



# Executive Summary

May 1, 2024-2025

## City of Coral Gables

2151 Salzedo Street  
Coral Gables, FL 33134

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

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[ajg.com](http://ajg.com)

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## Gallagher

Insurance | Risk Management | Consulting

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# Introduction

Thank you for this opportunity to present your renewal proposal program options and recommendations for your May 1<sup>st</sup> Insurance Renewal. This Executive Summary is a shorter version of your proposal and is intended to summarize the highlights and point you to any decisions that need to be made prior to binding. We highlight each **CORE360**<sup>®</sup> cost driver, beginning with Insurance Premiums and ending with Contractual Liability. This will not only organize the document but ensure that we are deliberate in driving value to each of your six cost drivers which represent your total cost of risk. It also follows the decisions made and action items we discussed in our Strategic Review; which serves as the basis for this proposal. We know that you have a choice and we appreciate your business and continued support.



## 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
<i>Primary Service Team</i>			
<b>Maria Perez</b> Area Senior Vice President	(305) 592-6090	Maria_Perez@ajg.com	Producer- Team Leader
<b>Ampy (Cabrera) Jimenez CPIA CISR Elite</b> Area Vice President	(786) 331-1269	Ampy_Jimenez@ajg.com	Producer- Marketing Director
<b>Kathy Hill, CIC</b> Client Service Manager Senior	(561) 998-6785	Kathy_Hill@ajg.com	Client Service Manager
<b>Bridgette Geist, CLCS</b> Client Service Manager	(561) 998-6771	Bridgette_Geist@ajg.com	Client Service Manager
<i>Claims Management</i>			
<b>Scott Clark</b> Claims Advocate Senior, Area Vice President	(561) 998-6815	Scott_Clark@ajg.com	Senior Claims Advocate
<i>Loss Control</i>			
<b>Jim Smith</b> Regional Risk Control Leader	(561) 998-6809	Jim_Smith@ajg.com	Regional Risk Control Leader

# Insurance Premiums

Premium results from Incumbent Carriers

Policy Type	Carrier	2023-2024	2024-2025	Change %	Comments
Property	Various	\$2,779,657	\$2,645,271	-7.5%	2023 Premium represents 19% quota share by City 2024 Premium represents 100% placement.
Excess AOP only xs 25M xs 50M	Various	\$25,000	\$30,000	20%	Increased due carriers increasing their minimum premiums
Excess AOP only TIV xs \$75M		Not Purchased			Layer not Purchased in 2023
Property SUBTOTAL		\$2,804,657	\$2,675,271	-5%	
Package	Berkley	\$500,000	\$566,000	13%	Premium increase due to exposure increase - Gross Operating Exposure 6% Increase and Payroll increase 7%
Excess WC	Arch	\$154,821	\$166,771	8%	Premium Increase due to increased payroll, rate increased by 1%, Payroll increased by 7%. Two year rate commitment.
Equipment Breakdown	Travelers	\$11,503	\$14,792	29%	
Business Travel	Hartford	\$750	\$750	0%	Annual Installment
ADD Police and Fire	Hartford	\$12,053	\$12,053	0%	Annual Installment
Diana Gomez Bond	Hartford	\$1,138	\$1,138	0%	
Bond Golf and Country Club Health Studio Bond	Hartford	\$250	\$250	0%	
Bond War Memorial Youth Center Health Studio	Hartford	\$250	\$250	0%	
Pollution Liability	Ascot	\$34,500	N/A		Pre-paid Multi Year*
Crime	Hanover	\$9,561	\$9,657	1%	
Accident Sports	Zurich	\$9,410	\$9,780	4%	Increase due to participants exposures increasing 4%
Cyber Liability	C&F	\$59,614	\$55,633	-7%	
Terrorism Property & Liability	AJG UK	\$26,000	\$27,240	5%	
Deadly Weapon Protection	Hiscox	\$10,903	\$11,993	10%	
Flood	Voyager	\$97,751	\$114,911	18%	
Fine Arts****		Included in Package			
EMPA, FEES & TRIA		\$2,818	\$3,000		
Broker Fee		\$90,000	\$90,000		
<b>Total Cost of Program</b>		<b>\$3,825,979</b>	<b>\$3,759,489</b>	<b>-1.7%</b>	

\* Pollution – Prepaid for 2 Years - Note: TRIA Purchased on Pollution Policy.

## 2024 New/Different Options

Policy Type	Carrier	Option	Premium	Notes
Equipment Breakdown	Travelers - (incumbent)	\$250,000,000;1,000 Deductible	\$14,792	Same as expiring term
Equipment Breakdown	HSB	\$250,000,000;1,000 Deductible	\$24,000	Indication only
Equipment Breakdown	Liberty	\$250,000,000;1,000 Deductible	\$20,000	Indication only
Cyber Liability	Crum & Forster – (incumbent)	\$2M/\$2M/\$50K SIR	\$55,633	Same as expiring terms
Cyber Liability	Crum & Forster – (incumbent)	\$2M/\$2M/\$250K SIR	\$45,917	Option for higher SIR with incumbent
Cyber Liability	Corvus	\$2M/\$2M/\$100k SIR	\$68,413	Indication
Cyber Liability	Cowbell	\$2M/\$2M/\$50k SIR	\$60,183	Indication
Cyber Liability	XL	\$2M/\$2M/\$250k SIR	\$80,000	Indication
Cyber Liability	Great American	\$2M/\$2M/\$250k SIR	\$44,997	Indication – terms not as broad as incumbent
ADD Police/Fire	Hartford	as expiring	\$24,106 (\$12,053 per year)	2 Year annual Installment policy
Business Travel	Hartford	as expiring	\$1,500 (750 per year)	2 Year annual Installment policy
Crime	Hanover – (incumbent)	\$5M Limit; \$50K Deductible	\$9,657	Same as expiring terms
Crime	Travelers	\$5M Limit; \$50K Deductible	\$9,954	Same as expiring terms
Crime	Travelers	\$5M Limit; \$50K Deductible	\$9,954	Option 2 with higher Social Engineering limit \$10,758.05
Private Flood	Voyager – (incumbent)	Scheduled locations (23) Deductible \$25k (RCV Valuation)	\$114,911	Same as expiring terms.
Excess WC	Arch – (incumbent)	Limits: Statutory / \$1M EL; SIR: \$1M	\$166,771	Two year rate commitment - 2024 rate increase is 1%. Payroll increase 7% \$88,519,463
Excess WC	Midwest Employers Casualty	Limits: Statutory / \$1M EL; SIR: \$1M	\$206,693	Quoted
Package	Berkley – (incumbent)	Limit \$4,650,000 xs \$350K SIR.	\$566,000	Same as expiring terms
Package	Munich Re	Limit \$4,650,000 xs \$350K SIR. Law enforcement \$500 SIR.	\$1,175,000 to \$1,225,000	Indication only
Package	Euclid	Limit \$4.650,000 xs \$350K SIR.	\$750,000 to \$800,000	Indication only
Pollution Liability	Ascot – (incumbent) 2 year prepaid	Limit \$2M/ \$4M Aggregate; \$25K Retention / 2 Year Policy term	\$35,535 (\$34,500+ \$1,068 TRIA)	2 Year Term; Coverage is applied over two year term.
Terrorism Property & Liability	Hiscox – (incumbent)	Property: Limit \$100M; Liability \$25M Limit; Deductible \$10K	*\$27,240	Same as expiring terms *waiting revision for updated values
Deadly Weapon	London – (incumbent)	Limit \$100M/\$100M aggregate; Deductible \$10K	*\$11,993	Same as expiring terms *waiting revision for updated values
Terrorism Property & Liability	London/McGowan	Limit \$200M aggregate; Liability \$2.5M; Deductible \$10K	*\$21,379	Indication *waiting revision for updated values
Deadly Weapon	London/McGowan	Limit \$100M/\$100M aggregate; Deductible \$10K	*\$11,554	Indication *waiting revision for updated values
Terrorism Property & Liability	AXA	Limit \$100M aggregate; Liability \$5M; Deductible \$10K	*\$30,000	Indication *waiting revision for updated values
Deadly Weapon	AXA	Limit \$100M/\$100M aggregate; Deductible \$10K	*\$10,000	Indication *waiting revision for updated values

# Marketing Summary

Line of Coverage	Carrier	Response
<b>Public Entity Package</b>		
	Berkley (incumbent)	Quoted
	Munich Re	Indication only
	Euclid	Indication only
	Ambridge (Brit)	Declined - unable to compete on pricing
	Genesis	Pending
	Safety National	Declined – unable to quote without XSWC
	Old Republic	Declined – unable to compete on pricing
	Egis	Declined to quote due to the Law Enforcement exposure.
<b>Excess Workers Compensation</b>		
	Arch – (incumbent)	Quoted – 2 year rate guarantee
	Chubb	Declined - \$200K Minimum Premium
	Midwest Employers Casualty	Quoted
<b>Equipment Breakdown</b>		
	Travelers	Quoted
	Liberty	Not Competitive
	HSB	Not Competitive
<b>ADD Business Travel</b>		
	Hartford – (incumbent)	2 year prepaid policy
<b>Bond</b>		
Finance Director	Hartford – (incumbent)	Quoted
Golf and Country Club Health Studio	Hartford – (incumbent)	Quoted
War Memorial Youth Center Health Studio	Hartford – (incumbent)	Quoted
<b>Pollution Liability</b>		
	Ascot	2 year prepaid policy
<b>Crime</b>		
	Hanover –(incumbent)	Quoted
	Travelers	Quoted
	Beazley	Pending
	Chubb	Not Competitive - Price
	Great American	Not Competitive - Price
	Ironshore	Declined - Not competitive on Price
<b>ADD Sports</b>		
	Zurich – (incumbent)	Quoted
<b>Cyber Liability</b>		
	Crum & Forster – (incumbent)	Quoted
	Corvus	Quoted
	Great American	Quoted
	Cowbell	Quoted
<b>Terrorism Property &amp; Liability &amp; Deadly Weapon Protection</b>		
	AJG UK (incumbent)	Quoted Terrorism
	AJG UK (incumbent)	Quoted Deadly Weapon
	Lloyds/McGowan	Quoted Terrorism
	Lloyds/McGowan	Quoted Deadly Weapon
	AXA	Quoted Terrorism and Deadly Weapon
<b>Flood</b>		
	Voyager	Quoted
<b>Property</b>		
	Markel	Quoted
	Ironshore	Quoted

Line of Coverage	Carrier	Response
Property		
	Arch	Quoted
	Westfield	Reviewing
	Hallmark	<ul style="list-style-type: none"> <li>• Capacity non-renewed in excess for RPS due to CORE capacity in primary</li> <li>• Not competitive on primary</li> </ul>
	Aspen	Quoted
	Eagle	Quoted
	Intact	Quoted
	Beazley	Quoted
	Kemah Capital	Indication Received
	Waypoint	Declined – no manuscript form
	Arrowhead	Not likely to offer competitive terms
	AXIS	Modeling
	Berkshire Hathaway	Indicated
	Canopus Underwriting Agency, Inc	Pending
	Core Specialty Insurance Holdings, Inc	Quoted
	C.N.A.	Pending
	Crum & Forster	Declined
	Great American XS	Clear, x-wind possibly
	Lexington Insurance Company	Quoted
	Lancashire	Declined
	Mitsui Sumitomo	Declined
	Paragon	Declined
	Risk Smith	Declined
	R.B. Jones Property	Declined – no appetites
	RSUI	Quoted
	Swiss Re E&S	Quoted
	Westchester	Declined - Can't compete with pricing
	XL Insurance	Declined uncompetitive and requires OLLE
	James River Insurance Company	Not enough limits to get to their minimum attachment
	AWAC	Pending
	Everest	Declined – Pricing not competitive
	Starr Specialty	Pending
	CoAction	Declined wind/hail due – due to construction and year built in Florida.
	Ethos	Not likely to offer competitive terms
	Munich E&S	Declined
	Navigators/Hartford	Quoted
	Kinsale	Reviewing
	Canopus	Quoted
	RLI	Not likely to offer competitive terms
	Zurich	Declined – no appetite



## Exposure Summary

Exposures	2023-2024	2024-2025	% Change
<b>Gross Operating Expenditures</b>	\$246,087,023	\$260,900,000	6%
<b>Number of Employees (FT &amp; PT &amp; Seasonal)</b>	1134	1134	0%
<b>Number of Autos</b>	577	696	20.6%
<b>Payroll</b>	\$83,013,742	\$88,519,463	6.6%
<b>EMTs</b>	Included below	Included below	-
<b>Paramedics</b>	145	145	0%
<b>Armed Officers</b>	213	213	0%
<b>Population</b>	48,375	49,193	1.7%
<b>TIV</b>	\$346,507,215	\$345,607,823	-0.3%
<b>Rate per \$100</b>	\$0.9131	\$0.7653	-16.19%
<b>Drones</b>	5	0	-100%
<b>Sports Program number of participants</b>	13,209	13,774	4.28%

Schedule of Values	2023-2024	2024-2025	% Change
<b>Building</b>	\$287,307,493	\$286,408,101	-0.26%
<b>Contents</b>	\$14,298,322	\$14,298,322	0%
<b>Vehicles</b>	\$18,436,967	\$18,436,967	0%
<b>Golf Carts</b>	\$179,433	\$179,433	0%
<b>BI</b>	\$5,285,000	\$5,285,000	0%
<b>EDP</b>	\$14,000,000	\$14,000,000	0%
<b>EDP EE</b>	\$2,000,000	\$2,000,000	0%
<b>Account Receivable</b>	\$1,000,000	\$1,000,000	0%
<b>Fine Arts</b>	\$3,500,000	\$3,500,000	0%
<b>Valuable Papers</b>	\$500,000	\$500,000	0%
<b>Pump Stations</b>	Included	Included	
<b>Fountains</b>	Included	Included	
<b>Seawalls &amp; Docks</b>	\$3,904,250 (included above)	\$3,904,250 (included above)	0%
<b>Total</b>	\$346,507,215	\$345,607,823	-0.26%

### Definitions:

- **Fine Arts** mean paintings; etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelains, and similar property of rarity, historical value, or artistic merit, excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money and securities. Fine Arts does not mean and does not include any item which would qualify as Valuable Papers and Records.

- **Valuable Papers and Records** means documents that are written, printed, or otherwise inscribed. These include:

1. Books, manuscripts, abstracts, maps and drawings; film and other photographically produced records, such as slides and microfilm;
2. Legal and financial agreements such as deeds and mortgages;
3. Addressograph plates; and
4. Any electrically produced data such as printouts, punched cards, tapes or discs.

Valuable Papers and Records does not mean money and securities and converted data, programs or instructions used in data processing operations, including the materials on which the data is stored. Valuable Papers and Records does not mean and does not include any item which would qualify as Fine Arts.

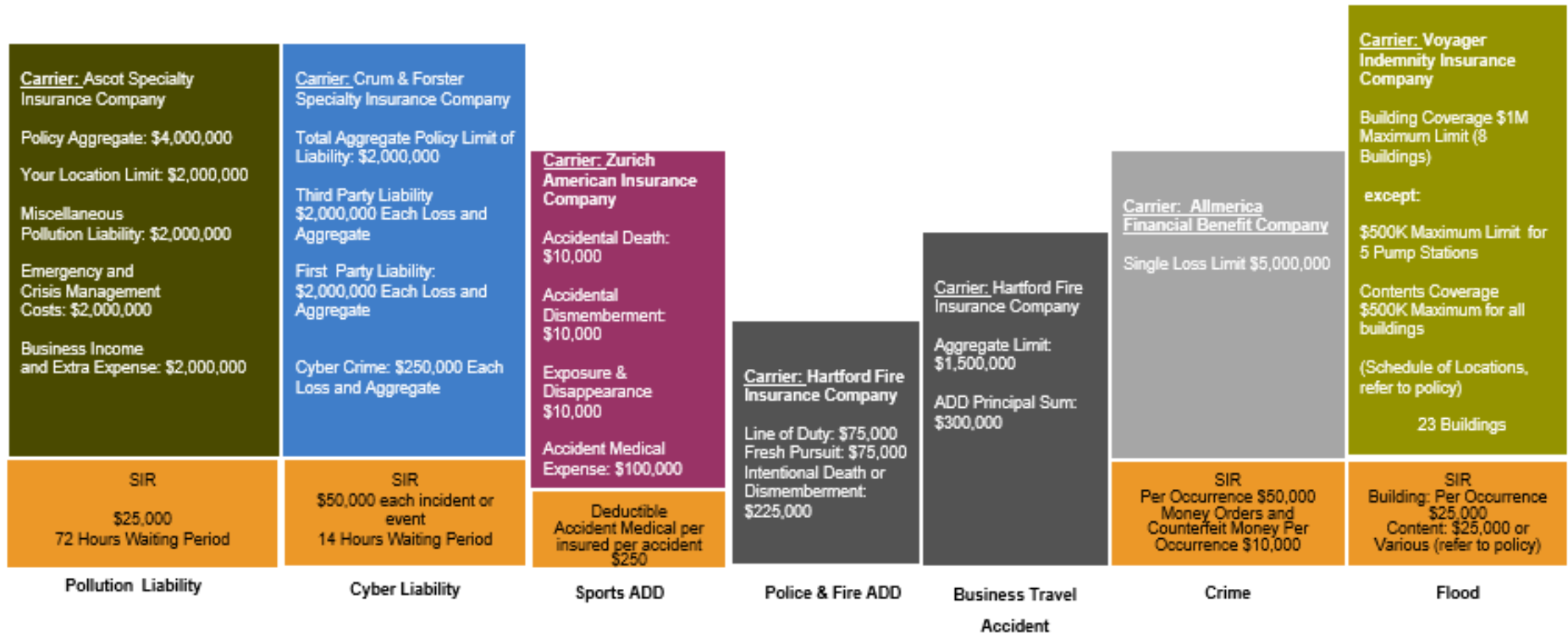
# Program Structure 2024

\$50MM Named Windstorm Limit  
\$25MM xs \$50MM All Other Perils Limit

<p>\$25M xs \$50M per Occurrence Perils: All Risk of Direct Physical Loss or Damage Excluding Flood, Earth Movement, and Windstorm or Hail associated with Named Storm 115% margin clause</p>	<p><b>Carrier: Certain Underwriters at Lloyd's</b></p> <p>Property Limit \$100,000,000</p> <p>Liability Limit \$25,000,000</p> <p>Deadly Weapon Protection Limit \$1,000,000</p>	<p><b>Carrier: Travelers Property Casualty Company</b></p> <p>Total Limit \$250,000,000</p>	<p><b>Carrier: Gemini Insurance Company</b></p> <ul style="list-style-type: none"> <li>• <b>General Liability</b> \$4,650,000 per occurrence \$9,000,000 Annual Aggregate Includes: <b>Law Enforcement Activities</b> \$4,650,000 Each Wrongful Act and \$4,650,000 Annual Aggregate</li> <li>• <b>Automobile Liability</b> \$4,650,000 per occurrence</li> <li>• <b>Public Officials, Employment Practices &amp; Employee Benefits Liability *</b> \$4,650,000 per Claim \$5,300,000 Annual Aggregate. Includes: <b>Limited Sexual Misconduct Incident Liability*</b> \$4,650,000 Each Claim and Annual Aggregate</li> <li>• <b>Crisis Management Expense</b> \$35,000 Each Crisis Event and \$35,000 Annual Aggregate</li> </ul> <p>* Claims Made Coverage applies. Refer to policy for applicable Retroactive Date and Limits</p>	<p><b>Carrier: Arch Insurance Group</b></p> <p>Excess Workers Compensation: Statutory Employers Liability: \$1,000,000 Each Accident / Each Employee for disease or cumulative injury</p> <p>Retention: \$1,000,000</p>
<p>\$25MM XS \$25MM per Occurrence Perils: Peril Risk of Direct Physical Loss or Damage Excluding Flood, Earthquake and Equipment Breakdown Blanket</p>				
<p>First Excess Layer \$15MM XS of \$10MM Per Occurrence Peril Risk of Direct Physical Loss or Damage Excluding Flood, Earthquake and Equipment Breakdown Blanket</p>				
<p>\$10MM in any Occurrence Primary Property XS Deductible Perils: All risks of Direct Physical Loss or Damage including Flood and Earth Movement, excluding Boiler and Machinery Blanket</p>				
<p>Deductibles: -\$100,000 per Occurrence All Other Perils -72 -Hour waiting for Time Element -\$100,000 Earthquake -Flood \$100,000 Excess Maximum NFIP Limit available for Special Flood Hazard Areas for Special Flood Hazard Areas (Prefix A or V) -5% of Total Insured Values affected at per unit subject to \$250,000 per occurrence minimum Flood as a result of Named Windstorm -5% of the replacement cost value of each unit of insurance as per schedule on file subject to a min deductible of \$250,000 per occurrence per occurrence in respect to Named Windstorm and Hail -\$100,000 per occurrence All Other Windstorm of Hail</p>	<p>Property Deductible \$10,000</p>	<p>Deductible \$1,000 4 Hours Waiting Period</p>	<p>SIR Per Occurrence \$350,000</p>	<p>SIR Per Occurrence \$1,000,000</p>
<p>Property Including Pumps &amp; Fountains</p>	<p>Property &amp; Liability Terrorism</p>	<p>Boiler &amp; Machinery</p>	<p>Public Entity Liability</p>	<p>Workers' Compensation</p>

Please note that coverages are not drawn to scale and actual policy verbiage should be consulted for coverage terms and conditions

# City of Coral Gables Ancillary Lines



Please note that coverages are not drawn to scale and actual policy verbiage should be consulted for coverage terms and conditions

# Renewal Results

## Package

The incumbent carrier is Gemini (Berkley). They have offered a renewal quote with 13% premium increase, while Gross Operating Exposure 6% Increase and Payroll increase 7%. Overall loss cost trends continue to increase due to social and standard inflation trends.

Other markets where approached but could not compete with the pricing.

	2022-2023 Ambridge	2023-2024 Ambridge Renewal	2023-2024 Ambridge	2023-2024 Gemini Insurance Co (Berkley)	2024-2025 Gemini Insurance Co (Berkley)
Premium	\$804,000	\$880,000	\$778,000	\$500,000	\$566,000
WC TRIA	\$2,875	\$3,050	Not Covered	Not Covered	Not Covered
Liability Limit	Various (see below)	Various (see below)	Various (see below)	Various (see below)	Various (see below)
Workers' Compensation (WC) and Employers Liability (EL) Limit	\$500,000	\$500,000	Not Covered	Not Covered	Not Covered
Retention (SIR)	\$350,000 Liability \$500,000 WC/EL	\$350,000 Liability \$500,000 WC/EL	\$350,000 Liability	\$350,000 Liability	\$350,000 Liability
(+/-) Difference %		9%	-3%	-38%	13%

### Optional Indications:

Package	Munich Re	Limit \$4,650,000 xs \$350K SIR. Law enforcement \$500 SIR.	\$1,175,000 to \$1,225,000	Indication only
Package	Euclid	Limit \$4.650,000 xs \$350K SIR.	\$750,000 to \$800,000	Indication only

## Excess Workers' Compensation

The incumbent carrier Arch Insurance Company offered the renewal quote. We are currently in a two year rate guarantee with a cap of a 2.5% rate increase. After negotiating we were able to secure a 1% rate increase, the remainder of the premium increase is due to the 6.6% increase in payroll.

We received an optional quotes please see the premium comparison below.

Midwest Casualty also offered 2-year policy where the rate is flat year over year. There is no underwriting between year 1 and 2 and no submission would be needed.

	2022 Safety National	2023 Arch Insurance Company	2024 Arch Insurance Company	2024 Midwest Employers Casualty 1 year option	2024 Midwest Employers Casualty 2 year option
Premium	\$172,305	\$154,821	\$166,771	\$206,693	\$413,386
Limit	WC – Statutory Employers Liability - \$1,000,000	WC – Statutory Employers Liability - \$1,000,000	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	\$1,000,000	\$1,000,000
(+/-) Difference %		-10%	8%	33.5%	167%

## Cyber Liability

The incumbent carrier Crum & Forster has offered the renewal quote per the expiring limits and retention. The expiring limit is a \$2,000,000 Aggregate with \$50,000 Retention. We received other non-bindable indications from other carriers, however, the most competitive option we received is from Crum & Forster.

	2022-2023 Corvus	2023-2024 Crum & Forster	2024-2025 Crum & Forster Option 1	2024-2025 Crum & Forster Option 2
Premium	\$79,596	\$59,614	\$55,633	\$45,917
Limit	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Retention (SIR)	\$150,000	\$50,000	\$50,000	\$250,000
(+/-) Difference %		-25%	-7%	-23%

### Optional Indications:

Cyber Liability	Corvus	\$2M/\$2M/\$100k SIR	\$68,413	Indication
Cyber Liability	Cowbell	\$2M/\$2M/\$50k SIR	\$60,183	Indication
Cyber Liability	XL	\$2M/\$2M/\$250k SIR	\$80,000	Indication
Cyber Liability	Great American	\$2M/\$2M/\$250k SIR	\$44,997	Indication – terms not as broad as incumbent

## Property

We went out to market for your Property renewal and are pleased to be able to reflect a premium decrease. Commercial property insurance rates stabilizing across the country as more carriers are coming into the property space. By restructuring and adding new carriers we have been able to save an average of 15% in premium.

Exposures and Terms	2023	2024	Change %
Total Insured Value	\$346,507,215	345,607,823	-0.3%
Deductible	\$100,000 AOP	\$100,000 AOP	
Maximum Cap deductible	no CAP	no CAP	
Valuation	Blanket – except layer \$25M xs \$25M - Westfield 105% Margin Clause	Blanket – except layer \$25M xs \$50M has a 115% margin clause	
Quota Share	19% in Layer \$25M xs \$25M	N/A	
Layers and Premiums			
<b>Property Primary</b> \$50M Named Windstorm and AOP	\$2,779,656	\$2,645,271	-7.5%
<b>Property Excess 1</b> AOP only xs 25M xs 50M	\$25,000	\$30,000	20%
<b>Property Excess 2</b> AOP only TIV xs \$75M	Not purchased	Not purchased	
<b>Total</b>	<b>\$2,804,656</b>	<b>\$2,675,271</b>	<b>-5%</b>
Rate	0.81	0.74	-7.3%

### Notes:

- ✓ \$25M xs \$50M AOP only – has a 115% margin clause
- ✓ 19% Quota Share option – Approximate Credit is \$154,000

We realize there is other deductibles applicable to the Program. Please see below 2024 Deductibles.

- \$100,000 Per Occurrence, All Perils.  
Except as noted below:
- \$100,000 Per Occurrence, except excess maximum National Flood Insurance Plan (NFIP) limit available, whether purchased or not as respects Locations wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-year flooding, any flood zone with prefix A or V as defined by the Federal Emergency Management Agency (FEMA)
- \$100,000 Per Occurrence All Other Windstorm or Hail except; 5% of Total Insured Values affected per Unit of Insurance, subject to a minimum of \$250,000 per occurrence
- \$100,000 Per Occurrence Automobile Physical Damage Comprehensive and Collision
- 72 Hours -Time Element

### U.S. Hurricane (Named Storm) Key Return Period Losses - Wind and Storm Surge including Loss Amplification

Critical Probability	Return Period (years)	Ground Up Loss	Deductible Loss	Loss Net of Deductible and Layering
0.010%	10,000	130,205,430	10,676,288	122,554,036
0.020%	5,000	100,548,243	9,360,904	93,382,080
0.100%	1,000	47,751,589	6,612,227	43,058,259
0.200%	500	33,295,368	5,310,618	29,270,559
0.400%	250	22,249,432	3,794,499	18,667,863
1.000%	100	11,413,425	2,567,304	8,450,580
2.000%	50	5,658,426	1,952,724	3,360,130
4.000%	25	1,945,357	1,359,306	627,464
10.000%	10	104,350	78,177	103
20.000%	5	137	11	3
<b>Average Annual Loss</b>		463,374	136,360	327,014
<b>Standard Deviation</b>		3,695,475	580,712	3,283,630

\*\*Note: loss amounts stated above use the RMS Stochastic Event Rate Set

**25 Highest valued locations**

LocNum	LocationName	City	Stat	Building Value	Contents Value	BI Value	TIV	AAL_RMS WS	AAL_AIR WS
141	Public Safety Building	CORAL GABLES	FL	\$48,118,134	\$4,377,000	\$0	\$52,495,134	\$23,417	\$30,202
53	Museum PARKING GARAGE	CORAL GABLES	FL	\$30,136,000	\$0	\$0	\$30,136,000	\$16,724	\$15,190
142	Minorca Garage7	CORAL GABLES	FL	\$18,574,607	\$150,000	\$0	\$18,724,607	\$7,756	\$7,005
133	Vehicles	CORAL GABLES	FL	\$0	\$18,436,967	\$0	\$18,436,967	\$34,746	\$0
54	CITY HALL	CORAL GABLES	FL	\$15,550,000	\$1,333,000	\$0	\$16,883,000	\$6,329	\$14,680
25	PARKING GARAGE 6	CORAL GABLES	FL	\$16,847,458	\$0	\$0	\$16,847,458	\$14,681	\$14,737
52	MUSEUM/ Historical Resources	CORAL GABLES	FL	\$14,446,000	\$2,185,000	\$0	\$16,631,000	\$6,152	\$11,006
2	CORAL GABLES COUNTRY CLUB	CORAL GABLES	FL	\$13,601,350	\$757,183	\$0	\$14,358,533	\$5,725	\$8,629
127	EDP	CORAL GABLES	FL	\$0	\$14,000,000	\$0	\$14,000,000	\$14,085	\$18,977
22	MIRACLE THEATRE	CORAL GABLES	FL	\$12,395,000	\$0	\$0	\$12,395,000	\$5,865	\$9,821
10	CORAL GABLES WAR MEMORIAL	CORAL GABLES	FL	\$10,643,424	\$525,000	\$0	\$11,168,424	\$4,301	\$10,510
3	MAINTENANCE FACILITY	MIAMI	FL	\$8,820,193	\$1,575,000	\$0	\$10,395,193	\$3,625	\$4,608
24	PARKING GARAGE 4	CORAL GABLES	FL	\$7,587,871	\$0	\$0	\$7,587,871	\$16,832	\$20,762
139	Fire Station #2	CORAL GABLES	FL	\$6,260,600	\$335,000	\$0	\$6,595,600	\$3,427	\$7,668
124	CORAL GABLES ADULT CENTER	CORAL GABLES	FL	\$5,357,824	\$277,794	\$0	\$5,635,618	\$2,846	\$3,410
126	BI	CORAL GABLES	FL	\$0	\$0	\$5,285,000	\$5,285,000	\$6,465	\$6,840
108	COUNTRY CLUB PRADO ENTRANCE	CORAL GABLES	FL	\$5,072,773	\$0	\$0	\$5,072,773	\$13,793	\$8,756
30	427 Administration Building : C	CORAL GABLES	FL	\$3,532,000	\$409,000	\$0	\$3,941,000	\$1,449	\$3,397
1	MAINTENANCE FACILITY	MIAMI	FL	\$3,174,744	\$619,000	\$0	\$3,793,744	\$1,313	\$1,683
23	PARKING GARAGE 1	CORAL GABLES	FL	\$3,695,956	\$0	\$0	\$3,695,956	\$8,455	\$10,242
129	Fine Arts	CORAL GABLES	FL	\$0	\$3,500,000	\$0	\$3,500,000	\$3,521	\$4,744
140	Trolley Building and Station	CORAL GABLES	FL	\$2,946,462	\$130,000	\$0	\$3,076,462	\$1,448	\$2,717
16	FIRE STATION 3	CORAL GABLES	FL	\$2,791,916	\$109,000	\$0	\$2,900,916	\$4,405	\$2,614
48	MERRICK HOUSE	CORAL GABLES	FL	\$2,219,289	\$572,323	\$0	\$2,791,612	\$1,807	\$633

## **Flood**

Your incumbent carrier Voyager Indemnity provided the renewal quote as per current schedule (eligible buildings that have secured roof and 4 walls).

	2022-2023	Current 2023-2024	2024-2025
Carrier	Voyager	Voyager	Voyager
# of Locations	10 locations	23 Locations	23 Locations
Valuation	RCV	RCV	RCV
Premium	\$9,720	\$97,751	\$114,911
Valuation	Scheduled Limit	Scheduled Limit	Scheduled Limit
Limit	maximum per building \$500K and \$500K for Content	Per Schedule, maximum per building \$500K Limit except \$1,000,000 for 8 buildings. Maximum \$500K for Contents – per schedule	Per Schedule, maximum per building \$500K Limit except \$1,000,000 for 8 buildings. Maximum \$500K for Contents – per schedule
(+/-) Difference %		906%	18%

## **Bonds**

We have received the renewal letter for three bonds. The premium is the same as last year.

Bond Name	2023	2024	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 policies below are in two year terms.

Policy Type	Premium	Notes
ADD Police and Fire	\$12,053	2 year annual installments
Business Travel	\$750	2 year annual installments

## **Accidental Death and Dismemberment Sports**

The incumbent carrier Zurich offered the competitive quote. The premium has increased by 4% due to an increase in exposure. No changes to the plan design.

2023	2024	Renewal vs. Expiring Δ%
\$9,410 Participants	\$9,780 Participants	4%



## Equipment Breakdown

The incumbent carrier Travelers has offered the renewal premium. The increase in premium is due to an increase in rate.

	2023	2024	Renewal vs. Expiring $\Delta\%$
Premium	\$11,277	\$14,646	29.9%
State Surcharges	\$226	\$146	-35.4%

## Crime

We have received the Crime quote from the incumbent carrier Hanover. The premium and surcharges have decreased by 1%.

We also received the quote from Travelers. The premium isn't as competitive as the incumbent, they offered two quote options. Current Hanover limit is \$5M with \$25k Deductible.

	2022-2023 Travelers	2023-2024 Hanover	2024-2025 Hanover	2024-2025 Travelers Option 1	2024-2025 Travelers Option 2
Premium	\$11,637	\$9,561	\$9,561	\$9,929	\$10,731
Surcharges	\$19.40	\$191.22	\$95.61	\$24.47	\$27.05
Limit	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Retention (SIR)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
(+/-) Difference %		-16%	-1%	3.8%	8%

Travelers options:

Quote 1: \$5M limit \$50k retention and includes Crime Endorsements: CRI-191085 Social Engineering Endorsement limit is \$100k with a \$50k retention CRI-19115-0519 Telecommunication Fraud Insuring Agreement Endorsement limit \$100k with a \$10k retention and CRI-7130 - Faithful Performance of Duty \$1M limit.

Quote 2: \$5M limit \$50k retention and includes Crime Endorsements: CRI-191085 Social Engineering Endorsement limit is \$250k with a \$50k retention CRI-19115-0519 Telecommunication Fraud Insuring Agreement Endorsement limit \$100k with a \$10k retention and CRI-7130 - Faithful Performance of Duty \$1M limit.

## Pollution Liability

Two Year Prepaid with Ascot.

	2022-2023 AXA XL	2023-2025 Ascot
<b>Premium</b>	<b>\$23,900</b>	<b>\$34,500</b>
<b>Policy Term</b>	<b>1 year</b>	<b>2 year- Prepaid</b>
<b>TRIA</b>	<b>\$239</b>	<b>\$1,035</b>
Policy Aggregate Limit	\$4,000,000	\$4,000,000
Legal Expense	Not Included	Not Included
Covered Location Pollution Liability	\$2,000,000	\$2,000,000
Emergency and Crisis Management Costs	\$500,000 Per Occurrence and Aggregate	\$2,000,000
Contingent Transportation	\$2,000,000	Included under Covered Location Pollution Liability
Non-Owned Disposal Site	\$2,000,000	Included under Covered Location Pollution Liability
Business Income and Extra Expense	Not Included	\$2,000,000
Retention (SIR)	\$25,000	\$25,000
Waiting Period (Income and Extra Expense)	Not Included	72 Hour
Mold	Excluded	Excluded
Retro Date	Refer to policy	N/A- pre-existing conditions are covered
Locations covered	Schedule of high exposure locations	All locations on SOV

### **Ascot- important policy notes:**

- Coverage is considered for both pre-existing and new conditions. No schedule of covered locations OR retro date applies, effectively broadening coverage.
- Ascot have followed suit from the expiring [AXA] policy with respects to specific exclusions related to Metals, PAHs, Lead, Arsenic, VOCs, SVOCs related to the Coral Gable golf course and the location at 2800 SW 2nd Ave. unless any/all relevant environmental reports for the golf course are provided Phase I/II reports if they're available, certainly any NFA documentation would be ideal.
- UST's are only required to be scheduled for the financial responsibility. AST's are covered under the policy and do not need to be scheduled. Financial responsibly is given for schedule USTs a binding condition. Ascot will need to have some evidence of tank tightness testing.

### **Examples of high exposure locations:**

- Pump Stations
- Fire Stations
- Safety Buildings
- Maintenance Facilities

## Terrorism and Deadly Weapon Protection

The incumbent carrier Lloyds of London has offered the renewal for this term. Terrorism premium has increased by 5%, while Deadly Weapon Protection premium has increased by 10%.

The increase in values and over rate increase mirrors the current market conditions for this type of coverage. The Sabotage and Terrorism market for US clients has experienced some hardening over recent months and is currently in a volatile state. Over the last couple of years we have started to see rate increases due to increased reinsurance costs. Large losses in the Political Violence market, caused by the ongoing conflict in Ukraine and numerous other events (South Africa Riots, Civil Unrest in Chile, the conflict in Israel and instability around the Red Sea) have increased reinsurance costs. In turn, these costs have been passed back into the direct marketplace, regardless of territory of the insured. Naturally for our US domiciled portfolio we are trying to keep these to a minimum, but we are still seeing rate increases being applied across the board. With international instability and concerns over the upcoming US Presidential Election, we are seeing rate increase for US domiciled insureds is around 10% to 20%, while some of our international clients are seeing rate increases as high as +50%.

We also received Terrorism Property and Liability Quotes along with Deadly Weapon Quote from two other carriers noted below:

- \*McGowan's quote is pending correction to the TIV which will increase the premiums
- AXA quote is not competitive

	2023 London Expiring	2024 London Renewal	Renewal vs. Expiring Δ%	2024 McGowan Option	2024 AXA Option
Terrorism Property & Liability	\$26,000	\$27,240	5%	*\$21,379 pending TIV revision	\$30,000
Deadly Weapon Protection	\$10,903	\$11,993	10%	*\$11,554 pending TIV revision	\$10,000

# Insurance Market Report — March 2024

## Foreword

While challenges within the commercial property market continue, many clients will be relieved to find a more stable property marketplace at this year's renewal, but are likely to see continued rate increases.

We are not out of the woods yet and many of the challenges clients have faced in their renewals are likely to continue for the near future. Our brokers will continue to emphasize the importance of providing detailed risk submissions well ahead of renewal discussions.

The casualty market is currently stable. However, there are concerning claims trends with social inflation and nuclear verdicts that all are monitoring.

Within commercial auto, the rising cost of repairs and liability payouts is raising questions about the adequacy of carriers' prior year reserves, an issue that could play out in pricing and coverage trends moving forward.

Cyber claims activity is picking up again, with malicious actors leveraging AI to carry out increasingly targeted and sophisticated attacks. Volatility of pricing is likely to remain a feature as the market continues to mature.

Defying prevailing market trends, we see fewer constraints within the public D&O market as capacity and competition remain plentiful. However, the easing of rates may ultimately prove unsustainable.

## At a glance

### Property:

Property buyers are seeing continued increases, even after the severe constraints of the past two years. That said, creative solutions must be considered as not all renewals will be straightforward, and double-digit rate increases are set to continue.

### Casualty:

A sensible market is emerging, with median rate increases largely stabilizing. Insurers are closely monitoring the impact of social inflation, nuclear verdicts, and rising medical costs. Against a backdrop of rising loss costs, commercial auto carriers are facing up to potential adverse prior-year reserve development.

### Cyber:

The cyber insurance market continues to mature as claims activity has increased in frequency and severity. Hackers are leveraging AI as they wage more sophisticated and targeted attacks.

### D&O:

Plentiful capacity continues to affect supply-demand dynamics within public D&O; but the market appears to have found a landing point for now. Settlement verdicts continue to grow in size, with directors facing a number of emerging exposures.

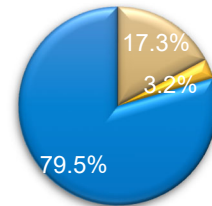
# Insurance Market Report — March 2024

## Key Trends

### Property: Slight easing of capacity constraints, but no time for complacency

- Property premium rates hardened by an average of 14.4% in the fourth quarter, showing a slight moderation after rates hardened by a median of 16.5% in Q3 and 17.8% in Q2 2023.
- Year-on-year, Q4 rate increases remain higher than the same period of the previous year (10.3%).
- Close to 80% of clients experienced an increase on their renewal price in the fourth quarter of 2023.
- While the market is plateauing at mid-teen rate increases, it is important to continue to explore all the options. There will be tough renewals ahead, and clients should prepare for potential double-digit increases in premium rates.

### Q4 2023 Property Rate Changes Gallagher - U.S. Clients



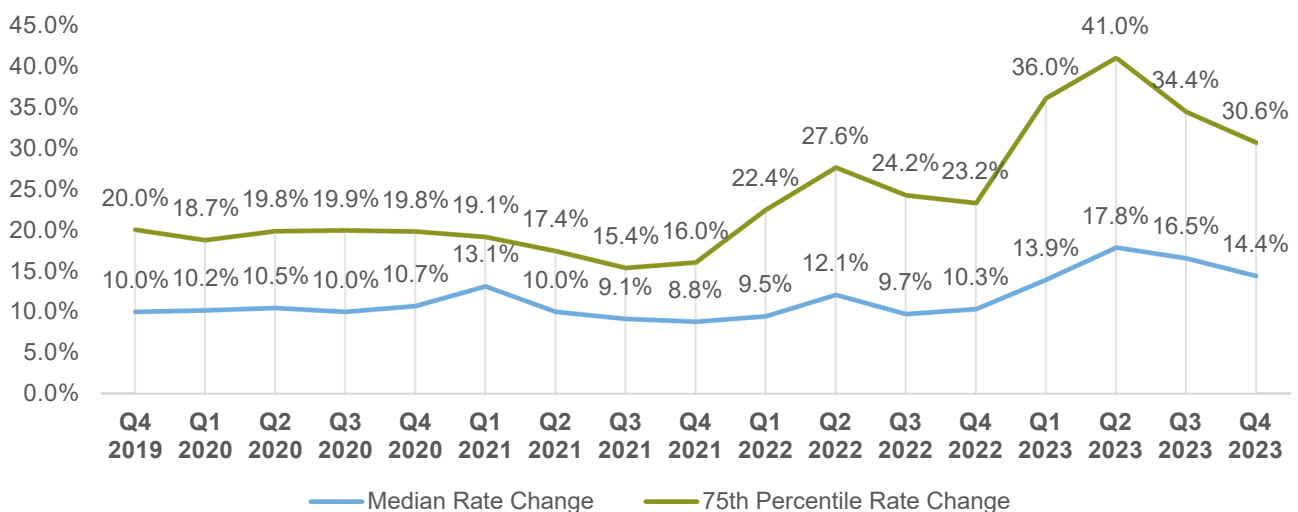
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“A lot of our clients may hear the message that the market is moderating and the pace of rate increases has decelerated. But the expectation that you may get the same renewal as everyone else shouldn’t be there.

We need to continue to deploy those harder market strategies because there will be some tough renewals out there. Not everyone is going to have the same result, and there’s still some displacement with carriers. Some property carriers are still continuing to re-underwrite their book.”

**Martha Bane, Executive VP, Managing Director, Property Practice, Gallagher**

### Property Rate Trends Q4 2019 - Q4 2023



## Insurance Market Report — March 2024

### *OUR METHODOLOGY*

Gallagher Drive® is a premier data and analytics platform that uses both the change in premium and total insured values (TIVs) to calculate the rate change each month. The rate change is broken down by class of business and focused on the renewals within the mid-market and large account space.

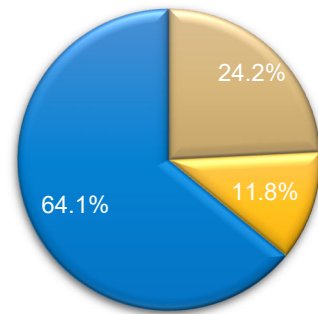
The approach and methodology gives a representation of the actual rate change, not just the premium change.

# Insurance Market Report — March 2024

## Casualty: Single-digit rate increases for now, exposures still up

- We continue to see single-digit increases within most casualty classes, with general liability rates up by a median average of 4.5% and by 8.1% for umbrella business and 8.3% for commercial auto in Q4 2023.
- Social inflation and nuclear verdicts should drive further rate increases going forward. However, there continues to be a greater choice of markets at renewal.
- Carriers are closely monitoring legal settlements relating to emerging risks, including those involving PFAS “forever chemicals” and biometric (BIPA) privacy breaches.
- Inflation continues to drive up the cost of auto repair and liability claims, and rating agencies are voicing concern over the potential for adverse reserve development<sup>1</sup>.

**Q4 2023 General Liability Rate Changes**  
Gallagher - U.S. Clients

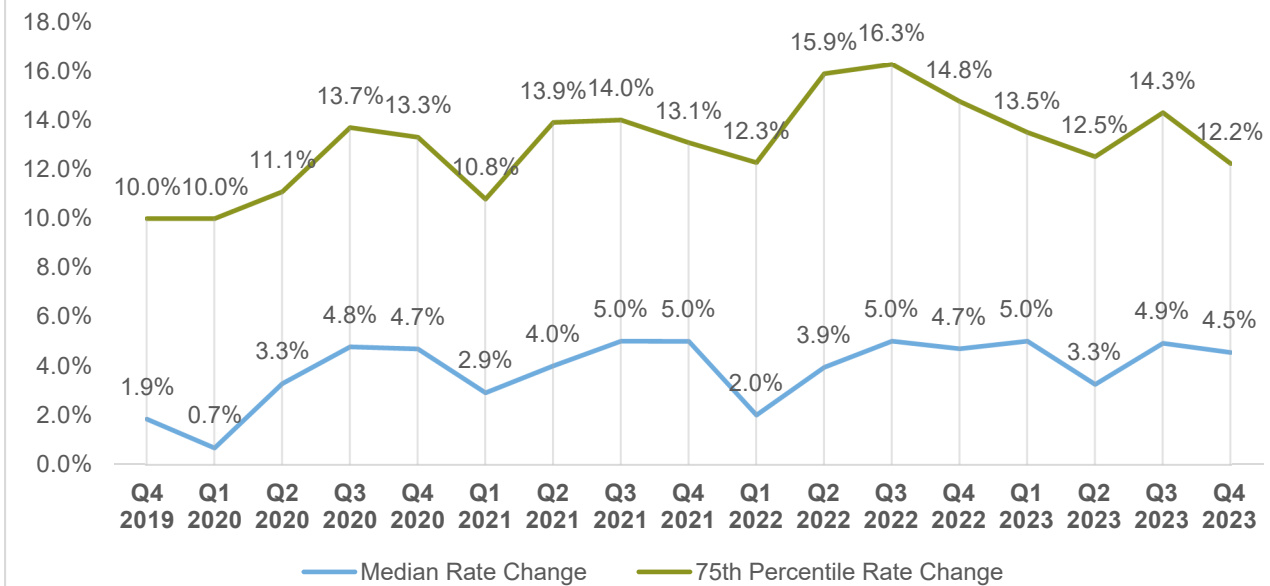


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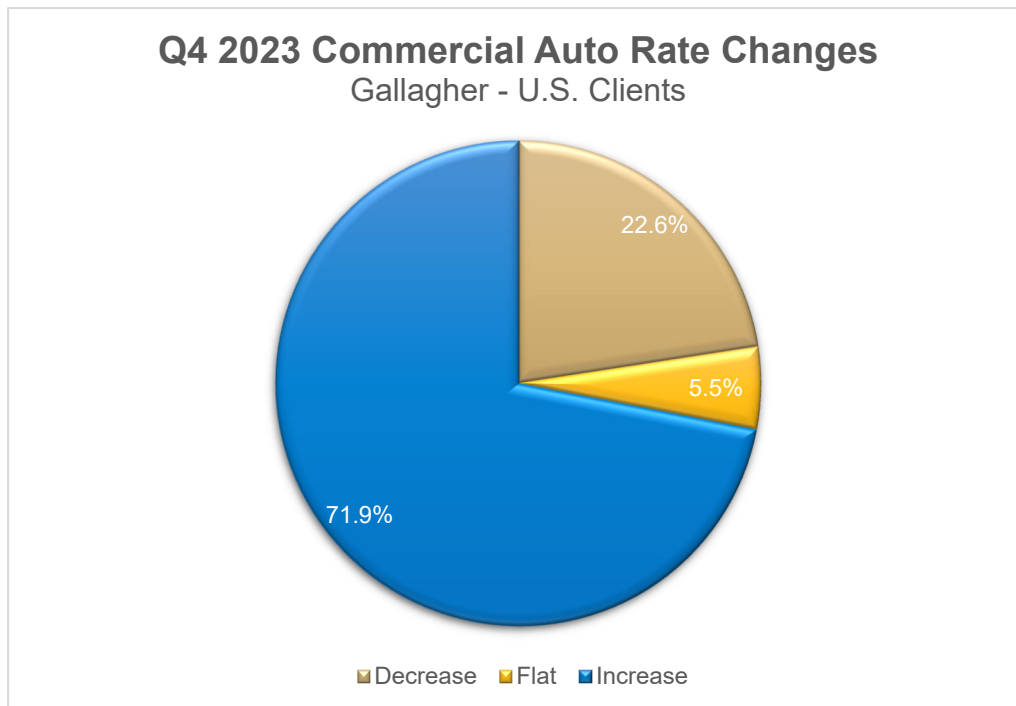
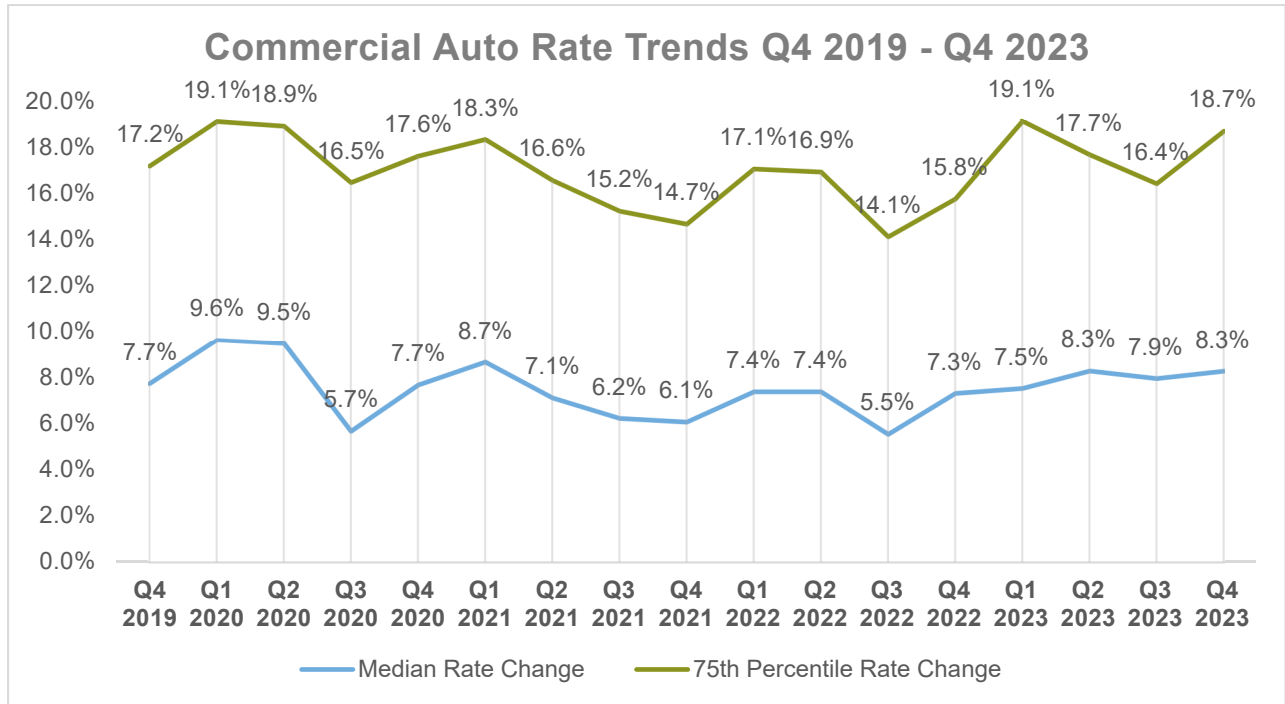
“This marketplace is continuing to stabilize. January 2024 casualty treaty renewals were more favorable than originally anticipated. Carriers have benefited from moderate rate increases for the most part and high single-digit rate increases on auto umbrella excess business. The combination of moderate rate increase and exposure increases makes for a healthier marketplace, where premiums are still up near double-digits.”

**Bill Baker, VP of Strategic Growth, Gallagher**

**General Liability Rate Trends Q4 2019 - Q4 2023**

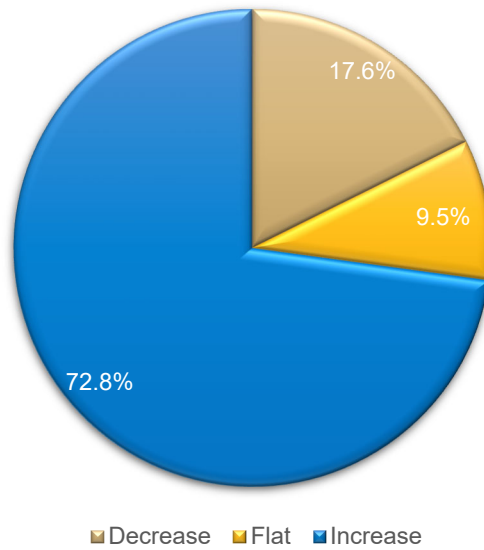


## Insurance Market Report — March 2024

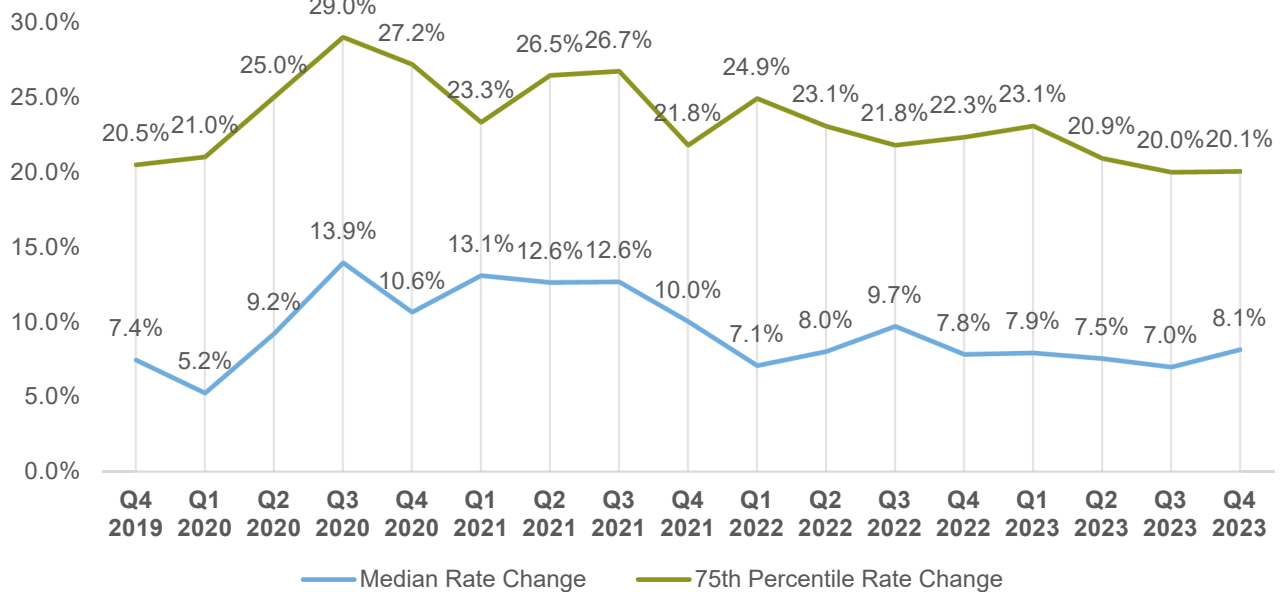




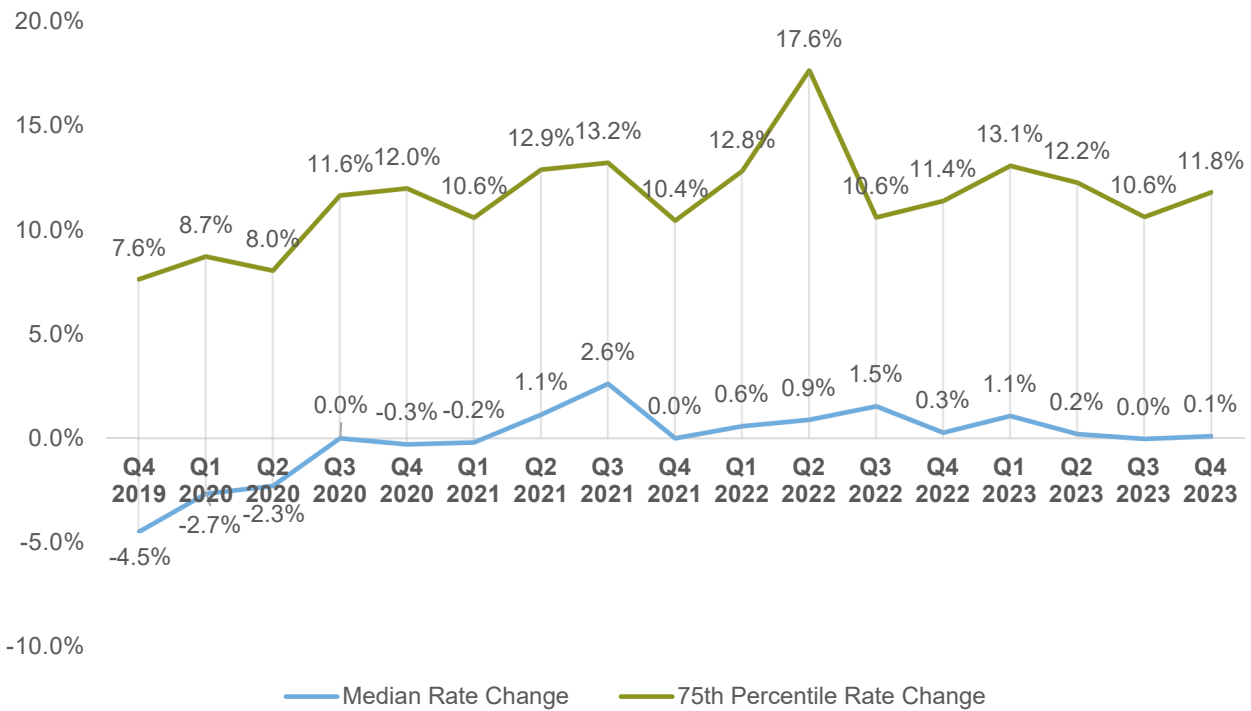
### Q4 2023 Umbrella Rate Changes Gallagher - U.S. Clients



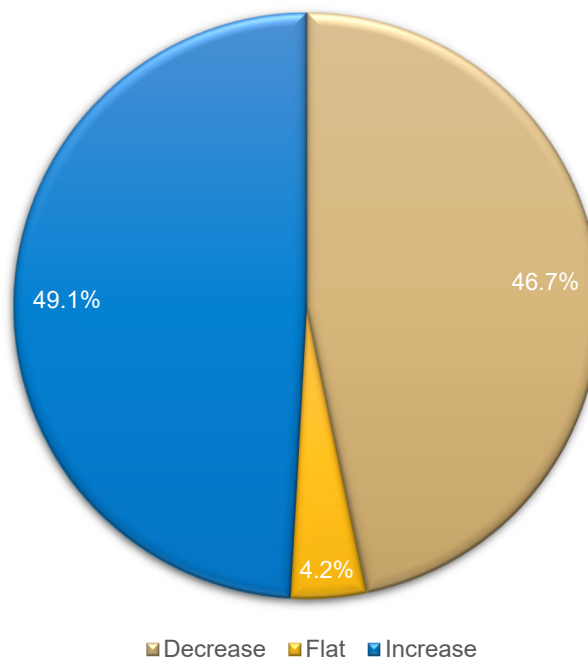
### Umbrella Rate Trends Q4 2019 - Q4 2023



### Workers' Compensation Rate Trends Q4 2019 - Q4 2023



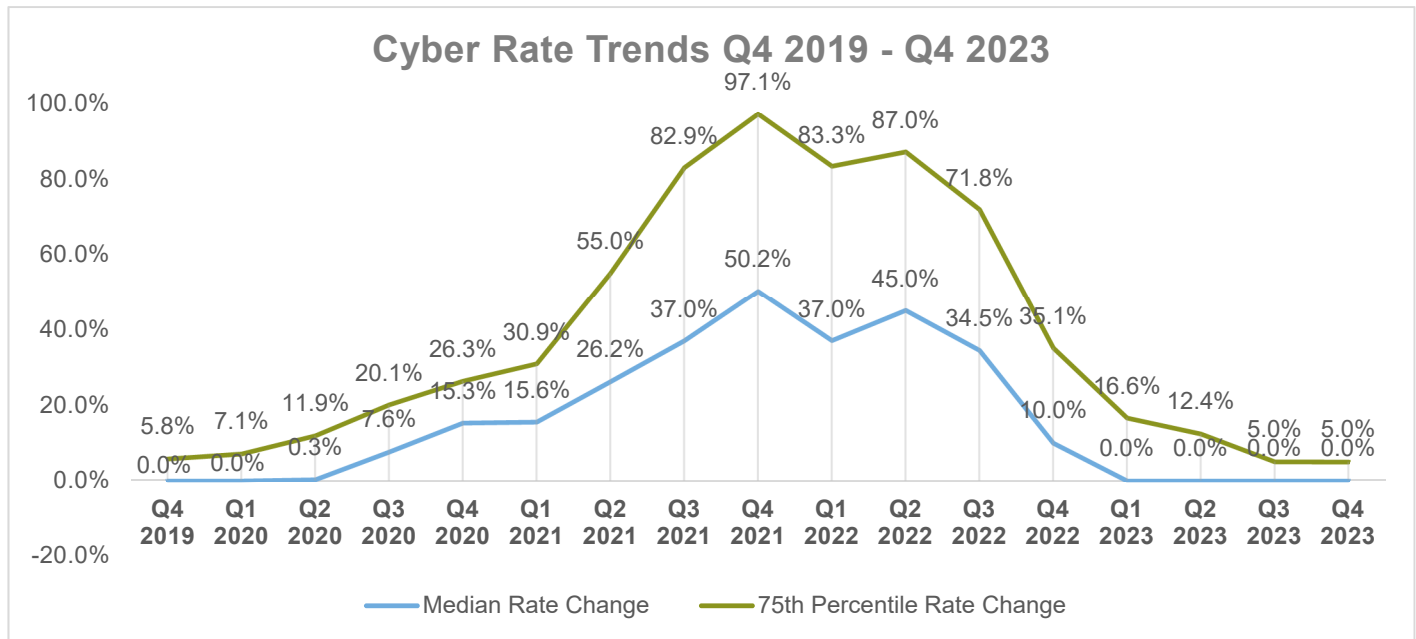
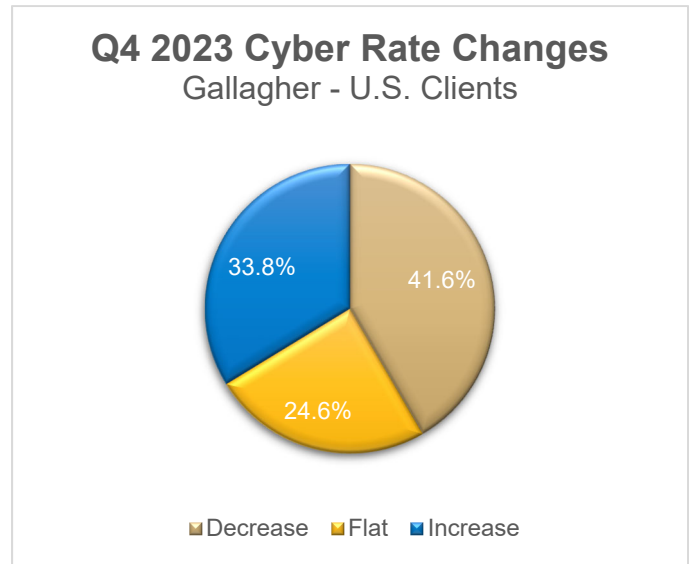
### Q4 2023 Workers' Comp Rate Changes Gallagher - U.S. Clients



# Insurance Market Report — March 2024

## Cyber: Still a volatile class

- Median cyber insurance rates remained largely flat through 2023 after declines during 2022, reflecting an uptick in claims and underwriters' evolving risk appetite.
- As a somewhat unpredictable class of business, the pricing cycle within cyber is more volatile than what we see in some more established classes of business.
- Cyber intrusions continue to grow in sophistication, with hackers targeting digital supply chains and increasingly leveraging AI to carry out social engineering, ransomware and phishing attacks.
- Insurance buyers with a sophisticated approach to cybersecurity will benefit from greater resilience, as well as access to more capacity and better terms and conditions.



## Insurance Market Report — March 2024

### **Conclusion: Continuing demand for creative buying strategies**

The latest market update offers a snapshot of ongoing challenges across the P&C commercial space.

The primary pinch points are most acute within the property market — where median rate increases continue to be in the double-digits for many clients. The market is less constrained than it was this time a year ago, but it is likely to be another tough renewal season in 2024. This is particularly likely for clients who have not had a significant restructuring of their property program.

Clients, brokers, and carriers are working collaboratively to find creative solutions where there are capacity constraints, and we can expect this approach to continue.

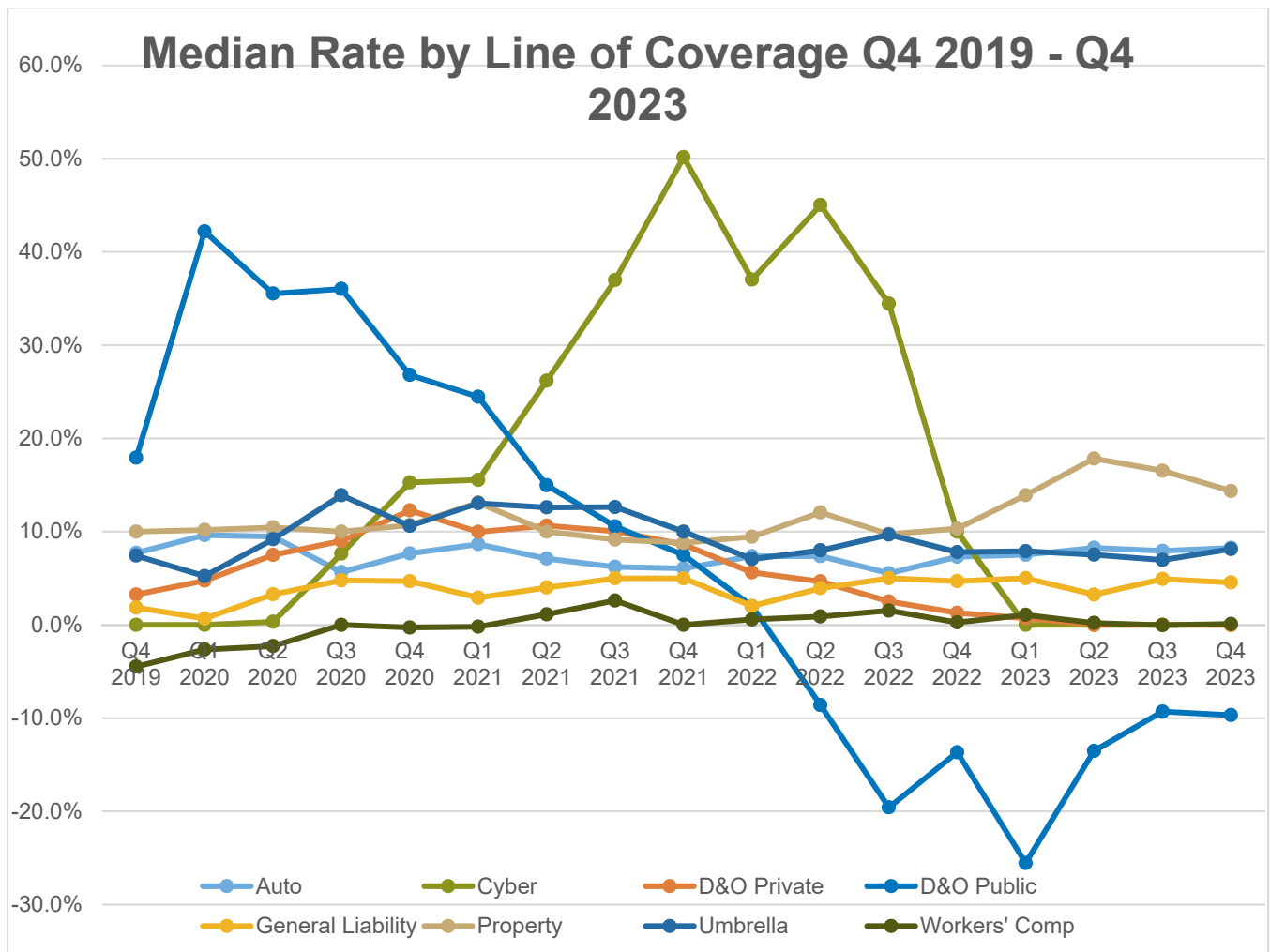
**Linton B. Puckett**

Vice President  
Market Relations

**Mark Stachura**

Regional Vice President  
Market Relations & Placement

## Insurance Market Report — March 2024



Source: Gallagher U.S. Clients

# Insurance Market Report — March 2024

## About our data

Gallagher Drive<sup>®</sup> is our premier data and analytics platform that combines market condition, claims history, and industry benchmark information to give our clients and carriers the real-time data they need to optimize risk management programs. When used as part of **CORE360<sup>®</sup>**, our unique comprehensive approach to evaluating our clients' risk management program, Gallagher Drive creates meaningful insights to help them make more informed risk management decisions, find efficient use of capital and identify the top markets with the best solutions for their risks.

Rate changes in this report were calculated by using the changes in premium and exposure of Gallagher clients renewing in Q4 2023.

## Thank You for Your Business

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

<sup>1</sup> [Inflation Boosts US P/C Insurers' Reserve Risk in Casualty Lines](#). FitchRatings (12 January 2024).

### Legal Disclaimer

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

## We help you face your future with confidence.

Gallagher’s holistic approach keeps your total cost of risk—and your best interests—in focus. With expertise where you most need it, Gallagher delivers the solutions that let businesses grow, communities thrive and people prosper.

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**1927**

**\$6B**

Total adjusted Brokerage & Risk Management revenues (2020)

**32,000+**

Employees worldwide

**850+**

Offices in 49 countries

**150**

Countries served

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Casualty  
Commercial Surety & Bonds  
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Cyber  
Management Liability  
Property

### OUR APPROACH TO RISK.



**CORE360®** is our unique, comprehensive approach of evaluating your risk management program that leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of your total cost of risk.

### 27+ INDUSTRY PRACTICES



### TIMES CHANGE. ETHICS DON'T.

Gallagher has been named one of the 2021 World's Most Ethical Companies® - 10 years running.

For the past 10 years, we've been recognized for our commitment to operating at the highest standards of ethical behavior. We're the only broker to have been given this honor. It's a reflection of the way we look after businesses, communities and people across the globe.



"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC. Arthur J. Gallagher & Co. named one of the World's Most Ethical Companies® for 2021

### SHARED VALUES + PASSION FOR EXCELLENCE = PROMISES DELIVERED

#### The Gallagher Way

25 tenets that have guided a team-oriented culture for 30+ years.

#### Social Responsibility

Companywide focus on ethical conduct, employee health and welfare, environmental integrity and community service.