

RESOLUTION NO. 12-139

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AUTHORIZING A ONE-YEAR RENEWAL, FOR THE POLICY PERIOD 10/01/2012 - 10/01/2013, OF THE BROKER SERVICES AGREEMENT WITH BROWN & BROWN - PUBLIC RISK INSURANCE AGENCY (PRIA) FOR THE CITY'S PROPERTY AND CASUALTY INSURANCE PROGRAM; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 09-247, the City Commission accepted the proposal of Brown & Brown - Public Risk Insurance Agency (PRIA) in response to RFP #09-010 for "property and casualty insurance program", including an option for up to four (4) additional years at the sole option of the City; and

WHEREAS, the City Commission intends to exercise the first of four one-year extensions contemplated by the approved proposal;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the proposal from Preferred Governmental Insurance Trust (PGIT) as submitted by the Public Risk Insurance Agency (PRIA), is hereby extended for the policy year 2012/2013.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held
this 1st day of May, 2012.


Authenticated by the presiding officer and Clerk of the
Commission on May 2, 2012.

Filed with the Clerk May 2, 2012.



CRAIG CATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

To: Jim Scholl, City Manager
From: Mark Z. Finigan, Assistant City Manager
Date: March 21, 2012
Subject: Renewal of 2012-2013 Property & Casualty Insurance Brokerage Services

ACTION STATEMENT:

Request City Commission approve and extend the broker services of existing broker, Brown & Brown - Public Risk Insurance Agency (PRIA) for the policy period of 10/01/2012 – 10/01/2013 in accordance with the Request for Proposal (RFP #09-010): *"It is the intent of the City to purchase coverages from the successful proposer for a period of one (1) year and to renew the coverages with the successful proposer for four (4) additional years at the sole option of the City."*

BACKGROUND:

In the September 15, 2009 City Commission meeting the City Commission adopted Resolution No. 09-247 authorizing the acceptance of PRIA's proposal for the City's Property & Casualty insurance program for policy year 2009/2010 as well as recognizing PRIA as the Agent/Broker for two (2) successive policy years specifically 2010/2011 and 2011/2012. The intent of the RFP was to provide the City the opportunity to re-evaluate the services provided by PRIA and to exercise its option for renewal in subsequent policy periods based on their performance.

In 2009-2010 PRIA provided the City with an insurance program offered by Preferred Governmental Insurance Trust (PGIT) which included several enhancements to its Property Coverage with an additional cost savings of 25%. The coverage provided by PGIT at policy inception and continuing through the subsequent policy periods:

- Provided up to full values for all perils except Flood subject to the pool limit and following deductibles: Named Storm: 5% per itemized listing, subject to a \$75K Minimum
- All Other Wind: \$50K per Occurrence; All Other Perils: \$50K Per Occurrence.
- Flood Coverage is provided with a \$5 Mil per occurrence/aggregate sublimit. Properties eligible for the National Flood Ins. Program (NFIP) are insured excess of limits available through NFIP or 5% whichever is greater. Those not eligible are subject to the All Other perils deductible.
- PGIT's program eliminated the need for separate windstorm coverage with Citizens at an annual cost savings in 2009 of \$96K and enhanced the coverage by insuring to full limits as indicated on the Schedule of Values for all insured perils, excluding Flood which was sub-limited.
- PGIT also provided the City with the option of an Aggregate Stop Loss in the amount of \$825K applicable to all Liability and Workers Compensation coverage.

- Total Premiums of \$930,911, including NFIP policies. (Outside of NFIP, a reduction of 1% of premium was presented.)
- PRIA Saved the City over 25% - \$300,000+ in the 2009 RFP process and was able to maintain the premiums with enhanced coverages.
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2009-2012 Services Provided by PRIA

In addition to the enhancements in our insurance program PRIA has provided and continues to provide excellent, personalized service:

Agency Services Provided:

- Service Team Professionals have no less than 20 years insurance experience
- PRIA – 100% focused in Florida’s public entities
- Florida-based company with geographic familiarity with the City of Key West
- Marine expertise
- In-depth review of property schedule including assistance in risk analysis and property appraisal implementation
- Contractual risk transfer advice
- National Flood Insurance Program – Flood Audit completed
- Legislative updates

Loss Control Services Provided:

- Site Inspections
- On-Site Supervisory Training
- On-Site Operational Survey
- E-learning resources & Training resources to include DVD’s, posters, checklists
- Seminars and Webinars on issues of current topic

FINANCIAL IMPACT:

Since taking over the program in October of 2009, PRIA has assisted the City in a continuous fine tuning of its insurance program by providing superior property coverage, including higher available wind & flood limits. Working together, the City has identified significant exposures, assessed and updated property values and broadened coverage with a yield of lower and stabilized premiums.

Results 2009-2012:

Cost Savings –	
▪ 10/01/2008 -2009 Premiums (AJG)	\$1,128,739
▪ 10/01/2009-2010 Package* Premiums (PRIA)	<u>811,585</u>
*Including \$90,000 Citizens, <u>Excluding ancillary policies</u>	
Savings	\$ 317,154 or 28%
▪ 10/01/2010-2011 Premiums* (PRIA)	\$ 931,605
* <u>Including all ancillary policies, including NFIP,</u>	
Savings (X-NFIP) from prior year	\$ 11,000 (1%)

Coverage Enhancements:

- Blanket coverage provided
- Pooling arrangement can provide full Total Insured Value Limits for Storm Surge/Named Storm (vs. \$7,500,000 Wind and \$2,000,000 Flood Limit)

- Excess Flood Limit - \$5,000,000
- Deductible of 5% per Item Scheduled (vs. 5% + \$1,000,000 Citizens)-No Citizens
- Marine Coverage extended to include
 - Hull Coverage for 2 new pumpers
 - Pollution Coverage for all boats
 - Single Insurer (Great American) for all marine exposures
- Stop-Loss Aggregate - \$825,000 Limit
- Liability SIR remains at \$100,000 despite increase in FS 768.28 tort cap
SIR & Stop Loss Aggregate limit the amount of Reserve Funds required

RECOMMENDATION:

Request the City Commission to extend the City's Broker of Record agreement with PRIA for the renewal period of 2012-2013 as allowed for in the RFP No. 09-010.

RESOLUTION NO. 09-247

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AUTHORIZING ACCEPTANCE OF THE PROPOSAL FROM THE PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT) AS SUBMITTED BY THE PUBLIC RISK INSURANCE AGENCY (PRIA) IN THE AMOUNT OF \$792,480.00 FOR THE CITY'S PROPERTY AND CASUALTY INSURANCE PROGRAM FOR POLICY YEAR 2009/2010; AUTHORIZING ACCEPTANCE OF PRIA AS THE AGENT/BROKER FOR THE CITY'S PROPERTY AND CASUALTY INSURANCE PROGRAM FOR POLICY YEARS 2010/2011 AND 2011/2012; AUTHORIZING ACCEPTANCE OF PROGRAM ENHANCEMENTS OFFERED BY PGIT FOR STOP LOSS AT A COST OF \$5,000.00, INCREASED LAW AND ORDINANCE COVERAGE AT \$7,053.00 AND INCREASED DEBRIS REMOVAL COVERAGE AT \$7,053.00; AUTHORIZING THE PLACEMENT WITH ARTHUR J. GALLAGHER OF TWO SPECIFIC POLICIES, MARINA OPERATORS LEGAL LIABILITY (MOLL) COVERAGE AT A COST OF \$29,451.60 AND WHARFINGERS LIABILITY COVERAGE AT A COST OF \$26,765.00; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City issued RFP #09-010 requesting proposals for "property and casualty insurance program", which was opened on August 25, 2009; and

WHEREAS, the City received three responses to the RFP.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the proposal from Preferred Governmental Insurance Trust (PGIT) as submitted by the Public Risk Insurance Agency (PRIA) in the amount of \$792,480.00 for the City's property and casualty insurance program for policy year 2009/2010 is hereby

accepted.

Section 2: That PRIA is accepted as the agent/broker for the City's property and casualty program for policy years 2010/2011 and 2011/2012.

Section 3: That program enhancements offered by PGIT for stop loss at a cost of \$5,000.00, increased law and ordinance coverage at \$7,053.00 and increased debris removal at \$7,053.00 are accepted.

Section 4 That placement with Arthur J. Gallagher of two specific policies, marina operators legal liability coverage at a cost of \$29,451.60 and wharfingers liability coverage at a cost of \$26,765.00, is authorized.

Section 5: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 15th day of September, 2009.

Authenticated by the presiding officer and Clerk of the Commission on September 16th, 2009.

Filed with the Clerk September 16th 2009.


MORGAN MCPHERSON, MAYOR


ATTEST:


CHERYL SMITH, CITY CLERK



CITY MANAGER'S OFFICE MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Mark Z. Finigan, Assistant City Manager 

DATE: September 9, 2009

SUBJECT: RFP 09-010
Property Casualty Insurance Program

ACTION STATEMENT:

Request the City Commission award the proposal from the Preferred Governmental Insurance Trust (PGIT) as submitted by the Public Risk Insurance Agency (PRIA) in an amount of \$792,480 for the City's Property and Casualty Insurance Program for policy year 2009/2010 as well as recognizing PRIA as the agent / broker for the City's Property and Casualty Insurance Program for two (2) successive policy years, specifically 2010/2011 and 2011/2012. Additionally, City Commission accepts program enhancements offered by PGIT for Stop Loss at a cost of \$5,000, increased Law and Ordinance coverage at \$7,053 and increased debris removal coverage at \$7,053.

City Commission authorizing the placement of two specific policies, Marina Operators Legal Liability (MOLL) coverage from Arthur J. Gallagher at a cost of \$29,451.60 and Wharfingers Liability coverage from Arthur J. Gallagher at a cost of \$26,765.

BACKGROUND:

On June 2, 2009 the City of Key West engaged Interisk Corporation, an independent insurance consultant, to assist the City in the development of a Request for Proposal (RFP) to receive competitive proposals for the City's Property and Casualty Insurance Program (to include Workers Compensation) for the 2009/2010 policy year. The last policy year the City's Property and Casualty Insurance Program was marketed was 2002/2003. In addition to preparing the RFP, Interisk Corporation was required to make market assignments, evaluate proposals and make a recommendation to the City of that proposal which offered the City the most comprehensive coverages at the lowest costs. A copy of Interisk's evaluation and recommendation, dated September 3, 2009, is attached.

On August 25, 2009, sealed proposals were received and were publicly opened by the City Clerk. Three (3) agents responded to the RFP:

- Marsh, USA
- Arthur J. Gallagher (the current agent)
- Public Risk Insurance Agency (PRIA)

Though Interisk Corporation was requested to provide a recommendation, the RFP required the formation of an evaluation committee that would review and evaluate each proposal submitted based on the following criteria.

Evaluation Factor	Weighted Percentage
Breath of Coverages being Proposed	30%
Strength and Financial Stability of Insurers	15%
Agents Experience with Governmental Entities	15%
Net Cost	30%
References	10%

The following committee was formed at the direction of the City Manager:

Mark Z. Finigan	Assistant City Manager/Administration
Roger Wittenberg	Finance Director
Sandy Gilbert	Human Resource Director
Sandra Barroso	Risk Manager

The Evaluation Committee met on September 8, 2009 at 1:00 p.m. in the City Manager's Conference Room. The meeting was properly noticed. Each proposal was reviewed to determine if the proposal was responsive to the submission requirements specified in this RFP. A responsive proposal is one which follows the requirements of the RFP, includes all documentation, is submitted in the proposal format outlined in the RFP, is of timely submission, and has the appropriate signatures as required on each document. Failure to comply with these requirements may render such proposal as non-responsive. It should be noted even though Interisk Corporation deemed Marsh, USA as non responsive, the Committee after discussion concluded that Marsh, USA was responsive and proceeded to consider them in the rating and ranking of the three (3) proposals submitted. After discussion and considering the recommendation of Interisk Corporation, Committee members individually rated the three (3) proposals based on the evaluation criteria stated above.

All Committee members individually rated the proposal submitted by Public Risk Insurance Agency (PRIA) the highest with Arthur J. Gallagher the second highest rated agent followed by Marsh, USA. Individual "score sheets" are attached. Based on the final aggregate rating, the Evaluation Committee recommends the City Commission

award the proposal from the Preferred Governmental Insurance Trust as submitted by Public Risk Insurance Agency (PRIA) for the City's Property and Casualty Insurance Program for policy year 2009/2010 as well as for two (2) successive policy years.

FINANCIAL IMPACT:

If the City Commission accepts the recommendations of the Evaluation Committee and Interisk Corporation to include the recognition of program coverage enhancements proposed by PGIT as well as authorizing the placement of MOLL and Wharfinger coverage with Arthur J. Gallagher, the dollar savings from the current policy period of 2008/2009 is approximately \$225,000. It should be noted all coverage requirements of the City were met or exceeded by PGIT and at a minimum were no less than current year coverages.

RECOMMENDATION:

Request the City Commission award Preferred Governmental Insurance Trust's (PGIT) proposal as submitted by Public Risk Insurance Agency (PRIA) in an amount of \$792,480 as the agent / broker for the City's Property and Casualty Insurance Program for policy year 2009/2010 as well as recognizing PRIA as the agent / broker for the City's Property and Casualty Insurance Program for two (2) successive policy years, specifically 2010/2011 and 2011/2012. Additionally, City Commission accepts program enhancements offered by PGIT for Stop Loss at a cost of \$5,000, Law and Ordinance coverage at \$7,053 and increased debris removal coverage at \$7,053.

City Commission authorizing the placement of two specific policies, Marina Operators Legal Liability (MOLL) coverage from Arthur J. Gallagher at a cost of \$29,451.60 and Wharfingers Liability coverage from Arthur J. Gallagher at a cost of \$26,765

**THE CITY OF KEY WEST, FLORIDA
REQUEST FOR PROPOSALS
RFP #09-010**



**PROPERTY AND CASUALTY INSURANCE PROGRAM
EFFECTIVE DATE OCTOBER 1, 2009**

**Proposal Return Date
August 25, 2009**

I. BACKGROUND INFORMATION

Key West lies near the end of the chain of islands known as the Florida Keys, and is the southern-most city in the continental United States. The island-community is located about 90 miles north of Cuba and 150 miles southwest of Miami at a latitude of 24 degrees, 33 minutes, 5 seconds North and at a longitude of 81 degrees, 48 minutes, 14 seconds West. The island has an area of 4.2 square miles, while the City-incorporating the northern part of neighboring Stock Island-has an area of 5.79 square miles. The City initially developed because of its proximity to the Florida Straits, the abutting Florida Reef, strong offshore ocean currents (the Gulf Stream), and the area's unpredictable winds, combined with a large natural deep-water harbor and deep channels into the harbor. The Florida Straits are the northern-most sea passage from the Gulf of Mexico to the Atlantic Ocean. For three centuries this passage formed part of the great nautical trade route that carried ships from Caribbean and South American ports to their European homelands. The location of Key West serves as a gateway both to the Caribbean and between the Atlantic Ocean and the Gulf of Mexico was recognized by the military at an early date. Another important regional factor in the development of the City has been its proximity to Cuba, 90 miles to the south.

Key West's long and colorful past begins with its European discovery in 1513 by Ponce de Leon. The island was first known as Cayo Hueso (Isle of Bones) because it was littered with remains from an Indian battlefield or burial ground. The name "Key West" is the English version of the Spanish term. The first permanent occupancy in the City occurred in 1822, complete with a small naval depot, whose purpose was to rid the area of pirates. The presence of the U.S. Navy has been a major factor in the growth and development of Key West ever since. The settlement was incorporated in 1828, four years after becoming the county seat of Monroe County. The City grew and prospered, based first on fishing and salvaging ships wrecked on the nearby reefs, and later on cigar manufacturing with Cuban refugees and imported Cuban tobacco. Other economic activities included sponging and related commercial functions. By 1890, Key West was the largest and richest city in Florida. However, after the turn of the century its major industries were in decline. Little construction was undertaken between the First and Second World Wars and the City saw a steady decline in population between 1919 and 1935. World War II brought prosperity back to Key West. Population more than doubled between 1940 and 1960. Nationwide military base closings and personnel reductions beginning in the 1960s were major contributors to the City's second major cycle of population decline. After recording the highest number of residents in its history in 1960, Key West experienced over a 25 percent loss in population by 1980. The 1990 Census showed a slight increase.

Further information may be obtained from the City's website at:

<http://www.keywestcity.com>

II. GENERAL INFORMATION

COVERAGES REQUESTED

The following items are desired in arranging the overall insurance program for the City of Key West. In some instances all items may not be available or may require modification. The City will consider modified proposals to the extent that they provide adequate coverage and in view of the overall program objectives.

Coverage is requested for:

- All Risk Property
- Boiler & Machinery
- Premises and Operations Liability (General Liability)
- Public Officials Liability
- Vehicle Liability
- Vehicle Physical Damage
- Workers' Compensation
- Marina Operators Legal Liability
- Wharfingers Liability

It is the intent of the City to purchase coverages from the successful proposer for a period of one (1) year and to renew the coverages with the successful proposer for four (4) additional years at the sole option of the City.

SOVEREIGN IMMUNITY

It should be recognized by all proposers and insurers that as a governmental entity, the City of Key West enjoys the protection of Sovereign Immunity as specified in Florida Statute §768.28. All proposers and insurers are expected to be fully familiar with the provisions of this statute.

CURRENT PROGRAM

A major portion of the City's insurance is provided by Lloyds of London through a Multi-Peril policy with a policy term of October 1, 2008 to October 1, 2009. The following provides details of the coverages provided by the Lloyds Multi-Peril policy.

Property- Coverage is provided on an All Risk basis (Special Form) to include the perils of wind and flood. The policy provides primary limits of \$2.45 million with a per occurrence sub-limit of \$1.5 million for wind related events and \$1 million per occurrence and \$2 million annual aggregate for flood related events.

A \$50,000 SIR applies to all losses except for wind related events that are subject to a 5% plus \$1 million retention if property is covered by Citizens Property Insurance Company. If Citizens does not provide coverage for the damaged property, a \$1 million SIR applies. All flood related losses are subject to a \$1.5 million retention.

General Liability- Limits of \$900,000 in excess of a \$100,000 SIR

Automobile Liability – Limits of \$900,000 in excess of a \$100,000 SIR. Uninsured/Underinsured Motorist coverage is currently being rejected.

Public Officials Liability – Coverage is provided on a "Claims Made" basis with a Retrospective Date of October 1, 1988. A limit of \$900,000 is provided subject to a \$100,000 SIR.

Employee Benefit Liability – Coverage is provided on a "Claims Made" basis with a Retrospective Date of October 1, 1997. A per occurrence limit of \$900,000 and an annual aggregate of \$1.8 million applies. Losses are subject to a \$100,000 SIR.

Workers' Compensation – Lloyds provides the first \$175,000 of coverage in excess of the City's \$325,000 SIR. Excess Workers' Compensation coverage is provided by Midwest Employers Casualty Company that will be discussed under separate caption.

Medical Payments – a \$5,000 per person limit is provided, subject to a limit of \$100,000 for any one loss.

The annual premium for the City's current multi-peril policy as described above is \$494,904.

The City supplements the coverages provided by its multi-peril policy with the following coverages:

Coverage	Insurer	Policy Term	Limits	Deductible/SIR/Underlying Limits	Premium
Excess Property	Lexington Insurance Company	10/1/08 to 10/1/09	\$5 million	\$2,500,000	\$303,004
	Landmark Insurance Company	10/1/08 to 10/1/09	\$20 million	\$7,500,000	\$35,354
Excess Workers' Compensation	Midwest Employers Casualty Company	10/1/08 to 10/1/09	W/C - Statutory E/L - \$1 million	\$500,000	\$183,606
Boiler & Machinery	Travelers Property & Casualty	10/1/08 to 10/1/11	\$50 million	\$2,500	\$14,927 Annual
Excess Crime	Hartford Fire Insurance Company	10/1/06 until cancelled	Employee Dishonesty - \$975,000 Depositors Forgery - \$75,000 Theft - \$75,000 Computer and Funds Transf. - \$975,000	\$25,000	\$7,013 Annual
Marina Operators Legal Liability	The Northern Assurance Company of America	10/1/08 to 10/1/09	MOLL - \$1,000,000 P&I - \$1,000,000	\$2,500	\$43,853
Wharfingers Liability	National Liability and Fire Insurance Company	10/1/08 to 10/1/09	\$2,000,000	\$10,000 except \$25,000 Landing Dock Bailee and \$75,000 Pollution	\$30,300
Statutory AD&D	Hartford Insurance	10/1/08 to 10/1/10	Line of Duty - \$59,694 Fresh Pursuit - \$59,694 Unlawful Death - \$179,083	None	\$6,487 Annual
Petroleum Storage Tank Liability	Commerce and Industry	10/1/08 to 10/1/09	\$1,000,000 each incident and \$5,000,000 annual aggregate	\$25,000	\$1,841
Petroleum Storage Tank Liability	Illinois Union Insurance Co.	11/1/08 to 11/1/09	\$1,000,000 each incident and \$1,000,000 annual aggregate	\$10,000	\$3,393

The Statutory AD&D policy was written on a multi-year basis and does not expire until October 1, 2010. It is not included in this RFP process. The successful proposer will be expected to assume the administration of this policy effective October 1, 2009.

Originally Commerce and Industry (C&I) provided the Storage Tank Liability coverage for all of the City's fuel tanks. Several years ago C&I elected to remove coverage for one older tank that has since been removed and the tanks at the City's marina. This forced the City to purchase a second policy from Illinois Union. Both policies are provided on a Claims Made basis with the C&I policy having a March 25, 1994 Retroactive Date and the Illinois Union policy having a November 1, 2005 Retroactive Date. In an effort to maintain these Retroactive Dates, the incumbent agent will be requested to coordinate the renewal of both these policies and receive

the commission for these policies. The successful proposer will be requested to assume the future administration of these policies. Therefore both the C&I policy and the Illinois Union policy are excluded from this RFP process.

CLAIMS ADMINISTRATION

It should be recognized that the City's current insurance program includes various self-insured retentions. Gallagher Bassett has been engaged to administer the claims that are within the City's SIR. In conjunction with this RFP the City is issuing a separate RFP for its claims administration services.

RATING DATA

Rating data for each of the requested coverages is presented in separate sections for Requested Coverages.

LOSS HISTORY

Historical loss reports for the City will be forwarded by email when market assignments are announced.

EFFECTIVE DATE OF COVERAGE

October 1, 2009

MARKET ASSIGNMENTS

Market Assignments will be made. All interested Proposers are required to submit their requests for markets, ranked in order of preference, to the City's Risk Management Consultant no later than 3:00pm July 9, 2009. Requests not submitted in writing will not be considered. All requests should be submitted to:

*Interisk Corporation
1111 N. Westshore Blvd.
Suite 208
Tampa, Florida 33607
Facsimile: 813-287-1041*

Attention: The City of Key West, Florida – 2009/2010 Property and Casualty Insurance Program

Proposers will be notified of the assignments shortly thereafter.

Assignments will be made by insurance groups. Requests should not be grouped by coverage types. Lloyds of London will not be assigned due to its syndicated nature. All proposers will be permitted to utilize Lloyds in structuring their proposal. Requests for wholesalers or MGAs will

not be honored. Proposers are prohibited from approaching any insurer unless and until they have been formally notified of the companies assigned to their agency.

To assist the Proposers, facsimile and email requests will be accepted, however, Proposers are solely responsible for the accurate and complete receipt of their requests. The City of Key West nor Interisk will assume any liability for requests not fully received.

PAYMENT TERMS

The preferred method of payment is monthly. Complete details regarding payment terms, to include any and all finance charges must be fully disclosed.

SAMPLE FORMS OR POLICIES

Sample forms/endorsements and other coverage information are required as part of the proposal. If Insurance Services Office (ISO) forms are to be used, reference can be made to the form numbers and edition dates. If manuscript or non ISO forms are to be used, specimen copies for review must be furnished.

RATE CHANGE/POLICY MODIFICATION

Ninety (90) days written notice is requested by the insurer prior to any increase in rates or modification resulting in restriction of existing policy terms or provisions required by the insurer including each annual renewal.

TERMINATION/NON-RENEWAL NOTICE

Ninety (90) days written notice is requested by the insurer for termination, non-renewal or restriction of limits or coverage except for non-payment of premium.

NAMED INSURED

The Named Insured wording of all policies should include the following:

The City of Key West, Florida to include its City Commissioners, Directors, Officials and Employees

NOTICE OF CLAIM

Proposers are requested to modify policy language relating to notification to the insurer following a loss to provide that:

Notice of loss shall be given to the insurer as soon as practicable following receipt of notice of a claim by the individual designated by The City of Key West as responsible for risk management and insurance affairs.

CLAIM REPORTING LOCATIONS

Please indicate the address, telephone number and name of individuals to report claims to and the procedures to be followed in notifying the insurer. Please provide a list of all insurer claim reporting offices, their addresses, telephone numbers and contact persons who will adjust claims within the limits of the City's operations.

CLAIM REPORTS

The City of Key West requests that the successful Proposer(s) submit monthly loss reports for each coverage insured. Reports should be completed in plain English and received by the City within twenty (20) days following the end of the month. The reports should include a detailed description of individual claims and the amounts paid for each claim and any open reserves that are assigned. Individual allocations by operating location may be necessary. The total claims (both number and amount) should be included for each coverage. Claim reports must continue to be furnished without charge until all claims are resolved and closed.

WAIVER OF SUBROGATION

The standard policy wording involving subrogation should be modified to remove subrogation between the City and entities owned, managed, or required to be removed by agreement, contract or lease.

LOSS CONTROL SERVICES

The City wishes to utilize the loss control services of the successful insurer(s). Proposers should include a statement of the intended loss control activities and the frequency of such services.

STABILITY OF INSURERS

It is preferred that insurers furnishing all coverages be stable and have a current A. M. Best Company rating of "A" or better and be of sufficient financial size to provide security. If a proposal includes an insurer that does not have a Best rating of "A", the proposal should include copies of the insurer's latest financial statements. All insurers should be currently "authorized to transact business" in the State of Florida.

REQUESTED PROPOSAL DATE

All proposals are required to be received no later than 3:00pm, August 25, 2009. A formal opening of sealed proposals will be held at that time. Details regarding the proposals will be released only after all proposals have been reviewed by the City's Risk Management Consultant.

SEPARABILITY OF COVERAGES

It is the City's desire to have the flexibility of purchasing all proposed coverages on a "Stand Alone" basis. Those that must be purchased in combination or as part of other coverages should be specifically stated in the proposal(s). If different premiums will apply to coverages when purchased separately, they should be specifically and clearly stated. Unless otherwise stated, it will be assumed that the coverage(s) can be purchased separately.

SUBMISSION OF PROPOSALS

Sealed Proposals should be submitted with one (1) signed original and four (4) complete copies. In addition an electronic version of the complete proposal should be included. Each proposal should be clearly marked on the outside of the sealed envelope:

*Proposal for Property and Liability Insurance Program
2009/2010 Policy Year*

Hand delivered Proposals may request a receipt. Proposals received after the deadline will be returned unopened.

PROPOSAL RETURN ADDRESS

Proposals should be returned to:

City Clerk
City of Key West
525 Angela St.
Key West, FL 33040
(305) 809-3831

ADDENDA, ADDITIONAL INFORMATION

Every attempt has been made to furnish complete and accurate information to the best of the City's knowledge. However, written requests for additional information will be honored through 3:00pm, July 29, 2009. Based on the requests made and the information available, an addendum to this RFP may be issued to all proposers. All requests should be submitted to:

*Interisk Corporation
Risk Management Consultants
1111 North Westshore Boulevard, Suite 208
Tampa, Florida 33607
Telephone: (813) 287-1040
Facsimile: (813) 287-1041*

*Attention: The City of Key West, Florida – 2009/2010 Property and Casualty Insurance
Program*

Requests to complete standard "Accord" or company specific applications will not be honored as a request for additional information. If required, applications will be completed for the successful proposer.

To assist the Proposers, facsimile and email requests for additional information will be accepted, however, Proposers are solely responsible for the accurate and complete receipt of their requests. The City of Key West nor Interisk will assume any liability for requests not fully received.

Proposers are advised that from date of release of this RFP until award of this contract, no contact with City personnel related to this RFP is permitted except to obtain a copy of the documents or as authorized by the contact person. Any unauthorized contact shall not be used as a basis for responding to this RFP and also may result in the disqualification of the proposer's submission.

DEVIATIONS FROM THE RFP

Proposers may not deviate from the terms of this RFP unless the RFP specifically states where deviations may be taken. Should the proposer deviate from the RFP where no such deviations are permitted, the proposal may be rejected as non-responsive. All deviations made must be specific and the proposer must indicate clearly what alternative is being offered to allow the City a meaningful opportunity to evaluate proposals. Failure to note all deviations from the terms of the RFP may disqualify the proposal from further consideration by the City.

Where deviations are permitted, the City shall determine the acceptability of the proposed deviations, and the proposals will be evaluated based on the proposals submitted. The City, after completing evaluation may accept or reject the deviations. Where deviations are rejected, the City may negotiate an acceptable alternative.

PROPRIETARY/CONFIDENTIAL INFORMATION

Proposers are hereby notified that all information submitted as part of, or in support of proposals will be available for public inspection within ten (10) days after opening of proposals, or when the City provides notice of a decision or intended decision, whichever is sooner, in compliance with Chapter 119 Florida Statutes, commonly known as the "Government in the Sunshine Law".

REVIEW OF PROPOSALS:

Each proposal will be reviewed to determine if the proposal is responsive to the submission requirements specified in this RFP. A responsive proposal is one which follows the requirements of the RFP, includes all documentation, is submitted in the proposal format outlined in the RFP, is of timely submission, and has the appropriate signatures as required on each document. Failure to comply with these requirements may render such proposal as non-responsive.

EVALUATION OF PROPOSALS:

The City will establish an evaluation committee that will review and evaluate each proposal submitted based on the following criteria.

Evaluation Factor	Weighted Percentage
Breadth of Coverages being Proposed	30%
Strength and Financial Stability of Insurers	15%
Agents Experience with Governmental Entities	15%
Net Cost	30%
References	10%

SCHEDULE OF EVENTS

The schedule of events, relative to the procurement shall be as follows:

Activity	Deadline
Distribution of RFP	6/23/09
Deadline for Agents to Submit Market Requests	7/9/09
Assign Markets	7/10/09
Deadline for Agents to Submit Requests for Additional Information	7/29/09
Issue Addendum to RFP	8/4/09
Proposal Return Date	8/25/09
Finalize Recommendation Report	9/8/09
Presentation of Recommendations to City Commission	9/15/09
Effective Date of Coverage	10/1/09

The City reserves the right to modify scheduled dates and written notifications of changes will be sent to all known proposers.

AWARD OF CONTRACT

Coverages shall be awarded to the responsible Offeror(s) whose Proposal(s) is/are determined to be the most advantageous to the City, taking into consideration the evaluation factors and criteria set forth in this Request for Proposals.

Be advised that the City is prepared to award individual contracts for each of the coverages or services they deem is in their best interest.

REQUIRED FORMS TO BE COMPLETED BY ALL PROPOSERS

All proposers shall complete the "Anti-Kickback Affidavit and the Public Entity Crime Form that is attached and made part of this RFP.

RULES, REGULATIONS, LICENSING REQUIREMENTS

The Proposer shall comply with all laws, ordinances and regulations applicable to the insurance coverage and services contemplated herein, especially those applicable to conflict of interest and collusion. Offerors are presumed to be familiar with all Federal, State and local laws, ordinances, codes and implementing rules and regulations that may in any way affect the coverage and services offered.

COST INCURRED BY OFFERORS

All expenses involved with the preparation and submission of proposals to the City, or any work performed in connection therewith shall be born by the Proposer(s). No payment will be made for any responses received, or for any other effort required for or made by the Proposer(s), prior to commencement of service, as defined by contracts approved by the City.

GOVERNING LAWS

This RFP/Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to principles of conflicts of laws thereof.

REQUESTED COVERAGES

REAL AND PERSONAL PROPERTY

FORM

Coverage should be no more restrictive than the latest ISO filed All Risk Commercial Property Causes of Loss Special Form. The policy should include an Agreed Amount Endorsement that extends to:

- Real Property
- Personal Property
- Contractors/Mobile Equipment
- Electronic Data Processing Equipment
- Any other property (such as automobile physical damage coverage)

It is also requested that coverage be provided on a Blanket basis.

It should be recognized that the current Property policy includes Physical Damage coverage for the City's automobiles and is subject to the terms, conditions, limits and deductibles of that policy. Both maintaining this structure or incorporating the coverage in the City's Automobile Liability policy are acceptable options.

Covered perils should also include Wind and Flood. Currently, the City's program includes a sub-limit of \$7,500,000 for both Wind and Flood events. Maintaining this feature, at a minimum, will be a key factor in the City's evaluation.

DESIRED LIMITS

It is desired that the total amount as reflected in the various Schedules of Property Values be provided on a Blanket basis for buildings, contents, EDP equipment and contractors equipment. If Physical Damage coverage for the City's automobiles is being proposed as part of the Property policy, the insured limits should reflect these values. The City is currently purchasing Property limits totaling \$27.5 million. The City will continue to consider purchasing limits less than its total insured values if believed adequate protection is provided.

The following table displays some of the more notable enhancements that have been incorporated in the City's current policy. The City views these enhancements as important to the overall level of protection being purchased. Proposers are encouraged to provide specific details on all enhancements being offered.

Coverage	Sub-limit
Law or Ordinance	\$2 Million
Newly Acquired Locations	\$1.5 Million
Miscellaneous Unnamed Locations	\$1 Million
Debris Removal	\$1 Million
Expediting	\$1 Million

The City of Key West will consider alternative limits based on coverages provided and cost.

DESIRED DEDUCTIBLE/RETENTION

\$50,000 per Occurrence AOP

5% for Wind Related Losses (please clearly specify if subject to any minimum or maximums)

\$1,500,000 for Flood Related Losses (please clearly specify if subject to any minimum or maximums)

The City will consider alternative deductibles based on cost.

RATING DATA

- A currently valued Schedule of Property is included as an attachment.
- A schedule of Mobile Equipment is included as an attachment.
- A schedule of EDP Equipment is included as an attachment.

LOSS HISTORY

The City has enjoyed favorable loss experience. Historical loss information will be distributed along with market assignments.

BOILER AND MACHINERY

DESIRED FORM

Coverage is desired for all mechanical breakdown of any and all equipment designed to operate under internal pressure or vacuum, equipment used in the generation, transmission or utilization of energy, communication equipment and fiber optic cable.

The coverage should be enhanced with the following additional coverages.

- Business Income
- Extra Expense
- Spoilage
- Utility Interruption
- Data and Media
- Ordinance or Law
- Ammonia Contamination
- Hazardous Substance
- Water Damage

DESIRED LIMITS

\$50 Million

The City will consider alternative limits based on coverages provided and cost.

DESIRED DEDUCTIBLE/RETENTION

\$2,500

The City will consider alternative deductibles based on cost.

RATING DATA

Refer to Schedule of Property that is included as an attachment to the RFP.

LOSS HISTORY

The City has enjoyed favorable loss history. Historical loss reports will be distributed along with market assignments.