

**From:** Ben Few <ben@benfew.com>  
**Sent:** Thursday, August 2, 2018 4:45 PM  
**To:** Todd C. Stoughton <tstoughton@cityofkeywest-fl.gov>  
**Cc:** Mark Finigan <mfinigan@cityofkeywest-fl.gov>; Laura Estevez <lestevez@cityofkeywest-fl.gov>  
**Subject:** RE: Consultant Review Request

Good afternoon all,

I've reviewed the proposals received for the City's property and casualty insurance program and would recommend renewing as is on all lines, with the exception of the statutory AD&D policy, which I would bind with Chubb, as the premium is approximately \$750 less. Overall premium is up, as has been expected due to the state of the global property market, but casualty premiums have decreased, which helps to offset the overall increase.

Speaking specifically to PRM's proposal, I believe it would be prudent to accept the two-year rate agreement with PRM on the liability and work comp coverage lines. This will lend itself to stability over a longer period and hedges against any unforeseen market changes. PRM has also noted that excess liability coverage is available, but given the City's self-insured status, combined with the statutory protections afforded by 768.28, F.S., I see no need to increase the current limits. PRM has noted that they would take over the ancillary coverage lines via broker-of-record letter, but I also see this as unnecessary if the City is satisfied with the current product and level of service it receives from PRIA.

With respect to PRIA's proposal for the ancillary coverage lines, I haven't seen a copy of the City's current AD&D policy through AIG, but the proposal seems to indicate that AIG limits are consecutive, where the statutory requirement differentiates between an accidental death and an unlawful and intentional death. For a policy that is designed to mirror the statute, I would bind with Chubb to save some premium dollars and would agree to the annually paid two-year term as the subsequent renewal is flat. Otherwise, the marine coverage lines look to be renewing as expiring. I noted that both the pollution liability and storage tank liability policies, through XL/Indian Harbor and Commerce and Industry, respectively, were previously renewed on multi-year terms and would imagine that is the reason why they have not been quoted this time.

I certainly appreciate the opportunity to work with the City of Key West, and invite you to reach out with any questions you may have.

Thank you,  
Ben

**BEN FEW IV, CRM, AAI**  
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**From:** Todd C. Stoughton <[tstoughton@cityofkeywest-fl.gov](mailto:tstoughton@cityofkeywest-fl.gov)>  
**Sent:** Thursday, July 19, 2018 9:05 AM  
**To:** Ben Few <[ben@benfew.com](mailto:ben@benfew.com)>  
**Cc:** Mark Finigan <[mfinigan@cityofkeywest-fl.gov](mailto:mfinigan@cityofkeywest-fl.gov)>; Laura Estevez <[lestevez@cityofkeywest-fl.gov](mailto:lestevez@cityofkeywest-fl.gov)>  
**Subject:** Consultant Review Request

Ben,

Good morning. Yesterday we received proposals for both our Property & Casualty Insurance Program and our Ancillary Coverages. We sent direct solicitation requests to PGIT, FMIT, and PRM. We only received one reply from PRM for our Property/Casualty, and a reply from PRIA on our Ancillary Coverage.

Request you review the attached proposals and reply to the Finance Director with your review comments by August 3<sup>rd</sup>. Your comments will be used to assist the City in making the decision and will be part of our recommendation to the City Commission. Although there is only one submission for each area, we still have decisions to make and look forward to your review and input. If you need anything from me to assist, please let me know. Thank you very much.

Respectfully,

Todd

Todd Stoughton  
Risk Manager/Safety Officer  
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**From:** Todd C. Stoughton  
**Sent:** Thursday, May 3, 2018 11:05 AM  
**To:** 'Ben Few' <[ben@benfew.com](mailto:ben@benfew.com)>; 'Sid Webber' <[sid.webber@interisk.net](mailto:sid.webber@interisk.net)>  
**Cc:** Mark Finigan <[mfinigan@cityofkeywest-fl.gov](mailto:mfinigan@cityofkeywest-fl.gov)>; Laura Estevez <[lestevez@cityofkeywest-fl.gov](mailto:lestevez@cityofkeywest-fl.gov)>  
**Subject:** Request for Consultant Letter to City of Key West

Ben/Sid,

Good morning. In the best interest of the City, we have decided to forego the RFP process for our Property and Casualty Insurance Program, and solicit the Pool/Trust directly for Policy Year 2018/2019.

In order to do this we request a formal letter from your company, specifically identifying your assessment as an independent insurance consultant with no ties to the pool/trust, at the request of the City. Some of the areas we request to be addressed in your letter are:

- Names of trust/pool the City has access to.
- Feasibility of access to traditional markets.
- Current insurance markets today, with any trends you are aware of.

The City believes that the use of a pooled insurance program is still the most advantageous route. Any additional information, and opinions are welcome.

Our anticipated process is:

- Receive consultant letters, review with legal.
- I will contact pool/trust (if that is the recommendation) directly, requesting solicitation.
- Finance Director will review solicitations and request your input on each individual solicitation for selection.

Thank you both very much.

Respectfully,

Todd

Todd Stoughton  
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Renewal Proposal Analysis			
City of Key West			
Coverage Lines	Expiring Premium	Proposed Renewal As Expiring	Proposed Options
Public Risk Management			
<b>Property</b>	<b>\$460,748</b>	<b>\$566,406</b>	
TIV - \$143,985,446		TIV - \$150,584,133	
\$85,000,000 Wind Sublimit		\$100,000,000 Wind Sublimit	
5% Wind Deductible / \$25,000 AOP Deductible			
<b>Crime</b>	Included in Property	Included in Property	
Employee Dishonesty - \$1,000,000 Limit			
Forgery & Alteration - \$1,000,000 Limit			
Monies & Securities - \$1,000,000 Limit			
Funds Transfer Fraud - \$1,000,000 Limit			
Computer Fraud - \$1,000,000 Limit			
\$1,000 Deductible			
<b>General Liability, incl. Law Enforcement, EMT Liability</b>	<b>\$274,009</b>	<b>\$246,891</b>	
\$1,000,000 per Occurrence Limit			
\$100,000 SIR			
<b>Auto Liability</b>	Included in GL	Included in GL	
\$1,000,000 per Member Limit			
\$100,000 SIR			
<b>Public Officials Liability / EPLI</b>	Included in GL	Included in GL	
\$1,000,000 per Claim			
\$3,000,000 Aggregate per Member			
\$100,000 SIR			
<i>POL &amp; EPLI subject to a per member combined aggregate of \$3,000,000</i>			
<b>Cyber Liability</b>	Included in GL	Included in GL	
\$1,000,000 per Member Limit		<b>Underwritten by Great American</b>	
\$5,000,000 per Pool Aggregate			
\$25,000 Deductible			
<b>Workers' Compensation</b>	<b>\$261,067</b>	<b>\$235,230</b>	
Payroll - \$33,392,560		Payroll - \$30,701,818	
\$3,000,000 Employer's Liability Limit			
\$325,000 SIR			
<b>Boiler &amp; Machinery</b>	<b>\$9,880</b>	<b>\$11,152</b>	
\$50,000,000 Limit per Accident		<b>Underwritten by Travelers</b>	
\$1,000 deductible on all objects except: \$10,000 deductible on transformers 10KVA and over			
<i>Excess Liability Limits are available</i>			
<b>PRM Participation Credit</b>	<b>-\$19,721</b>	<b>-\$21,194</b>	
<b>PRM Total Premium</b>	<b>\$985,983</b>	<b>\$1,038,485</b>	
Public Risk Insurance Agency			
<b>Hull &amp; Mechanical</b>	<b>\$9,165</b>	<b>\$10,027</b>	
11 Vessels - TIV \$887,050		<b>Great American</b>	
Deductibles:			
\$250 - 18' Mako Flats Boat			
\$1,000 - Carolina Skiffs			
\$5,000 - All others			
<b>Vessel Pollution</b>	<b>\$3,620</b>	<b>\$4,061</b>	
\$1,000,000 Oil Protection Act		<b>Great American</b>	
\$1,000,000 Comprehensive Environmental Response, Compensation & Liability Act			
No Deductible			

<b>Marina Operator's Legal Liability</b>	<b>\$22,472</b>	<b>\$24,016</b>	
\$1,000,000 Limit		<b>Great American</b>	
Protection and Indemnity Included			
\$1,000,000 Limited Pollution Extension Sublimit			
\$1,000,000 Marina Operator's Pollution Liability Sublimit			
Land Storage Included			
\$2,500 Deductible			
\$5,945,000 Receipts			
<b>Wharfinger's Liability</b>	<b>\$16,066</b>	<b>\$17,575</b>	
\$2,000,000 Limit		<b>Great American</b>	
\$10,000 Deductible			
\$4,229,800 Receipts			
<b>Outer Mole Excess Liability</b>	<b>\$8,684</b>	<b>\$9,500</b>	
\$4,000,000 Excess of \$1,000,000		<b>Great American</b>	
<b>Accidental Death &amp; Dismemberment - AIG</b>	<b>\$5,558</b>	<b>\$6,768</b>	<b>\$6,019</b>
Statutory Limits		1-Year Term, Annual	1-Year Term, Annual
		<b>\$6,430</b>	<b>\$6,019</b>
		2-Year Term, Annual	2-Year Term, Annual
		<b>\$12,860</b>	<b>\$11,405</b>
		2-Year Term, Prepay	2-Year Term, Prepay
<b>PRIA Total Premium</b>	<b>\$65,565</b>	<b>\$71,947</b>	<b>\$71,198</b>
<b>Grand Total Renewal Premium</b>	<b>\$1,051,548</b>	<b>\$1,110,432</b>	<b>\$1,109,683</b>