

INTERISK CORPORATION

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August 8, 2017

Mr. Todd Stoughton
Risk Manager/Safety Officer
City of Key West
1300 White Street
Key West, Florida 33040

Subject: Self Insured Trusts

Todd:

It is understood that the City is considering soliciting proposals from Self Insured Trusts that offer insurance coverages for governmental entities located in Florida for their 2018/19 insurance programs. There are 3 primary trusts in Florida.

- The Florida Municipal Insurance Trust (FMIT)
- The Preferred Governmental Insurance Trust (PGIT)
- Public Risk Management of Florida (PRM)

The FMIT was established in 1977; PIGIT was established in 1999 and PRM was established in 1987. While the size of the trusts vary, it is my understanding that none of the trusts have ever failed to honor the claim obligations. I have personally worked with each trust and believe all of them can respond to most of the City's insurance needs. Some of the coverages for the City's marinas will have to be placed with traditional insurers.

It is believed that all 3 of the trusts offer insurance coverages comparable, (and in some cases broader) than can be obtained from traditional insurers. It is also believed that the trusts premiums are generally lower than those of traditional insurers.

The FMIT is administered by the Florida League of Cities (FLC) and the City can access the FMIT directly through the FLC. It is my understanding that the FMIT has also approved a few independent agents in Florida to serve as agents for FMIT insureds. I believe one of those agents is Arthur J. Gallagher. The City will need an independent agent to access PGIT. PGIT is administered by a Brown & Brown subsidiary (Public Risk Underwriters). Therefore it is believed that the City would be better served by selecting a Brown & Brown agency. One of Brown & Brown's agencies is Public Risk Insurance Agency (PRIA) that specializes only in insurance for governmental entities. They tend to have a better understanding of the unique needs of organizations such as the City. PRM is administered by World Risk Management that can also serve as the City's agent. Each of the trusts can assist the City in selecting an agent.

We support the City soliciting proposals from FMIT, PIGIT, and PRM for their 2018/19 policy term. We believe that this will result in the City obtaining broader coverages at a lower cost.

Interisk has strong working relations with each of the trusts and can be available to assist the City in the renewal process and the evaluation of the proposals received.

Please do not hesitate to call if you would like to discuss this issue in more detail.

Cordially,

INTERISK CORPORATION

A handwritten signature in dark ink, appearing to read "S G Webber". The signature is fluid and cursive, with the first two letters of each name being capitalized and prominent.

Sidney G. Webber
CPCU, ARM