



## *City of Coral Gables*

*2801 Salzedo Street  
Coral Gables, FL 33134*

### Insurance Renewal Executive Summary May 1, 2019 – 2020

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# Gallagher

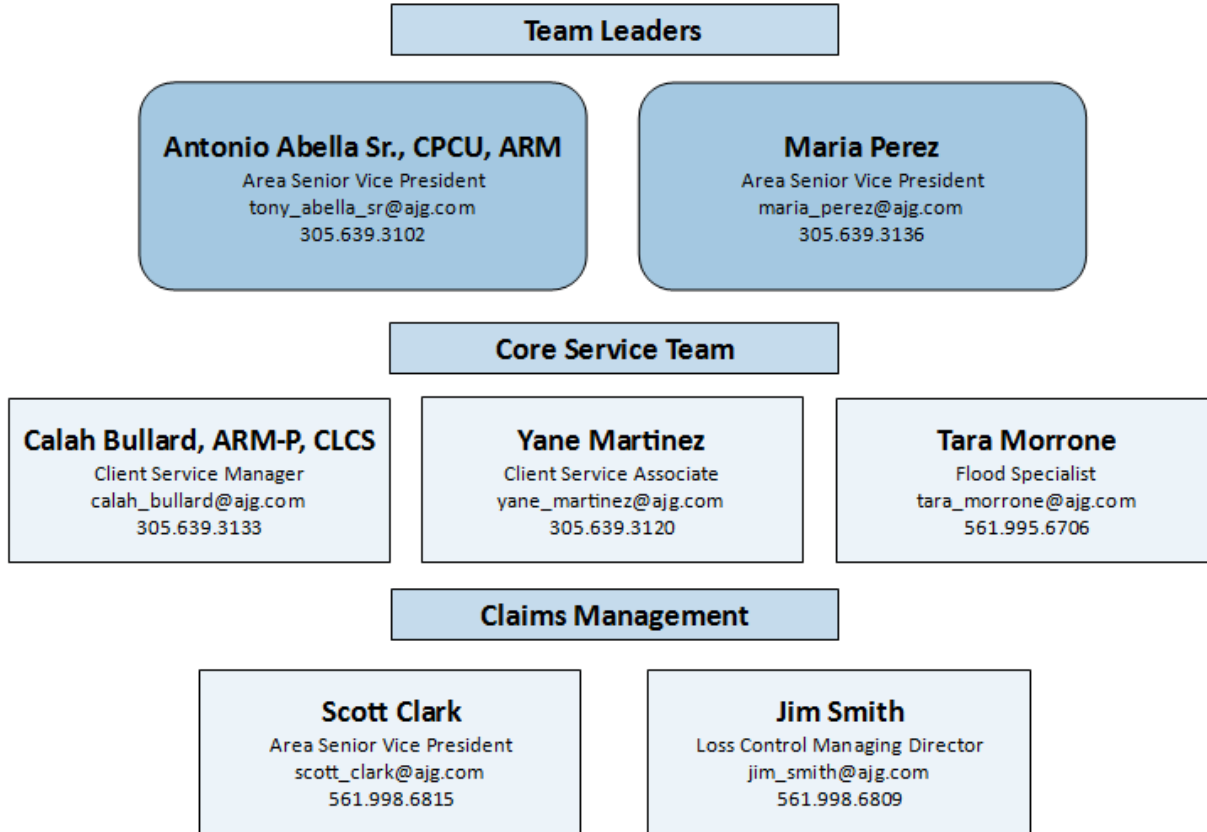
Insurance | Risk Management | Consulting

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## Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

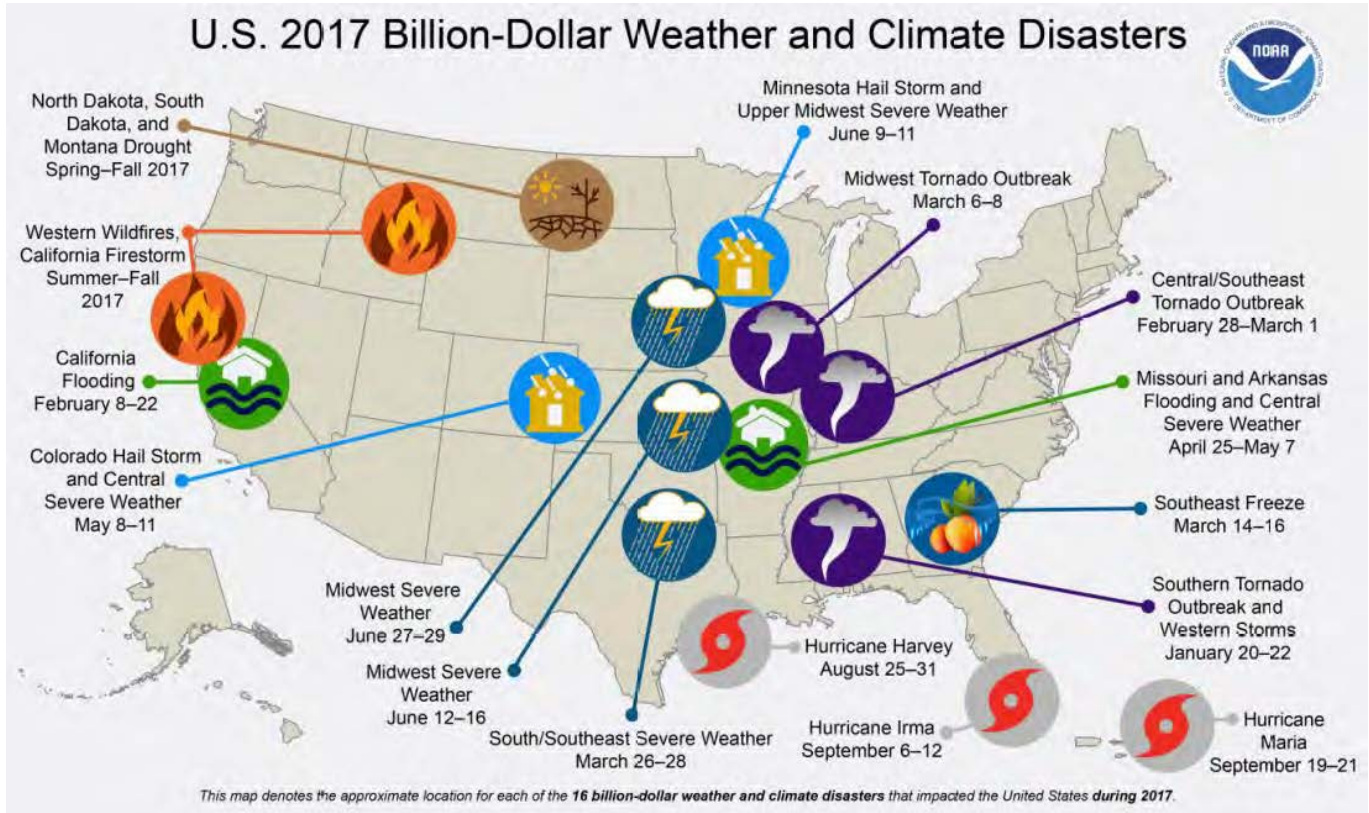




## State of the Market

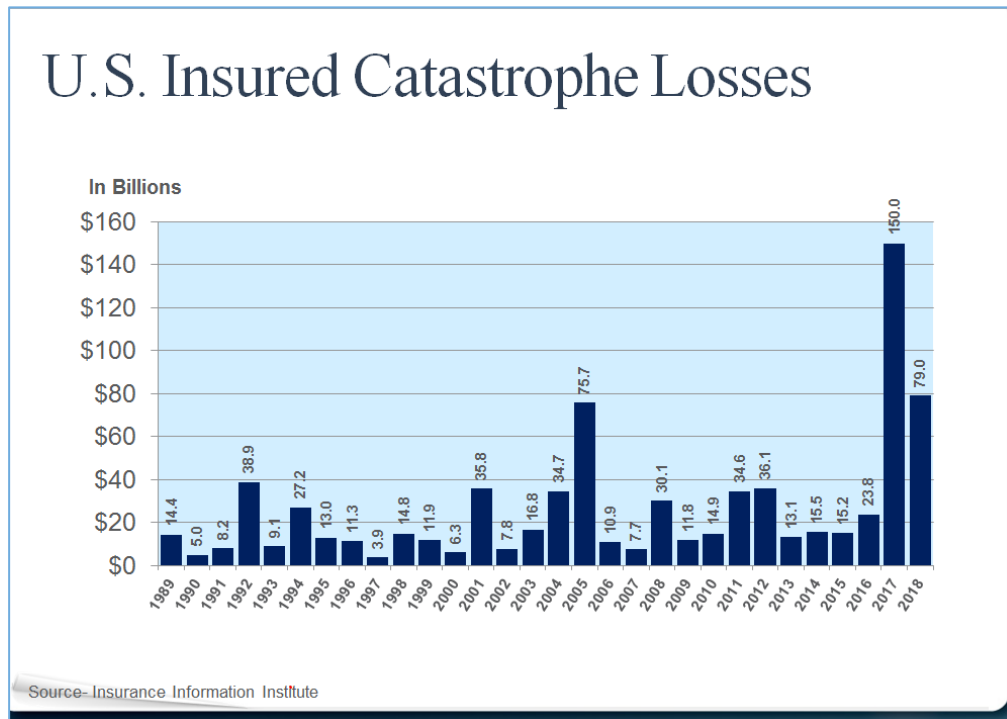
### Property Insurance

2017 was a year of property disasters ranging from floods of catastrophic proportion with Harvey to the devastation of Irma and the categorical wipe out of Puerto Rico by Maria. These events (aka “HIM”) are projected to have total costs of approximately \$265 Billion or roughly \$100 Billion in insured losses. This doesn’t take into account estimates from the Mexico Earthquake within Northern California; the \$1+ Billion wild fire losses in Southern California nor the resultant landslide and flood damage in Montecito. None of these losses begin to account for the human or environmental toll. The chart below captures the sixteen (16) \$1+ Billion losses in the United States for 2017.



The combined loss ratios for virtually every property insurer are well in excess of 100% with some exceeding 300%. Reinsurers have also been tagged. This is a capital event which is forcing carriers to re-examine their underwriting strategies for catastrophic limits, deductibles and over all approach to underwriting in earthquake, flood, hail and wind prone areas. Rate reductions will be rare and carriers will be underwriting every risk on its own merits with a focus on the particular loss history and the geographic footprint. Those accounts exposed to catastrophic loss conditions (earthquake, fire, flood or wind) might expect to see their deductibles increase and available maximum loss limits reduce

On the heels of the costliest year on record for insurers in 2017, with insured loss estimates as high as \$150 billion, 2018 provided the insurance industry with a second consecutive year with higher than average catastrophe loss. The initial insured loss figures for 2018 are projected at \$79 billion, making 2018 the second worst year ever for insured cat losses. Losses from hurricane Florence are estimated to range between \$2 billion and \$5 billion, losses from hurricane Michael are projected between \$6 billion and \$10 billion and the California wildfire losses are estimated at a little over \$15 billion.



Even in light of these loss estimates, initial reinsurance renewals have seen only a moderate increase as the brunt of the 2018 losses were being borne by the primary insurers as opposed to the reinsurers. Increases varied and were applied to individual accounts that had losses rather than broadly applied across participants. Modest decreases were still possible on some of the European and Asian/Pacific Rim reinsurance programs that were not impacted by losses. Further reinsurance market hardening is anticipated into the March/April renewal periods, as this is when the majority of the U.S. CAT reinsurance programs typically renew.

We have once again seen some market participants closing down their property teams that were writing US CAT exposed business on a direct basis, as the margins they have been yielding on these books of business have come in below investor’s expected yields. We anticipate that we will see other insurers take similar actions if they are unable to get the rate increases that they have targeted. Capacity has not yet demonstrated signs of contraction, as we have seen the Insurance Linked Securities (ILS) market continue to function smoothly, optimistic that risk premiums will improve over the next renewal cycle.

Overall, we are seeing a continued price hardening on property accounts.

## CASUALTY INSURANCE

Casualty rates in Public Sector have been relatively consistent in recent years. Rate pressure on the General Liability line is primarily one of rate adequacy – as well as a growing concern on the potential financial impact of sexual abuse, traumatic brain injury and the various shootings within the past year. Casualty markets continue to ‘right-size’ their General Liability rates as their loss history matures. Rate changes will largely be governed by the loss experience of the individual account.

Auto is consistently seeing rate increases, regardless of risk profile. While distracted driving continues to be a growing problem, also contributing to the increase in Auto premiums is the improving economy (more people are driving more frequently and/or for longer distances) and the increase in loss costs (vehicles are more expensive to repair).

The Public Officials/School Leaders E&O and Employment Practices Liability marketplace continues to harden. The trend is for more claims (and more unique claims) to be filed under this line of coverage. In addition to seeing rate increases, we are seeing some carriers implement new restrictions.

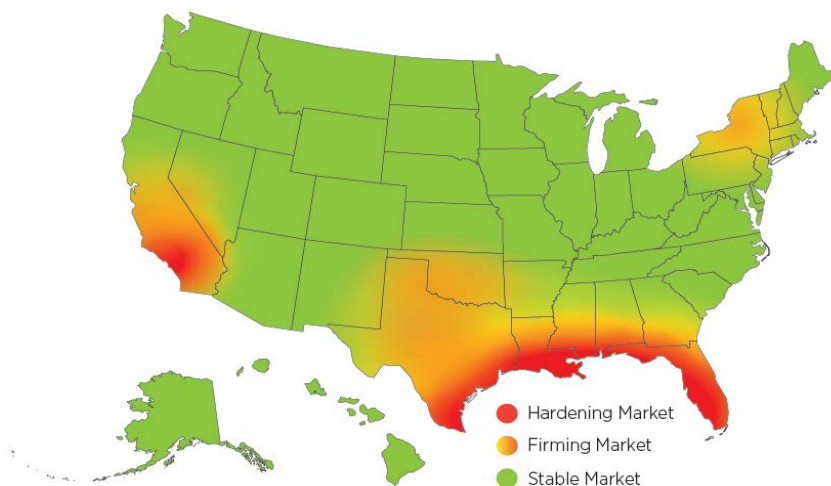
## EXCESS WORKERS COMPENSATION INSURANCE

Workers’ Compensation trends are more positive than negative. We continue to see flat rates overall as lost costs and claim frequency are decreasing, more than the increasing rate of medical inflation. It is a market that can shift at any time given one large work comp loss. Employee injuries are an exposure every entity has and they are challenging to control.

Although rates overall are flat or decreasing, some states continue to struggle with legislative and/or other legal challenges allowing for larger-than-desired claim settlements.

In addition, with the purchase of Midlands Insurance by Safety National, there are less Excess Workers Compensation markets in the State of Florida.

**The table and heat map below show that overall pricing on most lines of coverage remained flat to a single-digit rate increase, with the CAT Property Market increasing up to 15%.**



LINE OF COVERAGE	CURRENT MARKET PLACE (RANGE OF RATE INCREASES)
Property	0% to +5%
General Liability	-3% to +2%
CAT Property	+5% to +15%*
Umbrella	0% to +5%
Management Liability (Private)	0% to +5%
Management Liability (Public)	+5% to +10%
Auto	+5% to +15%
Workers Compensation	-10 to +0%

\*CAT Property defined as a location portfolio with exposure to catastrophic loss (i.e., California EQ, Flood, Florida/Texas/Gulf Coast— wind/hail, the Carolinas, etc.)

## Marketing Summary

CARRIER	LINE OF COVERAGE	CARRIER POSITION
Certain Underwriters at Lloyd's, London	Public Entity Package	Recommended Quote
Safety National Casualty Corporation	Public Entity Package	Quoted
Safety National Casualty Corporation	Excess Workers Compensation	Recommended Quote
Hartford Fire Insurance Company	Public Official Bond	Recommended Quote
Commerce and Industry Insurance Company	Storage Tank Liability	Recommended Quote
Indian Harbor	Pollution Liability	Quoted
Scottsdale Insurance Company	General Liability (Sports)	Recommended Quote
Philadelphia Insurance Company	General Liability (Sports)	Declined - Not able to compete
AIG	General Liability (Sports)	Declined - Account too large
Nationwide Life Insurance Company	ADD Amateur Sports	Quoted
Philadelphia Insurance Company	ADD Amateur Sports	Quoted
AIG	ADD Amateur Sports	Recommended Quote
Travelers Property Casualty Co of America	Boiler & Machinery	Recommended Quote
CNA	Boiler & Machinery	Premium Indication
Certain Underwriters at Lloyd's, London	Cyber Risk Liability	Quoted
Indian Harbor	Terrorism Property	Recommended Quote
Hiscox	Terrorism Property	Quoted
Roanoke	Terrorism Property	Quoted
Indian Harbor	Terrorism Liability	Recommended Quote
Hiscox	Terrorism Liability	Quoted
Roanoke	Terrorism Liability	Quoted
Certain Underwriters at Lloyd's, London	Property	Recommended Quote
Evanston	Property	Recommended Quote
Ironshore Specialty Ins. Co.	Property	Recommended Quote
Landmark American Insurance Company	Property	Recommended Quote
Axis Surplus Ins. Co.	Property	Recommended Quote
Endurance American Specialty Insurance Co.	Property	Recommended Quote
Everest National Ins. Co.	Property	Recommended Quote
Arch Specialty Insurance Company	Property	Recommended Quote
Ethos	Property	Recommended Quote
Arrowhead	Property	Declined - Not able to compete
Diamond State Group	Property	Declined- Not interested
Alesco Risk Management Services	Property	Quoted
Aspen Insurance	Property	Declined. Not interested
Allied World Assurance Co.	Property	Declined. Not competitive
AMRisc	Property	Declined. Not enough information
Beazley USA	Property	Declined - Not competitive
Berkshire Hathaway	Property	Declined. Not competitive
BRIT Global Specialty	Property	Declined. Not enough capacity
Canopus Underwriting Agency	Property	Declined. Not competitive
Cum & Forster	Property	Declined - Not able to compete

Colony Insurance Co.	Property	Declined - Not able to compete
Hallmark E&S	Property	Declined. Not enough capacity
Hiscox USA	Property	Declined - Not able to compete
James River Ins. Co.	Property	Declined. Not enough capacity
Kemah Capital LLC	Property	Declined - Not able to compete
Lexington Insurance Company	Property	Declined- Not interested in Deductible Cap
Maxum Specialty Insurance Group	Property	Declined- Not interested
Nationwide E&S	Property	Declined. Not enough capacity
Pioneer Specialty Risk Insurance	Property	Declined-Not interested
Rivington Partners	Property	Declined-Not interested
SRU	Property	Declined. Not competitive
Sompo International	Property	Quoted
Scottsdale	Property	Declined. Not enough capacity
Velocity Risk Underwriters	Property	Declined-Not competitive
Swiss Re	Property	Declined-Not interested in primary
Westchester	Property	Declined-Not competitive
Zurich North America	Property	Declined-Not interested in primary



## Renewal Results

**A. Package:** This will be the sixth renewal year for Lloyds of London (BRIT) as the liability and WC package carrier. The underwriting team offered a renewal premium of \$596,000 which represents 1.2% premium decrease. BRIT has provided 25% in premium reductions over the past 2 years. In addition to the premium decrease BRIT is also providing an additional rate guarantee for the 2020 renewal year. They are also providing \$6,000 for Loss Control as they have done in the past.

We marketed this coverage to Safety National and they were able to provide a quote for less premium. However, the coverage form is more restrictive than BRIT's manuscript form and would require additional work with the underwriter to customize all the coverages.

**B. Property:** Total Insurable Values decreased by 5%. However, due to the hardening market as a result of the three major hurricanes the past 2 years, the property carriers provided an overall initial rate increase of 12%. After deliberate negotiations the final total rate increase is 7%. As a result of the TIV decrease and the rate increase the total property premium has increased by 3%.

### Property Rate Comparison

Layer	2018-2019	2019-2020	Δ%
Primary \$10,000,000	\$0.252	\$0.267	6%
\$15MM xs \$10MM All Other Perils	\$0.106	\$0.117	10%
\$25MM xs \$25MM Named Windstorm and Tropical Depression	\$0.063	\$0.067	5%
\$215,537,035 xs \$25MM All Other Perils	\$0.022	\$0.023	6%

### Total Property Rate History

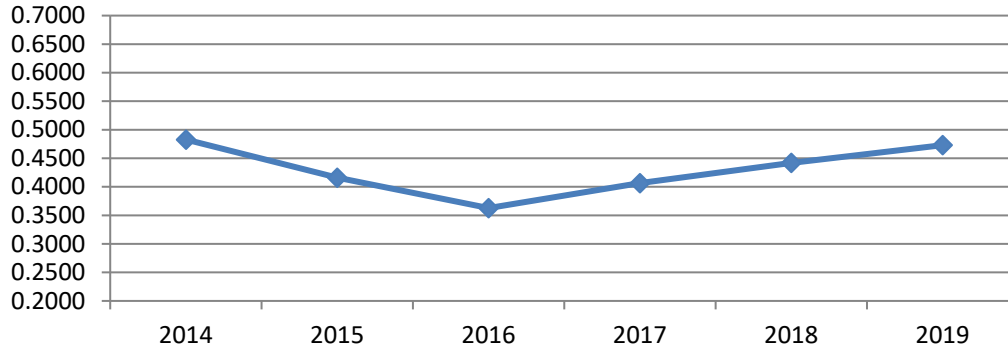
	2012	2013	2014	2015	2016	2017	2018	2019
<b>TIV</b>	\$209,201,816	\$209,201,816	\$213,800,562	\$240,506,569	\$243,201,290	\$242,312,608	\$252,314,816	\$240,537,035
<b>Rate/\$100</b>	0.5188	0.5603	0.4828	0.416	0.3627	0.4065	0.4419	0.4730
<b>Rate Δ</b>		8.0%	-13.8%	-13.8%	-12.8%	12.1%	8.7%	7.0%

We received an additional property option to insure the city for \$75MM AOP/\$50MM NWS in limits in lieu of insuring the city for all of its total insurable values. This would provide the city with a 1% premium savings from the quoted renewal.

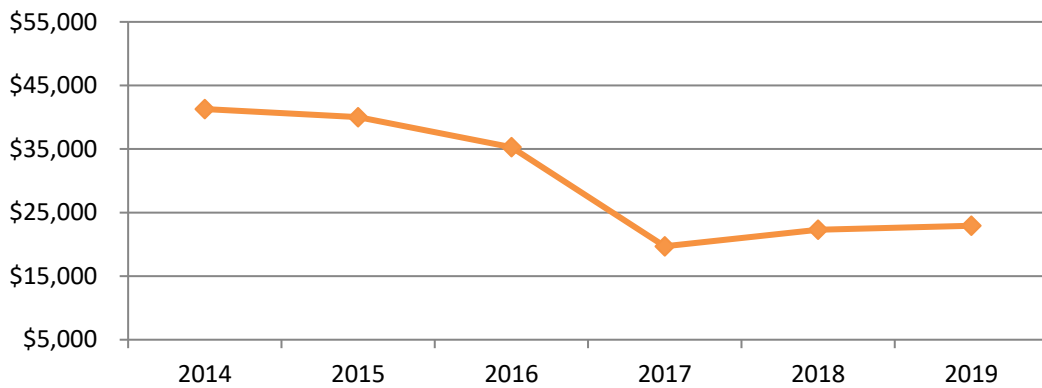
Coverage	2018 Expiring Premium	Recommended 2019 Premium (TIV Limit)	2019 Premium (\$75MM AOP \$50MM NSW Limit)
Primary \$10MM	\$635,000	\$647,999	\$647,999
1st Excess \$15MM xs \$10MM	\$267,000	\$282,740	\$282,740
2nd Excess \$25MM xs \$25MM (NWS)	\$158,000	\$160,040	\$160,040
3rd Excess \$215,537,035 xs \$25MM (AOP)	\$55,000	\$56,127	(\$75MM/\$50MM) \$45,000
<b>Total</b>	<b>\$1,115,000</b>	<b>\$1,146,906</b>	<b>\$1,135,779</b>

HISTORICAL PROPERTY COMPARISON

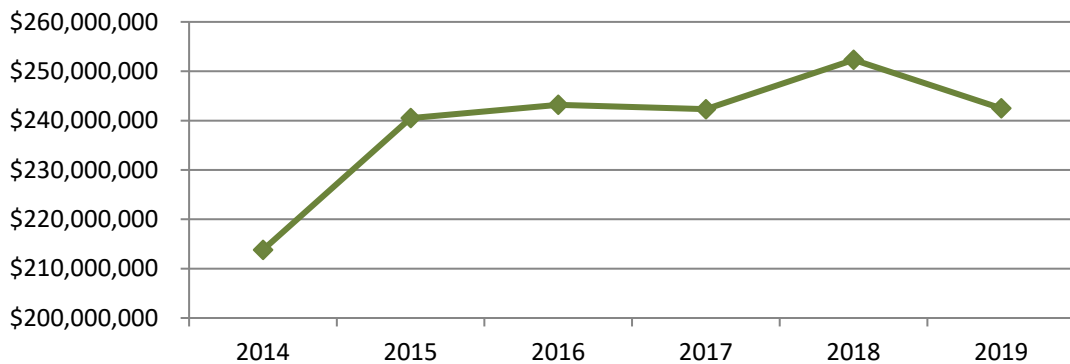
### Rate per \$100 of Property Coverage



### Price per \$1 Million of Named Windstorm



### Total Insured Values



**C. Excess Workers Compensation:** We have received a flat rate renewal quote from Midlands this year due to the two year rate agreement we entered with Midlands Last year. The renewal premium is \$184,591 which is 2% less than the expiring premium.

**Excess WC Rate History**

	2016	2017	2018	2019
<b>Payrolls</b>	\$61,875,651	\$ 65,044,750	\$74,684,272	\$73,542,192
<b>Premium</b>	\$184,643	\$ 194,100	\$ 188,735	\$ 184,591
<b>Rate per \$100</b>	0.2967	0.2967	0.2510	0.2510
<b>Δ%</b>		0%	-15%	0%

**D. Business Travel, ADD for Police and Fire:** The incumbent carrier, Hartford, has offered another 2 year policy term with annual billing. The premium is completely flat and the same as what was bound in 2017. We currently are looking into possible coverage enhancements.

**E. Cyber Risk:** We marketed the cyber coverage for the past 2 years. Last year we achieved a 37% premium decrease while also increasing the limits by \$2,000,000 by moving the coverage from Chubb to BRIT. This year we have obtained a renewal quote from BRIT with a 1% premium reduction.

**F. Equipment Breakdown:** Travelers has offered the city a new 3 year rate guarantee at the same rate the city held for the past 3 years. However, the premium came in at an 8% increase due to the carrier including more rateable exposures. The incumbent renewal premium is \$10,427.

	2018-2019	2019-2020	% Change
Building	\$184,883,000	\$181,647,000	-2%
Contents	\$ 11,395,000	\$ 11,510,000	1%
BI	\$ 5,285,000	\$ 5,285,000	0%
EDP	Not used to rate	\$ 16,163,341	--
Fine Arts	Not used to rate	\$ 3,500,000	--
<b>Total Exposures</b>	<b>\$201,563,000</b>	<b>\$218,105,341</b>	<b>8%</b>

We also received a premium indication of \$8,300 from CNA. However we are waiting for the formal terms so we can analyze the coverage.

**G. Crime Liability:** Last year Travelers renewed with a 14% premium increase due to a large claim that was closed and paid out in 2017. This year they are offering a 3% premium decrease. As we move further away from the large pay out and keep claims low premiums should decline.

**H. Sports Liability and Accidental Death and Dismemberment:** We received quotes from your incumbent carriers, Scottsdale and Nationwide. Due to the increase in sports participants the premiums have increased by 5% for the ADD policy and 16% for the GL policy. For GL coverage there are individual rates assigned to the different types of activities. There for participant increases are evaluated on an individual category basis.

We marketed both lines of coverage. Below is the comparison for Sport Accidental Death & Disability with the recommended option:

	Expiring	Incumbent Option	Recommended Option
Coverage	Nationwide	Nationwide	Philadelphia
Accidental Death	\$10,000	\$10,000	\$10,000
Accidental Dismemberment	\$10,000	\$10,000	\$10,000
Aggregate ADD	\$100,000	\$100,000	\$500,000
Accident Medical Expense	\$100,000	\$100,000	\$100,000
Deductible	\$250	\$250	\$250
Benefit Period	1 year	1 year	3 Years
<b>Premium</b>	<b>\$16,006</b>	<b>\$16,864</b>	<b>\$13,306</b>

Carriers were not as receptive to the Sports General Liability policies. Philadelphia Insurance indicated a premium starting at \$40,000 and AIG could not write a policy for the size of the city's account. The incumbent has offered a renewal quote at \$24,312.

**I. Storage Tank Liability:** Quoted with a 4% premium increase. Please note that UST premiums increase 15% at 6 years of age then again at 11 years and each year after 20 years of age.

**J. Pollution Liability:** Although the city currently insures its regulated storage tanks the city does not purchase more extensive pollution coverage. We received a comprehensive pollution quote from Indian Harbor. This policy would cover the regulated storage tanks in addition to other exposures such as Bodily Injury as a result of pollution release not covered by the tank policy (ex. propane, other vaporous pollutants), sewer backup coverage of waste water collection and abandoned pollutants at covered locations. Below is a brief comparison of coverage:

Coverage	C&I	Recommended Option Indian Harbor
Each Condition/Incident	\$1,000,000	\$2,000,000
Aggregate	\$4,000,000	\$4,000,000
UST Each Incident	\$1,000,000	\$1,000,000
UST Aggregate	\$2,000,000	\$2,000,000
AST Each Incident	\$1,000,000	\$1,000,000
AST Aggregate	\$2,000,000	\$2,000,000
Legal Expense Each Incident	Included	\$250,000
Legal Expense Aggregate	Included	\$500,000
Disaster Response Each Incident	N/A	\$250,000
Disaster Response Aggregate	N/A	\$250,000
Deductible/Retention	\$10,000	\$25,000
<b>Premium</b>	<b>\$2,993</b>	<b>\$23,500</b>

The recommended option includes both storage tank liability and expanded pollution coverage the city does not currently have.

**K. Terrorism Liability:** The renewal has remained completely flat with premiums the same as expiring. Roanoke’s coverage is very comparable to the incumbent but with a lower retention and premium.

Liability Coverage	Indian Harbor	Recommended Roanoke
Policy Limit	\$25,000,000	\$25,000,000
Deductible	\$50,000	\$10,000
Waiting Period	0 Hours	0 Hours
<b>Premium</b>	<b>\$10,000</b>	<b>\$8,500</b>

**L. Terrorism Property:** The incumbent carrier, Indian Harbor has offered a renewal quote with a 9% premium decrease. We also marketed this policy to Roanoke. Roanoke’s coverage is very comparable to the incumbent with the exception of the policy limit and deductible. Below is a brief summary:

Property Coverage	Indian Harbor	Recommend Roanoke
Policy Limit	\$240,537,035	\$100,000,000
Business Interruption	\$5,285,000	\$5,285,000
Deductible	\$50,000	\$10,000
<b>Premium</b>	<b>\$13,073</b>	<b>\$12,500</b>

**M. Active Assailant:** We have also obtained an indication to add Active Assailant coverage to the terrorism property policy. \$1,000,000 in coverage can be added for an addition \$10,000 with Indian Harbor or for an additional \$6,000 for Roanoke.

New Coverage Active Shooter Malicious Act	Indian Harbor	Recommended Roanoke
Policy Limit	\$1,000,000	\$1,000,000
Deductible	\$50,000	\$10,000
Waiting Period	0 Hours	0 Hours
<b>Premium</b>	<b>\$10,000</b>	<b>\$6,000</b>



**N. Flood:** The city currently has 8 National Flood Insurance Policies. Those 8 policies can renew with the current NFIP program at a 1% premium increase. We also quoted the 8 current locations with a private flood carrier, Voyager Indemnity Insurance. Below is a summary comparison:

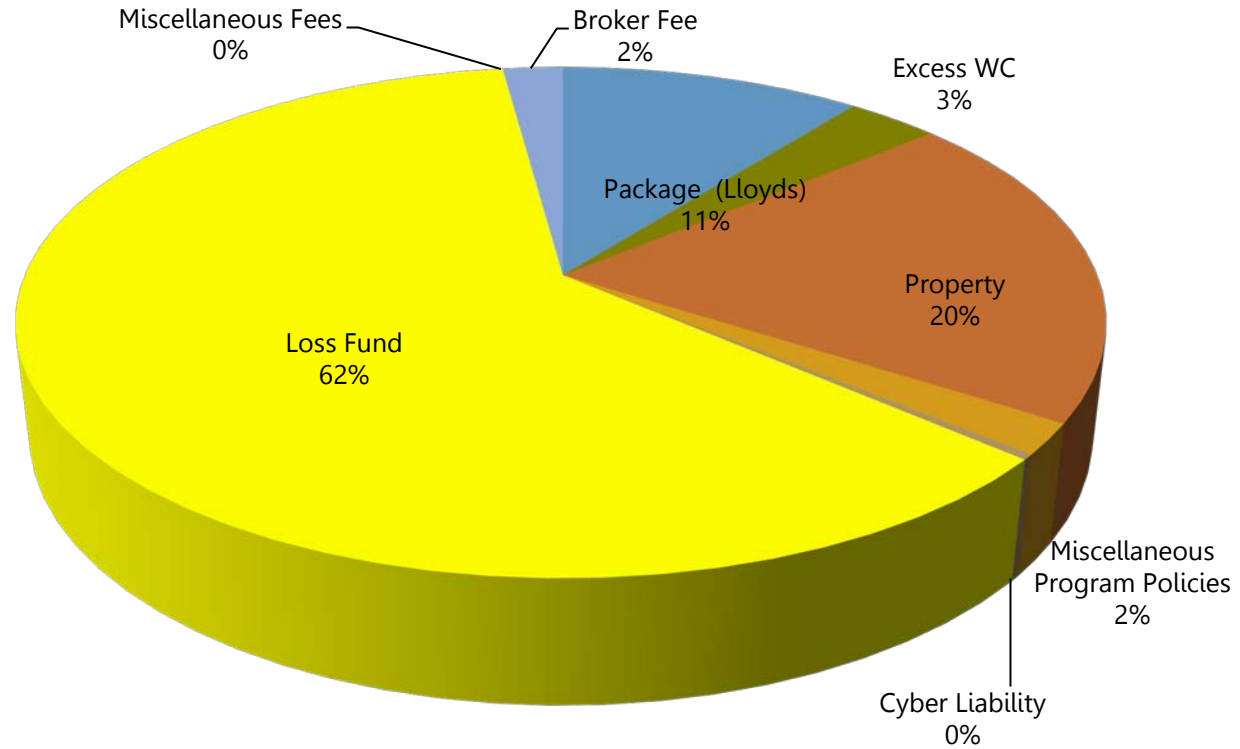
NFIP Flood Options		Write Your Own Flood (WYO) Options
	NFIP Renewal	Recommended
Carriers Name and rating	American Bankers /A XII	Voyager Indemnity Insurance /A XII
# of Policies	8	8
TIV Insured	\$17,045,000/\$1,449,000	\$17,045,000/\$1,449,000
Limits (Building/Contents)	\$2,536,000/\$891,000	\$2,536,000/\$891,000
Valuation	ACV	Replacement Cost
Deductibles	Building - \$25,000	Building - \$25,000
	Contents - \$25,000	Contents - \$25,000
<b>Premiums</b>	<b>\$7,677</b>	<b>\$6,939</b>

In addition to the 8 current locations, we also quoted 2 additional locations which are in a Special Flood Hazard Area. The tables below provide a brief comparison:

NFIP Flood Options		Write Your Own Flood (WYO) Options
	NFIP Option	Recommended
Carriers Name and rating	American Bankers /A XII	Voyager Indemnity Insurance /A XII
# of Policies	2	2
TIV Insured	\$671,000 / \$53,000	\$671,000 / \$53,000
Limits (Building/Contents)	\$654,000/ \$50,000	\$654,000/ \$50,000
Valuation	ACV	Replacement Cost
Deductibles	Building - \$25,000	Building - \$25,000
	Contents - \$25,000	Contents - \$25,000
<b>Premiums</b>	<b>\$4,477</b>	<b>\$2,941</b>

# Total Cost of Insurance

**2019-2020**



## Insurance Premiums

With Recommended Options			
Policy Type	2018-2019	2019-2020	Δ%
Package	\$603,000	\$596,000	-1.2%
Excess WC	\$188,735	\$184,591	-2%
Property	\$1,115,000	\$1,146,906	3%
Boiler and Machinery	\$9,636	\$10,427	8%
ADD Business Travel	\$360	\$360	0%
ADD Police and Fire	\$12,338	\$12,338	0%
Bond Finance Director	\$1,138	\$1,138	0%
Storage Tank/ Pollution	\$2,875	\$23,500*	717%
Crime	\$12,070	\$11,756	-3%
Sports Liability	\$21,006	\$24,312	16%
ADD Sports(Philly)	\$16,006	\$13,306	-17%
Cyber Liability	\$18,563	\$18,365	-1%
Terrorism Liability(Roanoke)	\$10,000	\$8,500	-15%
Terrorism Property(Roanoke)	\$14,318	\$12,500	-13%
Flood (Voyager) Adding 2 locations	\$7,593	\$9,880	30%
Active Assailant (Roanoke)	Not Purchased	\$6,000	-
<b>Total without surcharges</b>	<b>\$2,032,638</b>	<b>\$2,079,879</b>	<b>2%</b>
EMPA & TRIA	\$2,732	\$2,741	0.3%
<b>Total after surcharges</b>	<b>\$2,035,370</b>	<b>\$2,089,620</b>	<b>3%</b>
<b>Premium Increase</b>		<b>\$47,250</b>	
Broker Fee	\$120,000	\$120,000	0%
<b>Total Cost of Program</b>	<b>\$2,155,370</b>	<b>\$2,202,620</b>	<b>2%</b>

\*EXPANDED COVERAGE TO PROVIDE POLLUTION LIABILITY NOT CURRENTLY PROVIDED

# 2019-2020 Proposed Program Structure

\$50MM Named Windstorm Limit  
\$240,537,035 All Other Perils Limit

Everest Indemnity Insurance Company  Named Windstorm Only \$25MM XS of \$25MM per Occ
Landmark American Insurance Co.  2 <sup>nd</sup> Excess Property \$215,537,035 XS \$25MM per Occurrence
Evanston Insurance Company Liberty Insurance Company  First Excess Layer Part of \$15MM XS of \$10MM per Occ.
Lloyd's of London Primary  \$10,000,000 in any Occurrence  Primary Property
Deductibles \$50,000 per Occurrence All Other Perils 72 –Hour waiting for Time Element \$50,000 Earthquake Flood \$100,000 Excess Maximum NFIP Limit available for Special Flood Hazard Areas for Special Flood Hazard Areas (Prefix A or V) 5% of Total Insured Values affected at per unit subject to \$250,000 per occurrence minimum and max of \$7,500,000 Flood as a result of Named Windstorm 5% of the replacement cost value of each unit of insurance as per schedule on file subject to a min deductible of \$250,000 per occurrence and a max of \$7,500,000 per occurrence in respect to Named Windstorm and Hail \$100,000 per occurrence All Other Windstorm of Hail

Property Including Pumps & Fountains

<p>❖ <b>Carrier:</b> Certain Underwriters at Lloyd's of London</p> <ul style="list-style-type: none"> <li>• <b>General Liability</b> \$650,000 per occurrence Excess Limit: \$4M per Occurrence/ \$8M Annual Aggregate Including the following sub-limits(not included in XS limit) ✓ Sexual Harassment \$4,650,000 per occurrence \$4,650,000 Annual Aggregate ✓ Sexual Abuse \$4,650,000 per occurrence \$4,650,000 Annual Aggregate</li> <li>• <b>Automobile Liability</b> \$4,650,000 per occurrence</li> <li>• <b>Public Officials</b> \$4,650,000 per occurrence \$5,300,000 Annual Aggregate. Including the following sub-limits: ✓ Errors &amp; Omissions* \$4,650,000 per occurrence \$5,300,000 Annual Aggregate ✓ Employment Practice Liability* \$4,650,000 per occurrence \$5,300,000 Annual Aggregate</li> <li>• <b>Employee Benefits Liability*</b> \$4,650,000 per occurrence \$5,300,000 Annual Aggregate</li> <li>• <b>Law Enforcement Activities</b> \$650,000 per Occurrence Excess Limit: \$4M per Occurrence/ \$4M Annual Aggregate Including the following sub-limit (not included in excess limit): ✓ Sexual Harassment \$4,650,000 per occurrence \$4,650,000 Annual Aggregate ✓ Sexual Abuse \$4,650,000 per occurrence ✓ \$4,650,000 Annual Aggregate</li> </ul> <p><b>Premium:</b> \$596,000 + fees and assessments</p> <p>* Claims Made Coverage applies. Refer to policy for applicable Retroactive Date and Limits</p>
SIR Per Occurrence \$350,000

Public Entity Liability

<p>Carrier: New York Marine General Insurance Company</p> <p>Excess Workers Compensation Statutory Employers Liability: \$1,000,000 each accident / each employee for disease or cumulative injury Retention: \$1,000,000</p> <p><b>Premium:</b> \$184,591</p>
<p>❖ <b>Carrier:</b> Certain Underwriters at Lloyd's of London</p> <p>WC: \$500,000 per occurrence <del>xs</del> \$500,000 Employers Liability \$500,000 <del>xs</del> \$500,000</p> <p><b>Premium:</b> Included in the Package policy</p>
SIR Per Occurrence \$500,000

Workers' Compensation

## Exposure Comparison

### COMPARISON OF LIABILITY EXPOSURES

	2018-2019	2019-2020	% Change
<b>Expenditures</b>	\$ 161,913,702	\$ 167,444,013	3%
<b># of Employees (FT &amp; PT)</b>	1003	937	-7%
<b># of Autos</b>	643	581	-10%
<b>EMTs</b>	11	Included below	
<b>Paramedics</b>	121	139	5%
<b>Armed Officers</b>	192	192	0%
<b>Population</b>	50,815	50,815	0%
<b>Payroll</b>	\$74,684,272	\$73,542,191	-1.5%
<b>TIV</b>	\$ 252,314,816	\$ 240,537,035	-5%

	2018-2019	2019-2020	% Change
<b>Sports Program # of participants</b>	17,620	19,102	8%

### COMPARISON OF YOUR TOTAL INSURED VALUES

	2018-2019	2019-2020	% Change
<b>Building</b>	\$ 184,883,000	\$ 179,790,000	-3%
<b>Contents</b>	\$ 11,395,000	\$ 11,419,000	0.2%
<b>Vehicles</b>	\$ 17,714,261	\$ 17,714,261	0%
<b>Golf Carts</b>	\$ 488,214	\$ 179,433	-63%
<b>BI</b>	\$ 5,285,000	\$ 5,285,000	0%
<b>EDP</b>	\$ 16,163,341	\$ 16,163,341	0%
<b>EDP EE</b>	\$ 2,000,000	\$ 2,000,000	0%
<b>Account Receivable</b>	\$ 7,400,000	\$ 1,000,000	-86%
<b>Fine Arts</b>	\$ 3,500,000	\$ 3,500,000	0%
<b>Valuable Papers</b>	\$ 500,000	\$ 500,000	0%
<b>Pump Stations</b>	Included	Included	
<b>Fountains</b>	Included	Included	
<b>Seawalls &amp; Docks</b>	\$ 2,986,000	\$ 2,986,000	0%
<b>Total</b>	\$ 252,314,816	\$ 240,537,035	-5%

### LARGE LOCATIONS AT RISK

Building Name	Address	Total Insured Value
<b>Fire and Police / Central Garage</b>	2801 SALZEDO STREET	\$ 36,603,000
<b>Parking Garage 2</b>	220 ARAGON AVENUE	\$ 20,637,000
<b>Parking Garage 6</b>	1 ARAGON AVENUE	\$ 14,730,000
<b>Museum</b>	285 ARAGON AVENUE	\$ 11,678,000
<b>City Hall</b>	405 BILTMORE WAY	\$ 11,201,000



## Commission Disclosure

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM	COMM.% OR FEE	WHOLESALE, MGA OR INTERMEDIARY		
				NAME	COMM.% OR FEE	AJG OWNED? YES/NO
Public Entity Package	BRIT (Lloyd's Syndicate 2987)	\$596,000.00	0 %	Brit Global Specialty USA	N/A	No
Excess Workers Compensation	Safety National Casualty Corporation	\$184,591.00	0 %	Safety National Casualty Corporation	Not Disclosed	No
Property-Primary Loyds	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	\$647,999.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Property-First Excess Evanston	Ironshore Specialty Insurance Company	\$94,247.00	0 %	Risk Placement Services	5 %	Yes
Property-First Excess Liberty	Evanston Insurance Company (Markel Corporation Group)	\$94,247.00	0 %	Risk Placement Services	5 %	Yes
Property-First Excess Axis	Axis Insurance Co.	\$51,836.00	0 %	Risk Placement Services	5 %	Yes
Property-First Excess Arch	Arch Specialty Insurance	\$42,411.00	0 %	Risk Placement Services	5 %	Yes
Property-Second Excess	Landmark American Insurance Company (Allegheny Corporation)	\$56,127.00	0 %	Risk Placement Services	5 %	Yes
Property-Third Excess (NWS)	Arch Specialty Insurance)	\$24,006.00	0 %	Risk Placement Services	5 %	Yes
Property-Third Excess (NWS)	Everest Indemnity Insurance Company	\$104,026.00	0 %	Risk Placement Services	5 %	Yes
Property-Third Excess (NWS)	Ethos Risk Services	\$32,008.00	0 %	Risk Placement Services	5 %	Yes
Property - Terrorism	Indian Harbor Insurance Company (XL Group plc)	\$13,761.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Property - Terrorism	Hiscox	\$16,750.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Property - Terrorism	Roanoke	\$12,500.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM	COMM.% OR FEE	WHOLESALE, MGA OR INTERMEDIARY		
				NAME	COMM.% OR FEE	AJG OWNED? YES/NO
Liability - Terrorism	Indian Harbor Insurance Company (XL Group plc)	\$10,000.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Liability - Terrorism	Hiscox	\$20,000.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Liability - Terrorism	Roanoke	\$8,500.00	0 %	AmWINS Brokerage of Florida, Inc. (Jacksonville)	5 %	No
Boiler & Machinery	Travelers Property Casualty Co of America (The Travelers Companies, Inc.)	\$10,427.00	0 %	Risk Placement Services	5 %	Yes
Crime	Travelers Casualty and Surety Co of America (The Travelers Companies, Inc.)	\$11,756.00	0 %	Arthur J Gallagher - Itasca	5 %	Yes
Public Official Bond	Hartford Fire Insurance Company	\$1,138.00	0 %	N/A	N/A	N/A
Storage Tank Liability	Commerce and Industry Insurance Company (American International Group, Inc)	\$2,993.00	0 %	N/A	N/A	N/A
Pollution Liability	Indian Harbor	\$25,000	0 %	N/A	N/A	N/A
General Liability (Sports)	Scottsdale Insurance Company (Nationwide Mutual Insurance Company)	\$24,312.00	0 %	K & K Insurance Group, Inc.	30%	No
ADD Amateur Sports	Nationwide Life Insurance Company (Nationwide Mutual Insurance Company)	\$16,988.00	0 %	K & K Insurance Group, Inc.	30%	No
ADD Amateur Sports	American Insurance Group	\$11,627.00	0 %	N/A	N/A	N/A
ADD Amateur Sports	Philadelphia Insurance Company	\$13,306.00	0 %	N/A	N/A	N/A
Cyber Liability	BRIT (Lloyd's Syndicate 2987)	\$18,365.00	0 %	N/A	N/A	N/A
Flood Liability	American Bankers Insurance Company of Florida	\$7,667	22%	N/A	N/A	N/A
Flood Liability	Voyager Indemnity Insurance	\$6,939	21%	N/A	N/A	N/A

## Benefits and HR Consulting

Similar to our **CORE360™** approach, which focuses on the actual and potential costs that drive total cost of risk, our Benefits and HR consultants focus on more than just placing benefits insurance. They help clients with their total organizational wellbeing and talent risk management.

We would love the opportunity to introduce Gallagher Benefit Services to you to demonstrate the full power of Gallagher to improve your profitability and organizational wellbeing.

### Gallagher Better Works<sup>SM</sup>

Better. It's something all companies strive for. Better outcomes from better performance. But how do you get there?

You start by building a better workplace. One that attracts, engages and retains top talent at the right cost. That's why the Gallagher Better WorksK comprehensive approach to organizational wellbeing aligns your people strategy with your overall business goals.

It centers on strategically investing in your people's health, talent, financial wellbeing and career growth at the right cost structures to support a multigenerational workforce. And it utilizes data, helping you gather insights and apply best practices that promote productivity and growth.

As you develop and sustain a wellbeing-centric culture, you'll optimize your annual talent investment and mitigate organizational risk to maximize profitability. Best of all, you'll gain a competitive advantage as a workplace that simply works better.

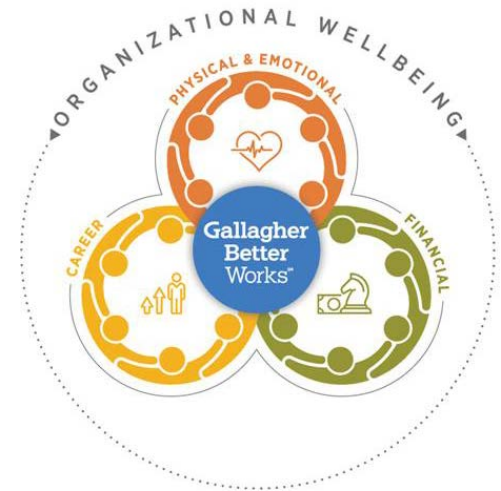
Because while your best is finite, your better is never finished.

### Expertise and Solutions to Help You Optimize Your People Strategy

- 2018 Benefits Strategy and Benchmarking Survey: <https://www.ajg.com/lp/us-benefits-strategy-benchmarking-survey/> and 2017 Best-in-Class Benchmarking Analysis: [https://www.ajg.com/lp/best-in-class/?utm\\_source=Misc&utm\\_medium=Press\\_release&utm\\_campaign=GBS\\_BIC2017Q4](https://www.ajg.com/lp/best-in-class/?utm_source=Misc&utm_medium=Press_release&utm_campaign=GBS_BIC2017Q4)
- Thought leadership across multiple touchpoints through our Human Capital Insights report; visit <https://www.ajg.com/lp/human-capital-insights/> for a copy
- A full spectrum of solutions to help employers to recruit, retain and engage top talent
- Focus on benefits, compensation, retirement, employee communications and workplace culture

**Gallagher's team of benefits and HR consultants paired with risk management and insurance consultants can serve your organization as a strategic business partner, uniquely positioned to help you:**

- Take a holistic approach to reducing your total cost of risk
- Tackle any risk or challenge from multiple angles taking into account both the human capital and property perspectives



## Thank You for Your Business

We have enjoyed our partnership and appreciate the continued time, support and confidence you have placed in us as your risk management team. This past year has been successful as evidenced by your executive summary. Your total cost of risk is being impacted favorably and our strategy for this upcoming renewal continues to focus on ways to improve this positive impact on your profitability. Thank you.

### Legal Disclaimer

Gallagher provides insurance and risk management advice that is tailored to our clients' risk transfer needs. Our review can include evaluation of insurance premium, risk transfer options, finance agreements, insurance limits, indemnification obligations, and contracts to ascertain appropriate coverage. We do emphasize that any risk management advice, insurance analysis, and limited review of contract terms and conditions, is only provided from an insurance/risk management perspective and is NOT legal advice. We do not provide legal advice and always recommend that our clients seek advice from legal counsel to become fully apprised of all legal implications from their business transactions.

# Any Challenge. Any Risk. Anywhere in the World.



Grow your business with confidence by protecting your future and ensuring that your employees are securely invested in it. Gallagher's holistic approach keeps your best interests in focus.

GLOBAL REACH. LOCAL PRESENCE.

Founded in  
**1927**

**\$4.6B**  
Total Adjusted Brokerage & Risk Management Revenues (2017)

**26,700+**  
Employees worldwide

**700+**  
Offices in 33 countries

**150+**  
Countries served

**4 AREAS OF FOCUS**

- Organic growth
- Mergers and acquisitions
- Productivity and quality enhancements
- Unique, team-oriented sales culture

## HIGHLY SPECIALIZED. DEEP EXPERTISE.

- |                             |                            |   |
|-----------------------------|----------------------------|---|
| Alternative Risk & Captives | Environmental              | Private Client Services                 |
| Aviation                    | Enterprise Risk Management | Property                                |
| Casualty                    | Equity Advisors            | Risk Management                         |
| Commercial Surety & Bonds   | Fine Arts                  | Trade Credit & Political Risk Insurance |
| Cyber Liability             | Law Firms                  |   |
| Entertainment               | Management Liability       |   |

## Our Approach to Risk.

**CORE360™** Gallagher's proprietary, comprehensive approach that considers 6 cost drivers of a client's risk management program.

## 16+ INDUSTRY PRACTICES



## LEADERS WHERE IT COUNTS

Gallagher Named One of the World's Most Ethical Companies for 2018

The only insurance broker to have received this honor, Gallagher has been named as one of the World's Most Ethical Companies by the Ethisphere® Institute, a global leader in defining and advancing the standards of ethical business practices, seven years in a row.



## SHARED VALUES + PASSION FOR EXCELLENCE = PROMISES DELIVERED

**The Gallagher Way**  
25 tenets that have guided a team-oriented culture for 30+ years

**Social Responsibility**  
Companywide focus on ethical conduct, employee health and welfare, environmental integrity and community service

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