FINANCE DIVISION

Jacksonville

Where Florida Begins.

MEMORANDUM

DATE: **September 25, 2016**

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

FROM: **Ann Willis, Property and Casualty Administrator**
Twane Duckworth, Chief of Risk Management

Subject: **Arthur J. Gallagher Risk Management Services, Inc. – Contract Aviation Insurance**
P-47-15 – Contract 8518-04 Request for Amendment One

The current Contract No. 8518-04 Aviation Insurance allows for placement of Aviation Insurance coverages by Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher"), for a term of December 1, 2015 to September 30, 2016, with four (4) additional one year options remaining at terms mutually agreeable. The current maximum indebtedness is a not to exceed amount of $71,611.00 for all products and deliverables.

Risk Management is requesting to exercise one (1)of the four (4) remaining renewals for a policy term of October 1, 2016 to September 30, 2017 and to increase the maximum indebtedness by $92,432.00 for a not to exceed amount of $164,043.00 with all products and deliverables remaining the same.

Attachments: Exhibit B

Exhibit B

2016 – 2017 Aviation Renewal Proposal

Aviation Proposal Prepared For

City of Jacksonville

117 West Duval Street
Suite #335
Jacksonville, FL 32202-3381

Presented: September 14, 2016

October 1, 2016 to October 1, 2017

Arthur J. Gallagher & Co.

Tanya Lewicki
Area Vice President

Arthur J. Gallagher Risk Management Services, Inc.
2255 Glades Road, Suite #200E
Boca Raton, FL 33431

Tanya_Lewicki@ajg.com
www.ajg.com

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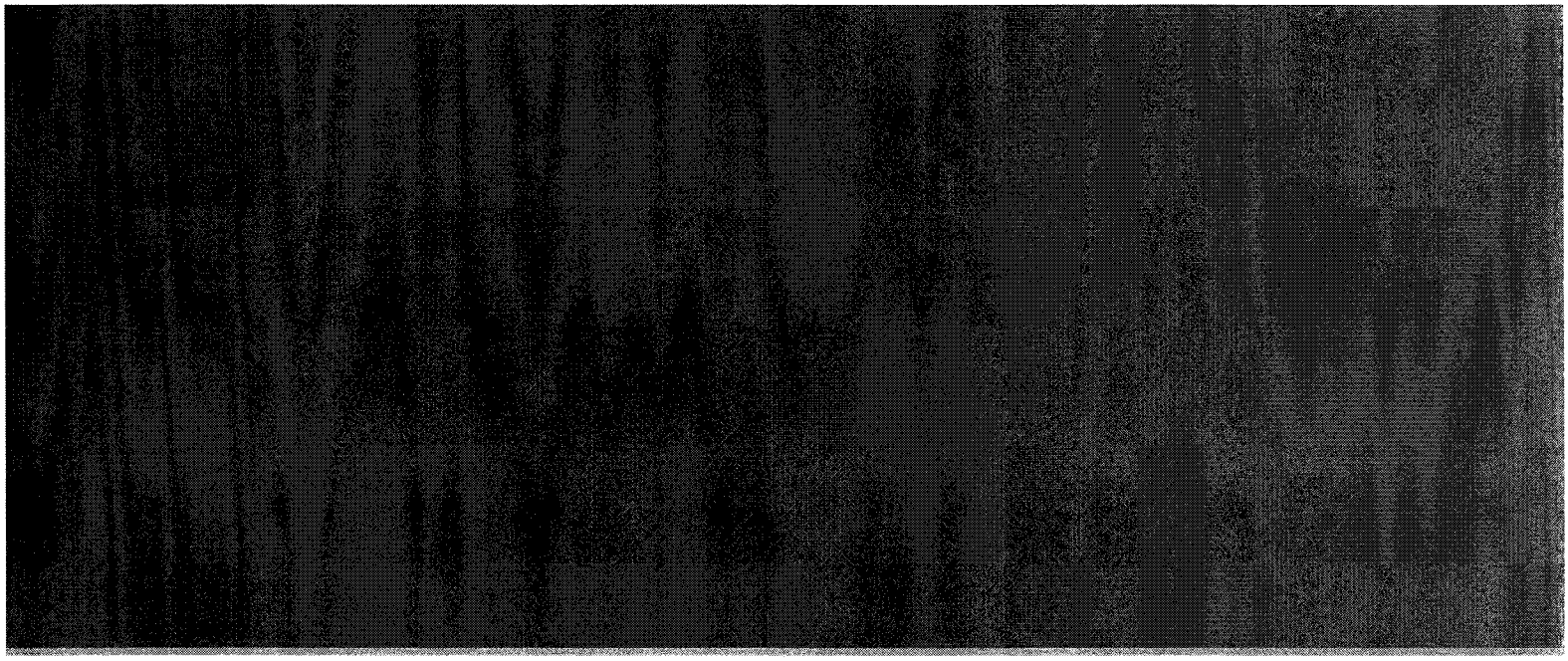

Our Team

Service Team

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

NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
Tanya Lewicki Area Vice President	305-639-3154 - Direct 305-592-6080 – Main 305-401-8039 - Cell	Tanya_Lewicki@ajg.com	Producer
Philip Altemus, ARM Area Vice President	305-639-3142 - Direct 305-592-6080 – Main 786-942-3693 - Cell	Philip_Altemus@ajg.com	Producer
Livia Oliveira Client Service Manager	561-998-6804	Livia_Oliveira@ajg.com	Account Management
Cynthia Preston, ARM, CIC Client Service Executive	561-998-6810	Cynthia_Preston@ajg.com	Account Management

Arthur J. Gallagher Risk Management Services, Inc.
Main Office Phone Number: **(561) 995-6706**

Your Program

Named Insured

LINE OF COVERAGE	NAMED INSURED
Aviation	**City of Jacksonville**

Note: Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

Marketplace Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
QBE Insurance Corporation	Aircraft	Recommended Quote	$92,432.00

Location Schedule

The aircraft(s) are regularly based at the following location(s) and hangared:

(KCRG) Jacksonville Executive Airport at Craig, Jacksonville, FL

Jacksonville Mosquito Control - 1321 Eastport Rd, Jacksonville, FL

Program Details

Coverage: Aviation Coverage

Carrier: QBE Insurance Corporation

Policy Period: 10/1/2016 to 10/1/2017

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Aviation Policy	Occurrence	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Single Limit Bodily Injury	Limit	$20,000,000	Per Occurrence
Medical Expenses - Including Crew	Limit	$15,000	Each Person

Deductibles:

COVERAGE - DEDUCTIBLE BASIS	AMOUNT
2002 Bell 206 - NIM / IM	NIL/1% Insured Hull Value $879,000
2004 Bell 407 - NIM / IM	NIL/1% Insured Hull Value $2,274,856
2004 Bell 206 - NIM / IM	NIL/1% Insured Hull Value $1,489,878
1972 Bell OH-58 - NIM / IM	NIL/1% Insured Hull Value $200,000
1973 Piper Aerostar - NIM / IM	NIL/NIL Insured Hull Value $150,000
1983 Piper Saratoga - NIM / IM	NIL/NIL Insured Hull Value $145,000
1976 Beech King Air 200 - NIM / IM	NIL/NIL Insured Hull Value $1,200,000
1974 Sikorsky S269c - NIM / IM	NIL/1% Insured Hull Value $175,000
1995 Sikorsky S269c - NIM / IM	NIL/1% Insured Hull Value $225,000

DESCRIPTION	AMOUNT	BASIS
Broad Coverage Endorsement (QBAV-2053) – as per attached quote	Included	
Aircraft Disappearance Clause	30 Days	
Airport Premises Liability	Included	
Automatic Attachment Newly Acquired Aircraft	Included	max 25% max value $3M
Aviation Date Recogn w/Limited Coverage Grant	Included	
Cargo Liability	$250,000	
Fellow Employee Coverage Endorsement	Included	

Program Details (Cont.)

DESCRIPTION	AMOUNT	BASIS
Hurricane Protection Coverage	$5,000	Per Aircraft
Incident Medical Malpractice	Included	
Knowledge of Occurrence	Included	
Lay-Up Return Endorsement	70% of pro rata hull premium, 30 consecutive days	
Mechanics Tools	NEW $25,000 / NIL Deductible	
Non-Owned Aircraft Liability Endorsement	$20,000,000 / Max. 40 Seats	
Non-Owned Aircraft Physical Damage	$20,000,000 / Max. 40 Seats, NIL Deductible	
Passenger Voluntary Settlements	$250,000 / Max. 52 Consecutive Weeks	
Personal Injury Extension	Included	
Special Equipment Endorsement	$540,000 / Thermal Imaging Equipment, NIL Deductible	
Aerial Application Coverage Endorsement	$1,000,000	
Air Ambulance Clause	Included	
Profit Commission on Renewal Endorsement	15% of 70% of hull premium less paid claims, reserves and expenses.	
Non-Owned Drones Endorsement	$20,000,000 / NIL Deductible	

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Open Peril Basis Ground and/or Flight - see attached schedule

Exclusions include, but are not limited to:

DESCRIPTION
Asbestos Exclusion
Date Recognition Exclusion
Fellow Employee Exclusion
Fungus
Noise Pollution
Nuclear Risk Exclusion
Radioactive
War Hijacking & Other Perils Exclusion
Cancellation Amendment
Mexico Warning

Program Details (Cont.)

Binding Requirements:

DESCRIPTION
Rejection or acceptance of War and/or TRIA
Signed Client Authorization to Bind

Premium	**$92,432.00**
ESTIMATED PROGRAM COST	**$92,432.00**
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	**INCLUDED**

Subject to Audit: Composite Rated

Auditable Exposures:

DESCRIPTION	EXPOSURE
See Attached Schedule	Aircraft Hull and Liability

Aircraft:

YEAR BUILT	MAKE AND MODEL	FAA#	ESTIMATED VALUE	HULL PREMIUM	LIABILITY PREMIUM	TOTAL PREMIUM
2002	Bell 206	N317JP	$879,000	$11,251	$2,908	$14,159
2004	Bell 407	N314JP	2,274,856	21,839	4,302	26,141
2004	Bell 206	N312JP	1,489,878	15,793	2,908	18,701
1972	Bell OH-58	N311JP	200,000	4,160	2,181	6,341
1973	Piper Aerostar	N315JP	150,000	1,313	1,952	3,265
1983	Piper Saratoga	N318JM	145,000	1,269	2,440	3,709
1976	Beech King Air 200	N703JR	1,200,000	3,480	2,043	5,523
1974	Sikorsky S269c	N58160	175,000	4,620	2,185	6,805
1995	Sikorsky S269c	N7511A	225,000	5,603	2,185	7,788

Ground Risk

Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE		EXPIRING PROGRAM CARRIER	EXPIRING PROGRAM EXPIRING COST	PROPOSED PROGRAM CARRIER	PROPOSED PROGRAM ESTIMATED COST
Aviation	Premium	QBE Insurance Corporation (QBE Insurance Group)	$79,483.00	QBE Insurance Corporation (QBE Insurance Group)	$92,432.00
	Estimated Cost		**$79,483.00**		**$92,432.00**
	Annualized Cost		N/A		N/A
Total Estimated Program Cost			**$79,483.00**[1]		**$92,432.00**

Quote from **QBE Insurance Corporation (QBE Insurance Group)** is valid until **10/1/2016**

Gallagher is responsible for the placement of the following lines of coverage:

Aviation

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

[1] 10 month premium 12/1/15 – 10/1/16

Payment Plans

CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
QBE Insurance Corporation (QBE Insurance Group)	Aviation	Pay In Full (2) Payments of 50% each (4) Payments of 25% each 20% down and (9) additional payments of 8.89% each * There are no fees or interest charges associated with any of the payment options.	Agency Bill

Changes / Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operation such as expansion to other states or new products.
2. Mergers and/or acquisition of new companies.
3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
4. Circumstances which may require increased liability insurance limits.
5. Any changes in fire or theft protection, such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to same.
6. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
7. Property of yours that is in transit, unless we have previously arranged for the insurance.
8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.

☐ No Changes and/or Developments

Signature: _____

Title: _____

Date: _____

Proposal Disclosures

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.

2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as "supplemental commissions" are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.

3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.

4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client's account, the facility may have earned and retained customary brokerage commission or fees for its work.

5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.

6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.

7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order to achieve these goals, we gather and analyze data about our customers and their insurance coverage.

Proposal Disclosures (Cont.)

This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to Compensation_Complaints@ajg.com or send a letter to:

Compliance Officer
Arthur J. Gallagher & Co.
Two Pierce Place, 20th Floor
Itasca, IL 60143

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a $100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by $20 million each calendar year before the TRIPRA program responds from the 2015 trigger of $100 million to $200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc.. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

Insurance Company Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING	ADMITTED / NON-ADMITTED
QBE Insurance Corporation	AXIV	Admitted

If the above indicated coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

*The above A.M. Best Rating was verified on the date the proposal document was created.

Guide to Best Ratings

Rating Levels and Categories

LEVEL	CATEGORY
A++, A+	Superior
A, A-	Excellent
B++, B+	Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Suspended

Financial Size Categories

(In $000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

FSC I	Up to 1,000	FSC IX	250,000 to 500,000
FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
FSC III	2,000 to 5,000	FSC XI	750,000 to 1,00,000
FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
FSC VIII	100,000 to 250,000		

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at http://www.ambest.com/ratings/notice.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at http://www.ambest.com. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Insurance Company Ratings and Admitted Status (Cont.)

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Best's Financial Strength Ratings

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.

Rating Modifiers

Modifier	Descriptor	Definition
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

Rating Outlooks

Indicates potential direction of a Best's Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Under Review Implications

Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.

Positive	Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event.
Negative	Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event.
Developing	Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event.

Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at *www.ambest.com*.

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Client Signature Requirements

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 9/14/2016, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	LINE OF COVERAGE	CARRIER
☐Accept ☐Reject	Aviation Coverage	QBE Insurance Corporation (QBE Insurance Group)

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

_____

_____

Producer/ Insured Coverage Amendments and Notes:

_____

_____

_____

_____

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

By: _____
Specify Title

_____
Print Name

Date: _____

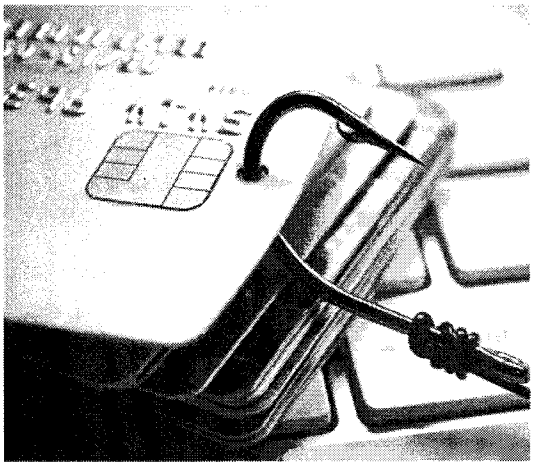
Appendix

Arthur J. Gallagher & Co.

Next-Generation eRiskHub®

The dangers of data breaches are far reaching, and the severity of these is being felt at all levels. You hear about the large ones like Anthem, Target and Sony, but in reality any organization that houses valuable information is a potential target from a range of vulnerabilities such as hackers to rogue employees. As an Arthur J. Gallagher & Co. client, you will receive complimentary access to the Gallagher eRiskHub; a dynamic cyber risk management tool that can help your organization be more proactive in assessing your cyber risk posture.

All Gallagher clients have access to the Gallagher eRiskHub, and if you have not registered for access we recommend you do so today.



To access the Gallagher eRiskHub now:

1. Navigate to **https://eriskhub.com/gallagher** .
2. Complete the new user registration at the bottom of the page. You pick your own user ID and password. The access code is **08167**
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located in the top right of the page.

Key Features of the Gallagher eRiskHub:

- **Gallagher Cyber Risk Due Diligence** —A six-step process designed to walk our clients through a simple thought-provoking framework to encourage organizational communication, establish clear direction, and highlight priorities to better understand your cyber risk profile.
- **Security & Privacy Training**—An overview of best practices for creating an effective security training program for your employees.
- **News Center**—Keep up to date on what is going on in the world of cyber risk through handpicked articles, feeds and blogs.
- **Learning Center**—An extensive collection of white papers, articles, webinars, videos and blog posts on a variety of topics. Looking for something specific? Try the search box in the top right of the page to search the entire Gallagher eRiskHub.
- **Risk Manager Tools**—A collection of tools with many different purposes such as researching known breach events, calculating your potential cost of a breach event and downloading free sample policies your organization can use as templates.
- **eRisk Resources**—Information on third-party vendors that can assist your organization with improving your overall cyber risk.

If you have any questions about the Gallagher eRiskHub, please reach out to Adam Cottini at **adam_cottini@ajg.com** or the eRiskHub support staff at **support@eriskhub.com**.

Arthur J. Gallagher & Co.

Gallagher Cyber Liability Practice

Adam Cottini

250 Park Avenue

New York, NY 10177

212.994.7048

www.ajg.com/cyber

Gallagher Cyber Liability Practice

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168SC2939.ai

Claims Reporting

Please report claims **immediately** to the insurance carrier or to Gallagher claim reporting below:

Reporting to Company

- QBE Aviation Claims Representative
  - Bob Porter (Eastern USA)
    Direct 513-718-0131
    Mobile 513-833-7076
    Robert.Porter@us.gbe.com
  - Or Online at: http://www.qbena.com/policyholders/claims/aviation-claims.aspx

Reporting to Gallagher

- or to Gallagher Claim Reporting

  a. Email: seclaims@ajg.com
  b. Phone: 225-906-0128 or toll free 855.497.0578
  c. Fax: 225-663-3224

Bindable Quotations & Compensation Disclosure Schedule

Client Name: City of Jacksonville

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM[1]	COMM.% OR FEE[2]	WHOLESALER, MGA OR INTERMEDIARY NAME[3]	COMM.% OR FEE[4]	AJG OWNED? YES/NO
Aviation	QBE Insurance Corporation (QBE Insurance Group)	$92,432.00	17.5 %	N/A	N/A	No

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the Compensation Disclosure or contact your Gallagher representative for additional information.

1 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
2 The commission rate is a percentage of annual premium excluding taxes & fees.
* Gallagher is receiving _____% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.
3 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.
4 * The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.

Attachments

QBE

QBE Insurance Corporation
Governmental Aircraft Rating Proposal

9/2/2016

Prepared for: City of Jacksonville
117 West Duval Street, Suite 335
Jacksonville, FL 32202

To: Tanya Lewicki
Arthur J Gallagher & Co
From: Dave Gray
David.Gray@us.qbe.com

QBE Insurance Corporation

Our proposal of insurance hereby offers to issue to the above captioned insured one or more policies of Aircraft Hull and Liability Insurance, subject to the following:

1. Expiration of this offer: This proposal expires on the 1st date of Period of Coverage listed below.

2. Period of Coverage 12:01 AM 10/1/2016 to 10/1/2017 at insured's mailing address.

3. Loss Payable The named Insured is and shall remain sole and unconditional owner of the aircraft and the aircraft is not subject to any encumbrance except shown below:
N/A
Any Aircraft Physical Damage loss will be paid to the Named Insured and the party shown above accourding to their financial interest.

4. Regular Location of Aircraft: The aircraft(s) are regularly based at the following location(s) and hangared:

(KCRG) Jacksonville Executive Airport at Craig, Jacksonville, FL
Jacksonville Mosquito Control - 1321 Eastport Rd, Jacksonville, FL

5. Purpose of Use: All uses as required by the Named Insured

6. Pilots: As approved by named insured

7. Territory: Whilst the aircraft insured is in the United States of America, Canada, Mexico, the Bahamas and the Caribbean Islands or enroute between points therein.

8. Annual Premium: $ 92,432 Including WAR and TRIA

Breakdown of Hull and Liability Premium

FAA #	Hull Premium	Liability	WAR Liability	WAR Hull	Total Premium

" see attachment A"

9. Aircraft Description: The Named Insured affirms that each aircraft descibed below is licensed under a "Standard" Airworthiness Certificate as defined by the FAA.

Year	Make & Model	# of Seats Exclu. Crew	FAA #	Deductible NIM / IM	Limit of Liability	Insured Value (Hull Coverage)

" see attachment A"

10. Coverages and Limits: " see attachment B"

City of Jacksonville
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QBE Insurance Corporation

11. Exclusions and Provisions: Asbestos Exclusion
Cancellation Amendment
Date Regonition Exclusion
Fellow Employee Exclusion
Fungus
Mexico Warning
Noise Pollution
Nuclear Risk Exclusion
Radioactive
War Hijacking & Other Perils Exclusion

12. Additional Insured: As requested and approved.

13. Payment Options: Pay In Full
(2) Payments of 50% each
(4) Payments of 25% each
20% down and (9) additional payments of 8.89% each

* There are no fees or interest charges associated with any of our payment options.

14. Commission: 17.5%

Thank you for the opportunity to quote your business with **QBE INSURANCE CORPORATION.**

To request binding of the attached quotation please complete the following:

Send email or fax to David Gray @ David.Gray@us.qbe.com

Please include in request:

1. Effective Date of binding
2. Agency billing or direct billing
3. Payment option
4. Rejection or Acceptance of War and/or TRIA

David Gray

David Gray
Authorized Representative

QBE

QBE Insurance Corporation
Governmental Aircraft Rating Proposal

9/2/2016

City of Jacksonville
117 West Duval Street, Suite 335
Jacksonville, FL 32202

QBE Attachment A - Aircraft Description

Year	Make & Model	# of Seats Exclu. Crew	FAA #	Deductible NIM / IM	Limit of Liability	Insured Value (Hull Coverage)
2002	Bell 206	4	N317JP	Nil/1%	$ 20,000,000	$ 879,000
2004	Bell 407	6	N314JP	Nil/1%	$ 20,000,000	$ 2,274,856
2004	Bell 206	4	N312JP	Nil/1%	$ 20,000,000	$ 1,489,878
1972	Bell OH-58	3	N311JP	Nil/1%	$ 20,000,000	$ 200,000
1973	Piper Aerostar	4	N315JP	NIL/NIL	$ 20,000,000	$ 150,000
1983	Piper Saratoga	5	N318JM	NIL/NIL	$ 20,000,000	$ 145,000
1976	Beech King Air 200	9	N703JR	NIL/NIL	$ 20,000,000	$ 1,200,000
1974	Sikorsky S269c	1	N58160	Nil/1%	$ 20,000,000	$ 175,000
1995	Sikorsky S269c	1	N7511A	Nil/1%	$ 20,000,000	$ 225,000

Breakdown of Hull and Liability Premium

	FAA #	Hull Premium	Liability	WAR Liability	WAR Hull	Total Premium
	N317JP	$ 11,251	$ 2,908	Included	Included	$ 14,159
	N314JP	$ 21,839	$ 4,302	Included	Included	$ 26,141
	N312JP	$ 15,793	$ 2,908	Included	Included	$ 18,701
	N311JP	$ 4,160	$ 2,181	Included	Included	$ 6,341
***	N315JP	$ 1,313	$ 1,952	Included	Included	$ 3,265
***	N318JM	$ 1,269	$ 2,440	Included	Included	$ 3,709
	N703JR	$ 3,480	$ 2,043	Included	Included	$ 5,523
	N58160	$ 4,620	$ 2,185	Included	Included	$ 6,805
	N7511A	$ 5,603	$ 2,185	Included	Included	$ 7,788
	Totals:	$ 69,328	$ 23,104	$ -	$ -	$ 92,432

*** N315JP, N318JM Covered for Ground Risk Only

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QBE Attachment B - Coverage and Limits

Limits of Liability		
Single Limit Bodily Injury,		
including passengers and Property Damage	$ 20,000,000	Each Occurrence
Passenger Liability Limited to:	N/A	Each Person
Medical Expenses - including crew	N/A	Each Occurrence-no aggregate
	$ 15,000	Each Person
Broad Coverage Endorsement (QBAV-2053)		
Deletion of Air Worthiness Certificate Exclusion	Included	
Automatic Insurance for Increased Insured Value	Included	max 25% max value $3,000,000
Baggage Coverages	$ 25,000	
Hangar Coverages	$ 2,000,000	
Definition of Premises	Included	
Emergency or Unexpected Landing	up to 25% of Insured Value of Aircraft	
Extra Expense for Renting Substitute Aircraft	$ 500,000	No daily limit, Max 90 days
Extra Expense for Temporary Replacement Aircraft Parts	$ 500,000	
Hangarkeepers Liability	$ 20,000,000	$NIL per aircraft deductible
Host Liquor Liability	$ 20,000,000	
Mobile Equipment Liability	$ 20,000,000	
Physical Damage to Spare Engines, Parts, Avionics, etc.	$ 500,000	$Nil deductible each loss
Policy Territory	Worldwide	
Premises Medical Coverage	$ 15,000	per person, no aggregate
Products Liability - Sale of Aircraft, Parts, Food & Beverage	$ 20,000,000	
Runway Foam	$ 1,000,000	
Search & Rescue	$ 1,000,000	
Trip Interruption Expense	$ 10,000	per pax, no limitation
Unearned Premium Insurance	Included	
Aircraft Disappearance Clause	30 Days	
Airport Premises Liablity	Included	
Automatic Attachment Newly Acquired Aircraft	Included	
Aviation Date Recogn w/Limited Coverage Grant	Included	
Cargo Liability	$ 250,000	
Fellow Employee Coverage Endorsement	Included	
Hurricane Protection Coverage	$5,000 per aircraft	
Incident Medical Malpractice	Included	
Knowledge of Occurrence	Included	
Lay-Up Return Endorsement	70% of pro rata hull premium, 30 consecutive days	
Mechanics Tools	$ 25,000	Nil deductible
Non-Owned Aircraft Liability Endorsement	$ 20,000,000	Max 40 seats
Non-Owned Aircraft Physical Damage	$ 20,000,000	Max 40 seats, Nil Deductible
Passenger Voluntary Settlements	$ 250,000	Max 52 Consecutive weeks
Personal Injury Extension	Included	
Special Equipment Endorsement	$ 540,000	Thermal Imaging Equipment, Nil deductible
Aerial Application Coverage Endorsement	$ 1,000,000	
Air Ambulance Clause	Included	
Profit Commission on Renewal Endorsement	15% of 70%	of hull premium less paid claims, reserves and expenses.
Non-Owned Drones Endorsement	$ 20,000,000	Nil deductible