ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

Division of Insurance and Risk Management
117 West Duval Street
Suite 335
Jacksonville, FL 32202
(904) 630-7521
www.coj.net

MEMORANDUM

TO: Greg Pease, Chairperson, Professional Services Evaluation Committee

COPY: Alex Baker, PSEC Specialist

FROM: Twane Duckworth, Chief of Risk Management
Ann Willis, Property & Casualty Compliance Administrator

DATE: February 15, 2019

RE: Brown & Brown of Florida, Inc. – Contract Casualty Insurance Broker Services
P-43-18 Request for Amendment Three

The current contract with Brown and Brown (No. 9269-08) for Casualty Insurance Broker Services allows for Brown & Brown to place casualty insurance coverages for a term of October 1, 2018 to September 30, 2019, with four (4) additional one year renewal options having an annual Grand Total Average Commission Percentage (GTACP) of 10% (inclusive of Service Brokers, Intermediaries or Wholesalers) as defined in the RFP.

The current contract has been amended to place a new cyber liability policy for the City and premium adjustment for a current maximum indebtedness of $1,800,878.00. This request is to amend that contract again for the purchase of a new special events policy at a cost of $52,535.00, which would increase the maximum indebtedness by that same amount for a new total of $1,853,413.00.

It is respectfully requested that City Contract No. 9269-08, with Brown & Brown be amended for the placement, binding, and ratification of the purchase of the special events coverage for the City of Jacksonville effective February 15, 2018 to February 15, 2019 as set forth in Exhibit H.

All other contract terms and conditions shall remain the same (nothing contained herein shall be amended, modified, or otherwise revised without prior PSEC and Mayor's approval).

Exhibits for your review:
Exhibit A –Brown & Brown Contract No. 9269-08
Exhibit D – Special Events Policy Proposal

Thank you for your consideration.

Exhibit A

Brown & Brown Casualty Contract

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SERVICES CONTRACT
BETWEEN
THE CITY OF JACKSONVILLE
AND
BROWN & BROWN OF FLORIDA, INC.
FOR
CASUALTY INSURANCE BROKER SERVICES

THIS CONTRACT is made and entered into this 12 day of November, 2018, but made effective as of October 1, 2018 (the "Effective Date"), by and between the CITY OF JACKSONVILLE (the "City"), a municipal corporation existing under the Constitution and the laws of the State of Florida, and BROWN & BROWN OF FLORIDA, INC. (the "Service Broker"), a Florida corporation with its principal offices at 10151 Deerwood Park Boulevard, Building 100, Suite 100, Jacksonville, Florida 32256.

WHEREAS, the City (as the "Buyer") issued a Request for Proposal No. P-43-18 (the "RFP") for certain services described in the RFP (the "Services"); and

WHEREAS, based on Service Broker's response/proposal to the RFP dated September 27, 2018, consisting of 39 pages (the "Response/proposal"), the City has negotiated and awarded this Contract to Service Broker;

NOW THEREFORE, in consideration of the premises and the mutual covenants contained below, the parties agree as follows:

1. **Performance of Services.** The Services will be performed by Service Broker as specified in the RFP and the Response/proposal, and in accordance with Exhibit A attached hereto and incorporated herein by this reference.

2. **Compensation**. Service Broker will be paid by the City for the Services in accordance with the Contract Fee Summary attached hereto as Exhibit B and incorporated herein by this reference.

3. **Maximum Indebtedness.** As required by Section 106.431, *Ordinance Code*, the City's maximum indebtedness, for all products and services under this Contract shall be a fixed monetary amount not-to-exceed ONE MILLION SEVEN HUNDRED ONE THOUSAND FIVE HUNDRED SIXTEEN AND NO/100 DOLLARS ($1,701,516.00).

4. **Term.** The initial term of this Contract shall commence on the Effective Date and shall expire on September 30, 2019, unless sooner terminated by either party in accordance with the terms of the RFP. This Contract may be renewed for up to four (4) additional, consecutive one (1) year periods by (i) the City, it its sole discretion, upon written notice to Service Broker at least sixty (60) days prior to end of the then-current term, or (ii) upon the mutual agreement of the parties.

5. **Contract ocuments.** This Contract consists of the following documents which are hereby incorporated as if fully set forth herein and which, in case of conflict, shall have priority in the order listed:

- This document, as modified by any subsequent signed amendments
- Any amendments to the RFP
- Specific Information Regarding The RFP (Section 1 of the P)
- Description of Services and Deliverables (Section 4 of the RFP)
- General Instructions to Respondents (Section 2 of the RFP)
- General Contract Conditions (Section 3 of the RFP)
- Any Purchase Order under the Contract
- The Response/proposal, provided that any terms in the Response/proposal that are prohibited under the P shall not be included in this Contract.

6. **Notices.** All notices under this Agreement shall be in writing and shall be delivered by certified mail, return receipt requested, or by other delivery with receipt to the following:

As to the City:

City of Jacksonville
Risk anagement Division
117 W. Duval Street, Suite 335
Jacksonville, Florida 32202

With a copy to:

City of Jacksonville
Office of General Counsel
117 W. Duval Street, Suite 480
Jacksonville, Florida 32202
Attn: Corporation Secretary

As to the Service Broker:

Brown & Brown of Florida, Inc.
10151 Deerwood Park Blvd.
Building 100, Suite 100
Jacksonville, Florida 32256

7. **Contract Managers.** Each Party will designate a Contract Manager during the term of this Contract whose responsibility shall be to oversee the Party's performance of its duties and obligations pursuant to the terms of this Contract. As of the Effective Date, City's Contract anager is Twane Duckworth, and the Service Broker's Contract Manager is Brenda Lewis-Lipscomb. Each Party shall provide prompt written notice to the other Party of any changes to the Party's Contract Manager or his or her contact information; provided, such changes shall not be deemed Contract amendments and may be provided via email.

8. **Entire Agreement.** This Contract constitutes the entire agreement between the parties hereto for the Services to be performed and furnished by the Service Broker. No statement, representation, writing, understanding, agreement, course of action or course of conduct, made by either party or any representative of either party, which is not expressed herein shall be binding. Service Broker may not unilaterally modify the terms of this Contract by affixing additional terms to materials delivered to the City (e.g., "shrink wrap" terms accompanying or affixed to a deliverable) or by including such terms on a purchase order or payment document. Service Broker acknowledges that it is entering into this Contract for its own purposes and not for the benefit of any third party.

9. **Amendments.** All changes to, additions to, modifications of, or amendment to this Contract, or any of the terms, provisions and conditions hereof, shall be binding only when in writing and signed by the authorized officer, agent or representative of each of the parties hereto.

10. **Counterparts.** This Contract, and all amendments thereto, may be executed in several counterparts, each of which shall be deemed an original, and all of such counterp s together shall constitute one and the same instrument.

[Remainder of page left blank intentionally. Signature page follows immediately.]

IN WITNESS WHEREOF, the parties have executed this Contract as of the day and year first above written.

ATTEST: **CITY OF JACKSONVILLE**

By y

J es McCain Le urry Chief trative Officer
rporation Secretary Mayor For: M nny Curry
Under Authority of
Executive Order No. 2015-05

the City of Jacksonville, I do hereby certify that there is an unexpended, unencumbered, and un-impounded balance in the appropriation sufficient to cover the foregoing agreement; and that provision has been made for the payment of monies provided therein to be paid.

Direc or of Finance
City Contract Number: 12 -0

Form Approved:

ice of Gener ouns

ATTEST: **BROWN & BROWN OF FLORIDA, INC.**, a Florida corporation

By: By:
Signature ignature

Michelle Turner Brenda Lewis-Li scomb
Type/Print Name Type/Print Name

Senior Marketin Anal st Vice President
Title Title

GC-#1248 90 v1-Brown & Brown of Florida - contract for Casualty Insurance Broker Services docx

Exhibit A

Scope of Services

(see 10 pages following)

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 i addressed throughout this response.

2. *Consult with the City to formulate a marketing strategy that focuses on delivering a cost effective Excess Workers' Compensation and General Liability risk management program. Suggest alternative risk financing vehicles to reduce total cost of risk.*

   Agree. These services are provided in our primary service objectives.
   We would first analyze the current program and historical losses to determining the best approach to reducing retentions or rates within the program. The current carriers, NY MAGIC and BRIT, are solid companies for this type of risk but the program must be evaluated to make certain the City is receiving the best program design for today's exposure.

3. *Summarize the results of the marketing strategy developed with the City and communicate program recommendations.*

   Agree. Marketing strategy and results of any annual renewal processes are formally presented in a standard proposal format. Unique presentations are discussed and delivered to our Risk Management clients. A basic summary of a recent client-approved casualty marketing strategy is below:

2018 Marketing Strategy & Results

- Full market accessed for Property Coverages
- Discussion Regarding Active Shooter/Crisis Response – Insurance quotation not desired
- Review Parametic Insurance
- Approached Professional coverages/markets (Public Officials, Employment Practices)
- Approach select Excess Liability and Workers' Compensation insurers
  - Flat renewal secured by incumbent, ABC Company
  - Competitive Quote received by XYZ Company
  - Self-Insured Retention (SIR) Options Analysis
  - Large Losses Review
  - Self-Insured Retention Analysis
- Public Officials/Employment Practices Liability Coverage Options Analysis

EXHIBIT 'A'

4. *Design specifications and create a submission for underwriter review for Excess Workers' Compensation, Excess General Liability Insurance and Miscellaneous Liabilities as defined by the City and obtain Risk Management's approval on marketing submission and markets being approached.*

   Agree. A basic summary of a recent submission document sent to one of our current clients 90 days prior to renewal is:

INSURANCE

5. *Market the coverage, analyze the coverage terms and provide 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.*

   Agree. This is included in our standard service offering.

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

   Agree. This is included in our standard service offering.

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. This is included in our standard service offering. We will spreadsheet any optional coverages and provide claims analysis and side by side coverage analysis. Below is a basic specimen quote comparison presentation:

CITY OF SUPERIOR
PROPERTY QUOTE COMPARISON
To Be Effective 3/1/2017-18

Important Terms	Expiring	RECOMMENDED Renewal - Option I	Option II	Option III
	Starr Tec - Ace American 3/1/2016-3/1/2017 Terms	3/1/2017-3/1/18 Terms	XYZ RRG	MISC SPECIAL PROGRAM
	3 year policy subject to review and acceptance 2016-17 Annual Policy Terms	3 year policy subject to annual review and acceptance 2017-18 Annual Policy Terms Sec	Pooling Arrangement (Insured Entity) Increases same as Quote in 2015-16 Carrier significantly impro	Same Insurer as General Liability [illegible] same as Quote in 2015-16 [illegible] improve terms
PROPERTY				
Premium [illegible]	$ [illegible]	$ [illegible]	$ 1,340.00	$ 1,1[illegible]
[illegible]	[illegible]	[illegible]	Included	[illegible]
[illegible] Fee	$ 4,900	$ 4,9[illegible]	Not Available	[illegible]
[illegible] Annualized [illegible]	$ [illegible]	$ 1,211,83[illegible]	$ [illegible]	$ 1,248,1[illegible]
COS Difference from Expiring/Renewal	$ (21,319)	$ (22,337)	$ 43,610	$ (3,[illegible])
	-1.72%	1.83%		
Pro[illegible] [illegible]ductibles				
"All Other [illegible]"	$ 50,000	$ 50,000	$ [illegible]	
Wind [illegible]	[illegible]	$ [illegible]	$ [illegible]	
Named W. [illegible]	Named Windst[illegible] 3% TIV of the units of insurance damaged, $100,000 Occurrence Minimum	Named Windstorm 3% TIV of the units of insurance damaged, $100,000 per Occurrence Minimum	Named Windstorm 3% TIV Per Item Damaged $25,000 Per Occurrence Minimum	N/A. $500,000 at LOCATION A, $750,000 at LOCATION B, $50,000 At other Locations per
Flood [illegible]	[illegible] TIV of the unit [illegible]	$ [illegible] TIV of the unit		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	$ 500,000	[illegible]	[illegible]	[illegible]

EXHIBIT 'A'

INSURANCE.

We encourage participation by the City's Financial Management team due to the loss funding needs of a large self-insured program such as the largest City in America.

We will evaluate risk transfer methods (insurance, avoidance, contractual transfer, etc.), contractual indemnification and alternative risk financing. Below is a template of a basic retention analysis utilized in a Cost of Risk review:

XYZ CLIENT 10-YEAR CLAIMS ANALYSIS				
(Losses over $500,000 total Incurred in the past 10 years)				
ACCIDENT DATE	TOTAL INCURRED	CLAIMANT NAME	CLAIM STATUS	DESCRIPTION
2008	$558,542	Mr. Jones, Sr.	OPEN	*Detail Description*
2010	$542,493	Mrs. Jones	OPEN	*Detail Description*
2013	$789,170	Mr. Jones, Jr.	OPEN	*Detail Description*

ING $750,000 SIR & PREMIUM					
		CLAIMS PAYMENTS			
YEAR	TOTAL INCURRED	Self-Insured	Insurance Pays	ANNUAL PREMIUM	TOTAL COST OF RISK
2004-2005	1,281,504	1,281,504	0	250,000	1,531,504
2005-2006	2,324,440	2,324,440	0	250,000	2,574,440
2006-2007	2,122,609	2,122,609	0	250,000	2,372,609
2007-2008	1,595,139	1,595,139	0	250,000	1,845,139
2008-2009	3,540,482	3,501,312	39,170	250,000	3,751,312
2009-2010	1,611,807	1,611,807	0	250,000	1,861,807
2010-2011	2,418,043	2,418,043	0	250,000	2,668,043
2011-2012	1,266,775	1,266,775	0	250,000	1,516,775
2012-2013	1,164,270	1,164,270	0	250,000	1,414,270
2013-2014	1,005,721	1,005,721	0	250,000	1,255,721
	18,330,790	18,291,620	39,170	2,500,000	20,791,620

OPTION $850,000 SIR & PREMIUM					
		CLAIMS PAYMENTS			
YEAR	TOTAL INCURRED	Self-Insured	Insurance Pays	ANNUAL PREMIUM	TOTAL COST OF RISK
2004-2005	1,281,504	1,281,504	0	300,000	1,581,504
2005-2006	2,324,440	2,324,440	0	300,000	2,624,440
2006-2007	2,122,609	2,122,609	0	300,000	2,422,609
2007-2008	1,595,139	1,595,139	0	300,000	1,895,139
2008-2009	3,540,482	3,401,312	139,170	300,000	3,701,312
2009-2010	1,611,807	1,611,807	0	300,000	1,911,807
2010-2011	2,418,043	2,418,043	0	300,000	2,718,043
2011-2012	1,266,775	1,266,775	0	300,000	1,566,775
2012-2013	1,164,270	1,164,270	0	300,000	1,464,270
2013-2014	1,005,721	1,005,721	0	300,000	1,305,721
	18,330,790	18,191,620	139,170	3,000,000	21,191,620

EXHIBIT 'A'

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

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

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.*

Agree. This is included in our standard service offering. See exhibits above.

10. *Provide analysis and recommendations as to the most cost-effective means for addressing the City's Excess Workers' Compensation and Excess General Liability exposures.*

Agree. Our first step would be to interview the City to determine exposures, risk appetite and to determine if any new exposures are contemplated in the coming year. This specific feedback, is needed here to appropriately comment on the current program structure for the City of Jacksonville in this response. The types of analysis described herein are utilized to determine cost-effectiveness.

The insurance expense is approximately $1,500,000. The City's Self-Insured exposure is potentially $23,500,000 and increasing annually. Based on identification of the City's major financial risk, some initial questions would include:

- Effective use of RMIS system and availability of reports to produce consistent claims trend analyses.
- Perspective Internal funding of tail liabilities (estimated exposure over $100M).
- Perspective of increased exposure/funding of future Liabilities over the next 5 years (anticipated increase of 17%)
- Risk Identification and analysis of emerging casualty risk exposures for which insurance products are available vs. self-insured exposure, including:
    - Cyber Liability,
    - Active Shooter,
    - Other types of Crisis Management

INSURANCE,

11. *The successful Responder 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 Excess Workers' Compensation and Excess General Liability Insurance coverage, and Miscellaneous Liability Insurance policies.*

In the event that 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 has the ability to 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.

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.

Our premium volumes with major insurers give us favored status to negotiate on your behalf. **We currently place business with the Excess Casualty and Excess Workers' Compensation insurers underwriting the City's program.**

Ten of our larger premium-volume partners are:

CARRIER	PREMIUM VOLUME	CARRIER	PREMIUM VOLUME
Lloyds	$604,108,742	AIG	$340,195,286
Zurich Insurance Group	$437,626,159	QBE Insurance Group	$308,444,063
Liberty Mutual	$378,591,871	Berkshire Hathaway	$288,875,100
Everest Re Group	$365,571,584	Markel	$252,701,936
Chubb	$348,885,550	Munich Re	$249,501,878
Travelers	$343,178,111		

EXHIBIT 'A'

Casualty markets to be accessed include (but are not limited to):

AIG	Colony	NY Marine & General Ins
Allianz	Darwin	Old Republic
Allied World Assurance	Employers Re	*Preferred**
AmTrust	Euclid/Scottsdale	QBE
Argonaut/Argo	Fairfax	Safety National/Tokio Marine
Arch	Hartford	Selective
Aspen	Hiscox / State National	Travelers / Discover RE
Berkshire Hathaway	Liberty Mutual	XL/Catlin
Brit / Lloyds	Midwest Employers	Zurich
Chubb	Midlands	
CNA	Munich Re	

***Preferred Governmental Insurance Trust (*Preferred*)** – Brown & Brown/PRIA has a special relationship with the City's current Property insurer, *Preferred.* In fact, although it is the second largest municipal insurance trust, very few of our competitors have access to this program. Brown & Brown/PRIA is the largest agent for *Preferred* and as a result, has unique negotiating power with the trust. Although *Preferred* may not be the best fit for the City's larger policies, they could be very effective in insuring unusual or partial risk exposures that may arise.

<u>Effective Negotiation with the Markets</u> – 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.

While of a size that provides corporate governance, support resources, and access to the insurance marketplace, Brown & Brown's real strength is in the great flexibility it provides its agents at the local level. Each office is operated as an entrepreneurial entity, making it possible to respond rapidly to the needs of local customers, with local knowledge. This capacity also allows each office the flexibility to focus on niche markets to provide customers with targeted, customized risk management products and services. An example of this would be with the *Preferred* Governmental Insurance Trust.

<u>Renewal Proposal Presentation</u> – Brown & Brown provides a proposal explaining all the terms and conditions including but not limited to:

- Renewal Overview
- Market Summary (insurer quotes and declinations)
- Coverage Comparison
- Expiring vs. Renewal Premium Comparison
- Applicable Loss & Retention Analysis
- Summary of terms, conditions and exclusion highlights, specimen forms; and compensation disclosures.

NSURANCE,

- Stewardship Report

We also agree to work with wholesale brokers based in Jacksonville as directed, specifically for the current Miscellaneous Liability policies.

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

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 provide original binders, policies and endorsements, as required in the timetable specified by the City.*

Agree If acceptable timetables are not already addressed in our Quality Control Standards, 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.

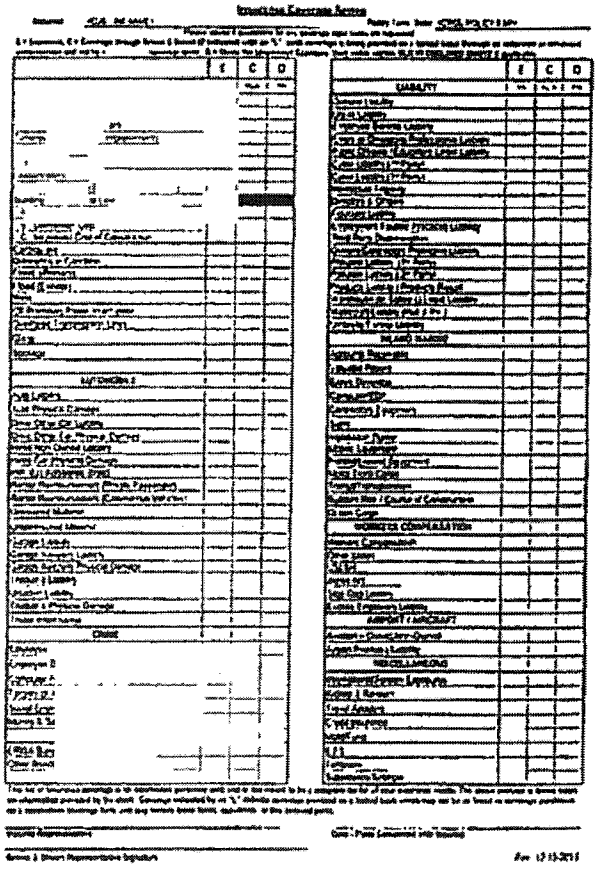

EXHIBIT 'A'

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 electronic format and in a three ring binder. Delivery of binders and policies must include a letter outlining any discrepancies 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 limited to policy period, carrier, policy number, limits, self-insured retention(s), deductibles (where applicable), 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
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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

    Agree. This is a routine procedure in our service plan.

EXHIBIT 'A'

INSURANCE

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 Responder 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 are 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. This is always our practice and commitment to our clients.

20. *Keep apprised of potential legislative changes that could impact the City's insurance program (i.e. workers' compensation laws, sovereign immunity and claims bills, etc.).*

    Agree. One of our publications addressing the new PTSD provisions is illustrated below:

EXHIBIT 'A'

Exhibit

Contract Fee Summary

(see 1 page following)

Form 1 Price Sheet

NAME OF RESPONDENT: Brown & Brown of Florida, Inc

Proposal Number P-13-18

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 response/proposals. The Service Broker submitting the lowest GTACP will receive all points available. **Fee agreements are not acceptable.**
   Based on current premiums provided in RFP, our GTACP is 9%.

2. Provide a breakdown of GTACP for all parties, intermediaries, sub-contractors etc totaling the GTACP shown in item 1.
   GTACP was derived as follows:
   Excess Casualty & Workers' Compensation - 9%
   Powerlines/Easements Liability - 20%
   Riverwalk Primary Liability - 5.8%
   Riverwalk Excess Liability - 5.8%
   Rails & Trails Liability - 20%
   Voting Precints Liability - 20%

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

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

Responder's Signature

Title Executive Vice President

Date 8/31/2018

EXHIBIT 'B'

Exhibit D

Special Events Proposal

INSURANCE PROPOSAL FOR:
City of Jacksonville

February 12, 2019

Prepared for:

Brenda Lewis-Lipscomb
Brown & Brown of Florida, Inc.

Proposed Policy Period: 02/15/19 - 02/15/20

Prepared by:

Warren Mead
Senior Underwriter
Events & Attractions
Service Assistant: Shirley Deermer
Direct Phone: 800-553-8368 x 5921
Fax: 260-459-5624
E-mail: Warren.Mead@kandkinsurance.com

PRIVACY POLICY:

The providing of insurance services and products requires that K&K Insurance Group, Inc. obtain and collect certain personal information. The information that K&K collects is shared only as necessary to provide the insurance services & products requested from K&K or as permitted and/or required by law. K&K's privacy policy is available on K&K's website and is provided to all of K&K's insurance customers. For questions, please contact K&K by mail addressed to: Chief Operating Officer 1712 Magnavox Way, Fort Wayne, IN 46804.

February 12, 2019

City of Jacksonville – Special Events Insurance Program Addendum to Proposal Packet

Since the proposal packet we have provided is general in nature, I am going to address the details and "particulars" of this proposed coverage program in "bullet-point" manner. This descriptive format speaks to the unique nature of the coverage request, and allows for the presentation of the numerous details, protocols and restrictions that will be part of this coverage program. To that end, I offer the following:

*As presented on the GL quote page, the $50,000 GL premium is considered a working deposit premium. This initial premium will be held in "escrow" and will be eroded as events are reported to us, underwritten, rated and ultimately endorsed to the policy. Once this working deposit premium is exhausted, additional premium will be charged for all events that are endorsed to the policy, thereafter.

*The rate to be used to calculate the GL premium for each event, will be a "per attendee" rate which will be applied to the reported attendance for each event. That rate will be .27 per attendee for the first two events (World of Nations and Jazz Fest). This rate corresponds to the GL coverage as listed and described on the GL quote page. This rate also includes listing of most types of entities as Additional Insureds (as presented on policy forms CG 2026 and CG 2034 in the specimen GL policy).

*The one type of Additional Insured most-likely to be encountered by this account for which additional premium will be charged, is a performer/entertainer. The premium for this AI status will be $368 per performer, and "performer" for this purpose is defined as either an individual or a multi-person act.

*The event GL premium will be fully-earned when the event is accepted for endorsement to the policy. Should this GL policy be cancelled before any events are endorsed, the minimum earned premium for this policy is $2,500 as shown in the proposal.

*The attendance to be used as the rating basis for each event must be reported on the special event/festival application submitted for each event. We will calculate the corresponding GL premium from this attendance figure and maintain a running balance of the working deposit premium until it is exhausted. Subsequent events will be endorsed and separately invoiced for the appropriate additional premium.

*The .27/attendee rate is anticipated to apply to most—if not all—of the events to be hosted/managed by the City of Jacksonville (as presented on the city's web-site), BUT this rate is subject to amendment should any given event or activity involve exposures that are beyond those contemplated by this quoted rate.

*Optional coverage for specific types of exposures within an event, will also be available and will generate additional premium. Samples of these additional coverage elements include contingent ride liability (refer to policy form KR-GL-40 in the specimen GL policy), Limited Fireworks Coverage (form KR-

GL-62 in the specimen policy) and liquor liability—whether primary or contingent in nature (this coverage will require a completed liquor liability application for each exposure).

*Policy form KR-GL-46 (Limited Event Coverage) will be on the policy for two purposes. The first is to "catalog" the events that are endorsed to the GL policy and therefore subject to its coverage. Only events that are endorsed in this manner will be subject to coverage by the policy. The second purpose is to limit the policy's coverage to the events and activities hosted/managed by the City of Jacksonville—and thereby prevent this policy from being accessed for claims arising from the normal and customary operations of such a municipality. Since the named insured on this policy will be "The City of Jacksonville," this absolute restriction is necessary.

*As previously communicated, our provision of this policy does not guarantee that every event contemplated by the City of Jacksonville will be accepted for coverage by this policy. Certain exposures and operations may fall outside of our underwriting guidelines and/or exceed the limitations of our reinsurance parameters. This is one reason why pre-reporting of each event is necessary.

*Events involving participation, such as 5k runs/walks, marathons, general sports activities (baseball, basketball, etc.), obstacle courses, climbing walls, biking, etc.) will require an executed waiver/release from each participant (or the parent guardian of the participant, if a they are minor).

*This GL policy will not extend to provide coverage to independent contractors and/or product/service providers engaged by the city, for the purpose of staging any event. All such entities must provide their own insurance and provide a certificate to the City of Jacksonville, which shows the city as Additional Insured.

*For the purpose of vendors/exhibitors/concessionaires at the City's events, coverage can be obtained directly by these entities, through our web-based program. Our website address is: www.kandkinsurance.com and the on-line purchase options are listed under "Quote/Buy On-line" on the right side of our home page.

*Should other coverage elements be needed (inland marine, crime, etc.) we can consider the provision of same. Although we do not provide event cancellation coverage, we can offer a referral to an Aon affiliate that specializes in this coverage program.

*We will need to issue all coverage documents—to include certificates—and will administer this account on an agency-bill basis.

*The quoted coverage program is offered on an admitted basis, by the National Casualty Insurance Company, which has a current Best's Rating of A+ XV.

*The liquor liability we have quoted is contingent coverage only. As such, and to activate this coverage, we will need a certificate from the vendor that is selling/serving the alcohol. This certificate must show the city of Jacksonville as an Additional Insured (for GL and liquor liability), provide a per occurrence limit of at least $1MM and be issued by a company rated at least A- VII by A.M Best.

*As stated on the auto quote page, the NOHA/HAPD coverage we are offering is subject to rating based on total cost-of-hire. The quoted premium is a deposit premium only. For ease of administration, the total cost-of-hire can be reported to us at the conclusion of each event, for which this coverage element was needed. Additionally, the city should have a protocol in place, whereby they check the driving record of any one to whom they assign driving responsibilities, for the conduct of the city's events. It is very important to note that the quoted NOHA/HAPD coverage does not apply to any vehicles that are rented/leased/hired with drivers.

Location Schedule

Named Insured:	City of Jacksonvile							
U/W	Warren Mead							
Loc. #	Occupancy	Address	City	State	Zip	County	Event Status	
1	WON event	Metropolitan Park	Jacksonville	FL			QUOTED	
2	Jazz Fest	Downtown Jaxville	Jacksonville	FL			QUOTED	
3	FL/GA party*	TIAA Bank Field & Jville & Jville Sports Complex	Jacksonville	FL			pending*	
4	Vet's parade*	Downtown Jaxville	Jacksonville	FL			pending*	
		this is the only event/location					*updated info	
		info we have on file at this time					for these 2019	
							events will be	
							required	

INSURANCE PROPOSAL FOR:

City of Jacksonville

COMMERCIAL GENERAL LIABILITY	**ADMITTED**	**National Casualty Company - AM Best Rating: A+, XV**
Effective Date: 02/15/2019		

COMMERCIAL GENERAL LIABILITY

Coverage	Limit
Each Occurrence	$1,000,000
General Aggregate	NONE
Products Completed Operations Aggregate	$5,000,000
Personal & Advertising Injury	$1,000,000
Damage to Premises Rented to You Limit	$300,000
Premises Medical Payments	No Coverage
Transmissible Pathogens - Each Occurrence	$1,000,000
Transmissible Pathogens - Aggregate	$2,000,000
Crisis Response - Each Crisis Event / Aggregate	$25,000

General Liability - Additional Coverages:

Coverage	Limit
Contingent Ride Liability	No Coverage
Volunteer Medical Payments	No coverage
Director & Officer Medical Payments	No coverage
Contingent Liquor Liability Per Occurrence Limt	$1,000,000
Contingent Liquor Liability – Policy Aggregate	$1,000,000
Employee Benefits-Per Occ. ($1,000 BI Ded. Per Occ.)	No coverage
Employee Benefits - Aggregate Limit	No coverage
Primary Fireworks Liab. ($1,000 BI/PD Ded. Per Occ.)	No coverage
Excess/Contingent Fireworks Liability	No coverage

Notable Exclusions: Asbestos; Nuclear Energy Liability; War Liability; Pollution with Hostile Fire Excpetion;

Employment Related Practices; Fireworks (unless specifically endorsed); Mold, Mildew, Fungi and Spores (as approved in applicable states); Lead (as approved in applicable states); Violation of Communication (as approved in applicable states); Access or Disclosure of Confidential or Person Information and Data Related Liability with Limited Bodily Injury Exception (as approved in applicable states)

Aircraft, Hot Air Balloon, Airfield or Airport Facility; Racing or Stunting of Autos, Motorcycles, Snowmobiles, Watercraft or Powerboats; Mechanical Amusement Rides and/or Bungee Jumping Operations (unless specifically endorsed).

Activities Participants excluded for coverage include the following: Arm Wrestling, Bobsled, Box Lacrosse, Boxing, Bungee Jumping, Cage-Fighting, Cliff Diving, Cricket, Cycling, Extreme Running Events (ie: Mud Runs, Warrior Runs, Urbanathon), Football, Hang Gliding, Horse Racing, Ice Hockey, Jai Alai, Luge, Kick Boxing, Motorsports, Mud Volleyball, Orienteering, Parachuting, Rafting, Rodeos, Roller Derby, Rugby, Scuba Diving, Skiing, Sky Diving, Surfing, Triathlon, Wind Surfing, Wrestling.

General Liability - Notes / Notable Forms / Terms & Conditions:

Commercial General Liability Broadened Coverage Endorsement (See Summary Attached); AI-Designated Persons or Organizations; AI-Lessors of Leased Equipment; Primary & Noncontributory Other Insurance Condition

Deductible None

GL WORKING DEPOSIT PREMIUM:	$	51,620.00
MINIMUM EARNED PREMIUM: (IF APPLICABLE)	$	2,500.00

Prepared By: K and K Insurance Group, Inc.

COMMERCIAL GENERAL LIABILITY BROADENED COVERAGE

Damage to Premises Rented to You - The limit has been increased to $300,000 or the amount indicated on the Declaration Page. The damage to premises rented to you limit applies to all damage proximately caused by the same event whether such damage results from fire or smoke.

Newly Acquired or Formed Organizations now have a 180 day reporting period.

Supplementary Payments - Limit for cost of bail bonds is increased to $1,000 and the maximum daily payment for loss of earnings has been increased to $500.

Non-Owned Watercraft - Expanded coverage for watercraft up to 51' in length.

Expected/Intended Injury - Exclusion no longer applies to bodily injury or **property damage** resulting from the use of reasonable force to protect persons or property.

Definition of Bodily Injury - Now includes mental anguish, mental injury, shock, fright, humiliation, emotional distress, or death resulting from bodily injury, sickness or disease.

Unintentional Errors or Omissions - Coverage is now provided for any unintentional error or omission with description of or failure to, completely describe any premises or operations intended to be covered by the coverage part will not invalidate or affect coverage for those premises or operations.

Waiver of Right of Recovery - We waive all rights of recovery when required by a written contract and excecuted prior to the date of the "occurrence".

Knowledge or Notice of Occurrence - Amended to read "Knowledge of occurrence, offense, claim or suit, by the agent, servant or employee of an insured shall not in itself constitute your knowledge unless one of your officers, managers or partners has received notice of the occurrence offense, claim or suit". Failure by an agent, servant or employee of an insured (other than an officer, manager, or partner) to notify us of an occurrence will not be constituted as failure to comply with this condition.

Personal and Advertising Injury Redefined - Amended to include any publication of material including, but not limited to oral, written, televised, videotaped or electronically transmitted publication or material that slanders or libels a person or organization's goods, products or services or violates a person's right of privacy. The definition is amended to provide consequential "bodily injury" arising out of malicious prosecution or abuse of process.

National Casualty Company

ENDORSEMENT NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED EVENT COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This insurance applies only to "bodily injury," "property damage" or "personal and advertising injury" arising out of an "occurrence" or offense which takes place during an event shown in the Schedule below. Notwithstanding the specific date(s) shown in the Schedule below, those activities that are part of the setup and teardown required for the event are considered part of the event.

The following is added to **SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If any of the events in the schedule below are postponed by you, we may amend the scheduled date(s) to the date(s) you tell us. You must promptly notify us in writing of the postponement on or prior to the scheduled start date(s) and prior to the revised start date(s).

If any of the events in the schedule are cancelled by you, we may refund to you the premium for the cancelled events if you cancel the event(s) prior to the scheduled start date(s). You must promptly notify us in writing of the cancellation prior to the scheduled start date(s).

SCHEDULE

TYPE OF EVENT	DATE OF EVENT	LOCATION	LIMITS	PREMIUM

AUTHORIZED REPRESENTATIVE DATE

INSURANCE PROPOSAL FOR:

City of Jacksonville

COMMERCIAL AUTO Effective Date: 2/15/2019	ADMITTED		National Casualty Company - AM Best Rating: A+, XV

AUTO

Coverage	**Covered "Autos" Symbols**	**Limit**
Liability	2	not quoted
Auto Medical Payments	2	not quoted
Uninsured Motorists/Underinsured Motorists	2	not quoted
Comprehensive Coverage	7	not quoted
Collision Coverage	7	not quoted
Garagekeepers Legal Liability	30	not quoted
Nonowned Auto Liability	9	$1,000,000
Hired Auto Liability Excess	8	$1,000,000
Hired Auto Physical Damage Excess	$1,000 OTC / COLL Ded.	$75,000

Symbol's defined:

1 - Any "Auto" 2 - Owned "Autos" Only 3 - Owned Private Passenger "Autos" Only 4 - Owned "Autos" Other Than Private Passenger "Autos" Only 5 - Owned "Autos" Subject To No-Fault 6 - Owned "Autos" Subject To A Compulsory Uninsured Motorists Law 7 - Specifically Described "Autos" Only 8 - Hired "Autos" Only 9 - Nonowned "Autos" Only 10 - Hired "Autos" except buses & vans used to transport campers or patrons 19 - Mobile Equipment Subject to Compulsory or Financial Responsibility or other Motor Vehicle Insurance 30 - "Autos" Left With You For Safekeeping

Auto - Additional Coverages:

Notable Exclusions:

Nuclear Energy Liability; Pollution (except escape of pollutants from collision or overturn of a vehicle); Silica or Related Dust (as approved in applicable states)

Auto - Notes / Notable Forms / Terms & Conditions: The quoted premium is a deposit premium only.

This coverage is subject to rating based on total cost-of-hire. $5.00/$100 COH for liability and .50/$100 COH for physical damage. This coverage does not apply to vehicles rented/hired with drivers.

AUTO PREMIUM Sub-total:	$	450.00
Audit Terms: Auditable	based on total cost-of-hire	
MINIMUM PREMIUM:	$	100.00

NOTE: VALID VEHICLE IDENTIFICATION NUMBER MUST BE RECEIVED FOR ALL AUTOS PRIOR TO BINDING COVERAGE

INSURANCE PROPOSAL FOR:
City of Jacksonville

TERMS & CONDITIONS:

1) Proposal expires 30 days from date on page 1 of this proposal or the expiration of your current policy, whichever is first.
2) Payment Terms: 100% Due at Inception

"Please be advised that Counter and/or Starter checks without a coded check number, are not an acceptable form of payment. These should be replaced with an Official Bank Check, Cashier's Check or Money Order."

3) Acceptance of this proposal (ie: any request to bind insurance pursuant to the terms of this proposal) must be made in writing and must be received by K&K prior to the expiration of this proposal (please sign and return the premium summary authorization to bind page of this proposal to bind coverage).
4) Certificates of insurance will need to be collected by the insured from all contracted services; naming the insured as additional insured;
5) Minimum Fully Earned Primary Liability Premium: $2,500
6) Package Minimum Premium (when applicable): $1,000 in addition to CGL minimum.
7) Minimum Fully Earned Excess Liability Premium: Not Quoted

DUE PRIOR TO BINDING (PRECONDITIONS TO BINDING):

1) Must receive signed Terrorism Selection form(s) prior to binding indicating the insured's choice to purchase coverage or reject coverage.
2) Each event intended for coverage by this policy must be pre-reported to us for underwriting, rating and endorsement to the policy

_____

INSURANCE PROPOSAL FOR:
City of Jacksonville

ADDITIONAL TERMS & CONDITIONS:

PREMIUM:

* Producer shall be primarily liable to K&K for all premiums whether or not Producer collects such premiums from the insured.

All premiums net of commissions collected by Producer are premium trust funds and the property of K&K and the applicable insurer and shall be deposited by Producer in a separate trust account.

COMMISSIONS:

* In the event return premium becomes due to the insured for any reason, Producer shall promptly pay to K&K or the insured commissions previously paid or allowed on such return premium at the same rate at which commission was originally allowed to Producer.

* Producer commission is 10.0% PKG./AUTO/$10M XS AGENT COMMISSION (as applicable)

LICENSE:

* Producer is properly licensed as an insurance agent or Broker in its resident state and in the state(s) where the insured risk(s) is/are located and shall maintain on file with K&K current copies of such license(s).
* Producer is responsible for filing Surplus Lines tax and fees (if applicable).

AUTHORITY:

* Producer acknowledges and agrees that Producer is not the agent of K&K, but is agent only of the insured. Except as specifically authorized in writing by K&K, Producer has no authority to issue quotes, to accept or bind risks or coverages, or to issue binders, policies, endorsements or certificates of insurance. Nor does Producer have authority to adjust or handle claims on behalf of K&K or the applicable insurer.

PRODUCER'S WRITTEN REQUEST TO K&K TO BIND INSURANCE SHALL CONSTITUTE ACCEPTANCE BY PRODUCER ON PRODUCER'S OWN BEHALF AND ON BEHALF OF THE INSURED OF ALL OF THE TERMS AND CONDITIONS CONTAINED IN THIS QUOTATION.

INSURANCE PROPOSAL FOR:
City of Jacksonville

PREMIUM SUMMARY
(PREMIUM DOES NOT REFLECT OPTIONS OR CHANGES MADE TO ORIGINAL PROPOSAL)

COVERAGE PART	PREMIUM	BIND	
Property*	$ -	___ Yes ___No	
General Liability*	$ 50,000	___ Yes ___No	
Conitngent Liquor Liability	$ 1,620	___ Yes ___No	
Crime*	$ -	___ Yes ___No	
Auto*	$ 450	___ Yes ___No	
Excess Casualty ___ x 1M*	$ -	___ Yes ___No	
Excess Casualty Option ___ x ___*	$ -	___ Yes ___No	(not included in taxes or total premium below)
Workers Compensation*	$ -	___ Yes ___No	

CHECK COVERAGE PAGES AS SOME PREMIUMS MAY BE FULLY EARNED

STATE MANDATED SURCHARGES/TAXES/FEES:	$	-	
TOTAL PREMIUM:	$	52,070.00	
TERRORISM PREMIUM: (Property, CGL, Inland Marine & Excess as applicable)	$	465.00	(add to total prem. if purchased)

PRODUCER/CLIENT AUTHORIZATION TO BIND COVERAGE

After careful review of your proposal dated 02/12/2019 , we have decided to accept your proposal and would like to bind the coverages indicated above with an effective date of _____

_____ Signature and Title

_____ Date

I authorize K&K to send me future correspondence regarding insurance products and services:
___ Yes ___No

FATCA Notice: Please go to Aon.com/FATCA to obtain the appropriate W-9.

This insurance proposal contains the premium quotations for which you applied. Any additional types of insurance coverage desired, but not specifically quoted in the proposal, such as property, auto, inland marine and/or excess liability etc...must be specifically requested of your K&K representative and a fully completed and signed application would need to be submitted to your K&K representative for evaluation. Actual coverages are detailed in the policy of insurance and is always subject to all terms, provisions, conditions, and exclusions as contained therein. You should not rely upon this generalized summary, but should consult the actual policy for a complete description and details regarding coverage.