
Standard Deviation		4,816,866	8,430,774

Glossary of Terms/Acronyms:

Risk Management Solutions (RMS) – Catastrophe Modeling Software

AIR Worldwide Corporation (AIR) - Catastrophe Modeling Software

Average Annual Loss (AAL): the annualized estimate of loss to a representative unit of exposure from a broad range of modeled catastrophe events;

Return Period: the expected length of time between recurrences of two events with similar characteristics. The return period can also refer to specific level of loss;

Probable Maximum Loss (PML): estimate of the maximum loss on a particular risk as a result of a single event, assessed with due care and taking into account all risk elements;

Ground Up Loss: the amount of loss sustained before deductions, underlying coverage and reinsurance are applied.

Gross Loss: the insurer's or cedant's loss after deductibles, attachment point(s), and limits are applied, but before any reinsurance.

Occurrence Exceedance Probability (OEP): The probability that a single occurrence will exceed a certain threshold.

Marketing Efforts

Market	Policy Line	Status
Travelers	Boiler & Machinery	Quoted
AJG UK Limited	Standalone Terrorism & Active Assailant	Quoted
AIB	Property	Indication Received
Alcor Insurance Services LLC	Property	Indication Received
Alesco Risk Management Services	Property	Indication Received
Allied World Assurance Company	Property	Indication Received
AXIS Insurance	Property	Indication Received
Berkshire Hathaway Specialty Insurance Company	Property	Indication Received
Kemah Capital LLC	Property	Indication Received
Kinsale Insurance Company	Property	Indication Received
Lancashire Specialty Insurance Services	Property	Indication Received
Navigators Group	Property	Indication Received
Risksmith Insurance Services	Property	Indication Received
RSUI	Property	Indication Received
Sompo International	Property	Indication Received
Swiss Re	Property	Indication Received
Westfield Specialty Insurance Company	Property	Indication Received
Beazley USA	Property	Declined
Waypoint (AmRisc)	Property	Declined

Market	Policy Line	Status
Westchester, Chubb Company	Property	Declined
Alesco Risk Management Services	Property	Pending
ARCH Insurance Group	Property	Pending
Arris Property Underwriters	Property	Pending
Arrowhead Insurance Risk Managers, LLC	Property	Pending
Aspen Insurance	Property	Pending
Aurenty	Property	Pending
AXA XL, a division of AXA	Property	Pending
Berkley Specialty Property	Property	Pending
CNA	Property	Pending
Core Specialty Insurance Holdings, Inc.	Property	Pending
Eirion Risk Underwriters, LLC	Property	Pending
Everest National Insurance Company	Property	Pending
Intact Insurance	Property	Pending
Ironshore	Property	Pending
Jupiter Risk Services, LLC	Property	Pending
Lexington Specialty Insurance Agency, Inc	Property	Pending
Markel	Property	Pending
Munich Re America	Property	Pending
Paragon Insurance Holdings, LLC	Property	Pending
QBE North America	Property	Pending
Rivington Partners	Property	Pending

Market	Policy Line	Status
SRU	Property	Pending
Starr Companies	Property	Pending
Tango-V3 Insurance Partners LLC	Property	Pending
Trium Property US Services, Inc.	Property	Pending
Velocity Risk Underwriters, LLC	Property	Pending
XS Global LLC	Property	Pending
Zurich North America	Property	Pending

2026 Renewal Program Structure

100M AOP Only - Polk Courthouse Only Excluding NWS/Flood/EM	Axis 100.00%					\$100M 100%		
						Fees: \$4	\$40,004	
50M AOP Only - All Locations Excluding Builders Risk and Vehicles Excluding NWS/Flood/EM	Risksmith 50.00%		Axis 50.00%			\$50M 100%		
						\$1,508	\$116,508	
30M \$30M NWS Limit	Kinsale 100%					\$30M 100%		
						\$354	\$85,354	
25M	Risksmith 100%					\$25M 100%		
						Fees: \$1,504	\$116,504	
20M	RSUI 40.00%	Berkshire 20.00%	London 15.00%	Lancashire 10.00%	Swiss Re 7.50%	Ironshore 7.50%	\$20M 100%	
						Fees: \$24	\$1,277,399	
Deductible(s): 5% NWS, \$500k Minimum, No Maximum; \$1M AOP						Total:	\$1,635,769	

Option to reduce All Other Perils Deductible from \$1,000,000 to \$500,000. Additional Premium \$100,000

2026 Renewal Results

Property

Property	2025-2026 Expiring	2026-2027 Renewal
Limit of Liability Named Windstorm	\$20,000,000	\$30,000,000
All locations Limit (except Builders Risk)	\$50,000,000	\$50,000,000
Polk County Courthouse	\$100,000,000	\$100,000,000
Deductible – All Other Perils	\$1,000,000	\$500,000
Deductible – Named Storm	5% Named Storm, \$1,000,000 Minimum	5% Named Storm, \$500,000 Minimum
Total Insured Values	\$1,056,609,557	\$1,103,392,965
Rate	0.1684	0.1570
Premium	\$1,779,430	\$1,732,375
EMPA + Fees	\$2,390	\$3,394
Total Premium (Incl Fees)	\$1,781,820	\$1,735,769

*Premium is an indication only. Carriers have not confirmed as of this writing.

Renewal Highlights:

- Named Storm Limit has increased from \$20 Million to \$30 Million
- All other Perils deductible has been reduced from \$1,000,000 to \$500,000
- Named Storm Deductible: 5% per-unit, subject to \$500,000 per occurrence minimum. This is an improvement as the minimum on the expiring program was \$1,000,000
- \$50 Million All Other Peril Loss Limit, (The Courthouse has a \$100 Million AOP Loss Limit)
- Total Insured Values are \$1,103,392,965
- Vehicles will be covered while on insured premises only.
- Historic (where applicable) and Green Building Valuation included.
- Flood coverage included (sub limited to \$10M for zones A&V, \$20M for all other zones)
- Priority of Payments: FEMA Committed Properties
- Property Values have increased by 4.43%
- Rate has decreased by 6.8%, with improved coverage.
- Premium is \$1,732,735
- EMPA and Surcharges: \$3,394
- Total Property Program Cost: \$1,735,769, still less than expiring program
- Please refer to the proposal for a summary of terms, conditions and exclusions
- Please note that Florida State Surcharges are estimated, and subject to change.

Boiler and Machinery

	2025-2026 Expiring	2026-2027 Renewal	% Change
Premium	\$38,602	\$40,637	5%
Surcharges	\$386	\$406	5%
Total Premium	\$38,988	\$41,043	5%
Total Limit per Breakdown	\$150,000,000	\$150,000,000	No Changes
Property Damage	Incl TLpB	Incl TLpB	No Changes
Deductible	\$5,000	\$5,000	No Changes
Admitted Status	Admitted	Admitted	No Changes
Rate	0.0040	0.0041	1%

Terrorism

	2025-2026 Expiring	2026-2027 Renewal	% Change
Damage and Financial Loss	\$100,000,000	\$100,000,000	No Change
Malicious Assailant	\$1,000,000	\$1,000,000	No Change
Premium	\$58,500	\$58,500	0%
TIV	\$1,056,609,557	\$1,103,392,965	4%
Rate	0.00554	0.00530	-4%

2026 Premium

Coverage	2025-2026 Expiring	2026-2027 Renewal
Property	\$1,779,430	\$1,732,375
Property Terrorism	\$58,500	\$58,500
Boiler & Machinery	\$38,602	\$40,637
Total	\$1,876,532	\$1,831,512
EMPA + Surcharges	\$2,776	\$3,800
Grand Total	\$1,879,308	\$1,835,312

*Premium and EMPA + Surcharges are estimated. This will be finalized at binding.

Conclusion

The renewal program presented to the Polk County Board of County Commissioners is quite favorable. The program has several improvements over the expiring program:

- Named Storm Limit has been increased from \$20 Million to \$30 Million
- All Other Perils Deductible has been reduced from \$1,000,000 to \$500,000
- Named Storm Minimum Deductible has been reduced from \$1,000,000 to \$500,000

With the added improvements, the pricing is still less than the expiring program. We recommend the County renew the program as presented.

We have enjoyed our partnership and appreciate the continued time, support and confidence you have placed in us as your risk management team.

Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we are here to service and stay alongside you, every step of the way.

Name/Title	Phone	Email	Role
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