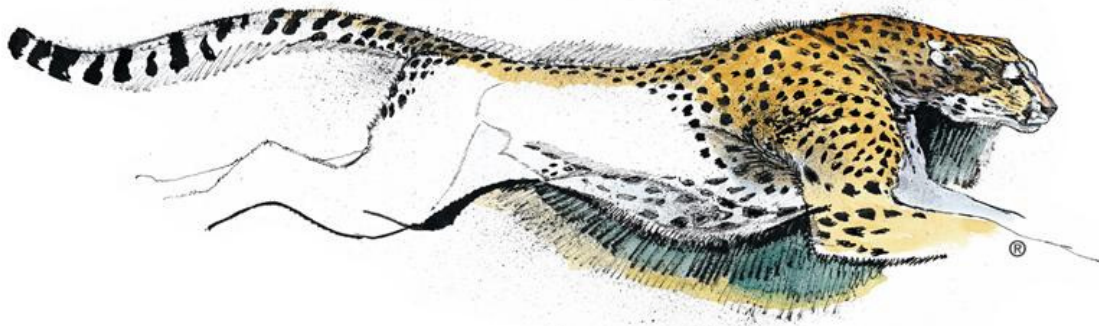


City of Key West

Insurance Program 2014-2015



Michelle Martin

Public Risk Insurance Agency

P O Box 2416

Daytona Beach, FL 32115

Phone: 386-252-6176

Fax: 386-239-4049



**PUBLIC RISK INSURANCE AGENCY
TABLE OF CONTENTS**

Overview	1
The Agency of Public Risk Insurance Agency	
An Introduction to Your Service Team	
Preferred Governmental Insurance Trust	
<i>Preferred</i> Board of Trustees and Risk Advisory Members	
Claims Services & Safety and Risk Management Services	
Property	2
General Liability	3
Law Enforcement Liability	4
Public Officials & Employment Practices Liability	5
Automobile Liability & Physical Damage	6
Excess Workers' Compensation	7
Stop Loss Aggregate	8
Crime/Employee Dishonesty	9
AD&D	10
ACE TankSafe Liability	11
XL Pollution Liability	12

**PUBLIC RISK INSURANCE AGENCY
TABLE OF CONTENTS
CONTINUED**

Commerce & Industry Storage Tank Liability	13
Marine Operations Coverages	14
Marina Operators Legal	
Hull & Machinery	
Vessel Pollution	
Wharfingers	
Excess General Liability – Outer Mole	
Broker Recommendation/Premium Recapitulation	15
Notes of Importance	
Compensation Disclosures	
Carrier Financial Status	
Guide to Best's Ratings	
Items Required Prior to Binding	16
Acceptance of Proposal – Premium Recapitulation	
Remainder To Follow	

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

Alan Florez

Executive Vice President

Paul Dawson, ARM-P

Senior Vice President / Account Executive

Michelle Martin, CIC

Vice President / Account Executive

Brian Cottrell, CIC, CRM

Vice President / Account Executive

Matt Montgomery

Account Executive

Robin Faircloth, CISR

Director of Operations

Brittany O'Brien, CIC, CRM

Account Manager

Melody Blake, ACSR

Account Representative

Karen Bryan

Account Representative

Linda Burtchett

Account Representative

Kate Gross, ARM-P

Account Representative

Patricia "Trish" Jenkins, CPSR

Account Representative

Heather Williams

Assistant Account Representative

Will assist with daily servicing of your account, including endorsements, client services, accounting and quality assurance.

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.

Michelle Y. Martin, CIC
Vice President / Account Executive
Public Risk Insurance Agency

EXPERIENCE

Risk Management Associates, Inc. dba Public Risk Insurance Agency (a wholly owned subsidiary of Brown & Brown, Inc.)

2005 to Present. Vice President / Account Executive

Responsibilities include direct consulting with clients to identify and analyze risk exposures and coverage needs, and develop and design individualized insurance programs. Professional client services include oversight of insurance and risk management programs, including claims advocacy, internal policy and procedures development, and contract review. Effective and efficient communication methods for elected board presentations, committee meeting participation, and coordination of daily staff service needs.

Brown & Brown, Inc.

2004 to 2005. **Vice President, Risk Management Division/Account Executive.**

Developed this division to enhance risk management services, cultivate new and existing client relationships, and concentrate marketing efforts for the agency's largest commercial accounts and other niche business, including governmental entities. Programs concentrated in National Accounts, Alternative Risk Finance Techniques, and Self-Insurance.

2002 to 2004. **Vice President, Marketing Manager.** Responsible for \$170,000,000+ of premium volume for existing commercial and public entity accounts.

1994 to 2002. **Account Executive.** Focused on large account management, including business development, marketing and client relations/service.

1990 to 1994. **Technical Assistant and Marketing Analyst.** Handled large commercial and public entity insurance service, policy marketing, and quality control functions.

EDUCATION

University of Central Florida, B.A. Business Administration/Finance

Certified Insurance Counselor (CIC)

Risk Management for Public Entities (RMPE)

Candidate for Associates in Risk Management (ARM)

LICENSES

2-20 General Lines Agents License, State of Florida

PROFESSIONAL AFFILIATIONS

RIMS – Risk and Insurance Management Society

PRIMA – Public Risk and Insurance Management Association

FGFOA – Florida Government Finance Officer Association; Qualified speaker for continuing education

Past: The Chamber, Daytona Beach/Halifax Area – Board of Directors, Executive Director of Civic Ballet of Volusia County, President of Downtown Daytona Kiwanis, Board of Directors Literacy Council

Melody A. Blake, ACSR
Account Representative
Public Risk Insurance Agency

EXPERIENCE

Risk Management Associates, Inc. dba Public Risk Insurance Agency (a wholly owned subsidiary of Brown & Brown, Inc.)

July 2010 to present. Account Representative

Responsibilities include working with mid-sized to large public entity clients. Handle requests for certificates of insurance, policy changes and endorsements, claims issues, and other daily servicing duties.

Manage initial notices of claims. Track claims activity until adjustors close files. Help address conflicts that may arise from claimants, insureds, and carriers. Provide technical and clerical support for public entity service representatives.

Beskin & Associates, Inc.

1991-2010. Senior Commercial Marketing Specialist

Responsible for in house underwriting, rating, and documentation for all new commercial lines business to agency handling six producers. Developed and maintained excellent agency/insurance company trust/rapport. Used various insurance companies' online rating systems. Maintained underwriting guidelines.

Developed and maintained various marketing/tracking spreadsheets. Directed renewal marketing representative with available markets. Handled Professional Liability new business and renewals. Was instrumental in making Beskin & Associates, Inc., one of the top producers with Zurich Small Business Unit.

Trained and answered other employees' questions with regards to rating systems and coverage issues. Corrected issues with insurance companies regarding policies received (processing endorsements). Searched and found various markets, admitted or non-admitted. Dealt with coastal issues/guidelines. Developed internal comparison coverage spreadsheets. Prepared formal proposals

1990-1991. Customer Service Representative.

Responsibilities include working with small to large commercial clients. Handle requests for certificates of insurance, policy changes and endorsements, claims issues, and other daily servicing duties.

EDUCATION

Accredited Customer Service Representative

Candidate for Associate in Insurance Account Management (AIAM)

LICENSES

2-20 General Lines Agent, State of Florida



PREFERRED GOVERNMENTAL INSURANCE TRUST (*Preferred*) OVERVIEW

Preferred Governmental Insurance Trust (*Preferred*) represents the most financially secure alternative for municipalities, counties, special districts and schools for property, liability and workers compensation insurance coverages, with a foundation built upon a personalized service commitment to its members, customized loss control initiatives and aggressive claims management. Specific coverages available through *Preferred* include:

Property and Equipment Breakdown	General Liability
Contractor's Equipment	EMT/Paramedic Professional Liability
Electronic Data Processing	Law Enforcement Professional Liability
Miscellaneous Inland Marine	Employee Benefits Administration Liability
Crime	Automobile Liability and Physical Damage
Bonds (Employee Dishonesty)	Public Officials Liability
Environmental Impairment Liability	Workers' Compensation

A variety of pricing options are available, from traditional guaranteed cost to deductible programs, to loss sensitive retrospective rating plans.

Following is a brief overview of the Trust structure and service components:

1. Legal Structure

- Multi-line intergovernmental pool
- Governed by Board of Trustees comprised of elected officials

2. Marketing

- Public Risk Underwriters, Lake Mary, Florida
- Kurt Heyman, Vice President-Marketing

3. Underwriting

- Public Risk Underwriters, Lake Mary, Florida
- Margaret Gross, Director of Underwriting

4. Loss Control

- Mike Marinan, Senior Safety & Risk Management Consultant
- Mike Stephens, Safety & Risk Management Consultant
- State of Florida approved program

5. Policy Issuance

- Public Risk Underwriters, Lake Mary, Florida
- Navrisk Management System
- Integrates interlocal agreement to participate with NCCI rules and regulations

6. Auditing

- Public Risk Underwriters, Lake Mary, Florida
- Quarterly self audits for Workers' Compensation

7. Claims

- Contractually provided for *Preferred* by Preferred Governmental Claims Solutions located in Lake Mary, Florida
- Toll free Workers' Compensation first notice of injury reporting line (866) 683-7710
- Toll free Workers' Compensation claims servicing line (800) 237-6617
- Toll free Property & Casualty claims servicing line (800) 237-6617
- Online access to Claims data for clients

8. Accounting

- Larry Shores, CPA, External Accountant, Shores & Company
- Specializes in intergovernmental pools
- Audited financial statements as required by the State of Florida

**Preferred Governmental Insurance Trust
Board of Trustees**

Chair	Dwight E. Wolf	Mayor – City of Wildwood
Vice Chairman	Charles Walsey	Chairman – Cypress Grove CDD
Secretary	Warren Yeager	Commissioner – Gulf County BOCC
Board Member	Welton Cadwell	Commissioner – Lake Sumter EMS
Board Member	Tom Rice, Sr.	Vice Chairman – South Indian River WCD
Board Member	Fred Hawkins, Jr.	Commissioner – Osceola County

**Preferred Governmental Insurance Trust
Risk Advisory Board**

Renee Stockwell	City of Bradenton	Risk/Safety Supervisor
Lori Parsons	City of Naples	Risk Manager
Christina Maguire	City of Ormond Beach	Risk Manager
Deborah Franklin, MA	The Villages	Human Resources Director
Keri Martin	City of Winter Park	Risk Manager
Michael Quigley	City of Cape Coral	Risk Manager
Richard Swann	Hillsborough County Sheriff	Director of Risk Management
Gerard Visco	Brevard County BOCC	Risk Manager
Jennifer Porrier	City of Treasure Island	Human Resources Director
Rickey Kendall	Hillsborough Transit Authority	Safety, Risk & Environmental Dir.
Sanjeev Bissessar	City of Coconut Creek	Risk Manager

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 – INLAND MARINE

Term: October 1, 2014 to October 1, 2015

Company: Preferred Governmental Insurance Trust (*Preferred*)

Limits of Liability (Per Schedules Provided):

Covered Property	
\$57,531,060	Blanket Buildings and Contents
\$50,000	Business Income
\$1,000,000	Additional Expense

Special Property Coverages	
\$5,000,000	Excess Flood
\$11,014,080	Vehicle Property Coverage

Inland Marine	
\$2,177,096	Contractor's / Mobile Equipment***
\$1,210,941	Electronic Data Processing Equipment***
\$357,000	Other Inland Marine

Deductibles: \$25,000 per Occurrence – Buildings and Contents

5% of TIV Per Occurrence / Per Location for “Named” Windstorm subject to minimum of \$35,000 Per Occurrence. Location is defined by each itemized listing on the applicable schedule

\$25,000 any one occurrence for Flood, except:
Excess of maximum NFIP available whether purchased or not or 5% of the TIV at each affected location whichever is greater for Zones A & V

\$25,000 per Occurrence – Inland Marine

***Unscheduled items are subject to a maximum value of \$15,000 or less per item. Items valued above this amount must be scheduled.

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 – INLAND MARINE

Flood coverage in zones A or V, or within a 100 Year Flood Plain as designated by the United States Army Corps of Engineers, will have a special flood deductible equal to all flood insurance available for such property under the NFIP, whether purchased or not or 5% of the Total Insured Value at each affected location whichever is greater. If such property is not eligible for the National Flood Insurance Program because the community in which the property is located does not participate in the NFIP, the Special Flood Deductible will be \$1,000,000 per insured location damaged in the flood occurrence or 5% of the Total Insured Value at each affected location whichever is greater.

Flood zones A will include, but not be limited to all of the sub-classifications of AO, AH, AE, AR, A1 through A99, or any other sub-classification with the A prefix or designation. Flood zones V will include, but not be limited to all of the sub-classifications of VO, VH, VE, VR V1 through V99, or any other sub-classification with the V prefix or designation. See policy form for special deductible restrictions.

Coverage:

1. Special form (formerly “All Risk”), subject to policy exclusions.
2. Replacement Cost applies to Buildings, Contents and EDP is subject to all terms and conditions of the coverage agreement the most we will pay for all loss, damage or costs in any one occurrence is the applicable limits of liability shown in the property declaration. **The blanket limit of coverage shown in the property declaration applies to all covered property unless a separate limit, lower limit or reduced amount of coverage is indicated elsewhere in the coverage agreement or in the property declaration.**
3. Inland Marine coverage paid at Actual Cash Value or 110% of the value reported on the schedule, whichever is less. See policy for complete details.
4. *Preferred* will pay for covered loss to your real property, inland marine or personal property:
 - a. At the location shown on the Schedule of the Declarations,
 - b. Property in the open within 1,000 feet of locations described in a. above,**
 - c. With respects to Inland Marine, at or away from your covered location.
5. No Coinsurance Clause.
6. Certain coverages subject to sub-limits stated in 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.

PROPERTY – INLAND MARINE

Extensions of Coverage	
\$250,000	Accounts Receivable
\$1,000, Any one \$5,000, Aggregate	Animals
\$2,000,000	Debris Removal
\$2,250,000	Demolition Cost, Ordinance and Increased Cost of Construction
\$250,000	Errors and Omissions
\$5,000	Expediting Expense
\$25,000	Fire Department Charges
\$10,000 Per Occurrence \$20,000 Aggregate	Fungus Cleanup Expense
\$25,000 \$1,000 Max per Tree	Lawns, Plants, Trees and Shrubs, Excludes Wind (see policy form for additional restrictions)
\$2,000,000	New Locations – 60 days from the date new location(s) is first purchased, rented or occupied, whichever is earlier. See policy for complete details.
\$25,000 Per Employee \$50,000 Per Occurrence	Personal Property of Employees
\$25,000 Per Occurrence \$50,000 Aggregate	Pollution Cleanup Expense
\$250,000	Preservation of Property
\$10,000	Professional Fees
\$10,000	Recertification
\$100,000	Service Interruption Coverage
\$250,000	Transit

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 – INLAND MARINE MAJOR EXCLUSIONS

Property Not Covered, but not limited to:

1. Animals, water, land including land on which the property is located, shrubs, trees, lawns, growing crops, or standing timber, except under conditions described in the “Extensions of Coverage” section of the policy.
2. Aircraft.
3. Property you sold under conditional sale, trust agreement, installment payment, or other deferred payment plan after such property has been delivered to the customer.
4. Caves, caverns, mines or any type, or any property contained within them.
5. Currency, money, notes or securities.
6. Dams, dikes or levees.
7. Contraband or property in the course of illegal transportation or trade.
8. Property covered under import or export ocean cargo policies.
9. Property you transport as a common carrier.
10. Property shipped by mail, unless sent registered or certified.
11. Watercraft unless loss is from a specified peril and scheduled on the inland marine schedule.
12. Vehicles licensed or designed for highway use, unless shown on the Property Declaration, Extensions of Coverage item U, and then no coverage for any **over the road coverage**, or collision with another vehicle or object. The AOP deductible applies per occurrence and in the event of a Named Storm the Named Storm deductible applies per vehicle rather than per location. This coverage is paid at actual cash value at time of loss.
13. Bulkheads, docks, piers, wharves, retaining walls, boardwalks or underwater conduits from: freezing and thawing; impact of watercraft; waves, or debris driven by waves; pressure or weight of ice or water, whether driven by wind or not; or sinking or settling.
14. Electrical or communication lines, towers, and poles you own that are not located on a “covered location” insured under this policy.
15. Personal property of volunteers.

Excluded Risks of Direct Physical Loss, but not limited to:

1. War, invasion, acts of foreign enemies, hostilities or war like operations, civil war, rebellion, revolution, insurrection, civil commotion, military, usurped power, or any act of terrorism
2. Biological or Chemical Materials
3. Electronic Data or Electronic Data Recognition Exclusion
4. Asbestos
5. Pollution, except as provided under “Extensions of Coverage”
6. Building ordinance enforcement or Government action
7. Nuclear reaction
8. Utility failure
9. Fungus, except as provided under “Extensions of Coverage”
10. Any offshore oil well or oil shipping/tanker incident and the ensuing oil spill
11. Earth movement, whether sudden or gradual

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.

EQUIPMENT BREAKDOWN

Term: October 1, 2014 to October 1, 2015

Company: Preferred Governmental Insurance Trust (*Preferred*)

Covered Equipment: Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

Coverages:

Limit:	Coverage:
\$50,000,000	Property Damage / Loss of Business Income / Additional Expense per accident
\$500,000	Water Damage
\$500,000	Ammonia Contamination
\$500,000	Hazardous Substance Coverage
\$2,000,000	Utility Interruption (24 Hour Waiting Period)
\$250,000	Spoilage Damage
\$500,000	Ordinance or Law
\$1,000,000	Expediting Expenses

Deductibles: Same as Property – Building and Contents
24 Hours – Utility Interruption

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

Term: October 1, 2014 to October 1, 2015
Company: Preferred Governmental Insurance Trust (*Preferred*)
Form: Occurrence

Limits of Liability:

General Liability

Bodily Injury and Property Damage \$1,000,000 per Occurrence
 Personal Injury and Advertising Injury Included per Person or Organization
 Products / Completed Operation Agg Included
 Fire Damage Included

Employee Benefits Liability \$1,000,000 per Occurrence

Self Insured Retention: \$100,000 per Occurrence

Coverage:

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. EMT/Paramedic Professional Services 2. Premises Operations 3. "Insured" Contracts 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 | <ol style="list-style-type: none"> 10. Vicarious Law Enforcement Liability with a sublimit of \$1,000,000. 11. 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 12. Sewer Back-up and Water Damage with a sublimit of \$10,000/ \$200,000 for non-negligent claims and \$200,000/\$200,000 for negligent claims. 13. Herbicide and Pesticide Sublimit of \$1,000,000 or GL Limit, whichever is less. |
|---|--|

Notes of Importance:

1. Premium is not audited.
2. Defense Costs are paid in addition to policy limits.
3. 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.
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.



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, 2014 to October 1, 2015
<u>Company:</u>	Preferred Governmental Insurance Trust (<i>Preferred</i>)
<u>Form:</u>	Occurrence
<u>Limits of Liability:</u>	\$1,000,000 per Person \$1,000,000 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

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, 2014 to October 1, 2015

Company: Preferred Governmental Insurance Trust (*Preferred*)

Form: Claims Made – Duty to Defend

Retroactive Date: Full Prior Acts

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	\$1,000,000 per Claim \$1,000,000 Annual Aggregate
Employment Practices Liability	\$1,000,000 per Claim \$1,000,000 Annual Aggregate
Media Content Services, Network Security & Privacy Liability	\$100,000 each claim \$100,000 Aggregate for all Notification Costs \$100,000 Aggregate for all Regulatory Fines & Expenses

Self Insured Retention:

Public Officials Liability	\$100,000 per Claim
Employment Practices Liability	\$100,000 per Claim
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. Deductible applies towards damages but not 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 loss 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

<u>Term:</u>	October 1, 2014 to October 1, 2015
<u>Company:</u>	Preferred Governmental Insurance Trust (<i>Preferred</i>)
<u>Limits of Liability:</u> (Based on 315 Vehicles)	
Primary Bodily Injury and Property Damage Liability – Combined	\$1,000,000 Any One Accident – Symbol 1
Personal Injury Protection	\$10,000 – Statutory – Symbol 5
Uninsured Motorist	Rejected
<u>Self Insured Retention:</u>	\$100,000 Each Accident
<u>Physical Damage:</u>	See Catastrophic Property Extension
<u>Coverage and Notes of Importance:</u>	

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. 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

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.

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' COMPENSATIONTerm: October 1, 2014 to October 1, 2015Insurer: Preferred Governmental Insurance Trust (*Preferred*)

Class Code	Description of Class Code	Estimated Payroll
7704	Firefighters & Drivers	\$4,888,879
7720	Police Officers & Drivers	\$7,845,625
	All Others	\$12,254,128
TOTAL		\$24,988,632

Notes of Importance:

1. Self Insured Retention for all employees is \$325,000.
2. State taxes and assessments are not included in the premium and are the responsibility of the insured.
3. Employer's Limit of Liability is \$1,000,000/\$1,000,000/\$1,000,000.
4. Quote does not include TPA services. **If TPA is other than PGCS, first dollar TPA losses required on a quarterly basis.**
5. **You agree to submit to *Preferred* on a quarterly basis an acceptable electronic Excel spreadsheet to mwalck@publicrisk.com by the 15th day after the quarter month ending.**
6. 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.

STOP LOSS AGGREGATE

Term: October 1, 2014 to October 1, 2015

Insurer: Preferred Governmental Insurance Trust (PGIT)

Stop Loss Aggregate Limit: \$1,600,000

Stop Loss Aggregate Limit Option: See Additional limits and premiums provided on Premium Recapitulation Page

When the amounts under the SIR reach \$1,600,000 the SIR will be reduced to \$0 for all subsequent claims.

The lines that are under and contribute to the Basket Aggregate are:

- General Liability
- Law Enforcement Liability
- Auto Liability
- Public Officials Liability
- Employment Practices Liability
- Excess Workers' Compensation

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, 2014 to October 1, 2015

Company: Travelers Casualty and Surety Company of America
(Rated A+ XV by A.M. Best)

Limits of Liability and Coverage:

Coverage:	Limit:	Deductible:
Employee Dishonesty	\$975,000	\$25,000
Forgery or Alteration Coverage	\$75,000	\$25,000
Theft, Disappearance and Destruction Coverage Inside	\$250,000	\$25,000
Outside	\$250,000	\$25,000
Computer Fraud Coverage	\$975,000	\$25,000
Funds Transfer Fund	\$975,000	\$25,000
Money Orders and Counterfeit Money	\$50,000	\$25,000

Notes of Importance:

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

Subject to:

1. Section IV Internal Controls, Question #4 (cash receipts) was left blank. Please answer.
2. The application indicates that transfer verifications are not sent to an employee or department other than the one that initiated the transfer. What controls are in place with respect to fund transfers to prevent unauthorized transfers?
3. Signed application.

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, 2014 to October 1, 2015

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

TERMS TO FOLLOW

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: November 1, 2014 to November 1, 2017

Company: Indian Harbor Insurance Company
(Rated A XV by A.M. Best)

Form: Claims Made

Retroactive date: November 1, 2011

Limits of Liability: \$1,000,000 Each Pollution Condition
(Exclusive of Legal Expense)
\$3,000,000 All Pollution Conditions
(Exclusive of Legal Expense)

\$250,000 Legal Expense each Pollution Condition
\$250,000 Legal Expense all Pollution Conditions

\$1,250,000 Aggregate Liability for All Pollution Conditions
And Legal Expense

Self Insured Retention: \$100,000 Each Pollution Condition

Premises Covered: 627 Palm Avenue - Public Works/Garage

Coverage Form: PARL6CP 11/11

Coverage A: Pollution Legal Liability
Coverage B: Remediation Legal Liability
Coverage C: Contingent Transportation Coverage

Important notes:

1. Covered sites are listed on the specimen coverage forms included in this proposal.
2. Covered pollution conditions must commence after the retro date of this policy and before the end of the policy period.
3. No flat cancellation allowed. Policy is subject to 60% minimum earned premium.
4. Premium quoted includes Loss Control/Risk Management Support Service Fee.
5. This insurance is 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.

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

Requirements to prior to binding:

1. **Receipt and satisfactory Underwriter review of a completed XL Insurance – Environmental Facilities Pollution application and required supplemental applications signed, dated and returned prior to binding.**
2. **Receipt and satisfactory review of the following prior to binding:**
 - a. **Any existing environmental reports, if applicable**
3. **Most recent tank tightness results for the ASTs...**

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 loss that occur after the retroactive date.

Extended Reporting Periods:

XL 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 90 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 100% of the expiring premium, to purchase an Optional Extended Reporting Period, for the period of 36 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.

STORAGE TANK LIABILITY

Term: October 1, 2014 to October 1, 2015

Company: Commerce & Industry Insurance Company
(Rated A+ XV by A.M. Best)

Limit of Liability:
Storage Tank \$1,000,000 per Incident
Storage Tank Annual Aggregate \$10,000,000

Retention: \$25,000 per Storage Tank Incident

Retroactive Date: Various – See Attached Tank Schedule

Coverage Forms and Endorsements included but not limited to:

Storage Tank Policy 81106(08/09)
Storage Tank Declarations Page 81206(08/09)
Table of Contents 83115(10/03)
Site Schedule 81029(08/09)
Schedule of Coverage Storage Tank Systems 81017(10/02)
Separation of Insureds Endorsement 81026(06/10)
Notice of Loss/Notice of Claim 91968(12/06) CI2940
Gaining the Ultimate Value-Added Advantage Thgh Chartis 111209(5/12)
Dedicated Limits Endorsement 87408(12/06)
Coverage Territory Endorsement 89644(07/05)
Florida Cancellation/Nonrenewal Endorsement 76105(06/10)
Florida Amendatory Endorsement 83111(05/10)
Florida Addendum To The Declarations 74825(08/09)
Florida Notice of Loss Control Services 90231(11/09)

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.

STORAGE TANK LIABILITY

Location Address	UST/ AST	Capacity Capacity	Install Year	Retro Date
Key West Pump Station E Government Rd Key West, FL 33040	AST	550	1997	1/01/97
Key West Pump Station D Thompson & Seminary St Key West, FL 33040	AST	550	1997	1/01/97
Key West City-WWTP Trumbo Point Annex Fleming Key Key West, FL 33040	AST	10,000	1997	1/01/97
City Of Key West Lift Station 250 Amelia St Key West, FL 33040	AST	450	1987	3/25/94
Key West Public Safety & Fire Station 1600 N Roosevelt Blvd Key West, FL 33040	UST	2,500	1998	1/01/98
Key West City-Police Dept 1604 No. Roosevelt Rd Key West, FL 33040	UST	5,000	2002	10/01/03
City of Key West Transfer Station 141 Overseas Highway Key West, FL 33040	AST	2,000	2009	5/22/09
	AST	250	2009	5/22/09
	AST	875	2009	7/20/09

ACCIDENTAL DEATH AND DISMEMBERMENT

Term: October 1, 2014 to October 1, 2015

Company: National Union Fire Insurance Company of Pittsburgh,
PA
(Rated A++ XV by A.M. Best)

Coverage: \$ 70,700.00 In the Line of Duty
(Based on 199 Persons) \$ 70,700.00 Fresh Pursuit
\$199,980.00 Unlawful & Intentional Death

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.

MARINA OPERATOR'S LEGAL LIABILITY

<u>Term:</u>	October 1, 2014 to October 1, 2015
<u>Company:</u>	Great American Insurance Company (Rated A, XIV by A.M. Best)
<u>Marina Operator's Legal Liability:</u>	Coverage amended to include commercial vessels
<u>MOLL Coverage Limit:</u>	\$1,000,000
<u>Covered Location:</u>	Garrison Bight Marina 1800 N Roosevelt, Key West, FL Key West Bight Marina 201 William St, Key West, FL
<u>Deductible:</u>	\$2,500 per occurrence
<u>Additional Coverage:</u>	Limited Pollution Extension w/\$1,000,000 Sublimit Marina Operators Pollution Liability w/ \$1,000,000 Sublimit

Warranted: Any contractor or sub-contractor performing repair or maintenance on the premises or on vessels or equipment on the premises, including docks and moorings, shall be required to provide a Certificate of Insurance with General Liability limits of at least \$1,000,000 and name the City of Key West as an additional insured.

Conditions / Exclusions:

- Chemical, Biochemical, Electromagnetic Exclusion Clause
- Pollution Exclusion
- AIMU Extended Radioactive Contamination Exclusion
- Radioactive Contamination Exclusive Clause (USA Endorsement)
- Any and all liability in connection with or arising out of the existence of houseboats located in any covered Marina, including but not limited to the houseboats themselves, as well as any damage to third party vessels or property arising directly or indirectly from the existence of any houseboat in the covered marinas.
- Strikes, Riots, Etc.
- Sue & Labor Clause

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

HULL AND MACHINERY COVERAGE

Term: October 1, 2014 to October 1, 2015

Company: Great American Insurance Company
(Rated A, XIV by A.M. Best)

Total Hull Values: \$456,922 per schedule:
2010 26' USA Pumpout Boat
2011 26' USA Pumpout Boat
2014 29' Safe Boat
*Additional Vessels to be quoted

Form: Taylor Hull Clauses
Including Strikes, Riots and Civil Commotions
AIMU Chemical, Biological, Bio-Chemical and
Electromagnetic Exclusion
AIMU Extended Radioactive Contamination Exclusion

Navigation: Inland and coastal waters of the Island of Key West not to
exceed within 2 miles of the shore.

Hull Deductible: \$5,000 per Occurrence

This deductible structure applies for all covered peril except losses arising out of a Windstorm, in which case a deductible of 5% of TIV applies.

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



VESSEL POLLUTION COVERAGE

Term: October 1, 2014 to October 1, 2015

Company: Great American Insurance Company
(Rated A, XIV by A.M. Best)

Quote for the pollution coverage renewal for the vessels as scheduled:

18' Mako Flats Boat w/ Evinrude OB
2014 29' Safe Boat WAC
2003 27' Marine Full Cabin Safe Boat
2005 32' Donzi w/ twin Merc O/B
2003 24'7" Boston Whaler Guardian Fire Boat
1985 20' Aquasport
2004 21' Carolina Skill
2010 26' USA Pumpout Boat
1990 Sea Ark Utility Oil response boat
1990 Sea Ark Utility Oil response boat
2010 26' USA Pumpout Boat
1997 16' Carolina Skiff

OPA Limit: \$1,000,000

CERCLA Limit: \$1,000,000

Including Non-OPA / Non-CERCLA

Including State Fines and Penalties

THIS QUOTE DOES NOT PROVIDE ANY GENERAL LIABILITY OR PROTECTION & INDEMNITY

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

WHARFINGERS / LANDING DOCK / BAILEE LIABILITY

Term: October 1, 2014 to October 1, 2015

Company: Great American Insurance Company
(Rated A, XIV by A.M. Best)

Covered Locations:

1. 100 Grinnell Street, Key West, Florida (Ferry Landing)
2. 1 Whitehead Street, Key West, Florida (Cruise Landing)
3. Truman Annex @ Thomas Street, Key West, Florida
(Commercial Landing)

Coverage: Wharfinger's Liability Form

Limit of Liability: \$2,000,000 CSL

Deductible: \$10,000 Wharfinger's Liability

Exclusions, included but not limited to:

Pollution Liability
Nuclear
RACE
Economic Trade Sanction Clause
Chemical, Biological, Bio-Chemical, Electromagnetic Exclusion

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 GENERAL LIABILITY

Term: October 1, 2014 to October 1, 2015

Company: Great American Insurance Company
Rated A+ XIV by A.M. Best

Premises Covered: Outer Mole per Navy lease

TERMS TO FOLLOW

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>Accepted</u>	<u>Rejected</u>
Property / Inland Marine / Equipment Breakdown/ Vehicles	\$ 698,802.00	<input type="checkbox"/>	<input type="checkbox"/>
General Liability	\$ 41,639.00	<input type="checkbox"/>	<input type="checkbox"/>
Law Enforcement Liability	\$ 45,442.00	<input type="checkbox"/>	<input type="checkbox"/>
Public Officials / Employment Practices Liability	\$ 51,800.00	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Liability	\$ 47,379.00	<input type="checkbox"/>	<input type="checkbox"/>
Excess Workers' Compensation	\$ 125,821.00	<input type="checkbox"/>	<input type="checkbox"/>
Stop Loss Aggregate	\$ 16,000.00	<input type="checkbox"/>	<input type="checkbox"/>
Crime / Employee Dishonesty			
Premium	\$ 3,237.00		
FHCF Assessment	\$ 42.08		
FIGA	\$ 5.07		
TOTAL PREMIUM	\$ 3,284.15	<input type="checkbox"/>	<input type="checkbox"/>
ACE Tanksafe Liability	TBD		
XL Pollution Liability			
Premium	\$ 12,173.00		
FHCF Assessment	\$ 158.25		
TOTAL PREMIUM	\$ 12,331.25	<input type="checkbox"/>	<input type="checkbox"/>
XL Pollution Liability - Terrorism			
Premium	\$ 122.00		
FHCF Assessment	\$ 1.59		
TOTAL TERRORISM PREMIUM	\$ 123.59	<input type="checkbox"/>	<input type="checkbox"/>
Commerce & Industry Storage Tank Liability			
Premium	\$ 2,111.00		
FHCF Assessment	\$ 27.45		
TOTAL PREMIUM	\$ 2,138.45	<input type="checkbox"/>	<input type="checkbox"/>

PREMIUM RECAPITULATION

	<u>Annual Premium</u>	<u>Check Option</u>	
		<u>Accepted</u>	<u>Rejected</u>
AD&D			
Annual	\$ 5,800.74	<input type="checkbox"/>	<input type="checkbox"/>
Two Year Installment	\$ 5,510.71	<input type="checkbox"/>	<input type="checkbox"/>
Two Year Prepaid	\$ 11,021.41	<input type="checkbox"/>	<input type="checkbox"/>
Marina Operator's Legal Liability			
Premium	\$ 16,027.00		
FHCF Assessment	<u>\$ 208.35</u>		
TOTAL PREMIUM	\$ 16,235.35	<input type="checkbox"/>	<input type="checkbox"/>
Wharfinger/Landing Dock Bailee Liability			
Premium	\$ 26,244.00		
FHCF Assessment	<u>\$ 341.17</u>		
TOTAL PREMIUM	\$ 26,585.17	<input type="checkbox"/>	<input type="checkbox"/>
Hull & Machinery – 3 Existing Vessels			
Premium	\$ 6,157.00		
FHCF Assessment	<u>\$ 80.04</u>		
TOTAL PREMIUM	\$ 6,237.04	<input type="checkbox"/>	<input type="checkbox"/>
Hull & Machinery – All Vessels	TBD		
Vessel Pollution Liability			
Premium	\$ 4,907.00		
FHCF Assessment	<u>\$ 63.79</u>		
TOTAL PREMIUM	\$ 4,970.79	<input type="checkbox"/>	<input type="checkbox"/>
Excess General Liability – Outer Mole	TBD		

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)

Notes of Importance:

1. Quotes provided in the proposal are valid until 10/01/2014. 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 25% 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 exception of the *Preferred* policy, 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 2014 – 2015 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: Hull & Company, 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 attempted to present other options for your insurance placement, including quotations with insurance carriers holding an "A-" or better rating from A.M. Best Company, but we were unable to secure such a quote.
- 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 those 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 Key West
Policy Number: PX FL1 0442001 14-06
Policy Period: 10/01/14-10/01/15
Date of Notice: 8/29/14

* 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.

