

*risk managers*  
**BEN FEW & COMPANY, INC.**

September 9, 2015

Lisa Takach Borzy  
Risk Manager/Safety Officer  
City of Key West  
P.O. Box 1409  
Key West, FL 33041

Re: Casualty & Ancillary Insurance Renewal

Lisa:

The following is being submitted for the purposes of summarizing the lines of insurance coverage that have been negotiated through Arthur J. Gallagher Risk Management Services, Inc.'s ("AJG") Orlando office.

Coverage for all third-party liability lines (general, automobile, law enforcement, public official, employment practices, cyber) and workers' compensation will be placed by AJG through the Public Risk Management of Florida ("PRM") insurance trust, which operates in a similar fashion to the City's expiring program. The deductible stop loss aggregate will be \$2 million, while the City's self-insured retentions will remain the same as expiring: \$100,000 per claim/occurrence for liability lines and \$325,000 per claim for workers' compensation. Total premium for the casualty lines is \$404,955, inclusive of all brokerage fees. Premium recap is as follows:

Coverage	Limit	Retention	Premium
GL/AL/LEL/E&O	\$1,000,000	\$100,000	\$201,211
Workers' Compensation	Statutory / \$3,000,000 Employer Liability	\$325,000	\$173,744
		Broker Fee	\$30,000
		<b>TOTAL</b>	<b>\$404,955</b>

With respect to claims administration services, PRM has agreed to work with the City's current third party administrator, Ascension/EMI. PRM's required reporting threshold for this arrangement will be \$25,000 for casualty lines claims and \$50,000 for workers' compensation claims, both of which may be subject to consideration for an increase at a later date.

The following ancillary lines of insurance coverage will also be serviced by AJG:

Coverage	Limit	Deductible	Premium
Outer Mole Excess Liability - Great American	\$4M xs \$1,000,000		\$10,000
MOLL - Great American	\$1,000,000	\$2,500	\$14,861
Wharfingers - Great American	\$2,000,000	\$10,000	\$24,208

Hull - Great American	\$964,256	\$5,000 AOP/5% Wind	\$11,475
Vessel Pollution - Great American	\$1m/\$1m		\$4,425
Tank Storage Liab - Commerce & Industry	\$1m/\$4m	\$10,000	\$2,423
Tank Storage Liab - IL Union - 11/1	\$1m/\$2m	\$10,000	\$2,277*
Statutory AD&D - Chartis	Statutory		\$6,000*
Pollution/Tank Liab - XL - 11/1/14-11/1/17	\$1.25M/\$3M	\$100,000	\$12,455

\*Premium estimates.

The above ancillary lines were originally proposed by the incumbent broker, but will be handled by AJG once transferred via broker-of-record letter, effective October 1, 2015. Terms and conditions for the ancillary lines will remain the same as initially proposed during the RFP process.

We certainly appreciate being of service to the City throughout this renewal process and invite you to contact us with any questions you may have.

Best regards,

BEN FEW & COMPANY, INC.



Ben Few IV, CRM, AAI  
President