

Property/Boiler and Machinery Renewal Proposal May 1, 2008-2009

Presented to
The City of Coral Gables
April 8, 2008



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This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy and is not intended to reflect all the terms and conditions or exclusions of such proposed policy. Moreover, the information contained in this document reflects proposed coverage as of the effective date of the proposed policy and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy. The insurance afforded by the listed proposed policy is subject to all the terms, exclusions and conditions of such policy.

I. Executive Summary

We are pleased to present the 2008 Property/Boiler and Machinery Proposal to the City of Coral Gables. The proposal is for a Primary \$25 Million through Lexington Insurance Company and Excess excluding Named Windstorm through Landmark Insurance Company at a total program cost of \$1,034,003 including fees and assessments. Providing the City with an additional \$10 Million in windstorm limit from the expiring \$15 Million and representing a savings to the City of \$160,608.

In addition to the premium savings, and increased windstorm limit, we were able to negotiate the following improvements:

- 5% Windstorm Deductible is applicable to Named Storms on the Primary Layer of Coverage.
- Auto Physical Damage Deductible has been reduced from \$100,000 per occurrence to \$50,000 per occurrence.
- All Other Peril deductible has been reduced from \$100,000 per occurrence to \$50,000 per occurrence. The non-named windstorm remains at \$100,000.
- Errors and Omissions sublimit has been increased from \$1,000,000 to \$5,000,000.
- Unnamed Locations sublimit has been increased from \$100,000 to \$1,000,000.
- Excess policy through Landmark has been amended to exclude Named Windstorm Peril in lieu of Windstorm Peril.

Please refer to the attached summary for complete cost of the various options presented.

As part of Aon's Transparency Policy, we have disclosed our income, which can be viewed in the attached Quote Disclosure Report (QDR).

Thank you for giving us the opportunity to provide you with a renewal proposal this year.

Acknowledgment and Approval of Insured

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated 4-8-08 or Property and provided in the attached Quote Disclosure Report dated 03/21/2008. We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal. We further agree that Aon is entitled to collect from the insurers the compensation set forth in the Quote Disclosure Report. We also acknowledge that Aon has provided information about its contractual agreements and ownership interest(s), if any, in the insurers listed in this Renewal Proposal through Aon's website at http://www.aon.com/market_relationships.

Date: _____

On behalf of The City of Coral Gables

II. Details of Coverage / Policy Term / Premium

PRIMARY PROPERTY POLICY

Carrier Lexington Insurance Company
A+ (Superior), Financial XV(\$2 Billion or greater)

Option 1 A

Limits \$15,000,000 PRIMARY any one occurrence for all perils, coverages and locations combined and subject to the following sublimits.

The following sub-limits are part of and not in addition to the policy limit of liability and are per occurrence unless otherwise noted:

\$ 5,000,000,	and in the Annual Aggregate as respects Flood.
\$ 5,000,000.,	and in the Annual Aggregate as respects Earthquake.
\$ 15,000,000	Per Occurrence for all Real & Personal Property
\$ 5,285,000	Per Occurrence Time Element
\$ 250,000	Per Occurrence for all Property in Transit, \$100,000 Maximum per Vehicle
\$ 5,000,000	For Newly Acquired Property for a period of 90 days, if not reported to the Company in that 90 day period coverage ceases
\$ 1,000,000	Errors and Omissions
\$ 100,000	Offsite Storage Locations
\$ 100,000	Personal Property of the Insured's officers and employees while on the premises of the Insured
\$ 15,000,000	Per Occurrence for EDP Equipment
\$ 250,000	Per Occurrence for all EDP Media
\$ 2,000,000	Per Occurrence for all EDP Extra Expense
\$ 1,000,000	Per Occurrence Fine Arts
\$ 500,000	Per Occurrence Valuable Papers
\$ 7,400,000	Per Occurrence Accounts Receivables
\$ 15,000,000	Per Occurrence Vehicle Physical Damage., \$1,000,000, Maximum limit any one vehicle including newly acquired
	A sublimit of 25% of the covered loss or \$5,000,000., whichever is less shall apply to Debris Removal and Demolition & Increased Cost of Construction (DICC).

\$ 15,000,000 Per Occurrence Boiler & Machinery

The following sublimits apply to Equipment Breakdown;

\$ 100,000 Expediting Expense
\$ 100,000 Hazardous Substances
\$ 100,000 Perishable Goods/Spoilage
\$ 100,000 Data Restoration

Policy Territory: Coverage will apply for locations within the United States (excluding U.S. Territories and possessions).

Coverages: Real & Business Personal Property, Business Interruption without Extra Expense, and Equipment Breakdown

Perils Insured: All risks of direct physical loss or damage Including Flood and Earthquake

Policy Format: Lexington Manuscript forms PR9545 (08/06) and PR9540 (09/02) and standard pre-printed terms & conditions of the Lexington Insurance Company (Copies available upon request)

Coverages: Real & Business Personal Property, Time Element, EDP Equipment, EDP and Extra Expense, Auto & Mobile Equipment (Watercraft under 26 ft only), Accounts Receivables, Valuable Papers and Equipment Breakdown

Valuation: Functional Replacement Cost for Real Property, Replacement Cost for Contents
Historical Replacement Cost for Real Property at locations 6, 15, and 28 of the Schedule
Actual Cash Value for Autos & Mobile Equipment
Actual Loss Sustained for Time Element

TIV: **\$204,068,336**
(Insured locations as per schedule on file with the Company)

Deductible: \$100,000 AOP Per Occurrence except \$50,000 per occurrence for Auto Physical damage

Flood:

5% of TIV at each location involved in loss or damage, subject to a minimum of \$25,000 any one occurrence and a maximum of \$100,000 any one occurrence.

5% of the TIV at each location involved in loss or damage, subject to a minimum of \$1,000,000 any one occurrence for locations wholly or partially within special Flood Hazard Areas (SFHA), areas of 100-year flooding, as defined by the Federal Emergency Management Agency.

5% of TIV at each location involved in loss or damage, subject to a minimum of \$100,000 any one occurrence for Named Storms (a storm that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone or tropical storm).

Earthquake:

\$100,000., Per Occurrence.

Named Wind:

5% of the total values at the time of the loss at each location involved in the loss or damage, subject to a minimum \$250,000 any one occurrence

All Other Wind:

\$100,000 per occurrence

Premium: Lexington Insurance Company annual policy premium is 798,250. Subject to 35% minimum earned including Terrorism. Premium does not include applicable surplus lines taxes and fees. These taxes and fees are to be collected and filed by the broker.

Premium The Policy Premium of \$798,250 shown above INCLUDES a charge of \$23,250 applicable to coverage as respects the Terrorism Risk Insurance Act of 2002.

Commission: 0%

Special Conditions:

- Occurrence Limit of Liability Endorsement applies (PR9014, ed. 08/06)
Removal of 2.b to apply
- Pollution Exclusion applies (PR 9015 ed. 01/91)
- Vehicle Physical Damage Extension Endorsement to apply
- Combined Prop/B&M Millennium Endorsement applies (Y69813 ed. 02/98)
- Equipment Breakdown Endorsement ISO EB (2004) to apply
- Lexington Standard Property Conditions applies (PR9019 ed. 01/94)
- Mold / Fungus Exclusion applies (LX9512, ed. 08/02)
- Data Corruption Property Endorsement applies (PR9514, ed. 09/02)
- Coverage Territory endorsement applies (PR9885, ed.11/05)
- Subject to schedule for Autos/Mobile Equipment
- The attached Terrorism disclosure form 96553 (2/08) must be completed, signed by the Insured, and returned to the Insurance Company. The Terrorism Exclusion (96654, ed. 1/08) applies if coverage is rejected.
- Subject to new inspections
- This quotation will expire 5/1/08 12:01 a.m.
- 45 days NOC
- The attached Surplus Lines Filings Agreement must be completed signed and returned to us with binding request
- Will need acord 125 (2 page) application

Carrier **Lexington Insurance Company**

Option 1 B

\$20,000,000 PRIMARY any one occurrence for all perils.

Premium \$865,200. *INCLUDES a charge of \$25,200 applicable to coverage as respects the Terrorism Risk Insurance Act of 2002.*

Carrier **Lexington Insurance Company**

Option 1C

\$25,000,000 PRIMARY any one occurrence for all perils

Premium \$901,250. *INCLUDES a charge of \$26,250 applicable to coverage as respects the Terrorism Risk Insurance Act of 2002.*

Carrier **Lexington Insurance Company**

Option 1 D

Policy Limits: \$25,000,000 PRIMARY any one occurrence for all perils, coverages and locations combined and subject to the following sublimits

The following sub-limits are part of and not in addition to the policy limit of liability and are per occurrence unless otherwise noted:

\$ 5,000,000.,	and in the Annual Aggregate as respects Flood.
\$ 5,000,000.,	and in the Annual Aggregate as respects Earthquake.
\$ 25,000,000	Per Occurrence for all Real & Personal Property
\$ 5,285,000	Per Occurrence Time Element
\$ 250,000	Per Occurrence for all Property in Transit, \$100,000 Maximum per Vehicle
\$ 5,000,000	For Newly Acquired Property for a period of 90 days, if not reported to the Company in that 90 day period coverage ceases
\$ 5,000,000	Errors and Omissions
\$ 1,000,000	Unnamed locations
\$ 100,000	Personal Property of the Insured's officers and employees while

	on the premises of the Insured
\$ 15,867,254	Per Occurrence for EDP Equipment
\$ 250,000	Per Occurrence for all EDP Media
\$ 2,000,000	Per Occurrence for all EDP Extra Expense
\$ 1,000,000	Per Occurrence Fine Arts
\$ 500,000	Per Occurrence Valuable Papers
\$ 7,400,000	Per Occurrence Accounts Receivables
\$ 25,000,000	Per Occurrence Vehicle Physical Damage., \$1,000,000, Maximum limit any one vehicle including newly acquired A sublimit of 25% of the covered loss or \$5,000,000., whichever is less shall apply to Debris Removal and Demolition & Increased Cost of Construction (DICC).

The following sublimits apply to Equipment Breakdown;

\$ 100,000	Expediting Expense
\$ 100,000	Hazardous Substances
\$ 100,000	Perishable Goods/Spoilage
\$ 100,000	Data Restoration

Policy Territory: Coverage will apply for locations within the United States (excluding U.S. Territories and possessions).

Coverages: Real & Business Personal Property, Business Interruption without Extra Expense, and Equipment Breakdown

Perils Insured: All risks of direct physical loss or damage Including Flood and Earthquake
Policy Format: Lexington Manuscript forms PR9545 (08/06) and PR9540 (09/02) and standard pre-printed terms & conditions of the Lexington Insurance Company (Copies available upon request)

Coverages: Real & Business Personal Property, Time Element, EDP Equipment, EDP and Extra Expense, Auto & Mobile Equipment (Watercraft under 26 ft only), Accounts Receivables, Valuable Papers and Equipment Breakdown

Valuation: Functional Replacement Cost for Real Property, Replacement Cost for Contents
Historical Replacement Cost for Real Property at locations 6,15, and 28 of the Schedule
Actual Cash Value for Autos & Mobile Equipment
Actual Loss Sustained for Time Element

TIV: \$204,068,336

(Insured locations as per schedule on file with the Company)

Deductible: \$50,000 AOP Per Occurrence except \$50,000 per occurrence for Auto Physical damage

Flood:

5% of TIV at each location involved in loss or damage, subject to a minimum of \$25,000 any one occurrence and a maximum of \$100,000 any one occurrence.

5% of the TIV at each location involved in loss or damage, subject to a minimum of \$1,000,000 any one occurrence for locations wholly or partially within special Flood Hazard Areas (SFHA), areas of 100-year flooding, as defined by the Federal Emergency Management Agency.

5% of TIV at each location involved in loss or damage, subject to a minimum of \$100,000 any one occurrence for Named Storms (a storm that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone or tropical storm).

Earthquake:

\$100,000., Per Occurrence.

Named Wind:

5% of the total values at the time of the loss at each location involved in the loss or damage, subject to a minimum \$250,000 any one occurrence

All Other Wind:

\$100,000 per occurrence

Premium: Lexington Insurance Company **annual** policy premium is \$906,400. subject to **35%** minimum earned including Terrorism. Premium does not include applicable surplus lines taxes and fees. These taxes and fees are to be collected and filed by the broker.

The Policy Premium of \$906,400 shown above INCLUDES a charge of \$26,400 applicable to coverage as respects the Terrorism Risk Insurance Act of 2002.

Commission: 0%

Special Conditions:

- Occurrence Limit of Liability Endorsement applies (PR9014, ed. 08/06)
Removal of 2.b to apply
- Pollution Exclusion applies (PR 9015 ed. 01/91)
- Vehicle Physical Damage Extension Endorsement to apply
- Combined Prop/B&M Millennium Endorsement applies (Y69813 ed. 02/98)
- Equipment Breakdown Endorsement ISO EB (2004) to apply
- Lexington Standard Property Conditions applies (PR9019 ed. 01/94)
- Mold / Fungus Exclusion applies (LX9512, ed. 08/02)
- Data Corruption Property Endorsement applies (PR9514, ed. 09/02)

- Coverage Territory endorsement applies (PR9885, ed.11/05)
- Subject to schedule for Autos/Mobile Equipment
- The attached Terrorism disclosure form 96553 (2/08) must be completed, signed by the Insured, and returned to the Insurance Company. The Terrorism Exclusion (96654, ed. 1/08) applies if coverage is rejected.
- Subject to new inspections
- This quotation will expire 5/1/08 12:01 a.m.
- 90 days NOC
- The attached Surplus Lines Filings Agreement must be completed signed and returned to us with binding request
- Will need acord 125 (2 page) application

Notes:

- Broker license number (SLA #) required for binding.
- This proposal or resulting Binder, the continuation of any bound insurance, and any payments to you, to a claimant or to another third party, may be affected by the administration and enforcement of U.S. economic embargoes and trade sanctions by the office of Foreign Assets Control (OFAC), if we determine that any such party is on the "Specially Designated Nationals or Blocked Persons" list maintained by OFAC
- The premium must be remitted within thirty (30) days of the effective date of the policy or fifteen (15) days from the date of the bill whichever is later. It is your responsibility to follow applicable state surplus lines laws and in particular, to see that the appropriate premium tax (and stamping office, if applicable) is collected and paid.

The above policy is quoted based on receipt of a signed statement of values within sixty (60) days of binding. Premium financing is available through AI Credit at 770-671-2000

The Insurers with whom the insurance is to be placed is not admitted to transact business in this commonwealth and is subject to limited regulation by the department; and in the event of the insolvency of the Insurer, losses will not be paid by the Lexington Insurance Company

The foregoing information is for indication purposes. This is not a binder of insurance. Because the general underwriting requirements of this office may change, we reserve the right to withdraw this proposal at any time, and in no event will it remain open for acceptance beyond thirty (30) days from the date thereof. The Company reserves to itself the right to determine the inception date of any coverage granted according to the terms of this quotation.

EXCESS PROPERTY POLICY

Carrier	Landmark American Insurance Company AM Best Rating A(Excellent) Financial XII (\$1 Billion to \$1.25 Billion)
Limits	As per statement of values on file with the Company, not to exceed \$189,068,336 per occurrence Excess of \$15,000,000 per occurrence, all of which, in turn, excess of Underlying Deductibles
Valuation	Replacement cost valuation except Historical Replacement Cost, to follow the Lexington wording, at - 405 Biltmore Way - 907 Coral Way - 2701 Desoto Blvd. Actual cash value as respects Auto Physical Damage Actual Loss Sustained as respects Business Income/Extra Expense and as more fully described in primary policy
Premium	\$79,500.00 Annual Premium \$ 795.00 1% FL Cat Fund Assessment \$ 4.00 FL EMPATF FL
Options	\$184,068,336 per occurrence excess of \$20,000,000 per occurrence Annual premium \$74,500+\$45.00+\$4.00 \$179,068,336 per occurrence excess of \$25,000,000 per occurrence Annual Premium: \$69,500+\$695.00+\$4.00

Surplus Lines

Based on our marketing efforts, insurance for this proposal is not available in the admitted market for the terms and conditions specified. Therefore, this insurance proposal is with an insurer not licensed to transact insurance in the states of exposure and is issued and delivered as surplus lines coverage pursuant to the various state insurance laws. Persons insured by surplus lines insurers do not have the protection of the state insurance guaranty funds to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer. The states do not audit the finances or review the solvency of the surplus lines insurer providing this coverage. Applicable surplus lines taxes and fees apply.

In some instances, insurance placements made by ARS on your behalf may require the payment of state surplus lines or other premium taxes and/or fees in addition to the premium itself. ARS will make every effort to identify any such tax and/or fee in advance, but in all instances the payment of these taxes and/or fees will remain the ultimate responsibility of you, the Client.

Unless mandated otherwise by applicable state law and regulation or by contractual agreement between ARS and underwriters, ARS's commission shall be deemed fully earned as of the effective date of the insurance programs described in this proposal. Any midterm program or coverage changes that result in a premium bearing endorsement will be negotiated at the same commission rate, as applicable.

ARS receives premiums Clients pay for remittance to insurers, as well as refunds insurance companies pay for remittance to Clients, and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment earned while such funds are on deposit pursuant to those laws and insurer agreements.

ARS performs various administrative functions related to the procurement of coverage, including, but not limited to, electronic policy filing and storage, expiration tracking, and client data management and administration. Where legally permitted to do so, ARS charges for its own account and collects from its clients, a \$250 administrative fee per policy placed. This administrative fee is in addition to and not in lieu of any other service fees agreed to and paid to us by our clients and/or any commissions paid to us by insurers, and this administrative fee appears as a separately billed charge on the voices we issue.

IV. Aon Service Team

Lisette M. de Diego
Account Executive
305-961-6005
Lisette_dediego@ars.aon.com

Martha Roig
Director- Commercial Risk Brokerage State of Florida
305-961-6170
Martha_Roig@ars.aon.com

Alicia Melian
Account Specialist
305-961-6055
Alicia_Melian@ars.aon.com

VI. Insurer Insolvency

Insurer Insolvency

Aon does not guarantee the solvency of any market with which we place business. Aon encourages our clients to review the publicly available information since only the client can make the ultimate decision to accept or reject a particular market. The decision to accept or reject an underwriter shall be made solely by you, the client.

Appendix

- Aon Policy on Use of Intermediaries
- Quote Disclosure Report
- Copies of insurer quotes including commission
- Coverage/Premium comparison

Policy on Use of Intermediaries

It is Aon's policy that our retail brokers ("ARS") approach markets directly (without an intermediary) wherever possible. However, Aon will consider and recommend the use of a managing general agent/managing general underwriter ("MGA/MGU"), wholesale broker, or reinsurance broker (collectively, "Intermediary"*) where we believe it is in the client's best interest for one or more of the following reasons:

- Certain insurers will only underwrite through a designated wholesaler or other organization or agency, such as a Managing General Agent or Managing General Underwriter.
- If a client's particular risks and coverage needs require the unique or specialized expertise developed by certain intermediaries.
- There may be jurisdictional licensing requirements that preclude a US retail broker from accessing certain markets on behalf of its clients (e.g., Bermuda, United Kingdom).
- Certain insurers have multiple access points, some of which require access through an intermediary. This can occur in one of two ways:
 - Some insurers have different underwriting groups around the world. This kind of insurer may specify its risk appetite and capabilities by geographic location. In this instance, we would endeavor to match the client with the most suitable insurer access point.
 - Other insurers have similar appetites and capabilities in all geographic locations. In these scenarios, we will discuss with you our recommended access point, which will be based on our professional judgment and experience where we believe the best underwriting result will be obtained. In these instances, the preferred avenue is usually to access the market directly unless there are extenuating circumstances.

Whenever we recommend utilizing the services of and before approaching an intermediary to assist in accessing, negotiating, placing, or procuring insurance or reinsurance for your insurance programs, we will advise you of the available options, and whether or not the intermediary is affiliated with Aon. ARS will not be responsible for the non-Aon affiliated intermediary's actual or alleged acts, errors, or omissions or those of its officers, directors or employees arising out of this assistance. Any and all compensation earned by a non-ARS affiliated intermediary is in addition to compensation paid to ARS and to any compensation earned by an Aon affiliated intermediary.

*MGA/MGUs typically are appointed as agents or administrators of the insurance companies they represent and they usually are compensated by such companies in the form of commissions from premiums. Wholesale brokers and reinsurance brokers also are typically compensated by insurance companies in the form of commissions. Wholesale brokers may also receive fees from underwriters for services they provide to them. In some instances and subject to applicable law, wholesale brokers may assess a broker fee in addition to the compensation paid by insurance companies, and such broker fees typically are paid by the client.

The City of Coral Gables

Coverage Comparison	2007-2008 Primary	2007-2008 Excess		2008-2009 Primary	2008-2009 Excess
Values	Lexington Insurance Co A ++ XV	Landmark American Ins Co A X		Lexington Insurance Co A ++ XV	Landmark American Ins Co A X
Building & Contents	\$135,832,511	\$135,832,511		\$140,350,318	\$140,350,318
Time Element	\$5,285,000	\$5,285,000		\$5,285,000	\$5,285,000
EDP	\$15,867,254	\$15,867,254		\$15,867,254	\$15,867,254
EDP Extra Expense	\$2,000,000	\$2,000,000		\$2,000,000	\$2,000,000
Auto & Mobile Equipment	\$31,665,764	\$31,665,764		\$31,665,764	\$31,665,764
Accounts Receivable	\$7,400,000	\$7,400,000		\$7,400,000	\$7,400,000
Valuable Papers & Records	\$500,000	\$500,000		\$500,000	\$500,000
Fine Arts	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000
Total Values	\$199,550,529	\$199,550,529		\$204,068,336	\$204,068,336
Values Per Clients Spread Sheet	\$199,550,529	\$199,550,529		\$204,068,336	\$204,068,336
Policy Limit	\$15,000,000	\$184,550,529	1a	\$15,000,000	\$189,068,336
			1 b	\$20,000,000	\$184,068,336
			1 c	\$25,000,000	\$1,790,683,366
Premium	\$1,013,081	\$95,437	1 d	\$25,000,000	\$1,790,683,366
			1a	\$775,000	\$79,500
			1 b	\$840,000	\$74,750
			1 c	\$875,000	\$69,500
			1 d	\$880,000	\$69,500
TRIA	TRIA WAS NOT PURCHASED 07-08			***	***
Florida Hurricane Cat Fund 1%	\$10,131	\$954	1a	\$7,750	\$795
			1 b	\$8,400	\$748
			1 c	\$8,750	\$695
			1 d	\$8,800	\$695
EMPAT State Taxes Mandatory	4	\$4		\$4	\$4
Aon Management Fee	\$75,000	Shown on primary		\$75,000	Shown on primary
Total Premium	\$1,098,216	\$96,395	1a	\$857,754	\$80,299
			1 b	\$923,404	\$75,502
			1 c	\$958,754	\$70,199
			1 d	\$963,804	\$70,199
GRAND TOTAL COMPARISON	\$1,194,611			\$1,034,003	
Provide &/or confirm the following, via return e-mail.	35% Minimum Earned Premium	25% Minimum Earned Premium		35% Minimum Earned Premium	25% Minimum Earned Premium

TERMS & CONDITIONS					
	All Risks of direct physical loss or damage including Flood and Earthquake	All Risk of Direct Physical Loss or Damage Excluding Wind, Flood, Earthquake, Building Ordinance Coverage and Boiler & Machinery		All Risks of direct physical loss or damage including Flood and Earthquake	All Risk of Direct Physical Loss or Damage Excluding Name Wind Peril Flood, Earthquake, Building Ordinance Coverage and Boiler & Machinery
1. Commission %: 10%	Real & Business Personal Property, Time Element, EDP Equipment, EDP and Extra Expense, Auto & Mobile Equipment (Watercraft under 26ft only), Accounts Receivables, Valuable Papers and Equipment Breakdown. Manuscript Lexington form and standard pre-printed terms & conditions of the Lexington Insurance Company	Follow Form		Real & Business Personal Property, Time Element, EDP Equipment, EDP and Extra Expense, Auto & Mobile Equipment (Watercraft under 26ft only), Accounts Receivables, Valuable Papers and Equipment Breakdown. Manuscript Lexington form and standard pre-printed terms & conditions of the Lexington Insurance Company	Follow Form
2. Named Insured: Gale & Kitson	Blanket Limit Item 2b deleted	Follow Form 15% Margin Clause		Blanket Limit Item 2b deleted	Follow Form 15% Margin Clause
3. Effective and Expiration Dates: 03/27/08-09	Functional Replacement Cost for Real Property, Replacement Cost for Contents, Actual Cash Value for Autos & Mobile Equipment , Actual Loss Sustained for Time Element	Property Damage "Repalcement Cost"; Automobiles & Vessells Physical Damage "Actual Cash Value"		Functional Replacement Cost for Real Property, Replacement Cost for Contents, Actual Cash Value for Autos & Mobile Equipment , Actual Loss Sustained for Time Element	Property Damage "Repalcement Cost"; Automobiles & Vessells Physical Damage "Actual Cash Value"
4. Premium: 540.00 plus fees	Historical Replacement Cost for Real Property at locations 6, 15 and 28 of the schedule	Follow Form		Historical Replacement Cost for Real Property at locations 6, 15 and 28 of the schedule	Follow Form
5. Underwriting Co.: USLI	None	None		None	None
6. Line(s) of Business: General Liability	\$15,000,000 limit per occurrence - Maximum \$1,000,000 any one vehicle	Follow Form		\$15,000,000 limit per occurrence - Maximum \$1,000,000 any one vehicle	Follow Form
7. Policy #:_____	\$5,000,000 Per Occurrence and Annual Aggregate	Excluded		\$5,000,000 Per Occurrence and Annual Aggregate	Excluded
	\$5,000,000 Per Occurrence and Annual Aggregate	Excluded		\$5,000,000 Per Occurrence and Annual Aggregate	Excluded
	No	No		No	No
1. Commission %: 10%	\$5,000,000 (90 day reporting)	Follow From		\$5,000,000 (90 day reporting)	Follow From
2. Named Insured: Gale & Kitson	\$100,000	Follow From		\$1,000,000	Follow From
3. Effective and Expiration Dates: 03/27/08-09	\$1,000,000	Excluded		\$5,000,000	Excluded
4. Premium: 2400.00 plus fees	\$500,000	Follow From		\$500,000	Follow From
5. Underwriting Co.: USLI	Included	Follow From		Included	Follow From
6. Line(s) of Business: Excess Liability	\$5,000,000	Excluded		\$5,000,000	Excluded
7. Policy #:_____	A sublimit of 25% of the covered loss or \$5,000,000., whichever is less shall apply to Debris Removal and Demolition & Increased Cost of Construction (DICC).	Excluded		A sublimit of 25% of the covered loss or \$5,000,000., whichever is less shall apply to Debris Removal and Demolition & Increased Cost of Construction (DICC).	Excluded
Cancellation Clause	90 days notice of cancellation, except 10 days for non-payment of premium, or as required by statute.	90 days notice of cancellation, except 10 days for non-payment of premium, or as required by statute.		90 days notice of cancellation, except 10 days for non-payment of premium, or as required by statute.	90 days notice of cancellation, except 10 days for non-payment of premium, or as required by statute.
Fine Arts	\$1,000,000	Follow From		\$1,000,000	Follow From
Transit	\$250,000 Per Occurrene - Maximum \$100,000 per vehicle	Follow From		\$250,000 Per Occurrene - Maximum \$100,000 per vehicle	Follow From

Deductible Provisions-All Other					
Each Occurrence except:	\$100,000 AOP Per Occurrence, -- \$100,000 Per Occurrence Auto Physical Damage AOP	Follow Form		\$100,000 AOP Per Occurrence, -- \$50,000 per occurrence Auto Physical Damage aop <u>(Option 1D \$50,000 AOP Per Occurrence with the exception on "Non Named Wind at \$100,000)</u>	Follow Form
Earthquake/Aggregate	\$100,000	Excluded		\$100,000	Excluded
Flood/Aggregate	1) --5% of TIV at each location involved in loss or damage, subject to a minimum of \$25,000 any one occurrence and a maximum of \$100,000 any one occurrence. 2) -- 5% of the TIV at each location involved in loss or damage, subject to a minimum of \$1,000,000 any one occurrence for locations wholly or partially within special Flood Hazard Areas (SFHA), areas of 100- year flooding, as defined by the Federal Emergency Management Agency. 3) -- 5% of TIV at each location involved in loss or damage, subject to a minimum of \$100,000 any one occurrence for Named Storms (a storm that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone or tropical storm).	Excluded		1) --5% of TIV at each location involved in loss or damage, subject to a minimum of \$25,000 any one occurrence and a maximum of \$100,000 any one occurrence. 2) -- 5% of the TIV at each location involved in loss or damage, subject to a minimum of \$1,000,000 any one occurrence for locations wholly or partially within special Flood Hazard Areas (SFHA), areas of 100- year flooding, as defined by the Federal Emergency Management Agency. 3) -- 5% of TIV at each location involved in loss or damage, subject to a minimum of \$100,000 any one occurrence for Named Storms (a storm that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone or tropical storm).	Excluded
Wind Deductibles	5% of the total values at the time of the loss at each location involved in the loss or damage, subject to a minimum \$500,000 any one occurrence	Wind Peril Excluded		5% "Named Storm" of the total values at the time of the loss at each location involved in the loss or damage, subject to a minimum \$250,000 any one occurrence	"Named Storm Wind Excluded only"
Minimum Wind	\$500,000	Excluded		\$250,000	
Maximum Wind	Not applicable	Not applicable		Not applicable	Not applicable
Other than Named Storm	Not applicable	Not applicable		\$100,000	\$100,000
Boiler & Machinery	\$15,000,000	Excluded		\$15,000,000	Excluded
Consequential Loss (Spoilage)	\$100,000	Excluded		\$100,000	Excluded
Expediting Expenses	\$100,000	Excluded		\$100,000	Excluded
Computer Data Restoration	\$100,000	Excluded		\$100,000	Excluded
Hazardous Substances	\$100,000	Excluded		\$100,000	Excluded
Boiler & Machinery Deductibles:					
Each Occurrence Property Damage	\$100,000	Excluded		\$100,000	Excluded

405 Biltmore, 907 Coral Way, 2701 DeSoto

"This compilation is a comparison of coverage
only. Policy terms and conditions will prevail"

** Per City Schedule

***08-09 TRIA is available as follows
\$15,000,000 plus excess \$24,045
\$20,000,000 plus excess \$25,945
\$25,000,000 plus excess \$27,145

Program	Line of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium ¹	Quoted ARS Commission	Nationally Agreed Commission Rate ₂	Intermediary, if applicable	Intermediary Commission	ARS Fee ³	Total ARS Income ^{4,6}	Total Cost to Client (Premium + Fee) ⁵
Policy Term: May 1, 2008 to May 1, 2009												
Excess Property \$179,068,336	Commercial Property Coverage	Landmark American Ins Co	Quoted	N/A	\$69,500.00	0.00%	N/A	Swett & Crawford	5.00%	N/A	\$0.00	\$69,500.00
Excess Property \$184,068,336	Commercial Property Coverage	Landmark American Ins Co	Quoted	N/A	\$74,750.00	0.00%	N/A	Swett & Crawford	5.00%	N/A	\$0.00	\$74,750.00
Excess Property \$189,068,336	Commercial Property Coverage	Landmark American Ins Co	Quoted	N/A	\$79,500.00	0.00%	N/A	Swett & Crawford	5.00%	N/A	\$0.00	\$79,500.00
Primary Property \$15,000,000	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	\$775,000.00	0.00%	N/A	N/A	N/A	\$75,000.00	\$75,000.00	\$850,000.00
Primary Property \$20,000,000	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	\$840,000.00	0.00%	N/A	N/A	N/A	\$75,000.00	\$75,000.00	\$915,000.00
Primary Property \$25,000,000	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	\$875,000.00	0.00%	N/A	N/A	N/A	\$75,000.00	\$75,000.00	\$950,000.00
Primary Property \$25mm w-\$50 AOP not applicable to Non Named Wind Peril	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	\$880,000.00	0.00%	N/A	N/A	N/A	\$75,000.00	\$75,000.00	\$955,000.00
Property	Commercial Property Coverage	St. Paul Travelers Group	Declined	Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Property	Commercial Property Coverage	Industrial Risk Insurers	Declined	Class of Business	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Property	Commercial Property Coverage	Affiliated FM Insurance Co.	Declined	Class of Business	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TRIA Excess Property \$179,068,336	Commercial Property Coverage	Landmark American Ins Co	Quoted	N/A	\$695.00	0.00%	N/A	Swett & Crawford	5.00%	N/A	\$0.00	\$695.00
TRIA Excess Property \$184,068,336	Commercial Property Coverage	Landmark American Ins Co	Quoted	N/A	\$745.00	0.00%	N/A	Swett & Crawford	5.00%	N/A	\$0.00	\$745.00
TRIA Excess Property \$189,068,336	Commercial Property Coverage	Landmark American Ins Co	Quoted	N/A	\$795.00	0.00%	N/A	Swett & Crawford	5.00%	N/A	\$0.00	\$795.00
TRIA Primary Property \$15,000,000	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	\$23,250.00	0.00%	N/A	N/A	N/A	N/A	\$0.00	\$23,250.00
TRIA Primary Property \$20,000,000	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	\$25,200.00	0.00%	N/A	N/A	N/A	N/A	\$0.00	\$25,200.00
TRIA Primary property \$25,000,000	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	\$26,250.00	0.00%	N/A	N/A	N/A	N/A	\$0.00	\$26,250.00
TRIA Primary property \$25mm w-\$50 AOP not applicable to Non Named Wind Peril	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	\$26,400.00	0.00%	N/A		N/A	N/A	\$0.00	\$26,400.00

Program	Line of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium ¹	Quoted ARS Commission	Nationally Agreed Commission Rate ²	Intermediary, if applicable	Intermediary Commission	ARS Fee ³	Total ARS Income ^{4,6}	Total Cost to Client (Premium + Fee) ⁵

Presentation Date: March 21, 2008

Currency: USD

Disclosures

¹ ARS receives premiums Clients pay for remittance to carriers, as well as refunds insurance companies pay for remittance to Clients, and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment income earned while such funds are on deposit pursuant to those laws and carrier agreements.

² Where compensation to ARS is in the form of commission, and notwithstanding any commission amounts shown in the Quoted ARS Commission column, ARS has nationally-agreed commission rates with some carriers (as indicated) for certain lines of business and/or for outsourced administrative services performed on the carrier's behalf. Where there is a Nationally Agreed Commission Rate, ARS expects this commission rate to be applied to the gross premium amount quoted herein. Collecting this commission will not change in any way the Premium quoted above.

³ When a carrier does not pay ARS an amount sufficient to cover the brokerage and administrative services performed by ARS on the carrier's behalf for the benefit of our clients, ARS may charge such fees to the client as ARS deems necessary and where permitted by applicable law

⁴ Total ARS Income equals the sum of the commission ARS will receive from the Carrier, including quoted or nationally agreed commissions (as applicable), and the ARS fee, if any. Commission is calculated by multiplying the Premium amount by applicable commission rates..

⁵ The Total Cost to Client is Premium (inclusive of all ARS commission) plus ARS Fee (if applicable). Total Cost to Client does not include applicable surplus lines taxes and fees and it does not include applicable state fees, surcharges, or taxes assessed on the policy.

⁶ ARS performs various administrative functions related to the procurement of coverage, including, but not limited to, electronic policy filing and storage, expiration tracking, client data management, and administration. Where legally permitted to do so, ARS charges for its own account and collects from its clients, a \$250 policy administrative charge per policy placed. This administrative charge is in addition to and not in lieu of any other service fees agreed to and paid to us by our clients and/or any commissions paid to us by insurers, and this administrative charge appears as a separately billed charge on the invoices we issue.