ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

City Hall at St. James
117 W. Duval St.
Jacksonville, FL 32202
(904) 630-CITY
www.coj.net

MEMORANDUM

TO: **Gregory Pease, Chairperson, Professional Services Evaluation Committee**

THRU: **Alex Baker, Professional Services Specialist**

FROM: **Twane Duckworth, Chief of Risk Management**

Ann Willis, Property and Casualty Compliance Administrator

SUBJECT: **P-36-19 – Bid Negotiations (Brown & Brown)**

DATE: **September 20, 2019**

Contract No. 8518-03 Property Insurance Brokerage Services allows for placement of Property Insurance Brokerage Service (Property, Boiler and Machinery, and Terrorism. etc.) In the Scope of Services. The current term is from March 1, 2019 to February 29, 2020 with no remaining renewals.

Risk Management prepared and advertised Request for Proposals ("RFP") P-36-19 on June 3, 2019. Risk received five (5) responses from the bid opening on Wednesday, June 26, 2019. Brown & Brown of Florida, Inc. was approved by the Mayor as the number one ranked firm.

The fee and contract negotiations resulted in the commitment to scope of work and services as described in Brown and Brown's response to P-36-19 at the same rate of 10% GTACP. The maximum indebtedness for this contract will be Five Million One Hundred Thousand Dollars and no cents ($5,100,000.00) from AFRM581MI. The term of the contract will be for one year with four (1) one-year renewals.

We respectfully request that Risk Management be authorized to enter into a Contract with Brown & Brown.

Attachment A – Award Letter
Attachment B – Price and Scope of Work

Form 1 – Price Sheet

NAME OF RESPONDENT Brown & Brown of Florida, Inc.

Proposal Number P-36-19

SCHEDULE OF PROPOSED PRICES/RATES

INSTRUCTIONS:

1. Please submit a proposed Grand Total Average Commission Percentage (%) GTACP. Responders shall include all anticipated compensation to all parties, service broker, wholesalers and/or intermediaries, sub-contractors, etc. All GTACP of all parties, service broker, wholesalers and/or intermediaries, shall be disclosed as a part of all responses. The Service Broker submitting the lowest GTACP will receive all points available. **Fee agreements are not acceptable.**
   GTACP 10 %

2. Provide a breakdown of GTACP for all parties, intermediaries, sub-contractors etc. totaling the GTACP shown in item 1.

Division	Commission %
Retail Broker	3-10%
Intermediary - Domestic	2.5 - 7.5%
Intermediary - International	2.5 - 7.5%
TOTAL GTACP	**10.0%**

I certify that the information in this form is true and accurate.

Responder's Signature

Title Executive Vice President

Date 6/24/2019

Failure to sign this form shall result in disqualification of this proposal.

Up to $100,000 for appraisal services for the 5-year contract period is included.
As always, terms and conditions proposed are subject to negotiation.
Please feel free to contact us for further discussion.

Scope of Service	Yes	No
1. Provide consultation and recommendations to the City on exposures, existing coverage, and the desire and/or feasibility of potential changes to program.	✓	
2. Consult with the City to formulate a marketing strategy that focuses on delivering a cost-effective Property, Boiler & Machinery, Fine Arts, Terrorism and other first party property coverages when applicable. Suggest alternative program structure, risk financing vehicles to reduce total cost of risk. Summarize market conditions and results of the marketing strategy developed with the City and communicate program recommendations prior to marketing.	✓	
3. Design specifications and create underwriting submission for property insurance, including boiler and machinery, terrorism and any other first party property coverage the City may have to retain, market the program, and other services, when instructed to do so by the City, including assisting the City in the completion of all applications, documents and gathering necessary data. Obtain Risk Management's approval on marketing submission and markets being approached.	✓	
4. Market the coverage, including assisting the City to respond to additional underwriter's request for information, completion of supplemental applications, documents and gathering necessary data.	✓	
5. Analyze the coverage terms and provide other services, when instructed to do so by the City.	✓	
6. Attend reasonably noticed meetings related to the insurance with City staff and other parties, as requested.	✓	
7. Analyze proposals received from various insurance companies and other parties, negotiate changes for the benefit of the City and verify the reasonableness of the price for the coverage provided. Review and analyze the coverage forms for inclusion and exclusion language and conditions.	✓	
8. Provide the City with a summary of various insurance program options, including but not limited to, limits, coverage, deductibles, retention levels, terms, conditions, premiums, and payment options.	✓	
9. Make recommendations to the City of the most advantageous insurance program providing the highest level of coverage at the best possible price to meet the City's needs and objectives.	✓	
10. Provide analysis and recommendations as to the most cost effective means for addressing the City's Property, Boiler & Machinery, Fine Arts and Terrorism and other miscellaneous policies associated with property exposures.	✓	
11. The successful Service Broker and/or affiliated companies shall become Agent of Record and represent the City in all negotiations with insurers, underwriters and other parties with regard to the insurance program including negotiate the placement of the City's Property, Boiler & Machinery, Fine Arts and Terrorism policies and any other property coverage the City may have to retain, with domestic markets or international markets such as but not limited to London, Bermuda, Zurich.	✓	

Scope of Service	Yes	No
12. From time to time it will be necessary for the City and Proposer to meet in person. The Service Broker's travel expenses shall be the exclusive responsibility of the Service Broker.	✓	
13. When instructed to do so by the City, administer the placement of coverage and original binders, policies and endorsements, as required in the timetable specified by the City.	✓	
14. Provide extensive review of binders and policies including verification of conformity to specifications. Request any necessary endorsements/changes/revisions that may be required.	✓	
15. All binders and policies will be delivered in an organized format, including table of contents in electronic format and in three ring binders. Delivery of binders and policies must include a letter outlining any discrepancies, table of contents, schedule of insurance, final schematic, and pending amendments.	✓	
16. Provide insurance coverage summaries/descriptions (schedule of insurance) and update as policies are renewed. Schedule of insurance shall include but not be limited to policy period, carrier, policy number, limits, deductibles (where applicable), breakdown of premium, applicable surcharges and total cost.	✓	
17. Review accounting and billing data received from insurance markets on the City's behalf to ensure accuracy.	✓	
18. Except with the prior written approval of the City, place insurance on behalf of the City with insurers that meet or exceed the Service Broker's minimum financial guidelines or a rating of not less than "A-" VII as assigned by A. M. Best. Or, if deemed appropriate for the City's risk management program, secure coverage through an alternative risk financing mechanism such as a captive or risk retention group. Monitor published financial information of any insurers with whom the City's coverage is placed. Advise the City if the status of an insurer falls below Proposer's or A.M. Best guidelines herein.	✓	
19. Continually evaluate the insurance program and recommend coverage changes and improvements to provide the highest level of coverage at the least possible cost to the City.	✓	
20. Keep apprised of potential legislative changes that could impact the City's insurance program (i.e., Federal and State requirements, but not limited to FEMA, etc.)	✓	
21. Oversee and coordinate all relevant services performed by the insurance companies/underwriters or any service agencies arranged for insurance program related issues and concerns.	✓	
22. Perform administrative and clerical services relative to account management, including but not limited to issuance of certificates of insurance, verification of the accuracy of bills, audits and all premium adjustments.	✓	

Scope of Service	Yes	No
23. All payments from the City will be made to "one" selected entity (Service Broker) and not to an affiliated entity of the Proposer. It will be the assigned Service Broker's responsibility to distribute all premiums/payments to carriers and any other obligated party directly. Service Broker shall consolidate all invoicing to the City to reflect their name only. Any other entity such as wholesalers, other retailers, other affiliated entities, reinsurers, direct writers, and/or international brokers shall NOT be recognized or approved for payment. The Service Broker shall be responsible for providing payment to the carriers, wholesale brokers and other entities it utilizes to place coverage.	✓	
24. Assign an Account Manager to the City with government entity experience who shall be responsible for communication with the City and who, along with any other team members assigned, must be available on a daily basis to the City for advice and consultation on insurance program related issues and concerns. Any changes in personnel must be submitted in writing and approved by the City. If multiple Account Managers are included, Service Broker is required to provide a breakdown of each Account Manager's responsibilities, service office and percentage of work being performed by each individual.	✓	
25. Report all claims to coordinating adjusting firm and assure all claims have been reported to insurers.	✓	
26. Act as a liaison for the City with the coordinating adjusting firm and carriers to resolve claims and, in the event of a significant claim, assign a claims specialist to assist the City in the claims management process at no additional cost to the City.	✓	
27. Participate in claims review meetings to ensure effective claims management and reporting to excess carrier. Coordinate claim information with designated adjusters, insurers and FEMA.	✓	
28. Assist with emergency procedures and disaster planning. Assist with claim and coverage disputes.	✓	
29. Assist the City, when requested, with questions on coverage application to specific claims and claim disputes.	✓	
30. Participate in regular Claims Audits when requested by the Risk Management Division.	✓	
31. FEMA will periodically audit claims. Service Broker will need to make records available during and after the expiration of the contract. Service Broker's records retention policy shall require minimum records retention 5 fiscal years after final disposition of claims or expiration of policy. (State of Florida and Local Government Agencies General Records Retention.).	✓	
32. Review the City's property loss runs and provide copies of loss runs to the City in an Excel worksheet by location and building or PITO with tracking of percentage deductible with application of minimum and maximum deductibles; provide a report to the City of any claim trends and solutions to mitigate cost; provide updated cumulative loss data on a semi-annual basis.	✓	

Scope of Service	Yes	No
33. Develop, with the City's assistance and involvement, loss control programs relevant to property conservation and strategies, including educational training, seminars, research and analysis of loss trends, and develop communication materials with the City's Safety team.	✓	
34. Assist, coordinate and facilitate the implementation of loss control recommendations between the insurer and the City.	✓	
35. Introduce and provide a list of all internal or external staff that would be providing services in support of the Service Broker's efforts.	✓	
36. Provide recommendations to reduce the City's total cost of risk (TCOR).	✓	
37. Subcontract with a vendor approved by the City to provide appraisal services for all City buildings that have not been appraised as agreed by the City and broker. Bi-Annual updates to such appraisals must be included. The appraisal process must also include the collection of COPE (i.e., construction, occupancy, protection, exposure) data and secondary modifier characteristics to be used in the RMS catastrophe modeling software. This service is to be provided to the City at no additional cost.	✓	
38. Provide, on an annual basis, catastrophe modeling projections for all City properties utilizing both the most recent version of the RMS and AIRS catastrophe modeling software systems. This service is to be provided to the City at no additional cost.	✓	
39. List of all affiliated and/or related entities that would be providing services in support of your broker efforts.	✓	
40. At the request of (and sole discretion of) the City, provide services for "special projects" other than those related to property broker services which include appraisals, catastrophe modeling and other services listed in 1 through 39. Services outside of those listed in items 1 through 39 ("special projects") will be billed when services are rendered and are not to exceed $20,000.	✓	

1. Provide consultation and recommendations to the City on exposures, existing coverage, and the desire and/or feasibility of potential changes to program.

   Agree. These services are provided in our primary service objectives and methodology is addressed throughout this response.

2. Consult with the City to formulate a marketing strategy that focuses on delivering a cost-effective Property, Boiler & Machinery, Fine Arts, Terrorism and other first party property coverages when applicable. Suggest alternative program structure, risk financing vehicles to reduce total cost of risk. Summarize market conditions and results of the marketing strategy developed with the City and communicate program recommendations prior to marketing.

   Below we suggest considerations for a Marketing Strategy for the City for the 3/1/2020 renewal. We are cautious to recommend specific plan changes, as we do not have the benefit of the "Exposure Analysis" phase. During this phase, we would discuss the risk appetite of the current staff and elected officials, financial goals, budget restrictions, FEMA commitments/Obtain-Maintain, and other external impacts which may affect the City's realistic program decisions. Any plan design changes would be discussed with the City before implementation.

Market Update

It is important to first understand the property insurance marketplace in which we are operating. Following three catastrophic-loss years, Lloyds is undergoing a change in operating mode with increased scrutiny and enforcement of income restriction policies affecting syndicates. This is important due to the City's large volume of capacity currently placed within the London market. Our suggested international intermediary for this risk is Willis Towers Watson, London, due to their volume, credibility and performance in the world market.

In addition, the difficult 6/1/19 property treaty renewal season and lack of capacity in the retrocessional market after the loss of CATCO (Markel) is continuing to create a hardening marketplace. Loss affected risks are experiencing an impact of average 15% rate increases. Portfolios with no or low losses are experiencing flat to single-digit increases.

Many Bermuda markets have been restructured with encumbrances. For this risk, we do not anticipate the Bermudan market providing significant competitive capacity for the City due to its geographic setting in catastrophic-exposed Florida.

Our forecast for the upcoming renewal effective 3/1/2020-21 would be to prepare the City for a possible single digit rate increase based on current limits, terms and conditions. At this date, we do not predict severe capacity issues affecting ability to purchase a similar program to the current as has been summarized.

Market Access

Our approach to the current property market is to access relevant markets each year. Some markets may be accessed directly by Brown & Brown and certain markets may be accessed by intermediaries.

Property, Including Reinsurance

- ACE/Westchester
- Amrisc
- Arch
- Arrowhead
- Aspen
- Allied World Assurance Corp
- AXIS/Novae
- Argo Re Bermuda
- Ariel Re
- Barbican Specialty
- Beazley (Lloyds)
- Berkshire Hathaway
- Colony
- Diamond State
- Everest
- Endurance
- James River
- Lexington
- Liberty / Ironshore
- Markel
- Ethos
- General Star
- FM Global/Affiliated
- Fidelis London
- Great American
- Hallmark
- Hamilton Bermuda
- IBIS/Catalytic
- Maxum
- Mitsui
- Munich Re
- OCIL Bermuda
- Partner Re
- R&V Re
- RSA London
- RSUI/Landmark
- Scottsdale
- Swiss Re, NA
- Sirius London
- Travelers
- Trans Re
- Ventus
- XL
- Various London Facilities

Emerging/International Markets

By utilizing Willis Towers Watson, we will receive the benefit of partnerships in several emerging markets, namely Asia. These markets may be important for the impending renewal, but also for future as the market grows in scope. WTW's Shanghai office may access:

- Peoples Ins. Co. of China, CPIC, CCIC
- Sinosafe
- China Taiping
- Taiping Re
- China Re
- Korean Re
- Zavarovalnica Triglav
- GIC, India

Terrorism

- Beazley syndicate
- Hiscox
- AIG
- XL

Boiler & Machinery / Equipment Breakdown

- Hartford Steam Boiler
- Chubb/ACE
- CNA
- Travelers
- Zurich

Fine Arts

- Travelers
- Chubb/ACE
- Allianz
- XL
- London

Program Structure Options

In review of the current program, we note the following:

- Alternative structure - The current carriers are a stable panel of insurers for this risk. However, the property marketplace is changing and therefore the market must be fully evaluated to make certain the City is receiving the best program design for today's exposure. We expect some changes in subscriptions/participation by certain insurers and the exclusion of some carriers upon renewal due to either company guidelines or unwillingness to provide renewal market terms and conditions.

- We will approach the entire international marketplace, including specialty insurers.
    - Review appetite of specialty insurers to cover unique property exposures risks outside of master program. Unique exposures may include large equipment utilized for Port operations, and/or single locations with superior construction and high values such as the Everbank Stadium. This could be attractive to the master property market due to a very high aggregate value of the sports complex.
    - Include Facultative Reinsurance Markets as well as direct insurance markets
    - Self-Insured Quota Share – the Total Cost of Risk must be analyzed, but the City could participate in a self-insured layer within the total limits provided. This would produce a premium expense savings, but also increases potential self-insured liabilities. Premium savings expense can be analyzed by calculating the market rate on line (market rate per Million Dollars of Limit provided).

- Review rate and coverage changes for increased/varying deductible structure by utilizing modeling analytics and actual claims experience. Consider insuring properties with FEMA Commitments with priority.

- Alternative Risk Options – In addition to options like Catastrophic Bonds which we do not believe would be a good option for the City, following are two alternative options for discussion or consideration.

- Parametric Concept – Following is an Indication of a "Cat in a Circle" scheme. Statistical data is used to underwrite the probability of a Named Storm passing through a designated point. If parameters are met, then payment is made. This could be utilized to transfer risk for unique exposures such as unique types of property/equipment, Property in the Open, Debris Removal, and Contingent business income.

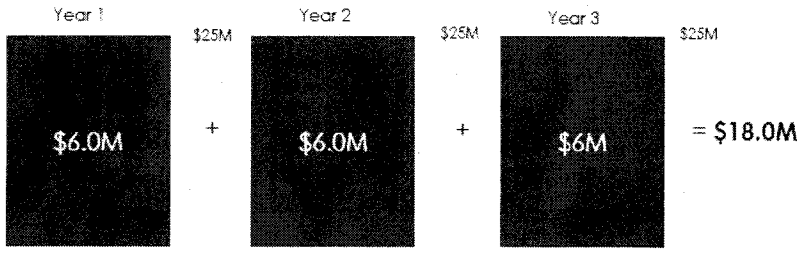
Cat in a Circle – Parametric Hurricane Damage

Option 1: 25 mile radius

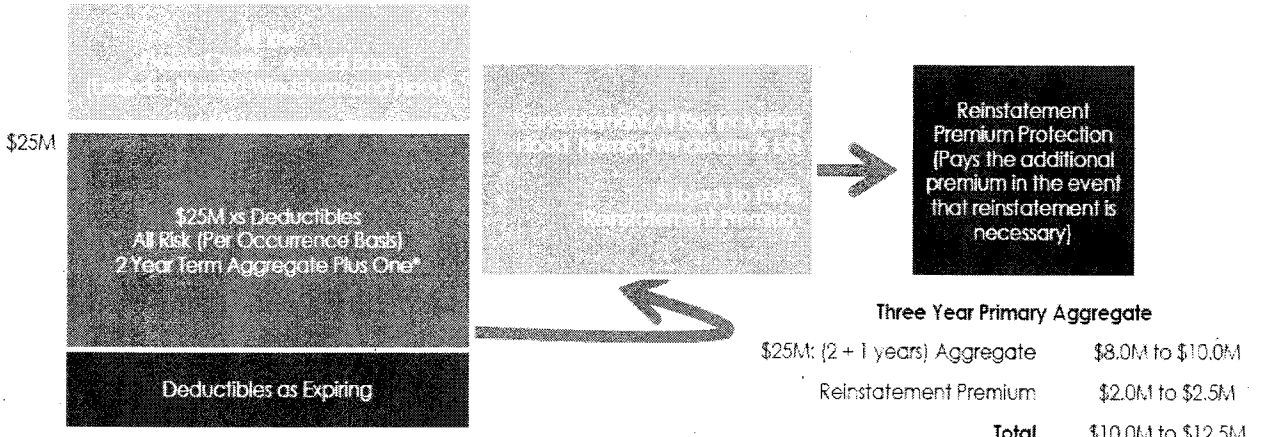
Sample cover structure	Indicative pricing
Main risk	Hurricane damage
Index	- Hurricane Path - Strength of Hurricane [Saffir-Simpson hurricane scale (SSHS)]
Location	- 26.13915° N, 81.795482° W - Radius of 25 miles
Data provider	NOAA/ NHC
Risk period	Year 2018
Trigger	1 min sustained wind speed above 111 mph (Cat 2 Cyclone)
Payout	Cat 2 Cyclone – 20% of limit Cat 3 Cyclone – 50% of limit Cat 4+ Cyclone – 100% of limit
Limit	USD 1 M

- Multi-year Aggregate Concept – Following is a schematic of potential savings for purchasing a multi-year aggregate program
  - Since significant property losses occur infrequently, this concept provides a spread of risk transfer to several years vs. a single year. Therefore, over a multiple-year period, using 3 years as an example, there is less premium expense.
  - If a loss breaching the aggregate does occur, a hedge policy to reinstate the aggregate would be available.
  - In the first bar-graph illustration below, the traditional annual occurrence policy conceptually costs $6 million premium per year. 3 years' premium x $6 million annually = $18 million premium.
  - The second set of illustrations value a $25 million aggregate policy at $8-$10 million premium.
  - If the aggregate limit is breached over the 3-year period, a Reinstatement policy is available for $2-2.5 million.

Property: Traditional Primary Purchase vs. Multi-Year Aggregate



Single Placement, Two Year Catastrophe Aggregate with Reinstatement Option for Additional Year



*Subject to no losses in one year

Three Year Primary Aggregate

$25M: (2 + 1 years) Aggregate	$8.0M to $10.0M
Reinstatement Premium	$2.0M to $2.5M
Total	$10.0M to $12.5M

Savings = $5,500,000-$8,000,000

You can see that this concept could save a significant amount of premium expense. This concept would need to be reviewed very carefully to ensure conformity with financial and budgetary practices and constraints of the City.

Ideas for Negotiation of Important Terms and Conditions

- Application of Deductibles, Options for higher or lower deductibles chosen after analysis of property modeling.
- FEMA Priority of Payments Endorsement – states that any locations with FEMA Commitments will be prioritized for future insurance proceeds. This could be important to FEMA for Obtain and Maintain requirements.
- Review of Coverage Extensions – enhanced coverages may still be available at no additional rate.
- Be sure that the Statement of Property Values document Structure and policy terms and conditions are compatible.
- Quarterly reporting of values with cap on additional premium due.

3. Design specifications and create underwriting submission for property insurance, including boiler and machinery, terrorism and any other first party property coverage the City may have to retain, market the program, and other services, when instructed to do so by the City, including assisting the City in the completion of all applications, documents and gathering necessary data. Obtain Risk Management's approval on marketing submission and markets being approached.

Agree, below is a partial example of our submission template:

Underwriting Executive Summary – Property Insurance
Coverages Effective 2/30/2019 – 2/30/2020
As of February 30, 2019

Brown & Brown is currently contracted with the City of XYZ for Insurance Brokerage Services relating to all lines of Property and Casualty Insurance. This Summary concerns Property, Inland Marine, Automobile Physical Damage, Terrorism, and Equipment Breakdown.

CITY PROFILE:

The City of ABC's website is very informative: http://www.abccitytbd.com. A snapshot of the City is below:

Population:	750,000
Land Area:	50 square miles
Payroll:	$500,000,000
Employees:	7,500
General Fund:	$750,000,000
Vehicles:	7,500
Total Insured Value:	$5,000,000,000

The City has seven major operating departments: Utilities, Police, Fire, Solid Waste, Parks & Recreation, General Services, and Public Works.

A Comprehensive Annual Financial Report and CIP plan has been provided with this submission. The City has consistently exercised strong financial controls and conservative budgeting and are rated A+ by Standard & Poor's, and Moody's primary bond rating is Aa2.

COVERAGE OVERVIEW:

Line of Coverage	Insurer	Limits/Coverage	Deductible
Property	*See Attached Property Insurance Structure & Limit Overview*		
	Wind: Flood: Other than SFHA: Flood: SFHA's (A&V zones): All Other Perils: TIV:	Included to $500,000,000 Included to $500,000,000 Included to $250,000,000 Included to $750,000,000 $ 5,000,000,000	$75,000 All Other Perils, Except: $100,000 for any other Flood Loss; 5% per location for Named Storm and SFHA's per location with loss. Subject to $1,000,000 Minimum and $10,000,000 Maximum
Terrorism (Certified and Non-Certified)	Best Insurance Co. Ever	$500,000,000 Aggregate Property Damage $1,000,000/$2,000,000 Liability TIV: $ 5,000,000,000	$10,000 $10,000 Deductibles are Per Occurrence
Inland Marine - Engineered Risk	Unlimited Assurance Fantastic Insurance TIV:	$125,000,000 part of $250,000,000 Limit $125,000,000 part of $25,000,000 Limit $ 5,000,000,000	$250,000 AOP; 3% Named Wind/3% Flood $250,000 Minimum and $1,000,000 Maximum
Equipment Breakdown	Wonderful Property & Casualty TIV:	$500,000,000 $ 5,000,000,000	$5,000 Per Occurrence/24 Hours BI

4. Market the coverage, including assisting the City to respond to additional underwriter's request for information, completion of supplemental applications, documents and gathering necessary data.

   Agree.

5. Analyze the coverage terms and provide other services, when instructed to do so by the City.

   Agree.

6. Attend reasonably noticed meetings related to the insurance with City staff and other parties, as requested.

   Agree.

7. Analyze proposals received from various insurance companies and other parties, negotiate changes for the benefit of the City and verify the reasonableness of the price for the coverage provided. Review and analyze the coverage forms for inclusion and exclusion language and conditions.

   Agree. We will spreadsheet any optional coverages and provide claims analysis and side by side coverage analysis. Below is an excerpt from a basic specimen quote comparison presentation:

City of Superior
Property Quote Comparison
To Be Effective 3/1/2019-2020

	Expiring	*RECOMMENDED Renewal with Incumbent*	*Indication I*	*Indication II*
Important Terms	**Starr Tech - Ace American 3/1/2018-3/1/19 Terms**	**Lead Insurer XYZ 3/1/2019-3/1/2020**	**Open Market Support* for alternate program structure 3/1/19-3/1/20**	**FL Governmental Entity Trust 3/1/19-3/1/20**
PROPERTY	2nd Year of 3 year policy subject to annual review and acceptance. 2018-2019 Annual Policy Terms Below	3rd Year of 3 year policy subject to annual review and acceptance. 2019-2020 Annual Policy Terms Below	Layered Program 8 Insurers	Pooling Arrangement (shared limits) Rate Indication
Premium at inception	$ 1,459,000	$ 1,459,000	$ 1,689,000	***$ 1,999,000***
RATE	$ 1.12	$ 0.20	$ 0.32	$ 0.33
Terrorism - Certified & Non-Certified	$ 3,766	$ 3,100	Separate Placement	*$ 10,000,000*
Estimated Surcharges	$ 250	$ 250	$ 4	Included
Policy Engineering Fee	$ 4,900	$ 4,900	Engineering Not Available	Loss Control Services Included
Total Annualized Cost	$ 1,467,917	$ 1,467,250	*$ 315,000*	*$ 1,999,000*
COST Difference from Expiring/Renewal		**$ (667)** **-0.05%**	***$ 78,167*** ***36.90%***	***$ 1,765,013*** ***120.24%***
Estimated Cost for Monloline Terrorism policy	***N/A - Included***	***N/A - Included***	***Est. Additional Premium $5,000***	***Est. Additional Premium $5,000***
			Open Market terms can be confirmed with further negotiation	***Formal Quote not pursued due to high "break-even rate"***
Property Deductibles				
"All Other Perils"	$ 50,000	$ 50,000	$ 50,000	*$ 25,000*
Contractors/Mobile Equipment	$ 25,000	$ 25,000	$ 50,000	*$ 25,000*
Named Windstorm or Wind/Hail	Named Windstorm 3% TIV of the units of insurance damaged; $100,000 per Occurrence Minimum	Named Windstorm 3% TIV of the units of insurance damaged; $100,000 per Occurrence Minimum	Named Windstorm 3%, subject to $100,000 minimum per Occurrence	*Named Windstorm 3% TIV Per Item Damaged; $35,000 Per Occurrence Minimum*
Flood (non A and V zones)	$ 50,000	$ 50,000	$ 100,000	*$ 25,000*
BI, EE, Off Premises Power	120 Hours	120 Hours	$ 50,000	*Included in PD Deductibles*
Limits				
Building & Contents	$ 110,678,478	$ 112,803,478	$ 15,000,000	*$ 132,803,478*
Business Income	$ 10,000,000	$ 10,000,000	*TBD*	$ 1,000,000
Extra Expense	$ 10,000,000	$ 10,000,000	*TBD*	$ 1,000,000
Total Insured Values (TIV)	**$ 130,678,478**	**$ 132,803,478**	***$ 132,803,478***	***$ 132,803,478***
TIV Difference From Expiring		**$ 2,125,000** **1.63%**	*(TIV calculated differently, used same TIV for comparison purposes)*	*(TIV calculated differently, used same TIV for comparison purposes)*

8. Provide the City with a summary of various insurance program options, including but not limited to, limits, coverage, deductibles, retention levels, terms, conditions, premiums, and payment options.

   Agree. See above illustration in Section 5/8.

9. Make recommendations to the City of the most advantageous insurance program providing the highest level of coverage at the best possible price to meet the City's needs and objectives.

   Understood and agreed. Results of the marketing process are communicated within our **Insurance Renewal Proposal** presentation. The written Proposal will be presented with explanation of all analysis, recommendations, terms and conditions including but not limited to:
   - Overview/Executive Summary
   - Market Summary (insurer quotes and declinations)
   - Coverage Comparison
   - Expiring vs. Renewal Premium Comparison
   - Applicable Loss & Retention Analysis
   - Summary of terms, conditions and exclusion highlights, and specimen forms
   - Stewardship Report
   - Wholesale Broker or other intermediary involvement
   - Commission / Remuneration Disclosures

10. Provide analysis and recommendations as to the most cost-effective means for addressing the City's Property, Boiler & Machinery, Fine Arts and Terrorism and other miscellaneous policies associated with property exposures.

    Agree, this is generally presented within the Insurance Renewal Proposal.

11. The successful Service Broker and/or affiliated companies shall become Agent of Record and represent the City in all negotiations with insurers, underwriters and other parties with regard to the insurance program including negotiate the placement of the City's Property, Boiler & Machinery, Fine Arts and Terrorism policies and any other property coverage the City may have to retain, with domestic markets or international markets such as but not limited to London, Bermuda, Zurich.

    If it is determined the City's coverage is best placed with the current insurance companies, we have the ability to take over these programs as the City's Agent of Record. We are also prepared to immediately begin negotiations with these markets as well as solicit alternative programs, if necessary.

Market Access and Negotiations – B&B's team can access, identify and effectively negotiate with the entire insurance and reinsurance marketplace. Brown & Brown's market volume and national public entity practice coupled with our team's relationships and technical coverage knowledge make an excellent platform for identifying both traditional and up-and-coming market relationships in which to represent our clients.

Effective Negotiation with the Markets – Underwriters' on-site visit with brokers and clients strengthens relationships between carriers and broker. Staff is invited to be included in these meetings if they are available to broaden the relationship to the entity.

Our organization is part of a national group of offices focusing on public entity insurance in Florida and thirty-nine other states. We have access to and enjoy excellent relationships with all major public entity insurance companies. Our tenure in the Property & Casualty public entity insurance business and large volume of business afford us the ability to represent our clients to a broader market base giving them more competitive options.

12. From time to time it will be necessary for the City and Proposer to meet in person. The Service Broker's travel expenses shall be the exclusive responsibility of the Service Broker.

    Agree. We are available to attend any public or private meetings to provide support to the Risk Management Team and show progress of our efforts or provide advice on risk issues.

13. When instructed to do so by the City, administer the placement of coverage and original binders, policies and endorsements, as required in the timetable specified by the City.

We agree to comply with any reasonable timetables requested by the City.

In addition to our standard of excellence, Brown & Brown maintains a corporate **Quality Control** function and requirements which mandates best practices such as the following:

- Phone calls returned same-day.
- Certificates of Insurance and endorsement requests processed within 24 hours.
- Policies are checked for accuracy and corrected as needed within 30 days of receipt.
- Policies delivered within 30 days as possible due to insurer constraints.
- Provide proof of Insurance in force at all times.

Each year we are required to complete an Insurance Coverage Review checklist. To the right is an example of our Insurance Coverage Review checklist.

Insurance Coverage Review

Insured: <CLIST INS NAME> Policy Term: Date: <CPOL POLICY EXP>

Please advise if quotations for any coverage listed below are requested.

E = Exposure; C = Coverage through Brown & Brown (If indicated with an "L", such coverage is being provided on a limited basis through an extension or enhanced endorsement and not by a stand-alone coverage form); Q = Quote for Uncovered Exposure. Mark entire section CLIENT DECLINED QUOTE if applicable.

	E	C	Q
PROPERTY	YN	YLN	YN
Buildings			
Business Personal Property			
Personal Property of Others			
Tenants Betterments & Improvements			
Business Income/Rental Income			
Extra Expense			
Leaseholders Interests			
Boiler & Machinery (Equipment Breakdown)			
Building Ordinance or Law			
A. Loss to Undamaged Portion of Building			
B. Demolition Cost			
C. Increased Cost of Construction			
Earthquake			
Difference in Condition			
Flood (Primary)			
Flood (Excess)			
Wind			
Off Premises Power Interruption			
Overhead Transmission Lines			
Glass			
Spoilage			
AUTOMOBILE			
Auto Liability			
Auto Physical Damage			
Drive Other Car Liability			
Drive Other Car Physical Damage			
Hired/Non Owned Liability			
Hired Car Physical Damage			
PIP: Ext Additional: Broad			
Rental Reimbursement (Private Passenger)			
Rental Reimbursement (Commercial Vehicles)			
Uninsured Motorist			
Underinsured Motorist			
Garage Liability			
Garage Keepers Liability			
Garage Keepers Physical Damage			
Trucker's Liability			
Uniform Liability			
Trucker's Physical Damage			
Trailer Interchange			
CRIME			
Employee Dishonesty (1st Party)			
Employee Dishonesty (3rd Party)			
Computer Fraud/Funds Transfer			
Forgery or Alteration			
Social Engineering			
Money & Securities			
BONDS			
ERISA Bond			
Other Bonds			

	E	C	Q
LIABILITY	YN	YLN	YN
General Liability			
Liquor Liability			
Employee Benefits Liability			
Errors or Omissions/Professional Liability			
Public Officials / Educators Legal Liability			
Cyber Liability (1st Party)			
Cyber Liability (3rd Party)			
Intellectual Property			
Directors & Officers			
Fiduciary Liability			
Employment Related Practices Liability			
Third Party Discrimination			
Owners/Contractors Protective Liability			
Pollution Liability (1st Party)			
Pollution Liability (3rd Party)			
Products Liability / Products Recall			
Warehouse (or Bailee's) Legal Liability			
Watercraft Liability (H&M & P&I)			
Umbrella/Excess Liability			
INLAND MARINE			
Accounts Receivable			
Valuable Papers			
Bailee Coverage			
Computer/EDP			
Contractors Equipment			
Signs			
Installation Floater			
Mobile Equipment			
Rented/Leased Equipment			
Motor Truck Cargo			
Transit/Transportation			
Builders Risk / Course of Construction			
Ocean Cargo			
WORKERS COMPENSATION			
Workers Compensation			
Other States			
USL&H			
Jones Act			
Stop Gap Liability			
Excess Employers Liability			
AIRPORT / AIRCRAFT			
Aviation – Owned/Non-Owned			
Airport Premises Liability			
MISCELLANEOUS			
International/Foreign Exposures			
Kidnap & Ransom			
Travel Accident			
Credit Insurance			
Mold/Fungi			
NBCS			
Terrorism			
Subsidence Sinkhole			

This list of insurance coverage is for information purposes only and is not meant to be a complete list for all your insurance needs. The above analysis is based solely on information provided by the client. Coverage indicated by an "L" reflects coverage provided on a limited basis which may not be as broad as coverage purchased on a stand-alone coverage form, and may include lower limits, sub-limits, or few covered perils.

Insured Representative — Date - Place Completed with Insured

Brown & Brown Representative Signature — Rev. 12-15-2015

14. Provide extensive review of binders and policies including verification of conformity to specifications. Request any necessary endorsements/changes/revisions that may be required.

    Agree. We will forward binders and policies to you as outlined in our timeline. Any discrepancies will be immediately addressed with the insurance carriers and outlined in our transmittal document to the City.

15. All binders and policies will be delivered in an organized format, including table of contents in electronic format and in three ring binders. Delivery of binders and policies must include a letter outlining any discrepancies, table of contents, schedule of insurance, final schematic, and pending amendments.

    Agree. Binders and policies will be provided electronically and in a binder including a cover letter advising any discrepancies and pending endorsements.

16. Provide insurance coverage summaries/descriptions (schedule of insurance) and update as policies are renewed. Schedule of insurance shall include but not be limited to policy period, carrier, policy number, limits, deductibles (where applicable), breakdown of premium, applicable surcharges and total cost.

    Agree. A typical format is illustrated here, but we will modify it to suit the City's specific needs. It will be provided in an Excel spreadsheet format or any other format the City prefers.

Type of Coverage	Limits/Coverage	Deductible/Retention	Effective Date	Expiration Date	Premium at Renewal	Policy Number
Tenant User Liability General Liability & Third Party Property Damage	Limit: $1,000,000 per Occurrence **Sublimits:** $1,000,000 - Products/Completed Operations Aggregate $1,000,000 - Personal and Advertising Injury $1,000,000 - Each Occurrence $50,000 - Damage to Premises Rented to You $1,000,000 - Third Party Property Damage	$0 Deductible for Liability Coverages, except: $1,000 Deductible for Property Damage	1/1/2018	1/1/2019	Per Event	IGL03759-04 PF01105-04
Aviation Helicopter Liability Police Helicopter	$10,000,000 - Single Limit BI & PD Including Passengers per Occurrence $5,000 - Medical Expenses Each Person Including Crew $2,750,000 - Hull Included - War/TRIA $650,000 - Additional Mission Equipment	$0 Deductible for Liability Physical Damage: $15,000 - While the aircraft is in motion $1,000 - While the aircraft is not in motion $500	2/6/2017	2/6/2019	$ 31,795 Two Annual Installments	AAC N1224732 002
Storage Tank Liability Above Ground Storage Tanks	$1,000,000 - Each Incident $1,000,000 - Policy Aggregate	$5,000 - Each Incident	2/9/2018	2/9/2019	$ 6,865	005096277

17. Review accounting and billing data received from insurance markets on the City's behalf to ensure accuracy.

    Agree.

18. Except with the prior written approval of the City, place insurance on behalf of the City with insurers that meet or exceed the Service Broker's minimum financial guidelines or a rating of not less than "A-" VII as assigned by A. M. Best. Or, if deemed appropriate for the City's risk management program, secure coverage through an alternative risk financing mechanism such as a captive or risk retention group. Monitor published financial information of any insurers with whom the City's coverage is placed. Advise the City if the status of an insurer falls below Proposer's or A.M. Best guidelines herein.

    Agree. This is included in our standard service offering. We accomplish this with several redundant processes:
    1) Corporate Market Security Committee
    2) We monitor industry news daily
    3) AM Best ratings are confirmed and provided formally anytime a quote is presented.
    4) Any discussion or further research regarding ratings or financial position is performed as necessary.

    Per Corporate mandate, Brown & Brown is not authorized to provide quotes to our clients from unauthorized insurers or insurers with a less than AM Best rating of A- or those not rated by AM Best without an authorized exception. However, since it may be in the best interest of our clients to review and bind quotes from these alternative insurers, Brown & Brown has established a Market Security Committee which reviews and monitors insurers falling into these categories. These include Risk Retention Groups, Captives, Self-Insured Groups, Trusts, State Funds, and Joint Underwriting Associations.

19. Continually evaluate the insurance program and recommend coverage changes and improvements to provide the highest level of coverage at the least possible cost to the City.

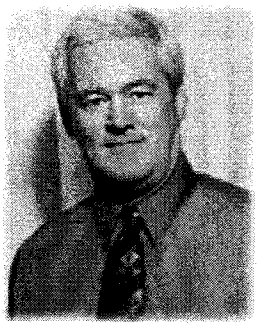
    Agree, we negotiate your coverage year-round!

20. Keep apprised of potential legislative changes that could impact the City's insurance program (i.e., Federal and State requirements, but not limited to FEMA, etc.)

    Agree. We track legislative developments to discuss with our clients continually. Following is an article covering a hot FEMA topic – Debris Removal.

Hurricane Debris, Plan for It!

By Mike Mariman, Director of Member Services - Public Risk Underwriters of Florida, Inc.



Debris created by storms can often times be overwhelming in its magnitude. Debris management and removal are invariably among the most complex and costly problems following a disaster. Over 1,000,000 cubic feet of debris were created by Hurricane Matthew in Flagler and St. Johns counties alone. When asked if he had any advice regarding the post hurricane debris, Joe Meyer, the recently retired Risk Manager at Flagler County responded; "Make sure you know where your going to put it, plan for it!"

The cost of debris removal can mean the difference between successfully managing the post hurricane or not. Cleaning up this debris can be time-consuming and costly, extending the recovery from the disaster. According to FEMA, Hurricane Katrina, one of the most catastrophic natural disasters in history, resulted in more than 99 million cubic yards of debris, totaling greater than $3.7 billion in debris removal costs.

In 2017 there were 17 disasters of over $1billion dollars; the total cost of the 17 was $306 billion dollars, a record. According to the 2014 National Climate Assessment, which is a detailed report on climate change impacts on the US, climate change is expected to increase the frequency and intensity of some natural disasters. The amount of debris generated by natural disasters, and the costs to manage it, will likely increase as a result.

After a natural disaster strikes, a community, working with federal and state officials and other stakeholders, must conduct many debris management-related activities before it can fully recover. These activities can include:

- Estimating debris quantities;
- Assessing debris management options;
- Triaging debris management;
- Segregating debris into different material and waste streams;
- Identifying debris management sites and facilities and their available capacities;
- Collecting and hauling debris from the field and/or curb;
- Removing debris from waterways and sensitive habitats;
- Sampling and analysis of debris;
- Characterizing debris for proper management;
- Obtaining emergency permits;
- Processing debris (e.g. Volume reduction, refrigerant removal);
- Packaging and labeling debris for transport;
- Transporting debris to debris management sites and facilities;
- Managing debris through reuse, recycling, treatment, and/or disposal;
- Monitoring incoming debris at the debris management sites and facilities;
- Tracking debris from the original deposited point to final destination;
- Conducting debris management oversight activities, including site visits, inspection and environmental monitoring at debris management sites;
- Communicating with the public about debris collection and other management activities.

Pre-incident debris management planning by communities including forecasting debris volumes and types.

21. Oversee and coordinate all relevant services performed by the insurance companies/underwriters or any service agencies arranged for insurance program related issues and concerns.

Agree. Taking advantage of specially-focused insuring partner resources is of great advantage to control the Cost of Risk.

22. Perform administrative and clerical services relative to account management, including but not limited to issuance of certificates of insurance, verification of the accuracy of bills, audits and all premium adjustments.

    Agree, this is included in our standard service offering. An Account Manager and an Account Assistant is assigned to each client. They perform the day-to-day service needs including issuance of certificates of insurance, ordering and processing endorsements and verifying policy, endorsement and audit billing accuracy. Additionally, each office has an accounting leader who is governed by a regional accounting manager. Brown & Brown is publicly traded and our accounting/financial rules are highly regulated.

23. All payments from the City will be made to "one" selected entity (Service Broker) and not to an affiliated entity of the Proposer. It will be the assigned Service Broker's responsibility to distribute all premiums/payments to carriers and any other obligated party directly. Service Broker shall consolidate all invoicing to the City to reflect their name only. Any other entity such as wholesalers, other retailers, other affiliated entities, reinsurers, direct writers, and/or international brokers shall NOT be recognized or approved for payment. The Service Broker shall be responsible for providing payment to the carriers, wholesale brokers and other entities it utilizes to place coverage.

    Agree, this is included in our standard service offering. This is typical within our agency. Payments are collected by Brown and Brown Jacksonville and then dispersed to each of the participating companies within their required timelines. Recently we initiated a new method of payment to the agency making it convenient for our clients to pay by eCheck, credit card or wire transfer, should they so choose. Regardless of the method of payment, all distributions will be made to the appropriate parties from the Jacksonville office.

24. Assign an Account Manager to the City with government entity experience who shall be responsible for communication with the City and who, along with any other team members assigned, must be available on a daily basis to the City for advice and consultation on insurance program related issues and concerns. Any changes in personnel must be submitted in writing and approved by the City. If multiple Account Managers are included, Service Broker is required to provide a breakdown of each Account Manager's responsibilities, service office and percentage of work being performed by each individual.

    Agree. Lori Duvall would be assigned as the Account Manager. She and her backup team are available during business hours for daily policy management functions. Brenda Lewis-Lipscomb would be assigned as Principal Account Executive and is available 24/7.

25. Report all claims to coordinating adjusting firm and assure all claims have been reported to insurers.

    Agree, our staff will report and secure claims acknowledgements from each insurer which potentially may be involved in a loss.

26. Act as a liaison for the City with the coordinating adjusting firm and carriers to resolve claims and, in the event of a significant claim, assign a claims specialist to assist the City in the claims management process at no additional cost to the City.

    Agree. We believe the assigned team is well versed in the exposures and terms and conditions of the policies, and therefore are best to manage claims. The Account Executives involved team up to provide the broadest perspective to tackle any claims issue or claims management process. Lori Duvall oversees the claims process for our Jacksonville office. She, along with her assistant would be assigned to the City of Jacksonville as a claim specialist who will report and monitor claim activity, develop reports and keep everyone abreast of potential issues.

    Claims advocacy would be performed by one or more of our team. We will bring in claims specialists from wholesale and London brokers for negotiation with underwriters if necessary. In addition, other resources within Brown & Brown are available.

27. Participate in claims review meetings to ensure effective claims management and reporting to excess carrier. Coordinate claim information with designated adjusters, insurers and FEMA.

    We agree to participate in claims meetings and do so for current clients. We communicate and provide claims reporting requirements as standard practice, including in-house and contracted TPA's to be certain excess reporting provisions are clear.

28. Assist with emergency procedures and disaster planning. Assist with claim and coverage disputes.

    Agree. We also have access to Procor Solutions + Consulting, a subsidiary which specializes in disaster planning and claims resolution, as further described herein.

29. Assist the City, when requested, with questions on coverage application to specific claims and claim disputes.

    Agree to serve as the City's Claim Advocate. We will clearly outline the applicable coverage sections of the policy that apply to certain scenarios and for the purpose of settling claim disputes.

30. Participate in regular Claims Audits when requested by the Risk Management Division.

    Agree. Lori Duvall oversees the claims process for our Jacksonville office. She, along with her assistant would be assigned to the City of Jacksonville and will participate is regular Claims Audits as requested. Brenda Lewis-Lipscomb, Primary Account Executive, and Michelle Martin, Marketing Executive will also be available for claim audits.

31. FEMA will periodically audit claims. Service Broker will need to make records available during and after the expiration of the contract. Service Broker's records retention policy shall require minimum records retention 5 fiscal years after final disposition of claims or expiration of policy. (State of Florida and Local Government Agencies General Records Retention.).

    We agree to follow applicable State Statutes for retention guidelines.

32. Review the City's property loss runs and provide copies of loss runs to the City in an Excel worksheet by location and building or PITO with tracking of percentage deductible with application of minimum and maximum deductibles; provide a report to the City of any claim trends and solutions to mitigate cost; provide updated cumulative loss data on a semi-annual basis.

    Agree. In the event of a catastrophic claim with applicable percentage deductibles, Brown & Brown will work with the City's Executive Adjuster to prepare worksheets and formats that outline coverage, but also can be utilized for FEMA reporting. Loss reports will be submitted to the City as requested. A sample customized loss summary is displayed below.

Loss History

Policy Year	Date	Indemnity Paid	Type of Loss
2005	8/25/2005	$29,300	Hurricane Katrina
	10/24/2005	$135,083	Hurricane Wilma
2006	2/7/2007	$132,659	Fire
2007	12/3/2007	$3,324	Fire
2008	No Losses		
2009	No Losses		
2010	No Losses		
2011	9/16/2011	$107,516	Fire
2012	No Losses		
2013	No Losses		
2014	No Losses		
2015	7/27/2015	$4,773	Roof Collapse
	2/15/2016	$61,620	Truck Accident
2016	12/10/2016	$106,858	Pump Station
2017	9/10/2017	$11,099,713	Hurricane Irma
	1/28/2018	$2,433	Driving Range Canopy
2018	6/24/2018	$55,730	Awning fire
Total		$11,739,009	
5 year average		$2,266,225	
10 year average		$1,143,864	

33. Develop, with the City's assistance and involvement, loss control programs relevant to property conservation and strategies, including educational training, seminars, research and analysis of loss trends, and develop communication materials with the City's Safety team.

    We agree to work with the City utilizing the RMIS system, Executive Adjuster, and Insurers to assist in developing reports to identify loss trends and appropriate loss control strategies. As there generally is not a frequency of Property claims, we will review as needed to ensure appropriate safety measures are in place. We will assist in communicating these trends and the need for loss control strategies internally. This is a top priority in reducing the Total Cost of Risk!

    Brown & Brown's Solutions Center is also included with our services. The Risk Management Center is a unique, web-based compliance package which includes tools that will assist the City in their risk management efforts.

    We will review and engage engineering/inspection services offered by the City's insuring panel.

    We will access resources offered by our Brown & Brown subsidiary, Public Risk Underwriters. **Christopher Kittleson** is the Director of Loss Control Technical Services and has focused for over 8 years on improving risk exposure for Florida's public entities. With over 25 years' experience in the Safety and Risk Management field, Mr. Kittleson can coordinate services with the City's Safety team.

    In addition, internal safety/loss control resources may be available, namely via Public Risk Underwriters, and Procor Solutions + Consulting. Additional fees may apply depending upon the scope of services.

34. Assist, coordinate and facilitate the implementation of loss control recommendations between the insurer and the City.

    Agree. In addition to the inspection/loss control services that may be offered by the City's insurance partners, we also have internal resources to offer to the City as needed.

35. Introduce and provide a list of all internal or external staff that would be providing services in support of the Service Broker's efforts.

Additional information concerning our team is provided throughout this proposal. Additional staffing resources may be employed as needed.

Core Staff – Retail Operations (Brown & Brown subsidiaries)
Joshua Becksmith, Executive Vice President – Jacksonville Brown & Brown
Matthew Montgomery, Executive Vice President – PRIA – Daytona/Brown & Brown
Brenda Lewis-Lipscomb, Vice President – Jacksonville Brown & Brown
Michelle Martin, Vice President – PRIA – Daytona/Brown & Brown
Lori Duvall, Commercial Account Manager – Jacksonville Brown & Brown
Brittany O'Brian, Risk Management Team Leader – PRIA – Daytona/Brown & Brown
Rachel Crowe, Commercial Account Assistant – Jacksonville Brown & Brown
Kellie Yost, Accounting Leader – Jacksonville Brown & Brown
Robin Russell, Director of Operations – PRIA – Daytona/Brown & Brown

Other Operation Staff (Brown & Brown subsidiaries)
Elizabeth White, President – Peachtree Special Risk brokers (Domestic Property Wholesale Intermediary, Brown & Brown) – Atlanta, GA
Greg Olson, Vice President – Peachtree Special Risk brokers – Atlanta, GA
Malinda Pierce, Broker – Peachtree Special Risk brokers – Atlanta, GA

Christopher Kittleson - Director of Loss Control Technical Services - Public Risk Underwriters

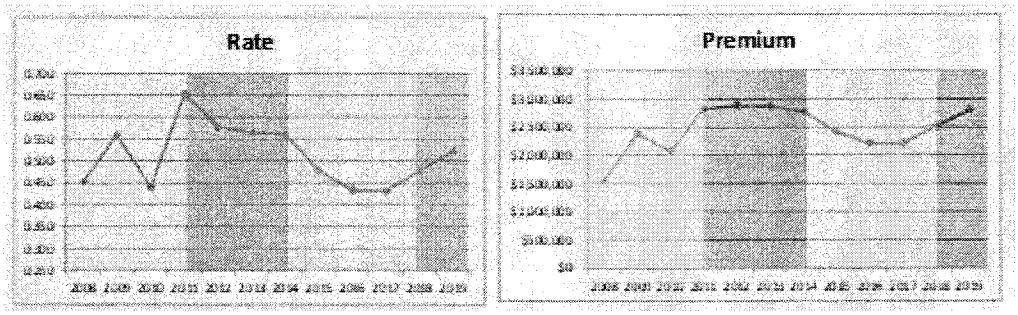
External Staff
Deborah Jewett, MWBE Consultant – ReEx Insurance Brokers, Tampa FL

Henry Lawrence, Managing Director - Willis Towers Watson, International Intermediary
Dominic Sindall, MRes, Dip CII - Head of Data, Analytics & Innovation – International Intermediary

36. Provide recommendations to reduce the City's total cost of risk (TCOR).

The City's largest financial exposure is self-insured claims. The Brown & Brown team will provide a combination of coverage design, claim management and loss control services to reduce the City's total cost of risk. We have suggested program design changes under Question #2 and would present a TCOR analysis of these program structures when discussed in concept and when presented formally.

Below is a graphic used for one of our current clients to identify and track results and TCOR. We use many such tools and analysis to compare insurance costs vs self-insured exposures.

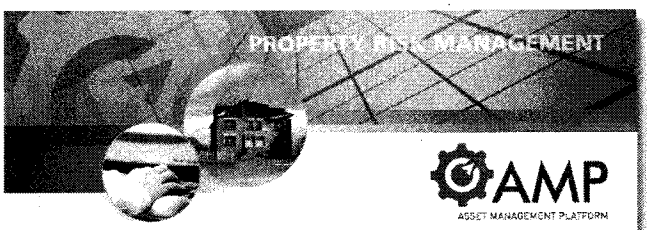


37. Subcontract with a vendor approved by the City to provide appraisal services for all City buildings that have not been appraised as agreed by the City and broker. Bi-Annual updates to such appraisals must be included. The appraisal process must also include the collection of COPE (i.e., construction, occupancy, protection, exposure) data and secondary modifier characteristics to be used in the RMS catastrophe modeling software. This service is to be provided to the City at no additional cost.

Agree. Brown & Brown has a working relationship with AssetWorks, the third-party property appraisal firm currently utilized by the City of Jacksonville. We will be sure the best information is collected for RMS, AIR, and proprietary financial/loss models.

We agree to subcontract a third-party appraisal company for a Cost of up to $100,000 over the 5-year contract.

PRIA's offer includes a sophisticated web-based Asset Management Program (AMP). AMP is proprietary software tool developed and maintained by AssetWorks and licensed to PRIA. This web-based system provides an efficient and secure platform for tracking and reporting tangible asset data. Applications includes loss control, claim documentation and tracking, CAT modeling, historical tracking, FEMA documentation archiving and many other uses. This software also allows for trending of values.



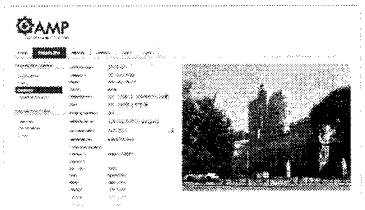
AMP
ASSET MANAGEMENT PLATFORM

Property Risk Management

As an organization, being exposed to a variety of risks is inevitable – being prepared in the event of a risk occurrence is critical. When it comes to managing property data for your organization or risk pool, the AMP Property Risk Management module from AssetWorks offers an innovative approach to risk management. By maintaining data about buildings and structures, property-in-the-open, fixed assets, licensed vehicles, and secondary C.O.P.E. characteristics, in a single, comprehensive database, AMP can help bridge the gap between valuation results and valuation management.

AMP offers a convenient, efficient, and secure method of tracking and reporting data used for:

- Loss control
- Proof-of-loss documentation
- Catastrophe modeling
- Annual updating of values
- Property marketing and placement



With various levels of user access, approval processes, and a complete audit trail, AMP users can be confident in the integrity of their data. Data conversion capabilities for catastrophe modeling, reports for proof-of-loss documentation in the event of a catastrophe, and a simplified insurance renewal process make AMP the clear choice for property risk management.

168 Industry Drive, Pittsburgh, PA 15275 • 412.809.0660 • info@assetworks.com
www.assetworks.com

AssetWORKS

PROPERTY RISK MANAGEMENT

AMP
ASSET MANAGEMENT PLATFORM

PRODUCT HIGHLIGHTS:

Property Tracking

Functionality to track multiple individual organizations under one entity. Includes the ability to track primary and secondary C.O.P.E. data as well as processes for adding, updating, and deactivating property.

Valuation Management

Users can implement approval processes for new property and changes made to existing insurable values. Mass change functionality provides the ability to annually perpetuate values while maintaining a complete record of the change made.

Dynamic Reporting Tool

Standard reports are accessible in batch mode and can be filtered by search parameters. Includes reports to assist with data conversion for catastrophe modeling, proof-of-loss documentation, and the insurance renewal process.

System and Data Security

Various levels of user access defined at the entity, organization, site and building level as well as approval processes and a complete auditable history ensure the integrity of data being tracked.

Data Exchange

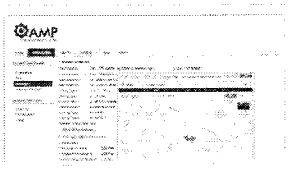
Allows asset and table data to be imported/exported in comma-delimited (CSV) and text formats.

Document/Image Repository Management

Provides the ability to assign forms, documents, and image files to individual properties and assets.

User-friendly Interface

The "Work Desk" capability allows statistics, reports and other visual tools to be attached to the home screen, while an unlimited number of user defined fields allows users to track additional data elements.



BENEFITS:

- Streamline data communication processes and simplify the renewal process by maintaining all information in one sophisticated database, accessible by everyone in real-time.
- Increase efficiency with automated workflow processes for adding new properties, modifying existing property schedules, and removing entries from current property schedules.
- Save time preparing reports for data mapping for catastrophe modeling, proof-of-loss documentation, and the insurance renewal process.
- Rest assured that data is secure and accurate as a result of various levels of user access, approval processes, and a complete audit trail.
- Experience greater leverage in the insurance market with respect to coverage and premiums as a result of submitting accurate data and a detailed risk model.
- Reduced learning curve as a result of user friendly design and intuitive workflows.

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www.assetworks.com

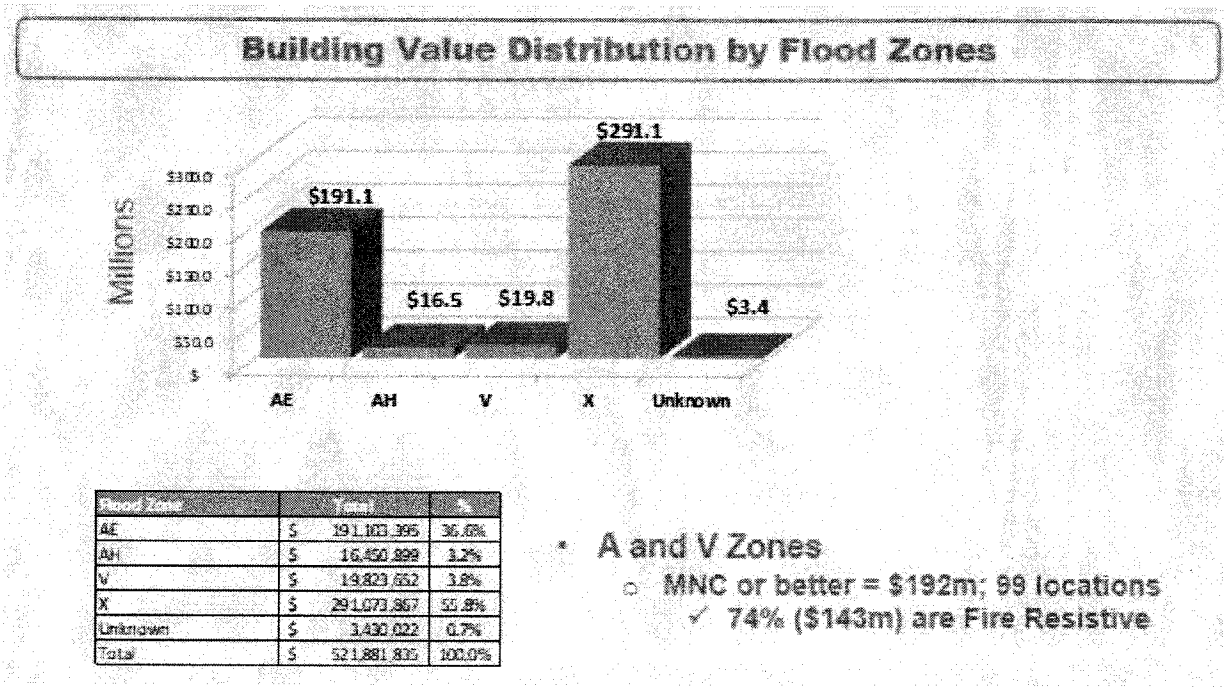
AssetWORKS

38. Provide, on an annual basis, catastrophe modeling projections for all City properties utilizing both the most recent version of the RMS and AIRS catastrophe modeling software systems. This service is to be provided to the City at no additional cost.

We provide both RMS and AIR catastrophic models to all our large clients. We have extensive experience in reviewing modeling results for accuracy and improvement. Our service will include the analysis of any new software versions that may increase the City's loss estimates. While we realize that changes in software may not correlate with actual increases in exposure, the underwriting world uses these models to balance portfolios and can result in increased pricing. In order to offset any financial impact on the City, we will identify any changes and provide alternatives early in the renewal process.

Many brokers, in 2012, were caught off guard by the RMS changes in 2011 and delivered large increases in rates and reductions of limit. We were not and were prepared with alternatives and early negotiation strategies. Many large public-sector entities were forced to dramatically change their insurance programs solely due to the RMS change and the inaction of their brokers. At the same time, PRIA's clients were still getting modest rate reductions or near flat renewals.

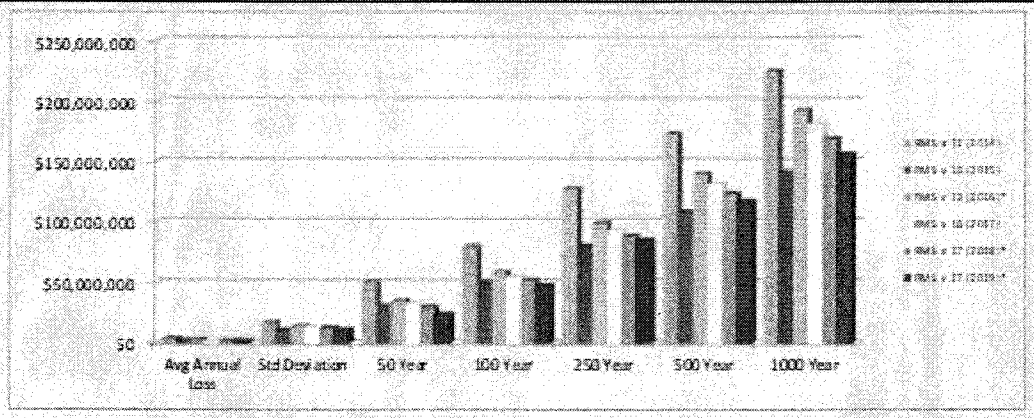
Graphic presentation of the modeling results can include data similar to that illustrated below:



Flood Zones	Total	%
AE	$ 191,103,395	36.6%
AH	$ 16,450,899	3.2%
V	$ 19,823,652	3.8%
X	$ 291,073,867	55.8%
Unknown	$ 3,430,022	0.7%
Total	$ 521,881,835	100.0%

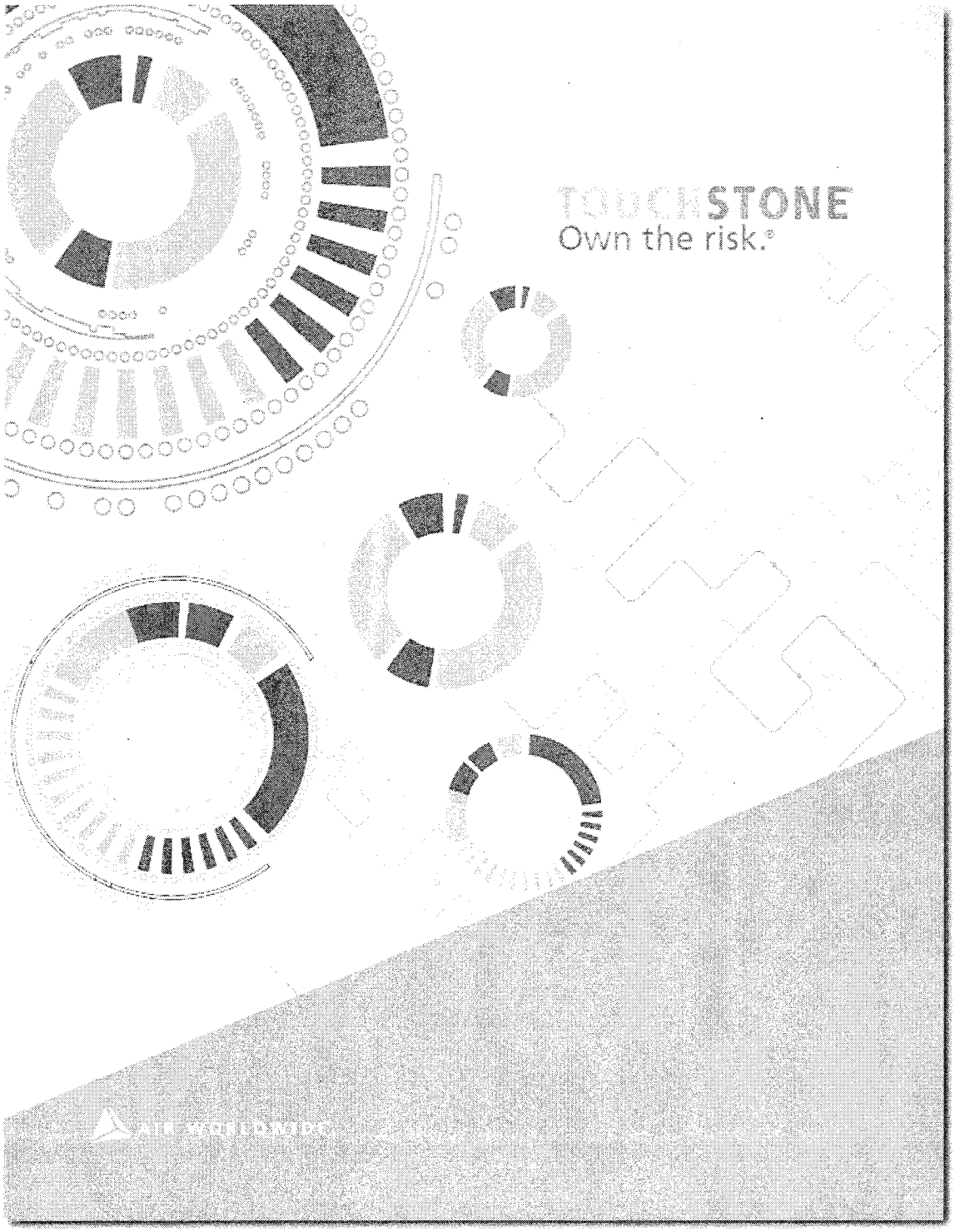
RMS – Ground Up

* Includes PITO	Avg Annual Loss	Std Deviation	Return Periods				
			50 Year	100 Year	250 Year	500 Year	1000 Year
	EV	SD	2% PE	1% PE	0.4% PE	0.2% PE	0.1% PE
RMS v11 (2014)	$3,798,891	$17,558,941	$60,591,825	$79,773,938	$127,845,882	$172,852,391	$225,048,071
RMS v13 (2015)	$2,151,510	$11,006,813	$30,739,316	$50,032,767	$80,885,207	$103,886,738	$141,337,685
RMS v13 (2016)*	$2,543,564	$14,375,583	$35,136,212	$58,783,928	$99,379,351	$140,319,523	$192,368,427
RMS v16 (2017)	$2,348,247	$13,468,600	$32,501,232	$54,830,744	$93,128,021	$131,842,283	$180,588,210
RMS v17 (2018)*	$2,115,180	$12,888,255	$30,189,049	$52,095,934	$88,340,082	$123,873,695	$169,099,249
RMS v17 (2019)*	$1,669,543	$11,047,819	$23,744,247	$47,203,396	$84,571,081	$116,788,833	$155,783,003



The RMS modeling is being provided to you as an illustration of modeling programs which may be used by the underwriters in evaluating a particular risk. Risk estimation is inherently uncertain. In providing this modeling to you, Peachtree Special Risk Brokers makes no representations or warranties, whether express or implied, concerning the RMS model's accuracy or fitness for a particular purpose.

We also offer an interactive catastrophic modeling tool that can customize potential property loss outcomes in real time. Touchstone is new technology available to the City at no additional cost. More information about this resource follows.


TOUCHSTONE
Own the risk.®
AIG WORLDWIDE

Reimagine Risk Management

The challenges today's risk managers face are relentless. Losses seem to grow larger with each new event. Non-modeled sources of risk suddenly emerge to reveal new vulnerabilities. Companies are searching for the path to continued profitable growth in a rapidly changing market environment and under ever stricter regulatory regimes.

To meet these challenges and seize emerging opportunities, risk managers need tools that empower them, not hold them captive; tools that provide transparency, flexibility, and choice; tools that allow them to own their risk. That's why we developed Touchstone.

Touchstone allows you to:

- Harness the power of AIR's industry-leading models
- Understand exposure accumulations and improve the quality of your exposure data
- Perform advanced sensitivity testing
- Consider alternative views of risk
- Manage global exposure to both modeled and non-modeled perils
- Gain insight into the sources of uncertainty and how to manage them
- Generate the information you need, when you need it

Touchstone is intuitive, powerful, flexible, and fast. Its customizable interfaces, streamlined database structures, and award-winning geospatial analytics enable you to better understand your results and improve your risk management decisions.

The next generation of catastrophe modeling is here.

UNDERSTAND YOUR BUSINESS AS NEVER BEFORE

Touchstone is architected to support best practices in today's catastrophe modeling workflow. Taking ownership of the risk starts with your exposure. With its interactive mapping capabilities, Touchstone's ***Exposure Overview*** allows you to instantly grasp the geographic extent of your portfolio and accumulations of risk on a global scale with customizable charts, tables, and maps. Zoom all the way down to street level and switch to satellite view for visual confirmation that the property is actually what and where your data says it is.

We all know that the reliability of model output is only as good as the quality of the exposure data used as input. Beyond seeing where your exposures are located, Touchstone's ***Data Quality Analytics*** enable you to measure and improve your data quality. Start with scoring so that you can target resources toward improving the quality of data in those policies or portfolios where it will have the greatest impact on your enterprise-wide risk profile. Validate your data against a comprehensive set of completeness and reasonability rules, and benchmark your data against that of the industry. For U.S. exposures, you can leverage Touchstone's comprehensive and detailed property-specific databases to fill in missing data or replace data that is questionable.

Armed with a full grasp of your exposure data, you can run ***Loss Analytics*** using the same robust simulation methodology that has always been behind the AIR model. Quickly see various perspectives of loss, loss metrics, and uncertainty, all within the Touchstone user interface. After performing detailed loss analysis on high quality exposure data, the capabilities that make Touchstone truly groundbreaking become apparent.

With Touchstone's ***Hazard Analytics***, you can quickly identify the catastrophe hazards that threaten individual property locations. Check if a risk complies with underwriting guidelines—its distance to the coast, for example, or whether it's located on a particular soil type. Touchstone's hazard information is both broad and deep, ranging from liquefaction and landslide potential, to elevation and terrain, to FEMA flood zones and distance to return-period floodplains.

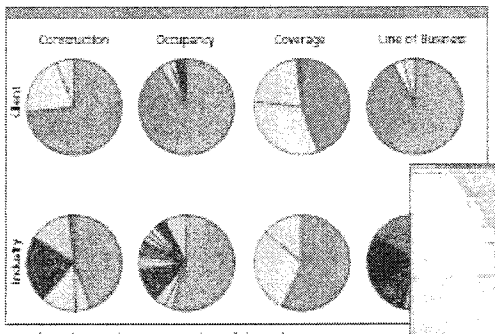
To facilitate model validation, Touchstone's Hazard Analytics also gives you direct access to location-level hazard information for simulated events—including wind speed, ground motion, and flood depth.

Bringing it all together are Touchstone's ***Geospatial Analytics***, which allow you to integrate exposure, hazard, and loss information. But unlike numbers on a spreadsheet, the visual intelligence Touchstone offers means rich and intuitive insight into your accumulations and how they relate to potential hazards. While tools for accumulation management have been a mainstay in catastrophe risk management for many years, Geospatial Analytics adds an essential layer of information that no other solution in the market can deliver.

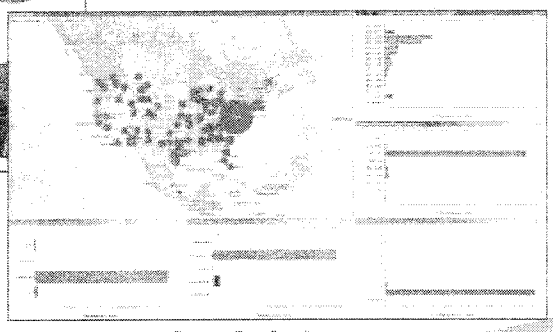
EVOLVE FROM REPORTING TO INTERACTIVE DISCOVERY

Long gone are the days when annual or even monthly reporting was sufficient to manage your risk. Immediacy is the new norm. Touchstone is designed to always stay open on your desktop so that you can explore your data and results in an interactive manner, understand the risk at new levels of detail—and conduct analyses at near real time.

Not only can you combine exposure information for multiple lines of business with location-specific hazard data, but you can also leverage the power of Touchstone's financial module to apply policy and layer terms to run geospatial analyses based on your exposed limits. A full range of loss perspectives are available—including ground-up, gross, retained, and net of pre-cat.



Benchmark your data against that of the industry using Data Quality Analytics



Exposure Data Overview

What's the next step? You decide. Specify accumulation zones by political boundaries, user-defined regions, or custom-drawn polygons and ellipses. Automatically and accurately identify the ring that generates the highest accumulation through *dynamic ring analysis*. Perform concentric ring analyses to evaluate terrorism exposure around specific targets, anywhere in the world. Or analyze your accumulations of exposure and loss against the intensity footprints of significant historical events, realistic disaster scenarios, or your own hazard layers, and apply user-defined damage ratios to assess loss potential. The possibilities are limitless.

STREAMLINE YOUR WORKFLOW

Touchstone offers unparalleled ease of use and workflow efficiencies. The Reinsurance Submission Pack wizard minimizes clicks, ensures the fidelity of submissions, and facilitates information exchange between reinsurers and their cedants. Touchstone's comparative analytics let you track how loss results change over time, with different financial terms or analysis options, or across different model versions, all of which can be visualized intuitively with Touchstone's mapping features.

The ***Underwriting Mode*** provides detailed and customizable information about policies under consideration, allowing you to make faster and more consistent underwriting decisions. Define what analytics to perform in accordance with your company's guidelines, and display results within a single adaptable view.

CHOICE IN DEPLOYMENT TO MEET YOUR NEEDS

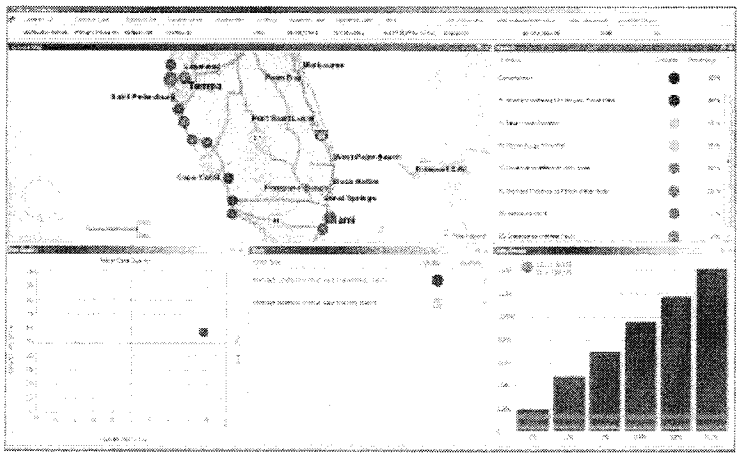
AIR will help you establish a catastrophe modeling environment that works best for your organization. Touchstone can be installed:

- In house or in your own private cloud
- In a third-party public cloud
- Integrated with your existing systems through APIs
- In an AIR-hosted cloud

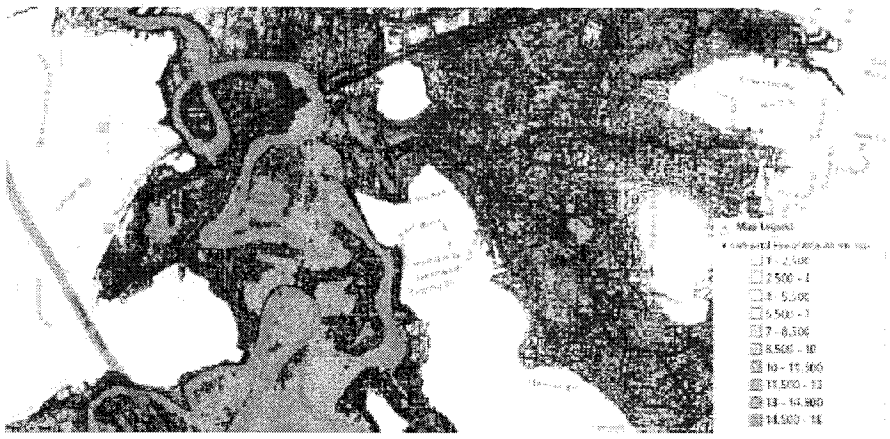
Ultimately, the choice is yours.

Non-catastrophe analytics have also been integrated into Touchstone to give you a comprehensive understanding of how perils such as fire, lightning, explosions, and vandalism affect your risk profile. Non-cat perils can be assessed using custom loss costs or by leveraging ISO® data that can be seamlessly integrated into Touchstone.

No other risk analysis software can offer this level of workflow efficiency and integration, making Touchstone the leading platform for helping you make the best pricing, underwriting, and risk management decisions.



The Underwriting Mode's dashboard displays key analysis output—Data Quality, Clash, Loss, and Hazard—within a single window



Integrate third-party data on a flexible, open platform

EFFECTIVELY USE ALL YOUR VERISK ASSETS

As a Verisk Analytics business, AIR is in a unique position to integrate Verisk data and products into Touchstone, giving you the means to effectively use all your Verisk assets within a single platform. Integration of Verisk data and products within Touchstone allows you to:

- Assess your non-catastrophe risk with ISO loss costs and PSOLD™
- Augment your exposure data quality by leveraging Touchstone's property-specific database, a blended data set that sources information from ProMetrix™, ISO PushPin, and Verisk's 360Value®
- Visualize and accumulate your severe thunderstorm and terrorism risk by importing data layers from Verisk Climate and Verisk Maplecroft

THE TECHNOLOGY TO MAKE IT POSSIBLE

Touchstone was designed to offer significant improvements in job scalability, cluster resource utilization, and overall system throughput. The end result is speed. Computationally complex analyses can be scaled in parallel across hundreds of cores, dramatically reducing model run times. You can ***run more analyses more frequently***, perform the additional sensitivity testing necessary to truly own your risk, and have more time for the kinds of informed decision-making that lead to profitable growth.

And it's not only model runs that can be scaled across dozens of cores. Large data imports can also be distributed, dramatically reducing the amount of time spent getting your data into the software. Further performance improvements are made possible through streamlined exposure and loss database schemas, which simplify loss analysis, portfolio management, and reporting, all while reducing the database footprints.

AIR is also committed to giving you the tools and the knowledge to customize how Touchstone is incorporated into your enterprise. With Touchstone application programming interfaces (APIs), you can leverage the varied functions within Touchstone's analysis modules and integrate them with your existing systems through custom-tailored, desktop, browser, or mobile-based solutions. Build superior risk management systems that align with your workflows.

A TRULY OPEN AND FLEXIBLE PLATFORM

With Touchstone, you can seamlessly integrate non-AIR hazard data and models, or your own custom view of risk.

AIR has already signed agreements with a diverse group of companies that provide inland flood hazard maps, earthquake and wind footprints, and terrorism target data, among others. We've also completed integration of ERN's Mexico earthquake and hydro models. Additional

(continued on page 7)

THE VISION

The benefits of Touchstone today are numerous and profound. But they're just the beginning. We're building Touchstone to be the platform on which you can build a broad analytics infrastructure.

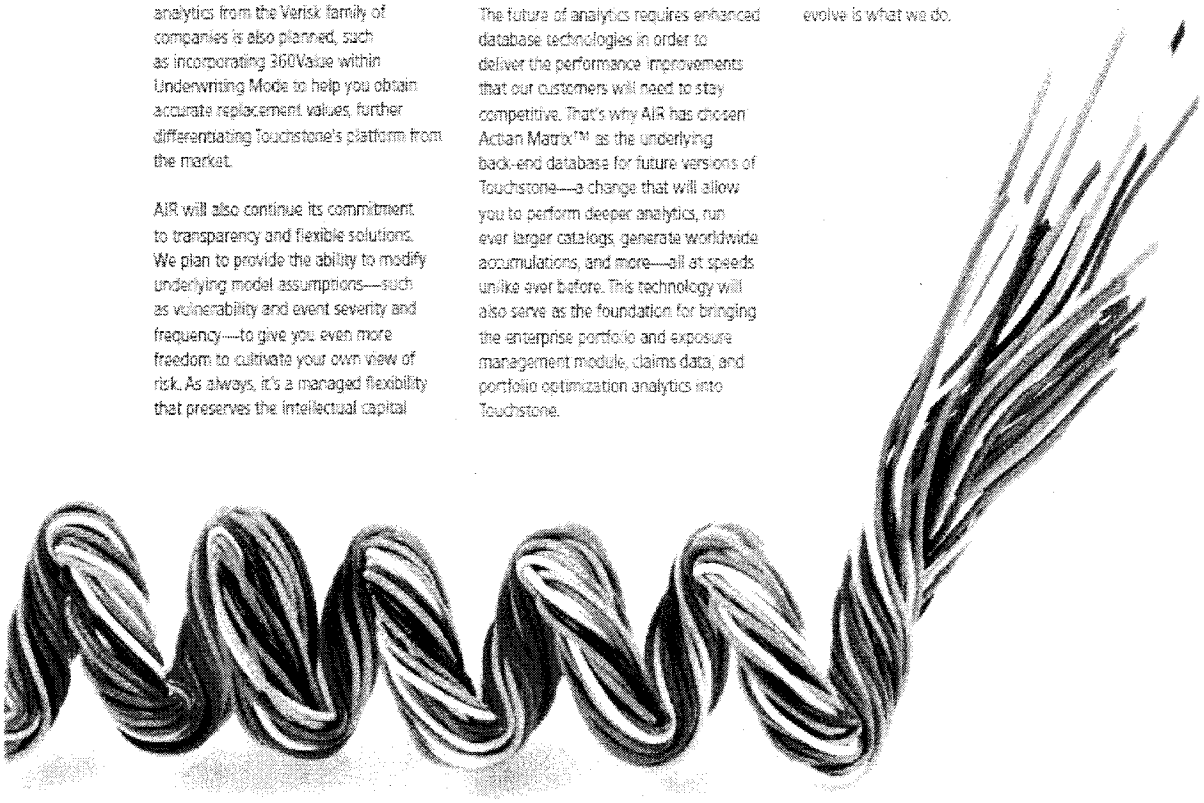
Coming soon, Touchstone will expand its comparative analytics capabilities to allow comparisons between different sets of exposure data or hazard and geospatial results.

Additional integration of data and analytics from the Verisk family of companies is also planned, such as incorporating 360Value within Underwriting Mode to help you obtain accurate replacement values, further differentiating Touchstone's platform from the market.

AIR will also continue its commitment to transparency and flexible solutions. We plan to provide the ability to modify underlying model assumptions—such as vulnerability and event severity and frequency—to give you even more freedom to cultivate your own view of risk. As always, it's a managed flexibility that preserves the intellectual capital behind the AIR models—and you'll never lose sight of the AIR view. Touchstone will also provide a seamless approach to integrating your own in-house models or loss curves and blending the output with AIR and third-party results.

The future of analytics requires enhanced database technologies in order to deliver the performance improvements that our customers will need to stay competitive. That's why AIR has chosen Actian Matrix™ as the underlying back-end database for future versions of Touchstone—a change that will allow you to perform deeper analytics, run ever larger catalogs, generate worldwide accumulations, and more—all at speeds unlike ever before. This technology will also serve as the foundation for bringing the enterprise portfolio and exposure management module, claims data, and portfolio optimization analytics into Touchstone.

Today, Touchstone provides the flexibility, transparency, and performance you need for managing catastrophe risk in the current business environment. Tomorrow, Touchstone will be the holistic solution for meeting all your risk management needs. Because meeting your needs as they evolve is what we do.



39. List of all affiliated and/or related entities that would be providing services in support of your broker efforts.

    For the core services described, three wholly-owned Brown & Brown, Inc. subsidiaries would partner to fulfil this contract:

    Brown & Brown of Florida, Inc. – Jacksonville
    Risk Management Associates, Inc. dba Public Risk Insurance Advisors (PRIA) – Daytona Beach
    Peachtree Special Risk Brokers, LLC – Atlanta, GA
    Public Risk Underwriters, Lake Mary, FL

    In addition, other subsidiaries could be utilized as resources for the City depending upon the need.

At the request of (and sole discretion of) the City, provide services for "special projects" other than those related to property broker services which include appraisals, catastrophe modeling and other services listed in 1 through 39. Services outside of those listed in items 1 through 39 ("special projects") will be billed when services are rendered and are not to exceed $20,000.

Agree.