



CITY OF CORAL GABLES

2801 Salzedo Street
Coral Gables, FL 33134

INSURANCE RENEWAL EXECUTIVE SUMMARY 2017-2018

Presented: March 13, 2017

Effective: May 01, 2017

Arthur J. Gallagher Risk Management Services, Inc.
8333 NW 53rd Street Suite 600
Miami, FL 33166

www.ajg.com

City Of Coral Gables 2017-2018

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Service Team

Antonio Abella Sr. has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

| NAME / TITLE | PHONE / ALT. PHONE | EMAIL |
|---|--------------------|------------------------|
| Antonio Abella Sr. Area Senior Vice-President | 305-639-3102 | Tony_Abella_Sr@ajg.com |
| Maria Perez Area Senior Vice President | 305-639-3136 | Maria_Perez@ajg.com |
| Mayte Gandulfo, ARM-P Client Service Supervisor | 305-639-3150 | Mayte_Gandulfo@ajg.com |
| Calah Bullard, ARM Client Service Manager | 305-639-3133 | Calah_Bullard@ajg.com |
| Yane Martinez Client Service Associate | 305-639-3120 | Yane_Martinez@ajg.com |

- Arthur J. Gallagher Risk Management Services works closely with City of Coral Gables Human Resources/ Risk Management Division to provide resources and services that add value to the insurance purchasing decisions made throughout the year. Among the services we provide are:
 - ✓ Provide loss control & risk management services
 - ✓ Participate in claims review and provide claims advocacy
 - ✓ Obtaining catastrophic loss modeling every year.
 - ✓ Obtaining current flood zone information for each location.
 - ✓ Approaching the market for creative options, as well as new carriers, to enhance the program.
 - ✓ Provide assistance with the Reasonableness letter to the state.
- Needless to say that we take pride in our 36 years continuous relationship with the City of Coral Gables and pledge our ongoing service and support as we believe we need to continue earning your confidence and business every day.
- Other coverage to consider:
 - ✓ Terrorism – currently excluded.
 - ✓ Pollution – currently excluded

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Loss Control and Claims Advocacy

| NAME / TITLE | PHONE / ALT. PHONE | EMAIL |
|--|--------------------|----------------------|
| Jim Smith, MS, CSO Loss Control Manager Director | 561-998-6809 | Jim_Smith@ajg.com |
| Bart Douglas, AIC Managing Director | 305-639-3121 | Bart_Douglas@ajg.com |

AJG recognizes the City Manager for the goal to advance safety/health and reduce injuries and claim cost in the City. AJG has been partnering with Office of Labor Relations and Risk Management.

The following are services we provided during the current year:

- Developed Draft City wide Safety Manual (Administrative Sections been completed. Technical Sections are in review)
- Assisted to created Safety Action Team (with Office of Labor Relations and Risk Management)
- Met two times to begin the use of Safety Action Team
- Assisted Risk Management in cleaning up Claim Data for Management Reports
- Conducted several training sessions on various Safety/Health topics (Driver Training, Personal Protective Equipment, etc.)
- Developed and Delivered Supervisor Safety Management Training (Field Operations)
- Conducted IT site assessment requested by Office of Labor Relations
- Additional risk management and safety initiatives

A Safety Survey for both supervisors and employees have been created to facilitate education programs to meet the City's needs.

The City of Coral Gables Property & Casualty Insurance Program Renewal 2017

Thank you for the opportunity to present this executive summary for the City of Coral Gables Insurance Program Renewal. We are pleased to be able to bring the City a very favorable renewal.

The concept that led the city to adopt a protected all lines self insurance program remains the same: to retain all anticipated losses and purchase only catastrophic insurance while actively engaging in loss prevention and mitigation has proven itself and has saved the city many millions over the years.

- A. **Package:** This will be the fourth renewal year for Lloyds of London (BRIT) as the liability and WC package carrier. The underwriting team offered a renewal premium of \$580,000 which represents a **20% premium reduction**. As a sign of their commitment, BRIT is offering a rate agreement (with certain normal criteria that will need to be met) for the 2018 renewal. They are also providing \$7,000 for Loss Control as they have done in the past.

We have also obtained a quote from AIX with a premium of \$500,338 which offers a 31% savings.

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Package Options Limit/Aggregate/Deductible Comparison

| Coverage | BRIT 2016-2017 | | | BRIT 2017-2018 | | | AIX Option | | |
|--|-------------------------|--------------|--------------|---------------------|--------------|--------------|--------------------------------------|-------------|------------|
| | Limit/Sublimit | Aggregate | Retention | Limit/Sublimit | Aggregate | Retention | Limit/Sublimit | Aggregate | Retention |
| Section I-Property | Not Included in Package | | | | | | | | |
| Section II-General Liability: | Primary: \$650,000 | N/A | \$ 350,000 | Primary: \$650,000 | N/A | \$ 350,000 | \$ 4,650,000 | \$9,000,000 | \$ 350,000 |
| | Excess: \$4,000,000 | \$ 4,000,000 | \$ 1,000,000 | Excess: \$4,000,000 | \$ 8,000,000 | \$ 1,000,000 | | | |
| - Sexual Harrassment | \$ 2,650,000 | \$ 2,650,000 | \$ 350,000 | \$ 4,650,000 | \$ 4,650,000 | \$ 350,000 | Included under Public Officials Misc | | |
| - Sexual Abuse | \$ 650,000 | \$ 650,000 | \$ 350,000 | \$ 4,650,000 | \$ 4,650,000 | \$ 350,000 | | | |
| Section III- Automobile Liability | \$ 4,650,000 | N/A | \$ 350,000 | \$ 4,650,000 | N/A | \$ 350,000 | \$ 4,650,000 | N/A | \$ 350,000 |
| Section IV-Public Officials Misc. | \$ 4,650,000 | \$ 5,300,000 | \$ 350,000 | \$ 4,650,000 | \$ 5,300,000 | \$ 350,000 | \$ 4,650,000 | \$5,300,000 | \$ 350,000 |
| - Errors & Omissions | \$ 4,650,000 | \$ 5,300,000 | \$ 350,000 | \$ 4,650,000 | \$ 5,300,000 | \$ 350,000 | \$ 4,650,000 | \$5,300,000 | \$ 350,000 |
| - Employment Practice | \$ 4,650,000 | \$ 5,300,000 | \$ 350,000 | \$ 4,650,000 | \$ 5,300,000 | \$ 350,000 | \$ 4,650,000 | \$5,300,000 | \$ 350,000 |
| - Sexual Harrasment | \$ 2,650,000 | \$ 2,650,000 | \$ 350,000 | \$ 4,650,000 | \$ 4,650,000 | \$ 350,000 | \$ 2,650,000 | \$2,650,000 | \$ 350,000 |
| - Sexual Abuse | \$ 650,000 | \$ 650,000 | \$ 350,000 | \$ 4,650,000 | \$ 4,650,000 | \$ 350,000 | \$ 650,000 | \$ 650,000 | \$ 350,000 |
| Section V-Workers Compensation & Employers Liability | \$ 500,000 | N/A | \$ 500,000 | \$ 500,000 | N/A | \$ 500,000 | \$ 500,000 | N/A | \$ 500,000 |
| Section VI-Employee Benefits | \$ 4,650,000 | \$ 5,300,000 | \$ 350,000 | \$ 4,650,000 | \$ 5,300,000 | \$ 350,000 | \$ 4,650,000 | \$5,300,000 | \$ 350,000 |
| Section VII- Crime | Not Included in Package | | | | | | | | |
| Section VIII- Law Enforcement | Primary: \$650,000 | N/A | \$ 350,000 | Primary: \$650,000 | N/A | \$ 350,000 | \$ 4,650,000 | \$9,000,000 | \$ 350,000 |
| | Excess: \$4,000,000 | \$ 4,000,000 | \$ 1,000,000 | Excess: \$4,000,000 | \$ 4,000,000 | \$ 1,000,000 | | | |
| - Sexual Harrasment | \$ 2,650,000 | \$ 2,650,000 | \$ 350,000 | \$ 4,650,000 | \$ 4,650,000 | \$ 350,000 | Included under Public Officials Misc | | |
| - Sexual Abuse | \$ 650,000 | \$ 650,000 | \$ 350,000 | \$ 4,650,000 | \$ 4,650,000 | \$ 350,000 | | | |

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Summary of Retroactive Dates for Section IV Public Officials and Section VI Employee Benefits Package Claims Made Coverages

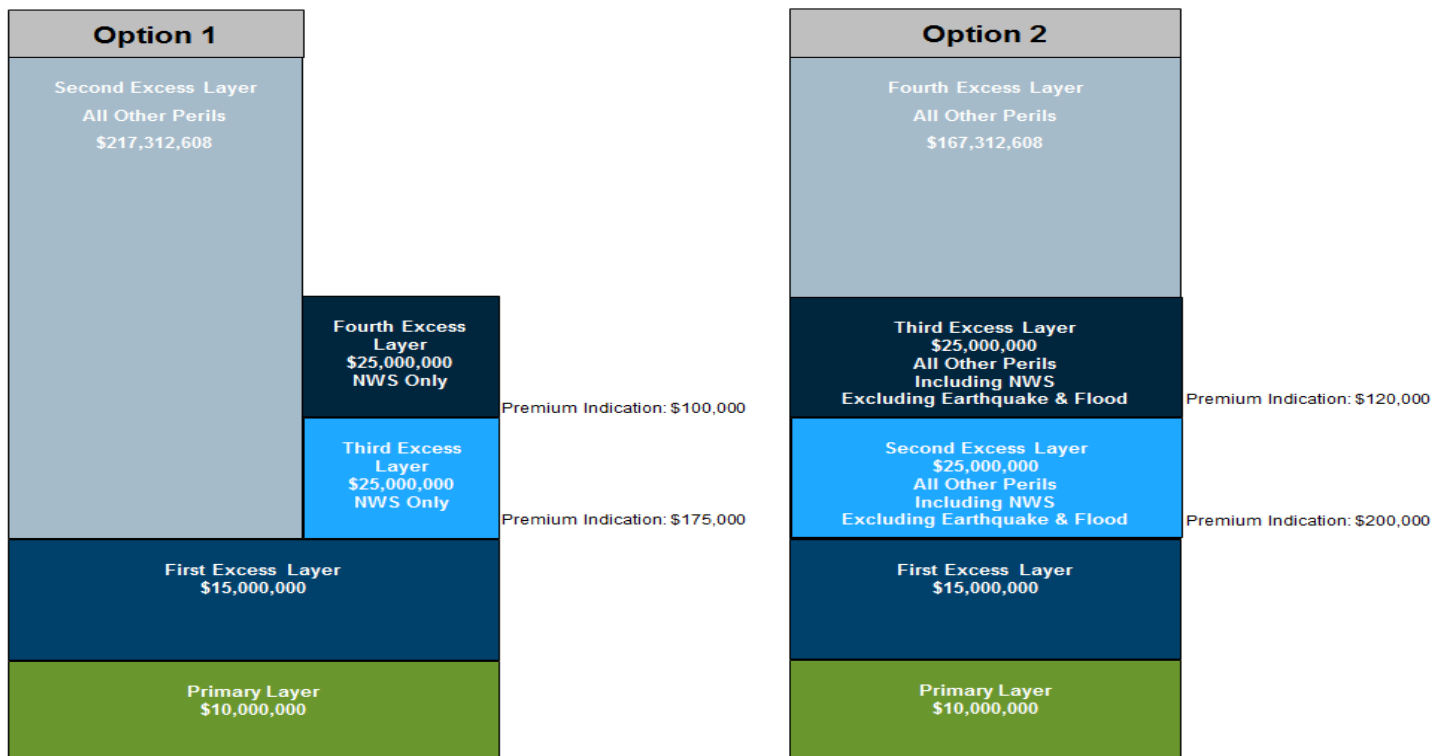
| COVERAGE | FORM TYPE | RETROACTIVE DATE |
|-------------------------------------|-------------|---|
| Public Officials Errors & Omissions | Claims Made | February 13, 1981 in respect of the first \$1,650,000 excess of \$350,000. May 1, 2010 in respect of the remaining \$3,000,000 excess of \$2,000,000 |
| Employment Practices Liability | Claims Made | February 13, 1981 in respect of the first \$1,650,000 excess of \$350,000. May 1, 2010 in respect of the remaining \$3,000,000 excess of \$2,000,000 |
| Sexual Abuse | Claims Made | March 1, 1999 in respect of the first \$650,000 excess of \$350,000. May 1, 2017 in respect of the remaining \$4,000,000 excess of \$1,000,000 |
| Sexual Harassment | Claims Made | March 1, 1994 in respect of the first \$1,650,000 excess of \$350,000. May 1, 2010 in respect of the next \$1,000,000 excess of \$2,000,000 May 1, 2017 in respect of the remaining \$2,000,000 excess \$3,000,000. |
| Violation of Civil Rights | Claims Made | March 1, 1998 |
| Employee Benefits Liability | Claims Made | March 1, 1998 in respect of the first \$1,650,000 excess of \$350,000 May 1, 2010 in respect of the remaining \$3,000,000 excess of \$2,000,000 |

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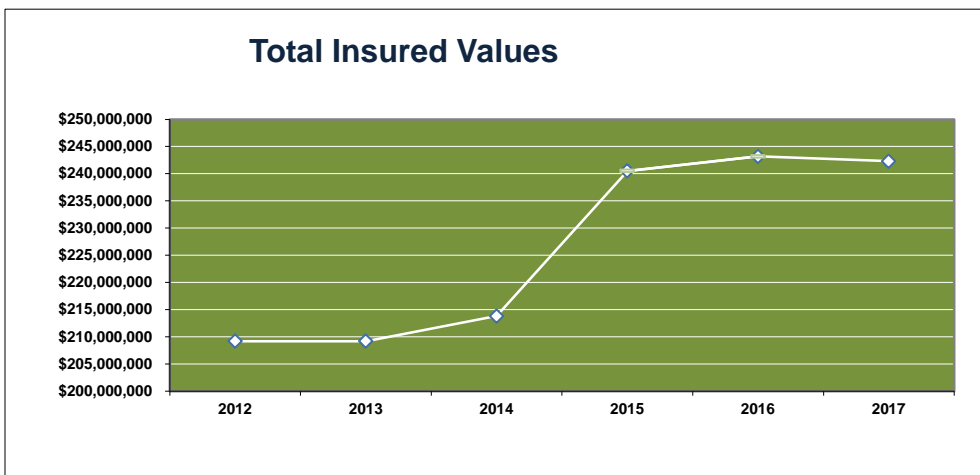
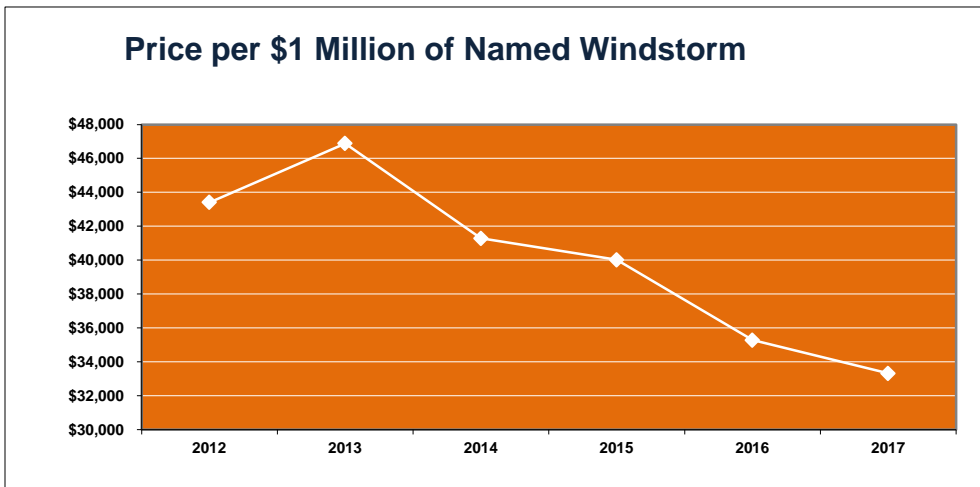
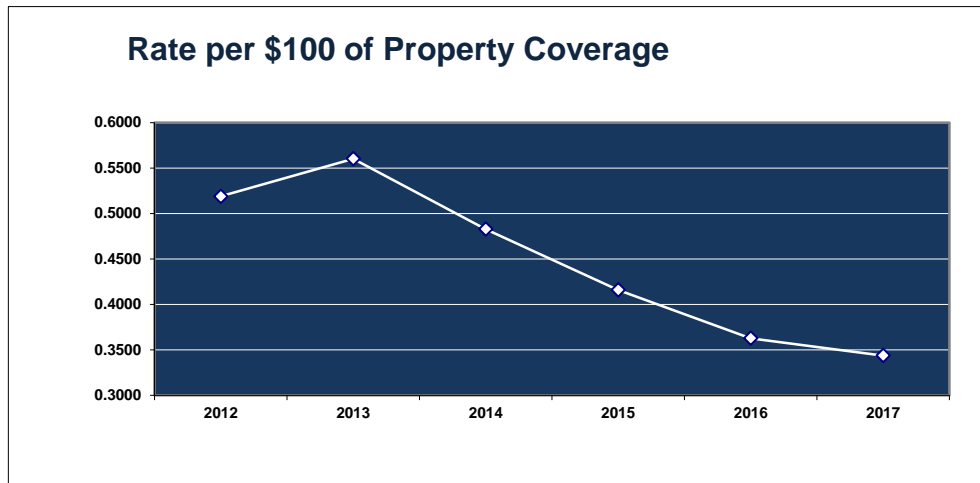
B. **Property:** This year both the primary and 1st excess layer are willing to cap the wind deductible at \$7,500,000 per occurrence. Total Insurable Values remained relatively flat with a 0.4% decrease. However, we were able to negotiate a **6% premium reduction** and a **5% property rate reduction**.

As requested we have obtained pricing indications for increased property limits. RPS provided an indication for increased limits \$ 25M XS \$25M and \$25M XS \$50M **Named Windstorm Only** layers that will attach alongside the current All Other Perils policy.

AmWins has provided an indication for increased limits \$ 25M XS \$25M and \$25M XS \$50M for All Other Perils including Named Windstorm but excluding Earthquake and Flood.



| Property Option 1 | | | Property Option 2 | | |
|--|----------------|---------------------|--|----------------|---------------------|
| Layer | Limit | Premium | Layer | Limit | Premium |
| Primary (Including Named Wind) | \$ 10,000,000 | \$ 543,027 | Primary (Including Named Wind) | \$ 10,000,000 | \$ 543,027 |
| First Excess (Including Named Wind) | \$ 15,000,000 | \$ 239,404 | First Excess (Including Named Wind) | \$ 15,000,000 | \$ 239,404 |
| Second Excess All other Perils Only (Excluding Named Wind, Earthquake and Flood) | \$ 217,312,608 | \$ 50,475 | Second Excess (Including Named Wind) | \$ 25,000,000 | \$ 200,000 |
| Third Excess (Named Wind Only) | \$ 25,000,000 | \$ 175,000 | Third Excess (Including Named Wind) | \$ 25,000,000 | \$ 120,000 |
| Fourth Excess (Named Wind Only) | \$ 25,000,000 | \$ 100,000 | Fourth Excess All other Perils Only (Excluding Named Wind, Earthquake and Flood) | \$ 167,312,608 | \$ 30,000 |
| Total Premium | | \$ 1,107,906 | Total Premium | | \$ 1,132,431 |



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- C. **Excess Workers Compensation:** renewal rate has remained flat. The 5% premium increase is a factor of the 4% payroll increase.
- D. **Business Travel, ADD for Police and Fire:** were quoted at a flat renewal price.
- E. **Cyber Risk:** we have obtained renewal quotes from the incumbent carrier (AIG) and Chubb. AIG provided a relatively flat renewal with a premium reduction of 0.6%. While the Chubb option provides a 21 % premium reduction with several enhancements.

| AIG (Incumbent) Option | | | | |
|--|--------------|-----------|---|-----------------|
| Coverage | Limit | Retention | Retroactive Date* | Continuity Date |
| Maximum Aggregate | \$ 3,000,000 | N/A | 05/01/2013 | 05/01/2013 |
| Specialty Professional Liability | \$ 3,000,000 | \$ 50,000 | 05/01/2013* for the first \$1M \$05/01/2014 for \$2M xs \$1M | 05/01/2013 |
| Media Content | \$ 3,000,000 | \$ 50,000 | 05/01/2013* for the first \$1M \$05/01/2014 for \$2M xs \$1M | 05/01/2013 |
| Security & Privacy Liability/Regulatory Action | \$ 3,000,000 | \$ 50,000 | 05/01/2013* for the first \$1M 05/01/2014 for \$2M xs \$1M | 05/01/2013 |
| Network Interruption | \$ 500,000 | \$ 50,000 | N/A | 05/01/2013 |
| Event Management | \$ 250,000 | \$ 25,000 | N/A | 05/01/2013 |
| Cyber Extortion | \$ 3,000,000 | \$ 50,000 | N/A | 05/01/2013 |

| Chubb Option | | | | |
|---|--------------|-----------|-------------------|-----------------|
| Coverage | Limit | Retention | Retroactive Date* | Continuity Date |
| Maximum Aggregate | \$ 3,000,000 | \$50,000 | 05/01/2013 | 05/01/2013 |
| Cyber Liability | \$ 3,000,000 | \$ 50,000 | 05/01/2013 | 05/01/2013 |
| Regulatory Action | \$ 3,000,000 | \$ 50,000 | 05/01/2013 | 05/01/2013 |
| E-Business Interruption & EE | \$ 3,000,000 | \$ 50,000 | 05/01/2013 | 05/01/2013 |
| Privacy Notification & Crisis Management Expenses | \$ 3,000,000 | \$ 50,000 | 05/01/2013 | 05/01/2013 |
| E-Threat Expenses Coverage | \$ 3,000,000 | \$ 50,000 | 05/01/2013 | 05/01/2013 |
| Reward & Expenses Coverage | \$ 25,000 | \$ 5,000 | 05/01/2013 | 05/01/2013 |
| E-Vandalism Expenses Coverage | \$ 3,000,000 | \$ 50,000 | 05/01/2013 | 05/01/2013 |

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Chubb Advantages:

- Claims Made policy
- Retentions are capped at the largest applicable amount.
- Duty to defend
- Broader definitions of a claim and insured
- No prior knowledge exclusion

F. **Equipment Breakdown** : renewal has remained flat with a 1% premium increase.

G. **Crime Liability:**

- Current/Renewal Program (available until 2019): Limit \$1,000,000 /Deductible: \$25,000. Premium: \$4,492
- Premium Indication 1: \$8,500 – Limit \$3,000,000/ Deductible: \$50,000
- Premium Indication 2: \$10,500 – Limit \$5,000,000/ Deductible: \$50,000
- Premium indications 1 and 2 include \$250,000 social engineering limit and a \$1,000,000 faithful performance limit.
- New application would be needed and the rating factors may affect the premium. Please note a 3 year policy can only be put into place for the \$3,000,000 limit option.

H. **Sports Liability and Accidental Death and Dismemberment:** exposures decreased from 19,205 to 17,620 participants which represents an 8% decrease. The renewal premium for the sports liability decreased 7% and the premium for the ADD decreased 4%.

I. **Storage Tank Liability:** shows a 7% 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. **Terrorism Liability:** As requested we have obtained an indication for both Property and Liability Terrorism Liability. For Property Terrorism Indian Harbor is offering \$242,312,608 per occurrence/annual aggregate with a \$50,000 deductible for \$15,000 annual premium. For Liability Terrorism Indian Harbor is offering \$25,000,000 per occurrence/annual aggregate with a \$50,000 deductible for \$10,500 in premium.

Marketplace Status as of March 2017

Property

As a result of several quiet hurricane seasons, as well as a large influx of capital into the insurance and reinsurance market (both traditional and alternative), competition amongst the carrier has been robust. We have been successful in negotiating very favorable programs for our clients. While we continue to see a soft market, we may be close to a bottom, as we have seen some insurers report lower earnings

Liability

Due to the city's continuing favorable loss experience, improvements and maintenance to the sidewalks and the overall loss control efforts markets have responded positively. This is shown through the premium reductions to the city.

Excess Workers Compensation

The excess workers compensation insurance market has been challenging to Florida insureds and self-insureds for the last several years especially for the municipal sector. During this time, many insurers have either exited the Florida marketplace, or severely curtailed their writings of this line of coverage. Of the carriers that remain in the market, the trend has been for them to require higher retentions and higher premiums. Reasons for this include:

1. Public Safety "presumptive" claims that have increased the types of claims that fall under workers compensation and their long term financial liabilities.
2. Increased use of higher-cost treatments in treating occupation injuries.
3. More use of prescription medications for injured employees.
4. Medical inflation
5. Insurance company combined ratios that have been exceeding 100%
6. Extremely low investment income

Excess workers compensation coverage is intended to cover infrequent and large catastrophic losses. However, due to the above factors, the trend has been for more claims to become "large" claims, and enter the insured's layer.

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Renewal Program Option I – Package Carrier: Certain Underwriters at Lloyd’s of London

| Liability | Workers Compensation | Property Including Pumps & Fountains |
|--|--|---|
| <p>❖ Carrier: Certain Underwriters at Lloyd’s of London</p> <ul style="list-style-type: none"> • General Liability \$850,000 per occurrence Excess Limit: \$4M per Occurrence/\$8M Annual Aggregate Including the following sub-limits (not included in excess limit) <ul style="list-style-type: none"> ✓ Sexual Harassment \$4,850,000 per occurrence \$4,850,000 Annual Aggregate ✓ Sexual Abuse \$4,850,000 per occurrence \$4,850,000 Annual Aggregate • Automobile Liability \$4,850,000 per occurrence • Public Officials \$4,850,000 per occurrence/ \$5,300,000 Annual Aggregate. Including the following sub-limits: <ul style="list-style-type: none"> ✓ Errors & Omissions* \$4,850,000 per occurrence \$5,300,000 Annual Aggregate ✓ Employment Practice Liability* \$4,850,000 per occurrence \$5,300,000 Annual Aggregate • Employee Benefits Liability* \$4,850,000 per occurrence \$5,300,000 Annual Aggregate • Law Enforcement Activities \$850,000 per occurrence <p>Excess Limit: \$4M per Occurrence/\$4M Annual Aggregate Including the following sub-limit (not included in excess limit)</p> <ul style="list-style-type: none"> ✓ Sexual Harassment \$4,850,000 per occurrence \$4,850,000 Annual Aggregate ✓ Sexual Abuse \$4,850,000 per occurrence \$4,850,000 Annual Aggregate <p>Premium: \$580,000 + fees and assessments</p> <p>* Claims Made Coverage applies. Refer to policy for applicable Retroactive Date and Limits</p> | <p>❖ Carrier: New York Marine General Insurance Company</p> <p>Excess Workers Compensation</p> <p>Statutory Employers Liability: \$1,000,000 each accident / each employee for disease or cumulative injury Retention: \$1,000,000</p> <p>Premium: \$194,100</p> | <ul style="list-style-type: none"> • Second Excess Property Excess of \$25MM per Occ. <p>❖ Carrier: Landmark American Insurance Company Limits: \$217,312,608 Premium: \$50,475 + fees and surcharges</p> <ul style="list-style-type: none"> • First Excess Excess Layer Part of \$15MM Excess of \$10MM per Occ. <p>❖ Carrier: Evanston Insurance Company Limits: \$7,500,000 Premium: \$119,702 + fees and surcharges</p> <p>❖ Carrier: Liberty Insurance Company Limits: \$7,500,000 Premium: \$119,702 + fees and surcharges</p> <p>Total Layer Price: \$239,404 + taxes and fees</p> <p style="text-align: center;">Primary Property</p> <p>❖ Carrier: Lloyd’s of London Limits: Primary \$10,000,000 in any occurrence Premium: \$543,027 + fees and surcharges</p> |
| <p>SIR Per Occurrence \$350,000</p> | <p>SIR Per Occurrence \$500,000</p> | <p>Deductible:</p> <ul style="list-style-type: none"> • \$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 (Prefix A or V) • 5% of total insured values affected at per unit subject to \$250,000 per occurrence minimum 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 and a max of \$7,500,000 any one occurrence in respect to Named Windstorm and Hail • \$100,000 per occurrence All Other Windstorm or Hail |

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Renewal Program Option II – Package Carrier: AIX Specialty Insurance Company

| Liability |
|--|
| <p>❖ Carrier: AIX Specialty Insurance Company</p> <ul style="list-style-type: none"> • General Liability \$4,850,000 per occurrence \$9,000,000 Annual Aggregate • Automobile Liability \$4,850,000 per occurrence • Public Officials \$4,850,000 per occurrence/ \$5,300,000 Annual Aggregate. Including the following sub-limits: <ul style="list-style-type: none"> ✓ Errors & Omissions* \$4,850,000 per occurrence \$5,300,000 Annual Aggregate ✓ Employment Practice Liability* \$4,850,000 per occurrence \$5,300,000 Annual Aggregate ✓ Sexual Harassment \$2,850,000 per occurrence \$2,850,000 Annual Aggregate ✓ Sexual Abuse \$850,000 per occurrence \$850,000 Annual Aggregate • Employee Benefits Liability* \$4,850,000 per occurrence \$5,300,000 Annual Aggregate • Law Enforcement Activities \$4,850,000 per occurrence 9,000,000 Annual Aggregate Including the following sub-limit (not included in excess limit) <ul style="list-style-type: none"> ✓ Reimbursement of Defense Costs Incurred Prior to Denial or Declination \$25,000 per Insured \$50,000 per occurrence \$100,000 Annual Aggregate <p>Premium: \$500,338+ fees and assessments</p> <p>* Claims Made Coverage applies. Refer to policy for applicable Retroactive Date and Limits</p> |
| <p>SIR Per Occurrence \$350,000</p> |

| Workers Compensation |
|--|
| <p>❖ Carrier: New York Marine General Insurance Company</p> <p>Excess Workers Compensation</p> <p>Statutory Employers Liability: \$1,000,000 each accident / each employee for disease or cumulative injury Retention: \$1,000,000</p> <p>Premium: \$194,100</p> |
| <p>❖ Carrier: AIX Specialty Insurance Company</p> <p>WC: \$500,000 per occurrence x5 \$500,000 Employers Liability \$500,000 x5 \$500,000</p> <p>Premium: Included in the Package policy</p> |
| <p>SIR Per Occurrence \$500,000</p> |

| Property Including Pumps & Fountains |
|--|
| <ul style="list-style-type: none"> • Second Excess Property Excess of \$25MM per Occ. <p>❖ Carrier: Landmark American Insurance Company Limits: \$217,312,608 Premium: \$50,475 + fees and surcharges</p> <ul style="list-style-type: none"> • First Excess Excess Layer Part of \$15MM Excess of \$10MM per Occ. <p>❖ Carrier: Evanston Insurance Company Limits: \$7,500,000 Premium: \$119,702 + fees and surcharges</p> <p>❖ Carrier: Liberty Insurance Company Limits: \$7,500,000 Premium: \$119,702 + fees and surcharges</p> <p>Total Layer Price: \$239,404 + taxes and fees</p> <p style="text-align: center;">Primary Property</p> |
| <p>❖ Carrier: Lloyd's of London Limits: Primary \$10,000,000 in any occurrence Premium: \$543,027 + fees and surcharges</p> |
| <p>Deductible:</p> <ul style="list-style-type: none"> • \$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 (Prefix A or V) • 5% of total insured values affected at per unit subject to \$250,000 per occurrence minimum 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 and a max of \$7,500,000 any one occurrence in respect to Named Windstorm and Hail • \$100,000 per occurrence All Other Windstorm or Hail |

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All Other Policies

| New York Marine & General Insurance Company | | | |
|--|---|---------------------------------------|-------------|
| Excess WC and Employers Liability Coverage | Occurrence Limit/ Sublimit | Aggregate Limit/ Sublimit | Retention |
| Excess Workers Compensation | Statutory | Statutory | \$1,000,000 |
| Excess Employers Liability | \$1,000,000 | N/A | \$1,000,000 |
| Travelers Casualty and Surety Company of America | | | |
| Crime Coverage | Occurrence Limit/ Sublimit | Aggregate Limit/ Sublimit | Retention |
| Forgery or Alteration | \$1,000,000 | N/A | \$25,000 |
| On Premises | \$1,000,000 | N/A | \$25,000 |
| In Transit | \$1,000,000 | N/A | \$25,000 |
| Money Orders and Counterfeit Money | \$ 50,000 | N/A | \$1,000 |
| Computer Fraud | \$1,000,000 | N/A | \$25,000 |
| Funds Transfer Fraud | \$1,000,000 | N/A | \$25,000 |
| Claim Expense | \$ 5,000 | N/A | \$ 0 |
| Hartford Life and Accident Insurance Company | | | |
| Business Travel Accident Coverage | Occurrence Limit/ Sublimit | Aggregate Limit/ Sublimit | Retention |
| C-12 and C-41 Benefit (ADD) | \$ 300,000 | \$1,500,000 | \$0 |
| Rehabilitation | 10% of principal sum to a maximum of \$25,000 | \$1,500,000 | \$0 |
| Seatbelt | 10% of principal sum to a maximum of \$25,000 | \$1,500,000 | \$0 |
| Medical Evacuation | Up to a combined max of \$1,000,000 | \$1,500,000 | \$0 |
| Repatriation | Up to a combined max of \$1,000,000 | \$1,500,000 | \$0 |
| Hartford Life Insurance Company | | | |
| Police & Fire ADD Coverage | Occurrence Limit/ Sublimit | Aggregate Limit/ Sublimit | Retention |
| Hazard C-31 VL 118 Accidental Death Benefit Unlawful & Intentional Death | \$198,273 | N/A | \$0 |
| Hazard C-62 Accidental Death Benefit Unlawful & Intentional Death | \$66,042 | N/A | \$0 |
| Hazard C-64 Accidental Death Benefit Unlawful & Intentional Death | \$66,042 | N/A | \$0 |
| Commerce and Industry | | | |
| Storage Tank Liability | Occurrence Limit/ Sublimit | Aggregate Limit/ Sublimit | Retention |
| Underground Storage Tank | \$1,000,000 | \$2,000,000/\$4,000,000 Policy Agg | \$10,000 |
| Aboveground Storage Tank | \$1,000,000 | \$2,000,000/\$4,000,000 Policy Agg | \$10,000 |

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| Scottsdale Insurance Company | | | |
|--|---------------------------------------|--------------------------------------|------------------|
| Sports General Liability Coverage | Occurrence Limit/ Sublimit | Aggregate Limit/ Sublimit | Retention |
| Products and Completed Operations | \$ 1,000,000 | N/A | \$0 |
| Personal and Advertising Injury | \$ 1,000,000 | N/A | \$0 |
| Each Occurrence | \$ 1,000,000 | N/A | \$0 |
| Damage to Premises Rented to you | \$300,000 | N/A | \$0 |
| Premises Medical Payments | \$5,000 | N/A | \$0 |
| Legal Liability to Participants | \$ 1,000,000 | N/A | \$0 |
| Crisis Response | \$25,000 | \$25,000 | \$0 |
| Cyber Privacy & Client Identity Theft Supplementary Payment | \$10,000 | \$1,000,000 | \$0 |
| Sexual Abuse & Molestation | \$1,000,000 | \$ 1,000,000 | \$0 |
| Nationwide Life Insurance Company | | | |
| Sports- Amateur Program | Occurrence Limit/ Sublimit | Aggregate Limit/ Sublimit | Retention |
| Accidental Medical – Excess Limits | \$100,000 | N/A | \$250 |
| Accidental Death & Specific Loss | \$10,000 | N/A | \$250 |
| Hazard C-64 Accidental Death Benefit Unlawful & Intentional Death | \$66,042 | N/A | \$0 |
| Travelers Property and Casualty Company of America | | | |
| Equipment Breakdown | Occurrence Limit/ Sublimit | Aggregate Limit/ Sublimit | Retention |
| Total Limit per Breakdown | \$50,000,000 | N/A | \$1,000 |
| Dependent Property | \$10,000,000 | N/A | \$1,000 |
| Electronic Data or Media | \$5,000,000 | N/A | \$1,000 |
| Fungus, Wet Rot & Dry Rot | \$100,000 | N/A | \$1,000 |
| Hazardous Substance Limitation | \$10,000,000 | N/A | \$1,000 |
| Ordinance or Law | \$10,000,000 | N/A | \$1,000 |

City Of Coral Gables 2017-2018

RECOMMENDED ENHANCEMENTS

| Property Option 1 | | | | |
|--|----------------|----------------------|-----------------|----------------------|
| Layer | Limit | Premium | EMPA | Total |
| Primary (Including Named Wind) | \$ 10,000,000 | \$ 543,027.00 | \$ 4.00 | \$ 543,031.00 |
| First Excess (Including Named Wind) | \$ 15,000,000 | \$ 239,404.00 | \$ 4.00 | \$ 239,408.00 |
| Second Excess All other Perils Only (Excluding Named Wind, Earthquake and Flood) | \$ 217,312,608 | \$ 50,475.00 | \$ 4.00 | \$ 50,479.00 |
| Third Excess (Named Wind Only)- Premium Indication | \$ 25,000,000 | \$ 155,000.00 | \$ 12.00 | \$ 155,012.00 |
| Total Premium | | \$ 987,906.00 | \$ 28.00 | \$ 987,934.00 |

| Terrorism & Property Liability | | | |
|--------------------------------|---------------------|------------|-----------|
| Occurrence/Aggregate Limit | | Deductible | Premium |
| \$ 25,000,000 | Terrorism Liability | \$ 50,000 | \$ 10,000 |
| \$ 242,312,608 | Property Terrorism | \$ 50,000 | \$ 13,750 |

| Crime | | | |
|----------------------------|--|------------|-----------|
| Occurrence/Aggregate Limit | | Deductible | Premium |
| \$ 5,000,000 | | \$ 50,000 | \$ 10,500 |

CURRENT CRIME PROGRAM: \$1,000,000 LIMIT/ \$25,000 RETENTION - \$4,942 PREMIUM

THE FOLLOWING ARE PREMIUM INDICATIONS WAITING TO BE CONFIRMED BY THE CARRIERS: CRIME (\$5M)

City Of Coral Gables 2017-2018

2 YEAR COST COMPARISON

| Policy Type | BRIT Option | | | AIX Option | |
|---------------------------------|------------------------|------------------------|-------------|------------------------|-------------|
| | 2016-2017 | 2017-2018 | | 2017-2018 | |
| Package (Lloyds) | \$ 726,000.00 | \$ 580,000.00 | -20% | \$ 500,338.00 | -31% |
| Excess WC | \$ 184,643.00 | \$ 194,100.00 | 5% | \$ 194,100.00 | 5% |
| Property | \$ 882,200.00 | \$ 832,906.00 | -6% | \$ 832,906.00 | -6% |
| Boiler and Machinery | \$ 9,578.00 | \$ 9,668.00 | 1% | \$ 9,668.00 | 1% |
| ADD Business Travel | \$ 360.00 | \$ 360.00 | 0% | \$ 360.00 | 0% |
| ADD Police and Fire | \$ 12,338.00 | \$ 12,338.00 | 0% | \$ 12,338.00 | 0% |
| Bond Finance Director | \$ 1,750.00 | \$ 1,138.00 | -35% | \$ 1,138.00 | -35% |
| Storage Tank | \$ 2,375.00 | \$ 2,549.00 | 7% | \$ 2,549.00 | 7% |
| Crime | \$ 4,942.00 | \$ 4,942.00 | 0% | \$ 4,942.00 | 0% |
| Sports Liability | \$ 22,639.00 | \$ 21,006.00 | -7% | \$ 21,006.00 | -7% |
| ADD Sports | \$ 16,716.00 | \$ 16,006.00 | -4% | \$ 16,006.00 | -4% |
| Cyber Liability | \$ 37,333.00 | \$ 29,639.00 | -21% | \$ 29,639.00 | -21% |
| Total without surcharges | \$ 1,900,874.00 | \$ 1,704,652.00 | -10% | \$ 1,624,990.00 | -15% |
| EMPA | \$ 16.00 | \$ 16.00 | 0% | \$ 16.00 | |
| Total after surcharges | \$ 1,900,890.00 | \$ 1,704,668.00 | -10% | \$ 1,625,006.00 | -15% |
| Premium Savings | | \$ 196,222.00 | | \$ 275,884.00 | |
| Broker Fee | \$ 120,000.00 | \$ 120,000.00 | 0% | \$ 120,000.00 | 0% |
| Total Cost of Program | \$ 2,020,890.00 | \$ 1,824,668.00 | -10% | \$ 1,745,006.00 | -14% |

| | 2016-2017 | 2017-2018 | %Δ |
|---------------|-----------|-----------|-----|
| WC Rate | 0.2967 | .2967 | 0% |
| Property Rate | 0.3627 | .3437 | -5% |

City Of Coral Gables

Property Premium Breakdown (As Expiring)

| | Carrier | Limit | Coverage | Premium | EMPA | Total |
|-----------------|-----------------------------------|---------------------------|------------------------------|---------------------|----------------|---------------------|
| Primary | Lloyds of London | \$10,000,000 | Incl Wind, Flood, Earthquake | \$543,027.00 | \$4.00 | \$543,031.00 |
| 1st XS Property | Liberty Surplus Insurance Company | \$7.5M p/o \$15M xs \$10M | Incl Wind | \$119,702.00 | \$4.00 | \$119,706.00 |
| 1st XS Property | Evanston Insurance Company | \$7.5M p/o \$15M xs \$10M | Incl Wind | \$119,702.00 | \$4.00 | \$119,706.00 |
| 2nd XS Property | Landmark American Ins. Co. | \$217,312,608 xs \$25M | AOP Only | \$50,475.00 | \$4.00 | \$50,479.00 |
| Total | | | | \$832,906.00 | \$16.00 | \$832,922.00 |

NOTE:

*Premiums above do not include TRIA except for the package which includes TRIPRA for WC.

City Of Coral Gables

2 YEAR COST COMPARISON INCLUDING RECOMMENDED ENHANCEMENTS

| Policy Type | 2016-2017 | | BRIT Option | | AIX Option | | |
|---------------------------------|-----------|---------------------|-------------|---------------------|------------|------------------------|------------|
| | | | 2017-2018 | | 2017-2018 | | |
| Package (Lloyds) | \$ | 726,000.00 | \$ | 580,000.00 | -20% | \$ 500,338.00 | -31% |
| Excess WC | \$ | 184,643.00 | \$ | 194,100.00 | 5% | \$ 194,100.00 | 5% |
| Property (1) | \$ | 882,200.00 | \$ | 987,906.00 | 12% | \$ 987,906.00 | 12% |
| Boiler and Machinery | \$ | 9,578.00 | \$ | 9,668.00 | 1% | \$ 9,668.00 | 1% |
| ADD Business Travel | \$ | 360.00 | \$ | 360.00 | 0% | \$ 360.00 | 0% |
| ADD Police and Fire | \$ | 12,338.00 | \$ | 12,338.00 | 0% | \$ 12,338.00 | 0% |
| Bond Finance Director | \$ | 1,750.00 | \$ | 1,138.00 | -35% | \$ 1,138.00 | -35% |
| Storage Tank | \$ | 2,375.00 | \$ | 2,549.00 | 7% | \$ 2,549.00 | 7% |
| Crime (2) | \$ | 4,942.00 | \$ | 10,500.00 | 112% | \$ 10,500.00 | 112% |
| Sports Liability | \$ | 22,639.00 | \$ | 21,006.00 | -7% | \$ 21,006.00 | -7% |
| ADD Sports | \$ | 16,716.00 | \$ | 16,006.00 | -4% | \$ 16,006.00 | -4% |
| Cyber Liability | \$ | 37,333.00 | \$ | 29,639.00 | -21% | \$ 29,639.00 | -21% |
| Terrorism Liability (3) | | | \$ | 10,000.00 | | \$ 10,000.00 | |
| Terrorism Property (4) | | | \$ | 13,750.00 | | \$ 13,750.00 | |
| Total without surcharges | \$ | 1,900,874.00 | \$ | 1,888,960.00 | -1% | \$ 1,809,298.00 | -5% |
| EMPA | \$ | 16.00 | \$ | 32.00 | 100% | \$ 32.00 | |
| Total after surcharges | \$ | 1,900,890.00 | \$ | 1,888,992.00 | -1% | \$ 1,809,330.00 | -5% |
| Premium Savings | | | \$ | 11,898.00 | | \$ 91,560.00 | |
| Broker Fee | \$ | 120,000.00 | \$ | 120,000.00 | 0% | \$ 120,000.00 | 0% |
| Total Cost of Program | \$ | 2,020,890.00 | \$ | 2,008,992.00 | -1% | \$ 1,929,330.00 | -5% |

(1)-ADDITIONAL \$25M XS \$25M NAMED WIND ONLY

(2)-INCREASE LIMIT FROM \$1M TO \$5M

(3)- NEW LINE OF COVERAGE: TERRORISM LIABILITY \$25M LIMIT

(4)-NEW LINE OF COVERAGE: PROPERTY TERRORISM- FULL TIV LIMIT- \$242,312,608

Property Premium Breakdown (with increased limits)

| 2017-2018 | Carrier | Limit | Coverage | Premium | EMPA | Total |
|-----------------|-----------------------------------|---------------------------|------------------------------|----------------------|-----------------|----------------------|
| Primary | Lloyds of London | \$ 10,000,000 | Incl Wind, Flood, Earthquake | \$ 543,027.00 | \$ 4.00 | \$ 543,031.00 |
| 1st XS Property | Liberty Surplus Insurance Company | \$7.5M p/o \$15M xs \$10M | Incl Wind | \$ 119,702.00 | \$ 4.00 | \$ 119,706.00 |
| 1st XS Property | Evanston Insurance Company | \$7.5M p/o \$15M xs \$10M | Incl Wind | \$ 119,702.00 | \$ 4.00 | \$ 119,706.00 |
| 2nd XS Property | Landmark American Ins. Co. | \$217,312,608 xs \$25M | AOP Only | \$ 50,475.00 | \$ 4.00 | \$ 50,479.00 |
| 3rd XS Property | Westchester Surplus Lines | \$ 25,000,000 | Wind Only | \$ 62,000.00 | \$ 4.00 | \$ 62,004.00 |
| 3rd XS Property | Liberty Surplus Lines | \$ 25,000,000 | Wind Only | \$ 62,000.00 | \$ 4.00 | \$ 62,004.00 |
| 3rd XS Property | Endurance American Specialty | \$ 25,000,000 | Wind Only | \$ 31,000.00 | \$ 4.00 | \$ 31,004.00 |
| Total | | | | \$ 987,906.00 | \$ 28.00 | \$ 987,934.00 |

EXPOSURE COMPARISON

| | 2016-2017 | 2017-2018 | %Δ |
|--------------------------|----------------|----------------|-------|
| Expenditures | \$ 143,178,996 | \$ 152,920,942 | 7% |
| # of Employees FT | 829 | 831 | 0% |
| # of Employees PT | 107 | 135 | 26% |
| # of Autos | 578 | 631 | 9% |
| Payroll | \$ 61,875,651 | \$ 64,211,967 | 4% |
| EMTs | 15 | 15 | 0% |
| Paramedics | 121 | 121 | 0% |
| Armed Officers | 192 | 191 | -1% |
| Population | 52,227 | 52,227 | 0% |
| TIV | \$ 243,201,290 | \$ 242,312,608 | -0.4% |

| | 2016-2017 | 2017-2018 | %Δ |
|-----------------------------|----------------|----------------------|-------|
| Building | \$ 154,063,522 | \$ 175,515,640 | 14% |
| Contents | \$ 9,502,581 | \$ 10,801,152 | 14% |
| Vehicles | \$ 17,714,261 | \$ 17,714,261 | 0% |
| Golf Carts | \$ 488,214 | \$ 488,214 | 0% |
| BI | \$ 5,285,000 | \$ 5,285,000 | 0% |
| EDP | \$ 16,163,341 | \$ 16,163,341 | 0% |
| EDP EE | \$ 2,000,000 | \$ 2,000,000 | 0% |
| Account Receivable | \$ 7,400,000 | \$ 7,400,000 | 0% |
| Fine Arts | \$ 2,500,000 | \$ 3,500,000 | 40% |
| Valuable Papers | \$ 500,000 | \$ 500,000 | 0% |
| Pump Stations | \$ 15,384,000 | Included In Building | -13% |
| Fountains | \$ 10,012,000 | Included in Building | % |
| Seawalls & Docks | \$ 2,188,371 | \$ 2,945,000 | 35% |
| Total | \$ 243,201,290 | \$ 242,312,608 | -0.4% |

| | 2016-2017 | 2017-2018 | %Δ |
|---|-----------|-----------|-----|
| Sports Program # of participants | 19,205 | 17,620 | -8% |

of Autos does not include Off the Road Equipment

City Of Coral Gables

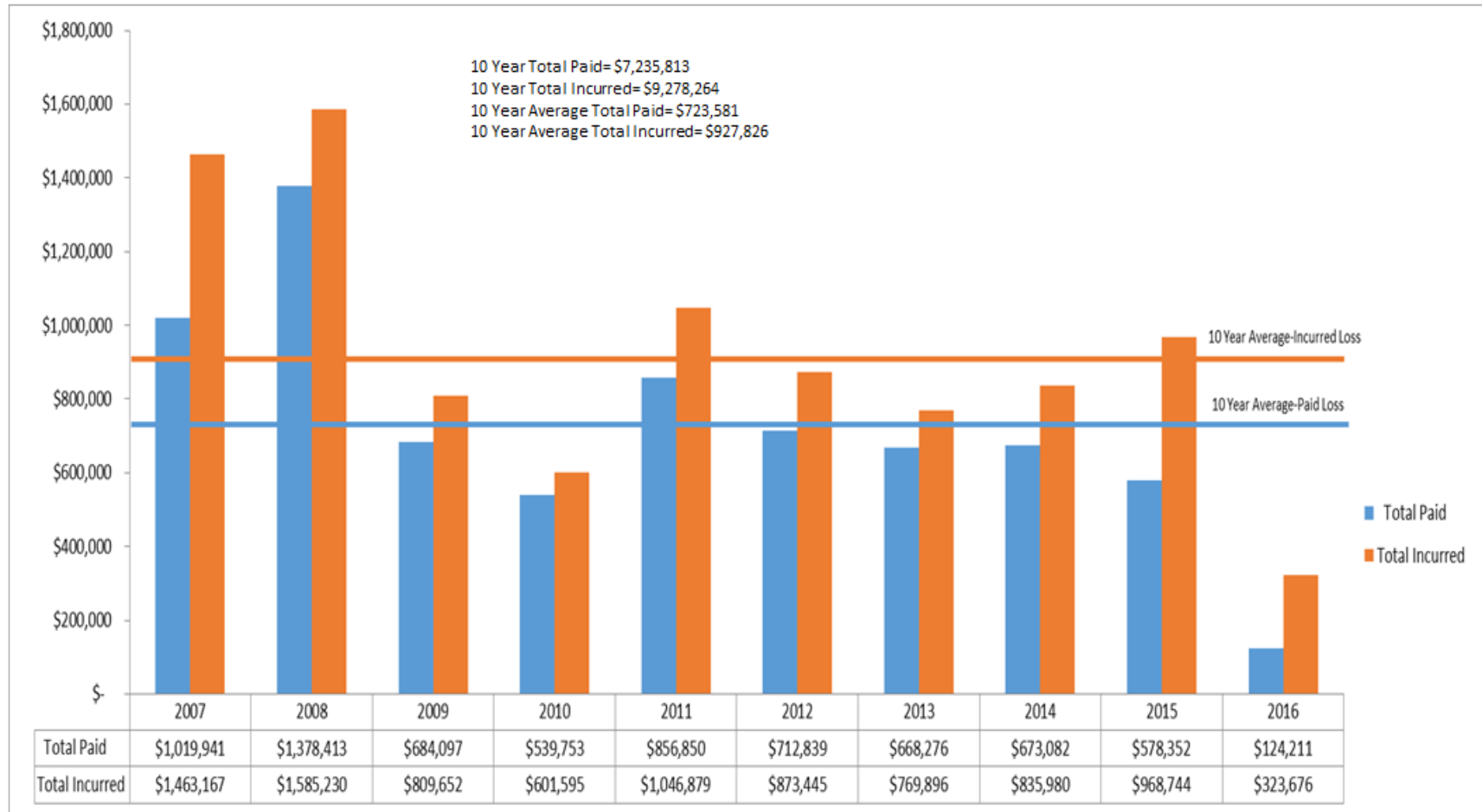
Large Locations at Risk:

In addition to loss from a catastrophic peril such as a hurricane, there is also concern for a significant loss to a single large building from a peril such as a fire or tornado. Listed below are the City's five largest buildings by total insured value. Please note that surrounding locations may represent additional values at risk.

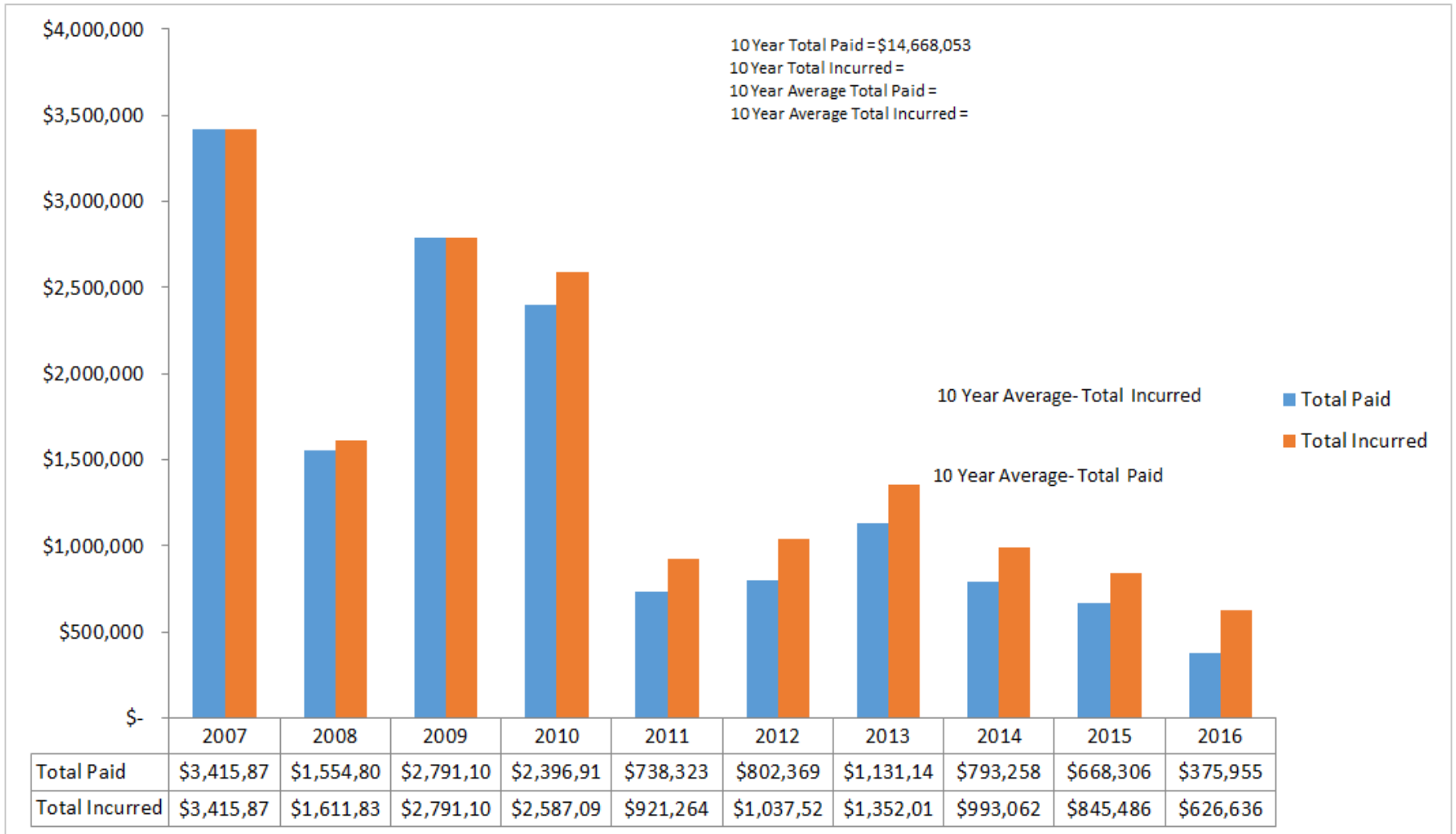
Top Five Valued Buildings

| Building Name | Address | Total Insured Value |
|----------------------------------|---------------------|---------------------|
| FIRE AND POLICE / CENTRAL GARAGE | 2801 SALZEDO STREET | \$ 36,051,000 |
| PARKING GARAGE 2 | 220 ARAGON AVENUE | \$ 20,347,000 |
| PARKING GARAGE 6 | 1 ARAGON AVENUE | \$ 14,527,00 |
| MUSEUM | 285 ARAGON AVENUE | \$ 11,500,000 |
| CITY HALL | 405 BILTMORE WAY | \$ 11,036,000 |

10 Year WC Loss Summary- All WC Claims Paid vs Incurred Losses



10 Year Liability Loss Summary Paid vs Incurred Losses



About your Broker – Arthur J. Gallagher Risk Management Services, Inc

- Arthur J. Gallagher Risk Management Services and the City of Coral Gables have worked together for many years to provide the County with a comprehensive and cost effective solution to their Risk Management Program
- 4th largest in the World
- A public company traded on the New York Stock Exchange
- Over 500 offices throughout the United States and in all major insurance market centers
- Over \$20 billion worth of premiums placed Worldwide
- 25,000 employees worldwide linked together by Gallagher Online for immediate access to market information and client solutions
- Known nationally as the Public Entity Non-Profit and Scholastic experts
- Unsurpassed FEMA public assistance expertise

Our Florida Public Entity and Scholastic Position

- #1 Florida Public Entity & Scholastic Broker
- #1 Florida Property Broker → over 20 Accounts with property schedules over \$1 Billion in insurable values
- Over 40 Professionals specializing in the public sector in three branches throughout the state
- Cost Effective Programs - Gallagher offers our clients the best possible coverage for the lowest premium, with financially secure carriers. We strive to deliver the most cost-effective risk management solutions available. We hold your interest first.
- Market access and leverage with all major carriers (Domestic, Bermuda and London) that write public sector clients in Florida. Market knowledge, access and evaluation are critical to the City's risk management program. Gallagher knows the markets to access and has strong relationships with these markets. This is crucial to the placement of a successful and cost-effective insurance program for the City. Our long-term experience with Public Entity institutions qualifies us to analyze and negotiate with markets to obtain the broadest terms and conditions with the most competitive pricing structure for our clients. This is demonstrated in the extensive marketing and quote analysis we have performed for the City every year, for more than 30 years.
- Extensive knowledge and experience in public sector alternative risk and pooling programs
- Gallagher has specialized resources on staff available to our public sector clients in the area of claims advocacy and loss prevention.
- Our staff has extensive experience in handling Florida catastrophic windstorm claims.
- Our local staff has a high level of experience and expertise in dealing with FEMA and the Florida Office of Insurance Regulation to assure maximum recovery for our clients in a federally declared disaster.
- Satisfied and long lasting Public Entity relationships :
 - ✓ 17 Florida County Governments
 - ✓ 27 Florida County School Systems
 - ✓ 25 Florida Cities
 - ✓ 28 Florida State Colleges
 - ✓ More than 20 Florida Authorities and Special Districts