



Arthur J. Gallagher & Co.

City of Key West

Response to Request for Proposals for Insurance Broker Services – Property/Casualty & Workers' Compensation RFP#005-17

Arthur J. Gallagher Risk Management Services, Inc.
200 South Orange Avenue, Suite 1350 | Orlando, FL 32801

Due Date: April 26, 2017
Due Time: 3:00 PM

Justin A. Wiley, CPCU, RMPE
Area Assistant Vice President
Justin_Wiley@ajg.com
407.563.3542

Table of Contents

Tab 1: Transmittal Letter 1

Tab 2: Executive Summary 3

Tab 3: Proposal Content 13

Tab 4: Scope of Work: Program Administration & Minimum Qualifications..... 48

Tab 5: Forms..... 59



Tab 1: Transmittal Letter

Transmittal Letter



April 26, 2017

City Clerk
City of Key West, Florida
Key West, Florida 33040

RE: RFP NUMBER: #005-17
Insurance Broker Services – Property/Casualty and Workers Compensation

Thank you for the opportunity to submit our proposal for Insurance Broker Services for City of Key West. We sincerely believe our response demonstrates we are highly qualified to provide all the services included in the City’s request. As a leading insurance broker servicing the Public Sector, we have the experience, knowledge, and capabilities to provide a comprehensive approach as your broker and deliver the scope of services required by the City. Our knowledge, expertise and experience are broad. Our focus is to become an extension of your management team, deliver innovative solutions that fit with both the economic and risk acceptance pursuant to the levels in which the City is comfortable. Collectively, we are the brokerage team that will use our depth of experience and knowledge to drive measurable results.

To fulfill the obligations as a respondent to the RFP for Insurance Broker Services, we are confirming the minimum qualifications, including:

1. Arthur J. Gallagher and the entire service team are in good standing and licensed to conduct business in the State of Florida.
2. Minimum of 5 years’ experience providing commercial insurance to Public Entities of similar size.
3. The ability to place all lines of coverage currently being purchased by the City, from all insurance markets currently on the City’s program.
4. No direct conflicts of interest with City’s interests.
5. The ability to provide non-placement services such as loss prevention and safety.
6. The ability to design and recommend marketing approaches and alternatives to traditional insurance to respond to the unique risk exposure to the City of Key West.

We look forward to having an opportunity of being retained as your broker of choice. We feel that our experience and expertise will continue to prove to be an advantage for the City. We are excited at the possibility of demonstrating how we, as a team, can reduce your overall cost of risk and becoming a valuable partner moving forward.

Sincerely,

Justin A. Wiley, CPCU, RMPE
Area Assistant Vice President





Tab 2: Executive Summary

Executive Summary

Our Arthur J. Gallagher Risk Management Services, Inc. team would like to thank The City of Key West, Florida for the opportunity to respond to the “Request for Proposal –Insurance Broker Services.”

Gallagher is uniquely positioned to meet and exceed the needs of The City of Key West and to ensure the objectives and technical requirements are met by the Gallagher RFP response in a variety of ways, including:

1. **Public Entity Experience & Expertise:** Gallagher is the leading public entity broker in Florida placing more than \$150,000,000,000 in values into the marketplace. Nationally, we are the largest Public Entity broker – larger than Top 3 global brokers combined! We have this experience both with your proposed servicing team, and our company as a whole – this is expertise we put to work for you in your risk management program. Please see page 5 for additional information.
2. **PRM Partnership:** Gallagher is the only broker recognized as an authorized representative for Key West. PRM has proven to be a market leader in the Public Entity field and its coverages and pricing are very competitive as demonstrated by the 2015 RFP process. The PRM product has saved the City an estimated \$1,029,293 in property premiums alone! As PRM’s property renewal rate is projected to remain flat, selecting a different broker could represent significantly increased total costs as other markets may not be nearly as competitive. Please see page 6 for additional information.
3. **Proven Performance:** Our team continuously strives to deliver value to Key West and our results are a testament to the value we deliver. Over the term of our contract we have reduced Key West’s total cost of risk (TCOR) by focusing on the 6 cost drivers facing the City’s Risk Program. In addition, unique exposures faced by Key West have led to creative and powerful solutions recognized as “top-in-class”, achieving the recognition of “Power Broker” from *Risk & Insurance Magazine* in 2016. Please see page 9 & 35 for additional information.

I have the distinct honor of currently representing the City of Key West as your trusted insurance brokerage partner. This great responsibility also grants me the ability to demonstrate not only what we can achieve, but to illustrate many of the successes already earned over the past two years.

“Past performance is the truest indicator of future performance.”

The City of Key West is a very important client to Gallagher and we greatly appreciate your partnership. I would be honored to continue as the City’s preferred insurance broker-partner of choice and to continue building more success stories!

Your Gallagher Team,



Justin A. Wiley, CPCU, RMPE
Area Assistant Vice President
Direct: (407) 563-3542
Justin.Wiley@ajg.com



Kim Zastrow
Client Service Manager
Direct: (407) 563-3537
Kim.Zastrow@ajg.com



1. Public Entity Experience & Expertise

Company Overview

Arthur J. Gallagher & Co is a publicly traded firm created in 1927 and based near Chicago, Illinois. Globally, Gallagher has more than **24,000** employees over **650** offices in **30** countries; and places more than **\$20 Billion** in written premium. The Public Sector is Gallagher's largest specialized niche practice. Gallagher places more than the largest 3 brokers combined.

Gallagher places coverage for more than **\$150 Billion** in total property values for its public entity clients in the State of Florida. This represents nearly **\$300 Million** in property insurance premium placed with our carrier partners and **\$524 Million** total for all coverage lines. This type of volume grants Gallagher clout and leverage within the marketplace to achieve significant results for its clients. Gallagher Florida represents **33** public entity clients that have more than **\$1 Billion** in total insurable values.

Last year, Gallagher utilized more than **328** market access points to achieve strong and creative results for its clients. The sheer volume of access points allows Gallagher the ability to locate, access and create unique solutions for its client's challenging risk management needs. The volume of access points are made possible due to Gallagher's size.

Gallagher has the broadest scope of market partnerships in the public entity space. Gallagher will market the City's program to domestic & international and excess & surplus markets, as well as public entity pooling trust partners such as PRM and FMIT.

Experience and Expertise of the Service Team

Your Key West brokerage servicing team is comprised of highly-experienced and specialized members that focus on your type of business. The Gallagher team focuses on the public entity space and boasts a considerable transportation authority client list.

Gallagher's Florida public entity team consists of **40** dedicated individuals that know the public entity space better than anyone with nearly 1,000 years of combined experience! These individuals are highly educated; with **10 CPCU** designations, **20 ARM** designations (13 with Public Entity specific subset) and **four ARE** designations.

Brokerage Costs

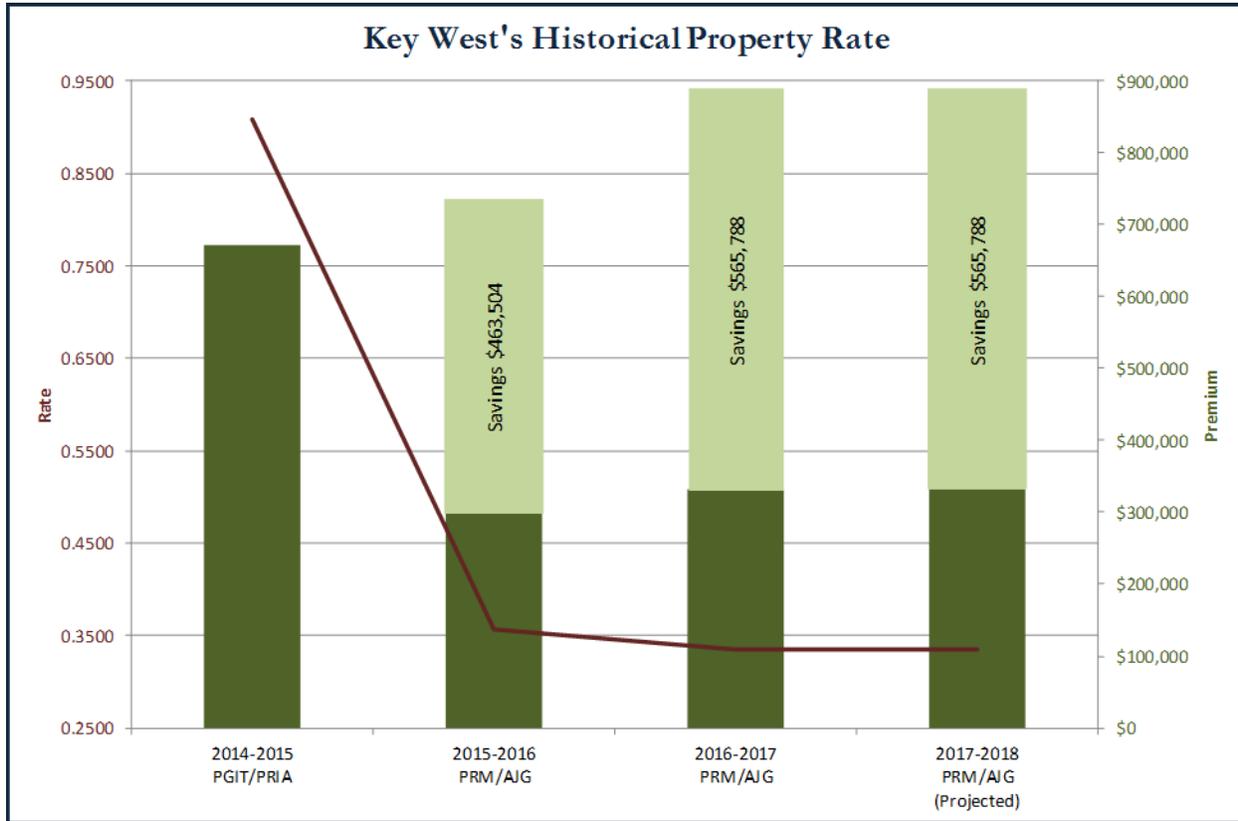
Arthur J. Gallagher is fully committed to transparency in all aspects of our business. In all proposals, Gallagher will provide a Compensation Disclosure that contains a full breakdown of premiums, identifying the commissions or fees received; in addition to any commissions paid to any intermediaries. Please see the following page for a sample Compensation Disclosure:

This commitment to transparency and ethicality has won Gallagher the recognition from the Ethisphere Institute as one of the "World's Most Ethical Companies". Arthur J. Gallagher is the **only** insurance brokerage firm to have **ever** been recognized. Gallagher has received this recognition for six continuous years (2012-2017).

Other brokers accept compensation of total premiums up to 15% for administering their wholly-owned pool/trust. They also accept revenue of up to 10-15% for placing the reinsurance coverage for the pool/trust. As Arthur J. Gallagher does not own or have controlling-interest in PRM or any other pool/trust in Florida, there will be no conflict of interest in placing coverage, nor "back door" revenues away from the retail-brokerage relationship.

2. PRM Partnership

In partnering with PRM, Gallagher was able to reduce the City’s base property rate by 60%, from \$0.909 to \$0.3559. This has saved the City \$1,029,293² in property premium since partnering with AJG/PRM (15/16 – 16/17).



Notes:

1. PGIT pool placed coverage in 2014-2015, PRM coverage began in 2015-2016.
2. Premium savings adjusted for TIV increases at PGIT 14/15 rate of \$0.909.
3. 2017-2018 PRM property rate is projected to remain flat.
4. Private commercial program AmRisc offered property coverage \$0.853 when marketed in 2015-2016

For perspective on Key West’s program competitiveness: In 2016-2017, the City of Jacksonville Beach paid a property rate of \$0.467 with the PGIT pool. The City of Key West pays a 28% lower property rate than a City tucked away in North Florida, which hasn’t experienced a direct hit from a hurricane since Hurricane Dora in 1964!

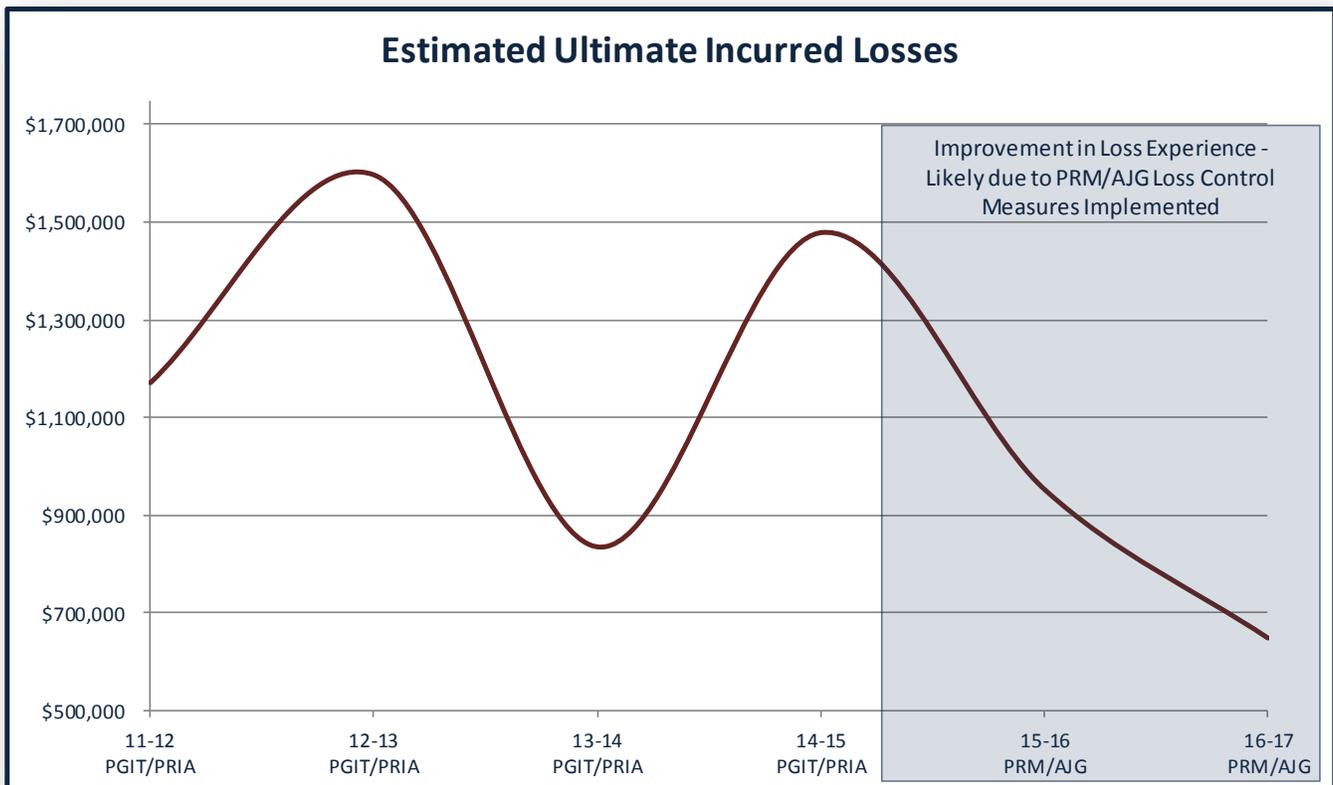
The goal in illustrating this is – The City of Key West has a very competitive rate with Gallagher and PRM!

Claims & Loss Control

Since the AJG/PRM relationship began, losses have trended significantly downward. Likely due to the involvement of loss control measures implemented, improved oversight and claims management, (and some good luck), the City’s losses, adjusted for Loss Development and Inflation, have decreased by 44%, resulting in an estimated savings of \$525,610 in 2015/2016 and \$830,235 in 2016/2017, as compared to 2014/2015.

Policy Period Detail

Period Inception	Period Expiration	Adjusted Losses
10/1/2011	9/30/2012	\$1,171,127
10/1/2012	9/30/2013	\$1,596,870
10/1/2013	9/30/2014	\$834,916
10/1/2014	9/30/2015	\$1,478,484
10/1/2015	9/30/2016	\$952,874
10/1/2016	9/30/2017	\$648,249





*Serving Florida
Public Entities*

April 20, 2017

City of Key West
1300 White Street
Key West, FL 33040

Dear City of Key West,

Public Risk Management of Florida (PRM), has been serving the public-sector community for over 30 years offering the broadest, most stable and cost effective insurance solutions for its members, including the City of Key West. This letter is intended to confirm that Arthur J Gallagher (AJG) is the exclusive Agent representative authorized to work with PRM on behalf of the City.

PRM's Agent Distribution Model is very limited and includes a stringent vetting process which is performed by World Risk Management (WRM), PRM's exclusive managing broker. WRM manages the distribution process, communication, and partnership with the Agents. PRM & WRM reserve the right to work with only the most reputable, trusted and qualified Agents specializing in Florida public entities, such as AJG.

AJG is the current Agent for the City of Key West and has exceeded these vetting requirements. AJG continues to have an excellent working relationship with PRM and WRM.

PRM, WRM and AJG share the same common goal for the City of Key West. This team effort provides the City with the broadest coverage, comprehensive loss prevention and risk management resources, and a commitment to superior customer service.

PRM & WRM strongly value the partnership with the City of Key West & Arthur J Gallagher Agency. We hope to continue this partnership for many years to come.

Sincerely,



Bonnie Mims, Executive Director of PRM

3. Proven Performance

CORE360™ is about you and your cost. CORE360™ is a comprehensive Total Cost of Risk (TCOR) model that considers the six cost drivers of your risk management program. By helping you understand all of your actual and potential costs, prioritizing your top cost drivers, providing actionable advice, and delivering world-class service and support - we help you develop a program that minimizes your exposure, reducing risk, and controlling losses while reducing your total cost of risk.

Gallagher will assist Risk and Finance staff to identify key cost drivers and to develop and implement solutions to reduce the overall cost to The City of Key West.

According to the City’s 2015 Comprehensive Annual Financial Statement (CAFR), the Risk Management program expended \$3,794,000 in claims and expenses. With the primary and excess insurance premium cost of \$1,067,541 (in 2016), the risk transfer cost represents only 22% of the City’s total Risk Program expense. The broker compensation represents only 1.6% of total costs.

Gallagher will assist Risk and Finance staff to identify key cost drivers and to develop and implement solutions to reduce the overall cost to The City of Key West.



Key West CORE360™ Successes

While most brokers focus only on insurance premiums, Gallagher has focused on all six cost drivers since the partnership began in October of 2015. This holistic focus on the risk management program drives significant value to the City of Key West. While some activities are difficult to accurately quantify its value in terms of dollars saved, we have been able to demonstrate the value of partnering with Gallagher with quantifiable savings of more than **\$2,515,241** (as highlighted in Green).



 <p>Uninsured & Uninsurable Losses</p>	 <p>Loss Prevention & Claims</p>	 <p>Contractual Liability</p>
<ol style="list-style-type: none"> 1. Practice Group Collaboration for every day risk questions 2. Strategic Risk Assessment 3. Hurricane/Disaster Management Tools provided 4. Conference call arranged to discuss feasibility of TULIP 5. TULIP proposed to assist with tracking of tenant user required coverages 6. Developed Flood Coverage "Flow-Chart" to help demonstrate coverage layers 7. AJG carries \$20M in E&O cov'g. B&B/PRIA only carries \$5M of coverage. 8. Redetermined all location Flood Zones 	<ol style="list-style-type: none"> 1. PRM Extensive Loss Control Services Provided (29 Activities Completed in Total), resulting in estimated savings of \$1,355,845 2. Post-offer/Pre-employment Medical Exam strategy/implementation consultation 3. Appraisal Services bid and reviewed by AJG, negotiated Rate down on appraisal services to save more than \$15,185 4. Premium Credit negotiated and applied for appraisal services, saving City \$10,000 5. Organized scholarship for Risk Manager to attend National PRIMA Educational Conference, saving \$1,250 6. Implementation of Post Injury Drug Testing Policy 7. "Supervisory 101" on-site training meetings 8. Attended Semi-Annual Claims Meetings 	<ol style="list-style-type: none"> 1. Indemnification Review of US Navy & Causley Contracts, among others 2. 52 Certificates of Insurance issued 3. Gallagher Insight platform to request and track certificates 4. Historical Florida Claims Bill Analysis and Report provided and discussed 5. Educated staff regarding FEMA/Stafford Act/Biggert-Waters Act topics 6. Extensive dialogue with Ernst & Young to interpret Stafford Act language to the benefit of KW 7. Extensive discussion and review to determine contractual requirements on Aquarium and Shipwreck Museum 8. Hard copies of Vehicle ID cards made and sent to RM

Summary Conclusion

It makes sense to partner with Gallagher even if the brokerage cost is a little bit more expensive. The brokerage cost is such a small component of the overall total cost of risk – roughly 1.6%. Quantified above in the CORE360™ success graphic, **Gallagher represents more than \$2,515,241 of additional “value”**. The savings achieved by the City of Key West have covered Gallagher’s cost for almost 25 years! When evaluating the Proposed Fee criteria, make sure to consider the value of the services being provided, not just the cost. By partnering with a “cheaper” broker, it could cost exponentially more on the back-end.

Program stability is important. Gallagher has a strong understanding of the City’s program and exposures, developed over the last few years. In addition, we have been able to demonstrate a strong working partnership with City staff to accomplish several successes. There is great value in knowing your program is in good hands. A transition from a trusted and competitive relationship with PRM and Gallagher could prove costly in the end.



Tab 3: Proposal Content

Qualifications

1. Provide information on the history and organizational structure of your Firm including the year established, ownership, and principal officers.

Overview of Gallagher

Arthur J. Gallagher & Co. is one of the largest insurance risk management firms in the world. Gallagher was **founded in 1927** and operated from a single office in Chicago. Gallagher has since grown to a publically-traded, global organization with more than 680 offices, service capabilities in 150 countries, **adjusted total revenues of \$5.6 Billion, and placed premium of over \$24 billion as of the end of 2016.** Our business units and subsidiaries provide the full spectrum of specifically tailored risk management products and solutions for complex operations.



Arthur J. Gallagher & Co. Overview	
Home Office	Arthur J. Gallagher & Co. (Gallagher) 2850 Golf Road, Rolling Meadows, IL 60008 Founded: 1927
Servicing Office	Arthur J. Gallagher Risk Management Service, Inc. 200 South Orange Avenue, Suite 1350, Orlando, FL 32801 Established: 1991
Corporate Size	World's fourth largest insurance broker
Revenues	\$5.6 Billion in Total Revenues in 2016 4% Adjusted Revenue Growth in 2016
Employees	21,500+ worldwide 23 Orlando Office
Sales & Services Offices	680+ in 150+ countries with client service capabilities
Public Sector Locations	Over 30 public sector offices Over 325 public sector sales and services professionals
Area of Specialization	<p>Gallagher has more than two-dozen industry and coverage practice groups servicing industries ranging from Public Sector, Higher Education, Healthcare, Construction, Commercial Real Estate Developers, Restaurants, and Religious and Not-for-Profit Institutions.</p>

BOARD OF DIRECTORS

J. PATRICK GALLAGHER, JR.

Chairman of the Board,
President and Chief Executive Officer

SHERRY S. BARRAT^{2,3}

Former Vice Chairman
Northern Trust Corporation

WILLIAM L. BAX¹

Former Managing Partner of
PricewaterhouseCoopers' Chicago office

D. JOHN COLDMAN²

Former Chairman of The Benfield Group

FRANK E. ENGLISH, JR.¹

Former Managing Director and Vice Chairman of
Investment Banking, Morgan Stanley & Co.

ELBERT O. HAND^{2,3}

Former Chairman of the Board and Chief Executive Officer
Hartmarx Corporation

DAVID S. JOHNSON^{2,3}

President and Chief Executive Officer of the Americas,
Barry Callebaut AG

KAY W. MCCURDY^{2,3}

Of Counsel, Locke Lord LLP

RALPH J. NICOLETTI¹

Executive Vice President and Chief Financial Officer,
Newell Brands, Inc.

NORMAN L. ROSENTHAL, PH.D.¹

President, Norman L. Rosenthal & Associates, Inc.

¹ Member of the Audit Committee

² Member of the Compensation Committee

³ Member of the Nominating/Governance Committee

EXECUTIVE MANAGEMENT COMMITTEE

WALTER D. BAY

General Counsel and Secretary

JOEL D. CAVANESS

Corporate VP and President – U.S. Wholesale Brokerage

JAMES W. DURKIN, JR.

Corporate VP and Chairman – Employee Benefit Consulting
and Brokerage

THOMAS J. GALLAGHER

Corporate VP and CEO – Global Property/Casualty Brokerage

JAMES S. GAULT

Corporate VP and Chairman – Global Property/Casualty Brokerage

DOUGLAS K. HOWELL

Chief Financial Officer

SCOTT R. HUDSON

Corporate VP and CEO – Risk Management

SUSAN E. PIETRUCHA

Chief Human Resources Officer

WILLIAM F. ZIEBELL

Corporate VP and CEO – Employee Benefit Consulting
and Brokerage



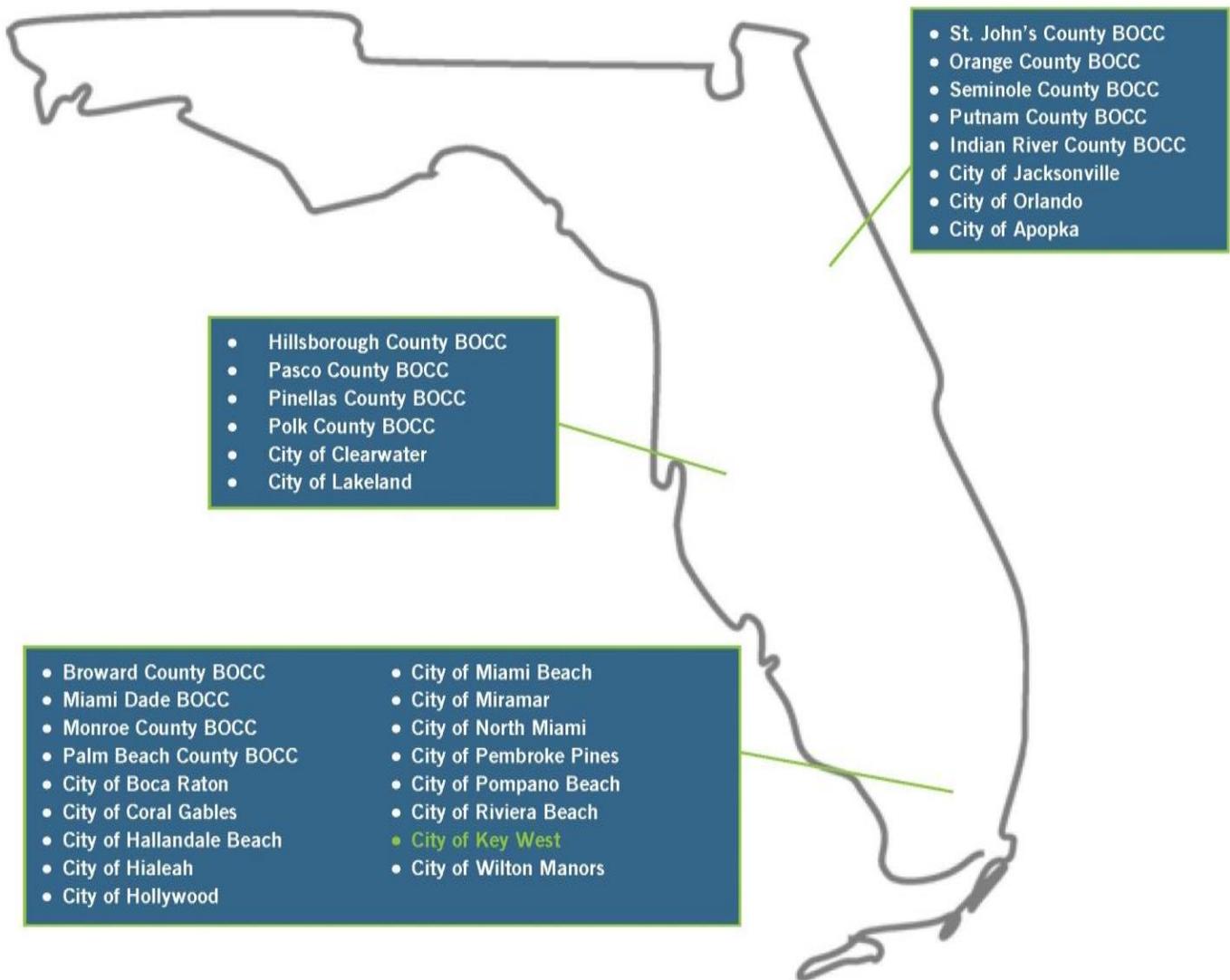
Arthur J. Gallagher & Co. has been recognized as one of the World's Most Ethical Companies[®] in 2012, 2013, 2014, 2015, 2016 and 2017.

2. Identify and describe pertinent experience of the Firm, including servicing other public sector accounts, if any. Provide the percentage of your Firm’s current clients that are public entities.

Property & Public Entity Insurance Expertise

Our seasoned Florida brokerage public entity team provides unmatched “depth-of-bench” and experience with over 40 professionals statewide and 830+ years of total team experience. Gallagher places over \$1.2 Billion in public sector premium year over year. **In Florida, we are the largest property insurance broker, placing over \$270M of annual property insurance premiums every year.** We leverage our relationships with these carrier partners to maximize the City’s insurance program every year. Your Gallagher team will apply this knowledge and past experience when managing the City’s risk.

OUR GALLAGHER FLORIDA BROKERAGE TEAM CURRENTLY MANAGES



Gallagher’s Orlando, Florida Experience

In the State of Florida, Arthur J. Gallagher & Co. (Gallagher) maintains five brokerage offices: Orlando, Miami, Boca Raton, Tampa and Jacksonville. Through these offices, we provide services to over 205 Public Sector Clients.

Gallagher’s Orlando office is one of Gallagher’s leading offices for Public Sector business, with 23 professionals dedicated to servicing our public entity clients. The public sector makes up over 85% of our revenue in the Orlando office.

We pride ourselves on delivering both superior customer service and creative insurance programs that best utilize our clients’ limited resources. Budgetary pressure will continue to constrain public revenues for the foreseeable future. Gallagher has the experience, stability, and knowledge to ensure the City is best utilizing its resources through a combination of insurance, self-insurance, contractual risk transfer, claims management and loss control techniques.

We significantly support and provide speakers to the following organizations regularly:

- Florida RIMS
- Florida PRIMA
- URMIA (National and Regional Events)
- Florida Government Finance Officers Association (FGFOA)
- Florida Airports Council
- Airports Council International – North America Florida
- National PRIMA
- National RIMS
- Council of the Great City Schools
- Educational Risk Managers Association (FERMA)
- Florida School Board Association (FSBA)
- National School Board Association (NSBA)

Large Property Insurance Expertise

In the State of Florida Gallagher services 34 clients with over \$1 Billion in Property Values and places over \$560 Million in total public sector premiums. In fact, Gallagher places more Excess and Surplus Lines Property Insurance in the State of Florida than any other retail insurance broker. Our experience and expertise in the Florida Property Market is best demonstrated by our client lists.

The benchmarking information we have on almost all large public entity property programs in Florida, along with **our strong market relationships at virtually all levels of senior management with property carriers providing coverage in coastal areas** allows us the ability to negotiate the best terms, conditions, and premiums possible on behalf of the City of Key West in any insurance market.

As your broker, we will continue to provide City of Key West with annual updated catastrophe models on your entire schedule with both major software programs utilized by insurance carriers. This will assist both in the City’s selection of windstorm coverage limits, but also in our negotiations with the carriers.

3. Provide the names of the brokers and account representatives to perform the work of the City and a brief statement as to why each agent/broker is qualified to provide the services requested. Identify areas of expertise for each employee; include resume, citing experience and references, including licenses, designations/affiliations, and any other pertinent qualifications.

The Gallagher Team

A unique feature of the Gallagher team is the depth of knowledge and experience of our day-to-day account service team for the City of Key West. All of the key personnel assigned to the City have significant experience in dealing with self-insured governmental entities and placing multi-billion dollar insurance programs – *including City of Key West’s program.*

City of Key West’s Service Team	
Core Service Team	
Lead Broker Justin A. Wiley, CPCU, RMPE Area Assistant Vice President Justin_Wiley@ajg.com (407) 563-3542	
Service Manager Kim Zastrow Client Service Manager Kim_Zastrow@ajg.com (407) 563-3537	Executive Leadership Michael Gillon, ARM Area President Michael_Gillon@ajg.com (407) 563-3550

Specialist Resources		
Claims Advocate Bart Douglas, AIC Director, Claims Advocacy	Enterprise Risk Management Dorothy Gjerdrum Managing Director, ERM Practice	Environmental Risk Anthony Lehnen, CHMM Director, Environmental Risk
Loss Control Advocate Jim Smith, M.S., CSP Director, Risk Control Services	Cyber Liability Michael Guzman SE Cyber Liability Expert	Wholesale E&S Team Lead Wes Robinson National Property President Risk Placement Services, Inc.
Marine Expert Philip Altemus, ARM Area Vice President	Flood Expert Paolo Rossi Lloyd’s of London	International Lead Mark Hubbard Director, U.S. Property, AJG UK
Marine Expert Tanya Lewicki Area Vice President		

Team Resumes



Justin A. Wiley, CPCU, RMPE Area Assistant Vice President Gallagher Public Sector Practice	
Lead Broker	The Gallagher team is led by Justin Wiley who will be the primary coordinator of all Gallagher resources to The City of Key West. Justin will have the ultimate responsibility to ensure the City receives exceptional service and expertise from the Gallagher network. He will work hand-in-hand with other team members to ensure effective execution of the entire team.
Relevant Experience & Qualifications	Justin has worked in the insurance industry for 12 years including roles in production and underwriting. He has been a part of the Gallagher Public Sector team for the past four years.
Existing Clients	Justin currently manages public entity client insurance programs including over \$7 Billion of insured property and over \$11 Million in annual insurance premiums. The current accounts managed by your Team Leader include: <ul style="list-style-type: none"> • Cities & Counties • Governmental Self-Insurance Pool • Transit • State Government • Airport Authorities • Library Systems
Education, Licenses & Designations	<ul style="list-style-type: none"> • 2-20 Property & Casualty • 1-20 Surplus Lines • 2-15 Life, Health & Variable Annuity • CPCU designation • RMPE designation • Present Member of National PRIMA • Speaker at 2015 & 2017 National PRIMA Conferences • Article Published in the February 2015 Public Risk Magazine • Named 2016 Power Broker® in the Public Sector Field by Risk and Insurance Magazine • Florida State University – Finance and Commercial Real Estate



Kim Zastrow Client Service Manager Gallagher Public Sector Practice	
Service Manager	Kim’s role will be to handle the daily servicing responsibilities of the City’s account, ensuring all team members are up-to-date on all aspects of the City’s program. She will continue to assist in the marketing phase of the insurance renewal cycle, working closely with City of Key West to help facilitate the gathering of exposure information, and working closely with Michael and Erica in the negotiations with insurance companies. She is currently the Service Manager for City of Key West’s account.
Relevant Experience & Qualifications	Kim brings over 30 years of experience. Since joining Arthur J. Gallagher in 2014, she has focused on designing and servicing private schools and public entity accounts and has experience with a variety of other insurance exposures. On an as needed basis, Kim will work hand-in-hand with Carmen and the entire team to respond to the City’s daily needs.
Existing Clients	Kim has a manageable workload of 15 individual clients. Her current clients include: <ul style="list-style-type: none"> • 8 Private/Charter Schools • 2 Large Florida Cities • 1 Large Florida County • 2 Florida Special Districts
License	<ul style="list-style-type: none"> • Licensed Florida 2-20 Property & Casualty Agent



Michael Gillon, ARM Area President Principal, Public Entity Practice	
Executive Leadership	Michael Gillon is the Executive Leadership to Justin Wiley and the Gallagher Servicing Team. He is an experienced resource to the City and is used for his expertise in Public Entities. He will provide assistance to the team on an as needed basis.
Relevant Experience & Qualifications	Michael specializes in providing services to special districts and public entities. Since 2002, Michael has worked closely with public entities and has been instrumental in designing and negotiating his clients’ insurance coverages as well as assisting with contractual risk management concerns. In 2014, Michael was promoted to the Area President of our Orlando branch.
Existing Clients	Michael currently manages public entities, special districts and higher education client insurance programs placing over \$20 Billion of insured property and over \$30 Million in annual insurance premiums. These clients include: <ul style="list-style-type: none"> • Large Airport Authorities • Large Florida City Governments & Florida County Governments • Large Florida School District • Florida Educational Self-Insurance Pools • State Government
Education, Licenses & Designations	<ul style="list-style-type: none"> • Licensed Florida 2-20 Property & Casualty Agent • Associate in Risk Management (ARM) • Bachelors of Science in Finance and Insurance—University of Florida



Bart Douglas, AIC Managing Director Gallagher Claims Advocacy	
Claim Advocate	Bart is available to assist the City with regular claim reviews and in the claims settlement process to ensure prompt, fair claim settlements. In the event of a significant loss, Bart will be available to assist the City as your professional advocate, dealing directly with the claims adjusters who represent the various insurance companies participating on City of Key West’s program.
Relevant Experience & Qualifications	Bart has been involved in claims and risk management for over 40 years and primarily services public sector clients at Gallagher. He has provided advocacy for large first-party and third-party claims and is available to assist the City should an unfortunate claim arise.
Existing Clients	Bart has been instrumental in his participation with a number of clients. His client base consists of primarily public entity, special district, and higher education accounts.
Education, Licenses & Designations	<ul style="list-style-type: none"> • Associate in Claims (AIC) Designation • Candidate for Chartered Property Casualty Underwriter Designation • Bachelors of Science in Social Science—Harding College, Searcy Arkansas



Jim Smith, M.S., CSP Managing Director Southeast Regional Risk Control	
Loss Control Specialist	Jim’s role is to coordinate loss control activities and training as desired by the City to reduce your cost of risk.
Relevant Experience & Qualifications	Jim has over 30 years of experience in risk control and is a frequent speaker for our clients and national safety associations on topics including public entity and higher education loss trends, workplace safety, vehicle operations loss control, effective media relations and employment practices.
Existing Clients	Jim has been instrumental in his participation with a number of clients. His client base consists of primarily public entity, special district, and higher education accounts including.
Education, Licenses & Designations	<ul style="list-style-type: none"> • Certified Safety Professional—Comprehensive Practice • Masters of Science and Bachelors of Science—Industrial Safety



Philip Altemus, ARM Area Vice President Gallagher Public Sector Practice & Gallagher Marine Practice	
Marine Expert	Philip has been with Gallagher since 2006 and specializes in providing brokerage services to commercial and governmental entities. He has worked with similar public entity clients as their Brokerage Account Executive and he has been instrumental in designing and negotiating insurance coverages. Philip will be available on an as needed basis to respond to the marketing needs within the marine expertise of the City of Key West. Philip currently manages client insurance programs including over \$6 Billion of insured property values and over \$25 Million in annual insurance premiums. He has his BS from the University of Florida, is a licensed 2-20 Property and Casualty Agent, is a licensed 1-20 Surplus Lines Agent, and holds the ARM designation. Philip has his CMIP in Fundamentals of Marine Insurance and also in Commercial Marine Insurance.



Tanya Lewicki Area Vice President Gallagher Public Sector & Marine Practice	
Marine Expert	Tanya specializes in providing marine risk management services governmental and commercial entities. She has worked with similar public entity clients as their Brokerage Client Executive and has been instrumental in designing and negotiating ocean marine insurance coverages. Tanya will ensure City of Key West receives exceptional service and expertise from the Gallagher network. Tanya has over 37 years of Marine insurance experience including 14 years with Gallagher. Her areas of expertise are the service and administration of risk management programs for Public Sector and Commercial Marine Accounts. Tanya graduated from Victoria College at the University of Toronto and from Miami-Dade College. She is a licensed 2-20 Property and Casualty Agent.



Dorothy Gjerdrum, ARM-P, CIRM
Executive Director, Public Sector

Risk Management Consulting	As Senior Managing Director of Gallagher Public Sector, Dorothy leads 300 Gallagher insurance brokers and specialists dedicated to public sector clients across the United States, focusing on issues of risk management, exposure identification, pool operations and enterprise risk management (ERM). In addition to leading the broker group, Dorothy provides consulting and risk management services to select Gallagher public sector and higher education clients. Dorothy is available to discuss and recommend ERM and Risk Management Insurance Systems (RMIS) processes and resources to the team as needed.
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Anthony L. Lehnen, CHMM | Area Senior Vice President
Director, Environmental Risk

Environmental Risks	Mr. Lehnen is the Managing Director of Gallagher Environmental Risk and Insurance (GERI). GERI is an expertise group within Arthur J. Gallagher Risk Management Services, Inc. (Gallagher) that focuses on risk management issues of companies with environmental exposures. As an Area Senior Vice President, Mr. Lehnen is responsible for providing technical knowledge, brokering, and sales of environmental insurance for GERI throughout the United States. Mr. Lehnen also has the responsibility for maintaining relationships with the primary providers of environmental liability insurance. Anthony will be available to the team as needed.
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Michael Guzman, ARM | Senior Account Executive
Cyber Risk Leader, Florida

Cyber Risk Specialist	Michael specializes in providing services to public entities and educational institutions. He has worked closely with similar public entity clients and has been instrumental in designing and negotiating cyber insurance coverages for them. Michael is one of Gallagher’s leading Cyber Risks Expert. He has spoken at Florida and Regional RIMS and also Florida PRIMA. Michael’s primary accounts include Cities, Higher Education, Private K-12 Educational Institutions and State Governments. He is a licensed property and casualty agent and also has his Associate in Risk Management (ARM) designation. Michael received his bachelors of science in risk management and insurance from Florida State University. He is a member of Public Risk Management Association (PRIMA) and Orlando Young Professionals (OYP).
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Wes Robinson, CIC, CRIS
National Property President, Wholesale E&S

**Wholesale E&S
Team Lead**

Wes has worked closely with the Gallagher team for 12 years placing complex catastrophe exposed accounts ranging in size from a few hundred thousand in premium to over \$15 million. He currently manages over \$60 million in property premium, and is also RPS' national property resource for their brokerage network which places over \$600 million in property premium. In the event that your core proposed Gallagher servicing team needs additional assistance in accessing domestic excess and surplus lines carriers, Wes will step in and be of assistance to the Gallagher team. In this role, he will negotiate appropriate coverage terms, pricing, and program structure while working in tandem with the Gallagher team to ensure the most competitive capacity is provided to the City.



Mark Hubbard | Managing Director | AJG U.K.
Gallagher Wholesale, Property & Casualty Division

**International
Team Lead**

Mark will function as the lead for accessing the wholesale global marketplace outside of North America. Mark has been part of the Gallagher team for the past 14 years working almost exclusively on difficult to place client accounts where large amounts of catastrophe aggregate is required from markets from outside the USA. Throughout his 28 year career, Mark has worked in various different Property insurance areas but always specializing in the Property Catastrophe sector. Mark is a senior market contact with many insurance companies throughout UK, US, Bermuda and Europe where he enjoys strong relationships with key personnel within these organizations. Mark will be available to the team as needed.

4. Provide three references from other public sector clients (preferably clients in Florida) for which your Firm has conducted business for the past three consecutive years.

References (All Current Gallagher Clients)

Reference Name	City of Key West
Address	1300 White Street, City Hall Key West, FL 33040
Contact Person	Mark Finigan
Telephone	(305) 809-3822
Years of Relationship	Since 2015

Reference Name	City of Clearwater
Address	P.O. Box 4748 Clearwater, FL 33758
Contact Person	Linda Klasing
Telephone	(727) 562-4655
Years of Relationship	since 2008

Reference Name	City of Jacksonville
Address	231 E. Forsyth Street, Suite 470 Jacksonville, FL 32202
Contact Person	Cecilia L. Ford
Telephone	(904) 630-7290
Years of Relationship	Since 2015

Reference Name	City of Boca Raton
Address	201 W. Palmetto Park Road Boca Raton, FL 33432
Contact Person	Jean Heald
Telephone	(561) 393-7970
Years of Relationship	Since 2000

Reference Name	City of Miami Beach
Address	1700 Convention Center Drive Miami Beach, FL 33139
Contact Person	Sonia Bridges
Telephone	(305) 673-7000
Years of Relationship	Since 1995

Reference Name	City of Lakeland
Address	1140 East Parker Street Lakeland, FL 33801
Contact Person	Karen Lukhaub
Telephone	(863) 834-6799
Years of Relationship	since 1994

Reference Name	City of Orlando
Address	400 South Orange Avenue Orlando FL 32801
Contact Person	Raymond Scullian
Telephone	(407) 246 3343
Years of Relationship	Since 2005

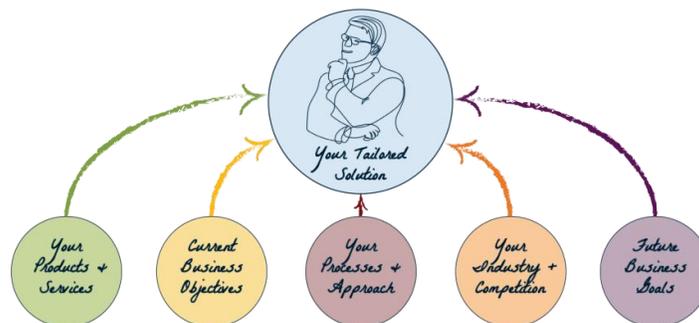
**Please see our client map on page 16 showing a list of all Gallagher Florida Cities & Counties.*

5. Describe the approach the Proposer will take in satisfying all the requested activities identified in the Scope of Work section of the RFP.



Arthur J. Gallagher utilizes a Total Cost of Risk approach called CORE360™ to evaluate and minimize apparent and hidden costs associated with The City of Key West’s Risk and Insurance Program. We will focus on the six categories of cost drivers, shown above. Many brokers only focus on the entry point, which is the cost of insurance premiums. Gallagher offers tools, resources and consultation to holistically evaluate the entire host of cost drivers.

According to the City’s 2015 Comprehensive Annual Financial Statement (CAFR), the Risk Management program expended \$3,794,000 in claims and expenses. With the primary and excess insurance premium cost of \$1,067,541 (in 2016), the risk transfer cost represents only 22% of the City’s total Risk Program expense. The broker compensation represents only 1.6% of total costs.



Gallagher will assist Risk and Finance staff to identify key cost drivers and to develop and implement solutions to reduce the overall cost to The City of Key West. Noted below is a comprehensive, but not all inclusive menu of services available to the City.

Summary of CORE360™ Tools

Below is a menu of some of the tools available when partnering with Arthur J. Gallagher for your Risk Management Program. These are organized by the CORE360™ Total Cost of Risk cost drivers, illustrating that we don't stop at simply reducing your premiums. We want to holistically reduce the apparent and hidden costs as well.



1. Gallagher Exclusive Products
2. Experienced Public Sector Staff
3. Chatter
4. "Go to Market" Strategy Meeting
5. Quality Submissions
6. SmartMarket Platform
7. Budget Projections
8. ModMaster
9. Transparency/Ethicality



1. Public Sector Benchmarking
2. Control Continuum
3. Deductible & Limit Optimizer
4. Advisen Umbrella Benchmarking Analytics
5. Norton-Bastien Index©
6. Probable Maximum Loss (PML) Modeling
7. Retained Losses Analysis



1. Gallagher Policy Analysis (GPA)
2. White Space Analysis
3. Quote Negotiation
4. Policy Issuance Review
5. Master Builder's Risk Program
6. Drone Coverage
7. Environmental Coverage
8. Marine Coverage
9. NFIP/Private Market Flood



1. Practice Group Collaboration
2. Strategic Risk Assessment
3. Disaster Management Tools
4. Tenant User Liability Program (TULIP)
5. Federal & Out-of-State
6. Foreign Travel
7. Enterprise Risk Mgmt (ERM)



1. Medical Bill Review
2. Carrier Grant Facilitation
3. Appraisal Services
4. Loss Control Menu of Services
5. Business Continuity Planning
6. Claims Advocacy Team
7. RMIS Tools
8. Gallagher Insight Platform



1. Indemnification Review
2. Certificate Issuance
3. Certificate Tracking
4. Sovereign Immunity
5. FEMA/Stafford Act
6. AJG Legal

CORE360™ Tools, Services, and Features available to City of Key West:**INSURANCE PREMIUMS**

Strategies, tools, or services that impact premium across the core lines of coverage as well as any industry-specific lines of coverage.

1. Gallagher Exclusive Products (Integrated Excess, Cyber Liability, Management Liability (MLP))

Gallagher partners with industry-leading carriers to develop enhanced coverage forms and rates by leveraging Gallagher's large premium volume. The benefit to the client is a superior policy that is cost-effective too!

2. Experienced Public Sector Staff

The Gallagher Florida Public Sector team is comprised of **40** individuals offering more than **830** years of combined experience. Collaboration between team members ensures knowledge-share on topics ranging from market intelligence, industry trends and the ability to pose client questions to a large and experienced group, among others.

3. Chatter

Gallagher utilizes an internal collaboration tool called Chatter. Chatter allows team members to access intellectual capital across sections of Gallagher, globally and instantly. Have a question specific to the Public Sector? We can post a question to Chatter and have several responses from the more than **350** Public Entity specialists within Gallagher world-wide within minutes. Typically, a question posted, generates multiple responses allowing for varying perspective. Not sure who to ask? We can post a question to the entire 24,000+ employees within the company.

4. "Go to Market" Strategy Meetings

150-180 days prior to your renewal, the Gallagher team will meet with Risk Management staff to strategize our "Go to Market" approach. We will review various action items and come to a mutual agreement for marketing and renewing the program. This collaborative approach will ensure all parties understand the objectives and can work toward the greatest renewal results.

5. Quality Submissions

The process of brokers blanketing or "blocking" the market has created a culture of too many submissions and not enough perceived opportunity to underwriters across the insurance industry. As expected, underwriters tend to not pay much attention to poorly crafted submissions as they are perceived to be a sign that the opportunity to earn the business is not a great one.

Gallagher overcomes this challenge by crafting a detailed and well-thought out submission complete with narrative of the opportunity, including information about the account, loss summaries and complete loss runs. When quality submissions are received from Gallagher, underwriters take notice and are much more likely to offer a competitive quote in return.

6. SmartMarket© Platform

SmartMarket© is a unique proprietary platform that allows insurance carriers to view Gallagher's account profile based on simplified operational and exposure characteristics. This allows the panel of insurance carrier partners to view a list of "anonymous prospects" that meet their underwriting appetite. If accounts are desirable to the carrier based on the characteristic profile, the carrier can "bid" on the account with competitive premium quotes by line of coverage. This platform allows greater flexibility and speed of marketing to rapidly changing market conditions to the benefit of the client. SmartMarket© partners include Travelers, AIG, XL, Chubb, and more.

7. Budget Projections

Accurate annual budget projections can be provided as early as 6-months prior to renewal dates. Risk Management and Finance staff can rest assured that the Gallagher team is abreast of market conditions and provide conservative estimates that accurate and trustable.

8. ModMaster® Experience Modification Factor Reports

The Gallagher team utilizes ModMaster® software to perform calculations and issue a package of analytical reports and summaries to highlight how losses affect your workers' compensation experience modification factor.

Mod Analysis for City of Key West Florida

Mod Snapshot

Effective date: 10/1/2017

The Key Numbers

Total expected losses	\$1,057,673
Total expected primary losses	\$376,962
Total expected excess losses	\$680,711
Total unlimited losses	\$1,887,104
Total limited/adjusted losses	\$1,742,001
Total actual primary losses	\$601,765
Total actual excess losses	\$1,140,236
Computed ballast value	129,000
Computed weighting value	0.44
Modification factor	1.36
ARAP factor	1.07

Mod Breakdown

Category	Mod Value
Current	1.36
Average	1.00
Minimum	0.43
Controllable	0.93

Impact of Top Itemized Losses

State	Injury Date	Incurred Loss	Impact on Mod	Mod w/o Loss
FL	11/19/2014	\$215,000	0.0873	1.2725
FL	8/21/2015	\$172,000	0.0714	1.2884
FL	1/15/2014	\$143,766	0.0609	1.2989
FL	5/18/2016	\$110,000	0.0484	1.3114
FL	5/16/2016	\$104,000	0.0461	1.3137
FL	7/24/2014	\$79,111	0.0369	1.3229
FL	10/1/2014	\$67,042	0.0324	1.3274
FL	4/10/2016	\$64,000	0.0313	1.3285
FL	5/10/2016	\$53,000	0.0272	1.3326
FL	9/15/2015	\$49,822	0.0260	1.3338

Actual vs. Expected Losses by Policy Period

Policy Period	Actual Losses	Expected Losses
10/1/2013 to 10/1/2014	\$500,286	\$333,524
10/1/2014 to 10/1/2015	\$833,810	\$333,524
10/1/2015 to 10/1/2016	\$333,524	\$333,524

The Mod Formula

Actual primary losses	+	Ballast value	+	Weighting value	x	Actual excess losses	+	(1 - Weighting value)	x	Expected excess losses	=	Current mod
Expected primary losses	+	Ballast value	+	Weighting value	x	Expected excess losses	+	(1 - Weighting value)	x	Expected excess losses	=	1.36
\$601,765	+	129,000	+	0.44	x	\$1,140,236	+	(1 - 0.44)	x	\$680,711	=	1.36
\$376,962	+	129,000	+	0.44	x	\$680,711	+	(1 - 0.44)	x	\$680,711	=	1.36

ModMaster® Mod Analysis brought to you by Arthur J. Gallagher Page 5

Proprietary and Confidential. ModMaster software provides for an ESTIMATE of an experience modification factor. Your official experience modification factor is issued solely by the applicable workers' compensation rating bureau. © 2017 Zywave, Inc. All Rights Reserved. City of Key West Florida - 10/1/2017
Mod Effective Date: 10/1/2017

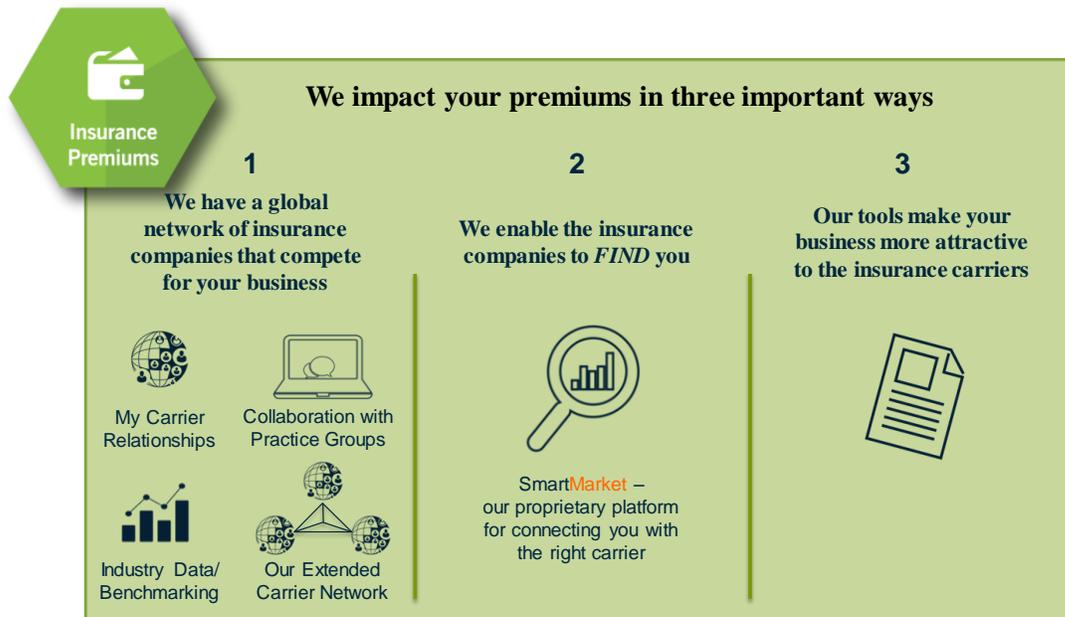
9. Transparency

Gallagher fully discloses all revenues and compensation earned to provide complete customer piece of mind. This commitment to transparency and ethicality has brought recognition from The Ethisphere Institute as a 2017 World’s Most Ethical Company. This is the sixth consecutive year Gallagher has won the award. Most remarkable is Gallagher is the only insurance brokerage firm to have ever won the award!



In addition, “Opt-out” forms are available to ensure your account is removed from any contingent commission agreements with carrier partners.

Notably, Gallagher does not own PRM or any pool/trust on the City’s program. Competitors with owned-pools or trusts products earn additional revenue of up to 15% of total premiums for administering the pool program. In addition, revenues are earned on reinsurance placement for the pool/trust. There is no conflict of interest to steer an account to a particular insurance carrier for compensation “on the back-end”.



PROGRAM STRUCTURE
Any tools or services that help determine the best program structure, with a focus on balancing the amount of risk assumption versus control.

1. Gallagher Florida Public Sector Benchmarking Reports

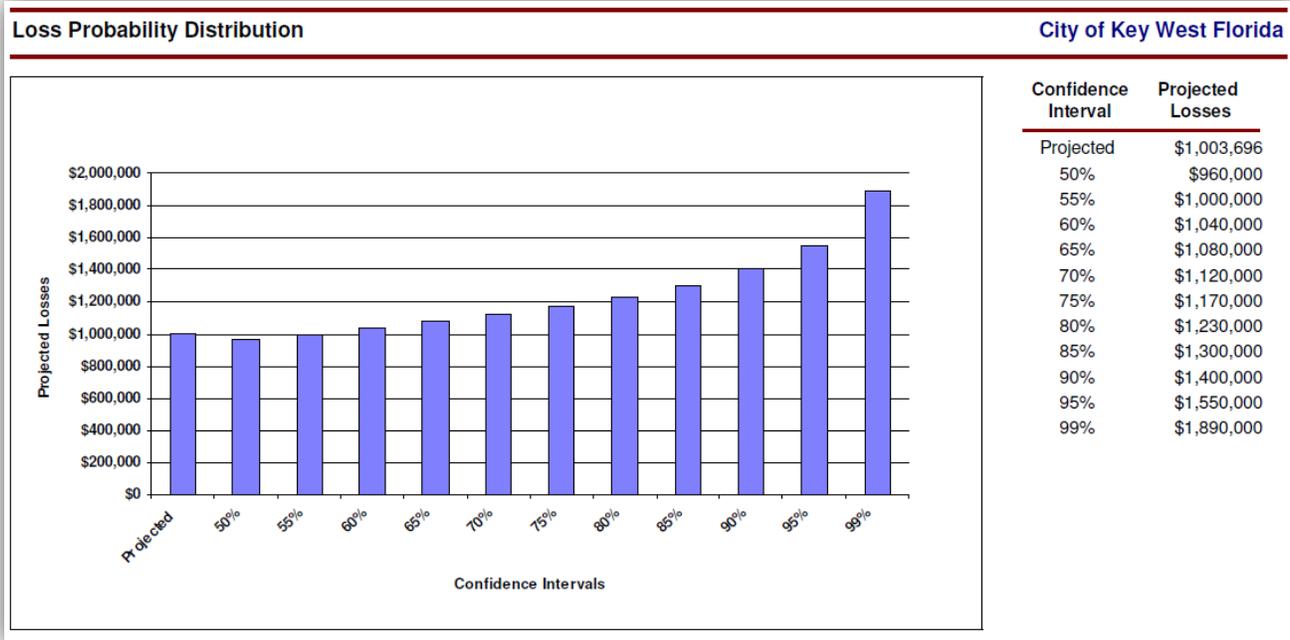
Gallagher is the leading Public Sector Insurance Advisor and Brokerage firm in the United States and in Florida. Our extensive client profile allows us the ability to aggregate data and compare account characteristics to determine competitiveness within the marketplace. It can also help in making decisions on ways to structure the program for optimal effectiveness.

2. Control Continuum

The Control Continuum is a tool that helps illustrate the spectrum of risk transfer available to our clients. It aids in facilitating the conversation of how much risk a client prefers to maintain and how much to transfer.

3. Deductible and Limit Optimizer

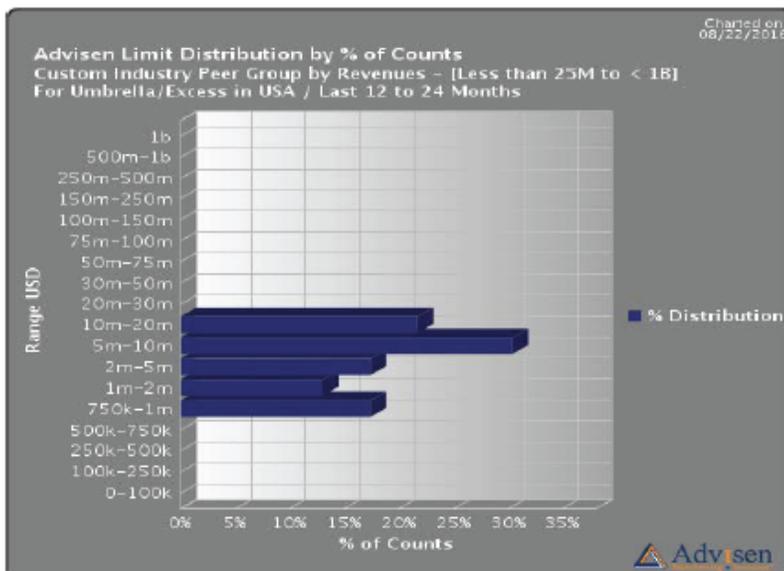
The Deductible and Limit Optimizer is an advanced analytics tool available at our disposal to dissect and analyze loss to help determine optimal retention levels.



4. Advisen Umbrella Benchmarking Analysis

Gallagher has partnered with Advisen, a leader in commercial insurance analytics, to bring umbrella benchmarking reports to our clients. Advisen’s database consists of more than 3.6 Million insurance programs with demographic and exposure data on more than 24 Million companies and organizations. This profile allows Gallagher the ability to determine and advise if our clients are purchasing the appropriate amount of liability coverage per their risk profile.

Insurance Program Limit Benchmarks for City & County Entities with \$25M to less than \$1B in Revenues



Advisen Limit Distribution by % of Counts
Custom Industry Peer Group by Revenues - [Less than 25M to < 1B]
For Umbrella/Excess in USA / Last 12 to 24 Months

Range USD	% of Counts	Cumulative %
10m-20m	21.7	99.9
5m-10m	30.4	78.2
2m-5m	17.4	47.8
1m-2m	13.0	30.4
750k-1m	17.4	17.4

Program Count: 23

The chart above illustrates the percentage of program counts that are within each limit for Cities and Counties.

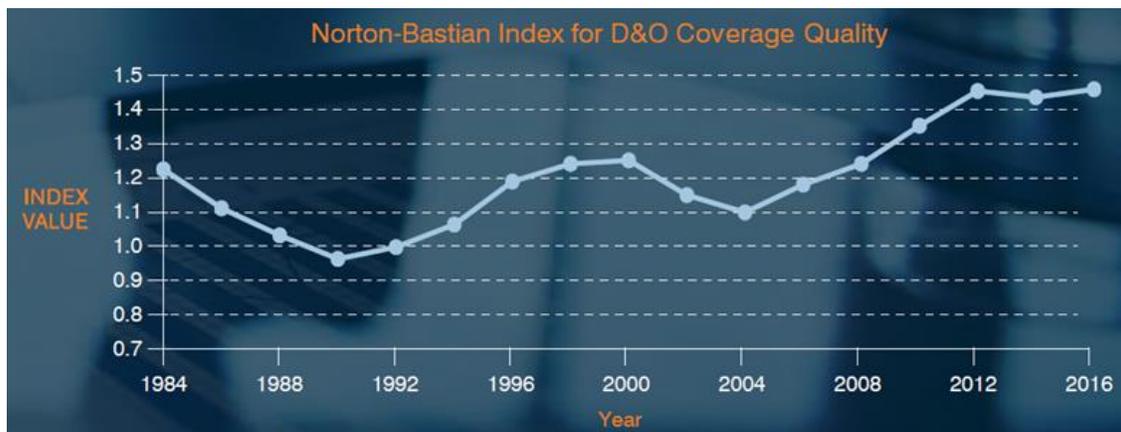
Ten Years of Sample Losses for City & County Entities

Year of Loss	Public Entity	Description	Amount
2006	Lexington-Fayette Urban County Government	County ordered to make sewer improvements to reduce pollution levels in urban storm water	\$250.4M
2011	Provincial Government of Nova Scotia	Ex-residents claimed they suffered decades of sexual and physical abuse in orphanage	\$29.0M
2006	City of Columbus	Company said city to blame for sewage backup that damaged business and equipment	\$10.0M
2009	City of Waterbury	Woman claimed city's negligence led to sledding accident that left her a quadriplegic	\$8.0M
2009	Louisville-Jefferson County Metro Government	Plaintiffs claimed city to blame for zoo train derailment that injured 29 people	\$6.0M
2012	Municipality of Anchorage	Eleven rape victims said municipality failed to discipline rapist cop	\$5.5M
2006	County of Suffolk	Bus-Jeep collision left rabbi with brain injuries and permanent disabilities	\$4.5M
2006	Village of Freeport	Man hit by car, claimed incident ended financial planning career	\$4.3M
2011	County of Ulster	Woman suffered multiple injuries from car accident, blamed county for ignoring recurrent road hazard	\$3.9M
2006	City of Burlington	Schoolgirl hit by truck said crossing guard, waste service, and city to blame for head injuries	\$3.5M

5. Management Liability Sector Benchmarking Tool

Gallagher utilizes the proprietary Norton-Bastian Index© to determine coverage adequacy and effectiveness across your management liability program.

1. Director’s & Officer’s Liability / Public Officials Liability
2. Employment Practices Liability
3. Pension and Welfare Fund Fiduciary Liability
4. Professional Liability / Errors & Omissions
5. Employee Dishonesty (Crime) and Fidelity Bonding
6. Kidnap, Ransom & Extortion
7. Cyber/Internet Liability
8. Representations & Warranties, Tax Liability, and Contingent Liability



6. Catastrophic Probable Maximum Loss (PML) Modeling

Gallagher has access multiple modeling resources to determine catastrophic loss scenarios to help determine appropriate levels of insurance coverage for wind, flood, fire and earthquake. Catastrophic Modeling can help determine the Average Annual Loss (AAL). This figure is used by underwriters to determine base rates prior to adding in expense costs. Knowing this information gives us leverage in the premium negotiation process.

PML reports analyze portfolio characteristics to determine likely financial losses due to statistical probabilities. This information helps us determine appropriate limits of coverage and gives consideration to risk tolerance.

Critical Probability	Return Period (years)	Ground Up Loss	Deductible Loss	Loss Net of Deductible and Layering
0.010%	10,000	1,621,722,609	80,535,879	1,550,503,561
0.020%	5,000	1,326,707,579	75,120,256	1,263,670,043
0.100%	1,000	763,909,448	55,810,575	714,296,746
0.200%	500	579,841,833	47,851,218	537,271,364
0.400%	250	424,899,739	40,897,546	388,721,400
1.000%	100	380,046,262	38,515,522	346,000,412
2.000%	50	253,962,627	30,717,568	226,498,002
4.000%	25	150,065,420	22,705,298	129,762,754
10.000%	10	73,351,660	13,939,028	59,643,105
20.000%	5	16,163,710	6,273,664	9,971,924
Average Annual Loss		12,069,258	2,097,658	9,971,600
Standard Deviation		61,029,528	6,284,503	56,166,458

In addition, PML reports isolate locations/building that drive the highest AAL. This allows us to make targeted decisions to improve the modeling output. If a building is disproportionately driving the AAL and subsequently the premium, we can perform a cost-benefit analysis of making improvements. For example, if a single building is driving 10% of an entire portfolio AAL due to an old roof; and we calculate to amount to \$15,000 in premium, does it make sense to invest \$25,000 for a new roof?

Location Number	Location Name	City	State	TIV	TIV %	AAL	AAL %
414	[REDACTED]	HOUSTON	TX	48,327,000	0.41%	271,643	2.72%
470		HOUSTON	TX	121,556,000	1.04%	258,180	2.59%
644		Beaumont	TX	36,059,000	0.31%	196,847	1.97%
420		HOUSTON	TX	73,171,000	0.63%	180,173	1.81%
343		HOUSTON	TX	177,659,038	1.52%	179,955	1.80%
444		HOUSTON	TX	99,373,000	0.85%	163,984	1.64%
630		BEAUMONT	TX	51,232,449	0.44%	156,907	1.57%

7. Retained Losses Analysis

For many organizations, the risk management cost component is born by retained losses rather than insurance transfer cost including insurance recoverables and subrogation. Gallagher can analyze financial statements and information to determine if there are any “leaking” costs that are in your control. If they are in your control, we can help implement measures to eliminate or reduce this leakage in your program.

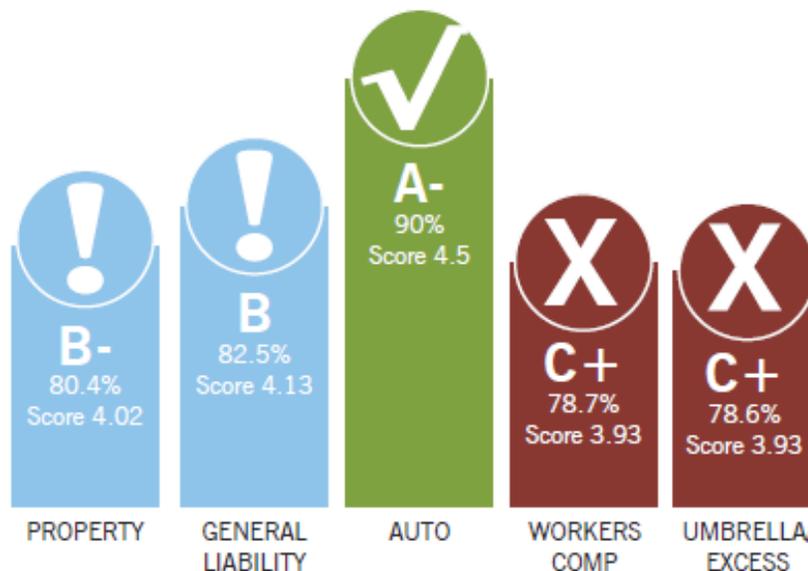


COVERAGE GAPS

Any products, programs or expertise available that result in better terms, more comprehensive coverage or forms, or fewer exclusions.

1. Gallagher Policy Analysis (GPA)

Comprehensive audit of policies, coverage terms and endorsements to identify areas of coverage gaps and insufficiencies. A summary is provided and outlines any concerns or critical coverage issues, allowing full and clear understanding of the overall program strength.



2. Whitespace Analysis

The Gallagher team will review with Risk Management staff their “Whitespace” exposure. Whitespaces are lines of coverage not currently purchased. We will offer consultation on exposures that face your organization to determine the best methods of deploying available capital.

3. Quote Negotiation

Once quotes are received from potential carrier partners, they are reviewed and analyzed for any deficiencies and areas of improvement. Negotiations are made on pricing, terms and potential value-add solutions. Gallagher has a reputation among underwriters as one of the most aggressive brokers in terms of negotiating improvements for the clients, new and old.

4. Policy Issuance Review

Once policies are bound and received from carriers, they are carefully and comprehensively reviewed to verify they are issued within the terms agreed upon in the quoting process. Many times, policies are issued incorrectly, not due to mal-intent from the carrier or underwriter, but simply due to clerical or system error. These errors could prove costly in the event they are later discovered resulting from a claim.

Commonly fixed issues during the review include:

1. Missing named insureds and additional insureds
2. Missing endorsements
3. Negotiations that were agreed-upon but not changed during the issuance process
4. Incorrect limits, sublimits or deductibles from the quote

5. Master Builder’s Risk Program

Many Public Entities purchase builder’s risk coverage from the general contractor of a specific project because they simply are not educated on the significant benefits of purchasing the coverage on their own. Advantages include:

1. Ownership of the policy – If there is a dispute with the builder and the relationship terminates, coverage remains in-force. Procuring coverage midway through a project is difficult and costly.
2. Direct ability to negotiate – On a recent example, Gallagher was able to negotiate a 70% savings on a \$55M project for a client, saving them nearly \$400,000. In addition, Gallagher was able to secure a 2% wind deductible, versus the 5% offered by the builder’s program.
3. FEMA Public Assistance Deductible Recovery – If the builder provides the coverage, the public entity forfeits its eligibility to recover financial assistance from FEMA in the event of a federally-declared disaster.
4. For the City of Key West, Gallagher was able to save \$42,000 by determining existing coverage under the PRM policy form to grant coverage for remodel work. Unfortunately this was the third year of the project. If engaged sooner, we would have been able to save \$84,000 over the first two years of the project.

5. Drone Coverage

Drones are a new and emerging exposure to public entities. Gallagher has aviation experience to secure best-in-class coverages and pricing. For unique exposures, there are Aviation Specialists available to provide counsel for market and coverage guidance.

6. Environmental Coverage

Tony Lehnen leads Gallagher’s Environmental Risk and Insurance (GERI) group. Public entities face unique environmental challenges. If a unique question is posed, Tony’s team can provide guidance and assistance for coverage related questions, as well as claim’s support and program marketing.

7. Marine Coverage

Your Gallagher team is bolstered by Tanya Lewicki and Philip Altemus out of our Miami office. Tanya and Philip lead our Southeast Marine Practice. Upon earning the City’s business in 2015, Tanya and Philip were engaged for their experience and relationships with key Marine underwriters. Once engaged, significant coverage enhancements were made to the Marina Operators Legal Liability, Wharfingers, and Hull coverages. These coverage enhancements were added at no additional cost to City. In addition, the package of marine coverages was streamlined with Great American for cost efficiencies and ease of use.

8. NFIP/Private Market Flood

When taking over the program in 2015, the flood insurance situation presented one of the more significant challenges to face the City of Key West. For the highly exposed locations, fewer than 10% of locations had primary NFIP coverage in place. To purchase NFIP policies for the 50+ high-hazard locations without coverage would have been an estimated \$1,000,000+; which was cost prohibitive.

Justin consulted many different professionals to fully understand all of the Stafford Act implications facing the City. He determined that the best route was to engage the international marketplace for an emerging marketplace following the Biggert-Waters Act changes taking shape within the NFIP program. Justin and in-house Gallagher/Lloyd’s brokers developed a “blanket deductible buy-down” policy to bridge the gap of exposed locations and the excess flood coverage provided by PRM.

The creativity leveraged to develop a product new to the marketplace won recognition from Risk & Insurance Magazine® in 2016, naming Justin a PowerBroker® in the Public Entity Sector. The Key West success was chosen amongst thousands of other submissions. This achievement highlights the strong working relationship between Gallagher and the Key West Risk management staff. Significant time and research was invested in to finding the right solution to this challenge – a challenge that went unsolved during the prior brokerage relationship.

RISK & INSURANCE

Saving Taxpayers Money



Justin Wiley, CPCU, RMPE
Area Assistant Vice President
Arthur J. Gallagher
Orlando, Fla.

Justin Wiley spent his past year assisting public sector clients in tight spots. Take the city of Key West, Fla.

As risk manager Lisa Takach Borzy, described it, “Key West is literally the end of the road,” and figuratively, it’s a tough spot for insurance.

This past September, Wiley and his team had three days to put together a casualty program for Key West. They hit the deadline and managed to come in at the existing retention levels for less premium.

Wiley also built a new property program that saves Key West several hundred thousand dollars while providing more protection. The program includes flood solutions from international markets that cover exposed properties in the tens of millions in value.



Uninsured & Uninsurable Losses

All lines of coverage that the client ins **not** purchasing, leaving the client exposed to risk, as well as tools or services to navigate risks the client faces that are **not** insurable.

1. Practice Group Collaboration

With 40 Public Sector professionals focused on Florida Public Entities and a team of more than **350** Public Sector Professionals throughout the nation, Gallagher has experienced just about all events and scenarios that face the public sector. Our internal collaboration tools allow us to connect with other Public Sector specialists in real time to share market intelligence, share success stories, challenges facing our clients and to ask questions. This real-time collaboration allows for effective and fast solutions to meet our client's needs.

2. Strategic Risk Assessment

The Gallagher Team offers a comprehensive risk assessment based on our client's unique characteristics. The team can organize risks based on likelihood of frequency and severity to determine how to allocate resources for maximum effectiveness.

3. Disaster Management / Business Continuity

Gallagher offers extensive resources for disasters – natural and man-made. In addition, to educational resources, the Gallagher Loss Prevention team offers significant experience in 'pre-loss' preparation for many different kinds of disasters, including Hurricane, Flood, Terrorism, and many more.

Pre-loss planning includes Business Continuity planning as well. Tabletop discussions can provide insight as to how to maintain critical services the City provides during and after a catastrophic event

For 'post-loss' strategy, Gallagher features a Claims Advocacy Team. Please see the Claims Advocacy Section.

4. Tenant User Liability Insurance Program (TULIP)

As Key West is a popular travel destination, it is also a popular event destination – large and small. Risk management came to us in 2017 asking for assistance in ways to better protect the City's interest for small to large events held on City-owned property. In addition, the administrative task of tracking and compiling information was proving to be a challenge.

A conference call was arranged with Risk Manager, Todd Stoughton, to educate on the pros and cons of a TULIP. The TULIP can provide easy-to-access liability coverage for Key West's tenant users. The coverage also happens to be robust, uniform and inexpensive. The great secondary benefit is that Key West is automatically named an additional insured on the certificate of insurance and automatically sent to the City for record keeping at no additional cost to the City. A win-win!

5. Federal and Out-of-State Coverage / Foreign Travel

If Key West employees travel out of the State of Florida, Federal and Out-of-State coverage may be needed. Sovereign Immunity Tort protection is offered by the State of Florida but for only within the State. If a City employee is working out of State and injures another individual, the sovereign immunity protection may be forfeited. Coverage can be added for this exposure.

If an employee travels internationally, it is important to discuss potential exposures facing the employee, as well as the City. International Travel Packages offer robust coverage for coverage territory gaps facing standard domestic policies. Gallagher is well-versed in providing solutions that meet the unique needs of its public sector clients.
Enterprise Risk Management

Enterprise risk management (ERM) is different from what we now might call traditional risk management (TRM), or the well-polished functions of risk financing, loss control and claims management. This discipline of TRM has saved public entities billions of dollars.

The principal difference between ERM and TRM, however, can be found in how risk is defined. Traditional risk is defined as, “the possibility that something bad or unpleasant will happen” and risk management is defined as, “minimizing the adverse effects of accidental losses.” Both definitions of risk and traditional risk management foresee only harm and our job is then to minimize its adverse effects.

ERM takes a broader view. ISO 31000, the international risk management standard, defines risk as, “the effect of uncertainty on objectives.” This definition is not limited to traditionally insurable risks. In fact, less than ten percent of the items on a typical ERM risk register can be insured. Instead, the majority of risks identified are tied to the mission and objectives of the organization. ERM delineates the threats that could keep the institution from achieving its objectives and looks for any and all opportunities that could be exploited to increase the likelihood of those same objectives being realized. ERM concepts of risk management and includes:

1. Identifying risks across the entire enterprise;
2. Assessing the impact of risks to the operations and mission;
3. Developing and practicing response or mitigation plans; and
4. Monitoring the identified risks, holding the risk owner accountable.

The Gallagher team has industry-leaders in the field of ERM at our access. If initial education is requested, we can help with that. If a next step implementation plan is needed, we can help with that.



LOSS RETENTION & CLAIMS

Any tools or services we offer that impact loss costs or help to manage claims or mitigate associated costs.

1. Carrier Grant Facilitation

For several clients, we have been successful in partnering with our carrier vendors for loss control grants. For example, a client was interested in developing a pilot program to outfit 10 of their police vehicles with cameras and telematics. The total program cost was estimated at \$10,000. We were able to attract the carrier to partner in the venture in the amount of \$5,000.

2. Appraisal Services

Gallagher partners with several leading appraisal vendors including Duff & Phelps, AssetWorks, and CBIZ, along with Gallagher-Bassett’s appraisal services. Often times, we have been able to leverage premium volumes with carrier partners to offer grants to pay for some or all of the appraisal services costs.

For the City of Key West, a comprehensive “boots-on-the-ground” appraisal was completed by AssetWorks. This thorough portfolio appraisal was completed on a short-time frame to ensure that updated information was available to the property carrier in advance of the renewal. This appraisal included secondary wind-characteristics to help improve the catastrophic modeling used by the reinsurance carrier to price the risk.

Gallagher was able to partner with PRM to provide a premium credit upon the renewal for tackling this mutually-beneficial project. Gallagher’s effort helped cover the estimated \$10,000 cost of the project. The improved data will likely benefit the City in terms of reduced property insurance premiums significantly in the longterm.

3. Menu of Services Available

Gallagher hosts a suite of loss control and value-add services. In addition, we can leverage resources offered by carrier partners to offer a robust catalogue of resources for all needs. While this list is comprehensive, it is not all-encompassing. If you have a need or an idea, we have an amazing track record of developing new products and services to meet the needs of our clients.

Property Services

- Catastrophic PML Modeling
- Secondary Wind Characteristics
- Valuation Services
- FEMA Coordination
- Stafford Interpretation
- Catastrophic Program Design
- Property Program Schematics
- Flood Map Interpretation

Human Resources

- Ethics in the Workplace
- Customer Service
- Drug-Free Workplace
- Alcohol-Free Workplace
- HIPAA Awareness
- Workplace Diversity
- Workplace Stress

Environmental

- Hazmat Transportation
- Asbestos & Lead Awareness
- Spill Prevention & Control
- Combustible & Flammable Liquids
- Disaster Preparedness

Public Entity Services

- Claims Advocacy
- Loss Control Services
- White Papers
- Quarterly Market Reports
- Annual Stewardship Reports
- Historical Info on Claims Bills
- Audit Support
- Peer Benchmarking
- Underwriter Meetings
- Emergency Preparedness
- Proprietary/Exclusive Programs
- Certificate Management
- Custom RMIS Software

Motor Vehicle Safety

- Aggressive Driving
- Defensive Driving
- Safe Backing
- Distracted Driving
- Vehicle Inspection & Maintenance
- Dangers of Speeding
- Supervisor Curriculum:
 - Incident Investigation
 - Personnel Selection
 - Suspicion of Drugs or Alcohol

OSHA & Compliance

- Back Injury prevention
- Blood borne Pathogen Safety
- CPR Training
- Forklift Training
- Eye Safety
- Respiratory Protection
- Fire Extinguisher Safety
- Electrical Safety
- Lock-out/ Tag-out
- Ergonomics & much more
- Spanish courses offered

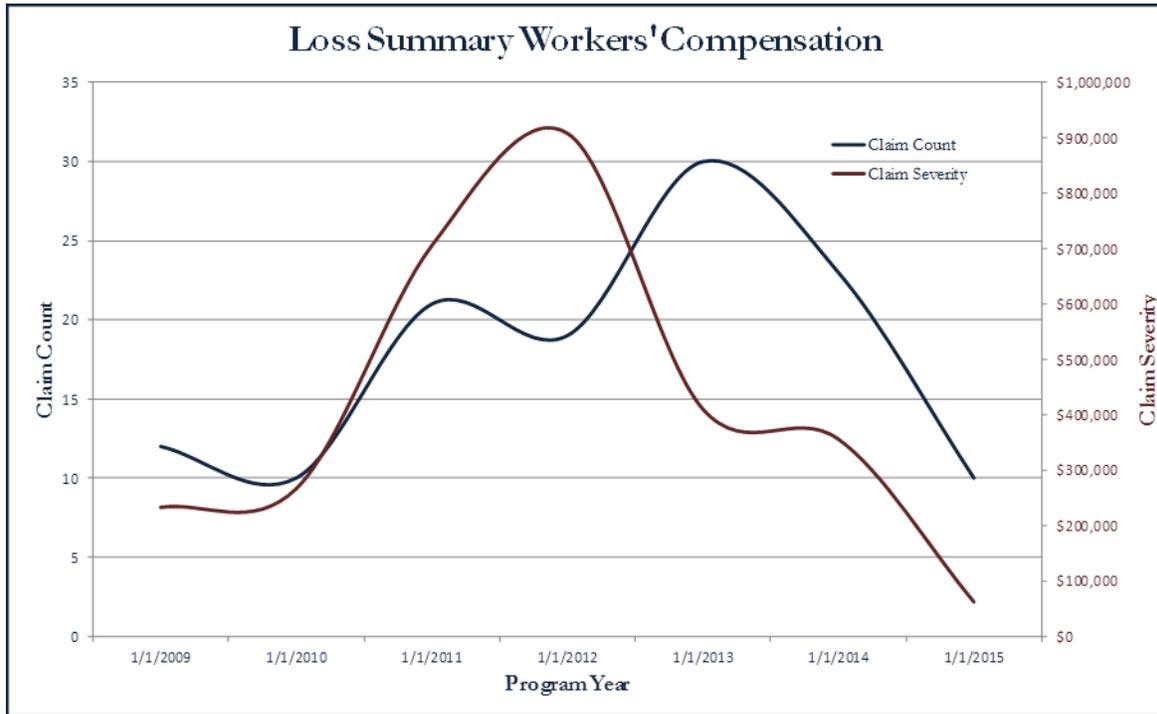
Employment Practices

- Employment Practices Overview
- Interviewing & Hiring
- Discipline & Termination
- Anger, Conflict & Violence
- Alcohol & Substance Abuse
- Performance Management
- Preventing Discrimination
- Sexual Harassment for Supervisors
- Understanding Employee Leave
- Cyber and PII Training

4. Medical Bill Review

Services provided by our wholly-owned Workers' Compensation Claims Third Party Administrator Gallagher-Bassett, or through our carrier- or other TPA-partners, we can help ensure the claims bills are being reported and paid properly and efficiently. For a client relationship that began in 2014, Medical Bill Review services were implemented and saved a substantial percentage over the 3-year period of service. The actual results for this client are shown below and demonstrate an incredible reduction of costs, in excess of 50% savings!

	Bill Count	Total Billed	Total Paid	Savings	% Savings
2014	18	\$26,615	\$13,963	\$12,652	47.5%
2015	433	\$288,591	\$99,741	\$188,850	65.4%
2016	353	\$279,879	\$74,347	\$205,532	73.4%
TOTAL	804	\$595,085	\$188,051	\$407,034	68.4%



These savings from the medical bill review services and other loss control measures have directly contributed to significant turnaround of this client’s Worker’s Compensation performance saving significant expense incurred within their deductible layer

5. Claims Advocacy Services

Gallagher maintains exceptional relationships with all carrier claims departments and executive teams. The National Director of our Claims Advocacy Group, Bart Douglas has nearly 45 years of claims experience and is a great resource, being located locally in Miami. If there are any difficult claims scenarios, he can be engaged to ensure a positive outcome.



CONTRACTUAL LIABILITY

Any tools or services that help clients effectively transfer the appropriate risks to a third party or help them understand of quantify the risk they assume from another party.

1. Indemnification Review

On several occasions, City staff has contacted Gallagher for assistance with reviewing contracts, including the US Navy contract and most recently the Causley contract. Review and subsequent reports have been delivered in expedited fashion. Conversation and education have been provided to Risk staff on indemnification language including ‘primary and non-contributory’, among others.

2. Certificate Issuance

Since the partnership began, Gallagher has issued 52 certificates of insurance coverage on behalf of the City of Key West. Most are received and issued within two hours, thanks to the fantastic work from Kim Zastrow and the PRM team. The service team reviews the contracts and determines if the current program meets contractual obligations and advises accordingly. Review prior to issuance ensures that the City does not forfeit Sovereign Immunity rights by way of contractual overstep.

3. Certificate Tracking

Powered by:



Gallagher has a partnership with software firm, RiskPartner. RiskPartner offers full suite RMIS systems, but can also unbundle to include exclusively certificate tracking. In addition to an easy-to-use dashboard to manage certificate compliance, RiskPartner also offers full-service assistance for tracking and ensuring compliance of vendor certificates. If the City decides to make their RMIS platform more robust, RiskPartner can simply add more modules as needed to allow for asset and claims reporting.

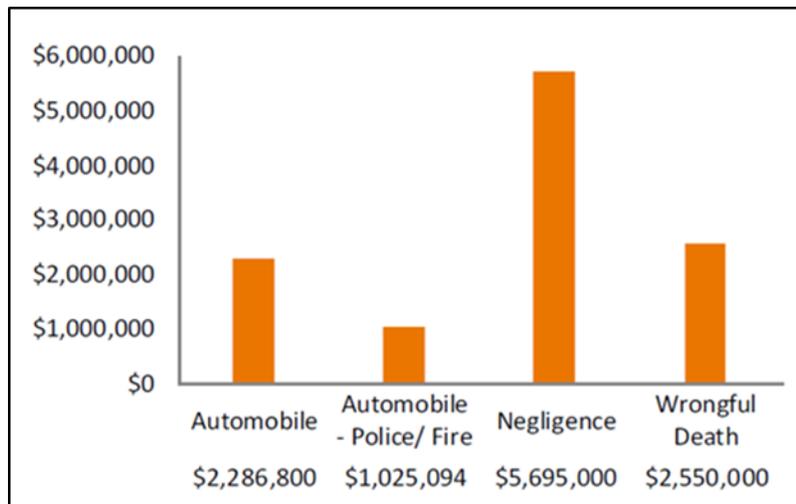
Gallagher can also assist with several other RMIS providers including Origami and AssetWorks among others.

7. Sovereign Immunity

As Gallagher is the leading Public Sector broker in the United States, there is no team more knowledgeable on sovereign immunity and protecting its privileges. Review discussions can range from Federal and Out-of-State exposures to Foreign Travel.

The Gallagher Public Sector team has aggregated and analyzed claims bill activity in The State of Florida going back to 2001. Understanding the information contained can help City staff better understand their exposures relating to occurrences that pierce their sovereign immunity protections.

Claims Bill Results by Type



8. FEMA/Stafford Act

Your Gallagher Team is well-versed in understanding the implications of the Stafford Act facing the City. When developing the Lloyd’s flood program, several conversations were had with various parties, including Michael Herman and Michael Speer of Ernst & Young’s Assurance Services Group to interpret several key aspects of the Stafford Act language.

If there is a need to engage FEMA for Public Assistance following a catastrophic event, the Gallagher Team and its Claims Advocacy Services are available and engaged to act on behalf of the City for financial assistance.

6. Describe how the Firm plans on analyzing the City’s existing coverages and evaluating whether the coverages adequately protect against losses.

Gallagher will continue to review and offer coverage comparisons for all lines of coverage. Please see the coverage review completed in 2015 with the PGIT pool. To evaluate adequate limits, Gallagher partners with Advisen Analytics to benchmark liability limits with other similar public entities throughout the US. For property limits, we analyze maximum probable loss (PML) catastrophic models to determine adequate limits based on historical data for frequency and severity.

Coverage Comparison Completed in 2015		
Please Note: PGIT Limits shown are taken from expiring policy and other RFP responses for information not specifically referenced in RFP #07-015		
Property	PGIT	PRM
Named Windstorm Deductible	5%/\$35,000 minimum	5%/\$0 no minimum
Excess Flood Limit	\$5,000,000	\$50,000,000
Earthquake Limit/Aggregate	None	\$50,000,000
Flood Deductible	\$2,500 Other Zones	\$1,000 other zones
Flood Deductible	Excess NFIP Zones A & V or 5% Location whichever greater. If not eligible for NFIP deductible will be \$1,000,000	Flood Zones A &/or V the deductible is Excess of maximum limits available from NFIP, whether purchased or not, \$500,000 per building and \$500,000 contents per building
Business Income	\$100,000	\$100,000,000 (unscheduled excluded)
Debris Removal	\$2,000,000	Policy limits (\$75m named wind/\$500m AOP)
Demolition	included in Ordinance limit	Policy limits (\$75m named wind/\$500m AOP)
Ordinance/ Increased Cost of Construction	\$2,250,000 - includes demolition	\$25,000,000
Accounts Receivable	\$250,000	Policy limits (\$75m named wind/\$500m AOP)
Additional Expense	\$1,000,000	\$50,000,000
Contingent Business Interruption	\$0	\$3,000,000
Extra Expense	\$1,500,000	\$50,000,000
Valuable Papers	\$100,000	Policy limits (\$75m named wind/\$500m AOP)
Animals	\$1,000/\$5,000	\$2,500,000
New Locations	\$2,000,000	\$25,000,000
Fire Department Charges	\$25,000	Policy limits (\$75m named wind/\$500m AOP)
Service Interruption Coverage	\$100,000	\$25,000,000
Errors & Omissions	\$250,000	\$25,000,000
Off Premises Power Failure	\$100,000	\$25,000,000

Transit	\$250,000	\$25,000,000
Auto Physical Damage	ACV	ACV
Hired Physical Damage	None	ACV
Site Improvements/ Property In The Open	PGIT has not scheduled values in this category	Replacement Cost on all property scheduled
Signs Not Attached to Buildings	Per schedule if within 1,000 feet of building	Policy limits (\$100m named wind/\$500m AOP)
Pollutant Clean up	\$25,000/\$50,000	Excluded
Fungus Clean up	\$10,000/\$20,000	Excluded
Terrorism	Excluded	Rejected by PRM
Boiler & Machinery		
	PGIT	PRM
Deductible	\$25,000	\$10,000 (\$25,000 for Transformer > 10,000 KVV)
Extra Expense	\$1,000,000	\$50,000,000
Water Damage	\$500,000	\$2,000,000
Hazardous Substance	\$500,000	\$2,000,000
Inland Marine / Contractor's Eq.	PGIT	PRM
Valuation	Actual Cash Value (ACV)	Replacement Cost Value (RCV)
Communication Equipment	Included	Included
Contractor's / Mobile Equip	Included	As Scheduled
Other IM/Valuable Papers	Included	Included
Rented, Borrowed, Leased	Included	Included
Fine Arts	Included	Included
Liability		
	PGIT	PRM
Limits	\$1,000,000	\$2,000,000
Herbicide/Pesticide	\$1,000,000	\$2,000,000
Host liquor	Included	\$2,000,000
Liquor	Excluded	\$2,000,000
Bert Harris Act	\$100,000 occurrence/annual aggregate	\$2,000,000
Sewer back up	Excluded	\$2,000,000
Law Enforcement	\$1,000,000	\$2,000,000
Deductible Stop Loss	\$1,600,000	\$1,600,000
E&O Limit	\$1,000,000	\$2,000,000
E&O Aggregate	\$1,000,000	\$6,000,000
E&O Deductible	\$10,000	No Deductible
E&O Excess	\$0	\$3,000,000 claim / \$3,000,000 agg.
Automobile Liability		
	PGIT	PRM
Limit	\$1,000,000	\$2,000,000
Personal Use	?	Included

Hired / Non-Owned Physical Damage	None	Included
Garage Keepers' Coverage	Not Included	Included
Workers' Compensation	PGIT	PRM
Deductible	\$350,000	350,000
EL Limit	\$3,000,000	\$3,000,000

7. Cite major complaints, claims, or lawsuits (if any) pending against the Firm that would be considered material to the firm’s financial status or, ability to perform requested services.

There are no pending claims, lawsuits or litigations the proposed servicing team have been, or are currently involved in.

As with any business, Arthur J. Gallagher & Co. and its affiliates ("Gallagher") may be involved in multiple regulatory actions, investigations, or lawsuits (collectively, "Actions"). Specific details of Actions to which Gallagher is subject are noted in reports to the SEC, which are available in the Investor Relations/SEC Filings section at www.ajg.com, particularly in the "Commitments, Contingencies and Off-Balance Sheet Arrangements" footnote to Gallagher's financial statements set out in Gallagher's most-recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. You may access these forms at ajg.com, under the tab "Investor Relations." We respect your interest in asking this question but are unable to give any more specific detail than can be found within the public information locations noted in this response.

8. Discuss any additional services the Firm normally offers in conjunction with providing the lines of insurance that are referenced in the RFP.

Included Services

Training Resources – Included in Fee

Gallagher has a proprietary library of safety training videos on CD, and offers a web-based safety training platform, including policy distribution and compliance tracking.

Wind Modeling – Included in Fee

Through our Global Analytics team, we provide clients with loss estimates for catastrophic events specific to their property portfolio. Using industry-recognized loss modeling software, we help clients:

- Access their hurricane loss exposure.
- Make informed decisions on windstorm insurance purchases.

FEMA Expertise – Included in Fee

Gallagher has unsurpassed expertise in working with the Federal Emergency Management Agency. We are uniquely equipped to assist public entities with the pre-and post-loss procedures that are critical in securing public assistance in accordance with *FEMA*'s mission.

Contract Review – Included in Fee

We review our clients’ contracts, vendor agreements, and RFPs, and provide advice as to the risk management related elements. This includes, but is not limited to insurance and indemnification requirements, and hold harmless agreements.

Research and Timely Response – Included in Fee

Each of our Public Entity and Scholastic professionals are connected via Gallagher Online. In this way, Gallagher's entire network and institutionalized risk management expertise is available to respond to day-to-day client concerns.

Objective Coverage Review – Included in Fee

Gallagher evaluates existing insurance programs in light of state-of-the-market coverages and terms. The objective of these reviews is to verify exposures common to your operations, and determine how coverage applies under your existing programs.

Public Officials / Employment Practices Liability Analysis – Included in Fee

Gallagher's proprietary "heat map" process rates and scores the positive and negative aspects of Public Officials Liability Insurance programs. We can also provide a side-by-side comparison with other forms available in the market.

Claims Advocacy – Included in Fee

As stated throughout this RFP response, Gallagher has Claims Advocacy services that are included and available to the City of Key West. Bart Douglas is the Claims Advocacy Specialist and will be available to assist the City in the claims settlement process to ensure prompt, fair claim settlements. In the event of significant losses, Bart will be available to assist the City as your professional advocate, dealing directly with the claims adjusters who represent the various insurance companies participating on the City's program.

Loss Control Services – Included in Fee

Jim Smith is Gallagher's Loss Control Services Specialist. Jim will also be available to the City as an included service. Jim will coordinate loss control activities and training as desired by the City of Key West to reduce your cost of risk.

Workplace Safety – Included in Fee

We provide Accident Investigations, Blood Borne Pathogen refresher trainings, Hazard Communication refresher trainings, New Employee Safety Orientations, and Lockout, Tag-out refresher trainings.

Optional Services

The value proposition of Arthur J. Gallagher & Co. is built on the concept that by specializing in chosen market niches, we can provide measureable value to our clients, and help them **reduce their total cost of risk**. Our clients benefit by obtaining a competitive advantage in the market, and by having access to world-class resources and advice that serve to reduce their total cost of risk. Below are examples of the optional services we provide to our clients at an additional cost.

Strategic Risk Assessment – Optional

In response to the emerging emphasis on holistic risk, Gallagher can help your entity implement an Enterprise Risk Management approach. Our process is to facilitate communication of the major perceived risks throughout the entity, in order to address both insurable as well as traditionally uninsurable risks.

Crisis Management Solutions – Optional

Gallagher has a suite of unique crisis management and critical response products:

- Rapid Responders®: online dashboard that provides users with immunity from Federal liability.
- Hazard Tactics: emergency preparedness training
- GuideSafe: occupant alert system

Actuarial Services – Optional

Gallagher's P&C Actuarial Services team provides services such as loss projections; cash flow, loss reserve, and retention analyses; and cost and premium allocations.

Specialized Risk Consulting – Optional

Gallagher has practice groups dedicated to specialized risks such as:

- Employee Benefits
- Pension and Retirement Services
- Executive Retirement Planning
- Alternative Markets and Analytics

Appraisals – Optional

Gallagher also has a division dedicated to property appraisals. Should the City desire to have appraisals completed, a quote can be secured for these services. In addition, there are additional vendors that conduct appraisal services that quotes can be secured from as well. Examples include American Appraisal, Asset Works, and CBIZ to name a few.

RMIS System – Optional

Gallagher would team up with RiskPartner if the City desires to utilize the RMIS System. RiskPartner offers a valuable Risk Management Software Solution that allows RiskPartner to have the ability to track and manage new and existing incident/claims via electronic data interfaces with carriers and TPAs, as well as the capability to manually enter the information directly into the system. Incidents can be entered and tracked organization-wide, as well as flagged for OSHA reporting, should that be necessary. Notifications can be developed to alert claimants based on multiple variables. These notifications can be sent via email messages, text, or reports generated from the system.

TPA Services – Optional

Gallagher Bassett is a Gallagher owned TPA service. Gallagher Bassett is the largest property/casualty third party administrator. With operations in the United States, Canada, the United Kingdom, and Australia, Gallagher Bassett is the trusted advisor and collaborative partner to more than 3,400 companies from every sector of the economy, worldwide.

Benefits and Welfare Services – Optional

Gallagher Benefit Services provides consultation and placement of benefits and welfare services for employers. Operational efficiencies can be achieved by utilizing Gallagher for both benefits and property and casualty brokerage services.

Gallagher is the exclusive broker provider of PRM’s Health pool. Results by the PRM Health Pool far exceed industry trends, as demonstrated by the chart right.

Plan Year	Overall Net Pool Increase	Estimated Carrier Trend*
2004-2005	4.40%	16.20%
2005-2006	7.20%	15.00%
2006-2007	11.60%	14.40%
2007-2008	0.00%	13.20%
2008-2009	5.00%	12.60%
2009-2010	3.30%	12.50%
2010-2011	11.20%	12.50%
2011-2012	7.50%	11.50%
2012-2013	3.30%	11.00%
2013-2014	6.40%	10.50%
2014-2015	4.00%	10.00%
2015-2016	4.80%	10.50%
2016-2017	8.20%	9.00%
Cumulative Totals	5.92%	12.22%

* Includes both **Medical & Prescription Drugs**



Fees

The City is seeking proposals based on an annual flat fee basis. This will require the proposer to negotiate all premiums on a “net of commission” basis. If the selected Broker or any affiliated company receives any commissions associated with the placement of the City’s insurance, such commissions shall be remitted to the City upon request.

As demonstrated within the RFP response, the value of partnering with a competent, experienced, ethical, and dependable professional represents great value beyond the placement of insurance policies. As the total cost of risk for the City is nearly \$5,000,000 annually, the brokerage compensation represents less than 2% of the City’s overall costs. However, a strong broker partner can offer significantly more in value than the cost spent for the services. We encourage the evaluation staff to subjectively consider the bigger picture of Total Cost of Risk when determining its brokerage partner of choice.

In the 2016-2017 policy year, Gallagher earned \$114,697 from the fee for placing the PRM package policy and commission from the ancillary lines placed, including Marine, Flood, and Pollution. Gallagher proposes a flat fee of \$95,000 in total for placing all lines of coverage currently placed. This represents a 17.2% reduction year-over-year.

As noted in the RFP, “The City reserves the right to award the contract not necessarily to a Proposer with the lowest cost proposal, but to a Proposer who will provide the best overall match to the RFP requirements and who will best serve the City’s interests.” We believe Gallagher and PRM offer the City the best program in terms of overall cost, coverage and service.

Identifying Proprietary Information; Public Records Act

A Proposer must identify and list all copyrighted material, trade secrets, or other proprietary information (“protectable documents”) that the Proposer included in its Proposal which Proposer believes should be exempt from disclosure under Florida’s Public Records Act, Florida Statute Chapter 119, et seq.

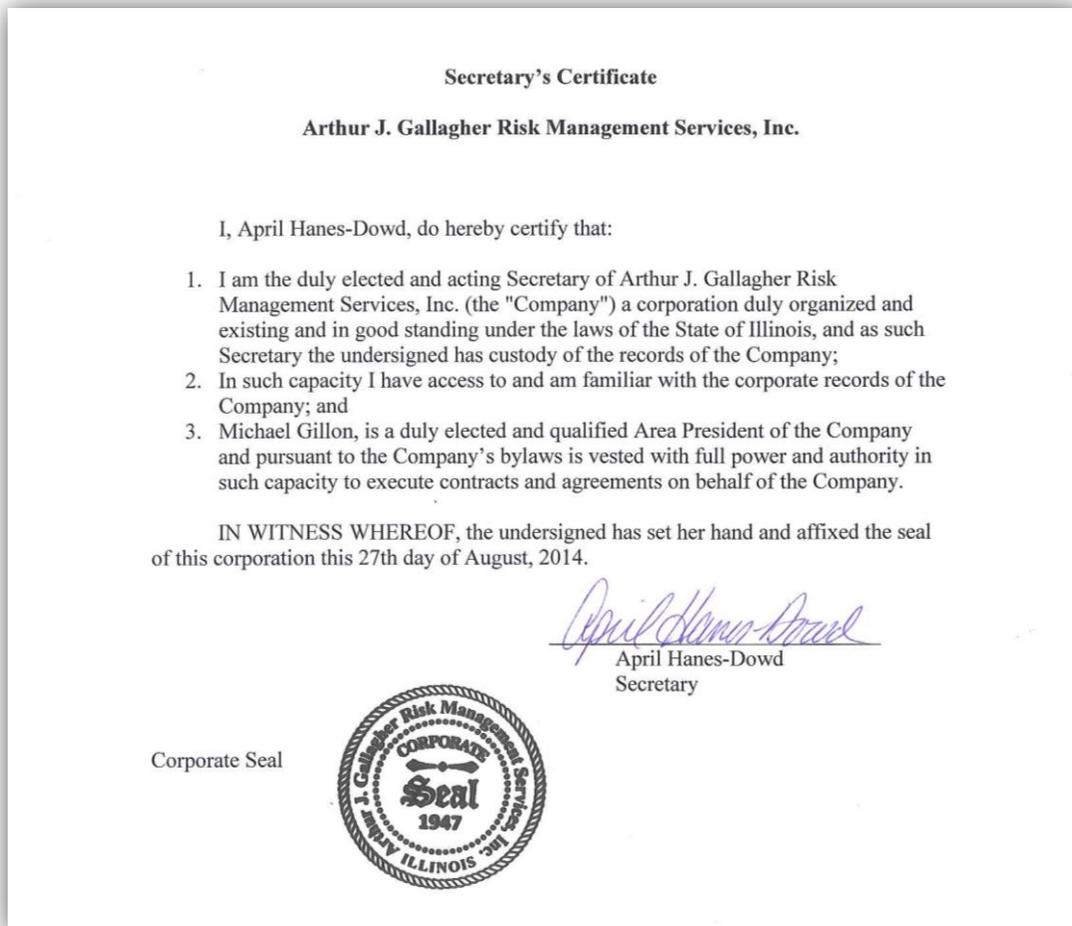
Gallagher has no information that we deem to be Proprietary Information to the Public Records Act. We agree that this proposal response will become property of the City of Key West and may be returned only at the City’s option.

Proposal Signature(s)

The person or persons legally authorized to bind the Proposer to the RFP must sign the Proposal in ink. The individuals signing the Proposal must represent that they are authorized to bind the Proposer’s legal entity.

- **A corporation must execute the Proposal by its duly authorized officer(s) in accordance with its corporate bylaws.**

Our proposal is signed by our authorized signee and Area President, Michael Gillon. A copy of his Authorization to Bind Certificate form our Corporate Secretary is attached.





Tab 4: Scope of Work: Program Administration & Minimum Qualifications

Scope of Work

Program Administration

PROGRAM ADMINISTRATION	Gallagher Agrees to Perform
1. Act as an independent insurance advisor to the City and proactively provide ongoing, unbiased, professional advice and recommendations that benefit the City.	✓
2. Proactively provide ongoing review and analysis of the City’s insurance programs and identification of risk transfer and risk financing options.	✓
3. Be familiar with the major exposures of the City.	✓
4. Be familiar with the coverage provided by all relevant insurance policies and documents issued to the City.	✓
5. Assure that insurance policies are competitively marketed and placed in a timely manner, without lapses in coverage periods, with reputable and financially responsible insurers.	✓
6. Ensure that insurers are licensed to conduct business in the State of Florida.	✓
7. Provide service for the insurance policies placed for the City including processing all changes and endorsements and verifying the accuracy of invoices within a reasonable time.	✓
8. Provide the City, as early as possible, information regarding rate and coverage changes, downgrades in the financial status of insurance carriers, market developments, or other significant problems that could affect the City’s insurance coverage.	✓
9. Upon request by the City, but at least once a year, provide a comprehensive report that reviews all the City’s insurance programs.	✓
10. Be available to answer questions or obtain answers from underwriters for policy coverage questions.	✓
11. Be available by phone and/or to meet with City staff and designated representatives as reasonably requested.	✓
12. Provide consultation service and written reports as normally expected of a professional broker to a large client.	✓
13. Provide assistance with claims and insurance applications as requested by the City.	✓
14. Assist in analyzing loss exposures from existing and new operations, and determine the appropriate risk management alternatives, including types, availability, costs and extent of coverage that should be considered.	✓
15. Fully cooperate with representatives of the City and the City’s insurance consultant on all insurance related issues.	✓

The successful Proposer must directly provide all services described in this document, and must appoint one of its employees as the key contact for approval by the City.

As City of Key West’s current broker, we agree to continue to provide these services for the City of Key West as this is part of our included, Gallagher value-added services.

Justin Wiley is City of Key West’s Lead Broker. He is your main point of contact and is ultimately responsible for the entire Gallagher servicing team.

Kim Zastrow works in direct contact with Just Wiley as his and your Client Servicing Manager. She handles the daily servicing responsibilities of the City’s account, ensuring all team members are up-to-date on all aspects of the City’s program.

Minimum Qualifications & Expectations of the City

1. A current license issued by the Florida Department of Insurance.

License to Transact Business in the State of Florida




DIVISION of CORPORATIONS
 an official State of Florida website

[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Detail By Document Number](#) /

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Entity Name Search

[Events](#) **No Name History**

Detail by Entity Name
 Foreign Profit Corporation
 ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.

Filing Information

Document Number	F02000003701
FEI/EIN Number	36-2102482
Date Filed	07/19/2002
State	IL
Status	ACTIVE
Last Event	CORPORATE MERGER
Event Date Filed	06/28/2007
Event Effective Date	06/30/2007

Principal Address
 2850 GOLF ROAD
 ROLLING MEADOWS, IL 60008
 Changed: 04/18/2017

Mailing Address
 2850 GOLF ROAD
 ROLLING MEADOWS, IL 60008

2. Have not had their brokerage license revoked by the Florida Department of Insurance.

The entire Gallagher team is properly licensed by the State of Florida. Below are copies of your two main contacts and team member licenses: Justin Wiley, Lead Broker and Kim Zastrow, Client Service Manager.

Justin Wiley Florida License(s)

JEFF ATWATER FLORIDA'S CHIEF FINANCIAL OFFICER

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Español

Licensee Search	Licensee Address Download	Licensee Appointment Download	Terminated Appointment Download	Navigator Download
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Licensee Details

4/20/2017

Demographic Information

Name of Licensee: WILEY, JUSTIN ALLEN
License #: P071481
Business Location: ORLANDO,FLORIDA

Types and Classes of Valid Licenses

Type	Original Issue Date	Qualifying Appointment
SURPLUS LINES(0120)	12/30/2014	YES
LIFE INCL VAR ANNUITY & HEALTH(0215)	6/17/2009	YES
GENERAL LINES (PROP & CAS)(0220)	7/30/2009	YES

Kim Zastrow Florida License

JEFF ATWATER FLORIDA'S CHIEF FINANCIAL OFFICER

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Licensee Search	Licensee Address Download	Licensee Appointment Download	Terminated Appointment Download	Navigator Download
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Licensee Details

4/18/2017

Demographic Information

Name of Licensee: ZASTROW, KIM MARIE
License #: A293421
Business Location: ORLANDO,FLORIDA

Types and Classes of Valid Licenses

Type	Original Issue Date	Qualifying Appointment
GENERAL LINES (PROP & CAS)(0220)	1/6/2015	YES

3. A minimum of five (5) years expertise and experience providing commercial insurance policies to municipalities similar in size.

Please see our response to Tab 3: Proposal Content, Question 2 pages 14-15 for our experience and expertise to accounts similar to City of Key West. We confirm that our company and all proposed team members have more than the minimum five years’ experience.

4. The ability to place all lines of coverage currently being purchased by the City, that may be appropriate for the City, or that may be recommended by the broker.

As City of Key West’s current broker, we certainly have the ability to place the current coverage for your insurance program. Gallagher is the only authorized broker to represent and partner with PRM.

Florida’s Insurance Market Trends

Florida is the most dynamic insurance market in the country – depending upon the year, the market can fluctuate dramatically both in an upward and downward direction. This is why we believe it is imperative for the City to have a local, Florida-based account servicing and brokerage team.

In the past decade, we’ve had four hard market cycles, some lasting for a couple of years, some literally only lasting for a few months. Our team with Gallagher has helped clients through both the tough markets, and favorable buyers markets (like 2017), and would ensure the City of Key West has the best possible insurance program in the market.

Our Gallagher team has this experience as the most experienced property insurance broker in the State – we currently place over \$150 Billion of tough hurricane-exposed property insurance values through our Florida team. This is significant for the City of Key West as we are able to leverage this clout with insurance carriers to your benefit.

A brief listing of similar clients placed by our team is included below. This demonstrates our understanding of complex public entities with similar exposures to the City of Key West.

GALLAGHER-TEAM’S FLORIDA CLIENTS EXCEEDING \$1 B IN EXPOSED PROPERTY VALUES

Client Name	Approximate Total Insured Values	Years as Client	CLIENT EXPOSURES		
			Governmental Entity	College, University or Educational	Healthcare
Miami-Dade County Board of County Commissioners	\$13,070,000,000	31	✓		
The School Board of Miami-Dade County	\$8,727,000,000	38	✓	✓	
Florida Colleges System Risk Management Consortium	\$7,200,000,000	35	✓	✓	✓
The School Board of Broward County	\$6,354,000,000	38	✓	✓	
Florida Department of Transportation	\$5,679,285,000	12	✓		
Florida Religious Organization	\$5,412,000,000	48			
Broward County Board of County Commissioners	\$4,740,000,000	6	✓		
Orange County Board of County Commissioners	\$3,714,000,000	10	✓		
N.E. Florida Educational Consortium	\$3,376,000,000	29	✓	✓	
The School District of Duval County	\$3,328,000,000	34	✓	✓	
City of Jacksonville	\$3,046,000,000	1	✓		
Palm Beach County Board of County Commissioners	\$2,400,000,000	34	✓		
Greater Orlando Airport Authority	\$2,354,000,000	13	✓		
City of Lakeland	\$1,900,000,000	20	✓		
The School Board of Brevard County	\$1,867,000,000	32	✓	✓	
Pinellas County Board of County Commissioners	\$1,800,000,000	5	✓		
Miami-Dade Water and Sewer	\$1,740,244,000	3	✓		
Hillsborough County Board of County Commissioners	\$1,540,000,000	15	✓		
City of Orlando	\$1,524,000,000	6	✓		
The School District of Osceola County	\$1,447,000,000	4	✓	✓	
Panhandle Area Educational Consortium	\$1,203,000,000	3	✓	✓	
Orlando-Orange County Expressway Authority	\$1,137,000,000	14	✓		
Clay County School Board	\$1,071,000,000	18	✓	✓	
Pasco County Board of County Commissioners	\$1,050,000,000	21	✓		
Total Insured Values & Average Years as Client	\$85,679,529,000	20	23	9	1

5. No conflicts of interest in representing the City's interests.

Gallagher has no conflicts of interests in representing the City.

6. Have the ability to directly access Domestic Insurers, Lloyds of London and other foreign insurers with limited need of wholesalers and intermediaries.

As a top global broker, we have access to, and would facilitate carrier competition for a spot in the City's programs. Gallagher places over \$25 Billion of annual property and casualty insurance premiums worldwide through our staff in every major domestic and international insurance market, including the U.S., London, European, Bermuda and Asian markets.

Market Access

Gallagher's access is through our own organizations. Through our wholly owned subsidiaries in the US, London, Bermuda and Europe, Gallagher enjoys access to the global insurance marketplace without having to go through a third-party. This global access, combined with the resources of the National Public Entity practice, allows us to apply global capacity with speed and efficiency.

We utilize outside agencies only when access points to a specific or program requires use of an MGA/MGU, (Managing General Agent / Underwriter), or if directed by a client to use a specific wholesaler. (The wholesaler must be on our approved list).

Our wholesale brokers assist our retail brokers and other non-affiliated brokers in the placement of specialized and hard-to-place insurance. These brokers operate through more than 65 geographical profit centers located across the U.S., Bermuda and through our approved Lloyd's of London brokerage operation.

Gallagher opened its London office in 1974 and formed Arthur J. Gallagher International (AJG UK). In the U.K., we have a retail brokerage and underwriting operation for clients to access the Lloyd's of London and other international insurance markets, and a program operation offering customized risk management products and services to U.K. public entities. In Bermuda, we act principally as a wholesaler for clients looking to access the Bermuda insurance markets and also provide services relating to the formation and management of offshore captive insurance companies. We also have ownership interests in two Bermuda-based insurance companies and a Guernsey-based insurance company that operate segregated account "rent-a-captive" facilities.

Gallagher's Solvency Policy

Arthur J. Gallagher Risk Management Services, Inc. has very strict solvency standards for the carriers we present to our clients. Our corporate solvency committee and local brokers are constantly monitoring the financial status and ratings outlook for all carriers we work with.

Gallagher's policy is to only place risks with carrier's whose A.M. Best rating is A- VI or higher. Many other brokers have lower financial standards such as B+ or better. To ensure compliance with Gallagher's carrier rating policy, Gallagher has professional standards personnel, both corporately and locally, who continually monitor these ratings. Should one of the City's carriers drop below A-VI, we will immediately notify the City of the carrier's change in status and discuss all options and/or necessities relative to that carrier's change in financial status.

7. Ability to meet with City officials on an as need basis.

Yes. As your current broker, Justin Wiley and his team have been able to meet with the City of Key West whenever requested. We promise to uphold this standard and be there for the City whenever needed.

8. Along with the City's independent insurance consultant (if appropriate), assist the City in the identification and evaluation of exposures to risk and develop recommendations for the most appropriate and cost effective method of responding to these exposures.

Gallagher agrees to continue to identify and recommend any appropriate evaluation of exposures to risk.

9. Coordinate the marketing and underwriting process and prepare insurance specifications and applications for all insurance policies purchased by the City.

Justin Wiley, Kim Zastrow and the entire Gallagher servicing team agree to continue to do this service for the City. As part of our included services, this is one of the services we do for all our clients.

10. Design and recommend marketing approaches and alternatives to traditional insurance to respond to exposures to risk that have been identified by the City and the City's independent insurance consultant or the selected broker.

Please refer to point #8 in our Coverage Gaps overview on page 35 for an example of what we have successfully done for City of Key West in regards to recommendations and alternatives for the City's Flood program.

11. At the conclusion of the marketing and underwriting process, prepare a detailed analysis of each proposal received.

We agree to continue to do this service for the City of Key West as this is already being done and is part of our included, Gallagher value-added services.

12. In conjunction with the City's insurers, prepare manuscripted insurance policies and endorsements to respond to the unique needs of the City.

We agree to continue to do this service for the City of Key West as this is already being done and is part of our included, Gallagher value-added services.

13. Review each policy purchased by the City and prepare a detailed written analysis of the major features of each policy with special attention given to all changes from the previous year's policies.

We agree to continue to do this service for the City of Key West as this is already being done and is part of our included, Gallagher value-added services.

14. Assist the City in the coordination of all claims with its insurers and act as the City’s advocate on all claim matters.

We agree to continue to do this service for the City of Key West as this is already being done and is part of our included, Gallagher value-added services.

The Gallagher Claim Advocacy Group is coordinated nationally by Bart Douglas. Bart is available to assist the City with claim issues and in the claims settlement process to ensure prompt, fair claim settlements. In the event of a significant loss, Bart will be available to assist the City as your professional advocate, dealing directly with the claims adjusters who represent the various insurance companies participating on City of Key West’s program.

Bart has been involved in claims and risk management for over 40 years and primarily services public sector clients at Gallagher. He has provides claim advocacy for large, first-party and third-party claims and is available to assist the City should an unfortunate claim arise.

Bart is located in our Miami, FL office, and along with the rest of the Account Management team, will be available for all pre- and post-loss activities, as needed. The Claim Advocacy team with be available as needed to advise and intervene in claims all the way through resolution.

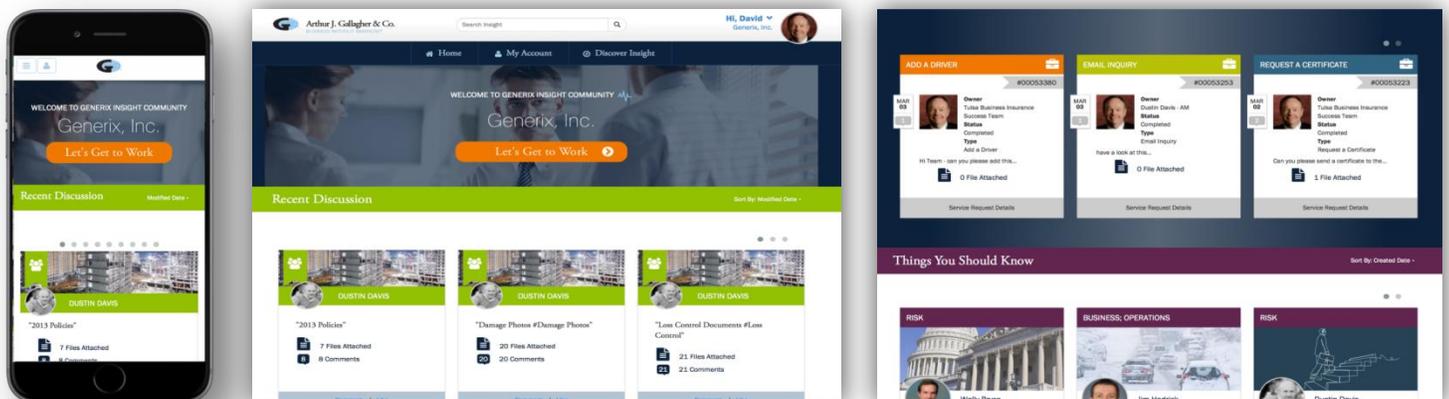
15. In conjunction with the City’s independent insurance consultant, review the City’s losses on a perpetual basis for any trends or patterns and develop loss control and safety recommendations to reduce the claims generated from the trends and patterns.

As previously noted, we have a great working relationship with Sid Webber, your current independent consultant. We regularly attend their semi-annual claims review meetings and are also requesting more detailed information about their total spend in reference to reducing their total cost of risk, i.e. CORE360.

16. Make available to the City or its representatives accurate underwriting data and schedules that can used when and if the City to seek competitive bids for its insurance.

Data used to market the City’s program has always been shared as requested with City Staff. In addition, Gallagher Insight creates a platform to allow a real-time interface for the City staff access to policies, underwriting data, certificates and more.

Gallagher Insight is a free, client portal that provides a mobile friendly, two-way collaboration tool designed to connect people and information. Essentially, Insight is a private Social Network between your organization and Gallagher. The system provides clients access to their summary insurance, and access to an online social network to request items such as endorsements, and certificates of insurance.



17. Provide miscellaneous insurance and risk management services to the City on an “as needed” basis.

As noted in the CORE360™ Success Stories, Gallagher has consistently and will continue to provide services as needed to reduce the City’s overall cost of risk.

18. Provide other non-placement services by the brokerage firm, such as loss prevention and safety. Work proactively with the City’s Risk Management Department, their independent insurance consultant, and insurance carriers in developing protocols to minimize the potential for costly accidents.

Loss Control Services

Below, City of Key West will find Gallagher’s response to any questions you may have regarding the Loss Control Services we provide. Should you have any additional questions please do not hesitate to contact your Gallagher servicing team.

CONTINUAL TRAINING & RISK MANAGEMENT UPDATES

City of Key West will receive continual training, support and ideas from our loss control team. We continually provide clients with written publications, online seminars and direct personal support. This will also include assistance with loss control programs and strategies, educational training, seminars, research and analysis of loss trends and communication material.

Our loss control team has created several CD Self Study Training Programs for our Public Sector Clients designed to assist them in Workplace Safety Education and Training. Gallagher is currently working on developing several more self-study training programs as Public Entity clients embrace the use of these products and consider the products to be a useful tool in their risk management programs. These training modules will be provided to the City as part of our standard services.

Workplace Safety	
Accident Investigation	Orientation
Blood-borne Pathogen Refresher	Lock-out / Tag-out
Hazard Communication Refresher	Refresher Training
New Employee Safety	

TAILORED LOSS CONTROL SERVICES

One of the core, value-added services Gallagher provides is hands- on Loss Control Services. Our goal is to focus both our activities and those of your carriers on the areas that will make the biggest impact on City of Key West’s operations.

Gallagher’s loss control team has worked with Risk Managers to support efforts in loss prevention. Provided below are a few highlights of this work to describe our team’s experience in this area. Gallagher would ensure this past experience is put to work for you.

- With an emphasis on the higher valued and/or critical facilities, we perform on-site surveys. Our focus is on reviewing the physical protection systems to address specific concerns, as well as the procedures for inspecting, maintaining and testing your fire protection equipment.
- Participation in meetings with contractors, local authorities and carrier engineering staff during renovation and new construction projects. Our focus is to provide input from a property insurance standpoint regarding the design of fire protection features proposed, while maintaining the interest of our clients’ objectives and best interests.
- Developed investigation tools to investigate claims events.
- Conduct slip/fall liability claims using slip meter to measure the coefficient of friction on floor surfaces.
- Conducted training courses on Slip/Trip/Fall Liability Prevention.
- Conducted security risk assessment and site liability risk assessments.



Loss Control Services

Client Focused

- Integrated Broker Service Program
- Experienced Loss Control Consultants
- On-Site, Hospitality Assistance, Webcast and Teleconference
- Services and Programs Referenced Against Best Practices
- Work Closely with Client and Carrier to Address Concerns

Customized Solutions

- Programs Targeted to Loss Drivers and Operations
- Focus on Areas That Will Make an Impact on Losses
- Services are Directed at Lowering Cost of Risk
- Hospitality-Specific Services
- Results-Oriented, Not Inspection-Driven

Accident Analysis

- First-Aid Log
- Investigation Report
- OSHA Log
- Loss Runs
- Root Cause
- Benchmarking

Assessments

- Slip, Trip and Fall
- Sprain and Strain
- Security
- Ergonomic
- Workplace
- Machine Safeguarding
- Job Safety
- Safety Program
- Mock OSHA
- OSHA Regulatory Compliance
- Personal Protective Equipment
- Emergency Response Plan

Program Development

- Safety Rules
- Employee Safety Handbook
- Policy, Procedure, Program
- Safety Manual
- Safety Committee
- Work Method
- Early Return to Work
- OSHA Compliance

Safety Training

- 10- and 30-Hour Outreach Training
- OSHA 300 Log Recordkeeping
- Hazard Awareness
- Defensive Driving
- Ergonomics

OSHA Citation Assistance

- Consultation Service
- Participation in Settlement Meeting
- Abatement Services

Supervisory Skill Development

- Fraud Prevention
- Insurance 101
- Personal Liability Awareness
- Hazard Awareness
- Managing Safety & Culture
- Incident Investigation
- Safety Meetings & Communication
- Selling Safety to Management
- Workplace Violence
- Sexual Harassment

Property Fire Protection Engineering

- Property Loss Control Advocacy
- Evaluate Fire Protection Systems
- Provide Property Risk Reports
- Account Engineering Coordination
- Evaluate Loss Expectancies
- HPR Guidance and Assistance
- Flood Exposure Assessments

Other Services

- Onboarding with New Carrier
- Carrier Service Management
- Stewardship Report
- Recommendation Compliance
- Marketing Safety Efforts to Underwriters



CORE360™
Evaluating and Minimizing
Your Total Cost of Risk

Focusing on:

- Loss Prevention & Claims

Learn more at www.ajg.com/CORE360

It is anticipated that the incumbent Broker(s) will continue to service all existing policies until they expire. The selected Broker(s) will negotiate the renewal of the policies and assume their administration upon renewal. The selected Broker will also be expected to assist the City with the administration of any claims and/or other insurance issues that may be carried over from the incumbent Broker.

As your incumbent broker, Gallagher agrees.



Tab 5: Forms

City of Key West

INSURANCE BROKER – Property/Casualty
and Workers Compensation

EXHIBIT III

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS:

COUNTY OF MONROE

I the undersigned hereby duly sworn, depose and say that no portion of the sum herein response will be paid to any employee of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

BY: Arthur J. Gallagher Risk Management Services, Inc.
Michael Gillon, Area President (Authorized Signature)

sworn and prescribed before me this 21st day of April, 2016 ~~2016~~ 2017

NOTARY PUBLIC, State of Florida

My commission expires: 7/21/2019



Carol J. Barie
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF901802
Expires 7/21/2019

City of Key West

INSURANCE BROKER – Property/Casualty
and Workers Compensation

EXHIBIT IV

**SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES**

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY
PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

1. This sworn statement is submitted to City of Key West

by
Michael Gillon, Area President
(print individual's name and title)

For
Arthur J. Gallagher Risk Management Services, Inc.
(print name of entity submitting sworn statement)

whose business address is Insurance Brokerage Services

and (if applicable) its Federal Employer Identification Number (FEIN) is

36-2102482
(if the entity has no FEIN, include the Social Security Number of the individual
signing this sworn statement):

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 01, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

City of Key West

*INSURANCE BROKER – Property/Casualty
and Workers Compensation*

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
- a. A predecessor or successor of a person convicted of a public entity crime: or
 - b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agent who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statute means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).
- X Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July, 1989.

_____The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989.

_____The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989.

City of Key West

INSURANCE BROKER – Property/Casualty
and Workers Compensation

EXHIBIT V

EQUAL BENEFITS FOR DOMESTIC PARTNERS AFFIDAVIT

STATE OF Florida)
: SS
COUNTY OF Orange)

I, the undersigned hereby duly sworn, depose and say that the firm of _____
Arthur J. Gallagher Risk Management Services, Inc.
provides benefits to domestic partners of its employees on the same basis as it provides benefits
to employees' spouses, per City of Key West Code of Ordinances Sec. 2-799.

By: Mindy _____

Sworn and subscribed before me this 21st day of April 2017.

NOTARY PUBLIC, State of Florida at Large

My Commission Expires: 7/21/2019

Carol J. Barie
Carol J. Barie
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF901802
Expires 7/21/2019

City of Key West

INSURANCE BROKER – Property/Casualty
and Workers Compensation

EXHIBIT VIII

LOCAL VENDOR CERTIFICATION PURSUANT TO CKW ORDINANCE 09-22 SECTION 2-798

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a "Local Business." For purposes of this section, "local business" shall mean a business which:

- a. Principle address as registered with the FL Department of State located within 30 miles of the boundaries of the city, listed with the chief licensing official as having a business tax receipt with its principle address within 30 miles of the boundaries of the city for at least one year immediately prior to the issuance of the solicitation.
b. Maintains a workforce of at least 50 percent of its employees from the city or within 30 miles of its boundaries.
c. Having paid all current license taxes and any other fees due the city at least 24 hours prior to the publication of the call for bids or request for proposals.
o Not a local vendor pursuant to Ordinance 09-22 Section 2-798
o Qualifies as a local vendor pursuant to Ordinance 09-22 Section 2-798

If you qualify, please complete the following in support of the self-certification & submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name [Not Applicable] Phone:

Current Local Address: Fax:
(P.O Box numbers may not be used to establish status)

Length of time at this address

Signature of Authorized Representative Date

STATE OF
COUNTY OF

The foregoing instrument was acknowledged before me this ___ day of ___, 20__ .
By ___ of ___
(Name of officer or agent, title of officer or agent) Name of corporation acknowledging)
or has produced ___ as identification
(type of identification)

Signature of Notary

Return Completed form with Supporting documents to: City of Key West Purchasing

Print, Type or Stamp Name of Notary

Title or Rank

Below is a copy of our E&O insurance certificate providing evidence of \$20M of coverage.

		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 4/21/2017		
<p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p>						
<p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p>						
PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 300 S. Riverside Plaza, Suite 1900 Chicago IL 60606			CONTACT NAME: Direct All Inquiries to Email PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: chi_certificates@ajg.com			
INSURED ARTHJGA113 Arthur J. Gallagher & Co. and its Subsidiaries The Gallagher Centre 2850 West Golf Road Rolling Meadows IL 60008			INSURER(S) AFFORDING COVERAGE		NAIC #	
			INSURER A : Lexington Insurance Company		19437	
			INSURER B : XL Specialty Insurance Company		37885	
			INSURER C :			
			INSURER D :			
			INSURER E :			
			INSURER F :			
COVERAGES		CERTIFICATE NUMBER: 2009166335		REVISION NUMBER:		
<p>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p>						
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/PO/ AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A B	Primary E&O Liability Excess E&O Liability	N N	N N	017788170 ELU14606816	9/1/2016 9/1/2017	Per Claim/Aggregate \$17,000,000 Per Claim/Aggregate \$3,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)						
CERTIFICATE HOLDER				CANCELLATION		
Evidence of Insurance				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.		
				AUTHORIZED REPRESENTATIVE 		
ACORD 25 (2014/01)				© 1988-2014 ACORD CORPORATION. All rights reserved.		
				The ACORD name and logo are registered marks of ACORD		

