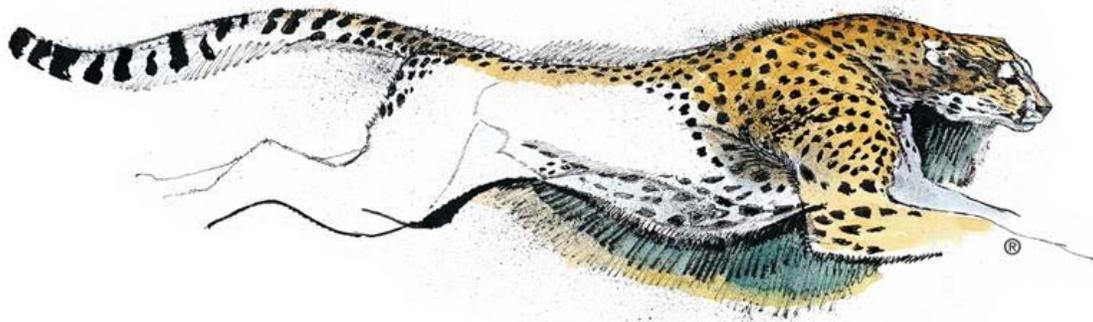


City of North Port

2016 – 2017 Insurance Proposal



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**PUBLIC RISK INSURANCE AGENCY
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THE AGENCY

Risk Management Associates, Inc. dba Public Risk Insurance Agency (PRIA) has established itself as one of the premier insurance services organizations for public entities in the United States. Our in-depth understanding of the unique risk exposures and operating environment of public entities allows us to tailor insurance products and services to effectively meet their needs. As the only independent insurance agency solely dedicated to the public entity market, we are uniquely qualified to meet and exceed the expectations of our clients. Our 20 years of insuring local governments has afforded us significant experience and insight into the unique challenges and constraints that our clients face. PRIA currently represents over 250 public entities in Florida.

PRIA is a wholly owned subsidiary of Brown & Brown, Inc. - the 6th largest independent insurance agency in the United States and 7th largest worldwide as ranked by Business Insurance Magazine. Brown & Brown brings the experience of representing hundreds of public entities nationally in addition to PRIA's focus in Florida.

As a Brown & Brown company, PRIA has access to hundreds of insurance markets nationwide and in the international market. With premium volume exceeding \$2,500,000,000 Brown & Brown's volume results in a superior negotiating position and leverage with state specific, regional, national, and international insurers. The focus and experience of our team in all of these markets produces superior risk transfer options and risk control expertise for your entity.

PRIA develops customized and innovative approaches towards effectively managing your risk. Cost effective insurance products, professional service, and commitment to client's needs are our primary goals. Proof of account satisfaction is reflected by a 97% business retention rate.

To fully serve our clientele, Public Risk Insurance Agency can offer coverage for other exposures such as:

Bonds	Accidental Death & Dismemberment
Fiduciary Liability	Special Events
Primary and Excess Flood	Airport Liability
Workers' Compensation	Aboveground & Underground Petroleum Tank Liability
Environmental Liability	

AN INTRODUCTION TO YOUR SERVICE TEAM

Account Executives

Matt Montgomery Executive Vice President	(386) 239-7245	mmontgomery@bbpria.com
Robin Faircloth, CISR Director of Operations	(386) 239-4044	rfaircloth@bbpria.com
Paul Dawson, ARM-P Senior Vice President / Account Executive	(386) 239-4045	pdawson@bbpria.com
Michelle Martin, CIC Vice President / Account Executive	(386) 239-4047	mmartin@bbpria.com
Brian Cottrell, CIC, CRM Vice President / Account Executive	(386) 239-4060	bcottrell@bbpria.com
Kyle Stoekel Account Executive	(386) 944-5805	kstoekel@bbpria.com

Service Representatives

Brittany O'Brien, CIC, CRM Risk Management Department Leader	(386) 239-8823	bobrien@bbpria.com
Melody Blake, ACSR Account Representative	(386) 239-4050	mblake@bbpria.com
Patricia Jenkins, CPSR Account Representative	(386) 239-4042	pjenkins@bbpria.com
Karen Bryan Account Representative	(386) 239-4056	kbryan@bbpria.com
Linda Burtchett Account Representative	(386) 239-4043	lburtchett@bbpria.com
Christina Carter Account Representative	(386) 239-4040	ccarter@bbpria.com
Danielle Coggon Account Representative	(386) 239-4048	dcoggon@bbpria.com
Nichole Paugh Assistant Account Representative	(386) 239-8866	npaugh@bbpria.com

Certificate Requests: certificates@bbpria.com Claim Reporting: claims@bbpria.com

Our Service Team philosophy focuses on accountability at all levels of account management. Our goal is not simply to meet your service needs, but to exceed them. All of the employees at PRIA are dedicated to achieving this goal and distinguishing ourselves from the competition.

PREFERRED GOVERNMENTAL INSURANCE TRUST (*Preferred*) OVERVIEW

Several hundred members and millions in premiums prove that the *Preferred* Governmental Insurance Trust® fulfills what Florida needs: an insurance program exclusively customized and dedicated to the public sector. *Preferred* stays on the forefront of specialized insurance for property, casualty and workers’ compensation because it is non-profit and self-governed with a membership comprised solely of Florida public entities.

Preferred’s history dates back to 1999. Its robust membership and financial strength, including consistent growth of surplus, stem from its conservative platform of managed risk. *Preferred* is just that: ***preferred*** for unmatched public entity experience, innovation, stability and personalized service.

Preferred’s Member Types

Municipalities	Counties	Special Districts
Public Schools	Charter Schools	Sheriff Departments
Housing Authorities	Aviation Authorities	Transit, Port & Utility Authorities

Preferred’s Comprehensive Coverages

Property	Workers’ Compensation	General Liability
Automobile Liability	Automobile Physical Damage	Law Enforcement Liability
Public Officials Liability	Employment Practices Liability	Educators’ Legal Liability

The Power of Groups and People

What does a specialized insurance trust do for you? In the case of *Preferred*, it gives you the purchasing power of a very large trust with billions of covered property values—far more financial negotiating power than a single public entity can muster. As a *Preferred* member, you are part of a formidable Florida insurance trust.

The trust also transfers risks from any one public entity to the larger group. This provides all members of the trust better rating structures with less volatility. *Preferred*’s sole focus on government ensures that members’ unique needs are met.

Underwriting and Administration

Behind *Preferred*'s underwriting platform are decades of success built on integrity and market relationships. Our team of underwriters' vast insurance expertise enhances the actuarial and scientific data used to underwrite individual risks within the trust. Services delivered are both broad and precise. Reliability is assured. The administrator for *Preferred* is Public Risk Underwriters of Florida, Inc.® (PRU), Florida's premier public entity specialist of its kind. *Preferred*'s claims administrator is PGCS Claim Services. With more than 25 years in claims experience, PGCS is Florida's foremost governmental third-party administration company.



Underwriting Highlights

- **Diverse risk financing options:** guaranteed cost, deductible, self-insured retention, all lines aggregate
- **Competitive premium discounts** based on favorable experience and sound safety practices
- **Flexibility of coverage design,** including mono-line or package basis
- **Dynamic financial analysis** conducted periodically to validate the trust's superior financial standing

Administration

- **General counsel, defense counsel and litigation services** by specialists in governmental law
- **Membership relations** for networking and professional development
- **Legislative Pulse newsletter** from Tallahassee-based law firm
- **Professional marketing** that guarantees local agent support, governmental knowledge and an ever-growing group of members
- **Preferred News**—a quarterly publication covering the spectrum of government insurance issues
- **State filing, accounting and independent CPA audited financials** as needed

Preferred's Expert Boards Know Your Business

Preferred is governed and guided by people working daily in all segments of Florida's public sector – from municipalities to counties to schools to special taxing districts.

The Board of Trustees is comprised of elected public officials who work wisely and diligently to set policy, keeping *Preferred* as the premier public entity insurer of its kind.

The Risk Advisory Board increases this special advantage. Composed of full-time risk managers from the membership, the board is uniquely equipped to monitor and help improve products and services—it serves as a voice of the membership. This board works in synergy with the administrator for maximum efficiency.

Preferred Governmental Insurance Trust

Board of Trustees

Dwight E. “Ed” Wolf, II	Chair	City of Wildwood <i>Mayor</i>
Chris Hoffman	Vice Chair	City of Jacksonville Beach <i>Commissioner</i>
Kathryn Bryant	Secretary	Marion County <i>Commissioner</i>
Welton Cadwell	Trustee	Lake Emergency Medical Services <i>Commissioner</i>
Thomas Rice, Sr.	Trustee	South Indian River WCD <i>Vice President</i>
Fred Hawkins, Jr.	Trustee	Osceola County <i>Commissioner</i>
Charles Walsey	Trustee	Cypress Grove CDD <i>Chair</i>
Gary Bruhn	Trustee	City of Windermere <i>Mayor</i>

Risk Advisory Board

Lori P. McCullers	Board Member	City of Naples <i>Risk Manager</i>
Christina Maguire	Board Member	City of Ormond Beach <i>Risk Manager</i>
Deborah L. Franklin, MA	Board Member	The Villages CDD <i>HR Director</i>
Keri Martin	Board Member	City of Winter Park <i>Risk Manager</i>
Jennifer Poirrier	Board Member	City of Treasure Island <i>Personnel Director</i>
Rickey Kendall	Board Member	HART <i>Safety & Risk Director</i>
Maureen Gochee	Board Member	City of Titusville <i>Risk Manager</i>
Denise Manual	Board Member	Gulf County BOCC <i>HR/Risk Management Director</i>

PREFERRED CLAIMS ADMINISTRATION

Preferred Governmental Claim Solutions, Inc. ® (PGCS) is the premier governmental third party claims administrator in the state of Florida and also administers the claims for Preferred Governmental Insurance Trust (*Preferred*). Since its founding in 1956, PGCS has provided claims administration services exclusively to over 450 governmental entities including schools, cities, towns, counties, community development districts, and fire districts. Therefore, PGCS's adjusters are extremely qualified to handle governmental tort liability and public sector workers' compensation claims. They are experts at investigating and handling police and firefighters presumption claims. PGCS is sensitive to the politics involved in the handling of public entity claims.

PGCS's claims administration program consists of workers' compensation, general liability, bodily injury, personal injury, property, auto liability, auto physical damage, employment practices liability, school leaders/educators liability and public officials liability. Their claims staff has over 630 years of combined insurance experience and each has been with PGCS an average of 8 years. Claims are handled under strict supervision in accordance with the PGCS workers' compensation and liability claim handling procedure manuals and the PGCS claim best practices manual. A random sampling of each adjuster's claim files are audited on a monthly basis by a Quality Assurance Manager to ensure compliance.

PGCS provides their clients with a dedicated Subrogation Unit to pursue reimbursements from at-fault third parties. Their current recovery rate is fifty-nine (59) percent of the claim costs expended. PGCS also has a dedicated excess reporting and recovery unit for communication to and securing reimbursement from the excess and/or reinsurance carriers. In addition, PGCS provides a state-approved Special Investigation Unit (SIU) to prevent and pursue fraudulent claims. PGCS offers rewards up to \$10,000.00 for the arrest and conviction of persons committing workers' compensation fraud. This service is provided via a twenty-four hour seven day a week hotline.

PGCS utilizes the RiskMaster system for claims processing. This system captures a wide variety of data, and allows the adjuster to enter an unlimited number of claim notes, process reserve changes, and issue claim payments. Customized reports can be obtained from PGCS's on-line system containing a multitude of data parameters that a client may choose to analyze. The system can be accessed by clients via their website at www.pgcs-tpa.com.

Communication with PGCS's clients is the cornerstone of their claims administration program. Professional adjusters, nurses, management, quarterly in-depth claim review meetings, 24/7 claim reporting, utilization of attorneys specializing in public entity defense, litigation management, and return to work programs are just a sample of how PGCS has set the standard for the industry.

PGCS is committed to partnering with their clients to provide professional and aggressive claim management programs. While they are recognized as the leader in the industry, PGCS is always striving to improve the quality of their programs and expand the services that they offer.

***PREFERRED* SAFETY AND RISK MANAGEMENT SERVICES**

The success of any public sector community is clearly tied to its ability to protect and preserve its human physical assets. This basic premise serves as the cornerstone of an effective Safety Management program and underscores the importance of Risk Control to the community. *Preferred's* Safety and Risk Management Department is very aware of the valuable contribution a comprehensive risk control program makes to the bottom-line of any organization.

At *Preferred*, Safety consultations originate with one basic thought—Specific measures can be recommended to minimize or eliminate the exposures that cause accidents. This does not mean that the workplace become no-risk utopias, but we expect our consultants to recommend measures to control/minimize all types of accidents, injuries and illnesses to our *Preferred* clients' operations and premises.

Stressing our problem solving skills... *Preferred* is dedicated to meeting the challenge of the complex problems facing public sector organizations...disarming these problems and converting them into factors, which work to the advantage of our clients. Our emphasis approach to risk control incorporates the following elements:

- **Exposure Identification** – Assist management in determining areas where a chance of loss might exist.
- **Exposure Measurement and Analysis** – Loss analysis and a review of the consequences of the exposures will be considered to develop alternative methods of control.
- **Determination and Selection of Appropriate Risk Control Methods** – Based on measurement and analysis and after considering alternative approaches, specific recommendations and/or a custom design Risk Control plan will be formulated.
- **Training and Safety Management Consulting** – After considering client needs specific training will be formulated and initiated to fit that need. Key personnel will be provided with the basic knowledge and skills they need to meet those identified needs. Program monitoring is accomplished through follow-up surveys with adjustments to the action plan made as needed. Specialty consulting services are available if necessary.

Preferred's Safety and Risk Management Department evaluates the unique needs to each client, ultimately designing a program that is capable of being integrated into the overall risk control efforts of each client. Our management system's direction to the problem solving approach is the foundation of our Safety and Risk Management Service.

PROPERTY

Term: October 1, 2016 to October 1, 2017

Company: National Fire & Marine Insurance Company
(Rated A++ XV by A.M. Best)

Total Insurable Values: \$158,977,274

Perils Insured: Direct physical loss or damage resulting from a peril not otherwise excluded by the policy. Exclusions include, but are not limited to, Equipment Breakdown.

Valuation: As per form

Limit: \$10,000,000 per Occurrence

Territory: USA and its territories and possessions

Policy Form: BHSI Commercial Property Form

Deductible(s):

All Other Perils:

\$50,000 per Occurrence for Property Damage and Time Element Combined, except;

\$10,000 Per Occurrence as respects Mobile Equipment and all items on the Inland Marine Deductible (all scheduled and unscheduled items per the most recent SOV on file with the Company)

Name Windstorm:

5% of the combined Property Damage Values at each location involved in the loss or damage in any one occurrence, subject to a minimum deductible of \$100,000 in any one occurrence.

Storm Surge is included in the definition of Named Windstorm

All Other Wind/Hail

\$100,000 Per Occurrence

Earth Movement

\$100,000 Per Occurrence for all locations involved in the loss or damage

Flood:

\$100,000 Per Occurrence for all locations involved in the loss or damage, except

\$500,000 per building, \$500,000 contents per building, \$100,000 time element per occurrence for locations that are wholly or partially within High Hazard Flood Zones (when flood is not caused by or associated with a Named Windstorm)

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

PROPERTY

Sublimits:

**The following sublimits of liability and the specified limits of liability contained in the forms, endorsements and extensions attached, if any, are per occurrence unless otherwise indicated. These sublimits are the 100% policy limits (subject to the above referenced participation) and are inclusive of and not in addition to the policy limit of liability.*

\$10,000,000	Named Windstorm
\$10,000,000	Earth Movement, per occurrence and in the annual aggregate
\$10,000,000	Flood, per occurrence and in the annual aggregate
\$1,000,000	Accounts Receivable
\$50,000	Arson Reward
\$100,000	Brands and Labels
\$2,000,000	Civil or Military Authority (Extra Expense Only), subject to 30 day time limitation within 1 mile of an insured location
\$250,000	Consequential Reduction in Value
Included	Control of Damaged Property
\$500,000	Course of Construction (Including Soft Costs)
25% or \$2,500,000, whichever is less	Debris Removal
\$100,000	Decontamination Expenses
Included	Demolition & Increased Cost of Construction: Demolition Coverage A (For the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building)
\$1,000,000	Demolition & Increased Cost of Construction: Demolition Coverage B (For the Cost to demolish and clear the sure of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property)
\$1,000,000	Demolition & Increased Cost of Construction: Demolition Coverage C (For the increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site, limited to the cost that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property of the same site. However, this Company shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced)
\$2,500,000	Electronic Data Processing Equipment
\$1,000,000	Errors & Omissions
\$100,000	Expediting Costs
60 Days	Extended Period of Indemnity
\$2,000,000	Extra Expense
\$250,000, subject to \$10,000 per item	Fine Arts
\$250,000	Fungus Cleanup, per occurrence and in the annual aggregate
\$2,000,000	Ingress/Egress (Property Damage & Extra Expense Combined), subject to 30 day time limitation within 1 mile of an insured location
\$100,000	Land and Water Contaminant or Cleanup, Removal and Disposal of Pollutants, per occurrence and in the annual aggregate
\$1,000,000	Landscaping, , subject to \$25,000 per item

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

PROPERTY

Sublimits, continued:

**The following sublimits of liability and the specified limits of liability contained in the forms, endorsements and extensions attached, if any, are per occurrence unless otherwise indicated. These sublimits are the 100% policy limits (subject to the above referenced participation) and are inclusive of and not in addition to the policy limit of liability.*

\$50,000	Lock & Key
\$2,000,000	Miscellaneous Locations
\$10,000,000, subject to \$25,000 per item	Mobile Equipment, per most recent Inland Marine Statement of Values on file with the Company. Scheduled items on Inland Marine SOV are limited to their reported values. Any unscheduled Mobile Equipment and Inland Marine items are subject to a maximum of \$25,000 any one item.
\$2,500,000, 90 Days	New Locations
\$4,000,000	Outdoor Property (Scheduled; includes all scheduled property in the open, a.k.a PITO)
\$250,000	Outdoor Property (Unscheduled; includes any unscheduled property in the open, a.k.a. PITO)
\$100,000	Professional Fees
Included	Protection and Preservation of Property
\$1,000,000	Service Interruption (Property Damage & Extra Expense Combined), subject to 24 Hour Waiting Period
\$250,000	Temporary Removal of Property
\$100,000	Transit
\$2,000,000	Valuable Papers and Records
\$10,000,000	Vehicles while parked at or within 1,000 Feet of an Insured Location (subject to per item limits and values as reported on the most recent SOV on file with the Company on an ACV basis)

Terms & Condition (Included but not limited to):

- Forms/Endorsements listed below but not limited to:
 - War Risk and Terrorist Exclusion - CPPME002072013
 - Special Catastrophe Earned Premium Provision - CPPME007072013
 - Cap on Losses From Certified Acts of Terrorism- CPPME013012015
 - Limit of Liability Endorsement (Margin Clause) - CPPME006072013
 - General Change Endorsement
- Complete, signed ACORD application, Florida Fraud Statement, TRIA Form and Surplus Lines Disclosure Form are due at time of binding coverage.
- Premium due within 10 days of binding coverage. No flat cancellations permitted.
- This proposal is based on information received and is subject to reconsideration if different or additional information is obtained.
- Subject to no deterioration of loss experience prior to policy inception.
- **120% Margin Clause to Apply.**
- **Minimum Earned Premium is 35% except please note the Special Catastrophe Earned Premium Provision - Form CP-ME-007-07/2013.**
- 90 Day Notice of Cancellation, except 10 days for non-payment of premium.
- Any changes to coverage prior to binding will be subject to carrier approval.
- Some coverages/endorsements provided in this proposal may differ from that requested in your submission. Please review the quote carefully.
- In the event of any storm activity (named or unnamed) the binding of this quote is at the discretion of the insuring carrier and is not considered effective until carrier approval is received.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

BOILER & MACHINERY

Term: October 1, 2016 to October 1, 2017

Company: Federal Insurance Company (rated A++ XV by A.M. Best)

Coverages:

Limit:	Coverage:
\$100,000,000 <ul style="list-style-type: none"> Blanket Limit over all premises \$1,000,000 Blanket limit over all premises 	Blanket Limit: <ul style="list-style-type: none"> Property Damage Business Income with Extra Expense – Extended Period - Unlimited
\$100,000	Ammonia Contamination
\$1,000,000	Debris Removal
\$100,000	Dependent Business Premises
\$250,000 and p/o \$250,000 Blanket Limit	Electronic Data
\$250,000 and p/o \$250,000 Blanket Limit	Expediting Expenses
\$100,000	Fungus Clean up or Removal
\$100,000	Ingress and Egress
\$2,500,000	Loss of Utilities
\$50,000	Off Premises Property Damage
\$50,000	Pair and Set
\$50,000	Pollutant Clean up or Removal – Property Damage
\$50,000	Pollutant Clean up or Removal – Business Income
\$50,000	Preparation of Loss Fees – Property Damage
\$50,000	Preparation of Loss Fees – Business Income
p/o \$250,000 Blanket Limit	Public Safety Service Charges
\$250,000 and p/o \$250,000 Blanket Limit	Spoilage – Scheduled Locations
\$250,000 and p/o \$250,000 Blanket Limit	Spoilage – Utility Owned Equipment
\$50,000	Unintentional Errors or Omissions Property Damage
\$250,000 and p/o \$250,000 Blanket Limit	Water Damage

Deductibles:

Coverages:	Deductible:
\$10,000	Property Damage
Included in Property Damage	Spoilage
12 Hours	Business Income
N/A	Extra Expense
12 Hours	Dependent Business Premises
24 Hours	Loss of Utilities

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

BOILER & MACHINERY

***\$250,000 Blanket Limit**

The \$250,000 Blanket Limit of Insurance shown below applies to the coverages shown below and may be apportioned to any one or combination of the coverages shown below at the time of loss. This Blanket Limit of Insurance applies separately at each premise shown in the Declarations and is subject to the Property Deductible specified in the Declarations.

Separate Specific Limits of Insurance may be purchased for any of these coverages. If purchased, the blanket limit of insurance will apply in addition to the specific limit at the time of the loss.

\$250,000 Blanket Limit of Insurance*	
Electronic Data	
Expediting Expenses	
Public Safety Service Charge	
Spoilage – Scheduled Locations	
Spoilage – Utility Owned Equipment	
Water Damage	

Quote based on:	
Property Values	\$127,751,705 Building and Personal Property
Business Income Values	None Reported
Occupancy	Municipal and Utility Water Treatment
Loss History in past 5 years	None Reported

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

BOILER & MACHINERY

Additional Features	
Included in Business Income with Extra Expense	Alternative Power Generating Systems
Included in Business Income with Extra Expense	Alternative Water Systems
Included in Property Damage	Brands and Labels
N/A	Coinsurance
Included – 30 days	Civil Authority
Included	Diagnostic Equipment
Included	Elevators, escalators, conveyors & hoist equipment
25% of the Loss Amount to repair or replace subject to Property Damage Limit	Enhanced Safety Valuation
Included	Existing Green Standards
Included	Extended Warranties Valuation
Included	Joint Loss Agreement
Included	Newly Acquired Premises – 365Days
180 Days, except 20 days for non-payment of premium, subject to state regulations	Notice of Cancellation
Included	Ordinance or Law Valuation
Included in Property Damage Limit	Pollutants (Hazardous Substances)
Included	Replacement Cost

Policy Forms (include but not limited to):		
43-02-0450	(Rev. 4-11)	How to Report a Loss
43-02-0452	(Rev. 4-11)	Premium Summary
43-02-0455	(Rev. 4-11)	Schedule of Forms
43-02-0477	(Rev. 4-11)	Named Insured
43-02-0675	(Rev. 4-11)	Cap on Certified Terrorism Losses
43-02-0742	(Rev. 4-11)	Insuring Agreement
43-02-0761	(Rev. 4-11)	Schedule of Mortgagees and Loss Payees
43-02-0778	(Ed. 4-11)	Supplementary Declarations – Property
43-02-0783	(Rev. 2-13)	Property Damage
43-02-0784	(Rev. 2-13)	Business Income with Extra Expense
43-02-0785	(Ed. 4-11)	Property / Business Income Conditions and Definitions
43-02-0786	(Ed. 4-11)	Supplementary Declarations – Business Income

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

CRIME

Term: October 1, 2016 to October 1, 2017

Company: Preferred Governmental Insurance Trust (*Preferred*)

Limits of Liability and Coverage:

Coverage:	Limit:	Deductible:
Employee Dishonesty	\$500,000	\$1,000
Forgery or Alteration Coverage	\$500,000	\$1,000
Theft, Disappearance and Destruction Coverage		
Inside	\$500,000	\$1,000
Outside	\$500,000	\$1,000
Computer Fraud Coverage (Including Funds Transfer)	\$500,000	\$1,000

Notes of Importance:

1. Employee dishonesty coverage is excluded for those employees required by law to be individually bonded.
2. Includes Faithful Performance.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

GENERAL LIABILITY

<u>Term:</u>	October 1, 2016 to October 1, 2017
<u>Company:</u>	Preferred Governmental Insurance Trust (<i>Preferred</i>)
<u>Form:</u>	Occurrence
<u>Limits of Liability:</u>	
General Liability	
Bodily Injury and Property Damage	\$2,000,000 per Occurrence
Personal Injury and Advertising Injury	Included per Person or Organization
Products / Completed Operation Agg	Included
Fire Damage	Included
Employee Benefits Liability	\$2,000,000 per Occurrence
<u>Self-Insured Retention:</u>	\$100,000 per Occurrence

Coverage:

- | | |
|---|---|
| 1. EMT/Paramedic Professional Services | 10. Principle of Eminent Domain Including Inverse Condemnation, claims brought under the "Bert J. Harris, Jr., Private Property Rights Protection Act" \$100,000 per Occurrence / Annual Aggregate. |
| 2. Premises Operations | 11. Sewer Backup and Water Damage with a sublimit of \$10,000/\$200,000 for non-negligent claims and \$200,000/\$200,000 for negligent claims. |
| 3. "Insured" Contracts | 12. Herbicide and Pesticide Sublimit of \$1,000,000 or GL Limit, whichever is less. |
| 4. Host Liquor Liability | |
| 5. Broad Form Property Damage Subject to \$2,500 Personal Property of Others Sublimit | |
| 6. Watercraft Liability (under 52 feet). See policy form for limitations | |
| 7. Limited Worldwide Coverage | |
| 8. Additional Covered Party | |
| 9. Failure to Supply Water | |

Notes of Importance:

- Premium is not audited.
- Defense Costs are paid in addition to policy limits.
- In the event that an occurrence, accident or offense continues beyond the policy period, the applicable deductible would apply separately to each policy period in which the occurrence, accident or offense was committed or was alleged to have been committed.
- Limits of Liability are subject to Florida Statute 768.28.
- SIR applied to money damages and claims expenses (including investigation, adjustment and defense costs).

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

GENERAL LIABILITY

Exclusions, but not limited to:

- Expected or intended injury
- Contractual Liability
- Liquor Liability
- Workers' Compensation and similar laws
- Employer's Liability
- Pollution
- Aircraft, Auto or Watercraft
- Mobile Equipment
- War
- Damage to Your Property, Product or Work
- Damage to Impaired Property or Property Not Physically Injured
- Recall of Products, Work or Impaired Property
- Racketeering
- Law Enforcement, except for vicarious liability arising out of an act or omission by a law enforcement agency that is not owned, operated or controlled by the "Covered party" if there is a contract with an outside agency to provide law enforcement for your entity.
- Asbestos, Mold, Fungi, or Bacteria
- Liability arising out of or caused or contributed to by any ownership, maintenance, operation, use, loading, unloading or control of or responsibility for any airfield, airport, aircraft, runway, hangar, building or other property or facility designed for, used, connected, associated or affiliated with or in any way related to aviation or aviation activities; this exclusion does not apply to premises exposure for those common areas open to the public including but not limited to parking areas, sidewalks, and terminal buildings.
- Failure or inability to supply or any interruption of any adequate quantity of power, steam, pressure, or fuel
- Subsidence, erosion or earth movement.
- Hospital / Clinic Medical Malpractice or Health Care Facilities
- Professional Health Care Services, but not including emergency medical services for first aid performed by emergency medical technicians, paramedics or Medical Director while in the course and scope of their duties.
- ERISA
- Actual or alleged illegal discrimination
- Injunctive, declaratory or equitable relief
- Actual or alleged deterioration, bursting breaking, leaking, inadequacy, design of, control of, maintenance of, or any other alleged responsibility for any structure device, or water course, natural or man-made, including, but not limited to: dams, reservoirs, levees, banks, embankments, gates, canals, ditches, gutters, sewers, aqueducts, channels, culvert, retaining walls, drains, tanks, watershed, or drains, a purpose of which is the containing, carrying, impeding, channeling, diverting, or draining of water or other liquid. Does not apply only as to the bursting or failure of man-made sewer, storm water, grey water or potable water supply pipes owned and maintained by Covered Party.
- Sexual abuse after initial discover

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

LAW ENFORCEMENT LIABILITY

<u>Term:</u>	October 1, 2016 to October 1, 2017
<u>Company:</u>	Preferred Governmental Insurance Trust (<i>Preferred</i>)
<u>Form:</u>	Occurrence
<u>Limits of Liability:</u>	\$2,000,000 per Person \$2,000,000 per Occurrence
<u>Coverage:</u>	
Group A:	False arrest, detention or imprisonment, or malicious prosecution
Group B:	The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right or privacy; except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the named covered party
Group C:	Wrongful entry or eviction, or other invasion of the right of private occupancy
Group D:	Erroneous service of civil papers, false imprisonment, or assault and battery
<u>Self-Insured Retention:</u>	\$100,000 per Occurrence

Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Premium is not auditable.
3. SIR applied to money damages and claims expenses (including investigation, adjustment and defense costs).
4. Limits of Liability are subject to Florida Statute 768.28.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

MAJOR EXCLUSIONS

Exclusions, but not limited to:

- Contractual Liability (except mutual aid or reciprocal law enforcement contracts or agreements)
- Willful violation of penal statute or ordinance or failure to follow statutory procedures for seizing property under the Florida Contraband Forfeiture Act
- Workers Compensation, Employer's Liability and similar laws
- War
- Criminal Acts
- Aircraft, Auto or Watercraft
- Employment Injury
- Non-monetary Damages
- Federal Acts (Jones Act, General Maritime Law, the Federal Employers Liability Act, the Federal Employees Compensation Act, the Defense Base Act or the U.S. Longshore and Harbor Workers' Compensation Act)
- **Applies to General Liability, Coverage B. Personal and Advertising Injury Liability Only** - Arising out of any actual or alleged rape, sexual assault, sexual battery, sexual molestations, sexual discrimination, sexual harassment, sexual relations, sexual intimacy, sexual act, sexual activity, sexual handling, sexual exploitation, sexual exhibition, sexual exposure, undue familiarity, alienation of affections, or any behavior with sexual connotation or purpose, both direct and indirect, including the negligent employment, investigation, supervision, reporting to authorities, or retention of any "police/peace officer" for whom any insured is or ever was legally responsible.
- Personal Property in insured's care, custody or control (except for property on persons at time of arrest)

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

PUBLIC OFFICIALS LIABILITY EMPLOYMENT PRACTICES LIABILITY

Term: October 1, 2016 to October 1, 2017

Company: Preferred Governmental Insurance Trust (*Preferred*)

Form: Claims Made – Duty to Defend

Retroactive Date: 10/01/1987

Coverage: Pays damages the insured becomes legally obligated to pay because of a “wrongful act” arising out of the discharge of duties

Limits of Liability:

Public Officials Liability	\$2,000,000 per Claim \$2,000,000 Annual Aggregate
Employment Practices Liability	\$2,000,000 per Claim \$2,000,000 Annual Aggregate
Media Content Services, Network Security & Privacy Liability	\$1,000,000 each claim \$1,000,000 Aggregate for all Notification Costs \$1,000,000 Aggregate for all Regulatory Fines & Expenses

Deductibles:

Public Officials Liability	\$100,000 Self Insured Retention
Employment Practices Liability	\$100,000 Self Insured Retention
Media Content, Services, Network Security & Privacy Liability	Same as Public Officials Liability Deductible

Supplementary Payments:

1. Employee pre-termination legal consultation services - \$2,500 per employee/\$5,000 aggregate.
2. Non-Monetary claims defense costs subject to a \$100,000 aggregate limit and the terms and conditions of the policy.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

PUBLIC OFFICIALS LIABILITY EMPLOYMENT PRACTICES LIABILITY

Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. SIR applied to money damages and claims expenses (including investigation, adjustment and defense costs).
3. Broadened definition of “Who is an Insured.”
4. Limits of Liability are subject to Florida Statute 768.28.

Exclusions, but not limited to:

- Criminal Acts
- Non-Monetary relief except as provided in the Supplementary Payments
- Bodily Injury, Personal Injury, Property Damage, Advertising Injury
- Damages arising out of Inverse Condemnation, Eminent Domain, Temporary or Permanent taking, Adverse Possession, Dedication by adverse Use, Condemnation Proceedings, or claims brought under Florida Statute 70.001 the “Bert J. Harris Jr., Private Property Rights Protection Act” or any similar claim by whatever named called.
- War, Invasion, Acts of foreign enemies, hostiles or warlike operations, strike, lock-out, riot, civil war, rebellion, revolution, insurrection or civil commotion
- Failure to effect and maintain insurance
- Fiduciary Liability
- Pollution
- Workers’ Compensation, Employers Liability and similar laws
- Nuclear
- ERISA of 1974, any similar state or local laws, and any rules and regulations promulgated thereunder and amendments thereto.
- Infringement of copyright, trademark, plagiarism, piracy or misappropriation of any ideas or other intellectual property
- Contractual Liability
- Health Care Professional or Health Care Facilities
- Prior and Pending claims
- Workers’ Adjustment and Retraining Notification Act, OSHA, RICO, or ADA
- Law Enforcement Activities
- Insured vs. Insured
- Bonds, Taxes or Construction contracts
- Collective Bargaining Agreements
- Capital Improvement to make property more accessible or accommodating to disabled persons
- Punitive Damages
- Return or improper assessment of taxes, assessments, penalties, fines, fees

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

PUBLIC OFFICIALS LIABILITY EMPLOYMENT PRACTICES LIABILITY

Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

Extended Reporting Periods:

Preferred provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

Automatic Extended Reporting Period – continued coverage granted for a period of 60 days following the effective date of termination or nonrenewal, but only for Claims first made during the 60 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

Optional Extended Reporting Period – The Public Entity shall have the right, upon payment of up to 200% of the expiring premium, to purchase an Optional Extended Reporting Period, for the period of 12 months following the effective date of the cancellation or nonrenewal, but only for Claims first made during the Optional Extended Reporting Period and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE

Term: October 1, 2016 to October 1, 2017

Company: Preferred Governmental Insurance Trust (*Preferred*)

Limits of Liability:
(Based on 470 Vehicles)

Primary Bodily Injury and Property Damage Liability – Combined	\$2,000,000 Any One Accident – Symbol 1
Personal Injury Protection	\$10,000 – Statutory – Symbol 5
Medical Payments	Not Included
Uninsured Motorist	Rejected

Liability Deductible: \$100,000 Self Insured Retention

Physical Damage: Comprehensive – All Vehicles Valued over \$40k, Symbol 10
Collision – All Vehicles Valued over \$40k, Symbol 10

Physical Damage Deductible:

Comprehensive	\$25,000 per Vehicle
Collision	\$25,000 per Vehicle

Coverage and Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Hired and non-owned liability is included.
3. Premium is based on number of vehicles and subject to adjustment if schedule is changed.
4. Physical Damage coverage paid at Actual Cash Value or 110% of the value reported on the schedule, whichever is less. Please see policy for complete details.
5. Limits of Liability are subject to Florida Statute 768.28.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE

Description of Covered Auto Designation Symbols:

SYMBOL	DESCRIPTION
1	= ANY "AUTO"
2	= ALL OWNED "AUTOS" ONLY. Only those "autos" you own and or lease (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This also includes all those "autos" you acquire ownership of after the coverage agreement begins.
3	= OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the coverage agreement begins.
4	= OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the coverage agreement begins.
5	= OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own and or lease that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	= OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORIST LAW. Only those "autos" you own and or lease that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are subject to the same state uninsured motorists requirement.
7	= SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE).
8	= HIRED "AUTOS" ONLY. Only those "autos" you hire rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your employees or partners or members of their households.
9	= NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your employees or partners or members of their households but only while used in your business or your personal affairs.
10	= Per Symbol 2, except only as respects the following: 1) Owned Autos \$40,001 & more, with \$25,000 Deductible. 2) No Coverage applies to vehicles valued \$40,000 or less.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

EXCESS WORKERS' COMPENSATION

Term: October 1, 2016 to October 1, 2017

Insurer: Preferred Governmental Insurance Trust (*Preferred*)

Contract Terms	
Liability Period	10/1/2016 – 10/1/2017
Payroll Reporting Period	10/1/2016 – 10/1/2017
Payroll	\$30,097,218
Self-Insured Retention	\$350,000
Specific Limit	Statutory
Employers Liability Limit	\$1,000,000/\$1,000,000/\$1,000,000

Notes of Importance:

1. TPA Fees are not included in this proposal.
2. State taxes and assessments are not included in the premium and are the responsibility of the insured.
3. **If TPA is other than PGCS, first dollar TPA losses required on a quarterly basis.**
4. **Certification of Servicing for Self-Insurers form filed with the State of Florida (SI-19) must be received PRIOR to binding excess WC**
5. Final premium subject to payroll audit.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

POLLUTION LIABILITY

Term: October 1, 2016 to October 1, 2017

Company: Illinois Union Insurance Company
(Rated A++ XV by A.M. Best)

Form: Claims Made

Limits of Liability:

Coverage Section	Limit of Liability	Retention
New Pollution Conditions Coverage		
Per Pollution Condition	\$2,000,000	\$25,000
Aggregate All Pollution Condition	\$3,000,000	

Coverages:

Coverage A: Pollution Conditions or Indoor Environmental Conditions Coverage
 Coverage B: Transportation Coverage
 Coverage C: Non-Owned Disposal Site Coverage

Retroactive Dates:

Coverage A: Per Schedule of Covered Locations Endorsement
 Coverage B: 10/1/2015
 Coverage C: 10/1/2015

Policy Form: PF- 44887 (09/14) Premises Pollution Liability Insurance Policy

Terms and Conditions:

- Premium is one-hundred percent (100%) Minimum-Earned as of inception of the Policy
- PF-44917 (09/14): Dedicated Defense Aggregate Limit Endorsement - \$500,000 is the Dedicated Defense Aggregate Limit
- PF-44953 (09/14): Named Insureds (Broad – Controlled Chain) Endorsement
- PF-44957 (09/14): Notice of Cancellation Amendatory (90 Days) Endorsement
- PF-44963 (09/14): Other Insurance (Primary) Endorsement
- PF-44971a (04/15): Public Entity Coverage Amendatory Endorsement
- PF-44891 (09/14): Schedule of Additional Insureds (Broad) Endorsement
- PF-44913 (09/14): Schedule of Covered Locations Endorsement
- PF-44916 (09/14): Schedule of Covered Storage Tanks (Financial Responsibility) Endorsement
- PF-44927 (09/14): Exposure-Specific Deductible Limits for Financial Responsibility (ASTs – Via General Aggregate Sublimit – Annual) Endorsement – \$1M/\$1M limits with \$25k deductible.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

POLLUTION LIABILITY

Notes of Importance:

1. Covered sites are all locations listed on the Statement of Values provided to Illinois Union and not excluded by the policy wording.
2. Covered pollution conditions must commence after the retro date of this policy and before the end of the policy period.
3. Material misrepresentation by the insured voids this policy.
4. No flat cancellation – policy is subject to a 100% minimum earned premium.
5. Premium is not subject to audit.
6. This insurance is issued pursuant to the Florida Surplus Lines Laws. Entities insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.

Requirements that must be met **PRIOR** to binding:

1. Must have completed and signed CHUBB Environmental Application.
2. Completed and signed TRIA form.

Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

Extended Reporting Periods:

ACE provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

Basic Extended Reporting Period – continued coverage granted for a period of 60 days following the effective date of termination or nonrenewal, but only for Claims first made during the 60 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

Optional Extended Reporting Period – The Public Entity shall have the right, upon payment of up to 200% of the expiring premium, to purchase an Optional Extended Reporting Period, for the period of 34 months following the effective date of the cancellation or nonrenewal, but only for Claims first made during the Optional Extended Reporting Period and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

PREMIUM RECAPITULATION

	<u>Annual Premium</u>	<u>Check Option</u>	
		<u>Accept</u>	<u>Reject</u>
Property – National Fire & Marine Ins Co.	\$350,000.00		
Administrative Fee	\$35.00		
Florida EMPA Fee	\$4.00		
Total Premium	\$350,039.00	<input type="checkbox"/>	<input type="checkbox"/>
OPTIONAL			
\$15M Limit (including same fees as above)	\$400,039.00	<input type="checkbox"/>	<input type="checkbox"/>
Remove Automobile CAT Coverage	(\$20,578.00)	<input type="checkbox"/>	<input type="checkbox"/>
Boiler & Machinery – Federal Insurance Co	\$6,447.00	<input type="checkbox"/>	<input type="checkbox"/>
Crime / Employee Dishonesty - Preferred	\$2,820.00	<input type="checkbox"/>	<input type="checkbox"/>
General Liability – Preferred	\$46,024.00	<input type="checkbox"/>	<input type="checkbox"/>
Law Enforcement Liability – Preferred	\$51,745.00	<input type="checkbox"/>	<input type="checkbox"/>
Public Officials Liability – Preferred	\$63,678.00	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Liability – Preferred	\$39,542.00	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Physical Damage – Preferred	\$12,653.00	<input type="checkbox"/>	<input type="checkbox"/>
Excess Workers’ Compensation – Preferred	\$149,075.00	<input type="checkbox"/>	<input type="checkbox"/>
Pollution Liability – Illinois Union Ins. Co.	\$14,793.00	<input type="checkbox"/>	<input type="checkbox"/>
<i>Optional- TRIA</i>	\$740.00	<input type="checkbox"/>	<input type="checkbox"/>

I authorize PRIA to request the underwriters to bind coverage on the items indicated above and acknowledge receipt of the Compensation and Financial Condition Disclosure(s) provided in this proposal.

(Signature)

(Name & Title)

(Date)



Preferred 10/1/2015-10/1/2017
2-Year Coverage Agreement Summary
IMPORTANT NOTE:

Preferred's quote covers two (2) annual twelve month periods, from 10/01/2015 12:00:00 AM to 10/01/2016 12:00:00 AM and from 10/01/2016 12:00:00 AM to 10/01/2017 12:00:00 AM. The following conditions apply in addition to all other conditions of this quote:

- A. All Aggregate limits reset for the period 10/01/2016 12:00:00 AM to 10/01/2017 12:00:00 AM. Losses applying to one annual coverage period will not erode the aggregate limits of another annual coverage period.
- B. The premium for the period 10/01/2016 12:00:00 AM to 10/01/2017 12:00:00 AM has been determined based on updated exposure values for the period.
- C. Rates for the period 10/01/2016 12:00:00 AM to 10/01/2017 12:00:00 AM will be identical to those for the period commencing 10/01/2015 12:00:00 AM, with premiums subject to the following:
 - 1. NCCI Experience modification factors will be applied as promulgated.
 - 2. Changes to Schedules: Property, Inland Marine, and Automobile
 - 3. Payroll
 - 4. Number of Employees
- D. In the event of cancellation of any line of business prior to 10/01/2016 12:00:00 AM, a penalty equal to 60 days premium of such line(s) of business shall become earned, any provision of the agreement to the contrary notwithstanding.
 - 1. This penalty is earned and payable regardless of when notice of such cancellation is given, or the effective date of such cancellation.

Notes of Importance:

1. Quotes provided in the proposal are valid until 10/01/2016. After this date terms and conditions are subject to change by the underwriters.
2. *Preferred* is not subject to the Florida Insurance Guaranty Act, in the event it becomes unable to meet its claims payment obligations. However, insured is named on excess of loss policies.
3. Some of the Carriers of the *Preferred* excess of loss policies are issued pursuant to the FL Surplus Lines laws. Entities insured by surplus lines carriers do not have the protection of the FL Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.
4. Quote is subject to review and acceptance by *Preferred* Board of Trustees.
5. Premiums are subject to change if all lines of coverage quoted are not bound. **Premiums are subject to 35% minimum premium upon binding.**
6. Not all coverages requested may be provided in this quotation.
7. Flood quotes from NFIP may be available. Please advise your agent if you have property located in zones A or V and would like to have separate NFIP quotes.
8. Property values are based on information supplied by you. You should have reviewed your property schedule and as you deem necessary have appraisals done to verify your reported values are accurate based on current market conditions.
9. The Trust requires all Members to maintain valid and current certificates of workers' compensation insurance for all work performed by persons other than its employees.
10. **With the exception of Workers' Compensation and Property, the total premium is due within 30 days of inception. Premium financing can be arranged if needed.**
11. Quote is not bound until written orders to bind are received from the insured and the Trust/Company subsequently accepts the risk.
12. Should signed application reveal differing details/data than original application received, the entire quote/binder is subject to revision and possible retraction.
13. Higher limits of liability may be available. Please consult with your agent.
14. This proposal is based upon exposures to loss made known to the Public Risk Insurance Agency. Any changes in exposures (i.e. new operations, new acquisitions of property or change in liability exposure) need to be promptly reported to us in order that proper coverage may be put into place.
15. **This proposal is intended to give a brief overview. Please refer to coverage agreements for complete information regarding definition of terms, deductibles, sub-limits, restrictions and exclusions that may apply. In the event of any differences, the policy will prevail.**

Retail Compensation Disclosure

In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or “pooled”) with the premium dollars of other insured’s that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

Questions and Information Requests: Should you have any questions or require additional information, please contact this office at 386-252-6176 or, if you prefer, submit your question or request online at <http://www.bbinsurance.com/customerinquiry.shtml>.

***PREFERRED* Compensation Disclosure**

We appreciate the opportunity to assist with your insurance needs. Information concerning additional compensation paid to other entities for this placement and related services appears below. Please do not hesitate to contact us if any additional information is required.

Our office is owned by Brown & Brown, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so.

For the 2016 – 2017 policy year, your insurance was placed with Preferred Governmental Insurance Trust (*Preferred*). *Preferred* is an insurance trust formed by Florida public entities through an Interlocal Agreement for the purpose of providing its members with an array of insurance coverages and services. *Preferred* has contracted with entities owned by Brown & Brown, Inc. to perform various services. As explained below, those Brown & Brown entities are compensated for their services.

Preferred has contracted with Public Risk Underwriters (PRU), a company owned by Brown & Brown, Inc., to administer *Preferred*'s operations. The administrative services provided by PRU to *Preferred* include:

- Underwriting
- Coverage review
- Marketing
- Policy Review
- Accounting
- Issuance of *Preferred* Coverage Agreements
- *Preferred* Member Liaison
- Risk Assessment and Control

Pursuant to its contract with *Preferred*, PRU receives an administration fee, based on the size and complexity of the account, of up to 12.5% of the premium you pay to *Preferred*. PRU may also receive commissions from insurance companies with whom it places your coverage, which commissions are derived from the premium you pay to *Preferred*. Multiple underwriters may be involved in the placement of your coverage. If so, they also may be compensated for their services from the premium you pay to *Preferred*.

Preferred has also contracted with Preferred Governmental Claims Solutions (PGCS), a company owned by Brown & Brown, Inc., for purposes of administering the claims of *Preferred* members. The services provided by PGCS to *Preferred* may include:

- Claims Liaison with Insurance Company
- Claims Liaison with *Preferred* Members
- Claims Adjustment

***PREFERRED* Compensation Disclosure (continued)**

Pursuant to its contract with *Preferred*, PGCS receives a claims administration fee for those accounts which PGCS services of up to 5% of the non-property portion of the premiums you pay to *Preferred*.

Preferred also utilizes wholesale insurance brokers, some of which (such as Peachtree Special Risk Brokers and MacDuff Underwriters) are owned by Brown & Brown, Inc., for the placement of *Preferred*'s insurance policies, and for individual risk placements for some *Preferred* members (excess and surplus lines, professional liability coverage, etc.). The wholesale insurance broker may provide the following services:

- Risk Placement
- Coverage review
- Claims Liaison with Insurance Company
- Policy Review
- Current Market Intelligence

The wholesale insurance broker's compensation is derived from your premium, and is largely dictated by the insurance company. It typically ranges between 10% and 17% of the premiums you pay to *Preferred* for your coverage. Some wholesale brokers used by Brown & Brown to place your coverage may also act as Managing General Agents for various insurance companies, and may be compensated directly by those insurance companies for their services in placing and maintaining coverage with those particular companies.

The wholesale insurance brokerage utilized in the placement of property insurance was Peachtree Special Risk Brokers, which is a company owned by Brown & Brown Inc. Furthermore, any professional liability coverage afforded by the package of insurance you purchased was acquired through Apex Insurance Services, which is also a company affiliated with Brown & Brown Inc.

Wholesale Business Compensation Disclosure

Wholesale Broker/Managing General Agent: MacDuff Underwriters, Inc.

This intermediary is owned in whole or part by Brown & Brown, Inc., the parent company of Public Risk Insurance Agency. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment.

NOTICE OF CARRIER FINANCIAL STATUS

Risk Management Associates, Inc. dba Public Risk Insurance Agency, and its parent company, Brown & Brown, Inc. (collectively “Brown & Brown”) do not certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer or pooling entity. We endeavored to place your coverage with an insurance carrier with an A.M. Best Company financial rating of “A-” or better.* While Brown & Brown cannot certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer or pooling entity or otherwise predict whether the financial condition of any such entity might improve or deteriorate, we are hereby providing you with notice and disclosure of financial condition so that you can make an informed decision regarding the placement of coverage. Accordingly, with receipt of this notice you acknowledge the following with regard to the placement and any subsequent renewal of the coverage indicated below:

- Brown & Brown may have other options for your insurance placement, including quotations with insurance carriers holding an “A-” or better rating from A.M. Best Company. Alternative quotes may be available with an A- or better rated carrier upon your request.
- Coverage is being placed through **Preferred Governmental Insurance Trust (“Preferred”)**, which is as a Florida local government self-insurance fund established pursuant to Section 624.4622, Florida Statutes, as such **Preferred** is not rated by the A.M. Best Company.
- **Preferred** is not subject to the protections afforded by any state guaranty fund or association.
- The financial condition of insurance companies and other coverage providers including local government self-insurance funds like **Preferred** may change rapidly and that such changes are beyond the control of Brown & Brown.
- You should review the financial and membership information from **Preferred** and agree to abide by the conditions of membership established by **Preferred**.
- You should consider the information provided, including the **Preferred** coverage quote and coverage placement and review it with your accountants, legal counsel and advisors.

Named Insured: CITY OF NORTH PORT

Policy Number: PX2FL1 0582501 15-01

Policy Period: 10/01/2016 – 10/01/2017

Date of Notice: 9/12/2016

* **A.M. Best Rating Guide: Rating for Stability: A++ to D = Highest to lowest rating**
Rating for Assets/ Surplus: 15 to 1 - Largest to smallest rating

Guide to Bests Ratings		
Best Category	Rating	Description
Secure	A++	Superior
Secure	A+	Superior
Secure	A	Excellent
Secure	A-	Excellent
Secure	B++	Very Good
Secure	B+	Very Good
Vulnerable	B	Fair
Vulnerable	B-	Fair
Vulnerable	C++	Marginal
Vulnerable	C+	Marginal
Vulnerable	C	Weak
Vulnerable	C-	Weak
Vulnerable	D	Poor
Vulnerable	E	Under Regulatory Supervision
Vulnerable	F	In Liquidation
Vulnerable	S	Rating Suspended
Not Rated	NR-1	Insufficient Data
Not Rated	NR-2	Insufficient Size and/or operating experience
Not Rated	NR-3	Rating Procedure Inapplicable
Not Rated	NR-4	Company Request
Not Rated	NR-5	Not Formally Followed
Rating Modifier	u	Under Review
Rating Modifier	q	Qualified
Affiliation Code	g	Group
Affiliation Code	p	Pooled
Affiliation Code	r	Reinsured

Guide to Best's Financial Size Categories		
Reflects size of insurance company based on their capital, surplus and conditional reserve funds in U.S. dollars.	I	Less than \$1,000,000
	II	\$1,000,000 - \$2,000,000
	III	\$2,000,000 - \$5,000,000
	IV	\$5,000,000 - \$10,000,000
	V	\$10,000,000 - \$25,000,000
	VI	\$25,000,000 - \$50,000,000
	VII	\$50,000,000 - \$100,000,000
	VIII	\$100,000,000 - \$250,000,000
	IX	\$250,000,000 - \$500,000,000
	X	\$500,000,000 - \$750,000,000
	XI	\$750,000,000 - \$1,000,000,000
	XII	\$1,000,000,000 - \$1,250,000,000
	XIII	\$1,250,000,000 - \$1,500,000,000
	XIV	\$1,500,000,000 - \$2,000,000,000
	XV	Greater than \$2,000,000,000

Public Risk Insurance Agency always strives to place your coverage with highly secure insurance companies. We cannot, however, guarantee the financial stability of any carrier.

**STATEMENT ACKNOWLEDGING THAT COVERAGE HAS
BEEN PLACED WITH A NON-ADMITTED CARRIER**

Per Florida Statute, the insured is required to sign the following E&S disclosure:

The undersigned hereby agrees to place insurance coverage in the surplus lines market and understands that superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

City of North Port

Named Insured

Signature of Insured's Authorized Representative

Date

National Fire & Marine Insurance Company

Name of Excess and Surplus Lines Carrier

Property

Type of Insurance

10/01/2016

Effective Date of Coverage

**STATEMENT ACKNOWLEDGING THAT COVERAGE HAS
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Per Florida Statute, the insured is required to sign the following E&S disclosure:

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City of North Port

Named Insured

Signature of Insured's Authorized Representative

Date

Illinois Union Insurance Company

Name of Excess and Surplus Lines Carrier

Pollution Liability

Type of Insurance

10/01/2016

Effective Date of Coverage