

CORAL GABLES INSURANCE & RISK MANAGEMENT ADVISORY BOARD

Minutes of March 6, 2023, 8:00am
2151 Salzedo Street, 1st Floor CMR A
Coral Gables, FL 33134

MEMBERS	J 23	F 23	M 6 23	A 23	M 23	J 23	J 23	A 23	S 23	O 23	N 23	D 23	APPOINTED BY
Juan C Diaz-Padron	-	-	P										Mayor Vince Lago
Austin Tellam	-	-	P										Vice Mayor Michael Mena
Paul Susz	-	-	P										Commissioner Rhonda Anderson
Matthew Weaver	-	-	E										Commissioner Jorge Fors
Gary Reshesky	-	-	P										Commissioner Kirk Menendez

STAFF:

Raquel Elejabarrieta, Human Resources Director
David Ruiz, Risk Manager

A = Absent
E = Excused Absence
P = Present
- = No meeting
* = Appeared Via Zoom

GUESTS:

Maria Perez, Arthur J. Gallagher
Ampy Jimenez, Arthur J. Gallagher (Via Zoom)
Diana Gogoshvili, Arthur J. Gallagher

PUBLIC GUEST:

RECORDING SECRETARY:

Eglys Hernandez, Administrative Assistant
Ericka Sanchez, Administrative Assistant

OPENING:

Quorum was reached. Chair Juan C. Diaz-Padron opened meeting. Everyone introduced themselves. Meeting commenced 08:01am.

MINUTES APPROVAL:

Of Meeting on March 30, 2022

Draft Minutes Approved by Commission on April 26, 2022 – Meeting #22-4007

Motion by: 1st Gary Reshesky / 2nd: Austin Tellam

SECRETARY’S REPORT: None

BOARD MEMBERS REPORTS: None

NEW BUSINESS: None

OLD BUSINESS:

**Continual – Insurance Renewal – Arthur J. Gallagher – Maria Perez
Renewal Market Updated as of 3/6/23 (Exhibit 1)**

Ms. Perez advised the board of the progress and status regarding the insurance renewal. Applications and renewal information were sent out in the 1st week of January to the markets. Ms. Perez advised she is still waiting to hear back regarding Pollution Liability and the Property Markets. Ms. Perez advised that Arthur J. Gallagher staff as well as Raquel Elejabarrieta and David Ruiz from the city attended online meetings with the Property Insurance Markets as well as with Ambridge and Munich for the package policy. Ms. Perez stated the Property Market inquired about safety measures the city takes regarding Hurricane Preparedness. Mr. Ruiz advised the Property Insurance Markets about the City's hurricane plan. Accurate valuation of the properties was another subject the Property Markets inquired about, and Mr. Ruiz advised that 68% of the total Statement of Values was either appraised since 2021 and/or is new construction. The remaining 32% was indexed at an additional 15% for property and 8% for contents as per recommended industry standards for the renewal this year. Ms. Perez also mentioned that Mr. Ruiz advised \$117 million of property have impact windows and close to \$119 million of property have roofs that are less than 7 years old.

Ms. Elejabarrieta advised board FMIT provided notice that they would not be participating in this year's renewal. Ms. Elejabarrieta stated they were not taking on new clients and will be preserving all their resources for current clients.

Mr. Reshesky asked regarding outcome for property renewal. Ms. Perez advised that it might be very difficult for the Property Markets to commit to a quote by March 20, 2023. Ms. Perez stated worst case scenario would be a 45% rate increase. Mr. Reshesky asked if city was potentially looking at an \$800,000.00 increase in premium. Ms. Elejabarrieta stated this is correct. Mr. Reshesky asked if city will be recommending going forth with accepting a \$800,000.00 increase. Ms. Elejabarrieta stated the city will continue to review program and explore options where reductions can be obtained. Ms. Elejabarrieta advised the city will be requesting pricing for the property program "as is" and looking into the possibility increasing self-insured retentions. Ms. Perez advised she will look into having at least a minimum \$2 million self-insured retention for windstorm as we currently have a \$250,000 minimum self-retention. Mr. Diaz-Padron asked regarding the identification of the city bridges. Ms. Elejabarrieta advised the city has identified the bridges that belong to the city and have been appraised. Mr. Diaz-Padron asked if this process caused an increased TIV (Total Insured Value) and Mr. Ruiz advised the appraised values of the entire bridges increased by approximately 69%. The Board discussed possibly removing items from the listed statement of values that are now at risk such as the garages since they hold up during a storm as well as valuable papers. The Board also discussed regarding looking into a parametric type of windstorm coverage as point of comparison in addition to open market. Ms. Elejabarrieta advised she looked at the parametric program the City of Miami Beach has, which has a premium of over \$1 million, and it does not pay 100% of the damage unless it is a CAT 5 storm and does not pay anything on a CAT 1 storm.

Regarding Flood Insurance, Mr. Ruiz provided board chart regarding flood insurance current and renewal cost (Exhibit 2) with several different options. Mr. Ruiz advised Ms. Gogoshvili what is lacking in the comparisons is the price for flood for all current flood locations with the same coverage (\$500,000 limit) which is currently carried by the city.

Ms. Elejabarrieta advised due to delay in response of market to provide information and having to present to commission on next March 28, 2023, meeting, this will need to go forth with a “not to exceed” number. Ms. Elejabarrieta advised city will continue to review and work with markets in order to obtain the best rate possible.

UPDATE TO MARCH 6, 2023, MEETING MINUTES: During the March 17, 2023, board meeting, board member Mr. Paul Susz agreed with the March 6, 2023, meeting minutes subject to adding: (1) that a CAT Bond was discussed and (2) reducing property values from the statement of values was discussed.

NEXT MEETING: March 17, 2023

MEETING ADJORNED: 9:16am

EXHIBIT 1



City of Coral Gables

Renewal Market Update as of 02/27/2023

2023-2024

Arthur J Gallagher Risk Management Services, Inc.

Maria Perez | Area Senior Vice President
Maria_Perez@ajg.com | 305.639.3136

Ampy Jimenez | Area Vice President
Ampy_Jimenez@ajg.com | 305.716.3293
March 6, 2023



ajg.com

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Gallagher

Insurance | Risk Management | Consulting

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2023 Premium Summary

Premium results from Incumbent Carriers

Policy Type	Carrier	2022-2023	2023-2024	Change %	Notes
Package	Ambridge	\$804,000	\$880,000	9%	Overall exposures are increased by 3%.
Excess WC	Safety	\$172,305	\$182,207	6%	Increase due to payroll. Rate is flat
Property	Various	\$1,786,242	Pending		
Boiler and Machinery	Travelers	\$10,800	\$11,277	4%	
Business Travel	Hartford	\$750	\$750	0%	Option 2 - 2 Year annual installment
ADD Police and Fire	Hartford	\$12,864	\$12,053	-6%	Option 2 - 2 Year annual installment
Bond - Finance Director	Hartford	\$1,138	\$1,138	0%	
Bond - Golf and Country Club Health Studio	Hartford	\$250	\$250	0%	
Bond - War Memorial Youth Center Health Studio	Hartford	\$250	\$250	0%	
Pollution Liability	Indian Harbor	\$23,900	Pending		
Crime	Travelers	\$11,637	\$12,376	6%	
Sports Liability	HDI	Included in Package	Included in Package		
ADD Sports	Zurich	\$11,662	\$9,410	-19%	
Cyber Liability	Accredited Specialty	\$79,569	\$80,557	1%	Gross Operating Expenditures decreased by 16%. Same limits and retention (\$2M/\$2M/\$150K SIR)
Terrorism Property & Liability	AJG UK	\$20,000	\$26,000	30%	TIV is increased by 18%, rate increase is 12%
Deadly Weapon Protection	AJG UK	\$5,900	\$10,903	85%	TIV is Increased by 18%, rate increase is 67%
Flood	Voyager	\$9,720	\$11,291	16%	TIV is increased by 6%, rate increase 10%
Fine Art		Included in Property	Included in Property		
EMPA, FEES & TRIA		\$4,500	\$3,335	-26%	Includes Equipment Breakdown, Package WC TRIA, Crime
Broker Fee		\$90,000	\$90,000	0%	
Total Cost of Program		\$3,045,487.40	Pending	Pending	

2023 New/Different Options

Policy Type	Carrier	Option	Premium	Pricing Difference from incumbent renewal	Notes
Cyber Liability	XL	\$2M/\$2M/\$500K SIR	\$100,000 (indication)	Additional \$19,443	same limits & increased retention from \$150K SIR to \$500k
Cyber Liability	Coalition	\$2M/\$2M/\$100K SIR	\$75,000	Save \$5,557	same limits & lower retention from \$150K SIR to \$100k
Cyber Liability	Crum & Forster	\$2M/\$2M/\$50K SIR	\$59,614	Save \$20,943	Same limits and lower retention
Cyber Liability	Crum & Forster	\$5M/\$5M/\$100K SIR	\$112,657	Additional \$32,100	quote has lower limits & retention
ADD Police and Fire	Hartford	as expiring	\$12,362	Additional \$309	Annual policy term
ADD Police and Fire	Hartford	as expiring	\$22,869 (\$11,434 per year)	Save \$619	2 Year Pre-paid policy
Business Travel	Hartford	as expiring	\$750	-	Annual policy term
Business Travel	Hartford	as expiring	\$1,388 (694 per year)	Save \$56	2 Year Pre-paid policy
Crime	Hanover	\$5M Limit; \$50K Deductible	\$9,752		As expiring / new carrier
Crime	Hanover	\$5M Limit; \$25K Deductible	\$12,922		Lower deductible
Private Flood	Voyager	Schedule Limit (maximum limit for High Valued buildings is \$1M)	\$113,113	Additional \$97,338	Add all A Flood Zones locations
Private Flood	Voyager	Blanket \$1M Sublimit per building ; \$5M Aggregate	\$82,007	Additional \$66,232	Blanket offer with additional A zones added
Private Flood	Voyager	Blanket \$500K Sublimit per building' \$5M Aggregate	\$70,696	Additional \$54,921	Blanket offer with additional A zones added
Private Flood	Voyager	"As is" option with the increased RCV to \$1M for high valued locations	\$15,775	Additional \$4,484	
Excess WC	Chubb	Limits: Statutory / 1M EL; Retention: 5M for Police and Fire / 1M for All Other	\$250,000 - \$275,000 (Indication)	Additional \$67,793-\$92,793	
Excess WC	Arch	Limits: Statutory / \$1M EL; Retention: \$1M	\$154,821	Save \$27,386	15% premium decrease compared to incumbent renewal. Two year rate commitment - 2024 rate will increase between 2.5% - 5%
Package	Brit/Ambridge	Reduce WC Limit to NIL. Overall SIR would be \$1M	\$778,000	Save \$105,050	Savings \$102,000 plus \$3,050 WC TRIA premium savings

Premiums exclude Surplus Lines Taxes

Exposure Summary

Exposures	2022-2023	2023-2024	% Change
Gross Operating Expenditures	\$294,212,528	\$246,087,023	-16%
Number of Employees (FT & PT & Seasonal)	1072	1134	6%
Number of Autos	610	577	-5%
Payroll	\$78,502,660	\$83,013,742	6%
EMTs	Included below	Included below	
Paramedics	139	145	4%
Armed Officers	198	213	8%
Population	50,999	48,375	-5%
TIV	\$294,212,528	\$346,507,215	18%
Drones	5	5	0%
Sports Program number of participants	12,547	13,209	5%

Schedule of Values	2022-2023	2023-2024	% Change
Building	\$232,306,640	\$287,307,493	24%
Contents	\$13,203,706	\$14,298,322	8%
Vehicles	\$18,842,749	\$18,436,967	-2%
Golf Carts	\$179,433	\$179,433	0%
BI	\$5,285,000	\$5,285,000	0%
EDP	\$14,000,000	\$14,000,000	0%
EDP EE	\$2,000,000	\$2,000,000	0%
Account Receivable	\$1,000,000	\$1,000,000	0%
Fine Arts	\$3,500,000	\$3,500,000	0%
Valuable Papers	\$500,000	\$500,000	0%
Pump Stations	Included	Included	
Fountains	Included	Included	
Seawalls & Docks	\$3,395,000	\$3,904,250 (included above)	15%
Total	\$294,212,528	\$346,507,215	18%

Market List

Line of Coverage	Carrier	Response	Reason/ Notes
Public Entity Package			
	Ambridge (London)	Quoted	
	Genesis	Pending	
	Old Republic	Declined	Premium is not competitive
	FMIT	Declined	Many global and Florida-specific reasons, the current property insurance market is extremely challenging
	Munich Re	Pending	
	Euclid	Declined	Cannot compete with Brit, carrier agreed not to compete with one another's renewals
	Berkley	Pending	
	Travelers	Declined	TPA is not approved. Might consider if move with another TPA or Travelers as a TPA
	Safety National	Declined	quoted several time in the past and did not work out, looking for long term relationships
	Egis	Declined	Due to the Law Enforcement exposure
Excess Workers Compensation			
	Safety National	Quoted	
	Zurich	Declined	Size is too small for us and exposures are an issue
	AXA XL	Pending	
	Chubb	Indicated	Premium- \$250K-\$275K; Limits: Statutory / 1M EL; Retention: 5M for Police and Fire / 1M for All Other
	US Specialty	Pending	
	Midwest	Pending	
	Arch	Quoted	
Equipment Breakdown			
	Travelers	Quoted	
	Liberty	Pending	
	AXA XL	Pending	
	HSB	Pending	
ADD Business Travel			
	Hartford	Quoted	Premium- \$750 Annual (1 Year Term) or \$1,388 (2 Year pre-paid) or \$750 per year (2 Year annual installments)
	Hartford	Quoted	Premium- \$12,362 Annual (1 Year Term) or \$22,869 (2 Year pre-paid) or \$12,053 per year (2 Year annual installments)
Bond			
Finance Director	Hartford	Quoted	
Golf and Country Club Health Studio	Hartford	Quoted	
War Memorial Youth Center Health Studio	Hartford	Quoted	
Pollution Liability			
	Indian Harbor	Pending	
	Beazley	Pending	
Crime			
	Travelers	Quoted	
	Beazley	Pending	
	Chubb	Pending	
	Hanover	Quoted	

Line of Coverage	Carrier	Response	Reason/ Notes
ADD Sports			
	Zurich	Quoted	
Cyber Liability			
	Corvus	Quoted	Limit \$2mm/\$2mm/\$150k SIR/ \$80,557 Premium
	XL	Indicated	Limit \$2mm/\$2mm/\$500k SIR / \$100,000 Premium
	Crum & Forster	Quoted	Limit \$2M/\$2M/\$50K SIR / \$59,614 Premium; Limit \$5M/\$5M/\$100K SIR- \$112,657 Premium
	Westchester	Declined	Unable to compete
	Arch	Declined	Class- of business
	Zurich	Declined	outside of appetite
	AIG	Declined	Unable to compete
	Starr	Declined	Unable to compete
	Coalition	Quoted	Limit \$2mm/\$2mm/\$100k SIR /\$75,000 Premium
	TMHCC	Pending	cannot quote more than 60 days before effective date
	Resilience	Pending	
	Beazley	Declined	Nature of Business
	Aspen	Pending	
	Amtrust	Pending	
Terrorism Property & Liability			
	Lloyds of London	Quoted	
	AXA XL	Pending	
	Amwins Global Risks	Pending	
	Hiscox USA	Pending	
	Ironshore	Pending	
	Roanoke Insurance Group	Pending	
	Sompo International	Pending	
	Beazley	Pending	
Deadly Weapon Protection			
	Lloyds of London	Quoted	
	AXA XL	Pending	
Flood			
	Voyager	Quoted	Options provided – see below
Property			
	Aspen	Pending	
	Axis	Pending	
	Berkshire	Pending	
	C N A	Pending	
	C&F	Pending	
	Canopus	Pending	
	Chronos	Pending	
	Core	Pending	
	Everest	Pending	
	FMIT	Declined	Many global and Florida-specific reasons, the current property insurance market is extremely challenging
	Ironshore / First Specialty	Pending	
	Kemah	Pending	
	Lexington	Pending	
	Lloyds of London	Pending	
	Rivington	Pending	
	Sompo	Pending	

Line of Coverage	Carrier	Response	Reason/ Notes
	SRU	Pending	
	Swiss Re	Pending	
	Velocity	Pending	in case the NWS cap is removed – they won't consider new biz with a NWS cap
	Waypoint	Declined	no opportunity
	Westchester	Pending	
	Arch	Pending	
	Arrowhead	Pending	
	AWAC	Pending	
	AXA XL	Pending	
	Beazley	Pending	
	Crum & Forster	Pending	
	Great American (x-wind)	Pending	
	Hallmark	Pending	
	Hudson (x-wind)	Pending	
	Intact	Pending	
	James River	Pending	
	Kinsale	Pending	
	Markel	Pending	
	Munich Re	Declined	Carrier is not interested in Property
	Navigators	Pending	
	Paragon	Pending	
	RSUI	Pending	
	Starr	Declined	not interested
	Westfield	Pending	
	Zurich	Declined	Concentration of values

Renewal Results

Below table shows the coverages and the quotes that we received so far. The description for each of the renewal quote is included below.

Coverage	Quote Received ("Yes/No")	Coverage	Quote Received ("Yes/No")
Commercial Package (No Property)	Yes	Bond - Golf and Country Club Health Studio	Yes
Property	No	Bond - War Memorial Youth Center Health Studio	Yes
Excess Workers Compensation	Yes	Bond - Finance Director	Yes
Cyber Liability	Yes	Environmental Liability	No
Deadly Weapon Protection	Yes	Business Travel Accident	Yes
Terrorism – Property and Liability	Yes	Accidental Death & Dismemberment – Sports	Yes
Equipment Breakdown	Yes	Accidental Death & Dismemberment - Police & Fire	Yes
Flood	Yes	Crime	Yes

Package

The incumbent carrier is Lloyds of London (Ambridge). They have offered a renewal quote with 9% premium increase, while overall exposure increased by 3%. Overall loss cost trends continue to increase due to social and standard inflation trends.

Ambridge also provided an option to reduce the Workers Compensation Limit to NIL. The total Workers Compensation retention will be \$1,000,000. Please see the option below.

	2022	2023	Renewal vs. Expiring $\Delta\%$
Premium	\$804,000	\$880,000	9%
WC TRIA	\$2,875	\$3,050	6%

Option:

	2023 Premium	2023 Savings (1)
WC Limit NIL (None)	\$778,000	\$105,050

(1) Savings include \$102,000 Premium and \$3,050 Workers Compensation TRIA

Excess Workers' Compensation

The incumbent carrier Safety National offered the renewal quote. The premium is increased by 6% due to increase in payroll by 6%. Therefore, the rate is flat.

We have also received an option from Arch, they have offered 15% premium decrease compared to Safety National renewal premium with 2-Year Rate Agreement. Next year they are looking to increase the rate by 2.5% if there are no major changes or losses at the next renewal.

	2022 Safety National	2023 Safety National	2023 Option 1 Arch
Premium	\$172,305	\$182,207	154,821
Limit	WC – Statutory Employers Liability - \$1,000,000	WC – Statutory Employers Liability - \$1,000,000	WC – Statutory Employers Liability - \$1,000,000
Retention	\$1,000,000	\$1,000,000	\$1,000,000
(+/-) Difference %		6%	-10%

City of Coral Gables

Cyber Liability

The incumbent carrier Corvus offered the renewal quote per the expiring limits and retention. The expiring limit is \$2,000,000 with \$150,000 Retention. We received several other options from the markets. The most competitive option we received is from Crum & Forster. Please see the quotes and coverage comparison below.

Corvus has added Pixel and Tracking Code Exclusion this year. The exclusion can be removed. See subjectivity below.
Corvus Pixel and Tracking Code Exclusion: any code, software, tool, or other technology used on a website operated by an Insured, or a website operated by an Outsourced Service Provider on behalf of an Insured, that tracks, collects, or otherwise records user activity (including, but not limited to Meta Pixel, Microsoft Clarity, or any similar tool or technology).

Crum & Forster also had a few restrictive endorsements that we have outlined in the below comparison. We were able to remove neglected software, web tracking and wrongful collection endorsements.

Crum & Forster will be able to remove the biometrics exclusion if you the City can confirm that you do not collect/store/use and biometric information.

	2022-2023 Corvus	2023-2024 Corvus Renewal	2023-2024 Crum & Forster Option 1	2023-2024 Crum & Forster Option 2	2023-2024 XL Option 3	2023-2024 Coalition Option 4
Premium	\$79,596	\$80,557	\$59,614	\$112,657	\$100,000 (indication)	\$75,000
Limit	\$2,000,000	\$2,000,000	\$2,000,000	\$5,000,000	\$2,000,000	\$2,000,000
Retention (SIR)	\$150,000	\$150,000	\$50,000	\$100,000	\$500,000	\$100,000
(+/-) Difference %		1%	-25%	42%	26%	-6%

CYBER COVERAGE COMPARISON

	Corvus		Crum & Forster	
3rd Party				
	Network Security and Privacy Liability	\$2,000,000	Network Security and Privacy Liability	\$2,000,000
	Regulatory Investigations, Fines & Penalties	\$2,000,000	Regulatory Liability and efense	\$2,000,000
	PCI DSS Assessment Expenses	\$2,000,000	PCI fines and assessments	\$2,000,000
	Media Liability	\$2,000,000	Multimedia Liability	\$2,000,000
	Breach Management Expenses	\$2,000,000	Contingent BI/PD	\$2,000,000
	Solicitation claims	\$50,000		
1st Party				
	Business Interruption	\$2,000,000	Breach Costs	\$2,000,000
	Contingent Business Interruption	\$2,000,000	Data Asset Loss	\$2,000,000
	Digital Asset Destruction, Data Retrieval and System Restoration	\$2,000,000	Loss of income and extra expense	\$2,000,000
	System Failure Coverage	\$2,000,000	Bricking	\$2,000,000
	Reputational Loss	\$2,000,000	Reputational loss	\$2,000,000
	Breach Response and Remediation Expenses	\$2,000,000	Cryptojacking	\$2,000,000
	Court Attendance Costs	\$250,000	Dependent Business	\$200,000
	Bricking	\$2,000,000		
Extortion				
	Extortion and Ransomware	\$2,000,000	Cyber Extortion Loss	\$2,000,000
Cyber Crime				
	Social Engineering & Cyber Crime	\$250,000	Social engineering	\$250,000
	Invoice Manipulation	\$250,000	Fraudulent funds transfer	\$250,000
	CryptoJacking	\$250,000	Telephone systems fraud	\$250,000
			Invoice manipulation	\$250,000
Waiting Periods				
		10 hours		14 hours
Retentions				
	Retention	\$150,000	Retention	\$50,000
Premium				
		\$80,557		\$59,614
Restrictions				
	Pixel tracking exclusion		Biometric information exclusion (collection and storage of biometric information)	
			Neglected software coinsure/ Sublimit endorsement	Removed
			Wrongful collection Exclusion	Removed
			web tracking exclusion (tracking pixel)	Removed

* Please note that this is for informational purposes only. Please read the policy endorsements for all terms and conditions as definitions and insuring agreements will vary depending on the carrier and form. Coverage will come down to the circumstances of each claim and the terms and conditions of the policy

Subjectivities:

Corvus:

- 1.) TRIA Waiver if coverage is rejected (attached to quote).
- 2.) Our proprietary non-invasive web scan detected a Microsoft Exchange Server on your network. Therefore, we require completion of our Microsoft Exchange Questionnaire. Please follow the link to access it:
<https://info.corvusinsurance.com/hubfs/Microsoft%20Exchange%20Subjectivity.pdf>

Due within 7 days of binding coverage:

Applications signed and dated within 30 days of binding

To remove the Pixel exclusion: Company can either remove Pixel from their website (email confirmation is fine) or answer the following:

- Have your organization's marketing, IT, legal, and compliance teams been in contact to discuss the use of web advertising to or analytics technologies?
- Are there processes in place to keep each of these teams up to date on what technologies are installed, enabled, and for what purpose

Crum & Forster

- 1.) Completed, signed and dated Crum & Forster Simple Cyber New Business Warranty Attestation.
- 2.) Re-signed and dated Ransomware Supplemental Application.
- 3.) Name and contact information for the insured's employee authorized to work with the insurer in response to a Cyber Event.
- 4.) Confirmation that MFA is utilized for RDP.

Flood

Your incumbent carrier Voyager Indemnity provided the renewal quote as per current schedule (eligible buildings that have secured roof and 4 walls) as well as the optional quotes that includes all locations in A Flood Zones. We also got an approval for the Blanket options for the renewal with additional A Flood zone locations.

Unfortunately, Voyager will not be able to quote all locations including X Zones on the schedule.

	Current 2022-2023	Renewal 2023-2024 As is renewal	Renewal 2023-2024 Option 1 As is renewal with increase Limit	Renewal 2023-2024 Option 2 Includes additional A Zones	Renewal 2023-2024 Option 3 Blanket coverage (\$1M) with additional A Zones	Renewal 2023-2024 Option 4 Blanket coverage (\$500K) with additional A Zones
Premium	\$9,720	\$11,291	\$15,775	\$113,113	\$82,007	\$70,696
Limit	Scheduled limit per location (maximum per building \$500K Limit)	Schedule limit per location (maximum per building \$500K Limit)	Schedule limit per location (maximum per building \$1M Limit)	Schedule limit per location (maximum per building \$1M Limit)	Blanket limit and \$1M Sublimit per building	Blanket limit and \$500K Sublimit per building
(+/-) Difference %		16%	62%	1,064%	744%	627%

Please see a brief description of each of the option:

- "As is renewal". The carrier has quoted the renewal for the same number of buildings, as the current policy (10 buildings) and limit per high valued buildings is \$500K. The Total Insurable Value is increased from \$4,408,766 to \$4,676,000 by 6%.
- Option 1 "As is" Option with increased Replacement Cost Value for the buildings. The carrier agreed to increase the maximum limit per building from \$500K to \$1M for high valued buildings (4 total). This quote includes the same number buildings, as the current policy (10 buildings)
- Option 2 includes schedule of current locations as well as additional A Flood Zones building (total 23 buildings). Maximum limit for high valued buildings is \$1M.
- Option 3 includes Blanket limit for current locations as well as additional A Flood Zones building (total 23 buildings) with \$1M sublimit per building and per occurrence. Aggregate limit for all buildings is \$5M
- Option 4 includes Blanket limit for current locations as well as additional A Flood Zones building (total 23 buildings) with \$500K sublimit per building and per occurrence. Aggregate limit for all buildings is \$5M

The carrier has provided us the option to amend the current term with the following enhancements:

- Option 1: Add additional Flood zones A. Schedules limit per location and maximum limit for high valued building is \$1M. Additional Premium is \$21,626 (from 02/20/2023 to 05/01/2023)
- Option 2: Increase the Replacement Cost Values for the buildings on the current schedule. Maximum limit for high valued building is \$1M. Additional Premium is \$782 (from 02/20/2023 to 05/01/2023)

Bonds

We have received the renewal letter for three bonds. The premium is the same as last year. Please confirm if you would like to renew these bonds in 2023.

Bond Name	2022	2023	Renewal vs. Expiring Δ%
Finance Director	\$1,138	\$1,138	0%
Golf and Country Club Health Studio	\$250	\$250	0%
War Memorial Youth Center Health Studio	\$250	\$250	0%

Accidental Death and Dismemberment Police and Fire and Business Travel

The incumbent carrier Hartford offered the competitive premiums for ADD Police and Fire and Business Travel coverages.

Regarding Business Travel and ADD Police and Fire, Hartford has the option to renew with 2 Years policy term or to renewal annually. Please see premium comparison below.

Policy Type	Premium	Notes
ADD Police and Fire	\$12,053	2 year annual installments (as expiring)
ADD Police and Fire	\$12,362	Annual policy term
ADD Police and Fire	\$22,869 (\$11,434/year)	2 Year Pre-paid policy
Business Travel	\$750	2 year annual installments (as expiring)
Business Travel	\$750	Annual policy term
Business Travel	\$1,388 (\$694/year)	2 Year Pre-paid policy

Accidental Death and Dismemberment Sports

The incumbent carrier Zurich offered the competitive quote. The premium has decreased by 19%. No changes to the plan design.

2022	2023	Renewal vs. Expiring Δ%
\$11,662	\$9,410	-19%

Crime

We have received the Crime quote from the incumbent carrier Travelers. The premium and surcharges have increased by 6%.

We also received the quote from Hanover. The premium looks competitive and they offered two quote options. Current Travelers limit is \$5M with \$50 Deductible.

	2022-2023 Travelers	2022-2023 Travelers	2023-2024 Hanover Option 1	2023-2024 Hanover Option 2
Premium	\$11,637	\$12,376	\$9,561	\$12,669
Surcharges	\$19.40	\$58.94	\$191.22	\$253.38
Limit	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Retention (SIR)	\$50,000	\$50,000	\$50,000	\$25,000
(+/-) Difference %		7%	-16%	11%

Terrorism and Deadly Weapon Protection

The incumbent carrier Lloyds of London has offered the renewal for this term. Terrorism premium has increased by 30%, while Deadly Weapon Protection premium has increased by 85% of which 18% attributed to the Property values.

We went back to incumbent carrier and asked for additional savings. They have advised there is no room to lower the premium on this occasion and the pricing mirrors the current market conditions for this type of coverage. The market is changing and currently going through a period of hardening due to the ongoing situation in Ukraine alongside other recent events in South Africa and Chile. Reinsurance costs have increased hugely, which in turn being passed back into the direct market place, meaning rate increases on all US domiciled accounts.

Based on the carrier feedback, the City currently gets a very preferential rate on this account and has been provided with extremely competitive pricing since when they first purchased this coverage. They stated if they saw this as new business they would be looking for multiples more of the premium.

We have submitted the quote request to several markets and waiting for their responses.

	2022	2023	Renewal vs. Expiring Δ%
Terrorism Property & Liability	\$20,000	\$26,000	30%
Deadly Weapon Protection	\$5,900	\$10,903	85%

Equipment Breakdown

The incumbent carrier Travelers has offered the renewal premium with 4% increase.

	2022	2023	Renewal vs. Expiring Δ%
Premium	\$10,800	\$11,277	4%
State Surcharges	\$76	\$226	197%

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.

Name/Title	Phone	Email	Role
Primary Service Team			
Maria Perez Area Senior Vice President	(305) 592-6090	Maria_Perez@ajg.com	Producer- Team Leader
Ampy (Cabrera) Jimenez CPIA CISR Elite Area Vice President	(786) 331-1269	Ampy_Jimenez@ajg.com	Producer- Marketing Director
Diana Gogoshvili Senior Client Service Manager	(305) 639-3131	Diana_Gogoshvili@ajg.com	Client Service Manager
Annie Toombs Client Service Associate, BSD	(786) 331-1254	Annie_Toombs@ajg.com	Client Service Associate
Tara Morrone Client Service Manager	(561) 995-6706	Tara_Morrone@ajg.com	Flood Specialist
Claims Management			
Scott Clark Claims Advocate Senior, Area Vice President	(561) 998-6815	Scott_Clark@ajg.com	Senior Claims Advocate
Loss Control			
Jim Smith Regional Risk Control Leader	(561) 998-6809	Jim_Smith@ajg.com	Regional Risk Control Leader

EXHIBIT 2

	Current 2022-2023	Renewal 2023-2024 As is renewal	Renewal 2023-2024 As is increase RCV	2023-2024 Option 1 Includes additional A Zones	2023-2024 Option 2 Blanket coverage (\$1M) with additional A Zones	2023-2024 Option 3 Blanket coverage (\$500K) with additional A Zones
Premium	\$9,720	\$11,291	\$16,775	\$113,113	\$82,007	\$70,698
Limit	Scheduled limit per location (maximum per building \$500K Limit)	Schedule limit per location (maximum per building \$600K Limit)	Schedule limit per location (maximum per building \$1M Limit)	Schedule limit per location (maximum per building \$1M Limit)	Blanket limit and \$1M Sublimit per building	Blanket limit and \$500K Sublimit per building
(+/-) Difference %		18%	62%	1064%	744%	627%
Aggregate	No Aggregate	No Aggregate	No Aggregate	No Aggregate	\$5,000,000	\$5,000,000
Limits considerations (all include replacement cost coverage)	Coverage per building is the lesser of \$500,000 or the stated value of the building. Coverage for contents is the lesser of \$500,000 or the stated value but that limit is separate from the building limit.	Coverage per building is the lesser of \$500,000 or the stated value of the building. Coverage for contents is the lesser of \$500,000 or the stated value but that limit is separate from the building limit.	Coverage per building is the lesser of \$1,000,000 or the stated value of the building. Coverage for contents is the lesser of \$500,000 or the stated value but that limit is separate from the building limit.	Coverage per building is the lesser of \$1,000,000 or the stated value of the building. Coverage for contents is the lesser of \$500,000 or the stated value but that limit is separate from the building limit.	\$1,000,000 Coverage max per occurrence for all buildings and contents combined .	\$500,000 Coverage max per occurrence for all buildings and contents combined .
Comment	There are 10 current locations insured for flood under separate policies per location. Out of the 10 locations under the current flood insurance , 5 locations exceed \$500,000 in value(excluding contents value range : \$689,000 to \$15,550,000) only the Granada Golf Course (valued at \$689,000 building , \$54,000 contents) is a one story building	This quote is for the 10 current locations insured for flood under separate policies per location. There are 23 locations under the new flood zone. Out of the 23 locations under the new flood zone, 14 locations exceed \$500,000 in value(excluding contents) , 5 are pump stations (from \$558,900 to \$1,128,150 in value: one valued at \$836,000 will have submersible panels by 9/30/23) only the Granda Golf Course (\$689, 000 building , \$54,000 contents) is a one story building	This quote is for the 10 current locations insured for flood under separate policies per location. There are 23 locations under the new flood zone. Out of the 23 locations under the current flood zone, 9 locations exceed \$1,000,000 in value(excluding contents) , 1 is a pump station (valued at \$1,128,150) there are no one story buildings that exceed \$1,000,000 in value.	This quote is for all 23 flood locations under separate policies per location. There are 23 locations under the new flood zone. Out of the 23 locations under the current flood zone, 9 locations exceed \$1,000,000 in value(excluding contents) , 1 is a pump station (valued at \$1,128,150) there are no one story buildings that exceed \$1,000,000 in value.	This quote is for all 23 flood locations combined under one policy. There are 23 locations under the new flood zone. Out of the 23 locations under the current flood zone, 9 locations exceed \$1,000,000 in value(excluding contents) , 1 is a pump station (valued at \$1,128,150) there are no one story buildings that exceed \$1,000,000 in value.	This quote is for all 23 flood locations combined under one policy. There are 23 locations under the new flood zone. Out of the 23 locations under the new flood zone, 14 locations exceed \$500,000 in value(excluding contents) , 5 are pump stations (from \$558,900 to \$1,128,150 in value: one valued at \$836,000 will have a submersible panel by 9/30/23) only the Granda Golf Course (\$689, 000 building , \$54,000 contents) is a one story building
				Consider getting a quote for all flood locations with \$500,000 in coverage on a non- blanket basis.		