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: **Brown and Brown of Florida, Inc. –Marine Insurance – Watercraft Hull (including Protection & Indemnification) and Wharfingers Liability, P-11-14 – Request for Contract 9269-05 Amendment Five**

The current Contract No. 9269-05 Marine Insurance – Watercraft Hull (including Protection & Indemnification) and Wharfingers Liability allows for placement of Watercraft Hull (including Protection & Indemnification) and Wharfingers Liability coverages by Brown and Brown of Florida, Inc., for a term of April 1, 2016 to September 30, 2016, with three (3) additional one year options remaining at terms mutually agreeable. Currently the not to exceed maximum indebtedness is $268,136.95.

Risk Management is requesting to exercise one (1)of the three (3) remaining renewals for a policy term of October 1, 2016 to September 30, 2017 and to increase the maximum indebtedness by $99,216.00 for a not to exceed amount of $367,352.95 with all terms and conditions remaining the same.

The $99,216.00 represents a decrease of .07% over the previous term for the Watercraft Hull (including Protection & Indemnification) and Wharfingers Liability coverages

Attachments: Exhibit D

Exhibit D

2016 – 2017 Marine Insurance – Watercraft (including Protection & Indemnification) and Whaffingers Liability Renewal Proposal

Insurance Proposal Submitted Especially For:

City of Jacksonville, Florida

Policy Term:

October 1, 2016 to October 1, 2017

Prepared by:

Brown & Brown of Florida, Inc. – Jacksonville Branch
10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256
(904) 565-1952 phone • (904) 565-2440 fax

This proposal is based upon the exposures to loss made known to us. Any changes in exposures, i.e., new operations, new products, additional states of hire, etc., need to be promptly reported to our office in order that proper coverage(s) may be put in place.

This proposal contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations and conditions, refer to the policy document.

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Account Service Team

No matter how comprehensive or price competitive your insurance program is, it is still people who must service it to insure that coverage will respond when needed.

Brenda Lewis-Lipscomb, CIC
Vice President, Commercial Sales Executive
(904) 565-8254 phone
(904) 565-2440 fax
blewis@bbjax.com

Brenda is responsible for overseeing all aspects of your program.

Lori Duvall, CIC
Commercial Lines Team Leader
(904) 565-8288 phone
(904) 565-2440 fax
lduvall@bbjax.com

Lori will assist with the daily servicing of your account, including changes in coverage, invoicing, renewal and other daily account servicing.

Michelle Turner
Senior Marketing Analyst

Michelle is responsible for market analysis, including coverage comparison, finding best coverage available and making sure competitive pricing is offered.

Feel free to contact anyone on this list if you have questions or concerns regarding your insurance policy.

Claims Reporting Guidelines
For All Lines of Coverage except Workers' Compensation

Make Brown & Brown of Florida, Inc. aware of any and all incidents *immediately* after they occur, whether it be an auto accident, a theft, slip & fall, even a minor incident that appears will have no future activity. Do not wait for a police report.

Some insureds opt to handle a situation themselves as opposed to putting their carrier on notice. This decision is ultimately up to the insured, but Brown & Brown of Florida, Inc. should still be informed of a situation and requires written confirmation that the insured made the decision not to report the claim.

Gather as much concrete information as possible. For example, police reports, company incident reports, conversation logs, medicals and pictures - anything that may assist in the handling of your claim. Send this information either by mail, e-mail or fax to:

Brown & Brown of Florida, Inc. – Jacksonville Branch
Lori Duvall, CIC
10151 Deerwood Park Blvd., Bldg. 100, Ste. 100
Jacksonville, FL 32256
(904) 565-8288 phone
(904) 565-2440 fax
lduvall@bbjax.com

If you have any questions or incur any problems, please call our office and we will be glad to assist in any way we can.

Claims Reporting Guidelines for Workers' Compensation

Workers' Compensation Claims should immediately be reported directly to the insurance company.

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Index

Line of Business:	Section:
Named Insured	5
Wharfinger Insurance	6
Watercraft Insurance (Hull and Protection & Indemnity)	9
Excess Protection & Indemnity Liability	11
Premium Summary	13

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Named Insured(s) Schedule

The following are named insureds on your policies:

The City of Jacksonville
And Jacksonville Economic Development Commission

Plus

Any affiliated or subsidiary board, authority, committee, commission or independent agency (including newly constituted) provided that such affiliated or subsidiary board, authority, committee, commission or independent agency is either a body politic created by a listed named insured, or one in which controlling interest or membership therein is vested in a listed named insured.

Plus

All elected officials, appointed officials, and members of all appointed governing bodies, the Sheriff and the Undersheriff, all while acting within the scope of their duties.

The following are specifically excluded as Named Insureds:
Duval County School Board
Jacksonville Transportation Authority
St. John's River Power Park

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Wharfingers Liability Insurance

Continental Insurance (Incumbent)

Coverage Form:

Wharfingers Legal Liability: All coverages subject to policy provisions, conditions, terms, definitions, and exclusions.

Limits of Insurance: $5,000,000 Per Occurrence, Combined Single Limit

Covered Locations: "Various Locations" as per schedule

Deductible: $ 1,000 per occurrence

Terms & Conditions include but are not limited to:

General Policy Information
Landing Dock Bailee Liability Form
Schedule of Locations
Named Insured Endorsement
Sole Agent Endorsement
Severability of Interest Endorsement
Claim Reporting Endorsement
Proof of Loss Endorsement
Waiver of Subrogation Endorsement
Termination and Non Renewal Endorsement
Prohibition of Warranty Endorsement

Exclusions include but are not limited to:

Punitive Damages
AIMU U.S. Economic and Trade Sanctions
AIMU Extended Radioactive Contamination Exclusion
AIMU Chemical, Biological, Electromagnetic Exclusion

Higher Liability Limits may be available

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Location Schedule:
All landing, mooring facilities and boat ramps owned by City of Jacksonville at Jacksonville, FL including Duval, Clay, St. Johns and Nassau counties include but are not limited to:

Name	Location
St Johns Marina	901 Museum Circle
Bert Maxwell	680 Broward Rd at I-95 and Trout River
Mayport Boat Ramp	4870 Ocean St, near A1A
Intracoastal Waterway	2501 2nd Ave
Wayne B Stevens	4555 Ortega Farms Blvd
TK Stokes	2120 Riverview Ave
Arlington Boat Ramp	Arlington Rd at St Johns River
Oak Harbor	2428 Seaway St, Mayport
Pottsburg Creek	8508 Beach Blvd
County Dock	Terminus of County Dock Rd at St Johns River
Hood Landing	Terminus of Hood Landing Rd at Julington Creek
Dinsmore Boat Landing	11101 US 1
Harborview Boat Ramp	Harborview Dr
Alimacani	Heckscher Dr at Fort George Inlet
Lonnie Wurn	4131 Ferber Rd
Joe Carlucci Boat Ramp	8410 McKenna Dr
Arlington Lions Club Boat Ramp	4322-1 Richard G Gatlin Rd
Jim King Park and Boat Ramp @ Sister's Creek	8203 Heckscher Dr
Curtis Lee Johnson Boat Ramp	5434 San Juan Ave
Fulton Boat Ramp	End of Fulton Rd off Ft Caroline
New Berlin Boat Ramp	End of Frederick St , off Lombard from New Berlin
Metro Park Marina Docks	1410 Gator Bowl Blvd
Southbank Docks (Riverwalk)	Downtown Jacksonville
Jacksonville Landing Docks	Downtown Jacksonville
Riverwalk	Downtown Jacksonville
Palms Fish Camp	6359 Hecksher Dr
Thomas Creek	17200 Ethel Rd
John Lowe Boat Ramp	9020 San Jose Blvd
Reddie Point	4499 Yachtsman Way
Castaway Island Preserve	2921 San Pablo Rd
Ringhaver Park	5198 118th St

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Location Schedule continued:
All landing, mooring facilities and boat ramps owned by City of Jacksonville at Jacksonville, FL including Duval, Clay, St. Johns and Nassau counties include but are not limited to:

Name	Location
Stinson Park	4050 San Juan Ave
Palmetto Leaves Kayak Launch	13799 Old St. Augustine Rd
Riverside Arts Market floating docks (210 ft)	715 Riverside Ave
Nathan Krustel Park	2001 LaVaca Road
Blue Cypress Park	4012 University Blvd. N
North Shore Park	7901 Pearl Street
Ribault River Preserve	2617 Ribault Scenic Drive
Riverview Park	9620 E. Water Street
Dutton Island Preserve	End of Dutton Island Drive
Cradle Creek Preserve	15th Street and Fairway Lane
Mandarin Park Boat Ramo	14780 Mandarin Rd
Huguenot Memorial Park	10980 Heckscher Dr
Charles Reese Memorial Park	1200 Ken Knight Dr

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Watercraft Insurance (Hull and Protection and Indemnity)

Continental Insurance (Incumbent)

All coverages subject to policy provisions, conditions, terms, definitions, and exclusions.

Hull Coverage Terms:

American Institute Hull Clauses (6/2/77)
American Institute S.R. & C.C. Endorsement (9/8/59)
American Institute Deliberate Damage – Pollution Hazard (2/1/76)

Limits: $8,631,468 per schedule

Deductible: 1% of Hull value per occurrence

Trailer Deductible: $250 per occurrence

Protection & Indemnity Coverage Terms:

Protection & Indemnity SP-23

Limit: $1,000,000 combined single limit any one accident or occurrence including all legal costs, fees and expenses

Deductible: $2,000 per occurrence Bodily Injury
$2,000 per occurrence All Other

General Conditions include, but are not limited to the following:

Schedule of Vessels
Named Insured Endorsement
Trailer Endorsement – Physical Damage coverage only
Navigating Limit Endorsement
Excess Collision Liability
Sole Agent Endorsement
Severability of Interest Endorsement
Claim Reporting Endorsement
Proof of Loss Endorsement
Waiver of Subrogation Endorsement
Termination and Non Renewal Endorsement
Prohibition of Warranty Endorsement
Automatic Acquisition
Voluntary Removal of Wreck
Extended Adventures & Perils
Continuity Credit Clause

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

General Conditions include, but are not limited to the following (continued):

American Institute Pollution Exclusion Clause
AIMU Extended Radioactive Containment Exclusion Clause 3/1/03 with USA endorsement
AIMU Chemical, Biological and Electromagnetic Exclusion Clause 3/1/03
AIMU US Economic and Trade Sanctions Clause
Punitive Damages Exclusion
Crew Exclusion
Primary Non Contributory Endorsement

Navigation Limits:

Warranted navigation confined to the coastal and inland waters of Duval county, St Johns county, Nassau county, Clay county, Florida, not exceeding one hundred nautical miles offshore

Higher Liability Limits may be available

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Excess Protection & Indemnity Coverage

Great American (Incumbent)

Coverage:

Excess Protection & Indemnity following form of the SP-23 excluding Crew Liability.

Limits of Liability:		
Each Occurrence	$	9,000,000

Scheduled Underlying Limits:

Protection & Indemnity – Any one Accident or Occurrence	1,000,000

Policy is true follow form to underlying policy.

Policy is not Subject to Audit

Higher Liability Limits may be available

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Commercial Umbrella Terminology

These are general industry definitions. Please refer to policy for actual definitions.

Umbrella Liability – Designed to provide coverage in excess of primary liability policies, subject to some limitations. Broader coverage may be provided subject to a Self Insured Retention.

Excess Liability – Provide following form excess limit of liability for scheduled underlying policies.

Self Insured Retention "SIR" – The amount of the loss an insured must pay before the umbrella policy would be required to respond when no primary coverage is provided.

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Premium Summary

	4/1/2015 – 10/1/2016	2016/2017	Commission
Watercraft (Hull & P&I) Insurance	$ 117,948.00	$ 73,426.00	15%
Terrorism (Optional)	$ 2,252.00	$ 1,500.00	15%
FL Surcharge	$ 0.00	$ 0.00	
Total	**$ 120,200.00**	**$ 74,926.00**	
Excess Protection & Indemnity	$ 21,764.00	$ 14,140.00	7.5%
FL Surcharge	$ 0.00	$ 0.00	
Total	**$ 21,764.00**	**$ 14,140.00**	
Wharfinger Insurance	$ 15,089.00	$ 10,000.00	15%
Terrorism (Optional)	$ 150.00	$ 150.00	15%
FL Surcharge	$ 0.00	$ 0.00	
Total	**$ 15,239.00**	**$ 10,150.00**	
Total	**$ 157,203.00**	**$ 99,216.00**	

*4/1/2015 policy term was extended to expire 10/1/2016: Annual premium: Watercraft $82,634.00, Wharfinger $10,000, Excess $14,500. Total: $107,134.00

Terrorism:

The additional annual premium that is attributable to coverage for acts of terrorism is as follows:

Line of Business	Carrier	Certified Acts
Watercraft Insurance	Continental Insurance	$ 1,500.00
Wharfinger Insurance	Continental Insurance	$ 150.00
Excess Liability	Great American	Included

You may reject coverage for certified acts of terrorism by signing the rejection form. However, you may not reject coverage under workers compensation.

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

Premium Summary (continued)

Payment Plan:

Pay in Full

25% **Minimum Earned Premium – Excess Liability**

Brown & Brown does not have direct binding authority with this excess and surplus lines market.

Quote Conditions:

In order to renew, we will need the following prior to 10/1/2016:

Signed Applications
Signed TRIA (if coverage is rejected)

Subject to:

Favorable Loss Control Survey and prompt compliance with all Loss Control Recommendations.
Final rating and underwriting approval by the Company.
If you cancel the policy for any reason including non-payment of premium, the company will retain a minimum of 25% of the premium on the Excess Liability policy. All taxes and fees are fully earned and non-refundable.

A.M. Best Rating of Proposed Carriers

Policy Type	Carrier	Rating
Watercraft Insurance	Continental Insurance Company	A XV
Wharfinger Insurance	Continental Insurance Company	A XV
Excess P&I	Great American Insurance Co	A+ XIII

General Rating:

These rating classifications reflect BEST's opinion of the relative position of each company in comparison with others, based upon averages within the Property-Casualty insurance industry. They are reflective of overall company services and standing within the industry.

A++, A+	Superior	B++	Good	C++, C+	Marginal
A, A-	Excellent	B, B-	Fair	C, C-	Weak

Financial Size Category:

The financial Size Category is an indication of the size of an Insurer and is based on reported Policyholders' surplus plus conditional or Technical Reserve Funds, such as mandatory securities valuation reserve, other investment and operating contingency funds and/or miscellaneous voluntary reserves in liabilities.

Financial Size Category (in Thousands)			
Class I	Up to	$1,000	
Class II	$1,000	to	$2,000
Class III	$2,000	to	$5,000
Class IV	$5,000	to	$10,000
Class V	$10,000	to	$25,000
Class VI	$25,000	to	$50,000
Class VII	$50,000	to	$100,000
Class VIII	$100,000	to	$250,000
Class IX	$250,000	to	$500,000
Class X	$500,000	to	$750,000
Class XI	$750,000	to	$1,000,000
Class XII	$1,000,000	to	$1,250,000
Class XIII	$1,250,000	to	$1,500,000
Class XIV	$1,500,000	to	$1,750,000
Class XV	$1,750,000	to	$2,000,000

This information has been provided to you so that consideration is given to the financial condition of our proposed carriers. The financial information disclosed is the most recent available to Brown & Brown of Florida, Inc. – Jacksonville Branch. Brown & Brown does not guarantee financial condition of the insurers listed above.

Brown & Brown of Florida, Inc. • 10151 Deerwood Park Blvd Bldg 100, Ste 100, Jacksonville, FL 32256 • (904) 565-1952

DISCLAIMER/COMPENSATION DISCLOSURE

The proposal presented is based upon the exposures to loss made known to the agency. Any changes in these exposures (i.e. new operations, new products, additional states of hire, etc) need to be promptly reported to our agency in order that proper coverage(s) may be put into place.

This proposal contains only a general description of the coverage(s) and does not constitute a policy/ contract. For complete policy information, including exclusions, limitations, and conditions, refer to the policy document.

Compensation In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date the premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

Wholesale Broker/Managing General Agent: Hull & Co.

This intermediary is owned in whole or part by Brown & Brown, Inc., the parent company of Brown & Brown of Florida, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment. The fee, if any, for the Wholesale Insurance Broker's/Managing General Agent's services above is $"NO FEE".

Questions and Information Requests. Should you have any questions, or require additional information, please contact this office at 1-800-637-6441 or, if you prefer, submit your question or request online at http://www.bbinsurance.com/customerinquiry.shtml