

**PROFESSIONAL SERVICES AGREEMENT**  
**(Property and Casualty Insurance)**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered on September 5, 2024, by and between the **City of Lake Worth Beach**, a Florida municipal corporation (“City”) and **Risk Management Associates, Inc. a wholly owned subsidiary of Brown & Brown, Inc.**, a Florida Profit Corporation, located at 300 N. Beach Street, Daytona Beach, FL 32114, authorized to do business in the State of Florida (“Consultant”).

**RECITALS**

**WHEREAS**, the City issued a Request for Proposal (No.24-207) for the City’s property and Casualty Insurance Services (“RFP”); and

**WHEREAS**, Consultant has provided the City with a written proposal in response to the RFP to provide the services as described and set out in the RFP; and

**WHEREAS**, the City desires to accept Consultant’s proposal (attached hereto as Exhibit “A”) in order for Consultant to render the services to the City as provided herein; and

**WHEREAS**, Consultant further warrants that it is experienced and capable of performing the services hereunder in a professional and competent manner; and

**WHEREAS**, the purpose of this Agreement is to set forth certain terms and conditions for the provision of services by Consultant to the City.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants herein contained, the sufficiency of which is hereby acknowledged by the parties, the City and Consultant agree as follows:

**SECTION 1: INCORPORATION OF RECITALS.** The foregoing Recitals are incorporated into this Agreement as true and correct statements.

**SECTION 2: CONSULTANT’S SERVICES.** The Consultant shall provide property and casualty insurance to include but not limited to for property coverage (including inland marine and boiler & machinery); crime coverage; excess public official liability/employment practice liability; excess automobile liability; excess general liability; excess workers’ compensation; cyber liability coverage; and pollution legal liability insurance for the City as more specifically described in the **RFP**, which is incorporated herein by reference and Consultant’s proposal attached hereto as an Exhibit “A”.

**SECTION 3: INDEPENDENT CONTRACTOR RELATIONSHIP.** No relationship of employer or employee is created by this Agreement, it being understood that Consultant will act hereunder as an independent contractor and none of Consultant’s, officers, directors, employees, independent contractors, representatives or agents performing services for Consultant pursuant to this Agreement shall have any claim under this Agreement or otherwise against the City for compensation of any kind under this Agreement. The relationship between the City and Consultant is that of independent contractors, and neither shall be considered a joint venturer, partner, employee, agent, representative or other relationship of the other for any purpose expressly or by implication.

**SECTION 4: TERM, TIME AND TERMINATION.**

a. **Term.** The term of this Agreement shall commence upon the approval of this Agreement and shall be for the period of five (5) consecutive years and dependent on the annual appropriation of funds

by the City's City Commission. Annual insurance rates shall be approved by the City's City Commission. Notwithstanding the foregoing, this Agreement may be earlier terminated as set forth in this Agreement.

b. Time for Completion. Time is of the essence in the performance of this Agreement. Consultant shall at all times carry out its duties and responsibilities as expeditiously as possible and in accordance with the project schedule as set forth in RFP or as otherwise agreed between the parties.

c. Force Majeure. Neither party hereto shall be liable for its failure to perform hereunder due to any circumstances beyond its reasonable control, such as acts of God, wars, riots, national emergencies, sabotage, strikes, labor disputes, accidents, and governmental laws, ordinances, rules, or regulations. The Consultant or City may suspend its performance under this Agreement as a result of a force majeure event without being in default of this Agreement, but upon the removal of such force majeure event, the Consultant or City shall resume its performance as soon as is reasonably possible. Upon the Consultant's request, the City shall consider the facts and extent of any failure to perform the services and, if the Consultant's failure to perform was without its or its sub-consultant's fault or negligence, the schedule and/or any other affected provision of this Agreement may be revised accordingly, subject to the City's rights to change, terminate, or stop any or all of the services at any time. No extension shall be made for delay occurring more than seven (7) days before a notice of delay or claim therefore is made in writing to the City. In the case of continuing cause of delay, only one (1) notice of delay or claim is necessary.

d. Termination without cause. Either party may terminate this Agreement at any time with or without cause by giving not less than thirty (30) days written notice of termination.

e. Termination for cause. Either party may terminate this Agreement at any time in the event that the other party engages in any act or makes any omission constituting a material breach of any term or condition of this Agreement. The party electing to terminate this Agreement for breach shall provide the other party with written notice specifying the nature of the breach. The party receiving the notice shall then have three (3) business days from the date of the notice in which to remedy the breach. If such corrective action is not taken within three (3) business days, then this Agreement shall terminate at the end of the three (3) business day period without further notice or demand.

f. Early Termination. If this Agreement is terminated before the completion of all services by either party, the Consultant shall:

1. Stop services on the date and to the extent specified including without limitation services of any sub-consultants.
2. Transfer all work in progress, completed work, and other materials related to the terminated services to the City in the format acceptable to City.
3. Continue and complete all parts of the services that have not been terminated.

g. Effect of Termination. Termination of this Agreement shall not affect any rights, obligations, and liabilities of the parties arising out of services provided prior to the date of termination. Notwithstanding the foregoing, the parties acknowledge and agree that the City is a municipal corporation existing under the laws of the State of Florida, and as such, this Agreement (and all Exhibits hereto) are subject to budgeting and appropriation by the City of funds sufficient to pay the costs associated herewith in any fiscal year of the City. Notwithstanding anything in this Agreement to the contrary, in the event that no funds are appropriated or budgeted by the City's governing board in any fiscal year to pay the costs associated with the City's obligations under this Agreement, or in the event the funds budgeted or appropriated are, or are estimated by the City to be, insufficient to pay the costs associated with the City's obligations hereunder in any fiscal period, then the City will notify Consultant of such occurrence and either the City or Consultant may terminate this Agreement by notifying the other in writing, which notice shall

specify a date of termination no earlier than twenty-four (24) hours after giving of such notice. Termination in accordance with the preceding sentence shall be without penalty or expense to the City of any kind whatsoever; however, City shall pay Consultant for all services performed under this Agreement through the date of termination.

**SECTION 5: COMPENSATION.**

a. Payments. The City agrees to compensate Consultant in accordance with the agreed annual Premium Recapitulation. The City shall not reimburse Consultant for any additional costs incurred as a direct or indirect result of Consultant providing services to the City under this Agreement and not set forth in **Exhibit "A"**. For any additional services or compensation, the Consultant must receive prior written approval from the City before providing any services to be charged.

b. Invoices. Consultant shall render invoices to the City for services that have been rendered in conformity with this Agreement, the RFP, and the price proposal set forth in the **annual Premium Recapitulation**. The annual invoice shall set forth the Total Annual Cost as set forth in Premium Recapitulation. Invoices will be reviewed for approval and if an invoice is not approved, the City will notify Consultant within ten (10) days of deficiencies in the invoice. Once the deficiencies are corrected and a new or amended invoice submitted, the City shall make payment within twenty (20) days. Invoices will normally be paid within thirty (30) days following the City's receipt of Consultant's invoice. All invoices shall be paid in accordance with the Local Government Prompt Payment Act, Section 218.70, et. seq.

**SECTION 6: INDEMNIFICATION.** Consultant, its officers, employees and agents shall indemnify and hold harmless the City, including its officers and employees from liabilities, damages, losses, and costs, including but not limited to, reasonable attorney's fees (at the trial and appellate levels), to the extent caused by the negligence, of Consultant, its officers, directors, employees, representatives and agents employed or utilized by Consultant in the performance of the services under this Agreement. The City agrees to be responsible for its own negligence. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the City or Consultant, nor shall this Agreement be construed as a waiver of sovereign immunity for the City beyond the waiver provided in section 768.28, Florida Statutes, which the parties agree applies to all claims related to this Agreement whether arising in tort or in contract.

**SECTION 7: COMPLIANCE AND DISQUALIFICATION.** Each of the parties agrees to perform its responsibilities under this Agreement in conformance with all laws, regulations and administrative instructions that relate to the parties' performance of this Agreement.

**SECTION 8: PERSONNEL.** Consultant represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City. All of the services required hereunder shall be performed by Consultant or under its supervision, and all personnel engaged in performing the services shall be fully qualified and authorized or permitted under federal, state and local law to perform such services.

**SECTION 9: SUB-CONSULTANTS.** The City reserves the right to accept the use of a sub-consultant or to reject the selection of a particular sub-consultant and approve all qualifications of any sub-consultant in order to make a determination as to the capability of the sub-consultant to perform properly under this Agreement. All sub-consultants providing professional services to Consultant under this Agreement will also be required to provide their own insurance coverage identical to those contained in this Agreement. In the event that a sub-consultant does not have insurance or does not meet the insurance limits as stated in

this Agreement, Consultant shall indemnify and hold harmless the City for any claim in excess of the sub-consultant's insurance coverage, arising out of the negligent acts, errors or omissions of the sub-consultant.

**SECTION 10: FEDERAL AND STATE TAX.** The City is exempt from payment of Florida State Sales and Use Tax. Consultant is not authorized to use the City's Tax Exemption Number.

**SECTION 11: INSURANCE.** Prior to commencing any services, Consultant shall provide proof of insurance coverage as required hereunder. Such insurance policy(s) shall be issued by the United States Treasury or insurance carriers approved and authorized to do business in the State of Florida, and who must have a rating of no less than "excellent" by A.M. Best or as mutually agreed upon by the City and Consultant. All such insurance policies may not be modified or terminated without the express written authorization of the City.

| <b><u>Type of Coverage</u></b>  | <b><u>Amount of Coverage</u></b>                            |
|---|---|
| Professional liability/<br>Errors and Omissions   | \$1,000,000 per occurrence                                  |
| Commercial general liability<br>(Products/completed operations<br>Contractual, insurance broad form property,<br>Independent Consultant, personal injury) | \$1, 000,000 per occurrence<br>\$2,000,000 annual aggregate |
| Worker's Compensation   | \$ statutory limits   |

The commercial general liability will name the City as an additional insured; all policies shall apply on a primary, non-contributing basis; and proof of all insurance coverage shall be furnished to the City by way of an endorsement to same or certificate of insurance prior to the provision of services. The certificates shall clearly indicate that Consultant has obtained insurance of the type, amount, and classification as required for strict compliance with this section. Failure to comply with the foregoing requirements shall not relieve Consultant of its liability and obligations under this Agreement.

**SECTION 12: SUCCESSORS AND ASSIGNS.** The City and Consultant each binds itself and its partners, successors, executors, administrators, and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement. Except as agreed in writing by all parties, this Agreement is not assignable.

**SECTION 13: DISPUTE RESOLUTION, LAW, VENUE AND REMEDIES.** All claims arising out of this Agreement or its breach shall be submitted first to mediation. The parties shall share the mediator's fee equally. The mediation shall be held in Palm Beach County. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. This Agreement shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Agreement will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

**SECTION 14: WAIVER OF JURY TRIAL.** TO ENCOURAGE PROMPT AND EQUITABLE RESOLUTION OF ANY LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY IN ANY LITIGATION RELATED TO THIS AGREEMENT.

**SECTION 15: ACCESS AND AUDITS.** Consultant shall maintain adequate records to justify all payments made by the City under this Agreement for at least three (3) years after completion of this Agreement and longer if required by applicable federal or state law. The City shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at Consultant's place of business. In no circumstances will Consultant be required to disclose any trade secret information regarding its products and service costs.

**SECTION 16: NONDISCRIMINATION.** Consultant warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, or sexual orientation.

**SECTION 17: AUTHORITY TO PRACTICE.** Consultant hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business and provide the services required under this Agreement, and that it will at all times conduct its business and provide the services under this Agreement in a reputable manner. Proof of such licenses and approvals shall be submitted to the City upon request.

**SECTION 18: SEVERABILITY.** If any term or provision of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, to remainder of this Agreement, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Agreement shall be deemed valid and enforceable to the extent permitted by law.

**SECTION 19: PUBLIC ENTITY CRIMES.** Consultant acknowledges and agrees that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier or sub-contractor under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list. Consultant certifies that it and its affiliates have not been placed on the convicted vendor list within the 36 months immediately preceding this Agreement. The Consultant will advise the City immediately if it becomes aware of any violation of this statute.

**SECTION 20: NOTICE.** All notices required in this Agreement shall be sent by hand-delivery, certified mail (RRR), or by nationally recognized overnight courier, and if sent to the City shall be sent to:

City of Lake Worth Beach  
Attn: City Manager/Financial Department/Procurement Division  
7 N. Dixie Highway  
Lake Worth Beach, FL 33460

and if sent to Consultant, shall be sent to:

Risk Management Associates, Inc.  
Attn.: Matthew Montgomery  
300 N. Beach Street  
Daytona Beach, FL 32114

The foregoing names and addresses may be changed if such change is provided in writing to the other party. Notice shall be deemed given upon receipt.

**SECTION 21: ENTIRETY OF AGREEMENT.** The City and Consultant agree that this Agreement sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto.

**SECTION 22: WAIVER.** Failure of a party to enforce or exercise any of its right(s) under this Agreement shall not be deemed a waiver of that parties' right to enforce or exercise said right(s) at any time thereafter.

**SECTION 23: PREPARATION AND NON-EXCLUSIVE.** This Agreement shall not be construed more strongly against either party regardless of who was more responsible for its preparation. This is a non-exclusive Agreement and the City reserves the right to contract with individuals or firms to provide the same or similar services.

**SECTION 24: MATERIALITY.** All provisions of the Agreement shall be deemed material. In the event Consultant fails to comply with any of the provisions contained in this Agreement or exhibits, amendments and addenda attached hereto, said failure shall be deemed a material breach of this Agreement and City may at its option provide notice to Consultant to terminate for cause.

**SECTION 25: LEGAL EFFECT.** This Agreement shall not become binding and effective until approved by the City. The Effective Date is the date this Agreement is executed by the City.

**SECTION 26: NOTICE OF COMPLAINTS, SUITS AND REGULATORY VIOLATIONS.** Each party will promptly notify the other of any complaint, claim, suit or cause of action threatened or commenced against it which arises out of or relates, in any manner, to the performance of this Agreement. Each party agrees to cooperate with the other in any investigation either may conduct, the defense of any claim or suit in which either party is named, and shall do nothing to impair or invalidate any applicable insurance coverage.

**SECTION 27: SURVIVABILITY.** Any provision of this Agreement which is of a continuing nature or imposes an obligation which extends beyond the term of this Agreement shall survive its expiration or earlier termination.

**SECTION 28: COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties as of the effective date at such time as all the signatories hereto have signed a counterpart of this Agreement. This Agreement may be signed digitally and each digitally signed counterpart shall be considered as an original of the signing party.

**SECTION 29: PALM BEACH COUNTY IG.** In accordance with Palm Beach County ordinance number 2011-009, Consultant acknowledges that this Agreement may be subject to investigation and/or audit by the Palm Beach County Inspector General. Consultant has reviewed Palm Beach County ordinance number 2011-009 and is aware of its rights and/or obligations under such ordinance.

**SECTION 30: AGREEMENT DOCUMENTS AND CONTROLLING PROVISIONS.** This Agreement consists of this Agreement, the RFP which is incorporated herein by reference and **Exhibit "A"**. The parties agree to be bound by all the terms and conditions set forth in the aforementioned documents. To the extent that there exists a conflict between the terms and conditions of this Agreement and the remaining aforementioned documents, the terms and conditions of this Agreement shall prevail. The RFP shall take precedence over the Consultant's proposal in Exhibit "A". Wherever possible, the provisions of such

documents shall be construed in such a manner as to avoid conflicts between provisions of the various documents.

**SECTION 31: OWNERSHIP OF DELIVERABLES.** The deliverables, work product, specifications, calculations, supporting documents, or other work products which are listed as deliverables by the City in the RFP or by the Consultant in **Exhibit “A”** shall become the property of the City. Consultant may keep copies or samples thereof and shall have the right to use the same for its own purposes. The City accepts sole responsibility for the reuse of any such deliverables in a manner other than as initially intended or for any use of incomplete documents.

**SECTION 32: REPRESENTATIONS AND BINDING AUTHORITY.** By signing this Agreement, on behalf of Consultant, the undersigned hereby represents to the City that he or she has the authority and full legal power to execute this Agreement and any and all documents necessary to effectuate and implement the terms of this Agreement on behalf of Consultant for whom he or she is signing and to bind and obligate such party with respect to all provisions contained in this Agreement.

**SECTION 33: PUBLIC RECORDS.** Consultant shall comply with Florida’s Public Records Act, Chapter 119, Florida Statutes, and, if determined to be acting on behalf of the City as provided under section 119.011(2), Florida Statutes, specifically agrees to:

- (a) Keep and maintain public records required by the City to perform the service.
- (b) Upon request from the City’s custodian of public records or designee, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of this Agreement and following completion of this Agreement if Consultant does not transfer the records to the City.
- (d) Upon completion of this Agreement, transfer, at no cost, to the City all public records in possession of Consultant or keep and maintain public records required by the City to perform the service. If Consultant transfers all public records to the City upon completion of the Agreement, Consultant shall destroy any duplicate public records that are exempt or confidential or exempt from public records disclosure requirements. If Consultant keeps and maintains public records upon completion of the Agreement, Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City’s custodian of public records or designee, in a format that is compatible with the information technology systems of the City.

**IF THE CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (561) 586-1660, [CITYCLERK@LAKEWORTHBEACHFL.GOV](mailto:CITYCLERK@LAKEWORTHBEACHFL.GOV), OR 7 NORTH DIXIE HIGHWAY, LAKE WORTH BEACH, FLORIDA 33460.**

**SECTION 34: CONFIDENTIAL AND PROPRIETARY INFORMATION.** Consultant (the “Receiving Party”) will keep confidential and not disclose to any other person or entity or use (except as expressly and unambiguously authorized by this Agreement) information, technology or software (“Confidential Information”) obtained from the City (the “Disclosing Party”); provided, however, that the Receiving

Party will not be prohibited from disclosing or using information (i) that at the time of disclosure is publicly available or becomes publicly available through no act or omission of the Receiving Party, (ii) that is or has been disclosed to the Receiving Party by a third party who is not under, and to whom the Receiving Party does not owe, an obligation of confidentiality with respect thereto, (iii) that is or has been independently acquired or developed by the Receiving Party without access to the Disclosing Party's Confidential Information, (iv) that is already in the Receiving Party's possession at the time of disclosure, or (v) that is required to be released by law. Consultant will not provide or disclose its Confidential Information to the City.

**SECTION 35: DATA PROTECTION.** The Consultant acknowledges that under this Agreement the City is authorizing the Consultant to access and/or receive certain City systems and/or networks which may contain data that is personal, private, and/or confidential ("City Data") in order to perform the services required in this Agreement. In order to ensure that the City Data is protected, the Consultant agrees on behalf of itself, its employees and agents, who may have access to the City Data and/or receive the City Data, that the City Data will not be stored, copied, analyzed, monitored, or otherwise used except for the sole purposes of performing the services required under this Agreement. Consultant agrees that it will and all of its employees and agents will fully comply with all applicable laws, regulations, and government orders relating to the City Data, including without limitation all personally identifiable information ("PII") and data privacy with respect to any such City Data. The Consultant will protect all City Data, including but not limited to PII, and will not use, disclose, or transfer such City Data except as necessary to perform the services under this Agreement or as specifically authorized by applicable law. To the extent that Consultant receives or has access to any City Data with PII related to or arising from the performance of this Agreement, the Consultant will protect the privacy and legal rights of City's personnel, clients, customers, and agents.

**SECTION 36: INFORMATION SECURITY BREACH NOTIFICATION.** The Consultant agrees to notify the City within two (2) business days in writing of any discovery by Consultant of any breach or suspected breach of the provisions of this Agreement with regards to City Data or any loss or unauthorized use, disclosure, acquisition of, or access to any City Data which Consultant becomes aware of (any such breach or suspected breach being referred to herein as a "Data Breach"). Such notice shall summarize in reasonable detail the effect and potential effect on the City and any of its personnel, clients, customers, and agents, if known, of the Data Breach, and the corrective action taken or to be taken by the Consultant to safeguard the City Data and to prevent any further Data Breaches. Consultant shall promptly take all appropriate and legally required corrective actions, and shall cooperate fully with City in all reasonable and lawful efforts to prevent, mitigate, or rectify such Data Breach. The Consultant agrees to be fully responsible for and liable for any costs, expenses (including reasonable attorney's fees), and penalties assessed against the City due to any Data Breach.

**SECTION 37: EXPORT ADMINISTRATION.** Each party agrees to comply with all export laws and regulations of the United States ("Export Laws") to assure that no software deliverable, item, service, technical data or any direct product thereof arising out of or related to this Agreement is exported directly or indirectly (as a physical export or a deemed export) in violation of Export Laws.

**SECTION 38: SCRUTINIZED COMPANIES.**

(a) Consultant certifies that it and its subcontractors are not on the Scrutinized Companies that Boycott Israel List and are not engaged in the boycott of Israel. Pursuant to section 287.135, Florida Statutes, the Consultant may immediately terminate this Agreement at its sole option if the Consultant or any of its subcontractors are found to have submitted a false certification; or if the Consultant or any of its subcontractors, are placed on the Scrutinized Companies that Boycott Israel List or is engaged in the boycott of Israel during the term of this Agreement.

(b) If this Agreement is for one million dollars or more, the Consultant certifies that it and its subcontractors are also not on the Scrutinized Companies with Activities in Sudan List, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or the Scrutinized Companies with



Activities in Iran Terrorism Sectors List, or engaged in business operations in Cuba or Syria as identified in Section 287.135, Florida Statutes. Pursuant to Section 287.135, the City may immediately terminate this Agreement at its sole option if the Consultant, or any of its subcontractors are found to have submitted a false certification; or if the Consultant or any of its subcontractors are placed on the Scrutinized Companies with Activities in Sudan List, or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or the Scrutinized Companies with Activities in Iran Terrorism Sectors List, or are or have been engaged with business operations in Cuba or Syria during the term of this Agreement.

(c) The Consultant agrees to observe the above requirements for applicable subcontracts entered into for the performance of work under this Agreement.

(d) The Consultant agrees that the certifications in this section shall be effective and relied upon by the CITY for the term of this Agreement, including any and all renewals.

(e) The Consultant agrees that if it or any of its subcontractors' status changes in regards to any certification herein, the Consultant shall immediately notify the City of the same.

(f) As provided in Subsection 287.135(8), Florida Statutes, if federal law ceases to authorize the above-stated contracting prohibitions then they shall become inoperative.

**SECTION 39: E-VERIFY.** Pursuant to Section 448.095(2), Florida Statutes, the Consultant shall:

(a) Register with and use the E-Verify system to verify the work authorization status of all newly hired employees and require all subcontractors (providing services or receiving funding under this Agreement) to register with and use the E-Verify system to verify the work authorization status of all the subcontractors' newly hired employees;

(b) Secure an affidavit from all subcontractors (providing services or receiving funding under this Agreement) stating that the subcontractor does not employ, contract with, or subcontract with an "unauthorized alien" as defined in Section 448.095(1)(k), Florida Statutes;

(c) Maintain copies of all subcontractor affidavits for the duration of this Agreement and provide the same to the City upon request;

(d) Comply fully, and ensure all of its subcontractors comply fully, with Section 448.095, Florida Statutes;

(e) Be aware that a violation of Section 448.09, Florida Statutes (Unauthorized aliens; employment prohibited) shall be grounds for termination of this Agreement; and,

(f) Be aware that if the City terminates this Agreement under Section 448.095(2)(c), Florida Statutes, the Consultant may not be awarded a contract for at least 1 year after the date on which the Agreement is terminated and will be liable for any additional costs incurred by the City as a result of the termination of the Agreement.

**SECTION 40: COMPLIANCE WITH SECTION 787.06.**

By signing this Agreement before a notary public and taking an oath under the penalty of perjury, the Consultant attests and warrants that Consultant does not use coercion for labor or services as defined in section 787.06, Florida Statutes (2024).

**REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK**  
**SIGNATURE PAGE FOLLOWS**

IN WITNESS WHEREOF, the parties hereto have made and executed this Professional Services Agreement (Property and Casualty Insurance) as of the day and year set forth above.

**CITY OF LAKE WORTH BEACH, FLORIDA**

By: \_\_\_\_\_  
Betty Resch, Mayor

ATTEST:

By: \_\_\_\_\_  
Melissa Anne Coyne, MMC, City Clerk

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

APPROVED FOR FINANCIAL  
SUFFICIENCY

By: \_\_\_\_\_  
Glen J. Torcivia, City Attorney

By: \_\_\_\_\_  
Yannick Gendahayo, Financial Services Director

**CONSULTANT: Risk Management Associates, Inc.**

By: \_\_\_\_\_  
*(Signature)*

[Corporate Seal]

Print Name: Matt Montgomery

Title: Executive Vice President

STATE OF Florida )  
COUNTY OF Volusia )

THE FOREGOING instrument was acknowledged before me by means of  physical presence or  online notarization on this 5 day of September 2024, by Matt Montgomery, as the Executive Vice Pres. [title] of Risk Management Associates, Inc., a corporation authorized to do business in the State of Florida, who is  personally known to me or  who has produced \_\_\_\_\_ as identification, and who did take an oath under penalty of perjury that the facts stated with regard to section 787.06, Florida Statutes, are true and correct, and that he or she is duly authorized to execute the foregoing instrument and bind **Risk Management Associates, Inc.**, to the same.

Victoria L Reedy  
Notary Public Signature

Notary Seal:



**EXHIBIT "A"**  
**Consultant's Proposal (186 pages)**



# RFP #24-207

## Property & Casualty Insurance

*Response Prepared By:*  
**Risk Management Associates, Inc.**  
**A wholly owned subsidiary of Brown & Brown, Inc.**

Bill Wilson – Public Risk Advisor  
300 North Beach Street  
Daytona Beach, FL 32114  
(386) 333-6058 – Direct Office  
(305) 903-6725 – Mobile

Submittal Date: July 24, 2024 at 3:00 PM

**ELECTRONIC COPY**

 **Brown & Brown**

**City of Lake Worth Beach**  
Request for Proposal #24-07  
Property & Casualty Insurance

|  | <b><u>Tab</u></b> |
|--|-------------------|
| <b>Respondent Information Page (Exhibit “C”)</b>   | <b>1</b>          |
| <b>Letter of Transmittal</b>   | <b>2</b>          |
| <b>Responsiveness &amp; Methodology</b>  | <b>3</b>          |
| <b>Cost Effectiveness</b>  | <b>4</b>          |
| <b>Successful Experience and Qualifications of Firm and Staff</b>                                    | <b>5</b>          |
| <b>Similar Projects and References (Exhibit “D” &amp; “E”)</b>                                       | <b>6</b>          |
| <b>Veteran Business Enterprise, Small Business &amp;<br/>Local Business Preference (Exhibit “H”)</b> | <b>7</b>          |
| <b>Default, Termination, Litigation, Debarment, etc.</b>   | <b>8</b>          |
| <b>Proof of Licenses</b>   | <b>9</b>          |
| <b>Appendix</b>  |                   |
| Required Proposal Forms (Exhibits “B”, “F” & “G”)  |                   |
| <i>Preferred Services Guide</i>  |                   |

# Tab 1

## Respondent Information

### Page

**EXHIBIT "C"**

**RFP #24-207 PROPERTY AND CASUALTY INSURANCE**

**RESPONDENT INFORMATION PAGE**

Company Name: Risk Management Associates, Inc., a wholly owned subsidiary of Brown & Brown, Inc

Authorized  
Signature:

\_\_\_\_\_  
Signature

Matthew Montgomery

\_\_\_\_\_  
Print Name

Title:

Executive Vice President

Physical  
Address:

300 N. Beach Street

Street

Daytona Beach

City

FL

State

32114

Zip Code

Telephone:

(386)239-7245

Fax: (386)239-4049

Email Address:

matt.mongomery@bbrown.com

Website

(if

applicable): www.bbinsurance.com

This is a requirement of every Respondent

Federal Identification Number: 59-2445801

State of Incorporation: State of Florida

# Tab 2

## Letter of Transmittal



## Section 2: Letter of Transmittal

July 7<sup>th</sup>, 2024

City of Lake Worth Beach  
Attn: Financial Services/Purchasing Division  
7 North Dixie Highway, 2<sup>nd</sup> Floor  
Lake Worth Beach, FL. 33460

RE: RFP #24-207 - Property & Casualty Insurance

To Whom It May Concern,

On behalf of Risk Management Associates, Inc. (also known as Brown & Brown Public Sector) we are pleased to submit our bid for the City of Lake Worth Beach's Property & Casualty Insurance solicitation as the City's incumbent provider. It is our intent to demonstrate our firm's willingness and ability to continue to meet and exceed the terms requested, as presented in the Scope of Services, as well as our compliance with the outlined requirements. Our philosophy is, and always will be, to ***exceed our clients' expectations while maintaining high professional and ethical standards.***

Our team is an independent and unbiased insurance brokerage firm ready to continue in our capacity as the City's broker consultant on all risk management and insurance matters. Our objective is to reduce your insurance cost, reduce the City's risk exposure and optimize your risk management program.



### Public Sector Experience

Our service office works only with public entities, so we are 100% focused on your business every day. **We represent more Florida Governments than any other broker, with over 200 public entity clients.** We also provide a nationwide network of public entity specialists to ensure the best governmental products and services in the country.



### Local Presence

The City's proposed service team is located in our Corporate Headquarters in Daytona Beach (300 North Beach Street, Daytona Beach, FL 32114) with one of your Project Managers located in Broward County. Our office serves communities from Key West to the Panhandle, our reach is unmatched within the State!



### The A-Team

Matt Montgomery, Executive Vice President, and 10+ year industry veteran, alongside Bill Wilson, MBA, Brown & Brown Public Sector and over 15+ year Public Service Experience (Broward County based) will continue to serve as the Project Managers of your Property & Casualty service team of professionals. A dedicated Account Team will continue to support the City as well as our Claims and Safety Team.



### Key Partnerships

We are proud to foster relationships with companies and industry experts in local government that will bring value to the City's risk management program.

Our team delivers industry-leading programmatic results and risk management resources, especially within the Public Sector. We strategically leverage market forces, spur competition, and as a result, can consistently bring the most viable insurance placements, program design, and risk management services to our clients. Throughout this response, our approach revolves around four main objectives that will exemplify why we are the best qualified firm to manage your Property & Casualty insurance needs:

- 1) Identify and transfer risk in accordance with the City's Vision and long-term goals
- 2) Reduce the City's Total Cost of Risk
- 3) Improve administrative efficiencies
- 4) Provide Concierge-Level Service including Loss Control, Claims Advocacy and Risk Consulting

Brown & Brown's rich corporate culture spans 85 years. From our early beginnings as a family-owned business in Daytona Beach to our current status as an international industry leader, we have remained strong and focused in Florida. We have consistently grown because we have consistently invested in our personnel and infrastructure to continuously bring more to our customers.

Our knowledgeable, helpful staff goes over and beyond to ensure accurate transactions and efficient use of the City's time. Our customers agree – we encourage you to reach out to the references provided. All references to our public entity experience are limited to those provided by this office that will serve the City, not an aggregation of national public entity business experience served by various offices and personnel that you may find with other competing agents/brokers.

Brown & Brown Public Sector has served the risk management needs of Florida's public entities for **more than 32 years**. Our experience includes representing more than **200 Florida Cities, Counties, School & Special Districts**. We provide highly complex program management for more than **40 Florida governmental clients**.

Our strategies have been very successful. It is our goal to assess individual client goals and stay ahead of the market pulse to negotiate program improvements perpetually. This proposal is a firm and irrevocable offer for ninety (90) days from the date of the Proposal opening. The signer has the authority to bind the principal proponent.

Sincerely,



Matthew Montgomery  
Executive Vice President  
(Authorized Company Officer)  
Matthew.Montgomery@bbrown.com  
Corporate Address: 300 North Beach Street, Daytona Beach, FL 32114  
State of Corporation: Florida  
(386) 239-7245 Direct Office  
(386) 239-4049 Fax

**CERTIFICATE OF INCUMBENCY**  
**OF RISK MANAGEMENT ASSOCIATES INC.**

I, Anthony M. Robinson, being the duly authorized Assistant Secretary of Risk Management Associates, Inc., hereby certify that:

1. The authorized signing officers of the Corporation are as hereinafter listed:

|                     |                                    |
|---------------------|------------------------------------|
| P. Barrett Brown    | President                          |
| Matthew Montgomery  | Executive Vice President           |
| James Lanni         | Vice President                     |
| R. Andrew Watts     | Vice President                     |
| Anthony M. Robinson | Vice President/Assistant Secretary |
| Joseph Stanton      | Treasurer                          |

IN WITNESS WHEREOF, I have hereunto set my hand on June 27, 2024.



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Anthony M. Robinson  
Vice President/Assistant Secretary

# Tab 3

## Responsiveness & Methodology

## Tab 3: Responsiveness & Methodology

**Respondents shall provide a comprehensive proposal addressing all the required services as provided in this solicitation. The proposal shall clearly provide the methodology and approach in managing insurance for the City with details of each step of the project that will be completed. The emphasis will be given to proposals that provide detailed and innovative solutions and that demonstrate knowledge of the scope, experience, capacity, and capability to meet the City's scope requirements.**

### The Mechanics of our Practice

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Establishing our distinguished client base while building our reputation and enhancing our capabilities has taken many years of finetuning and systematic process development. We have placed our focus on growing the right team and giving that team access to world-class resources to deliver to our clients. Our team and resources are highlighted in subsequent sections, but underlying those critical efforts are the mechanics of our practice.

These mechanics are the underpinnings of our success and work in harmony through major practice areas aimed at focusing our efforts on our clients' needs and ensuring our team's success. Our practice is broken down into the following major focus areas:

1. Philosophy and Direction of Overall Risk Management Program
2. In-Depth Exposure & Coverage Analysis and Consultation
3. Insurance and Risk Transfer Design, Marketing, and Placement
4. Self-Insured Retention Analysis and Coverage Options
5. Concierge-Level Service and Administrative Support
6. Safety & Loss Control
7. Claims Assistance, Advocacy and Pre-Loss Preparedness
8. Asset and Exposure Management and Tracking
9. Real-Time Communications on Industry Trends and Market Conditions

Each of these focus areas has been tailored specifically to serve our public entity clients. These are further strengthened by our Corporate Governance structure which provides our team with high quality training, software tools, procedural guidance, and resources. This support ensures that our team can deliver proactive and effective services while operating in an administrative environment which guarantees that important communications, workflows, and deadlines are tracked and executed on time, every time.

## Our Service Philosophy

---

*“First and foremost, our approach to building strong partnerships with our clients begins with listening. By listening first, we empower our team to focus on moving efficiently in the right direction. That focus maximizes the impact of our skillset in the marketplace and allows us to deliver unparalleled results to our clients.”*

Brown & Brown has the proven ability to exceed expectations with our custom delivery model. We will develop the project organization around a few common objectives:

- » **Client Vision**- Every client relationship begins with listening. Our success in designing an effective risk management program requires the input of each client’s decision makers. And our responsibilities begin with listening to those decision makers to understand the history of the risk management program, future goals, budget constraints, program design requirements and risk tolerance. We conduct annual pre-renewal meetings to establish our mutual strategic plan, program objectives, and budgetary guidelines.
- » **Benchmarking** – We benchmark the terms that we secure for our clients against other similar public entities to ensure that we are getting the best possible rates and conditions in the insurance marketplace.
- » **Risk Identification** - Immediate identification and complex analysis of risk exposures in a rapidly changing environment to ensure that we are never surprised with new risks that could affect your risk management program.
- » Identify, prioritize, and provide risk management **resources** and risk transfer solutions that can be implemented effectively within your operating environment.
- » Develop both short and long-range **budgeting projections** and objectives.
- » Expert risk transfer strategies with **market leveraging** and creative program design including pros and cons of these strategies.
- » Insurance policy management and **quality control** of all deliverables.
- » Risk Control through identification of high loss exposures, claims advocacy, and application of safety/loss control resources.
- » Concierge-Level Customer Service which **reduces internal administration costs** and improves service with Brown & Brown’s expanded and efficient service delivery.

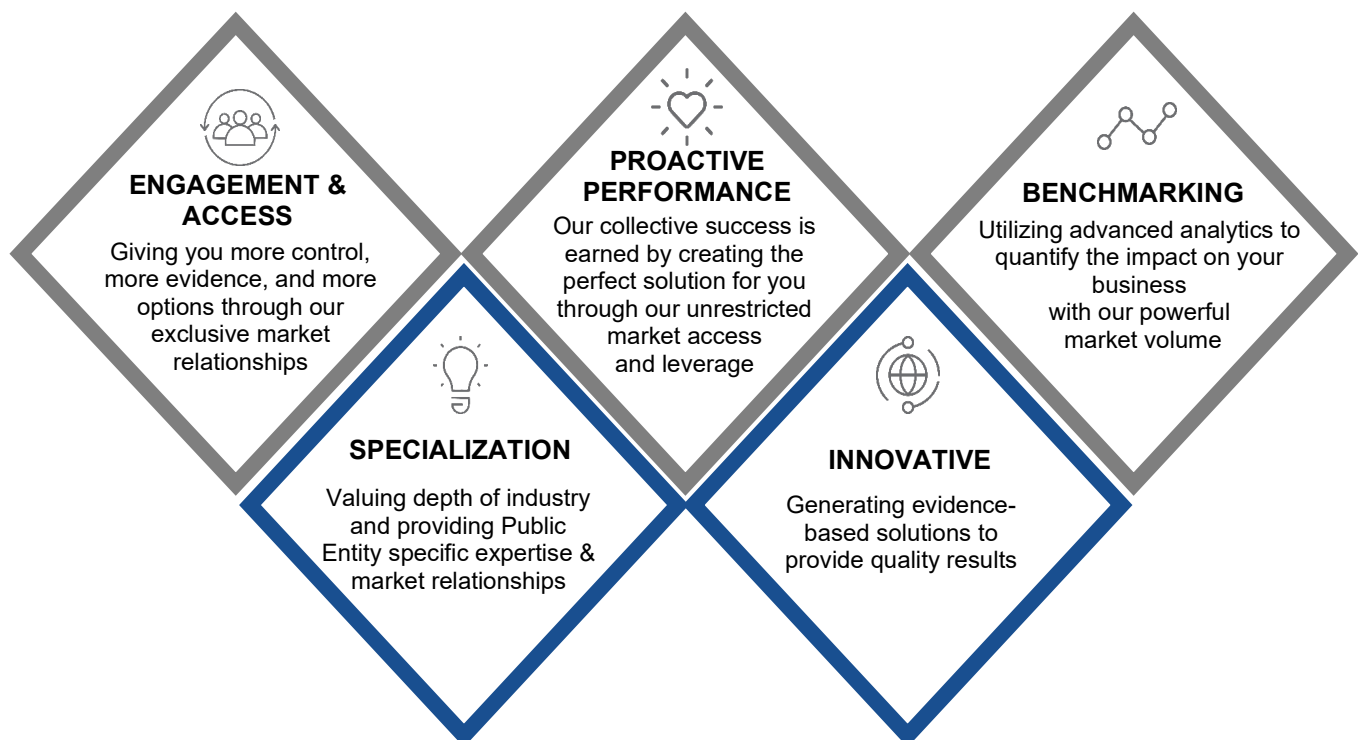


## Insurance and Risk Transfer Design, Marketing, and Placement

One of the most critical functions a broker performs is to *design, market, propose and implement the broadest insurance program that adequately and economically protects the Client.*

Ultimately, the design, marketing and placement of the insurance products is the largest and most controllable, annual variable in the risk program. This is also the area within the risk management program where the quality of the insurance broker can have the most profound impact.

We are experts at aligning clients with the most cost effective and stable insurance carriers. We provide detailed analysis of each carrier including data relevant to the long-term success of a risk management program. We serve each client with a custom program design and our process includes very detailed evaluation of a client's risk appetite, loss exposure, budget constraints and political climate before we begin to align them with the appropriate insurance programs.



## Market Access

---

A critical aspect of a broker's ability is access to all carriers. One of our core competencies is our knowledge of and relationship with all competitive insurers. Our marketing process and philosophy is somewhat unique and can be summarized as follows:

***Do business with as many insurance markets as possible. Do not simply offer renewal terms and accept pricing from the same company year after year and limit our clients' options – ensure we are getting the best deal for our clients every year.***

We believe that an agent's job is to utilize market forces and competition in the marketplace to be sure we bring the most competitive insurance placements to our clients every year. This concept also underlines one of our core business principles: *Always do what is best for the client*. We have learned how to keep the markets' interest while conducting a competitive process in a professional manner. Our companies **trust** us. So, we maintain excellent market relationships – ALWAYS - in hard, soft, or stable markets. We are experts in designing and implementing custom insurance programs. One of our core strengths is the ability to negotiate and obtain the inclusion of innovative coverage terms from carriers resulting in custom policies aimed at a client's specific risk needs. Our clients have benefitted from this approach in the past, specifically in the countless custom enhancements implemented in many of our property policies.

Brown & Brown is uniquely positioned to deliver brokerage excellence for Florida's Public Entities precisely because of our ability to monitor the factors above and interpret their effect on the marketplace. We then utilize our resources both within our Global Brown & Brown Family of Companies to turn that understanding into strategy. A few key factors that serve us in these complex strategies and navigating the ever-changing marketplace:

- 100% Public Entity Team
- 30 Years of Relevant Experience
- 200 Public Entity Clients
- C-Suite Carrier Relationships
- Brown & Brown Resources
- 16,000 Global Teammates
- State, National & International Presence
- Strong Underwriter Relationships
- Corporate Public Entity Footprint
- Trade Group & Association Membership
- Real-Time Industry News & Communications
- Culture of Professionalism & Excellence



**Market Leverage** – Brown & Brown has established itself as one of the preeminent power brokerage houses in the world. Our 16,000 teammates are responsible for the design, placement, and service of more than **\$20 Billion in annual insurance premiums**. This gives our family of companies unrestricted access to the marketplace paired with top tier negotiating power and leverage with insurance carriers.

The Brown & Brown team and our clients benefit greatly from the downstream effect of our company's massive marketplace presence. This is accomplished through strategic internal tools which ensure that our team can consistently harness the power of that global volume as we navigate the marketplace on behalf of our clients.

Brown & Brown's preferred market status and powerful leverage with all carriers and, as a result, empowers our team to consistently obtain best in class terms and conditions and deliver the most cost-efficient risk transfer programs available.

**Florida Public Entity Market Footprint** – For the purposes of this RFP, the far more relevant measure of market leverage, is broker footprint within the Florida Public Entity insurance marketplace. The combination of large CAT losses, rising law enforcement liability exposures, workers compensation presumption laws, active-shooter exposures, and sovereign immunity caps has proven too complicated, unpredictable, and unprofitable for most traditional risk-bearers.

These factors have created a highly specified market in which carrier options are few, terms and conditions are constricted, and broker leverage is rare.

***This is where Brown & Brown shines.***

## Navigating the Insurance Marketplace

---

Brown & Brown places over \$25 Billion in annual premiums with hundreds of insurance markets.

Brown & Brown's market philosophy has always been to develop relationships and place business with the markets that bring the most value to our clients vs. other brokers who focus on placing business with select "preferred" carriers. Our style is to maintain professional relationships with all markets. This strategy delivers our clients options, open market representation, and great results of the most effective leveraging of terms and conditions available in the marketplace.

Our team maintains excellent market relationships that survive and flourish in hard, soft, and stable markets. The challenge in designing and implementing custom insurance programs, however, is maintaining a thorough understanding of the market as it evolves. The evolution of the marketplace creates both challenges and opportunities for brokers to deliver for their clients. In Florida especially, the market changes quickly. Below are some of the factors which drive the consistent change and necessitate top-tier broker performance:

1. Catastrophic Losses
2. Windstorm Modeling
3. Changes in Carrier Appetite
4. New Carrier Entrants & Departures
5. Shifts in the Legal Environment
6. Regulatory Changes
7. Emerging Exposures
8. Insurance Product Trends
9. Investment Capital
10. Global Capacity Fluctuations

While we maintain and access all options available to us, we also take advantage of Brown & Brown's management of industry-leading programs for public entities nationwide such as:

- » Lexington Insurance Company – National Professional Liability program for public entities
- » Catalytic - Property Capacity
- » Arrowhead - Property Capacity
- » Coalition -Cyber Practice
- » *Preferred* Governmental Insurance Trust\*\* – Property, Liability, Workers Compensation

**\*\*It is important to note that in general this membership-pooling relationship has likely beat the market due to economies of scale in purchasing reinsurance.**

**Only a handful of agents are qualified to access this Trust. We are the largest agent for Preferred Governmental Insurance Trust, so we have superior knowledge and leverage vs. any other appointed agent.**

## Understanding the City’s Risks, Exposures and Financial Goals Continual Analysis

Evaluating risk exposures is an ongoing focus as different risk exposures emerge frequently. Our analysis method involves a detailed structured identification of current and future loss exposures. We conduct a formal submission process at minimum annually prior to negotiating the renewal coverage.

We use risk identification and exposure analysis as the foundation of our risk management program design and to analytically base our recommendations. We provide objective and subjective analysis so that you can make informed decisions.

| Exposure Identification processes include:                            |  |
|---|--|
| 1. Retention, coverage, and sublimit review                           | ✓  |
| 2. Site inspections   | ✓  |
| 3. Review current/prior insurance applications                        | ✓  |
| 4. Complete insurance company applications                            | ✓  |
| 5. Policy and procedure manuals                                       | ✓  |
| 6. Contractual obligations- lenders, lessors, etc.                    | ✓  |
| 7. Safety policies and loss prevention protocol                       | ✓  |
| 8. Research (your website and local sites)                            | ✓  |
| 9. Financial records review (CAFR, Budget documents, etc.)            | ✓  |
| 10. Loss Runs Reports / Claims review                                 | ✓  |
| 11. Current program analysis and review (coverage forms and policies) | ✓  |
| Property Specific Exposures   |  |
| Time Element / Financial Loss review                                  | Property in the Open considerations            |
| Property Appraisal Review   | Catastrophic wind, flood, & storm surge models |
| FEMA Stafford Act- Flood Zone Determination/<br>Flood Audit           | FEMA Commitments                               |
| Casualty Specific Exposures   |  |
| Experience Modification Factor Review                                 | Retention Analysis                             |

**Property** – We run (PML) models annually for each large client to evaluate the large loss centers and the flood probabilities. We will provide the City with current AIR catastrophic modeling results at each property renewal to identify specific locations that may suffer large loss or operation centers that may experience interruption.

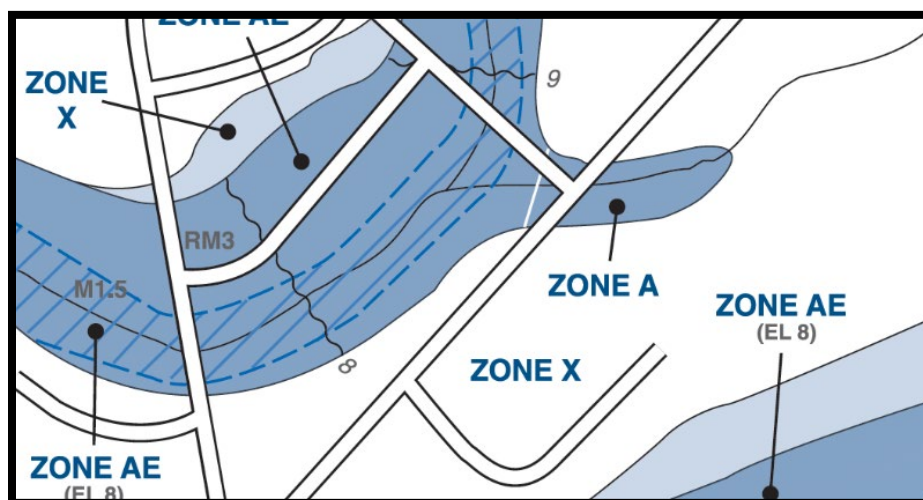
We collect detailed property data relative to wind resistance for all locations. Our process involves identifying the roof covering, roof geometry, roof age and roof strapping (if any) of these locations. This additional data significantly increases the accuracy of PML models, which in turn better identifies and measures an insured's exposure to loss. This is further used negotiate better terms and conditions with carriers. Without the additional roof information, the PML model will default to a higher value and thereby increase the PML value resulting in higher premiums.

We also evaluate the need for and the proper levels of often overlooked property coverages such as: extra expense, errors & omissions, increased cost of construction (building ordinance), equipment floaters, demolition costs, debris removal, utility interruption, pollution clean-up, property-in-the-open, builders' risk, etc.

We accomplish all the above through various techniques, processes, and tasks such as:

- Property Site Inspection and Building Appraisals
- Catastrophic wind, flood, and storm surge models
- Research (City website and local sites visits)
- Financial Record Research (CAFR, Budget)
- Loss Run Reports
- Current Program Analysis and Review (Coverage Forms and Policies)

**Flood Audit** – This is a unique process that we have developed to keep up with FEMA's rate, rule, and flood mapping changes. We regularly review anticipated flood zone changes (which can employ a variety of methods) to determine impact to structures located in Special Flood Hazard Areas (SFHA's). The importance of this exercise is to determine and communicate the implications of FEMA and the Stafford Act to our clients.



**Liability Loss Exposures** – Thoroughly identifying these exposures can be complex due to the broad litigious nature of citizens and businesses. However, we have seen many types of lawsuits and possess an intimate knowledge of the State and Federal Statutes that govern public entity operations and personnel. Consequently, our advice, counsel and recommendations are based on actual claims occurring here in Florida and many years of assisting other clients with similar issues.

The basic methods of identifying exposures include claims analysis, review of financial reports, understanding of all operational functions, evaluating current and future contractual obligations, identifying key personnel, reviewing lease and other contracts, reviewing the city’s policies and procedures manuals, and general practices.

**Workers’ Compensation** – Methods include analysis of loss run reports, financial reports, actuarial reports, incident reports and interviews with key personnel and management. We also review the return-to-work programs, disciplinary procedures and safety programs that are currently in place. Analytics play a large role in rate determination and retention levels. Internally we evaluate numerous factors, trends, and total cost of risk to determine the best risk retention and transfer levels that minimize the city’s financial exposures both long and short-term.

Below is an example of one of our advanced analytical tools for workers compensation risks. This report identifies departments or specific job functions that perform better or worse than their peers in Florida. Actual losses over a three-year period are compared with the expected or average losses as determined by the State of Florida. This information can be used to tailor loss control efforts for maximum return-on-investment.

| Class Code | Class Code Description                          | 21-22 Payroll  | 2021 Expected Loss Rate | Expected Annual Loss | Actual Losses 21-22 as of July 20 | Actual Losses 20-21 | Actual Losses 19-20 | Actual Losses 18-19 | Average Actual Losses | Ratio Avg to Expected Losses |
|------------|---|----------------|-------------------------|----------------------|-----------------------------------|---------------------|---------------------|---------------------|-----------------------|------------------------------|
| 6229       | Irrigation or Drainage System Construction      | \$ 175,751     | 2.55                    | \$ 4,482             | \$ 29,300                         | \$ 461              | \$ 46,431           | \$ 1,767            | \$ 22,862             | 5.10                         |
| 6836       | Marina & Drivers                                | \$ 184,804     | 1.64                    | \$ 3,031             | \$ -                              | \$ 578              | \$ -                | \$ 14,444           | \$ 4,405              | 1.45                         |
| 7520       | Waterworks Operations                           | \$ 14,102,138  | 1.67                    | \$ 235,506           | \$ -                              | \$ 7,028            | \$ 27,731           | \$ 97,748           | \$ 38,858             | 0.16                         |
| 7580       | Sewage Disposal Plant                           | \$ 1,783,080   | 1.03                    | \$ 18,366            | \$ 10,509                         | \$ 45,126           | \$ 4,563            | \$ -                | \$ 17,653             | 0.96                         |
| 7704       | Firefighters                                    | \$ 53,059,928  | 2.02                    | \$ 1,071,811         | \$ 743,542                        | \$ 1,143,802        | \$ 744,723          | \$ 287,113          | \$ 856,065            | 0.80                         |
| 7720       | Police Officers                                 | \$ 66,722,200  | 1.42                    | \$ 947,455           | \$ 411,430                        | \$ 1,838,183        | \$ 1,587,514        | \$ 931,353          | \$ 1,398,381          | 1.48                         |
| 8392       | Auto Storage Garage, Cashiers/Counter Personnel | \$ 27,703      | 1.24                    | \$ 344               | \$ 2,881                          | \$ 89,616           | \$ 516              | \$ 12,786           | \$ 31,026             | 90.32                        |
| 8810       | Clerical  | \$ 56,545,766  | 0.080                   | \$ 45,237            | \$ 310                            | \$ 854              | \$ 19,720           | \$ 176,970          | \$ 58,022             | 1.28                         |
| 8820       | Attorney  | \$ 2,824,163   | 0.070                   | \$ 1,977             | \$ -                              | \$ 6,786            | \$ -                | \$ 702              | \$ 2,196              | 1.11                         |
| 9015       | Prperty Mgmt                                    | \$ 6,056,084   | 1.82                    | \$ 110,221           | \$ 37,881                         | \$ 57,308           | \$ 72,130           | \$ 260,657          | \$ 125,506            | 1.14                         |
| 9102       | Parks   | \$ 17,344,370  | 1.92                    | \$ 333,012           | \$ 90,220                         | \$ 50,483           | \$ 86,661           | \$ 15,287           | \$ 71,159             | 0.21                         |
| 9154       | Theatre   | \$ 8,592       | 0.84                    | \$ 72                | \$ -                              | \$ -                | \$ -                | \$ -                | \$ -                  | 0.00                         |
| 9410       | Municipal Employee                              | \$ 16,627,503  | 1.22                    | \$ 202,856           | \$ 1,521                          | \$ 8,273            | \$ 43,120           | \$ 445,385          | \$ 146,129            | 0.72                         |
| 9516       | Radio, TV, Video, Audio Equip Install/Service   | \$ 18,248      | 1.18                    | \$ 215               | \$ 1,521                          | \$ 8,273            | \$ 43,120           | \$ 445,385          | \$ 146,129            | 678.64                       |
| 9403       | Garbage/Refuse Collection                       | \$ 414,728     | 2.61                    | \$ 10,824            | \$ 2,270                          | \$ -                | \$ 9,191            | \$ 28,659           | \$ 11,765             | 1.09                         |
|            |   | \$ 236,128,243 |                         | \$ 2,985,407         | \$ 1,414,525                      | \$ 3,350,876        | \$ 2,791,650        | \$ 2,780,086        | \$ 2,616,602          |                              |

## Cyber Risk Analysis

The cyber liability insurance market is currently in a volatile state. Terms and conditions are restrictive with policy limit and retention options very limited. To offset this market condition, we offer a deep analysis of our clients' risk via a vulnerability and response report.



Easily identify and assess your risk.

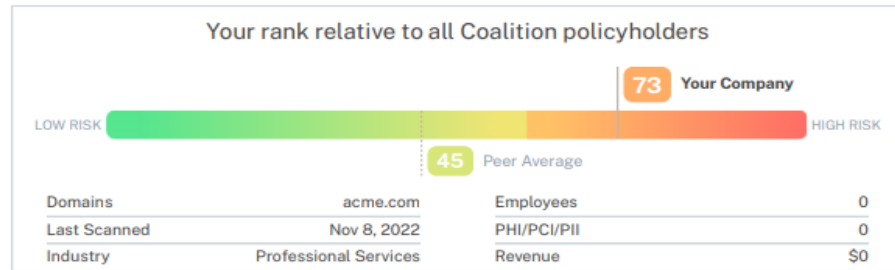
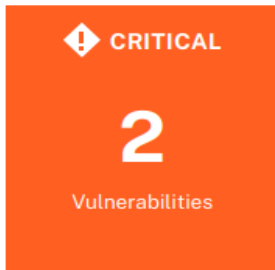


Prevent attacks and losses before they occur.



Quickly recover when all else fails.

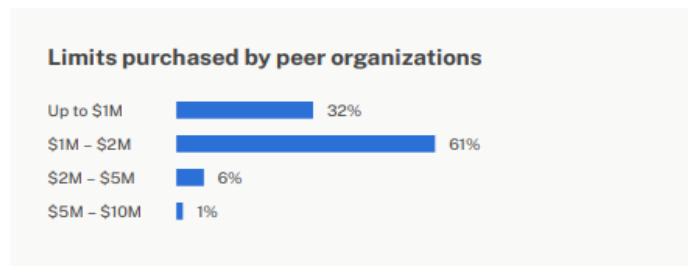
This is a free resource available to the City via our **Coalition** vulnerability and response report. Brown & Brown has innovated a new approach to cyber liability insurance by first identifying, and then providing resources to control real exposures. Via this resource, we will provide the City with a report of vulnerabilities and loss recommendations as well as where the City falls compared to peers of similar size and function. Specimen information is highlighted below:



Estimated loss based on your organization's risk profile

| Type of loss         | Median    | 1 in 10 years | 1 in 100 years |
|----------------------|-----------|---------------|----------------|
| Composite            | \$79,709  | \$596,524     | \$3,072,356    |
| Ransomware           | \$144,700 | \$882,081     | \$3,844,212    |
| Funds Transfer Fraud | \$70,148  | \$461,806     | \$2,142,707    |
| Data Breach          | \$50,522  | \$392,924     | \$2,088,114    |

Using demographic data on your organization, together with Coalition's global claims data, we've modeled the probability that organizations in your peer group will experience a cyber loss over the next 12 months, as well as the expected severity of loss using a statistical model derived from 10,000 simulated years of cyber incidents. By comparison, we've also included benchmarking on the insurance limits purchased by your peer group.



## Cyber Risk Analysis

### Current Risk Level

Coalition's signals intelligence platform provides a snapshot (example above) of an entity's current risk level by using public, external methods (no penetration or intrusive tactics) to:

- » Scan infrastructure for publicly accessible servers, services, and technology
- » Discover exploitable vulnerabilities and misconfigurations in the scanned infrastructure
- » Find exposed available user/employee information
- » Uncover other existing threats hidden on the dark web
- » Discover proactive measures already taken by the company

This data, combined with Coalition's proprietary claims and loss data provides:

- » A relative measure of the company's defensive security posture compared to organizations scanned by Coalition
- » A clear, fact-based assessment of potentially weak security areas and steps to fix them
- » Recommendations on how the company can further secure their infrastructure informed by actual losses experienced by Coalition policyholders



## Account Management & Service Continuity

- ✓ **Same-day response** to customer inquiries (24-hour agency policy on response time).
- ✓ All change requests from insureds are performed immediately. Follow-up with carriers is systematic and documented.
- ✓ All binders, endorsements, invoices, and policies are checked for accuracy against a detailed checklist and against the proposal that was presented to the insured.
- ✓ Review and corrections of policies and endorsements is conducted within the same quality parameters – 30-day turnaround.
- ✓ Resolution guidelines for more complex issues.
- ✓ Endorsements must be delivered to insureds within one business week of receipt.
- ✓ Policies must be delivered to insureds within 30 days of receipt.
- ✓ Utilize sophisticated Agency Management software - AMS 360 – to document all transactions.
- ✓ Documentation can be provided in hard copy and/or various electronic formats.
- ✓ Clients have access to important documents via a shared link, including policies, certificates, schedules, white papers and more.

*“CONCIERGE-LEVEL  
SERVICE MEANS  
OUR CLIENTS DO  
NOT WAIT, WORRY,  
OR WORK HARDER  
THAN NECESSARY.”*

One of the many reasons for our success and 97% Risk Management client retention is our approach. We are your risk management consultant and partner. We proactively pursue innovative solutions, insurance program improvements, research risk management resources, and reduction of your administrative burden by providing efficient and extensive services. Our concierge-level services include, but are not limited to:

- » **Renewal and new business applications assistance:** Gather significant underwriting information from financial reports, independent website research, claims data, various actuarial and analytical reports, physical site inspections, and engineering and loss control information prior to sending to your staff for completion – a time-saver for your staff.
- » **Reconcile Asset Schedules with Insurance Schedules:** This includes review of insurable assets such as buildings, contents, computers, mobile equipment, vehicles, parks and rec structures, property in the open, etc. This is generally a very time-consuming task which will be lifted from your staff as well.
- » **Assist with claim reporting function** directly with TPA and insurers, including pursuit of additional claim data. We will also coordinate and attend claims review meetings to offer corrective actions and improve claim results.

For Property Claims, our team coordinates procedures, and expectations annually directly with insurers and your dedicated field adjusters.

- » Provide, coordinate, and promote all loss control and safety resources available.



## Safety and Loss Control

Safety is a key objective of our program, and a tailored loss control plan is the key to lowering the long-term cost of risk for the City. We will continue to coordinate a highly qualified loss control representative for on-site training, safety audits, policy review, workers' compensation claim reduction and other activities at the direction of the City. We will be an active partner in assisting the City's loss control, safety and claim reduction efforts, and are committed to providing meaningful risk control tools and analysis. As such, our efforts will be tailored to the specific needs of the City and measured for cost effectiveness.

The City will continue to have access to **Chris Kittleson**, a **Safety & Risk Management Consultant** to identify needs and deliver risk management resources. Mr. Kittleson has over 30 years of insurance industry experience. He will continue to serve the City through in-person and virtual training opportunities. Some of the standard training topics include (but are certainly not limited to):

- Emergency and Hurricane Preparedness
- Defensive Driving
- Workplace ergonomics
- Job Hazard Analysis
- Employment Practices
- Mental Health/PTSD in the Workplace

Our Team, along with Mr. Kittleson, will obtain, analyze, and monitor workers' compensation loss reports monthly and establish meetings with staff to review loss trends. We participate in claims reviews, mitigate claim issues, work directly with adjusters and defense counsel when necessary, and always seek to serve as an extension of our client's risk staff.

**Brown & Brown Public Sector will assist with the coordination of all the safety and loss control resources available and will come at no additional cost to the City.**

Our greatest expertise arises out of our experience with governmental clients at every size and every risk tolerance. We represent clients as small as 10 employees and as large as more than 50,000 employees. Those clients have risk management programs which range from 1<sup>st</sup> dollar, to almost completely bare from an insurance perspective. That experience allows us to bring expertise, ideas, and perspective from every possible angle within the industry.

From a training perspective, one of our on-staff strengths is guidance and development of Safety and Risk Policies and Procedures. We have focused on these due to the global identification of legal and regulatory compliance issues, and lack of updated protocol. As governmental entities are not subject to OSHA, best practices and other State and Federal Guidelines, including updates and statute changes, must be followed by public entities.



## Online Training Resources

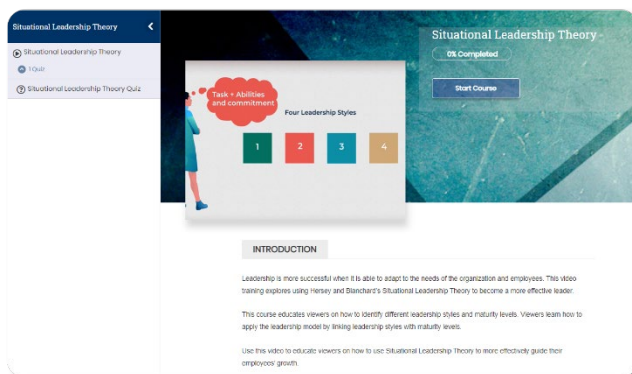
Streamery is an online streaming solution provided to Brown & Brown Public Sector customers to facilitate the training of employees on the policies and procedures that build a safe workplace.



Streamery serves as a leader in the distribution of Safety, Management, Technology, and Human Resource training programs. They offer a variety of tools and solutions to help organizations comply with HR regulations and requirements, including OSHA, DOT and the EEOC. The innovative training platform includes over 700 videos on demand that can be streamed anytime, anywhere. The included Training Support Materials make this valuable resource the perfect tool for instructor led or individual training. Notable subjects include:

- \* **Defensive Driving**
- \* **Using Fire Extinguishers**
- \* **Emergency Planning**
- \* **First Aid- Until Help Arrives**
- \* **Active Shooter and Workplace Violence**
- \* **Hazard Recognition**
- \* **Evacuation Procedures**
- \* **HIPPA Rules and Compliance**

These work best when led by a supervisor or trainer from an individual department. The trainings are short (5-20 minutes on average), so are perfect for use in weekly safety meetings!



\*A single login (which can be utilized by multiple supervisors) is included in our proposal; if multiple logins are needed, we reserve the right to negotiate an enhanced experience for the City.

## Claims Assistance

---

Our **Claims Specialist**, Jessica Conway, embraces her primary function to ensure that all claims submitted through our office are received and acknowledged by an adjuster within 24 hours. She also provides follow up with adjusters on open claims to ensure claims handling is in step with the Client's objectives. Tasks included within this role include:

- » Claims reporting
- » Claims tracking/acknowledgement and closure
- » Coordinate claims review meetings
- » Liaise with adjusters, client departments
- » Assist in coverage clarifications with underwriters as needed
- » Prepare spreadsheets in FEMA format for catastrophes
- » Pre- and post-event communication

We are committed to be an extension of the City's staff and take an active approach to ensure that claims management is the number one priority. We provide all new clients with a 'Claims Kit,' which outlines procedures and protocols for effective claim reporting, monitoring, and closure.

As a claims advocate, Brown & Brown will work closely with you and directly on your behalf with insurance carriers. We are willing and able to coordinate and attend claims meetings to resolve claims quickly and equitably. We have extensive experience assisting our clients with claims, both large and small. Our position is representing our clients, not the insurance carriers. The City will never question which side of the fence we are on. We follow up with adjusters on open claims to ensure claims handling is in step with the Client's desires.

## Turnkey Disaster Recovery

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*Preferred's* Disaster Response includes your choice of pre-approved contractors, remediation experts, emergency repair firms and general contractors. The city can choose to engage a single *Preferred* approved general contractor that will coordinate and administer every phase and aspect of recovery. This includes vetting, bidding, and hiring every contractor and sub-contractor for every repair!

*Preferred* will pay these contractors directly on behalf of the city to ensure a truly seamless process that protects the city's cashflow and preserves the procurement process. The whole process is FEMA approved and accepted.

## Contract Review

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We believe that one of the most critical areas of risk exposure lies within contract liabilities; therefore, we provide contract analysis for our clients, including developing **customized templates** for vendor requirements for use by procurement and other departments. We can conduct training sessions with procurement personnel to ensure the implementation of new standards is efficient and understood. In addition, we can assist in setting up a management system for certificate of insurance compliance and provide certificate review for compliance.

There have been numerous court cases in recent years that resulted in a broadening of local government liability exposures as well as constriction of sovereign immunity protections. It is therefore imperative to remain knowledgeable of these precedents and their impact on the City's risk management program. We remain vigilant in maintaining a level of knowledge of these cases and adjust our programs and consultation accordingly.

It is equally important to amend insurance requirements as new exposures emerge. For example, we have updated our insurance requirement recommendations to include cyber liability coverage and active shooter liability insurance mandates where appropriate.

We have worked with many clients to assist with Vendor Insurance Requirements, including the following steps:

- Standard Procurement/RFP template for insurance requirements
- Matrix for appropriate limits for different types of vendors/risks
- Training on how to check a Certificate of Insurance to the requirements
- Direct Assistance and review of individual contract verbiage, coverage and limit requirements, certificate review, and more.

## Enhanced News & Communication Resources

We also provide timely topical updates unique to the City. These are available via email and on our website, but we also discuss directly with the City how these may impact your specific environment.

- » White Papers
- » Current risk environment updates, for example COVID-19 resources and updates
- » Legislative and market updates
- » Florida public-entity focused newsletter (The Weekly Rundown)



**Brown & Brown** See The Latest

### The Weekly Rundown

The latest news and topics within the public insurance marketplace.

January 16, 2024

**Auto premiums could increase another 12% in 2024**

These rate increases will be driven by more frequent severe weather events and elevated repair costs.

Read More

**From AI to I-9: 3 hiring and compliance changes to manage in 2024**

As technology transforms the hiring landscape, legislation works to catch up — and employers will have to reckon with the compliance changes that come with the race.

Read More

**PRIA**  
PUBLIC RISK INSURANCE ADVISORS

### Hurricane Dorian – What You Need to Know

As Hurricane Dorian approaches, Public Risk Insurance Advisors (PRIA) is providing you with information you need to monitor the storm, report claims, and stay in communication with our team.

- ✓ You can track Hurricane Dorian using these links
 

Wind Speed

Warning Cone

Surface Wind Speed
- ✓ Attached are Hurricane Claims Kit from Preferred & other important documents
  - 2019 Property Vendors List – PRIA clients can use pre-approved vendors or vendors of your choice. Pre-approved vendors will be paid directly from Preferred. Remember to expedite repairs ASAP and document everything!
  - Blank Accord loss notices – Used for filing storm claims.
  - Current copies of your property and inland marine schedules – this should help you track assets and note any damage.
- ✓ PRIA Leadership Contacts – Please reach out to us with any questions or needs

Matt Montgomery  
Executive Vice President  
850-528-7423  
[mmontgomery@bbpria.com](mailto:mmontgomery@bbpria.com)

|  |  |  |
|--|--|--|
| Paul Dawson<br>Senior Vice President<br>407-496-0909<br><a href="mailto:pdawson@bbpria.com">pdawson@bbpria.com</a>   | Michelle Martin<br>Vice President<br>386-566-3484<br><a href="mailto:mmartin@bbpria.com">mmartin@bbpria.com</a>    | Brian Cottrell<br>Vice President<br>561-346-2723<br><a href="mailto:bcottrell@bbpria.com">bcottrell@bbpria.com</a> |
| Kyle Stoekel<br>Public Risk Advisors<br>386-405-2444<br><a href="mailto:kstoekel@bbpria.com">kstoekel@bbpria.com</a> | Michelle Perry<br>Public Risk Advisors<br>978-660-8215<br><a href="mailto:mperry@bbpria.com">mperry@bbpria.com</a> |  |

# LEGAL UPDATE

## Supreme Court Rules Sexual Orientation and Gender Identity Discrimination Violates Title VII

In a highly anticipated decision issued on June 15, 2020, the U.S. Supreme Court has ruled that Title VII of the federal Civil Rights Act (Title VII) protects individuals against employment discrimination based on their sexual orientation or gender identity.

Important Date

June 15, 2020

The U.S. Supreme ruled that federal law protects gay and transgender individuals from being discriminated against in the workplace.

## FEMA Public Assistance Coordination

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Our vast experience in managing large property claims has led us to develop unique programs such as our FEMA Coordination program. This service was created in response to the difficulty that most public entities experienced in dealing with FEMA after the major storms in 2004.

Our first initiative was to gain an intimate understanding of the Stafford Act and its implications in providing public assistance funds in Florida. We then met directly with FEMA representatives in the Lake Mary Long Term Disaster Recovery office and quickly established a procedure and protocol with FEMA personnel that will improve their ability to quickly pay public assistance funds to our clients. For example, we have provided a current client property policy and schedule to FEMA in advance of any losses so that FEMA will not need to request this information directly from our clients. We have also coordinated the efforts of the insurance company's loss adjusters to better align with the data that FEMA requires on their Project Worksheets. These Project Worksheets are an integral part of FEMA's reimbursement process and can significantly slow the process if they are not completed accurately.



**FEMA**

We are also committed to working directly with FEMA representatives and consultants to expedite every aspect of the public assistance process.

In the event of a major loss, we will be assisting in every step of the insurance company claims process as well as the FEMA reimbursement process. We are confident that with the protocols in place we can effectively improve the expediting of claim payments and cash flows.

## Property Management & Exposure Identification Tools

As a member of the Preferred Governmental Insurance Trust, there are many value-added resources available to the City, including **FREE property appraisals**. The City is currently scheduled to receive a full property asset appraisal in the in 2025/2026.

Our team assists in scrubbing/reconciling property appraisals and implementing new values. We also will provide annual advice on trending of values, in addition to the suite of services provided at no cost by *Preferred*, our brokerage team provides the resources below to our clients.

Our team utilizes RiskMeter and CoreLogic, a completely online resource providing on-demand hazard risk data. This in-house subscription is utilized to be sure the most accurate and complete underwriting data is provided to the property underwriters via the Property Schedule.

### Real Time Data Available for individual sites includes:

- » Distance to Coast
- » Flood Zone Determination including distance from SFHA zone
- » Storm Surge Score
- » FEMA Flood Insurance Rate Map and panel number



In addition, we will make available, **at no cost**, a valuable web-based Property Asset Management Tool. This property management web-based platform is offered by Asset Works, an industry leading appraisal and asset management company. AMP provides the user with an easy and efficient tool to maintain tangible property data including buildings, contents, property in the open, vehicles, mobile equipment, and other fixed assets. AMP can greatly increase the integrity of data and has complete conversion capability for catastrophic modeling, proof of loss documentation and a plethora of property-based reports.

More details on the benefits and features of this tool can be found on the following two pages.



## Property Risk Management

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

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

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



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



● PROPERTY RISK MANAGEMENT



**PRODUCT HIGHLIGHTS:**

**Property Tracking**

Functionality to track multiple individual organizations under one entity. Includes the tracking of primary and secondary COPE data and processes for updating new property and property disposal.

**Valuation Management**

Includes data trending capabilities using trend factors and a value approval process to facilitate the updating of property values. An insurable values benchmark tool allows users to see differences in proposed insurable values in relation to current insurable values.

**Dynamic Reporting Tool**

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

**System and Data Security**

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

**Data Exchange**

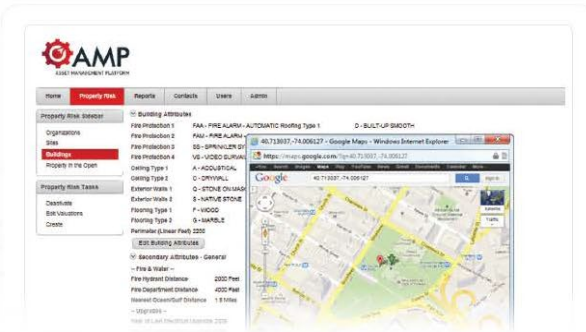
Allows asset and table data to be imported/exported in comma-delimited (CSV) and text formats

**Document/Image Repository Management**

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

**User-friendly Interface**

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



**BENEFITS:**

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

### a) Statement of Respondent's understanding of governmental entity/municipal insurance coverages and risk services

Risk Management Associates, Inc., with over 32 years of successful insurance brokerage service committed to Florida's public entities, has a deep understanding of the full scope governmental entity/municipal insurance coverages and risk management services, and will access the entire marketplace for insurance products and value-added resources to identify and control risk.

### **Brown & Brown Public Sector Footprint**

In Florida, Brown & Brown Public Sector's sole focus is providing insurance placement and risk management services to governmental entities. Representing small towns and special districts, to large cities and counties, including the State of Florida, we have a deep understanding of your needs. Lines of insurance placed include **Property, Casualty, Workers' Compensation, Surety/Bonds, Accident & Health, Life, Medical, and all specialty and ancillary lines**. We utilize insurance products to include 1<sup>st</sup> dollar package programs, to multi-carrier self-insured program designs. For self-insureds, the appropriate strategies and expertise are readily available to provide necessary analytics, value-added resources, and consultative servicing staff.



### **Unparalleled capacity to serve the needs of local governments:**

- Dedicated service team working exclusively for **Florida local governments** in all capacities surrounding risk and human resources.
- Access to highly experienced public entity resources including **Claims Team, Panel Counsel, Loss Control, Disaster Planning and Recovery, and Risk Management Specialists**.
- Only retail office in Florida **100%** committed to Florida's public entities
- We place **\$250 million of annual premiums** for our Florida clients
  - Brown & Brown public sector currently represents over **200** of Florida's governmental entities
    - **24 Counties**
    - **75 Cities**
    - **6 Public School Districts**
    - **7 Public Universities**
    - **State of Florida**
    - **100+ Special Taxing Districts**

**b) Statement indicating how the Respondent, is at a minimum, able to meet all of the principal areas defined in the RFP's Scope of Services**

Risk Management Associates, Inc. agrees to meeting all the principal areas in the RFP's Scope of Services. Below you will see how our team will be able to not only meet, but exceed, the City's expectations for both insurance placements requested and programming the best risk program.

**Brown & Brown Public Sector Overview**

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The Brown & Brown Public Sector team is a highly specialized unit of insurance advisors trained to deliver industry-leading services to public entities in the State of Florida. Since 1992, we have continuously refined that specialization and enhanced our services, while becoming the largest public entity brokerage in Florida.

We have proven over nearly three decades of service to local governments that we are a highly sophisticated and accountable team of insurance professionals, laser-focused on providing both world-class brokerage services and concierge-level support to our clients. We have built our reputation by empowering our governmental clients to outperform their industry peers and lower their cost of risk; all while staying within their annual budgetary constraints. Our team is committed to serve those who serve the public – and provide superior service to our clients and their staff.

Our team delivers industry-leading programmatic results and administrative services, specifically to Florida's Public Sector. The key components of our service offering include the following:

- » Risk Management Program Philosophy / Short and Long-term Planning Objectives
- » Risk Exposure Identification and Analysis
- » Insurance Program Design, Marketing, and Placement within Budgetary objectives
- » Global Market Relationships and Unfettered Access
- » Enterprise Risk Management Consulting
- » Concierge-Level Service and Administrative Support
- » Claims Advocacy – Onsite Disaster Claims Coordination and Resources
- » Safety & Loss Control (24 Consultant Hours Included) and Claims Mitigation Strategies
- » Insured Asset Schedule Management
- » Communicate Legislative Impacts, Industry Trends and Market Conditions

The Brown & Brown team provides **the best combination of the most important factors** that are of interest to the City in selecting an insurance broker partner.

- ✓ *We are a team of passionate, motivated, hard-working insurance industry leaders who look forward to working with and servicing the Board's program with an injection of expertise, energy, and fresh ideas.*
- ✓ We will provide the most unique perspective to property placement with a team that has both small and large public entity clients.
- ✓ We have an extremely qualified team, with robust and relevant resumes that include proven track-records of handling complex multi-layered insurance programs, successful claim management, and unmatched service standards.
- ✓ We are ranked as the 5<sup>th</sup> largest insurance broker in the Country.
- ✓ We are domiciled in the State of Florida and have an 80+ year history located here.
- ✓ We are a Florida based company, with more than 3,500 Teammates State-wide.



The Brown & Brown Public Sector team is proposing to do all work for the scope of this RFP out of our office in Daytona Beach. We do have many Brown & Brown offices in Florida which can be utilized for any ad hoc purposes where local resources may prove beneficial. However, Brown & Brown Public Sector's business model, and office, is designed to serve our public entity clients from the Florida Keys to the Panhandle.

Our team is proudly involved and committed to top industry organizations and professional affiliations, including:



Our team currently controls the risk management programs for more than **40 large public entities** with self-insured casualty and workers' compensation programs and/or property insurance placements. The clients below have been working with the Brown & Brown team for 5-10 years or more.

- » The State of Florida
- » City of Miami
- » City of Ft. Lauderdale
- » Town of Davie
- » Brevard County
- » Lee County
- » Marion County
- » City of Naples
- » Town of Jupiter
- » City of Lake Worth Beach
- » City of Ocala
- » Town of Highland Beach
- » City of Tallahassee
- » Florida International University
- » City of Daytona Beach
- » City of Marco Island
- » City of Sarasota
- » Collier County Schools
- » Lee County Schools
- » City of Sweetwater
- » Florida Atlantic University
- » City of Parkland
- » City of Lighthouse Point
- » Volusia County
- » Volusia County Schools
- » Leon County
- » City of Orlando
- » Pinellas Suncoast Transit Authority
- » Hillsborough Area Transit
- » City of North Miami
- » City of Palm Bay
- » City of Lauderhill
- » City of Dania Beach
- » Sebring Airport Authority



Distinct advantages of *Preferred* include the following:

- **WINDSTORM** – *Preferred* offers named storm coverage to members with **no exclusions** relative to distance from coastal waters.
- **No premium charge** for newly acquired property, equipment or automobiles added after inception date.
- **FEMA Recovery Coordination** – *Preferred* reports are tailored to meet FEMA standards and are made available electronically to FEMA representatives.
- ***Preferred*** automatically provides coverage for non-monetary claims including injunctive relief, EEOC, public records law, and inverse condemnation allegations.
- **Property Appraisals** – *Preferred* provides building appraisals at **no cost** to new members from a nationally recognized appraisal firm.
- ***Preferred* TIPS** – Training incentive program for safety and risk management for members with a matching incentive of up to **\$5,000** per coverage year.
- **Online Training** – provided through a partnership with Target Solutions at **no cost** to members with over **230 courses** to choose from on a variety of relative topics, such as Driving Safety and Working in Extreme Temperatures.
- **Risk Payment Options** – *Preferred* provides a full range of risk payment options.
- **Dedicated Senior Loss Control Consultant** – Chris Kittleson will continue to work closely with the City develop on-site and online training, as well as proactively assist the City's safety committee.

We keep strong relationships with underwriters and evaluate insurers' loss ratios to identify carriers that will remain competitive in the 2024/2025 marketplace. Our goal is to access the capacity of competitive stable insurers before our competitors, to ensure smooth and effective renewals. We also understand that changes in program structure may be necessary to meet budget goals; therefore, our recommendations will include potential financial impact on insureds using loss probability models and actual claim history for each risk.

**c) Statement regarding extent to which individual coverages being proposed are separable without a change in premium costs.**

Coverage within the *Preferred* package is not separable, however the property coverage for the Utilities is separable.

**d) Examples of premium and service billings as well as examples of sound cost allocation methods**

Brown & Brown Public Sector offers several ways to break out premium costs for the various lines of coverage:

- Each year we generate a premium comparison spreadsheet which details the premium and exposure changes from year to year. Each line of coverage premium is shown, such as City Property, Inland Marine, Utilities property, Crime, General Liability, Automobile, Public Officials and Excess Workers Compensation coverage.
- Property and Automobile premiums can be further broken down to each property location and automobile scheduled.

| Unit # | Department      | Description           | Address                                    | Year Built | Const Type | Building Value | Contents Value | Total Premium |
|--------|-----------------|-----------------------|--|------------|------------|----------------|----------------|---------------|
| 001    | City Hall Annex | City Hall Annex       | 414 Lake Avenue<br>Lake Worth, FL<br>33460 | 1929       | 119 - JM   | \$4,000,000    | \$1,093,280    | \$23,298      |
| 002    | City Hall Annex | Shelter #1 (MLK ball) | 414 Lake Avenue<br>Lake Worth, FL<br>33460 | 1990       | 102 - PITO | \$21,200       | \$0            | \$149         |
| 003    | City Hall Annex | Shelter #2 (pergola)  | 414 Lake Avenue<br>Lake Worth, FL<br>33460 | 1980       | 102 - PITO | \$14,200       | \$0            | \$100         |

| Unit # | Department | Full VIN          | Make              | Year Built | Coll Ded | AL Premium | APD Premium | Total Auto Premium |
|--------|------------|-------------------|-------------------|------------|----------|------------|-------------|--------------------|
|        |            | Veh Type          | Model/Description |            | Comp Ded |            |             |                    |
| 001    | 174        | 1B71C16Y2TJ192677 | Dodge             | 1996       |          | \$104      | \$0         | \$104              |
|        |            | Light Truck       | Ram Pickup        |            |          |            |             |                    |
| 002    | 278        | 1FAFP58U54A180141 | Ford              | 2004       |          | \$104      | \$0         | \$104              |
|        |            | Private Passenger | Taurus SW         |            |          |            |             |                    |
| 003    | 112        | 1FAFP5ZUZZA151654 | Ford              | 2002       |          | \$104      | \$0         | \$104              |
|        |            | Private Passenger | Taurus LX         |            |          |            |             |                    |

- Commercial General Liability can also be broken down for each department based on payroll.

- Sample of package invoicing for the City shown below

**Lake Worth Beach, City of**  
City of Lake Worth Beach  
c/o Ben Few & Company  
4560 Via Royale, Suite 3  
Fort Myers, FL 33919

**Mail payment to:**  
Risk Management Associates, Inc.  
P.O. Box 745959  
Atlanta, GA 30374-5959

**Overnight payment to:**  
Risk Management Associates, Inc.  
Lockbox 745959  
6000 Feldwood Road  
College Park, GA 30349

## INVOICE

|                         |                           |
|-------------------------|---------------------------|
| <b>Customer</b>         | Lake Worth Beach, City of |
| <b>Acct #</b>           | 602792                    |
| <b>Date</b>             | 10/04/2023                |
| <b>Customer Service</b> | (386)252-6176             |
| <b>Page</b>             | 1 of 1                    |

| Payment Information    |                  |
|------------------------|------------------|
| <b>Invoice Summary</b> | \$ 773,637.00    |
| <b>Payment Amount</b>  |                  |
| <b>Payment for:</b>    | Invoice#13727304 |
| PX FL1 0502013 23-14   |                  |

**Thank You**

Please detach and return with payment



Customer: Lake Worth Beach, City of

| Invoice  | Effective  | Transaction  | Description   | Amount     |
|----------|------------|--------------|---|------------|
| 13727304 | 10/01/2023 | Renew policy | Policy #PX FL1 0502013 23-14 10/01/2023-10/01/2024<br>Preferred Governmental Insurance Trust (PGIT) |            |
|          |            |              | Business Auto - Renew policy  | 35,141.00  |
|          |            |              | General Liability - Renew policy  | 76,626.00  |
|          |            |              | Crime - Renew policy  | 1,498.00   |
|          |            |              | Privacy and Network Liability - Renew policy  | 39,780.00  |
|          |            |              | Public Officials & Employment Practices Liability - Renew policy                                    | 83,698.00  |
|          |            |              | Inland Marine - Renew policy  | 8,543.00   |
|          |            |              | Commercial Property - Renew policy  | 438,433.00 |
|          |            |              | Excess WC - Renew policy  | 89,918.00  |

**e) Proposal of coverage details, including premiums, shall follow the format in the Scope of Services. Proposers shall detail the coverage being offered and shall detail ANY deviation from what has been requested.**

Our coverage proposal can be found in Tab 4 – Cost Effectiveness.



# Tab 4

## Cost Effectiveness

## **Tab 4: Cost Effectiveness (Limited to 20 pages)**

**Respondents shall provide detailed pricing that includes all the services described in the solicitation documents. Respondent shall provide any additional relevant pricing information to meet all the requirements as defined in the solicitation document.**

Please refer to the Premium Recapitulation, starting on page 73, in the following proposal.

**Respondent shall provide in detail the cost of all requested coverages for the City as required in this solicitation. Respondent shall also detail all exclusions if any.**

Our proposal included directly following this page.

**Respondent must be able to provide the most recent audited financial statement for the company as well as credit references that can verify the financial standing of the company if requested by the City.**

The *Preferred* 2023 audited financials are included at the end of this section.

## Non-Utility Property and Inland Marine

Term: October 1, 2024 to October 1, 2025

Company: Preferred Governmental Insurance Trust (*Preferred*)

| Covered Property (Per Schedule Provided) |   |
|--|---|
| \$48,705,887                             | Blanket Value Buildings and Contents      |
| Special Property Coverages               |   |
| \$5,000,000                              | Flood                                     |
| \$5,000,000                              | Earth Movement                            |
| \$5,000,000                              | TRIA                                      |
| Inland Marine (Per Schedule Provided)    |   |
| \$600,000                                | Blanket Unscheduled Inland Marine***      |
| Included in Blanket                      | Communication Equipment***                |
| \$1,248,129                              | Contractor's / Mobile Equipment***        |
| Included in Blanket                      | Electronic Data Processing Equipment***   |
| Included in Blanket                      | Emergency Portable Service Equipment***   |
| Included in Blanket                      | Fine Arts***                              |
| Included in Blanket                      | Other Inland Marine                       |
| \$100,000                                | Rented, Leased or Borrowed Equipment♦♦    |
| Included in Blanket                      | Valuable Papers                           |
| \$17,780                                 | Watercraft, Not Including Hull Coverage** |

Deductibles: \$5,000 per Occurrence – Buildings and Contents, Earth Movement and TRIA

5% of TIV per Occurrence / Per Location for “Named Storm” subject to minimum of \$35,000 Per Occurrence. Location is defined by each itemized listing on the applicable schedule. Also applies to Inland Marine.

\$5,000 any one occurrence for Flood, except:  
Excess of maximum NFIP available whether purchased or not or 5% of the TIV at each affected location whichever is greater for Zones A & V

\$1,000 per Occurrence – Inland Marine

\*\*\*Unscheduled items are subject to a maximum value of \$25,000 or less per item. Items valued above this amount must be scheduled.

\*\*Watercraft, not exceeding 25 feet, coverage is not hull coverage. Limited to Specified Perils only, excluding collision with another object.

♦♦Unscheduled items are subject to a maximum value of \$250,000 or less per item, subject to the maximum per occurrence loss limit shown on the Inland Marine Schedule. Items valued above \$250,000 must be schedule.

## Non-Utility Property and Inland Marine

### Coverage:

1. Special form (formerly “All Risk”), subject to policy exclusions.
2. Replacement Cost applies to Buildings, Contents and EDP is subject to all terms and conditions of the coverage agreement the most we will pay for all loss, damage or costs in any one occurrence is the applicable limits of liability shown in the property declaration. **The blanket limit of coverage shown in the property declaration applies to all covered property unless a separate limit, lower limit or reduced amount of coverage is indicated elsewhere in the coverage agreement or in the property declaration.**
3. Inland Marine coverage paid at “Agreed Value” if the valuation type on the Inland Marine schedule is shown as agreed value; or the lesser of Actual Cash Value or 110% of the value reported on the schedule. See policy for complete details.
4. *Preferred* will pay for covered loss to your real property, inland marine or personal property:
  - a. At the location shown on the Schedule of the Declarations,
  - b. Property in the open within 1,000 feet of locations described in a. above,**
  - c. With respects to Inland Marine, at or away from your covered location.
5. No Coinsurance Clause.
6. Certain coverages subject to sub-limits stated in policy.
7. During the current Coverage Agreement period, *Preferred* will not charge an additional premium for **new locations** if the value of a **new location** or total value of all **new locations** at the same physical address that are acquired or newly constructed during the coverage agreement period **is less than \$15,000,000** and if the location is acquired after the inception date of the Coverage Agreement. If the newly added location was owned or acquired prior to the inception date of the Coverage Agreement then premium is due at the time the location is added.
8. The *Preferred* Property Program is a shared limit. The limits purchased are a per occurrence limit and in the event an occurrence exhaust the limit purchased by *Preferred* on behalf of the members, payment to you for a covered loss will be reduced pro-rata based on the amounts of covered loss by all members affected by the occurrence.
9. ***Preferred* will be appraising all property currently scheduled. At time of finalization of appraisal, building values are to be adjusted accordingly or Stated Value endorsement will be applied with immediate effect.**

## Non-Utility Property and Inland Marine

| <b>Sublimits of Coverage</b>   |   |
|--|---|
| Sublimits apply as part of, and not in addition to, the overall Total Insured Values coverage limit. |   |
| \$500,000  | Accounts Receivable, per occurrence   |
| \$1,000,000  | Additional Expense  |
| \$40,000   | Animals, annual aggregate   |
| \$500,000  | Business Income   |
| \$250,000, or 25% of loss whichever is greater   | Debris Removal, per occurrence  |
| \$1,250,000  | Demolition Cost, Ordinance & Increased Cost of Construction, per occurrence   |
| \$250,000  | Errors and Omissions, per occurrence  |
| \$5,000  | Expediting Expense, per occurrence  |
| \$25,000   | Fire Department Charges, per occurrence   |
| \$50,000   | Fungus Cleanup Expense, annual aggregate  |
| \$25,000   | Lawns, Plants, Trees and Shrubs, Excludes Wind (see policy form for additional restrictions)  |
| \$2,000,000  | New Locations, per occurrence – 60 days from the date new location(s) is first purchased, rented or occupied, whichever is earlier. See policy for details. |
| \$50,000   | Personal Property of Employees, per occurrence  |
| \$50,000   | Pollution Cleanup Expense, annual aggregate   |
| \$250,000  | Preservation of Property, per occurrence  |
| \$20,000   | Professional Fees, per occurrence   |
| \$150,000  | Property at Miscellaneous Unnamed Locations   |
| \$10,000   | Recertification, per occurrence   |
| \$100,000  | Service Interruption Coverage, per occurrence   |
| \$250,000  | Transit, per occurrence   |

## Non-Utility Property and Inland Marine Major Exclusions

Property **Not** Covered includes but not limited to:

1. Animals, water, land including land on which the property is located, shrubs, trees, lawns, growing crops, or standing timber, except under conditions described in the “Extensions of Coverage” section of the policy.
2. Aircraft.
3. Property you sold under conditional sale, trust agreement, installment payment, or other deferred payment plan after such property has been delivered to the customer.
4. Caves, caverns, mines or any type, or any property contained within them.
5. Currency, money, notes or securities.
6. Dams, dikes or levees.
7. Contraband or property in the course of illegal transportation or trade.
8. Property covered under import or export ocean cargo policies.
9. Property you transport as a common carrier.
10. Property shipped by mail, unless sent registered or certified.
11. **Watercraft unless loss is from a specified peril and scheduled on the inland marine schedule.**
12. Vehicles licensed or designed for highway use, unless shown on the Property Declaration, Extensions of Coverage item U, and then no coverage for any **over the road coverage**, or collision with another vehicle or object. The AOP deductible applies per occurrence and in the event of a Named Storm the Named Storm deductible applies per vehicle rather than per location. This coverage is paid at actual cash value at time of loss.
13. Bulkheads, docks, piers, wharves, retaining walls, boardwalks or underwater conduits from: freezing and thawing; impact of watercraft; waves, or debris driven by waves; pressure or weight of ice or water, whether driven by wind or not; or sinking or settling.
14. Dune walkovers, unless loss is at a covered location and from a specified peril other than collapse. **No wind coverage is afforded for dune walkovers.**
15. Electrical or communication lines, towers, and poles you own that are not located on a “covered location” insured under this policy.
16. Personal property of volunteers.
17. Underground pipes, unless loss is from a specified peril.
18. If building has been vacant for more than 90 consecutive days before a loss or damage, the following perils will be excluded: Vandalism, Sprinkler leakage, unless the system has been protected against freezing, building glass breakage, water damage, theft or attempted theft.
19. Loss or damage to any portion of the roof, roof surfacing, awnings, or covered walkways that alters only the appearance of any portion of the roof, roof coverings, awnings or covered walkways (including but not limited to marring, pitting, scratches, or dents) but does not result in damage that allows the penetration of water through the roof covering or result in the failure of the roof covering to perform its intended function to keep out elements over an extended period of time. Roof coverings means shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof, and includes all materials used in securing the roof surface and all materials applied to or used under the roof surface for moisture protection.

## Non-Utility Property and Inland Marine Major Exclusions

Excluded Risks of Direct Physical Loss include but not limited to:

1. War, invasion, acts of foreign enemies, hostilities or war like operations, civil war, rebellion, revolution, insurrection, civil commotion, military, usurped power, or any act of terrorism
2. Biological or Chemical Materials
3. Electronic Data or Electronic Data Recognition Exclusion
4. Asbestos
5. Damage caused by electronic currents artificially generated.
6. Pollution, except as provided under “Extensions of Coverage”
7. Building ordinance enforcement or Government action
8. Nuclear reaction
9. Utility failure
10. Fungus, except as provided under “Extensions of Coverage”
11. Any offshore oil well or oil shipping/tanker incident and the ensuing oil spill

**“Named Storm”** Definition: “...the direct action of wind, **including wind driven water and storm surge** when associated with or occurring in conjunction with a storm or weather disturbance which is named...” Wind driven water and storm surge loss are NOT subject to Flood Sublimit and are included to the blanket limits.

Flood coverage in zones A or V, or within a 100 Year Flood Plain as designated by the United States Army Corps of Engineers, will have a special flood deductible equal to all flood insurance available for such property under the NFIP, whether purchased or not or 5% of the Total Insured Value at each affected location whichever is greater. If such property is not eligible for the National Flood Insurance Program because the community in which the property is located does not participate in the NFIP, the Special Flood Deductible will be \$1,000,000 per insured location damaged in the flood occurrence or 5% of the Total Insured Value at each affected location whichever is greater.

Flood zones A will include, but not be limited to all the sub-classifications of AO, AH, AE, AR, A1 through A99, or any other sub-classification with the A prefix or designation. Flood zones V will include, but not be limited to all the sub-classifications of VO, VH, VE, VR V1 through V99, or any other sub-classification with the V prefix or designation. See policy form for special deductible restrictions.

## Equipment Breakdown for all Non-Utility Property

Term: October 1, 2024 to October 1, 2025

Company: Preferred Governmental Insurance Trust (*Preferred*)

Covered Equipment: Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

| Coverage  | Limit        |
|---|--------------|
| Property Damage / Loss of Business Income / Additional Expense per accident | \$48,705,887 |
| Water Damage  | \$1,000,000  |
| Ammonia Contamination   | \$1,000,000  |
| Hazardous Substance Coverage  | \$1,000,000  |
| Utility Interruption (24 Hour Waiting Period)                               | \$2,000,000  |
| Spoilage Damage   | \$250,000    |
| Ordinance or Law  | \$1,000,000  |
| Expediting Expenses   | \$1,000,000  |
| Data or Media   | \$250,000    |
| Fungus, Wet Rot, Dry Rot  | \$15,000     |

Deductibles: Same as Property – Building and Contents  
24 Hours – Utility Interruption



## Crime

Term: October 1, 2024 to October 1, 2025

Company: Preferred Governmental Insurance Trust (*Preferred*)

Limits of Liability and Coverage:

| Coverage  | Limit     | Deductible |
|---|-----------|------------|
| Employee Dishonesty, Including Faithful Performance     | \$500,000 | \$25,000   |
| Forgery or Alteration Coverage                          | \$500,000 | \$25,000   |
| Theft, Disappearance and Destruction Coverage<br>Inside | \$500,000 | \$25,000   |
| Outside   | \$500,000 | \$25,000   |
| Computer Fraud Coverage (Including Funds Transfer)      | \$500,000 | \$25,000   |

Notes of Importance:

1. Employee dishonesty coverage is excluded for those employees required by law to be individually bonded.

## General Liability

Term: October 1, 2024 to October 1, 2025

Company: Preferred Governmental Insurance Trust (*Preferred*)

| Coverage   | Limit               | Deductible                   |
|--|---------------------|------------------------------|
| <b>General Liability – Occurrence</b>  |                     |                              |
| Bodily Injury and Property Damage, per Occurrence  | \$1,000,000         | \$200,000/\$300,000<br>SIR   |
| Personal Injury and Advertising Injury, per Person/Occurrence  | Included            |                              |
| Products/Completed Operations, Aggregate   | Included            |                              |
| Fire Damage, per Occurrence  | Included            |                              |
| Medical Payments   | \$5,000             |                              |
| Employee Benefits Liability, per Occurrence  | \$1,000,000         |                              |
| <b>Sublimits</b>   |                     |                              |
| Vicarious Law Enforcement Liability, per Occurrence  | \$1,000,000         | Same as General<br>Liability |
| Principle of Eminent Domain Including Inverse Condemnation, “Bert J. Harris, Jr., Private Property Rights Protection Act” per Occurrence / Annual Aggregate. | \$300,000           |                              |
| Sewer Backup and Water Damage:<br>Non-Negligent Claims   | \$10,000/\$200,000  |                              |
| Negligent Claims.  | \$200,000/\$200,000 |                              |
| Herbicide and Pesticide, per Occurrence  | \$1,000,000         |                              |

Additional Coverages Included:

1. EMT/Paramedic Professional Services
2. Premises Operations
3. “Insured” Contracts
4. Host Liquor Liability
5. Broad Form Property Damage Subject to \$2,500 Personal Property of Others Sublimit
6. Watercraft Liability (under 52 feet). See policy form for limitations
7. Limited Worldwide Coverage
8. Failure to Supply Water
9. Communicable Disease (Correctional Facilities and Health Care Facilities - \$300,000 Limit)

Notes of Importance:

1. Premium is not audited.
2. Defense Costs are paid in addition to policy limits.
3. In the event an occurrence, accident or offense continues beyond the policy period, the applicable deductible would apply separately to each policy period in which the occurrence, accident or offense was committed or was alleged to have been committed.
4. Limits of Liability are subject to Florida Statute 768.28.
5. SIR applied to money damages and claims expenses (including investigation, adjustment and defense costs).

## General Liability

Exclusions, include but not limited to:

- Expected or intended injury
- Contractual Liability
- Liquor Liability
- Workers' Compensation and similar laws
- Employer's Liability
- Pollution
- Aircraft, Auto or Watercraft
- Mobile Equipment
- War
- Damage to Your Property, Product or Work
- Damage to Impaired Property or Property Not Physically Injured
- Recall of Products, Work or Impaired Property
- Racketeering
- Law Enforcement, except for vicarious liability arising out of an act or omission by a law enforcement agency that is not owned, operated or controlled by the "Covered party" if there is a contract with an outside agency to provide law enforcement for your entity.
- Asbestos, Mold, Fungi, or Bacteria
- Liability arising out of or caused or contributed to by any ownership, maintenance, operation, use, loading, unloading or control of or responsibility for any airfield, airport, aircraft, runway, hangar, building or other property or facility designed for, used, connected, associated or affiliated with or in any way related to aviation or aviation activities; this exclusion does not apply to premises exposure for those common areas open to the public including but not limited to parking areas, sidewalks, and terminal buildings.
- Failure or inability to supply or any interruption of any adequate quantity of power, steam, pressure, or fuel
- Subsidence, erosion or earth movement.
- Hospital / Clinic Medical Malpractice or Health Care Facilities
- Professional Health Care Services, but not including emergency medical services for first aid performed by emergency medical technicians, paramedics or Medical Director while in the course and scope of their duties.
- ERISA
- Actual or alleged illegal discrimination
- Injunctive, declaratory or equitable relief
- Actual or alleged deterioration, bursting breaking, leaking, inadequacy, design of, control of, maintenance of, or any other alleged responsibility for any structure device, or water course, natural or man-made, including, but not limited to: dams, reservoirs, levees, banks, embankments, gates, canals, ditches, gutters, sewers, aqueducts, channels, culvert, retaining walls, drains, tanks, watershed, or drains, a purpose of which is the containing, carrying, impeding, channeling, diverting, or draining of water or other liquid. Does not apply only as to the bursting or failure of man-made sewer, storm water, grey water or potable water supply pipes owned and maintained by Covered Party.
- Sexual abuse after initial discovery
- Perfluoroalkyl and Polyfluoroalkyl group of manufactured chemicals including, but not limited to the PFAS sub-groups: perfluorooctane sulfonate (PFOS), perfluorooctanoic acid (PFOA), and Perfluorohexane sulfonate acids (PFHxS).

## Deadly Weapon Protection

Term: October 1, 2024 to October 1, 2025  
Company: Preferred Governmental Insurance Trust (*Preferred*)  
Form: Claims Made

| <b>Deadly Weapon Protection – Claims Made</b>              |             |                  |
|--|-------------|------------------|
| Retroactive Date: 10/1/2019                                |             |                  |
| Coverage   | Limit       | Deductible       |
| Deadly Weapon Event (Including Claims Expenses), per event | \$1,000,000 | \$0<br>Per Event |
| <b>Deadly Weapon Protection – Sublimits</b>                |             |                  |
| Business Interruption                                      | Included    | \$0<br>Per Event |
| Demolition, Clearance, and Memorialization, per event      | \$250,000   |                  |
| Extra Expense, per event                                   | \$250,000   |                  |
| Crisis Management  | Included    |                  |
| Property Damage Extension, per event                       | Included    |                  |
| Counseling Services, per event                             | \$250,000   |                  |
| Funeral Expenses, per event                                | \$250,000   |                  |
| Claims Expenses  | Included    |                  |
| Medical Expense, per person                                | \$25,000    |                  |
| Accidental Death & Dismemberment, per person               | \$50,000    |                  |

Notes of Importance:

1. Coverage limited to scheduled locations only.
2. Premium is not audited.
3. Defense Costs are paid within the policy limits.
4. Deductible does not apply to claims expense.

**Any Event that occurs at a Location which has been specifically leased or loaned by the City to any other entity or individual to host a permitted event planned and ticketed for more than 15,000 attendees over the duration of the event, MUST BE reported to AND APPROVED by *Preferred* PRIOR to event. The Trust may, at their discretion, charge an additional premium and/or impose additional conditions specifically for that event.**

## Deadly Weapon Protection

Exclusions include but are not limited to:

- Loss of market, income or use at the property physically lost or physically damaged.
- Confiscation, nationalization, requisition, destruction or damage to property by any authority.
- Criminal, dishonest, fraudulent or malicious conduct by the Covered Party.
- Negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers
- Euthanasia.
- Explosive devices unless used in conjunction with a Deadly Weapon Event.
- Vehicle not defined as a Road Vehicle
- Weapon mounted (or designed to be mounted) on a vehicle
- Weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone.
- Injury or death to employees of the Covered Party, except for Crisis Management Services, Counselling Services, and Funeral Expenses endorsed by Extension to this Coverage Agreement.
- Claim or Claims made by, or on behalf of, any Assailant(s).
- Use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system.
- Nuclear, Chemical, Biological, Bio-Chemical, Electromagnetic or Radioactive Weapons.
- Mental injury or mental anguish related claim where no actual Bodily Injury has occurred to the claimant.
- Covered Party's recklessness or deliberate misconduct.
- Mercy Killing(s).
- Covered Party except for employee while they are a recipient of Business Services being provided by the Covered Party.
- Pollutant or Contaminant.
- Goods or products designed, manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Covered Party.
- Property Damage in respect of property:
  - owned, leased, rented or occupied by the Covered Party.
  - in the care, custody or control of the Covered Party or the care, custody or control of any person under contract with the Covered Party.
- Punitive or exemplary damages, sanctions or any additional damages resulting from the multiplication of compensatory damages.
- Strikes, labor unrest, riots or civil commotion.
- Suicide.
- War, invasion, acts of foreign enemies, hostilities or warlike operations, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of, or amounting to, an uprising, military power.

## Deadly Weapon Protection

### Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

### Extended Reporting Periods:

*Preferred* provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

**Automatic Extended Reporting Period** – continued coverage granted for a period of 90 days following the effective date of termination or nonrenewal, but only for Claims first made during the 90 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

## Public Officials Liability/Employment Practices Liability

Term: October 1, 2024 to October 1, 2025

Company: Preferred Governmental Insurance Trust (*Preferred*)

Form: **POL/EPLI: Claims Made – Duty to Defend**

| Coverage   | Limit       | SIR       |
|--|-------------|-----------|
| <b>Public Officials Liability</b>                    |             |           |
| Retroactive Date: Full Prior Acts                    |             |           |
| Per Claim  | \$1,000,000 | \$100,000 |
| <b>Employment Practices Liability</b>                |             |           |
| Retroactive Date: Full Prior Acts                    |             |           |
| Per Claim  | \$1,000,000 | \$100,000 |
| <b>Sublimits</b>                                     |             |           |
| Employee Pre-Termination Legal Consultation Services |             |           |
| Per Employee   | \$2,500     |           |
| Aggregate  | \$5,000     |           |
| Non-Monetary Claims Defense Costs, Aggregate         | \$100,000   |           |

Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. SIR applied to money damages and claims expenses (including investigation, adjustment and defense costs).
3. Broadened definition of “Who is an Insured.”
4. Limits of Liability are subject to Florida Statute 768.28.

## Public Officials Liability/Employment Practices Liability

Exclusions, include but not limited to:

- Criminal Acts
- Non-Monetary relief except as provided in the Supplementary Payments
- Bodily Injury, Personal Injury, Property Damage, Advertising Injury
- Damages arising out of Inverse Condemnation, Eminent Domain, Temporary or Permanent taking, Adverse Possession, Dedication by adverse Use, Condemnation Proceedings, or claims brought under Florida Statute 70.001 the “Bert J. Harris Jr., Private Property Rights Protection Act” or any similar claim by whatever named called.
- War, Invasion, Acts of foreign enemies, hostiles or warlike operations, strike, lock-out, riot, civil war, rebellion, revolution, insurrection or civil commotion
- Failure to effect and maintain insurance
- Fiduciary Liability
- Pollution
- Workers’ Compensation, Employers Liability and similar laws
- Nuclear
- ERISA of 1974, any similar state or local laws, and any rules and regulations promulgated thereunder and amendments thereto.
- Infringement of copyright, trademark, plagiarism, piracy or misappropriation of any ideas or other intellectual property
- Contractual Liability
- Health Care Professional or Health Care Facilities
- Prior and Pending claims
- Workers’ Adjustment and Retraining Notification Act, OSHA, RICO, or ADA
- Law Enforcement Activities
- Insured vs. Insured
- Bonds, Taxes or Construction contracts
- Collective Bargaining Agreements
- Capital Improvement to make property more accessible or accommodating to disabled persons
- Punitive Damages
- Return or improper assessment of taxes, assessments, penalties, fines, fees
- Activities of any attorney-at-law, medical personnel, architect, engineer or accountant, in the scope of their professional duties, except for claims made against them as Public Officials or Employees
- Media Wrongful Act
- Access or Disclosure of Confidential or Personal Information and Data-related Liability
- Perfluoroalkyl and Polyfluoroalkyl group of manufactured chemicals including, but not limited to the PFAS sub-groups: perfluorooctane sulfonate (PFOS), perfluorooctanoic acid (PFOA), and Perfluorohexane sulfonate acids (PFHxS).



## Public Officials Liability/Employment Practices Liability

### Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

### Extended Reporting Periods:

*Preferred* provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

**Automatic Extended Reporting Period** – continued coverage granted for a period of 60 days following the effective date of termination or nonrenewal, but only for Claims first made during the 60 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

**Optional Extended Reporting Period** – The Public Entity shall have the right, upon payment of up to 200% of the expiring premium, to purchase an Optional Extended Reporting Period, for the period of 12 months following the effective date of the cancellation or nonrenewal, but only for Claims first made during the Optional Extended Reporting Period and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

## Cyber Liability

**Term:** October 1, 2024 to October 1, 2025

**Company:** Preferred Governmental Insurance Trust (*Preferred*)

**Form:** Claims Made – Duty to Defend

| <b>Cyber Liability</b>   |                       |                   |
|--|-----------------------|-------------------|
| Retroactive Date: 10/1/2011  |                       |                   |
| <b>Coverage</b>  | <b>Limit</b>          | <b>Deductible</b> |
| <b>Policy Limit – Annual Aggregate</b>                               | <b>\$2,000,000</b>    | <b>Per Below</b>  |
| <b>Third Party Liability Coverage</b>                                |                       |                   |
| Privacy & Security Liability, each claim                             | \$2,000,000           | \$25,000          |
| Media Content Services Liability, each claim                         | \$2,000,000           | \$25,000          |
| PCI DSS, sublimit  | \$1,000,000           | \$25,000          |
| <b>First Party Liability Coverage</b>                                |                       |                   |
| Cyber Extortion & Ransomware, each claim                             | \$500,000             | \$25,000          |
| Data Breach & Crisis Management, each claim                          | \$2,000,000           | \$25,000          |
| Data Recovery, each claim  | \$2,000,000           | \$25,000          |
| Business Interruption / Extra Expense, each claim                    | \$2,000,000           | \$25,000/12 Hr.   |
| <b>Cyber Crime, refer to form for sublimits – Annual Aggregate</b>   | <b>\$350,000</b>      | <b>\$25,000</b>   |
| Social Engineering Financial Fraud*                                  | \$350,000             | \$25,000          |
| Funds Transfer Fraud   | \$350,000             | \$25,000          |
| Invoice Manipulation   | \$350,000             | \$25,000          |
| <b>Utility Fraud, refer to form for sublimits – Annual Aggregate</b> | <b>\$350,000</b>      | <b>\$25,000</b>   |
| Crypto Jacking   | \$350,000             | \$25,000          |
| Telecommunications Fraud   | \$350,000             | \$25,000          |
| System Failure – BI/EE, sublimit                                     | \$2,000,000           | \$25,000/12 Hr.   |
| Dependent Business Interruption – System Failure, BI/EE, sublimit    | \$2,000,000           | \$25,000/12 Hr..  |
| Bricking Coverage, sublimit  | \$1,000,000           | \$25,000          |
| Consequential Reputation Loss<br>Period of Restoration               | \$500,000<br>6 Months | 12 Hours          |

\*Social Engineering Financial Fraud – Coverage shall only apply if you verify the instruction to transfer money or securities by following a pre-arranged callback or other established procedural method to authenticate the validity or the request prior to acting upon any transfer instructions.

## Cyber Liability

### Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Deductible does not apply to claims expense.

### Exclusions, include but not limited to:

- Deliberate Acts / Personal Profit
- Prior Acts
- Bodily Injury / Property Damage
- Employment Practices
- Ownership
- Covered Party vs. Covered Party
- ERISA/Securities
- Pollution
- Contractual except when assumed under contract
- Guarantees
- Advertising
- Business Practice
- Patent
- Privacy
- Governmental Action
- Software Responsibility
- Act of God
- Recover of Profits, Royalties and Fees
- RICO
- Trade Secrets
- War
- Infrastructure Failure electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under the operational control of the Insured, however caused, including any electrical power interruption, short circuit, surge, brownout or blackout, however this exclusion shall not apply to a telecommunications fraud event.
- Governmental Orders any court order or damaged requiring the Covered Party to provide law enforcement, any administrative, regulatory or judicial body or any other governmental authority access to personally identifiable information, protected health information, or confidential business information.
- Over-Redemption price discounts, prizes, awards, coupons, or any other valuable consideration given in excess of the contracted or expected amount.
- Perfluoroalkyl and Polyfluoroalkyl group of manufactured chemicals including, but not limited to the PFAS sub-groups: perfluorooctane sulfonate (PFOS), perfluorooctanoic acid (PFOA), and Perfluorohexane sulfonate acids (PFHxS).

## Cyber Liability

### Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

### Extended Reporting Periods:

*Preferred* provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

**Automatic Extended Reporting Period** – continued coverage granted for a period of 60 days following the effective date of termination or nonrenewal, but only for Claims first made during the 60 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

**Optional Extended Reporting Period** – The Covered Party shall have the right to purchase an Optional Extended Reporting Period for up to 6 years following the effective date of the cancellation or nonrenewal, as shown below:

- Option 1 – 100% for 1 Year
- Option 2 – 150% for 2 Years
- Option 3 – 175% for 3 Years
- Option 4 – 250% for 6 Years

but only for Claims first made during the Optional Extended Reporting Period and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

## Automobile Liability

Term: October 1, 2024 to October 1, 2025

Company: Preferred Governmental Insurance Trust (*Preferred*)

| Coverage  | Limit       | Symbol | SIR                 |
|---|-------------|--------|---------------------|
| <b>Automobile Liability (Based on 209 Vehicles)</b>                     |             |        |                     |
| Primary Bodily Injury and Property Damage Liability<br>– Combined Limit | \$1,000,000 | 1      | \$200,000/\$300,000 |
| Personal Injury Protection  | Statutory   | 5      | \$0<br>Per Person   |
| Medical Payments  | \$0         | 2      | N/A                 |
| Uninsured Motorist  | Rejected    | 2      | N/A                 |

Coverage and Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Hired and non-owned liability is included.
3. Premium is based on number of vehicles and subject to adjustment if schedule is changed.
4. Limited Replacement Cost provided for owned and scheduled private passenger vehicle, light truck or sport utility vehicle that is involved in a covered total loss if the vehicle has less than 18,000 miles and is within the first 12 months of being scheduled at the time of the total loss. This coverage does not apply to police vehicles or any other vehicle types already listed.
5. Physical Damage coverage paid at Actual Cash Value or 110% of the value reported on the schedule, whichever is less. Please see policy for complete details.
6. Limits of Liability are subject to Florida Statute 768.28.

## Automobile Liability

Description of Covered Auto Designation Symbols:

| <b>SYMBOL</b> | <b>DESCRIPTION</b>   |
|---------------|--|
| <b>1</b>      | = ANY "AUTO"   |
| <b>2</b>      | = ALL OWNED "AUTOS" ONLY. Only those "autos" you own and or lease (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This also includes all those "autos" you acquire ownership of after the coverage agreement begins.  |
| <b>3</b>      | = OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the coverage agreement begins.  |
| <b>4</b>      | = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the coverage agreement begins.  |
| <b>5</b>      | = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own and or lease that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.                                       |
| <b>6</b>      | = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORIST LAW. Only those "autos" you own and or lease that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the coverage agreement begins provided they are subject to the same state uninsured motorists requirement. |
| <b>7</b>      | = SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE).   |
| <b>8</b>      | = HIRED "AUTOS" ONLY. Only those "autos" you hire rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your employees or partners or members of their households.   |
| <b>9</b>      | = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your employees or partners or members of their households but only while used in your business.  |

## Excess Workers' Compensation

Term: October 1, 2024 to October 1, 2025

Insurer: Preferred Governmental Insurance Trust (*Preferred*)

| Contract Terms            | Option 1:                           |
|---------------------------|-------------------------------------|
| Liability Period          | 10/1/2024 - 10/1/2025               |
| Payroll Reporting Period  | 10/1/2024 - 10/1/2025               |
| Payroll                   | \$24,392,618                        |
| Self-Insured Retention    | \$500,000                           |
| Specific Limit            | Statutory                           |
| Employers Liability Limit | \$1,000,000/\$1,000,000/\$1,000,000 |

Notes of Importance:

1. TPA Fees are not included in this proposal.
2. State taxes and assessments are not included in the premium and are the responsibility of the insured.
3. **If TPA is other than PGCS, first dollar TPA losses required on a quarterly basis.**
4. **Certification of Servicing for Self-Insurers form filed with the State of Florida (SI-19) must be received PRIOR to binding excess WC**
5. Final premium subject to payroll audit.

## Utilities Property Option Comparison

| LINE OF COVERAGE                     | Option 1   |                        |                        | Option 2                                      |  |                      |
|--------------------------------------|--|------------------------|------------------------|---|--|----------------------|
|                                      | LIMIT  | DEDUCTIBLE             | ANNUAL PREMIUM         | LIMIT   | DEDUCTIBLE   | ANNUAL PREMIUM       |
| <b>Property:</b>                     | <b>Starr Surplus Lines Insurance Company</b>       |                        |                        | <b>Preferred Governmental Insurance Trust</b> |  |                      |
| Building & Contents Value            | \$ 124,180,801                                     |                        | \$ 1,000,000.00        | \$ 124,180,801                                |  | \$ 777,283.00        |
| Valuation                            | Stated Value                                       |                        |                        | State Value                                   |  |                      |
| Policy Limit of Liability            | \$ 60,000,000                                      | \$ 300,000             |                        | \$ 124,180,801                                | \$ 75,000  |                      |
| TRIA                                 | Optional   |                        |                        | \$ 5,000,000                                  | \$ 75,000  |                      |
| Extra Expense                        | \$ 500,000   | \$ 300,000             |                        | \$ 1,000,000                                  | \$ 75,000  |                      |
| Earth Movement                       | \$ 25,000,000                                      | \$ 300,000             |                        | \$ 5,000,000                                  | \$ 75,000  |                      |
| Flood, Including Storm Surge         | \$5,000,000 except,<br>\$1,000,000 for Zones A & V | 5% / \$500,000 minimum |                        | \$ 5,000,000                                  | \$75,000, except Excess<br>of NFIP for Zones A & V |                      |
| Named Windstorm                      | \$ 15,000,000                                      | 5% / \$500,000 minimum |                        | \$ 124,180,801                                | 5% / \$50,000 minimum                              |                      |
| Accounts Receivable                  | \$ 250,000   | \$ 300,000             |                        | \$ 500,000                                    | \$ 75,000  |                      |
| Business Interruption                | No Coverage  |                        |                        | \$ 500,000                                    | \$ 75,000  |                      |
| Debris Removal                       | \$ 500,000   | \$ 300,000             |                        | \$250,000 or 25%                              | \$ 75,000  |                      |
| Demolition & ICC                     | \$ 250,000   | \$ 300,000             |                        | \$ 500,000                                    | \$ 75,000  |                      |
| EDP                                  | \$ 1,000,000                                       | \$ 300,000             |                        | Included                                      | \$ 75,000  |                      |
| Hazardous Substances or Contaminants | \$ 250,000   | \$ 300,000             |                        | \$ 50,000                                     | \$ 75,000  |                      |
| Newly Acquired locations             | \$ 1,000,000                                       | \$ 300,000             |                        | \$ 2,000,000                                  | \$ 75,000  |                      |
| Miscellaneous Unnamed Locations      | \$ 250,000   | \$ 300,000             |                        | \$ 150,000                                    | \$ 75,000  |                      |
| Service Interruption                 | No Coverage  |                        |                        | \$ 100,000                                    | \$ 75,000  |                      |
| Transit                              | \$ 1,000,000                                       | \$ 300,000             |                        | \$ 250,000                                    | \$ 75,000  |                      |
| Valuable Papers and Records          | \$ 250,000   | \$ 300,000             |                        | No Coverage                                   |  |                      |
| Boiler & Machinery                   | Excluded   |                        |                        | Excluded                                      |  |                      |
|                                      |  | Engineering Fee        | \$ 7,500.00            |   |  |                      |
|                                      |  | EMPA Fee               | \$ 4.00                |   |  |                      |
|                                      | <b>Sub-Total (not including TRIA)</b>              |                        |                        |   | <b>Sub-Total</b>                                   | <b>\$ 777,283.00</b> |
| <b>Boiler &amp; Machinery:</b>       | <b>Valley Forge Insurance Company</b>              |                        |                        | <b>Valley Forge Insurance Company</b>         |  |                      |
| Limit per Breakdown                  | \$ 100,000,000                                     |                        | \$ 82,504.13           | \$ 100,000,000                                |  | \$ 82,504.13         |
| Expediting Expenses                  | \$ 100,000   |                        |                        | \$ 100,000                                    |  |                      |
| Newly Acquired Premises              | Included   |                        |                        | Included                                      |  |                      |
| Ordinance or Law                     | \$ 100,000   |                        |                        | \$ 100,000                                    |  |                      |
|                                      |  | FIGA Assessment        | \$ 1,000.05            |   |  | \$ 1,000.05          |
|                                      |  | <b>Sub-Total</b>       | <b>\$ 83,504.18</b>    |   | <b>Sub-Total</b>                                   | <b>\$ 83,504.18</b>  |
|                                      | <b>Total Option 1</b>                              |                        |                        | <b>Total Option 2</b>                         |  |                      |
|                                      |  |                        | <b>\$ 1,091,008.18</b> |   |  | <b>\$ 860,787.18</b> |



## Utilities Property Option 1

Term: October 1, 2024 to October 1, 2025

Company: Starr Surplus Lines Insurance Company (Non-Admitted)  
(Rated A XV by A.M. Best)

Starr Tech Participation: 100%

Form: Starr Tech benchmark form plus endorsements

Coverage: All Risk of direct physical loss or damage, covering Property Damage, Business Interruption, Extra Expense, and Boiler & Machinery

| Values<br>(per schedule on file) |                            |
|----------------------------------|----------------------------|
| \$124,180,801                    | Property Damage            |
| Not Included                     | Business Interruption      |
| \$500,000                        | Extra Expense              |
| <b>\$124,680,801</b>             | <b>Total Insured Value</b> |

| Policy Limit of Liability |                    |
|---------------------------|--------------------|
| \$60,000,000              | Any One Occurrence |

### Valuation

This company's liability for loss under this policy for real and personal property (excluding stock) shall not exceed the smallest of the following amounts:

1. The amount of this policy.
2. The replacement cost of property or any part thereof, identical with property described herein, at the same location and intended for the same occupancy and use;
3. The amount actually and necessarily expended in repairing or replacing the property described herein, or any part thereof, at the same location, or another location, and intended for the same occupancy and use.
4. Actual Cash Value if the property is not repaired or replaced within 2 years.

Time Element Coverages: Actual Loss Sustained

## Utilities Property Option 1

| <b>Sublimits</b>   |  |
|--|--|
| Sub-limits are per occurrence unless shown otherwise. The sub-limits below are part of and not in addition to the Policy Limit of Liability. Sub-limits are 100% and are subject to Starr Tech percentage participation. |  |
| \$25,000,000   | Earthquake/Earth movement, Annual Aggregate                          |
| No Coverage  | California Earthquake/Earth Movement                                 |
| \$5,000,000  | Flood including Storm Surge, Annual Aggregate                        |
| \$1,000,000  | Flood excluding Storm Surge (100 Year Flood Zones), Annual Aggregate |
| \$15,000,000   | Named Windstorm  |
| \$250,000  | Accounts Receivable  |
| Not Included   | Business Interruption  |
| \$500,000 or 25% of the loss, whichever is greater   | Debris Removal   |
| \$1,000,000  | EDP Equipment & Media  |
| \$250,000  | Expediting Expense   |
| \$500,000  | Extra Expense  |
| \$250,000  | Hazardous Substances or Contaminants                                 |
| \$250,000  | Increased Cost of Construction, Demolition                           |
| \$1,000,000  | Newly Acquired Locations   |
| \$250,000  | Miscellaneous Unnamed locations                                      |
| \$1,000,000  | Transit  |
| \$250,000  | Valuable Papers and Records  |

## Utilities Property Option 1

Deductibles:

All deductibles listed below are per occurrence except with respect to coverage provided for Boiler & Machinery which shall be any One Accident.

|   |  |
|---|--|
| <b>Property Damage:</b>   | \$300,000 except   |
| <b>Flood (100-year flood zone):</b>   | 5% of the Property Damage Total Insurable Value of the location(s) involved in the Occurrence, subject to a minimum of \$500,000 |
| <b>Wind (Named Storms):</b>   | 5% of the Property Damage Total Insurable Value of the location(s) involved in the Occurrence, subject to a minimum of \$500,000 |
| <b>Dispatch Building &amp; Utilities Office:</b>                            | \$100,000  |
| <b>Water Treatment Plant/<br/>Reverse Osmosis Water<br/>Treatment Plant</b> | \$100,000  |
| <b>Time Element<br/>(including but limited to):</b>                         |  |
| Extra Expense   | \$300,000  |

As respects real and personal property, all claims for loss, damage or expense arising out of any one occurrence shall be adjusted as on claim and from the amount of each such adjusted claim there shall be deducted the sum stated on the Declaration Page. Deductibles for Property Damage and Time Element shall be applied separately.

## Utilities Property Option 1

Additional Terms and Conditions:

1. This insurance is issued pursuant to the Florida Surplus Lines Laws. Entities insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.
2. Coverages and/or Extensions of Coverage not specifically mentioned, even though they may be outlined in your submission, are not included.
3. This quotation is subject to change at any time prior to binding if any new losses not previously reported are incurred, whether from natural catastrophe or any other insured cause of loss and is subject to withdrawal or revocation.
4. Business Interruption coverage is excluded.
5. Boiler & Machinery is excluded.
6. 72 Hour Occurrence Definition applies to Wind, Flood, Earthquake and Riot.
7. No coverage provided for Steam Turbine Units S-1, S-2 and S-4 and associated boilers, feedwater, condensate, circulating water and auxiliary electrical equipment.
8. No coverage provided for substation and switchyard, including the TPTL transformers.
9. Transmission and Distribution lines, line transformers, towers and poles, equipment or apparatus connected therewith located beyond 1,000 feet of any insured premises are excluded.
10. Extra Expense coverage excludes the costs incurred in the generation, transmission, purchase, replacement, trading, or distribution of electrical power.
- 11. Appraisals will be required during the 2024/25 term. Failure to provide updated appraisal values in 2025 will result in non-renewal.**
12. Premium to be paid in full within 30 days of inception.
13. Additional Endorsements, will include but not limited to, and form part of the in-force Starr Tech Energy policy form:

|  |   |
|--|---|
| a. SSLIC Declarations                                  | p. Extra Expense  |
| b. Common Policy Conditions                            | q. Extra Expense Coverage Restriction                   |
| c. Commercial Property Conditions                      | r. Mold, Fungus, Wet and Dry Rot and Bacteria Exclusion |
| d. OFAC Policyholder Notice                            | s. Named Windstorm Definition                           |
| e. Energy Policy Declarations                          | t. Occurrence Limit of Liability Endorsement            |
| f. Energy Property All Risk Insurance Policy           | u. Political Risk Exclusion                             |
| g. Accounts Receivable                                 | v. Property Cyber and Data Exclusion LMA5401 (Attached) |
| h. Application of Sublimits                            | w. Service of Process Clause                            |
| i. Asbestos Exclusion                                  | x. Terrorism Endorsements per Table                     |
| j. Biological or Nuclear Exclusion                     | y. Valuable Papers and Records                          |
| k. Bridge Wording                                      | z. Wind   |
| l. California Earth Movement Exclusion                 | aa. Policy Change Endorsement                           |
| m. Communicable Disease Exclusion                      | bb. Policyholder-State Notices                          |
| n. Designated Country or Region                        | cc. Claims Notice                                       |
| o. Electronic Data Processing Media with Extra Expense |   |

## Utilities Property Option 2

Term: October 1, 2024 to October 1, 2025

Company: Preferred Governmental Insurance Trust (*Preferred*)

| Covered Property (Per Schedule Provided) |                                     |
|--|-------------------------------------|
| \$124,180,801                            | Stated Value Buildings and Contents |
| Not included                             | Boiler & Machinery                  |
| Special Property Coverages               |                                     |
| \$5,000,000                              | Flood                               |
| \$5,000,000                              | Earth Movement                      |
| \$5,000,000                              | TRIA                                |

Deductibles: \$75,000 per Occurrence – Buildings and Contents, Earth Movement and TRIA

5% of TIV per Occurrence / Per Location for “Named Storm” subject to minimum of \$50,000 Per Occurrence. Location is defined by each itemized listing on the applicable schedule. Also applies to Inland Marine.

\$75,000 any one occurrence for Flood, except:  
Excess of maximum NFIP available whether purchased or not or 5% of the TIV at each affected location whichever is greater for Zones A & V

## Utilities Property Option 2

### Coverage:

1. Special form (formerly “All Risk”), subject to policy exclusions.
2. Replacement Cost applies to Buildings, Contents and EDP and is subject to all terms and conditions of the coverage agreement the most we will pay for all loss, damage or costs to Real Property and Personal Property in any one occurrence is the lesser of:
  - a. The cost actually and necessarily expended to repair the damaged property; or
  - b. The cost actually and necessarily expended to replace or rebuild with new materials of like size, kind and quality; or
  - c. The selling price on the date of loss of property, other than stock, offered for sale, less all saved expenses; or
  - d. The value reported on the applicable schedule of values.This endorsement memorializes the intention of the Covered Party to secure property coverage for a value less than the potential cost to rebuild or replace based on the appraisal on file.
3. Inland Marine coverage paid at “Agreed Value” if the valuation type on the Inland Marine schedule is shown as agreed value; or the lesser of Actual Cash Value or 110% of the value reported on the schedule. See policy for complete details.
4. *Preferred* will pay for covered loss to your real property, inland marine or personal property:
  - a. At the location shown on the Schedule of the Declarations,
  - b. Property in the open within 1,000 feet of locations described in a. above,**
  - c. With respects to Inland Marine, at or away from your covered location.
5. No Coinsurance Clause.
6. Certain coverages subject to sub-limits stated in policy.
7. During the current Coverage Agreement period, *Preferred* will not charge an additional premium for **new locations** if the value of a **new location** or total value of all **new locations** at the same physical address that are acquired or newly constructed during the coverage agreement period **is less than \$15,000,000** and if the location is acquired after the inception date of the Coverage Agreement. If the newly added location was owned or acquired prior to the inception date of the Coverage Agreement then premium is due at the time the location is added.
8. The *Preferred* Property Program is a shared limit. The limits purchased are a per occurrence limit and in the event an occurrence exhaust the limit purchased by *Preferred* on behalf of the members, payment to you for a covered loss will be reduced pro-rata based on the amounts of covered loss by all members affected by the occurrence.
9. ***Preferred will be appraising all property currently scheduled. At time of finalization of appraisal, building values are to be adjusted accordingly or Stated Value endorsement will continue to apply. If the appraised values are selected, Blanket coverage will be endorsed to the policy.***

## Utilities Property Option 2

| <b>Sublimits of Coverage</b>   |   |
|--|---|
| Sublimits apply as part of, and not in addition to, the overall Total Insured Values coverage limit. |   |
| \$500,000  | Accounts Receivable, per occurrence   |
| \$1,000,000  | Additional Expense  |
| \$40,000   | Animals, annual aggregate   |
| \$500,000  | Business Income   |
| \$250,000, or 25% of loss<br>whichever is greater  | Debris Removal, per occurrence  |
| \$500,000  | Demolition Cost, Ordinance & Increased Cost of Construction, per occurrence   |
| Included   | Duty to Defend  |
| \$250,000  | Errors and Omissions, per occurrence  |
| \$5,000  | Expediting Expense, per occurrence  |
| \$25,000   | Fire Department Charges, per occurrence   |
| \$50,000   | Fungus Cleanup Expense, annual aggregate  |
| \$25,000   | Lawns, Plants, Trees and Shrubs, Excludes Wind (see policy form for additional restrictions)  |
| \$2,000,000  | New Locations, per occurrence – 60 days from the date new location(s) is first purchased, rented or occupied, whichever is earlier. See policy for details. |
| \$50,000   | Personal Property of Employees, per occurrence  |
| \$50,000   | Pollution Cleanup Expense, annual aggregate   |
| \$250,000  | Preservation of Property, per occurrence  |
| \$20,000   | Professional Fees, per occurrence   |
| \$150,000  | Property at Miscellaneous Unnamed Locations   |
| \$10,000   | Recertification, per occurrence   |
| \$100,000  | Service Interruption Coverage, per occurrence   |
| \$250,000  | Transit, per occurrence   |

## Utilities Property Major Exclusions Option 2

Property **Not** Covered includes but not limited to:

1. Animals, water, land including land on which the property is located, shrubs, trees, lawns, growing crops, or standing timber, except under conditions described in the “Extensions of Coverage” section of the policy.
2. Aircraft.
3. Property you sold under conditional sale, trust agreement, installment payment, or other deferred payment plan after such property has been delivered to the customer.
4. Caves, caverns, mines or any type, or any property contained within them.
5. Currency, money, notes or securities.
6. Dams, dikes or levees.
7. Contraband or property in the course of illegal transportation or trade.
8. Property covered under import or export ocean cargo policies.
9. Property you transport as a common carrier.
10. Property shipped by mail, unless sent registered or certified.
11. **Watercraft unless loss is from a specified peril and scheduled on the inland marine schedule.**
12. Vehicles licensed or designed for highway use, unless shown on the Property Declaration, Extensions of Coverage item U, and then no coverage for any **over the road coverage**, or collision with another vehicle or object. The AOP deductible applies per occurrence and in the event of a Named Storm the Named Storm deductible applies per vehicle rather than per location. This coverage is paid at actual cash value at time of loss.
13. Bulkheads, docks, piers, wharves, retaining walls, boardwalks or underwater conduits from: freezing and thawing; impact of watercraft; waves, or debris driven by waves; pressure or weight of ice or water, whether driven by wind or not; or sinking or settling.
14. Dune walkovers, unless loss is at a covered location and from a specified peril other than collapse. **No wind coverage is afforded for dune walkovers.**
15. Electrical or communication lines, towers, and poles you own that are not located on a “covered location” insured under this policy.
16. Personal property of volunteers.
17. Underground pipes, unless loss is from a specified peril.
18. If building has been vacant for more than 90 consecutive days before a loss or damage, the following perils will be excluded: Vandalism, Sprinkler leakage, unless the system has been protected against freezing, building glass breakage, water damage, theft or attempted theft.
19. Loss or damage to any portion of the roof, roof surfacing, awnings, or covered walkways that alters only the appearance of any portion of the roof, roof coverings, awnings or covered walkways (including but not limited to marring, pitting, scratches, or dents) but does not result in damage that allows the penetration of water through the roof covering or result in the failure of the roof covering to perform its intended function to keep out elements over an extended period of time. Roof coverings means shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof, and includes all materials used in securing the roof surface and all materials applied to or used under the roof surface for moisture protection.



## Utilities Property Major Exclusions Option 2

Excluded Risks of Direct Physical Loss include but not limited to:

1. War, invasion, acts of foreign enemies, hostilities or war like operations, civil war, rebellion, revolution, insurrection, civil commotion, military, usurped power, or any act of terrorism
2. Biological or Chemical Materials
3. Electronic Data or Electronic Data Recognition Exclusion
4. Asbestos
5. Damage caused by electronic currents artificially generated.
6. Pollution, except as provided under "Extensions of Coverage"
7. Building ordinance enforcement or Government action
8. Nuclear reaction
9. Utility failure
10. Fungus, except as provided under "Extensions of Coverage"
11. Any offshore oil well or oil shipping/tanker incident and the ensuing oil spill
12. Boiler & Machinery

**"Named Storm"** Definition: "...the direct action of wind, **including wind driven water and storm surge** when associated with or occurring in conjunction with a storm or weather disturbance which is named..." Wind driven water and storm surge loss are NOT subject to Flood Sublimit and are included to the blanket limits.

Flood coverage in zones A or V, or within a 100 Year Flood Plain as designated by the United States Army Corps of Engineers, will have a special flood deductible equal to all flood insurance available for such property under the NFIP, whether purchased or not or 5% of the Total Insured Value at each affected location whichever is greater. If such property is not eligible for the National Flood Insurance Program because the community in which the property is located does not participate in the NFIP, the Special Flood Deductible will be \$1,000,000 per insured location damaged in the flood occurrence or 5% of the Total Insured Value at each affected location whichever is greater.

Flood zones A will include, but not be limited to all the sub-classifications of AO, AH, AE, AR, A1 through A99, or any other sub-classification with the A prefix or designation. Flood zones V will include, but not be limited to all the sub-classifications of VO, VH, VE, VR V1 through V99, or any other sub-classification with the V prefix or designation. See policy form for special deductible restrictions.

## Utilities Property Equipment Breakdown

**Term:** October 1, 2024 to October 1, 2025

**Company:** Valley Forge Insurance Company (CNA)  
(Rated A XV by A.M. Best)

**TIV:** \$124,180,801

| Covered Premises  |
|---|
| <ul style="list-style-type: none"> <li>22nd Ave N At N D St, Lake Worth, FL 33460</li> <li>501 S College Street, Lake Worth, FL 33460</li> <li>22nd Avenue N, Lake Worth, FL 33460</li> <li>15th Ave S At S E St, Lake Worth, FL 33460</li> <li>117 College St, <b>Excluding The S5 &amp; S3 Turbine Buildings</b>, Lake Worth, FL 33460</li> <li>1900 2nd Ave N, Lake Worth, FL 33461</li> <li>301 College St, Lake Worth, FL 33460</li> <li>Golfview &amp; Lake Ave-Bryant Park, Lake Worth, FL 33460</li> <li>1601 Wingfield St, Lake Worth, FL 33460</li> </ul> |

| Property Damage   |  |  |
|-------------------|--|--|
| Limit:            | Coverage:  | Deductible   |
| \$100,000,000     | Property Damage  | Property Damage:<br>\$100,000,<br>except<br><br>All power<br>generation<br>equipment<br>deductible is<br>\$300,000 |
| Sublimits:        |  |  |
| \$100,000         | Expediting Expense   |  |
| Included, 90 Days | Newly Acquired Premises  |  |
| \$100,000         | Ordinance or Law   |  |
| \$100,000         | Errors and Omissions   |  |
| \$25,000          | Loss Adjustment Expenses   |  |
| Included          | Off Premises Equipment   |  |
| \$15,000          | Limited Cover for Fungus, Wet Rot and Dry Rot                    |  |
| \$100,000         | Increased Cost Of Loss And Related Expenses For "Green" Upgrades |  |
| \$100,000         | Hazardous Substances   |  |
| \$25,000          | Water Damage   |  |
| \$100,000         | Refrigerant Contamination  |  |
| \$25,000          | Undamaged Stock  |  |
| \$25,000          | Data and Media   |  |

**Special Note: Actual Cash Value for all covered equipment 25 years of age or older**

## Utilities Property Equipment Breakdown

Forms, endorsements and exclusions, which may not be deleted, include but not limited to:

| Form        | Ed. Date | Form Name   |
|-------------|----------|---|
| CNA102797FL | 10/21    | FL Insurance Guaranty Association (FIGA) Assmt.     |
| CNA62823XX  | 04/23    | Req for Jurisdictional Insp Of Boilers And Pressure |
| CNA77863FL  | 02/14    | Policyholder Notice Florida                         |
| CNA81758FL  | 01/21    | PHN - FL: Offer of Terrorism Disclosure of Premium  |
| G144291A    | 03/03    | Economic And Trade Sanctions Condition              |
| CNA95600XX  | 03/21    | Schedule of Coverages and Limits                    |
| CNA96177XX  | 03/21    | Equipment Breakdown Protection Coverage Form        |
| IL0003      | 09/08    | Calculation of Premium                              |
| IL0017      | 11/98    | Common Policy Conditions                            |
| IL0952      | 01/15    | Cap on Losses From Certified Acts of Terrorism      |
| CNA96605XX  | 03/21    | Deductibles - Specified Equipment Endorsement       |
| CNA96640XX  | 03/21    | Production Machinery Exclusion                      |
| CNA96642XX  | 03/21    | Actual Cash Value                                   |
| IL0175      | 09/07    | Florida Changes - Legal Action Against Us           |
| IL0255      | 03/24    | Florida Changes - Cancellation and Nonrenewal       |

## Pollution Liability

Term: October 1, 2024 to October 1, 2025

Company: Indian Harbor Insurance Company  
(Rated A+ XV by A.M. Best)

Form: Claims Made

Retroactive date: 5/1/2001 – Various Locations  
Various – Storage Tanks

| Coverage  | Limit               | Self-Insured Retention |
|---|---------------------|------------------------|
| <b>Aggregate Limit</b>  | <b>\$10,750,000</b> | <b>\$50,000</b>        |
| <b>Legal Expense Aggregate Limit of Liability<br/>(in addition to the Aggregate Limit of Liability)</b> | <b>\$1,075,000</b>  |                        |
| <b>Your Location Coverage</b>   |                     |                        |
| Retroactive Date: Please refer to attached policy form EVPRL015a  |                     |                        |
| Your Location Limit of Liability for each Pollution Condition   | \$3,000,000         | \$50,000               |
| Your Location Aggregate Limit of Liability  | \$10,750,000        | Each Condition         |
| <b>Emergency Remediation Expense</b>  |                     |                        |
| Emergency Remediation Expense Limit of Liability for each Pollution Condition                           | \$500,000           | \$50,000               |
| Emergency Remediation Expense Aggregate Limit of Liability  | \$500,000           | Each Condition         |
| <b>Contingent Transportation Coverage</b>   |                     |                        |
| Contingent Transportation Limit of Liability for Each Pollution Condition                               | \$3,000,000         | \$50,000               |
| Contingent Transportation Aggregate Limit of Liability  | \$10,750,000        | Each Condition         |
| <b>Non-Owned Disposal Site</b>  |                     |                        |
| Retroactive Date: 11/11/2011  |                     |                        |
| Non-Owned Disposal Site Limit of Liability for each Pollution Condition                                 | \$3,000,000         | \$50,000               |
| Non-Owned Disposal Site Aggregate Limit of Liability  | \$10,750,000        | Each Condition         |

## Pollution Liability

Coverage Form & Endorsements include but not limited to:

| Form Description  | Form Number       |
|---|-------------------|
| Coverage Form   | EVPRLCP 0419      |
| Your Location(s) Schedule   | EVPRL001a 0820    |
| Retroactive Date(s) for Specific Your Location(s)   | EVPRL015a 0622    |
| Additional Coverages for Municipalities   | EVPRL070a 1220    |
| Asbestos and Lead-Based Paint Exclusion Amendment   | EVPRL411a 0419    |
| PFAS Exclusion for Specific Your Locations(s)   | EVPRL433a 1220    |
| Legionella Coverage   | EVPRL317a 0820    |
| State of Florida Coverage for Certified Acts of Terrorism, Subject to Cap and Coverage for Other Acts of Terrorism Committed Within the United States (if accepted)                 | EVPRL930a-FL 0419 |
| Exclusion of Certified Acts of Terrorism, and Terrorism Committed Outside of United States (if rejected)  | EVPRL931a 0419    |
| Financial Responsibility Endorsement for Aboveground and/or Underground Storage Tank(s) – Single State  | EVPRL941b 0820    |
| State of Florida Storage Tank Financial Assurance Endorsement for Releases from Aboveground and/or Underground Storage Tank(s) for Covered Location(s) in the State of Florida Only | EVPRL949a 0820    |

### Pollution and Remediation Legal Liability

#### Covered Locations

- Municipal Golf Course, One 7th Avenue N., Lake Worth, FL 33460
- Master Pump Station, 2nd Ave. & Golfview Dr., Lake Worth, FL 33460
- Repump Station, 1910 2nd Ave. N, Lake Worth, FL 33461
- Public Works, 1749 3rd Ave. S, Lake Worth, FL 33460
- Public Safety Complex, 120 N. G St., Lake Worth, FL 33460
- Water Treatment Plant, 301 College St., Lake Worth, FL 33460
- South Water Booster Station, 1600 S.E. St., Lake Worth, FL 33460
- North Water Booster Station, 22nd Ave. N. & N. D St., Lake Worth, FL 33460
- Floridan Well F-1, 517 College St., Lake Worth, FL 33460
- Floridan Well F-2, 1502 Lake Osborne Dr., Lake Worth, FL 33460
- Lift Station, 6300 Old Congress Rd., Lake Worth, FL 33460
- City Hall, 7 N. Dixie Hwy., Lake Worth, FL 33460
- Tom G. Smith Municipal Power Plant, 117 College St., Lake Worth, FL 33460

**Pollution Liability**  
**Aboveground and/or underground storage tank(s) schedule**

| UST/AST | Covered Location   | Tank Size (gallons) | Tank Contents     |
|---------|--|---------------------|-------------------|
| AST     | Power Plant<br>117 College St.<br>Lake Worth, FL 33460                 | 395,000             | Residual Oils     |
| AST     | Power Plant<br>117 College St.<br>Lake Worth, FL 33460                 | 126,000             | Diesel            |
| AST     | Power Plant<br>117 College St.<br>Lake Worth, FL 33460                 | 2 - 28,000          | Diesel            |
| AST     | Power Plant<br>117 College St.<br>Lake Worth, FL 33460                 | 2 - 20,000          | Diesel            |
| AST     | Power Plant<br>117 College St.<br>Lake Worth, FL 33460                 | 2 - 15,600          | Diesel            |
| AST     | Power Plant<br>117 College St.<br>Lake Worth, FL 33460                 | 5,000               | Mineral Acids     |
| AST     | Power Plant<br>117 College St.<br>Lake Worth, FL 33460                 | 2,200               | Mineral Acids     |
| AST     | Power Plant<br>117 College St.<br>Lake Worth, FL 33460                 | 950                 | New/Lube Oil      |
| AST     | Municipal Golf Course<br>One 7th Ave. N<br>Lake Worth, FL 33460        | 1,000               | Unleaded Gasoline |
| AST     | Master Pump Station<br>2nd Ave. & Golfview Dr.<br>Lake Worth, FL 33460 | 10,000              | Generator Diesel  |
| AST     | Master Pump Station<br>2nd Ave. & Golfview Dr.<br>Lake Worth, FL 33460 | 2,000               | Chlorine Compound |
| AST     | Master Pump Station<br>2nd Ave. & Golfview Dr.<br>Lake Worth, FL 33460 | 1,450               | Chlorine Compound |
| AST     | Repump Station<br>1910 2nd Ave. N<br>Lake Worth, FL 33460              | 1,500               | Generator Diesel  |
| AST     | Public Works<br>1749 3rd Ave. S<br>Lake Worth, FL 33460                | 275                 | Waste Oil         |

**Pollution Liability**  
**Aboveground and/or underground storage tank(s) schedule cont'd**

| UST/AST | Covered Location  | Tank Size (gallons) | Tank Contents       |
|---------|---|---------------------|---------------------|
| AST     | Public Safety Complex<br>120 N.G.St.<br>Lake Worth, FL 33460                    | 1,000               | Generator Diesel    |
| AST     | Water Treatment Plant<br>301 College St.<br>Lake Worth, FL 33460                | 6,000               | Generator Diesel    |
| AST     | Water Treatment Plant<br>301 College St.<br>Lake Worth, FL 33460                | 8,000               | Generator Diesel    |
| AST     | Water Treatment Plant<br>301 College St.<br>Lake Worth, FL 33460                | 1,000               | Ammonia Compound    |
| AST     | Water Treatment Plant<br>301 College St.<br>Lake Worth, FL 33460                | 4 - 4,500           | Chlorine Compound   |
| AST     | Water Treatment Plant<br>301 College St.<br>Lake Worth, FL 33460                | 3 - 2,256           | Caustic Soda        |
| AST     | Water Treatment Plant<br>301 College St.<br>Lake Worth, FL 33460                | 2 - 2,400           | Mineral Acids       |
| AST     | Water Treatment Plant<br>301 College St.<br>Lake Worth, FL 33460                | 6,770               | Caustic Soda        |
| AST     | South Water Booster Station<br>1600 S.E. St.<br>Lake Worth, FL 33460            | 1,470               | Generator Diesel    |
| AST     | North Water Booster Station<br>22nd Ave. N. & N. D. St.<br>Lake Worth, FL 33460 | 1,470               | Generator Diesel    |
| AST     | Floridian Well F-1<br>517 College St.<br>Lake Worth, FL 33460                   | 500                 | Diesel              |
| AST     | Floridian Well F-2<br>1502 Lake Osborne Dr.<br>Lake Worth, FL 33460             | 500                 | Diesel              |
| AST     | Lift Station<br>6300 Old Congress Rd.<br>Lake Worth, FL 33460                   | 3,100               | Hazardous Substance |
| AST     | City Hall<br>7 N. Dixie Hwy.<br>Lake Worth, FL 33460                            | 290                 | Diesel              |

**Pollution Liability**  
**Aboveground and/or underground storage tank(s) schedule cont'd**

| <b>UST/AST</b> | <b>Covered Location</b>  | <b>Tank Size (gallons)</b> | <b>Tank Contents</b> |
|----------------|--|----------------------------|----------------------|
| AST            | Municipal Golf Course<br>One 7th Ave. N.<br>Lake Worth, FL 33460       | 1,000                      | Vehicular Diesel     |
| AST            | Master Pump Station<br>2nd Ave. & Golfview Dr.<br>Lake Worth, FL 33460 | 2,000                      | Hazardous Substance  |
| AST            | Public Works<br>1749 3rd Ave. S<br>Lake Worth, FL 33460                | 2 - 275                    | New/Lube Oil         |
| AST            | Water Treatment Plant<br>301 College St.<br>Lake Worth, FL 33460       | 6,770                      | Chlorine Compound    |
| AST            | Power Plant<br>117 College Street<br>Lake Worth, FL 33460              | 5,000                      | Hazardous Substance  |
| AST            | Power Plant<br>117 College Street<br>Lake Worth, FL 33460              | 5,000                      | New/Lube Oil         |



## Pollution Liability

### Important notes:

1. Policy limits do not annually reinstate.
2. Covered pollution conditions must commence after the retro date of this policy and before the end of the policy period.
3. No flat cancellation allowed. Policy is subject to 25% minimum earned premium.
4. Premium quoted includes Loss Control/Risk Management Support Service Fee.
5. This insurance is issued pursuant to the FL Surplus Lines laws. Entities insured by surplus lines carriers do not have the protection of the FL Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.

### Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

### Extended Reporting Periods:

XL provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

**Automatic Extended Reporting Period** – continued coverage granted for a period of 90 days following the effective date of termination or nonrenewal, but only for Claims first made during the 60 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

**Optional Extended Reporting Period** – The Public Entity shall have the right, upon payment of up to 100% of the expiring premium, to purchase an Optional Extended Reporting Period, for the period of 36 months following the effective date of the cancellation or nonrenewal, but only for Claims first made during the Optional Extended Reporting Period and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

**Premium Recapitulation**  
**Page 1 of 3**

|   | <u>Annual Premium</u> | <u>Check Option</u>      |                          |
|---|-----------------------|--------------------------|--------------------------|
|   |                       | <u>Accept</u>            | <u>Reject</u>            |
| <b>Preferred Package</b>                          |                       |                          |                          |
| Non-Utility Property & Equipment Breakdown        | \$327,283.00          | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Option - Catastrophic Damage on Vehicles:</b>  |                       |                          |                          |
| Total Insured Value: \$15,028,722                 |                       |                          |                          |
| \$5,000 All Other Peril Deductible                | \$36,068.00           | <input type="checkbox"/> | <input type="checkbox"/> |
| 5% Named Wind Storm Deductible                    |                       |                          |                          |
| <b>NO over the road Coverage</b>                  |                       |                          |                          |
| Inland Marine                                     | \$8,246.00            | <input type="checkbox"/> | <input type="checkbox"/> |
| Crime / Employee Dishonesty                       | \$1,500.00            | <input type="checkbox"/> | <input type="checkbox"/> |
| General Liability                                 | \$62,678.00           | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Option - \$50,000 and \$100,000 retention</b>  | Not Available         |                          |                          |
| Deadly Weapon Protection*                         | Included              |                          |                          |
| Public Officials / Employment Practices Liability | \$70,861.00           | <input type="checkbox"/> | <input type="checkbox"/> |
| Cyber Liability                                   | \$25,001.00           | <input type="checkbox"/> | <input type="checkbox"/> |
| Automobile Liability                              | \$30,691.00           | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Option - \$50,000 and \$100,000 retention</b>  | Not Available         |                          |                          |
| Excess Workers Compensation                       | \$89,028.00           | <input type="checkbox"/> | <input type="checkbox"/> |
| Package Payment Plan:                             | Annual                |                          |                          |

**\*Deadly Weapon Protection Coverage: Any Event that occurs at a Location which has been specifically leased or loaned by the City to any other entity or individual to host a permitted event planned and ticketed for more than 15,000 attendees over the duration of the event, MUST BE reported to AND APPROVED by Preferred PRIOR to event. The Trust may, at their discretion, charge an additional premium and/or impose additional conditions specifically for that event.**

**All lines of coverage must be accepted in order to bind coverage with Preferred.**

Premium Recapitulation  
Page 2 of 3

|   | <u>Annual Premium</u> | <u>Check Option</u>      |                          |
|---|-----------------------|--------------------------|--------------------------|
|   |                       | <u>Accept</u>            | <u>Reject</u>            |
| <b>Utility Property</b>   |                       |                          |                          |
| <b>Option 1:</b>  |                       |                          |                          |
| <b>Starr Surplus Lines Insurance Company</b>  |                       |                          |                          |
| Premium   | \$1,000,000.00        |                          |                          |
| EMPA Fee  | 4.00                  |                          |                          |
| Engineering Fee   | \$7,500.00            |                          |                          |
| <b>Total Premium</b>  | <b>\$1,007,504.00</b> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>Optional - Certified Terrorism</i>   | \$16,200.00           | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>Optional - Non-Certified Terrorism</i>   | \$1,800.00            | <input type="checkbox"/> | <input type="checkbox"/> |
| <br>  |                       |                          |                          |
| <b>Option 2:</b>  |                       |                          |                          |
| <b>Preferred Governmental Insurance Trust</b>   |                       |                          |                          |
| <i>*Please note Utility Property Coverage cannot be bound without the package policy.</i> |                       |                          |                          |
| Premium   | \$777,283.00          | <input type="checkbox"/> | <input type="checkbox"/> |
| <br>  |                       |                          |                          |
| <b>Equipment Breakdown / Boiler &amp; Machinery (For Option 1 and 2)</b>                  |                       |                          |                          |
| <b>Valley Forge Insurance Company (CNA)</b>   |                       |                          |                          |
| Equipment Breakdown Premium   | \$82,504.13           |                          |                          |
| FIGA Assessment   | \$1,000.05            |                          |                          |
| <b>Total Premium</b>  | <b>\$83,504.18</b>    | <input type="checkbox"/> | <input type="checkbox"/> |
| <br>  |                       |                          |                          |
| <b>Total Premium for Option 1</b>   | <b>\$1,091,008.18</b> |                          |                          |
| <b>Total Premium for Option 2</b>   | <b>\$860,787.18</b>   |                          |                          |
| <br>  |                       |                          |                          |
| <b>Pollution Liability</b>  | \$46,545.00           | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>Optional - Terrorism</i>   | \$465.45              | <input type="checkbox"/> | <input type="checkbox"/> |

**Premium Recapitulation**  
**Page 3 of 3**

**I authorize Brown & Brown to request the underwriters to bind coverage on the items indicated above and acknowledge receipt of the Compensation and Financial Condition Disclosure(s) provided in this proposal.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name & Title)

\_\_\_\_\_  
(Date)

**Notes of Importance:**

1. Quotes provided in the proposal are valid until 10/01/2024. After this date terms and conditions are subject to change by the underwriters.
2. *Preferred* is not subject to the Florida Insurance Guaranty Act, in the event it becomes unable to meet its claims payment obligations. However, insured is named on excess of loss policies.
3. Some of the Carriers of the *Preferred* excess of loss policies are issued pursuant to the FL Surplus Lines laws. Entities insured by surplus lines carriers do not have the protection of the FL Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.
4. Quote is subject to review and acceptance by *Preferred* Board of Trustees.
5. Premiums are subject to change if all lines of coverage quoted are not bound. **Premiums are subject to 25% minimum premium upon binding.**
6. Not all coverages requested may be provided in this quotation.
7. Flood quotes from NFIP may be available. Please advise your agent if you have property located in zones A or V and would like to have separate NFIP quotes.
8. Property values are based on information supplied by you. You should have reviewed your property schedule and as you deem necessary have appraisals done to verify your reported values are accurate based on current market conditions.
9. The Trust requires all Members to maintain valid and current certificates of workers' compensation insurance for all work performed by persons other than its employees.
10. **The total premium is due within 30 days of inception. Premium financing can be arranged if needed.**
11. Quote is not bound until written orders to bind are received from the insured and the Trust and Company subsequently accepts the risk.
12. Should signed application reveal differing details/data than original application received, the entire quote/binder is subject to revision and possible retraction.
13. Higher limits of liability may be available. Please consult with your agent.
14. This proposal is based upon exposures to loss made known to the Brown & Brown. Any changes in exposures (i.e. new operations, new acquisitions of property or change in liability exposure) need to be promptly reported to us in order that proper coverage may be put into place.
15. **This proposal is intended to give a brief overview. Please refer to coverage agreements for complete information regarding definition of terms, deductibles, sub-limits, restrictions and exclusions that may apply. In the event of any differences, the policy will prevail.**

## Retail Compensation Disclosure

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 of 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.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. 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 is derived from your premium payment, which may on average be 15% of the premium you pay for coverage, and may include additional fees charged by the intermediary.

Questions and Information Requests. Should you have any questions, or require additional information, please contact this office at (386) 252-6176 or, if you prefer, submit your question or request online at <http://www.bbinsurance.com/customerinquiry/>.

## ***PREFERRED* Compensation Disclosure**

We appreciate the opportunity to assist with your insurance needs. Information concerning compensation paid to other entities for this placement and related services appears below. Please do not hesitate to contact us if any additional information is required.

Our office is owned by Brown & Brown, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so.

For the 2024 – 2025 policy year, your insurance was placed with Preferred Governmental Insurance Trust (*Preferred*). *Preferred* is an insurance trust formed by Florida public entities through an Interlocal Agreement for the purpose of providing its members with an array of insurance coverages and services. *Preferred* has contracted with entities owned by Brown & Brown, Inc. to perform various services. As explained below, those Brown & Brown entities are compensated for their services.

*Preferred* has contracted with Public Risk Underwriters (PRU), a company owned by Brown & Brown, Inc., to administer *Preferred's* operations. The administrative services provided by PRU to *Preferred* include:

- Underwriting
- Coverage review
- Marketing
- Policy Review
- Accounting
- Issuance of *Preferred* Coverage Agreements
- *Preferred* Member Liaison
- Risk Assessment and Control

Pursuant to its contract with *Preferred*, Public Risk Underwriters of Florida, Inc. (PRU) receives an administration fee, based on the size and complexity of the account, of up to 10% of the *Preferred* premiums billed and collected.

*Preferred* has also contracted with Preferred Governmental Claims Solutions (PGCS), a company owned by Brown & Brown, Inc., for purposes of administering the claims of *Preferred* members. The services provided by PGCS to *Preferred* may include:

- Claims Liaison with Insurance Company
- Claims Liaison with *Preferred* Members
- Claims Adjustment

Pursuant to its contract with *Preferred*, PGCS receives a claims administration fee for those accounts which PGCS services of up to 5% of the non-property portion of the premiums you pay to *Preferred*.

*Preferred* also utilizes wholesale insurance brokers, some of which (such as Peachtree Special Risk Brokers and Apex Insurance Services) are owned by Brown & Brown, Inc., for the placement of *Preferred's* insurance policies. The wholesale insurance broker may provide the following services:

- Risk Placement
- Coverage review
- Claims Liaison with Insurance Company
- Policy Review
- Current Market Intelligence

The wholesale insurance broker's compensation is largely dictated by the insurance company. It typically ranges between 10% and 17% of the premiums you pay to *Preferred* for your coverage.

## Notice of Carrier Financial Status

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Risk Management Associates, Inc., and its parent company, Brown & Brown, Inc. (collectively “Brown & Brown”) do not certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer or pooling entity. We endeavored to place your coverage with an insurance carrier with an AM Best Company financial rating of “A-” or better.\* While Brown & Brown cannot certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer or pooling entity or otherwise predict whether the financial condition of any such entity might improve or deteriorate, we are hereby providing you with notice and disclosure of financial condition so that you can make an informed decision regarding the placement of coverage. Accordingly, with receipt of this notice you acknowledge the following with regard to the placement and any subsequent renewal of the coverage indicated below:

- Brown & Brown may have other options for your insurance placement, including quotations with insurance carriers holding an “A-” or better rating from AM Best Company. Alternative quotes may be available with an A- or better rated carrier upon your request.
- Coverage is being renewed or quoted through **Preferred Governmental Insurance Trust (“Preferred”)**, which is as a Florida local government self-insurance fund established pursuant to Section 624.4622, Florida Statutes, as such **Preferred** is not rated by the AM Best Company.
- **Preferred** is not subject to the protections afforded by any state guaranty fund or association.
- The financial condition of insurance companies and other coverage providers including local government self-insurance funds like **Preferred** may change rapidly and that such changes are beyond the control of Brown & Brown.
- You should review the financial and membership information from **Preferred** and agree to abide by the conditions of membership established by **Preferred**.
- You should consider the information provided, including the **Preferred** coverage quote and coverage placement and review it with your accountants, legal counsel and advisors.

**Named Insured:** City of Lake Worth Beach  
**Line of Coverage(s):** Property, Inland Marine, Crime, General Liability, Employee Benefits Liability, Deadly Weapon Protection, Automobile Liability, Public Officials Liability, Employment Practices Liability, Cyber Liability, Excess Workers Compensation  
**Policy Number(s):** PX FL1 0502013 24-15 & PR FL1 0502013 24-01  
**Policy Period(s):** 10/01/2024 – 10/01/2025  
**Date of Notice:** 7/23/2024

\* AM Best Rating Guide: Rating for Stability: A++ to F = Highest to lowest rating  
Financial Size Category: XV to I - Largest to smallest rating



| Guide to Bests Ratings |        |   |
|------------------------|--------|---|
| Best Category          | Rating | Description                                   |
| Secure                 | A++    | Superior                                      |
| Secure                 | A+     | Superior                                      |
| Secure                 | A      | Excellent                                     |
| Secure                 | A-     | Excellent                                     |
| Secure                 | B++    | Very Good                                     |
| Secure                 | B+     | Very Good                                     |
| Vulnerable             | B      | Fair  |
| Vulnerable             | B-     | Fair  |
| Vulnerable             | C++    | Marginal                                      |
| Vulnerable             | C+     | Marginal                                      |
| Vulnerable             | C      | Weak  |
| Vulnerable             | C-     | Weak  |
| Vulnerable             | D      | Poor  |
| Vulnerable             | E      | Under Regulatory Supervision                  |
| Vulnerable             | F      | In Liquidation                                |
| Vulnerable             | S      | Rating Suspended                              |
| Not Rated              | NR-1   | Insufficient Data                             |
| Not Rated              | NR-2   | Insufficient Size and/or operating experience |
| Not Rated              | NR-3   | Rating Procedure Inapplicable                 |
| Not Rated              | NR-4   | Company Request                               |
| Not Rated              | NR-5   | Not Formally Followed                         |
| Rating Modifier        | u      | Under Review                                  |
| Rating Modifier        | q      | Qualified                                     |
| Affiliation Code       | g      | Group   |
| Affiliation Code       | p      | Pooled  |
| Affiliation Code       | r      | Reinsured                                     |

| Guide to Best's Financial Size Categories   |             |                                   |
|---|-------------|-----------------------------------|
| Reflects size of insurance company based on their capital, surplus and conditional reserve funds in U.S. dollars. | <b>I</b>    | Less than \$1,000,000             |
|   | <b>II</b>   | \$1,000,000 - \$2,000,000         |
|   | <b>III</b>  | \$2,000,000 - \$5,000,000         |
|   | <b>IV</b>   | \$5,000,000 - \$10,000,000        |
|   | <b>V</b>    | \$10,000,000 - \$25,000,000       |
|   | <b>VI</b>   | \$25,000,000 - \$50,000,000       |
|   | <b>VII</b>  | \$50,000,000 - \$100,000,000      |
|   | <b>VIII</b> | \$100,000,000 - \$250,000,000     |
|   | <b>IX</b>   | \$250,000,000 - \$500,000,000     |
|   | <b>X</b>    | \$500,000,000 - \$750,000,000     |
|   | <b>XI</b>   | \$750,000,000 - \$1,000,000,000   |
|   | <b>XII</b>  | \$1,000,000,000 - \$1,250,000,000 |
|   | <b>XIII</b> | \$1,250,000,000 - \$1,500,000,000 |
|   | <b>XIV</b>  | \$1,500,000,000 - \$2,000,000,000 |
|   | <b>XV</b>   | Greater than \$2,000,000,000      |

Brown & Brown always strives to place your coverage with highly secure insurance companies. We cannot, however, guarantee the financial stability of any carrier.

## Statement Acknowledging That Coverage Has Been Placed With A Non-Admitted Carrier

Per Florida Statute, the insured is required to sign the following E&S disclosure:

The undersigned hereby agrees to place insurance coverage in the surplus lines market and understands that superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

City of Lake Worth Beach  
Named Insured

\_\_\_\_\_  
Signature of Insured's Authorized Representative

\_\_\_\_\_  
Date

Indian Harbor Insurance Co.  
Name of Excess and Surplus Lines Carrier

Pollution Liability  
Type of Insurance

PEC004832007  
Renewal of Policy Number

10/01/2024-10/01/2025  
Effective/Expiration Date of Coverage

Florida  
State

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**PREFERRED GOVERNMENTAL  
INSURANCE TRUST**

**SEPTEMBER 30, 2023 AND 2022**

## **C O N T E N T S**

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Shores, Tagman, Butler & Company, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITORS' REPORT**

**Board of Trustees  
Preferred Governmental Insurance Trust  
Lake Mary, Florida**

We have audited the accompanying financial statements of Preferred Governmental Insurance Trust, (the "Trust"), which comprise the Statements of Net Position as of September 30, 2023 and 2022, and the related Statements of Revenues, Expenses and Changes in Trust Net Position, Statements of Cash Flows for the years then ended, and the related Notes to Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of September 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in the Notes to Financial Statements, the terms of the Trust's service contract provide for claims adjusting services on claims that arose during the contract period provided that the contract remains in effect. In the event the contract is terminated, the Trust will be liable for the additional expenses related to adjusting these claims until all such claims are concluded. The amount of this liability, if any, cannot be presently determined. Accordingly, the accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

## **INDEPENDENT AUDITORS' REPORT - CONTINUED**

### **Emphasis of Matter - Continued**

As discussed in the Notes to Financial Statements, the reserves for unpaid losses and loss adjustment expenses in the accompanying financial statements are based upon evaluations by the Trust's independent actuary. Management believes that these estimates are reasonable. However, these estimates are subject to change and the change can be material in relation to the financial statements taken as a whole. No assurance can be given that the actual losses will not be more or less than the current estimates. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year from the date the financial statements are issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## INDEPENDENT AUDITORS' REPORT - CONTINUED

### Auditors' Responsibilities for the Audit of the Financial Statements - Continued

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Report on Management Discussion and Analysis

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Sh, Tgn, Butler: Company, P.A.*

January 17, 2024

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Preferred Governmental Insurance Trust (the Trust) has prepared the following narrative overview and analysis of the financial activities of the Trust for the fiscal years ending September 30, 2023 and 2022 using other comparative years as appropriate. We encourage readers to consider the information presented here in conjunction with the Trust's financial statements and Notes to Financial Statements to enhance their understanding of the Trust's financial performance.

#### *Financial Highlights*

Unless otherwise indicated, performance throughout this analysis is expressed in thousands.

- The Trust experienced a \$3,810 decrease in net position from 2022 to 2023, or -9.4%. The majority of the loss can be traced to a 22.3% increase in excess insurance costs that consumed most of the Trust's 13.8% increase in premium revenue and created an 11.7% increase in underwriting loss. The market-driven change to the Trust's cost structure was not fully anticipated in current year rates. Net position fell from \$40,464 to \$36,654. Total net position decreased by \$41,477 from 2021 to 2022, or -50.6%, to a total of \$40,464. The prior year changes in net position, however, were driven by unprecedented unrealized investment losses of nearly \$40 million (not in thousands). Current year operating activity shows a rebound in investment earnings and successful responses to many of the negative factors impacting prior years.
- Total assets increased by \$3,847 from 2022 to 2023, or 1.7%, to a total of \$224,420. Most of that improvement can be traced to a 42.2% increase in cash, however, improved investment returns contributed to the change. Total assets decreased by \$40,393 from 2021 to 2022, or 15.5%, to a total of \$220,573. Prior year deterioration was attributable to unrealized investment losses.
- Investment earnings have consistently tracked with internally adopted benchmarks. Overall investment income of \$11,884 represent returns of 5.6% on average investment balances in 2023. The Trust's benchmark return was 4.9% and its performance bested that mark. Investment losses in 2022 were (\$27,429) as the Trust's investments posted a -12.9% return on average investment balances, performance which tracked closely with benchmark returns of -13.1%. The Trust successfully absorbed the unusual market losses that impacted all similarly designed portfolios.
- The ratio of our premium to our net position, a common measure of solvency has ranged between 100% and 385% over the last decade. The ratio shows the degree to which the Trust's premium exceeds or is nearly covered by net position. Consistently increasing premium revenues from 2020 to 2023 in comparison to a decline in net position in recent years produced a ratio of premium to net position of 381% in 2023 in comparison to 303% in 2022 and 141% in 2021. Management fully anticipates these financial results.
- Recoveries from the Trust's excess program increased relative to the prior year. Overall receipts from routine claims increased modestly while catastrophic claim recoveries increased significantly from the immediately preceding year. Increased storm activity late in the 2022 fiscal year produced higher payments and reimbursements in 2023. As claims mature and costs invade excess layers, timely and effective collections of claims of ceded risk have become increasingly important to the Trust.



## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Trust's financial statements. Typically, government financial statements would be presented as three components:

- 1) government-wide financial statements,
- 2) fund financial statements, and
- 3) notes to the financial statements.

However, as the Trust uses only one proprietary fund, which presents financial statement information in the same manner as government-wide financial statements, only with more detail, we do not present government-wide financial statements as the information would be repetitive.

The financial statements are comprised of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Trust Net Position and the Statement of Cash Flows and the Notes to the Financial Statements. The financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles applicable to governmental enterprise funds.

The Statement of Net Position presents the Trust's financial position as of the end of its fiscal year. Information is displayed on assets and liabilities with the difference between the two amounts as net position. The net position of the Trust reflects the present value of resources available to its members at the end of the fiscal year after satisfaction of all loss reserves.

The Statement of Revenues, Expenses and Changes in Trust Net Position presents information detailing the revenues and expenses that resulted in a change in net position during the current fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash associated with the event is received or paid. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, premiums collected from a public entity are reflected as revenue over the passage of time. Likewise, claims that occurred during the fiscal year will be reflected as an expense whether or not they have been paid as of the end of the fiscal year.

The Statement of Cash Flows represents the cash provided and used by the Trust categorized by operating activities and investing activities. It reconciles the beginning and end of year cash balances contained in the balance sheet. The effects of accrual accounting and not cash activities, such as premium and discount amortization are adjusted to supplement the presentation in the Statement of Revenues, Expenses and Changes in Fund Net Position.

The Notes to Financial Statements follow the basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements. In addition to the financial statements and accompanying notes, required supplementary information is presented illustrating the Trust's past ten years of earned revenues and investment income compared to related costs of losses and other expenses incurred by the Trust.

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

#### *Financial Analysis*

The Preferred Governmental Insurance Trust measures its performance using three basic financial statements: Statements of Net Position, Statements of Revenues, Expenses and Changes in Trust Net Position and Statements of Cash Flows.

**Statements of Net Position:** The Trust's Statements of Net Position display the assets, liabilities, and net position of the Trust as of the Trust's year end, September 30. A comparison of audited balances as of September 30, 2023, 2022 and 2021 display continued maintenance of strong asset and net position balances. Asset balances are a function of strong underwriting discipline, vigorous control of losses and responsible investment.

Assets improved in 2023 after declining in the 2022 fiscal years in response to differing circumstances impacting investment returns, claims costs, and reinsurance costs.

|   | <u>2023</u>              | <u>% Change</u> | <u>2022</u>              | <u>% Change</u> | <u>2021</u>              |
|---|--------------------------|-----------------|--------------------------|-----------------|--------------------------|
| <b>ASSETS</b>                               |                          |                 |                          |                 |                          |
| <b>Current Assets</b>                       |                          |                 |                          |                 |                          |
| Cash and cash equivalents                   | \$ 10,917                | 42.2%           | \$ 7,677                 | 202.0%          | \$ 2,542                 |
| Accrued interest receivable                 | 1,052                    | 4.3%            | 1,009                    | 1.2%            | 997                      |
| Premiums receivable                         | 1,222                    | 115.9%          | 567                      | -22.8%          | 734                      |
| Excess insurance recoverable on paid losses | 5,207                    | 51.5%           | 3,436                    | -30.4%          | 4,934                    |
| Prepaid expenses and other assets           | 23,217                   | -1.1%           | 23,465                   | 11.3%           | 21,086                   |
| Investment securities available for sale    | <u>182,805</u>           | -0.9%           | <u>184,419</u>           | -20.1%          | <u>230,673</u>           |
| <b>Total assets</b>                         | <b>\$ <u>224,420</u></b> | <b>1.7%</b>     | <b>\$ <u>220,573</u></b> | <b>-15.5%</b>   | <b>\$ <u>260,966</u></b> |
| <b>LIABILITIES AND NET POSITION</b>         |                          |                 |                          |                 |                          |
| <b>Current Liabilities</b>                  |                          |                 |                          |                 |                          |
| Accounts payable and other liabilities      | \$ 4,955                 | 25.8%           | \$ 3,939                 | 10.1%           | \$ 3,579                 |
| Claims service fees payable                 | 653                      | 33.8%           | 488                      | 47.9%           | 330                      |
| State of Florida assessments payable        | 69                       | 6.2%            | 65                       | -33.7%          | 98                       |
| Member prepayment                           | 150                      | -61.4%          | 389                      | 7.2%            | 363                      |
| Unearned premium                            | 19,297                   | 61.2%           | 11,970                   | 8.5%            | 11,028                   |
| Unpaid losses and loss adjustment expenses  | <u>43,910</u>            | 2.1%            | <u>42,992</u>            | -0.9%           | <u>43,385</u>            |
|   | <u>69,034</u>            | 15.4%           | <u>59,843</u>            | 1.8%            | <u>58,783</u>            |
| <b>Noncurrent Liabilities</b>               |                          |                 |                          |                 |                          |
| Unpaid losses and loss adjustment expenses  | 118,622                  | -1.3%           | 120,156                  | 0.0%            | 120,131                  |
| Advances by excess insurers                 | 110                      | 0.0%            | 110                      | 0.0%            | 110                      |
|   | <u>118,732</u>           | -1.3%           | <u>120,266</u>           | 0.0%            | <u>120,241</u>           |
| <b>Total liabilities</b>                    | <b><u>187,766</u></b>    | <b>4.3%</b>     | <b><u>180,109</u></b>    | <b>0.6%</b>     | <b><u>179,025</u></b>    |
| <b>NET POSITION – UNRESTRICTED</b>          | <b><u>36,654</u></b>     | <b>-9.4%</b>    | <b><u>40,464</u></b>     | <b>-50.6%</b>   | <b><u>81,941</u></b>     |
| <b>TOTAL LIABILITIES AND NET POSITION</b>   | <b>\$ <u>224,420</u></b> |                 | <b>\$ <u>220,573</u></b> |                 | <b>\$ <u>260,966</u></b> |

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The increase in total assets of \$3,847 from 2022 to 2023 was caused by improved investment returns, healthier cash flows, and increases to premium receivables from mid-year renewals. Investments fell by 0.9%, a decline that was driven by an investment of seasonal collections in cash equivalents rather than investments. Cash, however, increased by 42.2% and premium receivables rose by over 100% on the strength of mid-year renewals that include first rate increases that result from hardening markets. The Trust's overall liability for unpaid losses and loss adjustment expenses was nearly unchanged from 2022 to 2023. The current portion of that liability has stabilized and increased modestly in both amount and as a percentage of the total liability from \$43,385 or 26.5% in 2021 to \$43,910 or 27.0% in 2023. The ongoing maturity of the liability in recent years has demanded consistent use of cash to meet claims payments and slowed the Trust's ability to grow investments. By contrast, assets decreased by \$40,393 or roughly 15.5% from 2021 to 2022 in response to a \$46,254 decrease in total investment securities. Investments fell by 20.1%, a decline that was driven by unrealized losses on those investments. The decline exacerbated that year's decrease in surplus. The decline in the asset position in 2022 has been partially offset by increases to assets in the 2023 year as the investment climate stabilizes. In addition, the rate and amount of growth in the liability has slowed. The net position of the Trust continues to be more than adequate to sustain prior year investment losses driven by market conditions.

A significant component of our costs has been our excess insurance program. While excess markets have hardened, the Trust has absorbed these increased costs for the benefit of its members. The ability to appropriately negotiate excess coverage in a manner that economically and effectively mitigates risks with a variety of business partners both in the United States and abroad has been essential to the ongoing success of the Trust.

Maturing claims make the excess program even more important as cash flows become dependent not only on our premium collections but also upon timely recoveries from excess carriers.

The following schedule summarizes the collections from excess insurance carriers over the last five fiscal years by line. Both the importance of excess insurance recoveries and the consistency in collection efficiency for routine (non-catastrophic/non-hurricane) claims is shown below.

| Year | Workers<br>Compensation | Package             |              |          | Total    |
|------|-------------------------|---------------------|--------------|----------|----------|
|      |                         | Non<br>Catastrophic | Catastrophic | Subtotal |          |
| 2023 | \$ 2,238                | \$5,553             | \$ 20,289    | \$25,842 | \$28,080 |
| 2022 | 2,712                   | 3,673               | 11,246       | 14,919   | 17,631   |
| 2021 | 3,024                   | 3,238               | 4,476        | 7,714    | 10,738   |
| 2020 | 10,238                  | 2,124               | 22,990       | 25,114   | 35,352   |
| 2019 | 7,084                   | 4,146               | 29,326       | 33,472   | 40,556   |

Routine collections from the excess program for combined workers compensation and non-catastrophic coverage averaged \$6.8 million (not in thousands) over the last three years after averaging over \$12 million per year in 2020 and 2019. Activity in the 2020 year reflected nonrecurring settlement and collection of several large claims and contributed to the highlighted fluctuation compared to the most recent three years. Additionally, higher retentions have generally reduced recoveries. Collections from catastrophic events spiked in response to Hurricane Ian in the 2023 fiscal year.

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The state was spared major damages from named storms until very late into the 2022 fiscal year and experienced below average activity throughout 2023. Collections generally represent claims initially paid by the Trust and then reimbursed by excess carriers.

**Statements of Revenues, Expenses and Changes in Trust Net Position:** The Statement of Revenues, Expenses and Changes in Trust Net Position display the Trust revenues and expenses and the manner in which they account for the change in net position. The following schedule shows a comparison of that activity for the years ended September 30, 2023, 2022, and 2021 and key relationships.

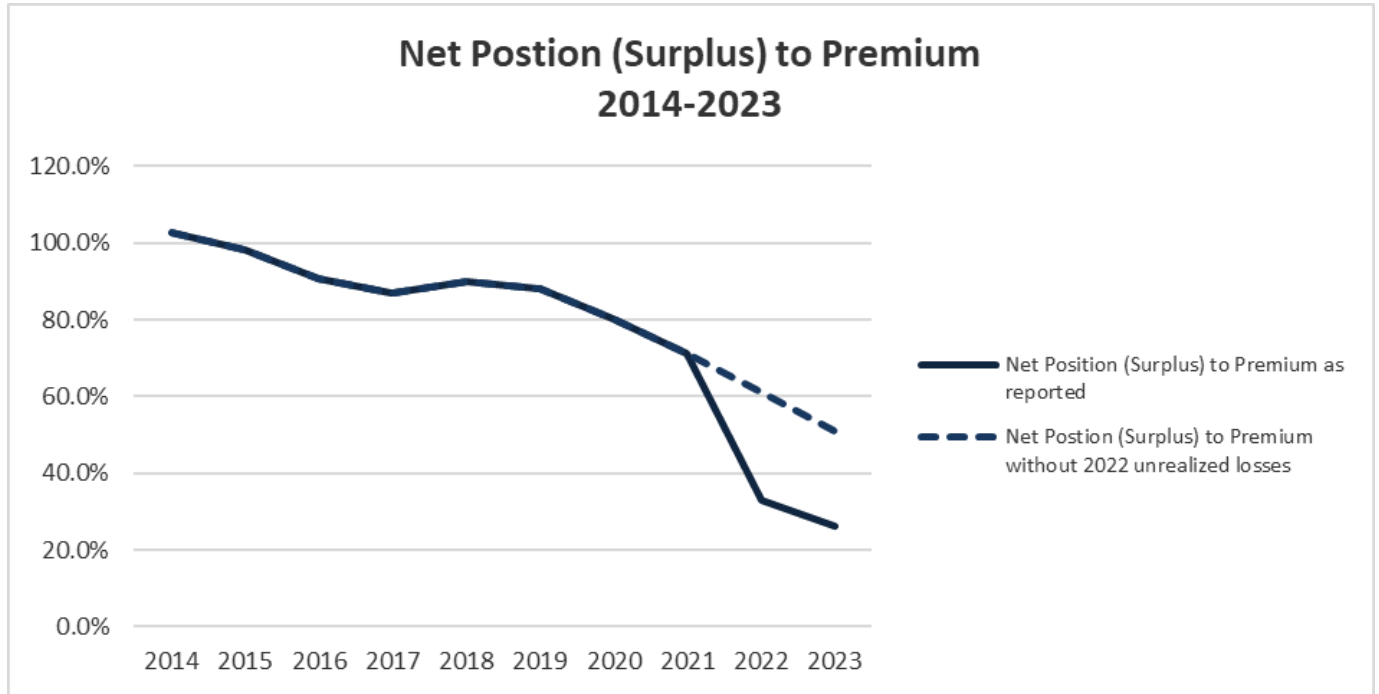
|  | 2023                    | % Change      | 2022                    | % Change      | 2021                    |
|--|-------------------------|---------------|-------------------------|---------------|-------------------------|
| <b>OPERATING REVENUES</b>                            |                         |               |                         |               |                         |
| Premiums   | \$ <u>139,531</u>       | 13.8%         | \$ <u>122,568</u>       | 6.4%          | \$ <u>115,208</u>       |
| <b>OPERATING EXPENSES</b>                            |                         |               |                         |               |                         |
| Losses and loss adjustment expenses                  | 56,121                  | 4.4%          | 53,752                  | -7.8%         | 58,276                  |
| Excess insurance premiums                            | 68,142                  | 22.3%         | 55,734                  | 7.9%          | 51,656                  |
| Administrative services                              | 13,567                  | 13.8%         | 11,917                  | 6.1%          | 11,230                  |
| State of Florida assessments                         | 427                     | 6.8%          | 400                     | -0.5%         | 402                     |
| Agent commissions                                    | 8,865                   | 11.3%         | 7,967                   | 4.4%          | 7,628                   |
| Claims service fees                                  | 6,218                   | 19.1%         | 5,219                   | 8.4%          | 4,816                   |
| Other expenses                                       | <u>1,885</u>            | 15.9%         | <u>1,627</u>            | -12.8%        | <u>1,866</u>            |
| Total expenses                                       | <u>155,225</u>          | 13.6%         | <u>136,616</u>          | 0.5%          | <u>135,874</u>          |
| <b>OPERATING INCOME (LOSS)</b>                       | <b>( 15,694 )</b>       | <b>11.7%</b>  | <b>( 14,048 )</b>       | <b>-32.0%</b> | <b>( 20,666 )</b>       |
| <b>NON-OPERATING REVENUES</b>                        |                         |               |                         |               |                         |
| Net investment income                                | 6,966                   | 1.8%          | 6,841                   | -16.0%        | 8,146                   |
| Net increase (decrease) in fair value of investments | <u>4,918</u>            | NA            | <u>( 34,270 )</u>       | -874.1%       | <u>4,427</u>            |
|  | <u>11,884</u>           | NA            | <u>( 27,429 )</u>       | -318.2%       | <u>12,573</u>           |
| <b>CHANGE IN NET POSITION</b>                        | <b>( 3,810 )</b>        | <b>-90.8%</b> | <b>( 41,477 )</b>       | <b>412.5%</b> | <b>( 8,093 )</b>        |
| Net position – beginning of year                     | <u>40,464</u>           | -50.6%        | <u>81,941</u>           | -9.0%         | <u>90,034</u>           |
| <b>NET POSITION – END OF YEAR</b>                    | <b>\$ <u>36,654</u></b> | <b>-9.4%</b>  | <b>\$ <u>40,464</u></b> | <b>-50.6%</b> | <b>\$ <u>81,941</u></b> |

The current year's results for the Trust were shaped by a \$16,963 increase in premium representing a 13.8% improvement over prior years and a \$12,408 increase in excess insurance cost representing a 22.3% change in those expenses. The Trust's operating losses changed modestly, increasing from (\$14,048) in 2022 to (\$15,694) in 2023. Improvements in premium revenues from \$122,568 in 2022 to \$139,531 in 2023 generally outpaced the increases to loss and loss adjustment expenses (4.4%) and stayed even with the increases in fee and commission expense. The increase in excess insurance expense from \$55,734 in 2022 to \$68,142 in 2023 eroded premium revenue improvements. The Trust's ongoing efforts to improve premium earnings to fully defray costs underscores management's responsible focus on sustainable economic performance of the Trust on behalf of its members. By contrast, year over year results from 2021 to 2022 reported were shaped by non-operating losses on investments equal to \$34,270 that drove 82.5% of the 2022 net loss. The Trust's operating loss shrank by 32.0% from (\$20,666) in 2021 to (\$14,048) in 2022 indicating strong improvements, however, investment losses offset those gains.

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Net position has generally fluctuated between 26% and 100% of earned premium over the last ten years. This common measure of capitalization and risk bearing capacity increases or improves as net position grows in relation to premium. The Trust's surplus has gradually declined over the last five years as premium remained stable or increased. Net position is strong and able to sustain premium levels maintained by the Trust. The graph below displays the net position to surplus as reported in comparison to net position in the 2023 year both with and without the unusually large non-operating losses associated with unrealized losses on investments that occurred in 2022. Management does not believe the unrealized losses are permanent and saw a rebound in 2023.



**Statements of Cash Flows:** The Statements of Cash Flows display the sources and uses of the Trust's cash generated from operating and investing activities.

The Trust's cash flows from continuing operations over the last three years show the impact of timing differences in premium collections combined with fluctuations in net excess insurance (ceded reinsurance) payments and increases in loss and loss adjustment expenses paid. Cash flows used in operations totaled \$10,215 in 2023. Current year results are less than cash flows used in operations of \$13,678 in 2022 and cash flows used in operations of \$11,965 reported in 2021.

Cash flow from operations is the product of increased payments for net excess premiums paid to excess insurance carriers as well as gradual upward pressure on claims payments. Cash outlays for claims increased by nearly 13% from 2021 to 2023, however, net amounts paid to reinsurance carriers increased by 28.9% or \$15,677 from \$54,236 in 2022 to \$69,913 in 2023 alone. Cash outlays for excess accelerated in the current year. Prior year changes produced an increase of 3.7% or \$1,974 from \$52,262 in 2021 to \$54,236 in 2022.

## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Although operating cash is used in response to the consistent demands from maturing claims, classified as losses and loss adjustment expenses paid, diligent collections of excess recoveries described above serve to partially offset a portion of those amounts and stabilize operating cash outflows. Cash flows from operations responded favorably to consistent collections of excess insurance recoveries. Reduced opportunities for excess collections over the last two years caused amounts paid to reinsurance carriers, net of excess collections, to increase and served to produce a use of cash by operating activities.

|  | <u>2023</u>                 | <u>2022</u>                | <u>2021</u>                |
|--|-----------------------------|----------------------------|----------------------------|
| <b>CASH FLOWS FROM CONTINUING OPERATIONS:</b>          |                             |                            |                            |
| Premiums collected from policyholders                  | \$ 138,875                  | \$ 122,702                 | \$ 114,792                 |
| Net amounts paid to excess insurance carriers          | ( 69,913)                   | ( 54,236)                  | ( 52,262)                  |
| Losses and loss adjustment expenses paid               | ( 56,737)                   | ( 54,121)                  | ( 50,365)                  |
| Other underwriting expenses paid                       | ( 22,440)                   | ( 28,023)                  | ( 24,130)                  |
| <br><b>NET CASH USED IN OPERATING ACTIVITIES</b>       | <br><b>( 10,215)</b>        | <br><b>( 13,678)</b>       | <br><b>( 11,965)</b>       |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>       |                             |                            |                            |
| Net proceeds (purchases) of debt and equity securities | 7,637                       | 13,540                     | ( 3,682)                   |
| Investment income collected                            | <u>5,818</u>                | <u>5,273</u>               | <u>5,366</u>               |
| <br><b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>   | <br><b><u>13,455</u></b>    | <br><b><u>18,813</u></b>   | <br><b><u>1,684</u></b>    |
| <br><b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>     | <br><b>3,240</b>            | <br><b>5,135</b>           | <br><b>( 10,281)</b>       |
| Cash and cash equivalents – beginning of year          | <u>7,677</u>                | <u>2,542</u>               | <u>12,823</u>              |
| <br><b>CASH AND CASH EQUIVALENTS- END OF YEAR</b>      | <br><b><u>\$ 10,917</u></b> | <br><b><u>\$ 7,677</u></b> | <br><b><u>\$ 2,542</u></b> |

The Trust did not increase its investment portfolio in any of the years presented and had drawn down approximately \$25,000 to meet cash flow requirements in 2023 and \$20,000 in 2022. Borrowing in the 2022 year was repaid early in the 2023 year. Current year net proceeds include a year over year change of \$5,000. The use of maturing investments to meet cash flow requirements served to shield the Trust from unrealized market losses on those investments in the prior year and, judicious use of cash reserves allowed the Trust to capitalize on short term interest rates at their highest levels in over a decade in the current year. The increases to investment balances are displayed as a use of cash within investing activities while decreases in investments are shown as a source of cash. The investment portfolio of the Trust decreased 21% from the 2021 fiscal year to the 2023 fiscal year in direct response to investment performance and cash management. The bulk of the reduction is associated with unrealized losses on investments that management believes are temporary.

# Preferred Governmental Insurance Trust

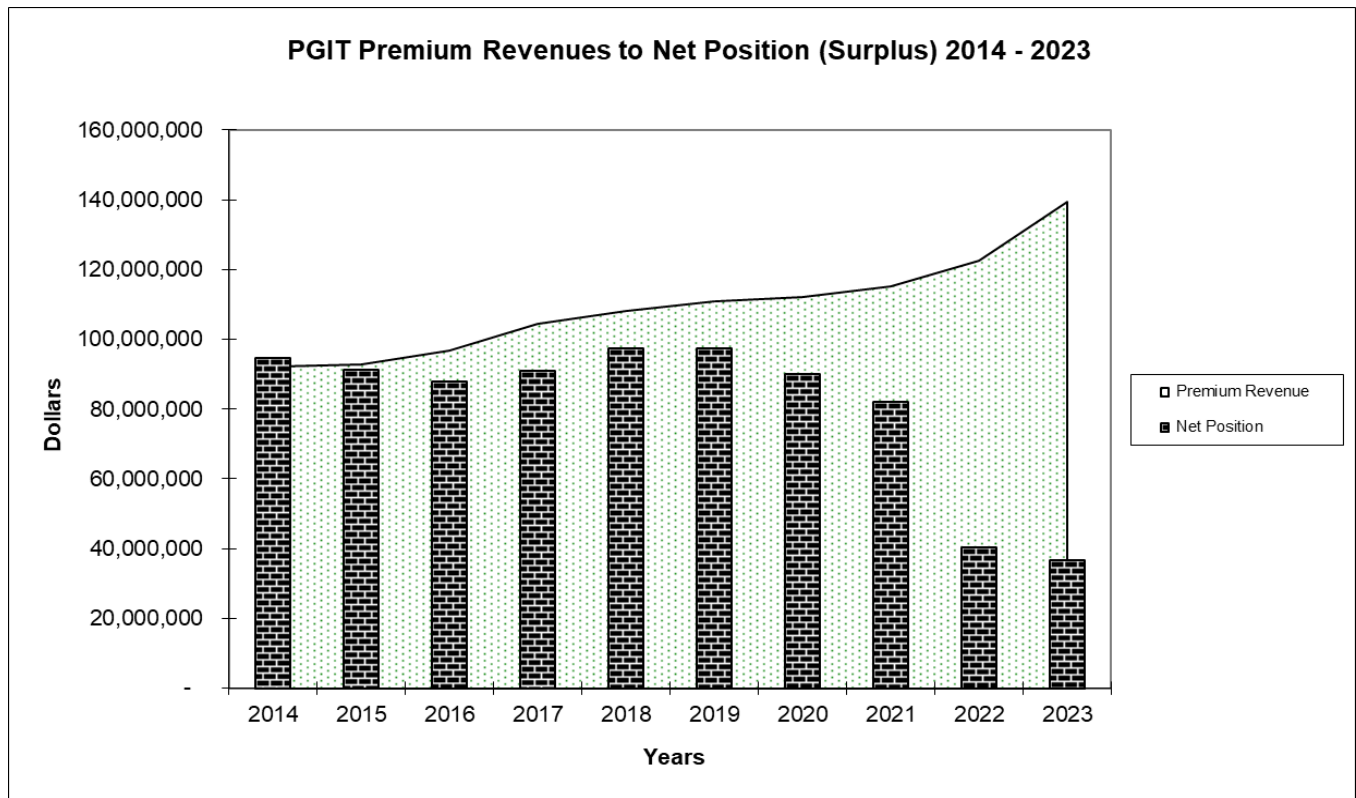
## MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

### *Economic Factors and Major Initiatives*

**Markets:** Increased premium revenues in 2023 and 2022 came in response to increasing average rates of both workers compensation and property markets. The Trust experienced both an increase of insurable units as well as addition of new members. Financial results each year are impacted by the Trust's tempered response to meeting aggressive pricing challenges in the highly competitive market for public entity insurance programs.

Net position as a percentage of revenue declined most abruptly in 2022 in response to non-operating losses from unrealized losses on investments that management does not believe are permanent, as the Trust has historically held its debt securities to maturity. Net position stabilized in the current year. The following graph shows the comparison of premium revenue to growth in fund surplus (net position) for the last ten years. Modest declines in the current year reflect temporary delays in the Trust's ability to respond to hardening markets.

Premium revenues are at all-time highs.



## Preferred Governmental Insurance Trust

### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

**Initiatives:** The Trust inaugurated the Preferred Training Incentive Programs (TIPs) in 2015, a member reimbursement program with matching training/safety incentives that can be applied for by any current member of the Trust. The enormously popular program resulted in \$450,000 in distributions to members in 2023 in recognition of their ongoing training and safety improvement efforts. Current year volume is consistent with recent years.

The Trust cancelled its Member Education Day as a precautionary response to the pandemic in 2021 and 2022 but resumed the popular program in 2023. Member Education Days feature presentations by insurance, legal, and risk management professionals for the benefit of hundreds of participants. The extremely well-received event underscores the Trust's member focus and its commitment to loss control.

Through its administrator, the Trust continues to offer and invest in online services to its membership including learning and training opportunities through webinars, Target Solutions, My Community Workplace, and HR & Cyber Support Center related to both coverage and legal issues. The Trust also provides on-line loss runs, claim notes and other analytics for claims management as it remains responsive in the highly competitive public entity insurance market.

**Investments:** As the Federal Reserve Open Market Committee continues to adjust and maintain interest rates, valuation of fixed income can be negatively impacted. The 2022 year's performance showed that even modest changes in effective market interest rates can cause significant changes in portfolio value. Current year earnings on fixed income securities were modest but consistent. Unrealized gains returned to patterns seen in prior years as monetary policy stabilized.

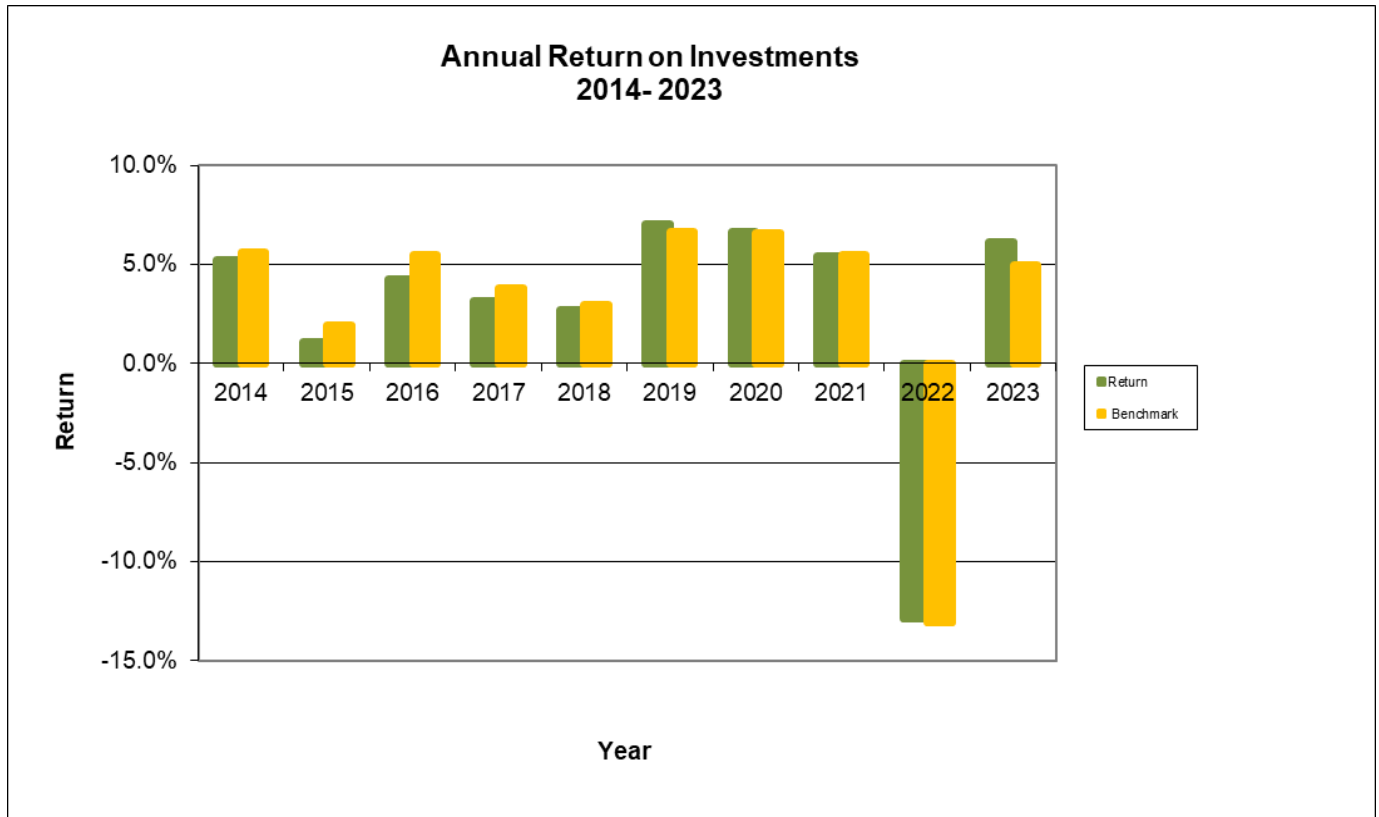
Revisions to the Trust's investment policy at the beginning of the 2014 fiscal year shifted a greater percentage of its portfolio to equity securities while changes implemented at the beginning of the 2020 fiscal year further diversified equity holdings. Outstanding returns in equity markets coupled with the Trust's increased participation in those markets produced outstanding investment earnings for the Trust through 2021. Management anticipated that market corrections might cause results to fluctuate. The 2023 year produced positive results from market participation. As always, investment returns are uncertain, but asset allocations have steadily produced results consistent with internally established benchmarks and the Trust's risk tolerance.

The following graph shows the investment performance of the Trust in comparison to those adopted benchmarks. Investment earnings track with market volatility and have followed the behavior of benchmark measures. The 2023 year produced actual results that exceeded benchmark performance.



## Preferred Governmental Insurance Trust

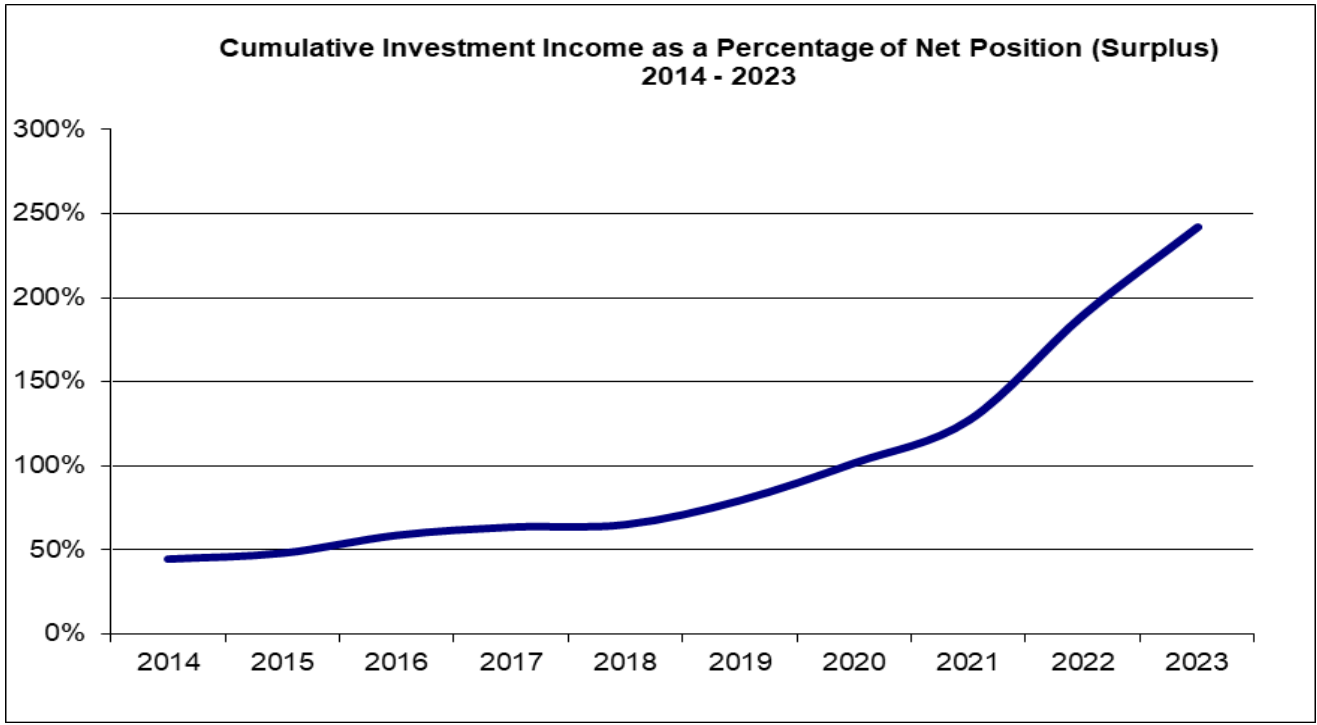
### MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED



As the Trust matures, investment income becomes an increasingly important and consistent element of operating results and net position (surplus). Over the twenty-four-year period ending September 30, 2023, the Trust has recognized \$88.7 million in investment income which represents 242% of accumulated surplus. The impact of investment returns has been positive. The assumption of increased retention in 2014, for example, resulted in very little change in overall surplus largely in response to consistent investment earnings. Reduction of retention in 2018 along with related increases in excess insurance costs in combination with decreases of liability estimates prior years has caused surplus to improve and then modestly decline in the middle of the analysis period shown below. The relative contribution of investment earnings has increasingly outweighed the contribution of underwriting performance to surplus. The following chart shows the growth of cumulative investment income as a percentage of surpluses in the ten years since the 2014 fiscal year. The extremely poor investment performance in the 2022 year and the resulting decline in surplus produces the spike in cumulative investment income as a percentage of net position shown below:

**Preferred Governmental Insurance Trust**

**MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED**



***Contacting the Trust’s Financial Management***

**This financial report is designed to provide our members and the public with a general overview of the Trust’s finances and to demonstrate the Trust’s operational and fiscal accountability for the premiums it receives. The Trust contracts its financial administration to Public Risk Underwriters of Florida, Inc. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Jennifer Martin, Executive Vice President, Public Risk Underwriters of Florida, Inc., P.O. Box 958455, Lake Mary, Florida 32795-8455.**

**FINANCIAL STATEMENTS &  
NOTES TO FINANCIAL STATEMENTS**

**Preferred Governmental Insurance Trust**

**STATEMENTS OF NET POSITION**

**ASSETS**

|   | September 30,         |                       |
|---|-----------------------|-----------------------|
|   | 2023                  | 2022                  |
| <b>CURRENT ASSETS</b>                       |                       |                       |
| Cash and cash equivalents                   | \$ 10,917,221         | \$ 7,676,867          |
| Investment securities                       | 182,805,023           | 184,418,701           |
| Accrued interest receivable                 | 1,051,405             | 1,009,461             |
| Premiums receivable                         | 1,221,769             | 565,937               |
| Excess insurance recoverable on paid losses | 5,207,136             | 3,436,572             |
| Prepaid expenses and other assets           | <u>23,217,372</u>     | <u>23,465,263</u>     |
| <br>  |                       |                       |
| Total assets                                | <u>\$ 224,419,926</u> | <u>\$ 220,572,801</u> |

**LIABILITIES AND NET POSITION**

|  |                       |                       |
|--|-----------------------|-----------------------|
| <b>CURRENT LIABILITIES</b>                 |                       |                       |
| Accounts payable and other liabilities     | \$ 4,955,014          | \$ 3,939,290          |
| Claims service fee payable                 | 652,877               | 487,929               |
| State of Florida assessments payable       | 69,444                | 64,876                |
| Unpaid losses and loss adjustment expenses | 43,910,000            | 42,992,000            |
| Unearned premiums                          | 19,296,612            | 11,970,089            |
| Member prepayments                         | 150,366               | 389,124               |
| Total current liabilities                  | <u>69,034,313</u>     | <u>59,843,308</u>     |
| <br>                                       |                       |                       |
| <b>NONCURRENT LIABILITIES</b>              |                       |                       |
| Unpaid losses and loss adjustment expenses | 118,621,631           | 120,155,626           |
| Advances by excess insurers                | 110,000               | 110,000               |
| Total noncurrent liabilities               | <u>118,731,631</u>    | <u>120,265,626</u>    |
| <br>                                       |                       |                       |
| Total liabilities                          | <u>187,765,944</u>    | <u>180,108,934</u>    |
| <br>                                       |                       |                       |
| <b>NET POSITION - UNRESTRICTED</b>         | <u>36,653,982</u>     | <u>40,463,867</u>     |
|  | <u>\$ 224,419,926</u> | <u>\$ 220,572,801</u> |

The accompanying notes are an integral part of these financial statements.

**Preferred Governmental Insurance Trust**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN TRUST NET POSITION**

|  | <u>Years Ended September 30,</u><br><u>2023</u> | <u>2022</u>           |
|--|---|-----------------------|
| <b>OPERATING REVENUES</b>                            |   |                       |
| Premiums   | \$ <u>139,531,002</u>                           | \$ <u>122,567,826</u> |
| <b>OPERATING EXPENSES</b>                            |   |                       |
| Losses and loss adjustment expenses                  | 56,120,868                                      | 53,751,941            |
| Excess insurance premiums                            | 68,142,206                                      | 55,733,472            |
| Administrative services                              | 13,566,847                                      | 11,916,544            |
| Agent commissions                                    | 8,865,118                                       | 7,967,462             |
| Claims service fees                                  | 6,217,486                                       | 5,218,709             |
| State of Florida assessments                         | 427,148   | 400,308               |
| Other expenses                                       | <u>1,884,982</u>                                | <u>1,581,393</u>      |
| Total expenses                                       | <u>155,224,655</u>                              | <u>136,569,829</u>    |
| <b>OPERATING LOSS</b>                                | ( <u>15,693,653</u> )                           | ( <u>14,002,003</u> ) |
| <b>NON-OPERATING REVENUES</b>                        |   |                       |
| Net investment income                                | 6,966,393                                       | 6,794,752             |
| Net increase (decrease) in fair value of investments | <u>4,917,375</u>                                | ( <u>34,270,233</u> ) |
|  | <u>11,883,768</u>                               | ( <u>27,475,481</u> ) |
| <b>CHANGE IN NET POSITION</b>                        | ( <u>3,809,885</u> )                            | ( <u>41,477,484</u> ) |
| Net position - beginning of year                     | <u>40,463,867</u>                               | <u>81,941,351</u>     |
| <b>NET POSITION - END OF YEAR</b>                    | \$ <u>36,653,982</u>                            | \$ <u>40,463,867</u>  |

The accompanying notes are an integral part of these financial statements.

**Preferred Governmental Insurance Trust**

**STATEMENTS OF CASH FLOWS**

|   | Years Ended September 30, |                      |
|---|---------------------------|----------------------|
|   | 2023                      | 2022                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>          |                           |                      |
| Premiums collected from policyholders                 | \$ 138,875,170            | \$ 122,702,069       |
| Amounts paid to excess insurance carriers             | ( 69,912,770)             | ( 54,236,349)        |
| Losses and loss adjustment expenses paid              | ( 56,736,863)             | ( 54,120,703)        |
| Net other underwriting expense paid                   | ( 22,440,685)             | ( 27,976,993)        |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>          | <u>( 10,215,148)</u>      | <u>( 13,631,976)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>          |                           |                      |
| Purchases of debt securities                          | ( 19,858,615)             | ( 21,658,509)        |
| Proceeds from sales and maturities of debt securities | 20,190,577                | 29,200,044           |
| Purchases of equity securities                        | ( 2,728,682)              | ( 3,396,620)         |
| Proceeds from sales of equity securities              | 10,033,721                | 9,394,860            |
| Investment income collected                           | 5,818,501                 | 5,227,245            |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>      | <u>13,455,502</u>         | <u>18,767,020</u>    |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>        | 3,240,354                 | 5,135,044            |
| Cash and cash equivalents - beginning of year         | <u>7,676,867</u>          | <u>2,541,823</u>     |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>        | <u>\$ 10,917,221</u>      | <u>\$ 7,676,867</u>  |

The accompanying notes are an integral part of these financial statements.

**Preferred Governmental Insurance Trust**

**STATEMENTS OF CASH FLOWS - CONTINUED**

|   | Years Ended September 30, |                        |
|---|---------------------------|------------------------|
|   | 2023                      | 2022                   |
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>   |                           |                        |
| Operating loss  | \$( 15,693,653)           | \$( 14,002,003)        |
| <b>Changes in operating assets and liabilities</b>  |                           |                        |
| (Increase) decrease in assets:  |                           |                        |
| Premiums receivable   | ( 655,832)                | 167,766                |
| Excess insurance recoverable on paid losses   | ( 1,770,564)              | 1,497,123              |
| Prepaid expenses and other assets   | 247,891                   | ( 2,379,042)           |
| Increase (decrease) in liabilities:   |                           |                        |
| Accounts payable and other liabilities  | 1,015,724                 | 360,707                |
| Claims service fee payable  | 164,948                   | 157,814                |
| State of Florida assessments payable  | 4,568                     | ( 33,523)              |
| Unpaid losses and loss adjustment expenses  | ( 615,995)                | ( 368,762)             |
| Unearned premiums   | 7,326,523                 | 941,686                |
| Member prepayments  | ( 238,758)                | 26,258                 |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>  | <b>\$( 10,215,148)</b>    | <b>\$( 13,631,976)</b> |
| <br><b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>   |                           |                        |
| Non-cash increase (decrease) in investment securities and net position as a result of adjusting the basis to their estimated fair value | \$ 4,917,375              | \$ ( 34,270,233 )      |

The accompanying notes are an integral part of these financial statements.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023 and 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A summary of the Preferred Governmental Insurance Trust (the “Trust”) significant policies consistently applied in preparation of the accompanying financial statements follows. Other significant accounting policies are disclosed elsewhere in the financial statements and the notes thereto.**

**Reporting Entity**

**The Trust was created in 1999 to provide a program of property and casualty coverage as a governmental self insurance fund under the provisions of Section 624.462, Florida Statutes. The Trust is governed under the terms and conditions of an interlocal agreement amongst the governments that participate in the program (known as Members) adopted pursuant to Section 163.01, Florida Statutes.**

**Chapter 624 allows for any two or more local governments to enter into an interlocal agreement for the purpose of insuring those governments against loss or damage from any hazard or cause provided the self insurance fund has annual premiums in excess of \$5 million, maintains a program of self insurance evaluated by an independent actuary, submits audited financial statements to the State of Florida Office of Insurance Regulation on an annual basis and has a governing body comprised entirely of local elected officials. There are approximately 400 members of the Trust.**

**The Trust meets the statutory requirements and is comprised of local government entities that execute a Participation Agreement and thereby become members of the Trust. The governing body of the Trust (Trustees) consists of between five and nine local elected officials representing members of the Trust. Trustees are elected to staggered terms by a majority vote of the members of the Board of Trustees.**

**For financial reporting purposes, the Trust is a stand-alone entity: there are no component units included in the accompanying financial statements and the Trust is not considered a component unit of another entity.**

**Basis of Accounting**

**The Trust prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprise, and the prevailing practices within the insurance industry. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.**



Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Basis of Accounting - Continued**

The assets, liabilities and net position of the Trust are reported in a self-balancing set of accounts representing funds available for support of the Trust's operations.

**Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, demand deposit accounts with commercial banks and cash invested in commercial money market funds are considered cash equivalents. Investments that are held separately from the investment accounts and are highly liquid with an original maturity of ninety days or less when purchased or are so near their maturity that they present an insignificant risk of change in value because of changes in interest rates are considered to be cash equivalents.

**Investments**

The investments are stated at their estimated fair value in accordance with Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." Any change in unrealized gains and losses on investments are reported in the Statements of Revenues, Expenses and Changes in Trust Net Position. Gains and losses resulting from the sale of investments are determined using the specific identification method and are included in investment income. All investments are categorized as current assets as the Trust has the ability to sell these investments should that be necessary.

**Fair Value Measurements**

The Trust applies the Financial Accounting Standards Board framework as a method of applying the definition of fair value in Governmental Accounting Standards Board Statement No. 72. That framework provides a fair value hierarchy that prioritizes the inputs in valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs are unadjusted quoted prices for identical assets in active markets.

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 - Inputs are unobservable and based on management estimate.

Excess Insurance

In the normal course of business, the Trust seeks to reduce the loss that may arise from catastrophes or other unforeseen events that cause unfavorable underwriting results by insuring certain levels of risk with other insurance enterprises. Excess insurance permits recovery of a portion of losses from excess insurance carriers, although it does not discharge the primary liability of the Trust as direct insurer of the risk subject to those agreements. The Trust does not report risks that invade the excess layers as liabilities unless it is probable that those risks will not be covered by the excess insurer. Settled claims have not exceeded the excess coverage in any of the past three fiscal years.

Excess insurance recoverable on paid losses, if any, represents amounts paid by the Trust in excess of the applicable retention which have not been reimbursed by the excess insurers. These amounts are reported as assets in the Statements of Net Position.

Excess insurance recoverable on unpaid losses, if any, represents incurred but unpaid losses in excess of the applicable retention. These amounts are recorded as a reduction to the liability for unpaid losses and loss adjustment expenses in the Statements of Net Position.

Prepaid Expenses and Other Assets

Ceded unearned premiums are accounted for as prepaid expenses and other assets. These costs are deferred and amortized on a straight-line basis over the life of the insurance contracts. Excess insurance premiums are generally paid in July and in October of each year and earned ratably each month.

Unpaid Losses and Loss Adjustment Expenses

The Trust establishes claims liabilities based on estimates of the ultimate cost of claims (including future allocated claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Unpaid Losses and Loss Adjustment Expenses - Continued**

of salvage and subrogation and excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims.

Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**Unearned Premiums**

Premiums are billed based upon the estimated annual premiums due and are earned on a straight-line basis throughout the year. Amounts due are initially recorded as unearned premiums. Amounts due or paid that have not been recognized as revenues are displayed as unearned premiums.

The Trust recognizes premium deficiencies, if any, when the expected total cost of a policy exceeds unearned premiums and future investment income. No such premium deficiencies were recorded in any of the past three fiscal years.

**Operating Revenues and Expenses**

The Trust defines operating revenues and expenses as all periodic activities that contribute to the measurement of its risk financing objectives. The principal operating revenues of the Trust consist of premium earnings, which are direct charges for services. Operating expenses include losses, ceded earnings, acquisition costs, taxes and administration. All revenues and expenses, including investment earnings, not meeting this definition are reported as non-operating.

**Earned Premiums**

Premiums are recognized evenly over the term of the underlying insurance contracts. At year end, certain members that purchase workers' compensation from the Trust report actual payrolls to the administrator and the other members have a payroll audit. Any additional premiums due are billed at that time. Premiums for workers' compensation coverage as recorded herein are based upon actual payrolls as reported by the members for applicable accounts, and audited payrolls for the other members.

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Policy Acquisition Costs

Policy acquisition costs, which consist of agent commissions, are primarily related to the issuance of new insurance policies and these costs are expensed when the policy is written.

Income Taxes

The Trust is exempt from Income taxes under the provisions of Section 115 of the Internal Revenue Code.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts may have been reclassified to conform to current period classifications. These reclassifications, if any, had no impact on previously reported change in net position or net position.

NOTE 2 - FAIR VALUE MEASUREMENTS

The following table sets forth, by level within the fair value hierarchy, the Trust's assets at estimated fair value:

|                   | As of September 30, 2023 |                       |             |                       |
|-------------------|--------------------------|-----------------------|-------------|-----------------------|
|                   | Level 1                  | Level 2               | Level 3     | Total                 |
| Debt securities   | \$ -                     | \$ 146,607,413        | \$ -        | \$ 146,607,413        |
| Equity securities | <u>36,197,610</u>        | -                     | -           | <u>36,197,610</u>     |
| Total securities  | <u>\$ 36,197,610</u>     | <u>\$ 146,607,413</u> | <u>\$ -</u> | <u>\$ 182,805,023</u> |

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 2 - FAIR VALUE MEASUREMENTS - CONTINUED

|                   | As of September 30, 2022 |                       |             |                       |
|-------------------|--------------------------|-----------------------|-------------|-----------------------|
|                   | Level 1                  | Level 2               | Level 3     | Total                 |
| Debt securities   | \$ -                     | \$ 147,576,012        | \$ -        | \$ 147,576,012        |
| Equity securities | <u>36,842,689</u>        | <u>-</u>              | <u>-</u>    | <u>36,842,689</u>     |
| Total securities  | \$ <u>36,842,689</u>     | \$ <u>147,576,012</u> | \$ <u>-</u> | \$ <u>184,418,701</u> |

The Trust did not have any Level 3 assets at any point during the years ended September 30, 2023 and September 30, 2022. There were no significant transfers between Level 1 and Level 2 during the years ended September 30, 2023 and September 30, 2022.

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Trust uses three cash accounts to transact its ongoing business and three types of investment portfolios to handle investment activities. Cash accounts are generally classified as operating, premium trust, and claims. The Trust has an investment portfolio devoted to debt securities. The Trust also has two investment portfolios devoted to equities, based on security type.

Cash and Cash Equivalents

The three cash accounts divide administration of the transactional requirements of the Trust into separate bank accounts. The operating account is used to pay for the general administrative costs of the Trust. The premium trust account is the depository for premiums of members and is the source used to pay all premium related charges other than claims and general administrative costs. Claims payment accounts are used to pay claims and claims adjustment expenses. The claims accounts are the depositories for subrogation, deductible and excess reimbursements.

All bank deposit amounts are covered by either federal depository insurance or collateral with the State of Florida under the Florida Security for Public Deposits Act (Chapter 280, Florida Statutes).

The Florida Security for Public Deposits Act (the Act) established guidelines for qualifications and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Trust deposits in qualified public depositories are totally insured. The qualified

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Cash and Cash Equivalents - Continued

public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

Investment Accounts

The Board of Trustees formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that establishes permitted investments, asset allocation limits, credit rating requirements and maturity limits to protect the Trust's cash and invested assets. The investments of the Trust comply with the limitations of its policy. The primary investment objective of the investment accounts is to provide a market return over the long term. To achieve this result, the investment portfolio consists of intermediate debt securities and equity securities. Additionally, the entire portfolio is diversified across economic sectors, geographic locations, and industries.

Investment balances in each portfolio for the years ended September 30, 2023 and 2022 were as follows:

|                        | September 30, 2023         |                                | September 30, 2022         |                                |
|------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
|                        | Estimated<br>Fair<br>Value | Percent<br>Asset<br>Allocation | Estimated<br>Fair<br>Value | Percent<br>Asset<br>Allocation |
| Debt portfolio         | \$ 146,607,413             | 80.2%                          | \$ 147,576,012             | 80.0%                          |
| Common stock portfolio | 8,611,172                  | 4.7%                           | 8,876,577                  | 4.8%                           |
| Index portfolio        | 27,586,438                 | 15.1%                          | 27,966,112                 | 15.2%                          |
| Total equity portfolio | 36,197,610                 | 19.8%                          | 36,842,689                 | 20.0%                          |
| Total                  | \$ 182,805,023             | 100.0%                         | \$ 184,418,701             | 100.0%                         |

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investment Accounts - Continued

Authorized investments must, by policy, meet specific quality standards based upon ratings issued by a nationally recognized statistical rating organization (NRSRO) and are benchmarked against appropriate indices for purposes of quarterly reporting to the Board of Trustees. Investments allowed under the Trust's investment policy include:

- Direct obligations of the United States Treasury including bills, notes, bonds and various forms of Treasury zero-coupon securities.
- Obligations of the agencies or instrumentalities of the Federal Government including but not limited to the Federal Home Loan Mortgage Corp, Federal National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Banks, and the Student Loan Marketing Association.
- Mortgage obligations guaranteed by the United States Government or sponsored agencies or instrumentalities. This includes mortgage pass-through securities as well as collateralized mortgage obligations.
- Asset-based securities issued in the United States as long as they are rated Aaa/AAA by at least one NRSRO.
- Corporate fixed-income securities issued by any corporation in the United States as long as they are rated Baa/BBB or better at the time of purchase by any NRSRO.
- U.S. dollar denominated and issued obligations and securities of foreign states or non-U.S. corporations which are rated Baa/BBB or better by at least one NRSRO.
- Money market mutual funds as defined and regulated by the SEC.
- Repurchase agreements.
- Commercial paper issued in the United States by any corporation with a rating of at least A+/A1 by at least one NRSRO.
- Certificates of deposit.
- Securities of state, municipal and county governments or their public agencies as long as they are rated at least Baa/BBB or better by an NRSRO.

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investment Accounts - Continued

- Guaranteed investment contracts issued by insurance companies rated at least Baa/BBB or better by one NRSRO.
- Commingled investment funds, including but not limited to exchange traded funds, investment trusts, limited partnerships and listed no-load mutual funds.
- Equity securities including common stock, preferred stock, American depository receipts and interest bearing obligations having an option to convert into common stock.

Investments - Debt Securities

The following disclosures have been prepared relative to the debt securities of the Trust.

*Interest rate risk.* The risk that the fair value of securities in a portfolio may fall due to changes in general interest rates is referred to as interest rate risk. The Trust mitigates that risk by structuring its portfolio such that securities mature to meet cash requirements for ongoing operations or otherwise are available to meet possible temporary cash flow requirements that might be associated with increased losses. The Trust's strategy is designed to avoid the need to sell securities on the open market prior to maturity.

The Trust uses effective duration as a measurement of interest rate risk. Duration, as distinct from maturity, determines the amount of price volatility the portfolio would experience given a shift in interest rates. For example, a portfolio with a duration of 3.5 years would incur a price decrease (increase) of 3.5% in the event of a 1% increase (decrease) in interest rates. Maturity is the contractual end date of a debt security. Average life is used in the place of maturity for all debt securities such as mortgages that are subject to both amortization and prepayment. Mortgage-backed securities included in the portfolios are assigned an expected average life as a proxy for their maturity and to provide a reasonable basis for assessing compliance with the investment policy of the Trust. Expected average life anticipates the period a security will be outstanding based on both the contracted or scheduled maturity of the instrument and the likelihood of prepayments.



**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investments - Debt Securities - Continued**

The debt securities portfolio limits maximum maturity of securities to ten years. The typical effective duration of the debt security portfolio is between 2.5 and 5.5 years. As of September 30, 2023 and 2022, the average maturity of the term debt securities portfolio was 4.94 years and 4.93 years, respectively; and the effective duration was 4.24 years and 4.2 years, respectively.

The schedule below shows the Trust's debt securities at September 30, 2023 and 2022.

Investments in debt securities are stated at their estimated fair value and consist of the following:

|                                       | September 30, 2023    |                            |                              |                               |
|---------------------------------------|-----------------------|----------------------------|------------------------------|-------------------------------|
|                                       | Amortized<br>Cost     | Estimated<br>Fair<br>Value | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses |
| U.S. Treasury securities              | \$ 31,578,348         | \$ 28,911,310              | \$ --                        | \$ ( 2,667,038 )              |
| Corporate notes                       | 91,576,484            | 81,311,608                 | --                           | ( 10,264,876 )                |
| Mortgage-backed<br>paydown securities | 40,699,930            | 36,384,495                 | 1,845                        | ( 4,317,280 )                 |
| <b>Total debt securities</b>          | <b>\$ 163,854,762</b> | <b>\$ 146,607,413</b>      | <b>\$ 1,845</b>              | <b>\$ ( 17,249,194 )</b>      |

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Debt Securities - Continued

|                                       | September 30, 2022    |                       |                  |                          |
|---------------------------------------|-----------------------|-----------------------|------------------|--------------------------|
|                                       | Amortized             | Estimated             | Gross            | Gross                    |
|                                       | Cost                  | Fair                  | Unrealized       | Unrealized               |
|                                       |                       | Value                 | Gains            | Losses                   |
| U.S. Treasury securities              | \$ 32,854,212         | \$ 30,310,940         | \$ --            | \$ ( 2,543,272 )         |
| Corporate notes                       | 101,610,884           | 90,114,537            | 71,490           | ( 11,567,837 )           |
| Mortgage-backed<br>paydown securities | <u>30,206,054</u>     | <u>27,150,535</u>     | <u>20,828</u>    | <u>( 3,076,347 )</u>     |
| Total debt securities                 | <u>\$ 164,671,150</u> | <u>\$ 147,576,012</u> | <u>\$ 92,318</u> | <u>\$ ( 17,187,456 )</u> |

The amortized cost and estimated fair value of debt securities as of September 30, 2023 and 2022 by contractual maturity are shown below. In some instances, actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

|   | September 30, 2023    |                       |                 |                          |
|---|-----------------------|-----------------------|-----------------|--------------------------|
|   | Amortized             | Estimated             | Gross           | Gross                    |
|   | Cost                  | Fair                  | Unrealized      | Unrealized               |
|   |                       | Value                 | Gains           | Losses                   |
| Due in one year or less                   | \$ 11,633,967         | \$ 11,308,795         | \$ --           | \$ ( 325,172 )           |
| Due after one year<br>through five years  | 65,083,536            | 59,261,325            | --              | ( 5,822,211 )            |
| Due after five years<br>through ten years | 46,437,329            | 39,652,798            | --              | ( 6,784,531 )            |
| Mortgage-backed<br>paydown securities     | <u>40,699,930</u>     | <u>36,384,495</u>     | <u>1,845</u>    | <u>( 4,317,280 )</u>     |
| Total debt securities                     | <u>\$ 163,854,762</u> | <u>\$ 146,607,413</u> | <u>\$ 1,845</u> | <u>\$ ( 17,249,194 )</u> |

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Debt Securities - Continued

|   | September 30, 2022    |                            |                              |                               |
|---|-----------------------|----------------------------|------------------------------|-------------------------------|
|   | Amortized<br>Cost     | Estimated<br>Fair<br>Value | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses |
| Due in one year or less                   | \$ 15,410,813         | \$ 15,337,224              | \$ 71,490                    | \$ ( 145,079 )                |
| Due after one year<br>through five years  | 56,447,393            | 52,071,930                 | --                           | ( 4,375,463 )                 |
| Due after five years<br>through ten years | 62,606,890            | 53,016,323                 | --                           | ( 9,590,567 )                 |
| Mortgage-backed<br>paydown securities     | <u>30,206,054</u>     | <u>27,150,535</u>          | <u>20,828</u>                | <u>( 3,076,347 )</u>          |
| Total debt securities                     | <u>\$ 164,671,150</u> | <u>\$ 147,576,012</u>      | <u>\$ 92,318</u>             | <u>\$ ( 17,187,456 )</u>      |

The following is a weighted average duration by security type as of September 30, 2023 and 2022:

|                                       | September 30, 2023         |                                 | September 30, 2022         |                                 |
|---------------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|
|                                       | Estimated<br>Fair<br>Value | Weighted<br>Average<br>Duration | Estimated<br>Fair<br>Value | Weighted<br>Average<br>Duration |
| U.S. Treasury securities              | \$ 28,911,310              | 3.82                            | \$ 30,310,940              | 3.90                            |
| Corporate notes                       | 81,311,608                 | 3.65                            | 90,114,537                 | 3.98                            |
| Mortgage-backed<br>paydown securities | <u>36,384,495</u>          | 5.91                            | <u>27,150,535</u>          | 5.29                            |
| Total debt securities                 | <u>\$ 146,607,413</u>      |                                 | <u>\$ 147,576,012</u>      |                                 |

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Debt Securities - Continued

The weighted average maturity of mortgage-backed paydown securities is approximately 22.8 years and 20.6 years at September 30, 2023 and 2022, respectively, based upon the contractual due dates of the individual securities. The effective duration for these securities, however is approximately 5.91 years and 5.29 years at September 30, 2023 and 2022, respectively, based upon the estimated times these securities will be outstanding.

*Credit risk.* The risk that losses might occur a result of the failure of a security issuer or backer is referred to as credit risk. The Trust's investments policy attempts to mitigate credit risk by limiting investments to the safest types of securities and by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The Trust had the following investments and credit ratings with the percent asset allocations at September 30, 2023 and 2022. The credit ratings are those of only one NRSRO.

|  | <u>Credit Rating</u> | <u>Portfolio Asset Allocation</u> |                |
|--|----------------------|-----------------------------------|----------------|
|  |                      | <u>9/30/23</u>                    | <u>9/30/22</u> |
| U.S. Treasury notes  | TSY                  | 19.7 %                            | 20.5 %         |
| Other governmental agencies<br>and Mortgage-backed<br>paydown securities | AGY                  | 24.8                              | 18.4           |
| Corporate notes  | Aaa                  | 0.3                               | 1.0            |
| Corporate notes  | Aa1                  | 0.5                               | 0.0            |
| Corporate notes  | Aa2                  | 1.2                               | 1.2            |
| Corporate notes  | Aa3                  | 7.6                               | 6.9            |
| Corporate notes  | A1                   | 10.7                              | 11.9           |
| Corporate notes  | A2                   | 8.0                               | 13.3           |
| Corporate notes  | A3                   | 7.6                               | 7.5            |
| Corporate notes  | Baa1                 | 9.1                               | 7.3            |
| Corporate notes  | Baa2                 | 10.5                              | 12.0           |

All debt securities purchased by the Trust must meet minimum credit rating requirements at the time of their acquisition. In the event of subsequent ratings downgrades, a security may continue to be held if it is believed that the ultimate repayment of principal and interest is still highly certain. The Trust's investment policy allows for corporate notes that fall outside investment guidelines to be held if management considers repayment to be highly certain.

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Debt Securities - Continued

*Custodial credit risk.* The Trust's investment policy pursuant to Section 218.415(18), Florida Statutes requires securities to be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the Trust should be properly designated as an asset of the Trust. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida.

*Concentration of credit risk.* Investment policy guidelines are specific to investment types maintained by the Trust. Additionally, within each account type, the Trust limits the amount held in any one investment.

The Trust's investment policy states that except for U.S. Treasury securities and money market funds, not more than 10% of the assets of the portfolio may be invested in the securities of any single issuer.

As of September 30, 2023 and 2022, the Trust had the following issuer concentrations based on fair value of the five largest individual issuers in the debt securities portfolio aside from direct obligations of the United States government:

|                                  | September 30, 2023         |  |
|----------------------------------|----------------------------|--|
|                                  | Estimated<br>Fair<br>Value | Estimated<br>Percent Asset<br>Allocation |
| Charles Schwab Corp.             | \$ 3,845,077               | 2.6 %                                    |
| Verizon Communications Inc.      | 2,859,266                  | 2.0                                      |
| Bank of New York Mellon          | 2,734,370                  | 1.9                                      |
| Toyota Motor Credit Corp.        | 2,436,121                  | 1.7                                      |
| Proctor & Gamble Co.             | 2,241,112                  | 1.5                                      |
| U. S. Treasury securities        | 28,911,310                 | 19.7                                     |
| Mortgage-back paydown securities | 36,384,495                 | 24.8                                     |
| Other (combined)                 | 67,195,662                 | 45.8                                     |
| <b>Total debt securities</b>     | <b>\$ 146,607,413</b>      | <b>100.0 %</b>                           |

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investments - Debt Securities - Continued**

|                                  | September 30, 2022         |  |
|----------------------------------|----------------------------|--|
|                                  | Estimated<br>Fair<br>Value | Estimated<br>Percent Asset<br>Allocation |
| Charles Schwab Corp.             | \$ 3,865,212               | 2.6 %                                    |
| Verizon Communications Inc.      | 2,816,068                  | 1.9                                      |
| Bank of New York Mellon          | 2,694,026                  | 1.8                                      |
| Toyota Motor Credit Corp.        | 2,439,974                  | 1.7                                      |
| Proctor & Gamble Co.             | 2,254,715                  | 1.5                                      |
| U. S. Treasury securities        | 30,310,940                 | 20.5                                     |
| Mortgage-back paydown securities | 27,150,535                 | 18.4                                     |
| Other (combined)                 | 76,044,542                 | 51.6                                     |
| <b>Total debt securities</b>     | <b>\$ 147,576,012</b>      | <b>100.0 %</b>                           |

**Investments - Equity Securities Portfolio**

The following disclosures have been prepared relative to the equity securities included in the equity portfolio of the Trust. While equity securities have a greater volatility than debt securities, the Trust attempts to mitigate the risk assumed by this asset allocation by investing in a well diversified mix of equity securities.

The equity portfolio is limited to publicly traded U.S. common or preferred equity securities listed on major U.S. exchanges, American Depository Receipts of foreign corporations traded on major U.S. exchanges, open ended mutual funds that have a minimum three year track record and total assets under management of at least \$250 million, exchange traded funds and money market funds.

Since the Trust allocates a maximum of 20% (plus or minus ten percent) of its investment portfolio to equities and holds approximately sixty equity securities, the Trust limits its exposure to the volatility of any individual equity security.

As of September 30, 2023 and 2022, the Trust's equity securities portfolio was segregated into two portfolios defined in the Trust's investment policy by security type.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investments - Equity Securities Portfolio - Continued**

The cost and fair value of equity securities as of September 30, 2023 and 2022 are shown below:

|                   | September 30, 2023 |               |                        |                         |
|-------------------|--------------------|---------------|------------------------|-------------------------|
|                   | Cost               | Fair Value    | Gross Unrealized Gains | Gross Unrealized Losses |
| Equity securities | \$ 27,447,339      | \$ 36,197,610 | \$ 8,964,433           | \$ ( 214,162 )          |
|                   | September 30, 2022 |               |                        |                         |
|                   | Cost               | Fair Value    | Gross Unrealized Gains | Gross Unrealized Losses |
| Equity securities | \$ 33,162,003      | \$ 36,842,689 | \$ 5,526,650           | \$ ( 1,845,964 )        |

**Foreign Currency Risk**

All securities purchased by the Trust must be denominated in U. S. dollars. The Trust has no exposure to foreign currency risk.

**Investments - Debt and Equity Securities**

Proceeds from sales of investment securities were approximately \$14,700,000 and \$17,900,000 during the years ended September 30, 2023 and 2022, respectively. Realized gains and losses of approximately \$2,118,000 and \$(445,000), respectively, were realized on the sales of investment securities during the year ended September 30, 2023. Realized gains and losses of approximately \$2,630,000 and \$(401,000), respectively, were realized on the sales of investment securities during the year ended September 30, 2022.

Information pertaining to securities with gross unrealized losses at September 30, 2023 and September 30, 2022, respectively, aggregated by length of time individual securities have been in a continuous loss position, is as follows:

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

**Investments - Debt and Equity Securities - Continued**

|                                    | September 30, 2023    |                         |                      |                         |                       |                         |
|------------------------------------|-----------------------|-------------------------|----------------------|-------------------------|-----------------------|-------------------------|
|                                    | Less than 12 Months   |                         | 12 Months or Greater |                         | Total                 |                         |
|                                    | Fair Value            | Gross Unrealized Losses | Fair Value           | Gross Unrealized Losses | Fair Value            | Gross Unrealized Losses |
| U.S. Treasury securities           | \$ 2,633,310          | \$ ( 231,807)           | \$ 26,278,000        | \$ ( 2,435,231)         | \$ 28,911,310         | \$ ( 2,667,038)         |
| Corporate notes                    | 1,873,263             | ( 1,097)                | 79,438,345           | ( 10,263,779)           | 81,311,608            | ( 10,264,876)           |
| Mortgage-backed paydown securities | 13,971,198            | ( 708,992)              | 22,184,108           | ( 3,608,288)            | 36,155,306            | ( 4,317,280)            |
| Total debt securities              | 18,477,771            | ( 941,896)              | 127,900,453          | ( 16,307,298)           | 146,378,224           | ( 17,249,194)           |
| Equity securities                  | 364,647               | ( 64,926)               | 615,841              | ( 149,236)              | 980,488               | ( 214,162)              |
|                                    | <u>\$ 18,842,418</u>  | <u>\$ ( 1,006,822)</u>  | <u>\$128,516,294</u> | <u>\$ ( 16,456,534)</u> | <u>\$ 147,358,712</u> | <u>\$ ( 17,463,356)</u> |
|                                    | September 30, 2022    |                         |                      |                         |                       |                         |
|                                    | Less than 12 Months   |                         | 12 Months or Greater |                         | Total                 |                         |
|                                    | Fair Value            | Gross Unrealized Losses | Fair Value           | Gross Unrealized Losses | Fair Value            | Gross Unrealized Losses |
| U.S. Treasury securities           | \$ 30,310,940         | \$ ( 2,543,272)         | \$ -                 | \$ ( -)                 | \$ 30,310,940         | \$ ( 2,543,272)         |
| Corporate notes                    | 51,736,838            | ( 4,688,745)            | 34,389,438           | ( 6,879,092)            | 86,126,276            | ( 11,567,837)           |
| Mortgage-backed paydown securities | 21,358,190            | ( 2,189,752)            | 5,085,869            | ( 886,595)              | 26,444,059            | ( 3,076,347)            |
| Total debt securities              | 103,405,968           | ( 9,421,769)            | 39,475,307           | ( 7,765,687)            | 142,881,275           | ( 17,187,456)           |
| Equity securities                  | 14,358,319            | ( 1,661,876)            | 834,863              | ( 184,088)              | 15,193,182            | ( 1,845,964)            |
|                                    | <u>\$ 117,764,287</u> | <u>\$ ( 11,083,645)</u> | <u>\$ 40,310,170</u> | <u>\$ ( 7,949,775)</u>  | <u>\$ 158,074,457</u> | <u>\$ ( 19,033,420)</u> |

The unrealized losses on 163 and 148 debt securities at September 30, 2023 and 2022, respectively, were caused primarily by rising interest rates. The severity of the impairments (ranging from minimal to 22% and minimal to 23%, respectively) is consistent with the general trend in debt securities.

The unrealized losses on 10 and 23 equity securities at September 30, 2023 and 2022, respectively, were caused primarily by normal stock price fluctuations. The severity of the impairments (ranging from 9% to 35% and 1% to 44%, respectively) is consistent with the individual variability of a stock price over a short-term period of time.

The Trust has evaluated the near-term prospects of the issuers in relation to the severity and duration of the above impairments and has intent and ability to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value. Further, the Trust has evaluated each issuer and noted no issuer with compelling evidence that any of these impairments have resulted from a credit loss. Based on this analysis, the Trust does not consider these impairments to be related to a credit loss. Accordingly, no allowance for credit losses was considered necessary as of September 30, 2023 and 2022.



**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 4 - PREMIUMS RECEIVABLE/MEMBER PREPAYMENTS**

Premiums receivable consist primarily of billed installments of policies written as well as additional premium amounts determined due to the Trust as a result of payroll audits. Management estimates an allowance for uncollectible accounts, if necessary, based on evaluations of the current status of the receivables, historical experience, reasonable forecasts about the future, and other factors as necessary. As of September 30, 2023 and 2022, there was no allowance for uncollectible accounts as management considers the balance to be fully collectible.

**NOTE 5 - EXCESS INSURANCE RECOVERABLES ON PAID AND UNPAID LOSSES**

The Trust purchased specific excess insurance to protect against large individual losses. This insurance indemnifies the Trust when paid losses on an individual occurrence exceed the retention level specified in the appropriate contract. The limits and retentions vary by line of business and by policy year.

The largest amount due from a single carrier on paid losses at September 30, 2023 and 2022 is approximately \$1,551,000 and \$1,239,000, respectively.

There are excess insurance recoverables on unpaid losses of approximately \$112,249,000 and \$111,203,000 (discounted) as of September 30, 2023 and 2022, respectively. These amounts are attributable to several carriers at both September 30, 2023 and 2022.

The failure of the excess insurers to honor their obligations could result in losses to the Trust. The Trust evaluates the financial condition of its excess insurers to minimize its exposure to significant losses from excess insurer insolvency. To the extent that excess insurance coverage of the Trust is deemed to be excess insurance under applicable Florida Statutes, any recoverables from an insolvent carrier would likely be paid by the applicable state operated guaranty fund.

The effects of excess insurance on premiums written and earned are as follows:

|               | <b>Year Ended September 30, 2023</b> |                             | <b>Year Ended September 30, 2022</b> |                             |
|---------------|--------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
|               | <u><b>Earned</b></u>                 | <u><b>Written</b></u>       | <u><b>Earned</b></u>                 | <u><b>Written</b></u>       |
| <b>Direct</b> | <b>\$ 139,531,002</b>                | <b>\$ 146,857,525</b>       | <b>\$ 122,567,826</b>                | <b>\$ 123,509,512</b>       |
| <b>Ceded</b>  | <u><b>68,142,206</b></u>             | <u><b>67,291,906</b></u>    | <u><b>55,733,472</b></u>             | <u><b>58,187,475</b></u>    |
| <b>Net</b>    | <u><b>\$ 71,388,796</b></u>          | <u><b>\$ 79,565,619</b></u> | <u><b>\$ 66,834,354</b></u>          | <u><b>\$ 65,322,037</b></u> |

Preferred Governmental Insurance Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 6 - PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of the following at September 30:

|  | <u>2023</u>          | <u>2022</u>          |
|--|----------------------|----------------------|
| Excess premiums                        | \$ 21,895,393        | \$ 22,745,693        |
| Administrative fees and other expenses | <u>1,321,979</u>     | <u>719,570</u>       |
| Total                                  | <u>\$ 23,217,372</u> | <u>\$ 23,465,263</u> |

These items will be charged to expenses during the succeeding year.

NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

The reserves for unpaid losses and loss adjustment expenses are based upon evaluations of the Trust's losses as prepared by the Trust's independent actuary. These evaluations are significant estimates which are subject to change. These changes can be material in relation to the financial statements taken as a whole. These evaluations include an estimated provision for incurred but not reported losses (IBNR) as well as reported losses. The undiscounted IBNR provision totals approximately \$111,956,000 and \$110,754,000 as of September 30, 2023 and 2022, respectively.

The reserves for unpaid losses and loss adjustment expenses have been discounted for the time value of money. These reserves have been discounted over the estimated payout period of the losses based upon data provided by the independent actuary and utilizing an interest rate of 2.5% and 2% as of September 30, 2023 and 2022, respectively, which represents the anticipated investment earnings while the losses are being paid out. The discount totals approximately \$15,917,000 and \$13,260,000 at September 30, 2023 and 2022, respectively. The change in loss discount was an increase of approximately \$2,657,000 for the year ended September 30, 2023 and a decrease of approximately \$(12,000) for the year ended September 30, 2022.

Any change in the estimate of net ultimate incurred losses and loss adjustment expenses as compared to the prior years will result in a direct increase (favorable development) or decrease (unfavorable development) in the current year's net income. Increases or decreases of this nature occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses. In addition, there are no premium adjustments made based on loss development, as there are no retrospectively rated policies.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES - CONTINUED**

The schedule below presents the changes in claims liabilities for the past three years of the Trust.

|  | September 30,         |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | 2023                  | 2022                  | 2021                  |
| <b>Unpaid losses and loss adjustment expenses at the beginning of the year</b>                       | \$ 163,147,626        | \$ 163,516,388        | \$ 155,604,898        |
| <b>Incurred losses and losses adjustment expenses:</b>   |                       |                       |                       |
| <b>Provision for insured events of the current fiscal year</b>                                       | 61,621,692            | 58,029,811            | 64,658,112            |
| <b>Provision for insured events of prior fiscal years</b>  | ( 5,500,824 )         | ( 4,277,870 )         | ( 6,381,999 )         |
| <b>Total incurred losses and loss adjustment expenses</b>  | <u>56,120,868</u>     | <u>53,751,941</u>     | <u>58,276,113</u>     |
| <b>Payments:</b>   |                       |                       |                       |
| <b>Losses and loss adjustment expenses attributable to insured events of the current fiscal year</b> | 15,044,469            | 14,294,196            | 15,838,909            |
| <b>Losses and loss adjustment expenses attributable to insured events of prior fiscal years</b>      | 41,692,394            | 39,826,507            | 34,525,714            |
| <b>Total payments</b>  | <u>56,736,863</u>     | <u>54,120,703</u>     | <u>50,364,623</u>     |
| <b>Unpaid losses and loss adjustment expenses at the end of the year</b>                             | <u>\$ 162,531,631</u> | <u>\$ 163,147,626</u> | <u>\$ 163,516,388</u> |

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES -  
CONTINUED**

As noted in Note 1 and Note 5, the Trust has purchased specific excess insurance to protect itself against large losses. The incurred losses of the Trust are net of the effects of recoveries recognized under the excess insurance contracts referred to above. During the years ended September 30, 2023 and 2022, the Trust experienced an increase in the anticipated recoveries recognized from these contracts of \$28.9 million and \$2.9 million, respectively, which has been recorded as a decrease to losses and loss adjustments expenses in the respective years.

The unpaid losses and loss adjustment expenses as of September 30, 2023 will be paid over many years due to the types of coverages written by the Trust. The exact timing of payment of these amounts is unknown and subject to many variables, however the net amount estimated to be paid during 2024 is approximately \$43.9 million.

**NOTE 8 - ACCOUNTS PAYABLE AND OTHER LIABILITIES**

Trust members with a self-insured retention pay for losses and these losses are reimbursed by the Trust. These reimbursements are made by the Trust once all required support is received. As of September 30, 2023 and 2022, the amounts recorded as payable to members for these payments was approximately \$4,840,000 and \$3,760,000, respectively. These amounts are included in accounts payable and other liabilities.

**NOTE 9 - CONTINGENCIES**

Preferred Governmental Claim Services (herein after referred to as PGCS) is responsible for providing adjusting services for claims arising during the term of the contract. This includes adjusting services applicable to claims incurred in prior years provided that the contract is still in effect. In the event that the Trust becomes insolvent, PGCS would be required to provide claims adjusting services with respect to all open claims files until such files are closed.

However, in the event that the contract is terminated or not renewed, PGCS has no further obligation to adjust these claims beyond the contract period. Accordingly, the Trust would be liable for costs of adjusting the claims during the runoff period.

The amount of the obligation would be dependent upon a number of factors, including but not limited to the number of open claims upon termination, the severity of open claims, the laws in effect at the time of contract termination, as well as any subsequent changes to the law and the date of contract termination.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 9 - CONTINGENCIES - CONTINUED**

As the contract with PGCS has not been terminated as of September 30, 2023 or 2022 and due to the number of variables discussed above, it is not possible to determine the amount of this liability, if any. Accordingly, the accompanying financial statements make no provision for any such costs.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

Each Trustee on the Board of Trustees is also a member of the Trust. Each Trustee abides by the same rules and regulations adhered to by all other members of the Trust. The Trust pays the Trustees for attending board meetings and reimburses the Trustees for various board meeting related expenses such as travel, lodging, and meals. The total of these expenses for the years ended September 30, 2023 and 2022 were approximately \$131,000 and \$85,000, respectively. These amounts are included in other expenses in the accompanying financial statements.

The Trust contracts with Public Risk Underwriters of Florida, Inc. (herein after referred to as PRU) to provide certain administrative services. This entity is related by virtue of common management. Additionally, PRU utilizes various insurance agents and affiliates to produce business for the Trust and to place excess contracts and other insurance products purchased by the Trust. The expenses incurred for these services is more fully described in the following “Administrative services, claim services, and certain broker and agent commissions” note.

The Trust also contracts with PGCS, an affiliate of PRU, to provide claims adjustment services. Additionally, PGCS utilizes affiliates for certain claims procedures. The expenses incurred for these services is more fully described in the following “Administrative services, claim services, and certain broker and agent commissions” note.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 11 - ADMINISTRATIVE SERVICES, CLAIM SERVICES, AND CERTAIN  
BROKER AND AGENT COMMISSIONS**

The Trust contracts with PRU to provide certain administrative services to the Trust. The Trust incurred expenses under the above referenced contract of \$13,566,847 and \$11,916,544 for the years ended September 30, 2023 and 2022, respectively, of which \$1,321,979 and \$719,570 is prepaid as of September 30, 2023 and 2022, respectively.

The Trust also contracts with PGCS, an affiliate of PRU, to provide claims adjustment services. The Trust incurred expenses under the above referenced contract of \$6,217,486 and \$5,218,709 for the years ended September 30, 2023 and 2022, respectively, of which \$652,877 and \$487,929 is payable as of September 30, 2023 and 2022, respectively.

In conjunction with adjusting claims, PGCS utilizes affiliates for certain claims procedures. These amounts are included in the claims expense in the accompanying financial statements. The Trust incurred expenses for these services of approximately \$2,559,000 and \$2,515,000 for the years ended September 30, 2023 and 2022, respectively.

There are various insurance agents that are affiliated with PRU that produce business for the Trust. The Trust incurred commission expenses with these agents of approximately \$6,573,000 and \$5,893,000 for the years ended September 30, 2023 and 2022, respectively. Substantially all of the amounts referenced above were paid as of September 30, 2023 and 2022.

The Trust utilizes certain affiliates of PRU to place excess contracts and other insurance products purchased by the Trust. These affiliates receive a commission for the placement of the coverage. The commissions attributable to these contracts totaled approximately \$2,995,000 and \$3,005,000 for the years ended September 30, 2023 and 2022, respectively. These commissions are included as part of the cost of excess insurance in the accompanying financial statements.

**NOTE 12 - CONCENTRATIONS/UNCERTAINTY**

The Trust writes select lines of insurance coverage for public entities within the State of Florida only. Approximately 30% of the 360 members represented 76% of member premiums for the year ended September 30, 2023 and 29% of the 368 members represented 75% of member premiums for the year ended September 30, 2022. Any recessionary pressures or other disturbances in this industry could have an adverse effect on the Trust's operations.

**Preferred Governmental Insurance Trust**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2023 and 2022**

**NOTE 12 - CONCENTRATIONS/UNCERTAINTY - CONTINUED**

**The Trust maintains cash in demand deposit accounts with federally insured banks that are also designated by the State of Florida as qualified public depositories. At times, the balances in these accounts may be in excess of federally insured limits and benefit from the collateral protection afforded by Chapter 280 of the Florida statutes.**

**The Trust's investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Trust.**

**NOTE 13 - RISK MANAGEMENT**

**The Trust is exposed to various risks of loss. The Trust participates in the property, liability and workers' compensation pools offered by the Trust and carries other commercial insurance.**

**NOTE 14 - SUBSEQUENT EVENTS**

**Management considered subsequent events through January 17, 2024, the date the financial statements were available to be issued.**

**REQUIRED SUPPLEMENTARY INFORMATION**





Shores, Tagman, Butler & Company, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Reconciliation of Claims Liabilities by Line of Business and the Comparative Schedule of Claims Development and Earned Assessments are presented for purposes of additional analysis and are not a required part of the financial statements of the Preferred Governmental Insurance Trust. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Shores, Tagman, Butler & Company, P.A.*

January 17, 2024

**Preferred Governmental Insurance Trust**

**Reconciliation of Claims Liabilities by Line of Business**

The schedule below presents the changes in claims liabilities for the past two years by major line of businesses (in thousands).

|   | Year Ended 9/30/2023 |                                    |                   | Year Ended 9/30/2022 |                                    |                   |
|---|----------------------|------------------------------------|-------------------|----------------------|------------------------------------|-------------------|
|   | Workers'<br>Comp     | Other<br>Property<br>&<br>Casualty | Total             | Workers'<br>Comp     | Other<br>Property<br>&<br>Casualty | Total             |
| Unpaid losses and loss adjustment expenses at the beginning of year                           | \$ 81,804            | \$ 81,344                          | \$ 163,148        | \$ 81,848            | \$ 81,668                          | \$ 163,516        |
| Incurred losses and loss adjustment expenses:   |                      |                                    |                   |                      |                                    |                   |
| Provision for insured events of the current fiscal year                                       | 26,732               | 34,890                             | 61,622            | 28,299               | 29,731                             | 58,030            |
| Provision for insured events of prior fiscal years  | <u>(4,719)</u>       | <u>(782)</u>                       | <u>(5,501)</u>    | <u>(656)</u>         | <u>(3,622)</u>                     | <u>(4,278)</u>    |
| Total incurred losses and loss adjustment expenses  | <u>22,013</u>        | <u>34,108</u>                      | <u>56,121</u>     | <u>27,643</u>        | <u>26,109</u>                      | <u>53,752</u>     |
| Payments:   |                      |                                    |                   |                      |                                    |                   |
| Losses and loss adjustment expenses attributable to insured events of the current fiscal year | 7,160                | 7,884                              | 15,044            | 7,401                | 6,893                              | 14,294            |
| Losses and loss adjustment expenses attributable to insured events of prior fiscal years      | <u>19,086</u>        | <u>22,607</u>                      | <u>41,693</u>     | <u>20,286</u>        | <u>19,540</u>                      | <u>39,826</u>     |
| Total payments  | <u>26,246</u>        | <u>30,491</u>                      | <u>56,737</u>     | <u>27,687</u>        | <u>26,433</u>                      | <u>54,120</u>     |
| Unpaid losses and loss adjustment expenses at the end of year                                 | <u>\$ 77,571</u>     | <u>\$ 84,961</u>                   | <u>\$ 162,532</u> | <u>\$ 81,804</u>     | <u>\$ 81,344</u>                   | <u>\$ 163,148</u> |

**Preferred Governmental Insurance Trust**  
**COMPARATIVE SCHEDULE OF CLAIMS DEVELOPMENT AND EARNED ASSESSMENTS**  
For the Period October 1, 2013 through September 30, 2023  
Year ending September 30,

|   | 2023              | 2022              | 2021              | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              | 2014              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Premiums and investment revenue:</b>   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Earned  | \$ 139,531,002    | \$ 122,567,826    | \$ 115,208,121    | \$ 112,176,268    | \$ 110,800,478    | \$ 108,120,372    | \$ 104,514,838    | \$ 96,719,649     | \$ 92,916,474     | \$ 92,197,372     |
| Ceded   | (68,142,206)      | (55,733,472)      | (51,656,336)      | (45,511,831)      | (39,113,716)      | (35,253,987)      | (31,459,730)      | (30,909,700)      | (33,124,606)      | (38,869,012)      |
| Net earned  | <u>71,388,796</u> | <u>66,834,354</u> | <u>63,551,785</u> | <u>66,664,437</u> | <u>71,686,762</u> | <u>72,866,385</u> | <u>73,055,108</u> | <u>65,809,949</u> | <u>59,791,868</u> | <u>53,328,360</u> |
| Net investment income (loss)  | 11,883,768        | (27,429,409)      | 12,573,378        | 14,157,650        | 14,068,999        | 5,549,185         | 5,941,462         | 4,070,878         | 5,527,402         | 4,378,529         |
| Unallocated expenses  | 30,961,579        | 27,130,487        | 25,942,367        | 25,518,129        | 25,432,776        | 25,372,412        | 24,342,520        | 21,755,655        | 20,845,434        | 20,584,448        |
| <b>Estimated incurred losses and expenses, end of policy year (1):</b>                |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Incurred  | 76,301,454        | 72,288,002        | 80,854,232        | 77,790,619        | 110,359,037       | 65,497,011        | 88,303,213        | 70,983,664        | 47,484,855        | 44,299,013        |
| Ceded   | (14,679,762)      | (14,258,191)      | (16,196,120)      | (15,632,665)      | (46,353,610)      | (12,226,513)      | (29,689,247)      | (16,695,100)      | (2,971,554)       | (7,623,820)       |
| Net incurred  | <u>61,621,692</u> | <u>58,029,811</u> | <u>64,658,112</u> | <u>62,157,954</u> | <u>64,005,427</u> | <u>53,270,498</u> | <u>58,613,966</u> | <u>54,288,564</u> | <u>44,513,301</u> | <u>36,675,193</u> |
| <b>Paid (cumulative) as of:</b>   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| End of policy year  | 15,044,469        | 14,294,196        | 15,838,909        | 15,877,820        | 15,464,357        | 12,511,430        | 13,974,075        | 11,351,283        | 8,876,651         | 6,873,787         |
| One year later  | -                 | 27,332,389        | 31,382,480        | 30,475,007        | 30,025,552        | 25,368,470        | 25,295,124        | 21,206,906        | 19,914,172        | 16,125,646        |
| Two years later   | -                 | -                 | 40,105,840        | 37,886,023        | 37,420,144        | 33,055,983        | 30,477,937        | 26,802,530        | 26,071,073        | 20,865,478        |
| Three years later   | -                 | -                 | -                 | 44,703,727        | 41,141,497        | 38,976,232        | 34,992,953        | 30,847,930        | 31,269,516        | 24,810,326        |
| Four years later  | -                 | -                 | -                 | -                 | 46,815,685        | 43,283,382        | 37,060,104        | 33,549,831        | 33,679,172        | 26,758,537        |
| Five years later  | -                 | -                 | -                 | -                 | -                 | 45,899,024        | 38,774,287        | 34,801,438        | 36,124,487        | 29,002,571        |
| Six years later   | -                 | -                 | -                 | -                 | -                 | -                 | 40,617,775        | 36,465,251        | 36,532,768        | 31,369,113        |
| Seven years later   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 37,474,014        | 37,593,635        | 31,517,509        |
| Eight years later   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 37,899,044        | 31,999,224        |
| Nine years later  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 32,243,700        |
| Re-estimated ceded losses and expenses (1)  |                   | 39,523,431        | 13,051,849        | 12,356,885        | 12,270,074        | 55,495,173        | 39,620,032        | 9,794,139         | 8,153,428         | 11,708,748        |
| <b>Re-estimated net incurred losses: (1)</b>  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| End of policy year  | 61,621,692        | 58,029,811        | 64,658,112        | 62,157,954        | 64,005,427        | 53,270,498        | 58,613,966        | 54,288,564        | 44,513,301        | 36,675,193        |
| One year later  | -                 | 56,476,237        | 62,726,932        | 60,732,704        | 62,391,608        | 54,633,251        | 55,181,733        | 49,286,557        | 46,463,847        | 39,799,393        |
| Two years later   | -                 | -                 | 62,597,439        | 60,736,472        | 59,999,721        | 56,589,592        | 52,354,122        | 47,321,842        | 46,013,092        | 39,114,277        |
| Three years later   | -                 | -                 | -                 | 60,663,519        | 57,841,742        | 56,267,909        | 52,289,560        | 44,491,417        | 46,160,390        | 38,289,513        |
| Four years later  | -                 | -                 | -                 | -                 | 58,158,013        | 55,818,688        | 51,537,578        | 46,991,788        | 46,156,188        | 37,689,982        |
| Five years later  | -                 | -                 | -                 | -                 | -                 | 54,956,495        | 49,923,504        | 45,804,016        | 46,798,411        | 37,735,328        |
| Six years later   | -                 | -                 | -                 | -                 | -                 | -                 | 48,674,379        | 45,494,922        | 45,296,954        | 39,397,011        |
| Seven years later   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 44,491,417        | 45,019,506        | 38,766,042        |
| Eight years later   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 44,032,688        | 38,002,626        |
| Nine years later  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 37,399,457        |
| Increase (decrease) in estimated incurred losses and expenses from end of policy year |                   | \$ (1,553,574)    | \$ (2,060,673)    | \$ (1,494,435)    | \$ (5,847,414)    | \$ 1,685,997      | \$ (9,939,587)    | \$ (9,797,147)    | \$ (480,613)      | \$ 724,264        |

(1) These amounts have been discounted

# Tab 5

## Successful Experience and Qualifications of Firm and Staff

## Tab 5: Successful Experience and Qualifications of Firm and Staff

Respondents shall provide a five-page summary regarding their ability to deliver the requested services in a specific timeframe, including a proposed project timeline. Information regarding dedicated staff and current workload should be provided. Respondent shall provide the list of current staff that can perform the work and have experience & skill in managing insurance for municipalities. Include the extent of each person's participation and their related experience. Indicate the approximate percentage of the total work to be accomplished by each individual. List all subcontracted services and Third Party Administrator, attorney firms, managed care arrangements, and vendor service providers.

Resumes of key personnel should also be included and must include the person who will be assigned as City's direct representative. Resumes should not exceed two-pages per person. Resumes should include a description of:

- Training, education, and degrees.
- Related experience and for whom.
- City's Representative must have experience in managing municipal/government clients
- Professional certifications, licenses, and affiliations.

### Services Management Process

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Our team believes constant communication and a thorough understanding of the City's risk exposures at all times of year is critical to providing the most effective risk management program. It is crucial to recognize the exposure facts and meet with you before approaching the marketplace to provide the City with insight into the current market conditions and identify the City's goals and risk appetite.

Our service commitment includes establishing a client-specific calendar of events which proactively guides the insurance program in real-time and assures that our team is with you every step of the way. This includes fulfilling City expectations on communications, deliverables and reporting requirements. It is our procedurally mandated service commitment to immediately identify and document customer expectations in order to meet those needs on a daily and on-going basis.

We will initiate the renewal process approximately 120-150 days prior to renewal and will meet with City staff to review current exposures, potential new exposures, and prepare our underwriting submissions. We have developed a marketing plan to access all viable insurance markets with the City's approval.

A summary of our general Workflow specifically designed to serve the City is below.

## **Insurance Workflow Timeline**

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### **120-150 days prior to EACH policy expiration**

- » Initiate Marketing Process
- » Current market conditions analysis
- » Estimate changes in cost – self-insured and risk transfer
- » Discuss Budget Constraints and Goals
- » Written request for underwriting data
- » Assist in collection of risk exposure information
- » Establish competitive markets to be approached
- » Identify desired coverage, terms, and conditions goals

### **90 to 120 Days prior to policy expiration**

- » Approval of Submission to risk-transfer/insurance markets by client
- » Submit underwriting data to chosen and/or all interested carriers
- » Update Risk Management on progress and early pricing and coverage term indications

### **60 to 90 days prior to expiration**

- » Update of quotes received and markets approached
- » Cost of Risk Analysis - Liability
- » Catastrophic Modeling Results - Property
- » Develop recommendation for most effective program

### **30 to 60 days prior to expiration**

- » Attend Meetings and Workshops
- » Assist in preparation of Board Agenda items
- » Complete required signed documents
- » Submit Requests to Bind to chosen carriers

### **Inside 30 days prior to expiration**

- » Request, Review and Issue Binders
- » Issue any recurring Certificates of Insurance
- » Issue Invoices – with special instruction for timing of payments as needed
- » Issue Binders

### **30 to 60 days after policy inception**

- » Re-issue any expired binders
- » Review, correct and issue policies

### **Ongoing**

- » Daily Policy Maintenance and Client Service Requests
- » Claims Reporting and Advocacy
- » Aggregate and Large Claim Reviews
- » Property appraisal management and implementation
- » Maintain, Update and Scrub Property Statement of Values data
- » Stewardship Reports
- » Provide Analytics, including Cat Modeling
- » Review Risk Management Policies
- » Inspection/Loss Prevention Program Implementation
- » Flood Zone Audits for Property
- » Market Trend and Emerging Markets Identification
- » Legislative Change Tracking
- » Industry News Communications
- » Other Special Projects as agreed
- » Contractual Risk Transfer/Vendor Contracts
- » Vendor Certificate of Insurance Review

## Insurance Proposal Presentation

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Our insurance professionals present a written proposal detailing all proposed services and insurance terms and conditions including but not limited to:

- » Current Insurance Market Summary/Update (industry data and analysis)
- » Market Overview (carrier quotes and declinations)
- » Comprehensive Coverage Comparisons
- » Expiring vs. Renewal Comparison
- » Claim Analysis
- » Catastrophic property and other modeling analytics
- » Retention and policy limit options analysis
- » Summary of terms, conditions and exclusion highlights, specimen forms and compensation disclosures
- » Copies of all insurer quotes are included in our hard copy proposal
- » Written confirmation of all commissions paid to broker/intermediaries

## Attendance at Public and Internal Meetings

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Our team regularly attends our local government client's meetings for internal staff meetings, leadership meetings and for public meetings. is available to attend Board Meetings, Department Meetings, Insurance and Safety Committee Meetings, and any discussions or meetings with the Risk Management Team.

We agree to attend as many meetings as desired or necessary upon request by the City.

## Agency Management Systems

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The key to effective administrative support from our agency is through internal organization and follow-through. Our team utilizes Vertafore, and a suite of agency management systems spearheaded by **AMS360 Online**. These systems enable our team to effectively manage all client tasks with integrated solutions focused on identifying, tracking, and completing workflows on time, every time.

Our system manages all aspects of account management including, billing, document management, communications, (emails, applications, written correspondence, etc.), marketing, claims, certificates of insurance and many other daily transactional activities. All pending items are suspended and completed in a specified time frame. This system is designed and maintained so that each service team member can service any account if a primary account representative is out of the office. To guarantee our ability to provide continuous uninterrupted service AMS 360 data is maintained in redundancy at an offsite location. **If any of our locations were to suffer a**



**catastrophic loss, we could still operate at full capacity on a remote basis and with the support of our multiple office structure.**

**AMS360 is an agency management system that provides the foundation for our team to boost productivity and track all workflows. It helps streamline workflows, improve renewal timelines, improve teammate productivity, and enables our team to deliver excellent customer service. AMS 360 allows our team to:**

- » **Integrate agency-carrier workflows**
- » **Better manage and access insurance documents and client content**
- » **Configure workflows to route the right work to the right person at the right time**
- » **Provides real-time insights**
- » **Reduce time spent on finance and accounting through insurance process automation**
- » **Automate alerts on renewals and analyze rate information for use by our brokerage team**
- » **Integrate technology inputs from vendors, clients and carriers**

## **Quality Control**

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Our Agency Management Systems (AMS 360) and other Quality Control guidelines ensure that tasks and activities are completed in a timely manner. Brown & Brown has a **Quality Control division which includes multiple teams of internal auditors**. These auditors perform not only financial audits, but also file and Information Technology audits of each office to assure funds, records and client service are performed in accordance with the company's policies and procedures. The results of these audits are made directly to Brown & Brown's Board of Directors. In addition, we have corporate standards, including procedures such as: Catastrophe Plan, Contract Review standards, Internal Procedures Manuals, Correspondence Management, Data Retention, etc.

All team members must and will follow corporate Quality Control Guidelines for timeliness and service delivery. Annual requirements include:

- » Insurance Coverage Review Checklists completed annually
- » Mandatory internal self-audit procedure and financial audits to ensure quality procedures and desired results.
- » Mandatory annual compliance training for employees, including insurance licensing, cyber/IT, ethics, and various computer software.
- » These trainings are timely and are directly related to our customer experience. For example, MS Teams training was required immediately following the pandemic lockdown orders.



## Security Committee

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Although we cannot predict the future results of any company, we persistently offer only financially secure insurers to our clients. Per corporate mandate, Brown & Brown is not authorized to provide quotes to our clients from unauthorized insurers or insurers with a less than AM Best rating of A- or those not rated by AM Best without an authorized exception. However, since it may be in the best interest of our clients to review and bind quotes from certain alternative risk transfer providers, Brown & Brown has established a Market Security Committee which reviews and monitors insurers falling into these categories: Risk Retention Groups, Captives, Self-Insured Groups, Trusts, State Funds, and Joint Underwriting Associations.

In addition,

- » Each team member monitors industry news from various sources daily.
- » AM Best ratings are confirmed and provided formally any time a quote is presented.
- » Any discussion or further research regarding ratings or financial position is performed, as necessary.

## Our Team

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Our team of passionate, motivated, hard-working insurance industry leaders is extremely excited and ready to continue our relationship with the City with a focus on long-term goals and improvements to the City's current program.

Our entire team of insurance professionals is cross-trained and educated on all accounts, which provides continuity and exceptional service standards. It is our service model to immediately identify and document client expectations and to meet those needs on a daily and ongoing basis.

Part of the Brown & Brown culture is our endless pursuit of learning. All teammates within Brown & Brown are required to maintain required national, state, and local licensures. All teammates also are mandated to complete annual training programs and other focused education requirements. 2024 required courses included cyber risk management, ethics, and licensure requirement review. These requirements ensure higher knowledge and consistency of our professionals, and therefore consistency of quality service for our clients.

Brown & Brown University (BBU) has been developed over the past 15 years to provide in-house education to ensure teammates receive technical training, advanced learning, market navigation, leadership skills, product and presentation innovations, and best practices within our culture.

Increasing our knowledge of the insurance industry helps us to stay focused on our core operations and enhance the company's ability to sell and service insurance. In addition to obtaining and maintaining the proper state licenses, teammates and leaders are encouraged to pursue insurance related designations. The educational programs that encompass these designations serve two

important needs. First, the coursework provides insurance professionals with an in-depth understanding of industry practices. Second, having achieved these designations illustrates an insurance professional's expertise in their field to prospective clients.

Brown & Brown has partnered with some of the organizations that offer continuing education and designation programs for the insurance industry including The Institutes, The National Alliance for Insurance Education, The National Association of Benefits and Insurance Professionals, The National Underwriter Company, and The American College. These partnerships give teammates discounts on their education costs. In addition, we reimburse employees for all education costs.

Our team's collective experience exceeds **300 years**, and all teammates are encouraged to continue their pursuit of knowledge by continuing educational endeavors. As a result, most teammates hold professional insurance/risk designations, including:

- Bachelor of Science – Risk Management/Insurance
- AIDA – Associate in Insurance Data Analytics
- ARM-P – Associate in Risk Management for Public Entities
- RMPE – Completion of Risk Management for Public Entities
- CIC – Certified Insurance Counselor
- CISR – Certified Insurance Service Representative
- CPCU – Chartered Property Casualty Underwriter
- CRM – Certified Risk Manager
- GBA – Group Benefits Associate
- GBDS – Group Benefits Disability Specialist
- GWPC -Certified Wellness Program Coordinator
- VBS – Voluntary Benefits Specialist
- CEBS – Certified Employee Benefits Specialist

For the intentions of this RFP, the City's team leaders will continue to be Matt Montgomery and Bill Wilson, MBA. Mr. Montgomery and Mr. Wilson both have an extensive background working within and alongside government entities in the State of Florida. Mr. Wilson and Mr. Montgomery will be available for face-to-face meetings and presentations. Their experience in the Florida public entity sector provides unmatched risk management expertise, top tier levels of service as well as a proven track record for managing risks with high catastrophe prone exposures. A brief introduction to the key team members is shown on the following page:

| Management Team Member  | Responsibilities   |
|---|--|
| <p><b>Matthew Montgomery</b><br/>Executive Vice President<br/>(100% Involvement)</p>                          | <ul style="list-style-type: none"> <li>* Executive oversight of Brown &amp; Brown servicing office</li> <li>* Authorized to execute contracts</li> <li>* Governmental operations specialist</li> <li>* Executive level communications and presentations</li> <li>* Interaction with legislative developments</li> <li>* Oversees all aspects of insurance program placements and broker services</li> </ul>  |
| <p><b>Bill Wilson, MBA</b><br/>Public Risk Advisor<br/>(100% Involvement)</p>                                 | <ul style="list-style-type: none"> <li>* Executes all aspects of insurance program placements and broker services</li> <li>* Risk Management service and analysis, claim review and response advocate, overall program implementation</li> </ul>   |
| <p><b>Michelle Martin, CIC</b><br/>Sr. Vice President<br/>Public Risk Advisor<br/>(As Needed Involvement)</p> | <ul style="list-style-type: none"> <li>* Oversees technical approach, strategy, program review, analysis, insurance program design, marketing, and negotiations</li> </ul>   |
| <p><b>Paul Dawson</b><br/>Sr. Vice President<br/>Public Risk Advisor<br/>(As Needed Involvement)</p>          | <ul style="list-style-type: none"> <li>* Oversees technical approach, strategy, program review, analysis, insurance program design, marketing, and negotiations</li> </ul>   |
| <p><b>Trish Jenkins, CPSR</b><br/>Public Risk Specialist<br/>(100% Involvement)</p>                           | <ul style="list-style-type: none"> <li>* Senior account manager</li> <li>* Backup to assist in Marketing and Program design</li> <li>* Day-to-day communication and policy servicing</li> <li>* Primary contact for all policy services</li> <li>* Quote/Binder/Policy review for accuracy</li> <li>* Invoicing, certificates, and general inquiries</li> <li>* Property, Auto and Inland Marine schedule maintenance</li> <li>* Creation and assembly of reports, claims data and loss history summaries</li> </ul> |
| <p><b>Jessica Conway</b><br/>Public Risk and Claims Specialist<br/>(As Needed Involvement)</p>                | <ul style="list-style-type: none"> <li>* Additional contact for all service &amp; Certificates of Insurance</li> <li>* Claims processing and handling</li> <li>* National Flood Insurance Program (NFIP) specialist</li> </ul>   |
| <p><b>Chris Kittleson, ARM</b><br/>Director of Loss Control Technical<br/>(100% Involvement)</p>              | <ul style="list-style-type: none"> <li>* Preferred Governmental Insurance Trust Loss Control</li> <li>* Oversight of In-house Loss Control &amp; Training Resource</li> <li>* Expert in safety and loss mitigation techniques</li> </ul>   |

## Project Management Team



**Matt Montgomery**  
**Brown & Brown**  
**Public Sector**  
**Practice Leader**

LOCATION: Corporate  
Headquarters  
Daytona Beach, FL

Mr. Montgomery leads Brown & Brown Public Sector with 20 years of experience in Federal and State Government and 11 Years representing Florida Local Government's Property, Casualty and Employee Benefits Programs. Matt will continue to be the lead Project Manager for the City of Lake Worth Beach, ensuring that the entire team of Property, Casualty, Claims and Loss Control professionals are executing at the highest level to deliver the City exceptional results every year.

Matt's expertise spans the entire insurance industry but is mainly focused on large local governments. Matt is the team leader for the brokerage teams which serve The State of Florida's Property Program, Palm Beach County, Hillsborough County, the City of Ft. Lauderdale, City of Miami, City of Jacksonville, Naples, and more than \$50 Billion in insured.

Matt directs our team providing deliverables for the City. Throughout the contract year, Mr. Montgomery will oversee insurance submissions, marketing, negotiation, and presentation of insurance program design. He will be directly involved and responsible for the delivery of related resources including claims advocacy, asset and other insurable financial analysis and valuations, loss control, property appraisal, and other services.

As part of Mr. Montgomery's duties as EVP of Brown & Brown Public Sector, Matt is ultimately responsible for the entire team of professionals and the service standards and deliverables provided to our governmental clients. His philosophy is to build successful teams, procedures and results around two main themes.  
Accountability and Communication

Matt's qualifications and experience include the following:

- Florida State University, BS Degree, Philosophy
- Brown & Brown, Inc. – 2013 to Present
- Florida Dept. of Highway Safety & FHP – 2011 to 2013
- Southern Strategy Group – 2007 to 2011
- United States Senate – 2002 to 2007
- 2-20 General Lines Agent License, State of Florida
- 2-15 Life, Health, & Variable Annuities License, State of Florida
- Board Member Halifax Humane Society
- Board Member Take Stock in Children

## Project Management Team



**Bill Wilson, MBA**  
**Public Risk Advisor**

LOCATION: Broward  
County (reports to  
Corporate Headquarters  
Daytona Beach, FL)

Mr. Wilson serves as a Public Risk Advisor for Brown & Brown Public Sector with over 15 years of experience in State and State Government. Bill's expertise is particularly valuable for direct assistance with public entities throughout South Florida. He represents over a dozen cities risk management programs in the Tri-County, including Town of Jupiter, Town of Davie, City of Miami, and City of Fort Lauderdale.

As the Public Risk Advisor, Bill will continue to serve as a primary contact to the City for the execution of the City's risk management services. Bill's Public Entity and Risk Management experience is inclusive of leading service and marketing teams, data analytics & stewardship reporting, and providing contract review and recommendations. He also provides presentations to executive staff and Boards, and other executive meetings, as needed. Bill provides direct support to all aspects of client services.

Throughout the contract, Bill will continue to engage in insurance submission, marketing, negotiation, presentation of coverage, program design and financial analysis. He will stay directly involved and responsible for the delivery of related resources including claims advocacy, asset and other insurable financial analysis and valuations, loss control, property appraisal, and other services.

- » Insurance and self-insurance program and policy design
- » Local government financing and budgeting
- » Public entity law (FL Statutes, procurement, court rulings, contractual liability, etc.)
- » Contractual insurance requirements and Certificate of Insurance (COI) review
- » Builders Risk Advisor and Procurement Specialist
- » Involved in business and client interests via industry organizations, including PRIMA, FCCMA, FLC and RIMS.

Bill's qualifications and experience include the following:

Florida International University, BA in Finance  
Florida International University, MBA in Finance  
Brown & Brown – 2022- Present  
State & Local Government Independent Consultant 2021-2022  
Miami-Dade County (BOCC) -2017-2021  
State of Florida (Florida House and Florida Commerce) - 2006-2017  
State University System (FIU) - 2000-2006  
15+ years of Government experience  
2-20 General Lines Agents License, State of Florida

## Project Support Team

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**Michelle Martin, CIC**  
**Senior Vice President/  
Public Risk Advisor**

LOCATION: Corporate  
Headquarters  
Daytona Beach, FL

Michelle Martin will continue to support the project team for the execution of the City's risk management plan. She will help direct our team providing deliverables for this project. Michelle's professionalism and expertise in the industry has been exemplified by his commitment to and representation of Florida's large self-insured governmental entities over the past 30 years. Throughout the contract year, Michelle will assist in insurance submissions, marketing, negotiation, and presentation of insurance program design. It is important to note that Michelle's workload has been tailored to provide the extra attention deserved by our Risk Management accounts. Her ability to effectively manage these projects have been developed from a unique background and subject-matter focus highlighted below.

- » Lead Account Executive for 12 FL public entity self-insureds
- » 30 years' experience includes Marketing Manager for corporate office, negotiation, and placement of alternative risk transfer mechanisms for US and European commercial business. Since 2005, sole focus on public entity program management.
- » Large multi-layered property design and placement
- » Insurance and self-insurance program and policy design
- » Local government financing and budgeting
- » Public entity law (FL Statutes, procurement, court rulings, etc.)
- » Claims advocacy, including extensive hurricane recovery experience.
- » Informational and educational presentations to public entities and industry organizations.
- » Involved and committed to keeping on the cutting edge of our business and client interests via industry organizations, including PRIMA, FERMA, FCCMA, FLC and RIMS.

Michelle's qualifications and experience include the following:

- Certified Insurance Counselor (CIC)
- Risk Management for Public Entities (RMPE)
- Advisory Board Member – SW Florida PRIMA
- Brown & Brown – 1995 to Present
- 2-20 General Lines Agent License, State of Florida
- 29 years of Florida Public Entity Insurance Experience
- 33 years Insurance Brokerage Experience

## Project Support Team



**Paul Dawson, ARM-P  
Senior Vice President/  
Public Risk Advisor**

LOCATION: Corporate  
Headquarters  
Daytona Beach, FL

Paul Dawson will continue to support the project team for the execution of the City's risk management plan. He will help direct our team providing deliverables for this project. Paul's expertise in the industry has been exemplified by his commitment to and representation of Florida's large self-insured governmental entities over the past 28 years. Paul has written and maintained numerous clients in across the State of Florida Throughout the contract year, Paul will assist in insurance submissions, marketing, negotiation, and presentation of insurance program design. His ability to effectively manage these projects has been developed from a unique background and subject-matter focus highlighted below.

- » 28 years' experience includes sole focus on public entity program management, catastrophic claims advocacy,
- » Large multi-layered property design and placement
- » Insurance and self-insurance program and policy design
- » Local government financing and budgeting
- » Public entity law (FL Statues, procurement, court rulings, contractual liability, etc.)
- » Claims advocacy, including extensive hurricane recovery experience.
- » Informational and educational presentations to public entities and industry organizations.
- » Involved and committed to keeping on the cutting edge of our business and client interests via industry organizations, including PRIMA, FCCMA, FLC and RIMS.

Paul's qualifications include the following:

Associates in Risk Management for Public Entities (ARM-P)  
Brown & Brown - 1995 to Present  
2-20 General Lines Agent License, State of Florida

## Project Support Service Team



**Trish Jenkins, CPSR**  
**Senior Public**  
**Risk Specialist**

LOCATION: Corporate  
Headquarters  
Daytona Beach, FL

Ms. Jenkins will continue to serve the City of Lake Worth Beach as the day-to-day service point of contact. She is highly familiar with the City's program, and well versed in responding to the City's service requests, issuing certificates of insurance, maintaining property, vehicle, and equipment schedules, claims handling as well as general requests for service. Trish boasts an impressive record of accurate, quality service and routinely receives accolades from her clients. She currently handles some of Brown & Brown's largest and most complex clients and is well trained and experienced in handling custom self-insured insurance programs.

Key functions include but are not limited to:

- » Quote/Binder/Policy review for accuracy
- » Proposal/Binder/Policy delivery
- » Invoicing, Certificates, and general inquiries
- » Audits and premium adjustments
- » Carrier premium payments
- » Property, Auto and Inland Marine Schedule maintenance
- » Provide up-to-date Schedules of Insurance coverage
- » Creation and assembly of reports, claims data and loss history summaries
- » Securing alternative needs such as performance bonds, additional coverages, etc.

Trish's qualifications include the following:

Certified Public Risk Specialist (CPSR)  
Brown & Brown – 2010 to Present  
N.T. Vincent Ins. – 2000 to 2010  
2-20 General Lines Agents License, State of Florida  
23 years Commercial Insurance Experience  
13+ years of Florida Public Entity Experience



## Project Service Team Claims Specialist

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**Jessica Conway**  
**Public Risk and Claims**  
**Specialist**

LOCATION: Corporate  
Headquarters  
Daytona Beach, FL

Ms. Conway provides front line claims reporting and advocacy for the Brown & Brown Public Sector office. She spearheads public entity administrative and claims routine service functions, including daily client communication; maintain claims assistance; and will handle general requests for service in a multitude of other areas as needs arise or as requested.

Key functions include but are not limited to:

- » Issuance of Certificates of Insurance (COI)
- » COI Review and Compliance
- » Claims file management and general inquiries
- » Creation and assembly of reports, claims data and loss history summaries
- » NFIP Flood Program Policy Administration
- » Flood Audit Review and Compliance

Jessica's qualifications include the following:

Stetson University, Bachelor of Science  
Brown & Brown – 2023 to Present  
2-20 General Lines Agents License, State of Florida

## Project Loss Control & Safety



**Christopher Kittleson, ARM,  
CPSI  
Director of Loss Control  
Service, Public Risk  
Underwriters**

LOCATION: Boca Raton,  
Florida

Mr. Kittleson provides highly tailored loss control and risk management services to the City of Lake Worth Beach and is extremely familiar with the City's needs and long-term goals. Chris provides similar services to dozens of other local governments in the South Florida area and is a passionate and effective loss control advocate.

Chris brings expert advice regarding risk identification and control in the field and at the employee level. His work has been exclusively focused on South Florida public entities for 13 years.

Chris' areas of focus include:

- » Assessment and Implementation of Safety and Loss Control initiatives and programs
- » Onsite employee safety training
- » Safety Inspections
- » Safety Program Review & Evaluation
- » Safety Committee Development and Guidance
- » Accident Review Board Development and Guidance
- » Human Resources/Employee Relations
- » Performance Improvement
- » Analyzing and Protecting of Assets

Christopher's qualifications include:

30 years' experience in the insurance industry  
Public Risk Underwriters – 2007 to Present  
Risk management policies and procedures  
Safety Committee meeting organization, agenda format, and direct participation for topical discussions or leadership needs.  
Claims monitoring and mitigation through training programs,  
OSHA Certified  
National Safety Council Instructor  
B.S. Engineering Technology, St. Cloud State University, MN

# Tab 6

## Similar Projects and References

**EXHIBIT "D"**

**RFP #24-207 PROPERTY AND CASUALTY INSURANCE**

**SIMILAR PROJECTS**

List three (3) similar projects successfully completed in the past five (5) years by the firm who will be managing the contract. Projects shall provide evidence of experience and skill with similar scope, knowledge with providing Property and Casualty Insurance services. **All listed projects listed shall be for services provided to government entities/municipalities.** Only one project listed may be for the City of Lake Worth Beach if applicable.

**Completed Project #1:**

Agency/company: City of Lauderhill

Current contact person at agency/company: Cici Krempler, Risk and Human Resources Manager

Telephone: (954)730-3097 Fax: (954)730-7240 E-mail: ekrempler@lauderhill-fl.gov

Address of agency/company: 5581 W. Oakland Park Blvd, Lauderhill, FL 33313

Name of project: Insurance Broker Services

Description: Provided Property, Casualty, Professional and Excess Workers Compensation placements each year. During this period, our team also consulted on property appraisals, flood audits, contract and certificate of insurance reviews, claims management and reviews, and safety training. Our team also successfully placed Boiler & Machinery, Sports Accident Liability, Storage Tank Liability, Firefighter Cancer, Ocean Marine (Hull Coverage), Liquor Liability, NFIP Flood and various external General Liability and Events Policy needs for the City.

Project value: \$1,900,000 Start date: 2011 Completion date: Present  
(month/year) (month/year)

Name(s) of assigned personnel:

Project manager: Bill Wilson, MBA

Others: Matthew Montgomery, Trish Jenkins, Robin Russell

**Completed Project #2:**

Agency/company: Town of Jupiter

Current contact person at agency/company: Daisy Sand, Risk Manager and Human Resources

Telephone: (561) 741-2312 Fax: \_\_\_\_\_ E-mail: daisys@jupier.fl.us

Address of agency/company: 210 Military Trail, Jupiter, FL, 33458

Name of project: Insurance Broker Services

Description: Provided Property, Casualty, Professional and Workers Compensation placements each year. During this period, our team also consulted on property appraisals, flood audits, contract and certificate reviews, claims management and reviews, and safety training. Our team also successfully placed Pollution Liability, Ocean Marine (Hull Coverage), Drone Liability, AD&D, NFIP Flood, and various external General and Excess Liability policies for the Town.

Project value: \$2,175,000 Start date: 1998 Completion date: Present  
(month/year) (month/year)

Name(s) of assigned personnel:

Project manager: Bill Wilson, MBA

Others: Matthew Montgomery, Trish Jenkins, Robin Russell

**Completed Project #3:**

Agency/company: City of Lighthouse Point

Current contact person at agency/company: Kathryn Sims, City Clerk

Telephone: (954)784-3441 Fax: \_\_\_\_\_ E-mail: ksims@lighthousepoint.com

Address of agency/company: 2200 N.E. 38th Street, Lighthouse Point, FL 33064

Name of project: Insurance Broker Services

Description: Provided Property, Casualty, Professional and Workers Compensation placements each year. During this period, our team also consulted on property appraisals, flood audits, contract and certificate reviews, claims management and reviews, safety committee and training. Our team also successfully place Ocean Marine (Hull Coverage), Firefighter Cancer Policy, and AD&D for the City.

Project value: \$850,000 Start date: 2002 Completion date: Present  
(month/year) (month/year)

Name(s) of assigned personnel:

Project manager: Bill Wilson, MBA

Others: Matthew Montgomery, Trish Jenkins, Robin Russell

**EXHIBIT "E"**

**RFP #24-207 PROPERTY AND CASUALTY INSURANCE**

**REFERENCES**

List below, or on an attached sheet, list references per RFP requirements for providing the required services. Provide the name, addresses and telephone numbers of organizations, governmental clients, comparable to the City for whom similar or comparable services have been provided **within the past three (3) years**. This form may be copied. **Respondents shall not use City's employees as their references.**

**REFERENCE #1**

Name of Client: Town of Davie

Address: 8800 SW 36th Street, Davie, FL 33328

Phone: (954) 797-1097 Fax: (    )

Contact Person: Jose Lugo, jlugo@davie-fl.gov Title: Risk Manager

Description of services: Broker Services for all Property, Casualty, Professional and Excess  
Workers' Compensation Coveage

**REFERENCE #2**

Name of Client: City of Plantation

Address: 400 NW 73rd Avenue, Plantation, FL 33317

Phone: (954) 730-3090 Fax: (    )

Contact Person: Carole Morris, cmorris@plantation.org Title: City Administrator / Risk

Description of services: Broker Services for all Property, Casualty, Professional and Workers  
Compensation Coverage

**REFERENCE #3**

Name of Client: City of Parkland

Address: 6600 University Drive, Parkland, FL 33067

Phone: (954) 754-4124 Fax: (    )

Contact Person: Chris Johnson, cjohnson@cityofparkland.org Title: Finance Director

Description of services: Broker Services for all Property, Casualty, Professional and Workers  
Compensation Coverage

# Tab 7

## Veteran Business Enterprise, Small Business and Local Business Preference

**EXHIBIT "H"**

**RFP #24-207 PROPERTY AND CASUALTY INSURANCE**

**VETERAN BUSINESS ENTERPRISE, SMALL BUSINESS AND  
LOCAL BUSINESS PREFERENCE FORM**

**Not Applicable**

Section 2-117 of the City's Code of Ordinances shall govern the application of a Veteran Business Enterprise, Small Business and/or Local Business preference for this RFP.

The undersigned Respondent, hereby claims the following preference:

- Veteran Business Enterprise
- Small Business
- Local Business

Documentation to support a Respondent as a Veteran Business Enterprise, Small Business and/or Local Business must be submitted with a bid in response to the RFP and attached to this form. Documentation submitted after the bid deadline will be rejected.

**Signature:** \_\_\_\_\_

I hereby certify that the above statements are true and correct to the best of my knowledge and I understand that a false or inaccurate statement may result in the rejection of this bid/proposal/submittal or the immediate termination of any resulting agreement with the City of Lake Worth Beach.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Print Name of Business: \_\_\_\_\_



# Tab 8

## Default, Termination, Litigation, Debarment, etc.

## **Tab 8: Default, Termination, Litigation, Debarment, etc.**

**Respondents should provide a summary of any default, termination, litigation, debarment against or which named the Respondent in the past five (5) years which is related to the goods and/or services sought in this RFP or that Respondent otherwise provides in the regular course of business. The summary shall state the nature of the default, termination, litigation, debarment or a brief description of the outcome or projected outcome, and the monetary amount involved. *If none, state as such.***

Risk Management Associates, Inc., aka Brown & Brown Public Sector has not had any defaults, terminations, litigation, debarment against or which named the Respondent in the past five years.

# Tab 9

## Proof of Licenses

## Tab 9: Proof of Licenses

Respondents shall provide proof of required licenses for the firm and scope of services to be performed. This shall include:

- Proof of all applicable licenses for services to be rendered (including registration with State of Florida Division of Corporations if applicable)

### Licenses



**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

**MATTHEW ROBERT MONTGOMERY**  
License Number : W162587

|  |                          |
|--|--------------------------|
| <b>Resident Insurance License</b>  | <b>Issue Date</b>        |
| <ul style="list-style-type: none"> <li>• 0220 - GENERAL LINES (PROP &amp; CAS)</li> <li>• 0215 - LIFE INCL VAR ANNUITY &amp; HEALTH</li> </ul> | 01/09/2014<br>10/04/2013 |

*Jeff Achor*  
Jeff Achor  
Chief Financial Officer  
State of Florida

**Please Note:** To validate the accuracy of this license you may review the individual or business entity's license record under "License Search" on the Florida Department of Financial Services website at <http://www.MyFloridaCFO.com/DivisionAgents>.

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

**WILLIAM PAUL DAWSON**  
License Number : A063548

|   |                   |
|---|-------------------|
| <b>Resident Insurance License</b>   | <b>Issue Date</b> |
| <ul style="list-style-type: none"> <li>• 0220 - GENERAL LINES (PROP &amp; CAS)</li> </ul> | 04/22/1995        |

*Jimmy Petrus*  
Jimmy Petrus  
Chief Financial Officer  
State of Florida

**Please Note:** A licensee may only transact insurance with an active appointment by an eligible insurer or employer. If you are acting as a surplus lines agent, public adjuster, or insurance intermediary manager/broker, you should have an appointment recorded in your own name on file with the Department. If you are unsure of your license status you should contact the Florida Department of Financial Services immediately. This license will expire if more than 48 months elapse without an appointment for each class of insurance listed. If such expiration occurs, the individual will be required to re-qualify as a licensee applicant. If this license was obtained by passing a licensure examination offered by the Florida Department of Financial Services, the licensee is required to comply with continuing education requirements contained in 62B.2915 or 64B.385, Florida Statutes. A licensee may track their continuing education requirements completed or needed on their MyFlorida account at [MyFlorida.FinS.com](http://MyFlorida.FinS.com). To validate the accuracy of this license you may review the individual license record under "License Search" on the Florida Department of Financial Services website at <http://www.MyFloridaCFO.com/DivisionAgents>.

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

**MICHELLE YVETTE MARTIN**  
License Number : A166553

|   |                   |
|---|-------------------|
| <b>Resident Insurance License</b>   | <b>Issue Date</b> |
| <ul style="list-style-type: none"> <li>• 0220 - GENERAL LINES (PROP &amp; CAS)</li> </ul> | 8/6/1994          |

*Jimmy Petrus*  
Jimmy Petrus  
Chief Financial Officer  
State of Florida

**Please Note:** A licensee may only transact insurance with an active appointment by an eligible insurer or employer. If you are acting as a surplus lines agent, public adjuster, or insurance intermediary manager/broker, you should have an appointment recorded in your own name on file with the Department. If you are unsure of your license status you should contact the Florida Department of Financial Services immediately. This license will expire if more than 48 months elapse without an appointment for each class of insurance listed. If such expiration occurs, the individual will be required to re-qualify as a licensee applicant. If this license was obtained by passing a licensure examination offered by the Florida Department of Financial Services, the licensee is required to comply with continuing education requirements contained in 62B.2915 or 64B.385, Florida Statutes. A licensee may track their continuing education requirements completed or needed on their MyFlorida account at [MyFlorida.FinS.com](http://MyFlorida.FinS.com). To validate the accuracy of this license you may review the individual license record under "License Search" on the Florida Department of Financial Services website at <http://www.MyFloridaCFO.com/DivisionAgents>.

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

**WILLIAM PAUL WILSON II**  
License Number : W879980

|   |                   |
|---|-------------------|
| <b>Resident Insurance License</b>   | <b>Issue Date</b> |
| <ul style="list-style-type: none"> <li>• 0220 - GENERAL LINES (PROP &amp; CAS)</li> </ul> | 07/26/2022        |

*Jimmy Petrus*  
Jimmy Petrus  
Chief Financial Officer  
State of Florida

**Please Note:** A licensee may only transact insurance with an active appointment by an eligible insurer or employer. If you are acting as a surplus lines agent, public adjuster, or insurance intermediary manager/broker, you should have an appointment recorded in your own name on file with the Department. If you are unsure of your license status you should contact the Florida Department of Financial Services immediately. This license will expire if more than 48 months elapse without an appointment for each class of insurance listed. If such expiration occurs, the individual will be required to re-qualify as a licensee applicant. If this license was obtained by passing a licensure examination offered by the Florida Department of Financial Services, the licensee is required to comply with continuing education requirements contained in 62B.2915 or 64B.385, Florida Statutes. A licensee may track their continuing education requirements completed or needed on their MyFlorida account at [MyFlorida.FinS.com](http://MyFlorida.FinS.com). To validate the accuracy of this license you may review the individual license record under "License Search" on the Florida Department of Financial Services website at <http://www.MyFloridaCFO.com/DivisionAgents>.

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

**PATRICIA BRIANNA JENKINS**  
License Number : A230015

|   |                   |
|---|-------------------|
| <b>Resident Insurance License</b>   | <b>Issue Date</b> |
| <ul style="list-style-type: none"> <li>• 0220 - GENERAL LINES (PROP &amp; CAS)</li> </ul> | 01/30/2012        |

*Jimmy Petrus*  
Jimmy Petrus  
Chief Financial Officer  
State of Florida

**Please Note:** A licensee may only transact insurance with an active appointment by an eligible insurer or employer. If you are acting as a surplus lines agent, public adjuster, or insurance intermediary manager/broker, you should have an appointment recorded in your own name on file with the Department. If you are unsure of your license status you should contact the Florida Department of Financial Services immediately. This license will expire if more than 48 months elapse without an appointment for each class of insurance listed. If such expiration occurs, the individual will be required to re-qualify as a licensee applicant. If this license was obtained by passing a licensure examination offered by the Florida Department of Financial Services, the licensee is required to comply with continuing education requirements contained in 62B.2915 or 64B.385, Florida Statutes. A licensee may track their continuing education requirements completed or needed on their MyFlorida account at [MyFlorida.FinS.com](http://MyFlorida.FinS.com). To validate the accuracy of this license you may review the individual license record under "License Search" on the Florida Department of Financial Services website at <http://www.MyFloridaCFO.com/DivisionAgents>.

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

**JESSICA ANNE CONWAY**  
License Number : G022408

|   |                   |
|---|-------------------|
| <b>Resident Insurance License</b>   | <b>Issue Date</b> |
| <ul style="list-style-type: none"> <li>• 0220 - GENERAL LINES (PROP &amp; CAS)</li> </ul> | 07/19/2023        |

*Jimmy Petrus*  
Jimmy Petrus  
Chief Financial Officer  
State of Florida

**Please Note:** A licensee may only transact insurance with an active appointment by an eligible insurer or employer. If you are acting as a surplus lines agent, public adjuster, or insurance intermediary manager/broker, you should have an appointment recorded in your own name on file with the Department. If you are unsure of your license status you should contact the Florida Department of Financial Services immediately. This license will expire if more than 48 months elapse without an appointment for each class of insurance listed. If such expiration occurs, the individual will be required to re-qualify as a licensee applicant. If this license was obtained by passing a licensure examination offered by the Florida Department of Financial Services, the licensee is required to comply with continuing education requirements contained in 62B.2915 or 64B.385, Florida Statutes. A licensee may track their continuing education requirements completed or needed on their MyFlorida account at [MyFlorida.FinS.com](http://MyFlorida.FinS.com). To validate the accuracy of this license you may review the individual license record under "License Search" on the Florida Department of Financial Services website at <http://www.MyFloridaCFO.com/DivisionAgents>.

\*Additional licenses available upon request



[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Search by FEI/EIN Number](#) /

### Detail by FEI/EIN Number

Florida Profit Corporation  
RISK MANAGEMENT ASSOCIATES, INC.

#### Filing Information

Document Number H16549  
FEI/EIN Number 59-2445801  
Date Filed 08/14/1984  
State FL  
Status ACTIVE  
Last Event NAME CHANGE AMENDMENT  
Event Date Filed 04/15/2003  
Event Effective Date NONE

#### Principal Address

300 NORTH BEACH STREET  
DAYTONA BEACH, FL 32114

Changed: 03/18/2021

#### Mailing Address

300 NORTH BEACH STREET  
DAYTONA BEACH, FL 32114

Changed: 03/18/2021

#### Registered Agent Name & Address

CORPORATION SERVICE COMPANY  
1201 HAYS STREET  
TALLAHASSEE, FL 32301-2525

Name Changed: 09/18/2019

Address Changed: 09/18/2019

#### Officer/Director Detail

##### **Name & Address**

Title DIRECTOR, PRESIDENT

BROWN, P. BARRETT  
300 NORTH BEACH STREET  
DAYTONA BEACH, FL 32114

Title VICE PRESIDENT

WATTS, RICHARD ANDREW  
300 NORTH BEACH STREET  
DAYTONA BEACH, FL 32114

Title TREASURER

## *State of Florida Department of State*

I certify from the records of this office that RISK MANAGEMENT ASSOCIATES, INC. is a corporation organized under the laws of the State of Florida, filed on August 14, 1984.


The document number of this corporation is H16549.

I further certify that said corporation has paid all fees due this office through December 31, 2024, that its most recent annual report/uniform business report was filed on April 23, 2024, and that its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

*Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capital, this  
the Twentieth day of May, 2024*



  
*Secretary of State*

Tracking Number: 4521027371CU

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

- Statement or proof of required insurance.



**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
01/08/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|  |   |
|--|---|
| PRODUCER<br>Brown & Brown of Florida, Inc.<br>P O Box 2412<br>Daytona Beach FL 32115 | CONTACT NAME: Jayne McGraw<br>PHONE (A/C, No, Ext): (386) 239-5757<br>FAX (A/C, No): (386) 239-6190<br>E-MAIL ADDRESS: Jayne.McGraw@bbrown.com  |
| INSURED<br>BROWN & BROWN INC ET AL<br>PO Box 2412<br>Daytona Beach FL 32115          | INSURER(S) AFFORDING COVERAGE<br>INSURER A: Travelers Property Casualty Company of America NAIC # 25674<br>INSURER B: XL Specialty Insurance Company 37885<br>INSURER C: The Continental Insurance Company 35289<br>INSURER D: The Charter Oak Fire Insurance Company 25615<br>INSURER E:<br>INSURER F: |

COVERAGES CERTIFICATE NUMBER: 24022 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE   | ADDL INSD | SUBR WVD | POLICY NUMBER             | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|---|-----------|----------|---------------------------|-------------------------|-------------------------|---|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: |           |          | TC2J-GLSA-9527B874-TIL-24 | 01/01/2024              | 01/01/2025              | EACH OCCURRENCE \$ 1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000<br>MED EXP (Any one person) \$ 5,000<br>PERSONAL & ADV INJURY \$ 1,000,000<br>GENERAL AGGREGATE \$ 10,000,000<br>PRODUCTS - COMPIOP AGG \$ 2,000,000<br>\$ |
| A        | AUTOMOBILE LIABILITY<br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY  |           |          | TC2J-CAP-9527B862-TIL-24  | 01/01/2024              | 01/01/2025              | COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>\$   |
| C        | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br>DED RETENTION \$   |           |          | 60111849429               | 01/01/2024              | 01/01/2025              | EACH OCCURRENCE \$ 10,000,000<br>AGGREGATE \$ 10,000,000<br>\$  |
| D        | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below  | Y/N       | N/A      | UB-1R870198-24-51-K       | 01/01/2024              | 01/01/2025              | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER<br>E.L. EACH ACCIDENT \$ 1,000,000<br>E.L. DISEASE - EA EMPLOYEE \$ 1,000,000<br>E.L. DISEASE - POLICY LIMIT \$ 1,000,000   |
| B        | INS AGENTS E&O  |           |          | US00106979EO24A           | 01/01/2024              | 01/01/2025              | LIMIT 20,000,000<br>AGGREGATE 20,000,000  |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
NAMED INSURED: RISK MANAGEMENT ASSOCIATES, INC.  
RE: AGREEMENT FOR PROPERTY & INSURANCE SERVICES  
CITY OF LAKE WORTH BEACH IS ADDITIONAL INSURED ON THE GENERAL LIABILITY, PER FORM CG D2 48 04 19. THE UMBRELLA POLICY IS FOLLOW FORM OVER THE GENERAL LIABILITY, AUTO LIABILITY, AND EMPLOYERS LIABILITY, PER FORM CNA 75504XX 03 15.

|  |   |
|--|---|
| CERTIFICATE HOLDER<br>CITY OF LAKE WORTH BEACH<br>7 N DIXIE HIGHWAY<br>LAKE WORTH BEACH FL 33460 | CANCELLATION<br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br>AUTHORIZED REPRESENTATIVE<br> |
|--|---|

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AGENCY CUSTOMER ID: \_\_\_\_\_

LOC #: \_\_\_\_\_



**ADDITIONAL REMARKS SCHEDULE**

Page \_\_\_\_ of \_\_\_\_

|  |           |  |  |
|--|-----------|--|--|
| AGENCY<br>Brown & Brown of Florida, Inc. |           | NAMED INSURED<br>BROWN & BROWN INC ET AL |  |
| POLICY NUMBER                            |           |  |  |
| CARRIER                                  | NAIC CODE | EFFECTIVE DATE:                          |  |

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance: Notes

---

INSURER A-WORKERS COMPENSATION-POLICY UB-1R861269-24-51-R-TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA-EFF 1-1-24  
 TO 1-1-25, LIMITS 1,000,000/1,000,000/1,000,000 - COVERS AZ, WI, MA

THE UMBRELLA POLICY IS FOLLOW FORM OVER THE GENERAL LIABILITY, AUTO LIABILITY, AND EMPLOYERS LIABILITY

- Proof of Respondent's Business Tax Receipt (as applicable).



**CITY OF DAYTONA BEACH**  
**Local Business Tax Receipt # BT-65997**

THE CITY OF DAYTONA BEACH  
 301 S. Ridgewood Ave., Rm 127-B  
 DAYTONA BEACH, FL 32114

Business Name: PUBLIC RISK INSURANCE AGENCY

Location: 220 S Ridgewood Ave, DAYTONA BEACH, FL 32114

Business Type: Insurance agency or company

RISK MANAGEMENT ASSOCIATIONS, INC DBA PUBLIC RISK INSURANCE AGENCY

DEVELOPMENT SERVICES DEPARTMENT  
 Business Tax Division  
 Phone: 386-671-8280

|           |              |
|-----------|--------------|
| BT-65997  | BT No        |
| 9/26/2023 | Valid From   |
| 9/30/2024 | Valid To     |
| 9/26/2023 | Payment Date |
| \$150.00  | Fee Amt      |

Mail To:  
 PUBLIC RISK INSURANCE AGENCY  
 220 S RIDGEWOOD AVE, STE 210  
 DAYTONA BEACH FL 32114

**2024**

**Local Business  
 Tax Receipt**

DISPLAY AT PLACE OF BUSINESS FOR PUBLIC INSPECTION  
 THE CITY DOES NOT CERTIFY OR IMPLY COMPETENCE OF BUSINESS.

**CITY OF DAYTONA BEACH**

BUS. TAX NO. BT-65997  
 THE CITY OF DAYTONA BEACH  
 301 S. Ridgewood Ave., Rm 127-B  
 DAYTONA BEACH, FL 32114

PUBLIC RISK INSURANCE AGENCY  
 220 S Ridgewood Ave, DAYTONA BEACH, FL 32114

PAID RECEIPT

| Receipt Date | Charge Name                 | Charge Amount  | Tender Type |
|--------------|-----------------------------|----------------|-------------|
| 9/26/2023    | Insurance agency or company | \$150.00       | Check       |
|              |                             | Total \$150.00 |             |

00000BT659970000000000000

# Appendix

EXHIBIT "B"

**RFP #24-207 PROPERTY AND CASUALTY INSURANCE**

CITY CAMPAIGN CONTRIBUTION STATEMENT

This RFP is subject to Section 2-101 of the City of Lake Worth Beach Code of Ordinances regarding campaign contributions which provides:

**Sec. 2-101. - Additional and supplemental disclosures requirements.**

- (a) Any elected official of the City of Lake Worth Beach, who is a current sitting member of the city commission and has accepted an election campaign contribution in an amount that is more than one hundred dollars (\$100.00) from an individual or business entity having an interest in a matter before the city commission in which the city commission will take action, must publicly disclose, both verbally and in writing, such contribution prior to any discussion or vote on the matter. The written disclosure must be submitted to the city clerk.
- (b) Any applicant coming before the city commission for an award of a contract with the city and who has made an election campaign contribution in an amount that is more than one hundred dollars (\$100.00) to any elected official of the city commission, who is a current sitting member of the commission, must disclose such election campaign contribution, verbally and in writing, during the application or bidding process and before the award of the contract.

**Respondent to complete:** Check which statement applies, fill in the requested information, if applicable, and sign below.

Neither the undersigned business nor any of its owners or officers contributed more than \$100.00 to the campaign of a sitting City Commission member. [If you checked this statement, you are done and may sign below.]

The undersigned business or one or more of its owners or officers contributed more than \$100.00 to the campaign of a sitting City Commission member. All such contributions are listed below and on the attached sheet of paper (if more room is needed). [If you checked this statement, please fill in the information requested below and sign below.]

- 1. \_\_\_\_\_ contributed a total of \$ \_\_\_\_\_ to the campaign of City Commission member \_\_\_\_\_.
- 2. \_\_\_\_\_ contributed a total of \$ \_\_\_\_\_ to the campaign of City Commission member \_\_\_\_\_.
- 3. \_\_\_\_\_ contributed a total of \$ \_\_\_\_\_ to the campaign of City Commission member \_\_\_\_\_.
- 4. \_\_\_\_\_ contributed a total of \$ \_\_\_\_\_ to the campaign of City Commission member \_\_\_\_\_.

**Signature:**

I hereby certify that the above statements are true and correct to the best of my knowledge and I understand that a false or inaccurate statement may result in the rejection of this bid/proposal/submittal or the immediate termination of any resulting agreement with the City of Lake Worth Beach.

By:  \_\_\_\_\_

Print Name: Matthew Montgomery

Print Title: Executive Vice President

Print Name of Business: Risk Management Associates, Inc., a wholly owned subsidiary of Brown & Brown, Inc.

**Commissioner/Mayor to complete:** Check which statement applies, fill in the requested information, if applicable, and sign below.

Neither the above referenced business nor any of its owners or officers contributed more than \$100.00 to my campaign. [If you checked this statement, you are done and may sign below.]

The above referenced business or one or more of its owners or officers contributed more than \$100.00 to my campaign. All such contributions are listed below and on the attached sheet of paper (if more room is needed). [If you checked this statement, please fill in the information requested below and sign below.]

\_\_\_\_\_ contributed a total of \$ \_\_\_\_\_ to my campaign.  
\_\_\_\_\_ contributed a total of \$ \_\_\_\_\_ to my campaign.  
\_\_\_\_\_ contributed a total of \$ \_\_\_\_\_ to my campaign.  
\_\_\_\_\_ contributed a total of \$ \_\_\_\_\_ to my campaign.

**Signature:**

I hereby certify that the above statements are true and correct to the best of my knowledge and I understand that a false or inaccurate statement may result in the rejection of this bid/proposal/submittal or the immediate termination of any resulting agreement with the City of Lake Worth Beach.

By:  \_\_\_\_\_

Print Name: Matthew Montgomery

**For City Clerk's Use Only.**

**THIS SECTION SHALL BE COMPLETED ONLY IF THERE IS A CAMPAIGN CONTRIBUTION LISTED ABOVE BY THE VENDOR OR COMMISSION MEMBER.**

Applicable campaign contributions were disclosed in writing above, and prior to the award of the contract, the following statements were verbally made at the City Commission Meeting on the \_\_\_\_ day of \_\_\_\_\_, 2024.

Check all that apply.

\_\_\_\_\_ Commissioner/Mayor \_\_\_\_\_ verbally disclosed the campaign contribution(s) set forth above.

\_\_\_\_\_ Vendor, \_\_\_\_\_, verbally disclosed the campaign contribution(s) set forth above.

**EXHIBIT "F"**

**RFP #24-207 PROPERTY AND CASUALTY INSURANCE**

**CONFIRMATION OF DRUG-FREE WORKPLACE**

In accordance with Section 287.087, Florida Statutes, whenever two or more proposals are equal with respect to price, quality, and service which are received by any political subdivision for the procurement of commodities or contractual services, a proposal received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. In order to have a drug-free workplace program, a business shall:

- (1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- (2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- (3) Give each employee engaged in providing the commodities or contractual services that are under proposal a copy of the statement specified in subsection (1).
- (4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under proposal, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than 5 days after such conviction.
- (5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community by, any employee who is so convicted.
- (6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign this statement on behalf of [Risk Management Associates, Inc.](#), I certify that [Risk Management Associates, Inc.](#) complies fully with the above requirements.



\_\_\_\_\_  
Authorized Representative's Signature

7/3/2024

\_\_\_\_\_  
Date

Matthew Montgomery

\_\_\_\_\_  
Print Name

Executive Vice President

\_\_\_\_\_  
Position

**EXHIBIT "G"**

**RFP #24-207 PROPERTY AND CASUALTY INSURANCE**

**SCRUTINIZED COMPANIES CERTIFICATION FORM**

By execution below, I, Matthew Montgomery, on behalf of Risk Management Associates, Inc. (hereinafter, the "Contractor"), hereby swear or affirm to the following certifications:

The following certifications apply to all procurements:

1. The Contractor has reviewed section 215.4725, Florida Statutes, section 215.473, Florida Statutes and section 287.135, Florida Statutes, and understands the same.
2. The Contractor is not on the Scrutinized Companies that Boycott Israel List nor is the Contractor engaged in a boycott of Israel.
3. If awarded a contract, the Contractor agrees to require these certifications for applicable subcontracts entered into for the performance of work/services under this procurement.
4. If awarded a contract, the Contractor agrees that the certifications in this section shall be effective and relied upon by the City for the entire term of the contract, including any and all renewals.
5. If the contract awarded hereunder is for one million dollars or more, the following additional certifications apply:
  - a. The Contractor is not on the Scrutinized Companies with Activities in Sudan List.
  - b. The Contractor is not on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.
  - c. The Contractor is not engaged in business operations in Cuba or Syria.
6. If awarded a contract, the Contractor agrees to require these certifications for applicable subcontracts entered into for the performance of work/services under this procurement.
7. If awarded a contract, the Contractor agrees that the certifications in this section shall be effective and relied upon by the City for the entire term of the contract, including any and all renewals.

CONTRACTOR:

By: 

Name: Matthew Montgomery

Title: Executive Vice President

Date: 7/3/2024

STATE OF Florida )

COUNTY OF Volusia )

THE FOREGOING instrument was acknowledged before me by means of physical presence or online notarization on this \_\_\_ day of July 2024, by Matthew Montgomery, as the Executive Vice President [title] of Risk Management Associates, Inc. [vendor's name], a Florida Corporation [corporate description], who is personally known to me or who has produced \_\_\_\_\_ as identification, and who did take an oath that he or she is duly authorized to execute the foregoing instrument and bind the CONTRACTOR to the same.

Notary Seal:



  
Notary Public Signature

2024

# Services Guide

*Preferred*<sup>®</sup>  
PGIT GOVERNMENTAL  
INSURANCE TRUST



Preferred Governmental Insurance Trust (Preferred) is a member-owned insurance risk pool serving Florida's public entities since 1999. With a statewide presence and localized options, Preferred is the only Insurance Trust in Florida that uses a totally dedicated and independent agency distribution system for optimal member service.



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# Service is the heart of what we do.

---

This Services Guide is designed to outline and describe the comprehensive resources and services available to the members of the Preferred Governmental Insurance Trust. The Preferred Loss Control team is available to assist members with their loss control service and risk management needs.



To effectively serve our members, we will implement the following additional measures as needed:

- Maintain effective relationships with agents by keeping them informed of each member's resource requirements and service needs.
- Work closely with PGCS Claim Services to share information and refine data that is used to evaluate our members and target specific areas where services may be required to assist in improving member claims costs.

It is of paramount importance that the level of service we provide meets or exceeds the expectations of our members. We take a pro-active approach to serving our members and encourage you to contact us with your thoughts and input.

# Loss Control Consultants & Service Regions



## **Pam Hancock**

Director of Loss Control Services

Cell: (321)960-3432 | Email: [PHancock@PublicRisk.com](mailto:PHancock@PublicRisk.com)

Pam has worked in the insurance field for 28 years, with the last 15 years with Public Risk Underwriters of Florida, Inc. Her experience includes working in program development, marketing, training and liaison between members and Underwriting, Claims and of course Risk Management. She is a Certified ADA Coordinator and has completed the 10-hour OSHA Outreach Training course in General Industry Safety and Health. Pam also completed the Fundamentals of Employment Law with State College of Florida. Her educational background is in business and computer programming. She is an active member of Southwest Florida PRIMA, as well as a Professional Member of the American Society of Safety Professionals (ASSP).

Pam serves our Southwest Regional members located within the following Florida counties: Charlotte, Citrus, Collier, DeSoto, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Manatee, Lee, Okeechobee, Osceola, Pasco, Pinellas, Polk, Sarasota.

## **Chris Kittleson**

Director of Loss Control Technical Services

Cell: (321)525-0353 | Email: [CKittleson@PublicRisk.com](mailto:CKittleson@PublicRisk.com)

Christopher H. Kittleson is the Director of Loss Control Technical Services for Public Risk Underwriters of Florida and provides Loss Control services for public entities in the Southeast Florida region. With over 24 years of Safety & Health consulting experience in both the public/private sector, Chris has developed expertise in the areas of Safety Program Development, Return-to-Work Programs, Regulatory Compliance, Accident Investigation and Safety Training. Chris graduated Cum Laude from St. Cloud State University, St. Cloud, MN with a Bachelor's of Science in Engineering Technology, has earned his Associate in Risk Management (ARM), is a National Safety Council Certified Defensive Driving Course Instructor, as well as a Professional Member of the American Society of Safety Professionals (ASSP), Past President of the South Florida Chapter of ASSP and was awarded the 2013 Safety Professional of the Year Award by the South Florida Chapter of ASSP.

Chris serves the Southeast Regional members located within the following Florida counties: Brevard, Broward, Dade, Indian River, Martin, Monroe, Palm Beach, St. Lucie.

## **Mike Marinar**

Director of Member Services

Phone: (321)832-1473 | Cell: (407)725-6858 | Email: [MMarinar@PublicRisk.com](mailto:MMarinar@PublicRisk.com)

Mike has a degree in Industrial Safety Engineering and over 38 years' experience in the Safety and Risk Management field. He has been employed by Public Risk Underwriters of Florida, Inc. for 20 years. He holds an RMPE designation, General Lines 220 and 218 licenses, is an active member of Central Florida PRIMA, as well as an active member of ASSP and numerous related Safety and Health organizations. He was a Governor appointee to the Task Force on Workplace Safety.

Mike serves the Panhandle/Central Region members located within the following Florida counties: Alachua, Baker, Bay, Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia, Flagler, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson, Jefferson, Lafayette, Lake, Leon, Levy, Liberty, Madison, Marion, Nassua, Okaloosa, Orange, Putnam, Santa Rosa, Seminole, St. Johns, Sumter, Suwanee, Taylor, Union, Volusia, Wakulla, Walton, Washington.

Please contact the Preferred Loss Control Team with any questions you have.

# Safety & Risk Management Services Overview



To better serve our members, we provide a full complement of services, resources and support. All services and resources are free to Preferred members.

Below is a quick summary of the many resources provided to Preferred members:

## + Safety & Risk Management Consultative Services

The Preferred Loss Control Team provides safety and risk management consultative services based on the best practices of accident prevention and claims management. Through the development and implementation of a customized service plan, your Loss Control Consultant will assist you and your organization in reducing claims frequency/severity as well as controlling insurance costs.

## + Claims Management

Your Public Risk Underwriters of Florida Loss Control Consultant will assist with the coordination of Claims Reviews and Claims 101 training, which are provided by Preferred Governmental Claims Solutions (PGCS). The intent is to assist members with posturing claims for positive outcomes as well as educate members on the best practices of claims management.

## + Preferred TIPS Program

Provides a reimbursement of up to 50 percent for relevant safety equipment/risk management training up to a maximum of \$5,000 per policy period.

The success of any Public Entity is tied to its ability to protect and preserve its human and physical assets. This basic premise serves as the cornerstone of an effective safety and risk management program and underscores the importance of safety and risk management to the community. Preferred Loss Control Consultants are very aware of the valuable contribution that a comprehensive Loss Control Program can make to your bottom line.

## + Online Learning Center

An online training platform offering more than 700 training courses covering topics related to HR/employment practices, OSHA compliance, motor vehicle safety and cyber awareness.

## + Streaming Video Training

An on-line video streaming service offering an extensive video library of over 700 videos allows you to watch videos 24/7 on your preferred mobile device. Topics include transport safety, hazmat, workplace safety, construction safety and human resource/legal compliance.

## + Preferred Risk Management Resource Center

Available to members who have their EPLI coverage with Preferred. The Center provides access to numerous resources on employment law, cyber security, ADA website compliance, safety and emergency/disaster response, as well as access to Florida-based employment law experts. HR and cyber experts can be contacted via phone or email.

## + My Community Workplace

A valuable on-line resource that provides up-to-date information, expert commentary, cutting edge training and information on topics ranging from workplace sexual harassment and workplace discrimination to wrongful termination, cyber awareness, ethical behavior and child protection.

## + Preferred News

We provide a quarterly newsletter covering key governmental insurance issues, relevant articles and member news.

## + Preferred Seminars/Webinars

Educational seminars/webinars offered throughout the policy year on relevant topics that include presentations by Public Entity experts and Preferred's panel of defense attorneys.

# Claims Management & Training



Preferred Governmental Claims Solutions (PGCS) provides members with the ability to manage their claims more effectively. By accessing the online claims management database, members can report claims online, obtain copies of loss runs, create reports to monitor trends and review claim notes to get up-to-date information on a claim as well as determine claim status.



## Registering for PGCS Online Claims Data Access:

To register, visit [www.pgcs-tpa.com](http://www.pgcs-tpa.com) and click the Member/Client button or contact your Preferred Loss Consultant today.



## Loss Control Assistance with Claims Management:

Upon activation of the online claims management database, your Regional Loss Control Consultant is available to assist you with claims management activities that include the following:

- Coordinate claims review by line of coverage
- Coordinate Claims 101 training
- On-site registration assistance with the PGCS claims database
- PGCS database training to include database features/benefits, report generation as well as current claims status
- Assist with the development/implementation of your Return-to-Work (RTW) Program
- Assist with the development/implementation of your claims reporting policy
- Conduct Worker's Compensation Fraud training

Members can report claims online, obtain copies of loss runs, create reports to monitor trends and review claim notes to get up-to-date information on a claim as well as determine claim status.

# Preferred TIPS

The Preferred TIPS matching grant program allows for all members to receive up to \$5,000 in a given policy year for up to \$10,000 spent on eligible items.



**Program information and requirements can be found on the current Preferred TIPS application.**

Examples of eligible reimbursements include:

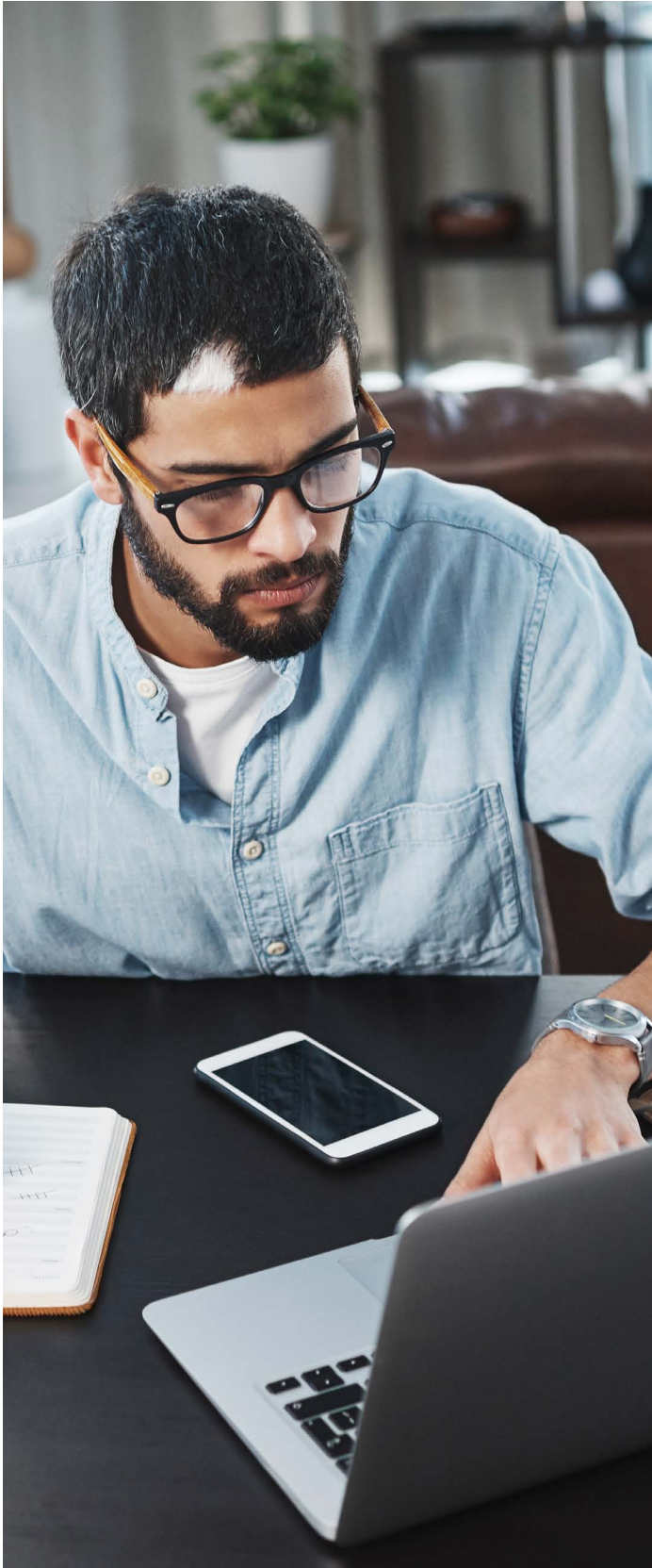
- Safety related signs
- ADA compliance measures
- Police accreditation program fees
- Driver training
- Ergonomic training
- Sidewalk repairs
- Most any safety related training or equipment
- Employment practices related training



## Contact

Please contact your regional Loss Control Consultant or email [PreferredTIPS@PublicRisk.com](mailto:PreferredTIPS@PublicRisk.com) should you have any questions, or need a copy of the current Preferred TIPS application. You can also complete a TIPS application online at: [pgit.org/tips](https://pgit.org/tips).

# Online Learning Center



Effective training and records management is vital in today's workplace. Reducing claims, controlling losses and streamlining efficiencies are critical. To support these initiatives, Preferred provides our members with innovative web-based training platforms.

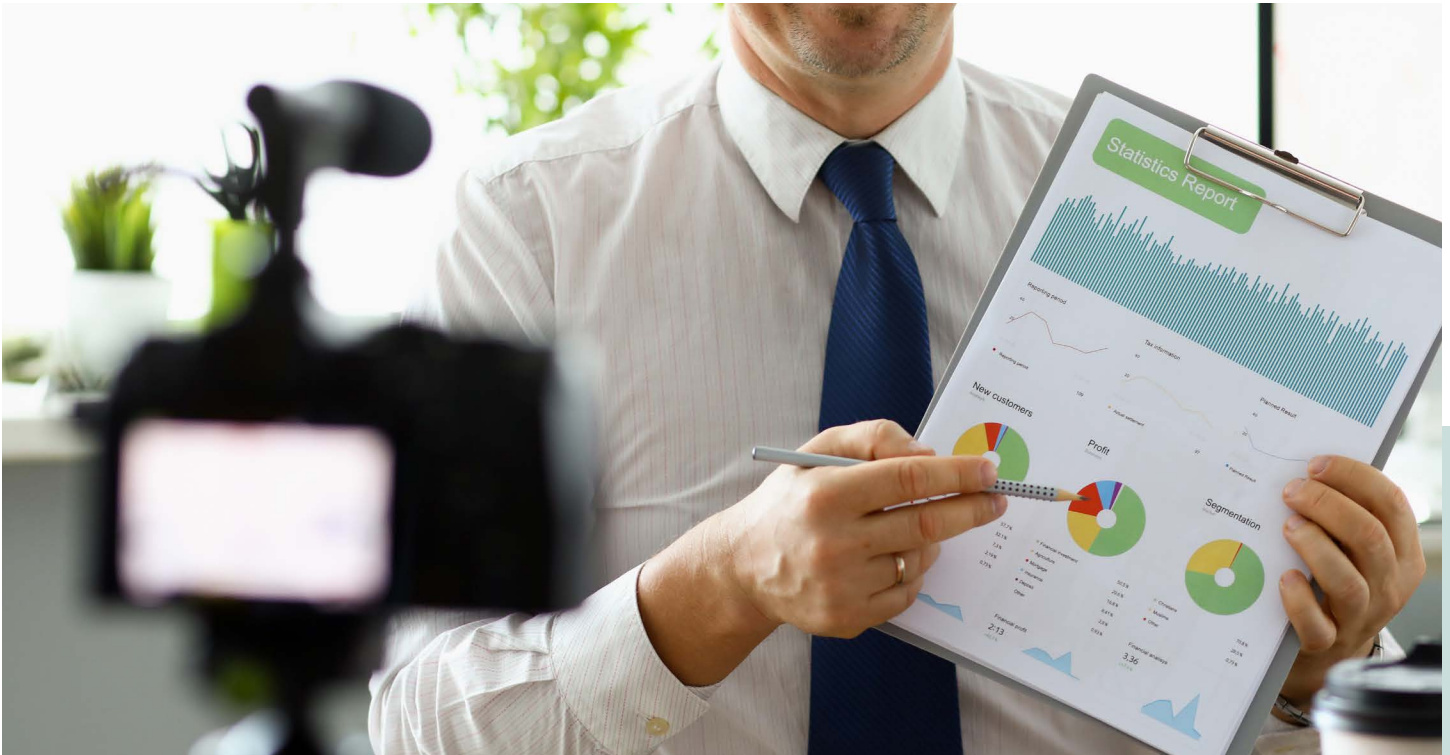
## Features and benefits of online learning powered by Vector Solutions include:

- Access to more than 700 training courses covering topics related to HR/employment practices, OSHA compliance, motor vehicle safety, cyber awareness and more!
- Online training enables members to define, measure and monitor key risk metrics that help keep their employees safe and protect assets. With the platform, onsite administrators can create risk mitigation tools specific for their organization, making it possible to analyze the fundamentals and take action where needed.
- Our web-based training management platform is accessible 24/7. Users can navigate captivating, cross-browser compatible courses with cutting-edge interactions at a pace and time that is convenient for them.
- Our risk management platform makes it possible for member onsite administrators to assign and deliver online training courses to their users. The system also provides the ability to track, document and report assignments. Tracking training, generating reports and analyzing deficiencies has never been easier.

Preferred provides our members with innovative web-based training platforms

For further details on this valuable resource tool, please contact your Regional Loss Control Consultant.

# Streaming Video Training



This training resource gives our members unlimited access to Streamery's extensive video streaming library of videos covering workplace safety, driving safety, construction safety, and human resource/legal compliance. Video titles are available in both English and Spanish to support your organization's training initiatives.

## Features of Streamery video streaming service include:

- An easily accessible, extensive video library of over 700 training videos
- Video course materials to include leader guides, quizzes and completion certificates
- Tablet and mobile capable – Now you can watch videos on your preferred mobile device, such as tablets and smartphones. Videos available 24/7.

As part of Preferred's initiative to provide improved products/services offered to our members, we encourage you to use the Streamery video streaming service for assistance with your safety and risk management training needs.

**To learn more on how your organization can take advantage of this exciting free training resource, contact your Preferred Control Consultant.**



# Risk Management Resource Center



The Preferred Risk Management Resource Center (PRMRC) is available to members who have their EPLI coverage with Preferred. The Resource Center is an employment law, cyber security, ADA compliance and safety-focused resource designed to control costs, save time and complement the valuable services that Preferred provides.

## The PRMRC has been recently improved to include:

- Over 22,000 pieces of relevant content and applications
- More than 200 online training courses
- And more!

## Human Resource (HELPLINE) Services include:

- Confidential, documented and real time responses to your employment law questions from experts in human resource and employment law. This service is available to members via phone and email.
- Online Unlawful Harassment Training for all supervisors and employees
- A Florida specific employee handbook building tool
- Customizable HR risk management resources including federal and state-specific forms and posters

## Cyber security resources include:

- Cyber Assessment – Easy-to-use tool to measure data breach exposure with instant feedback on how to protect your organization from potential cyber risks
- Robust privacy and security templates, including a customizable incident response plan (IRP), which can be specifically tailored to meet industry and regulatory requirements
- Unlimited access to cybersecurity experts via phone or email
- Resources for keeping staff up to date on a range of issues related to privacy, data security and compliance
- Latest news and events regarding data breaches, regulations, class-action lawsuits, cyber threats and protective technologies

## ADA website compliance:

- ADA compliance fact sheet and checklist - Resource tools to review an organization's online presence
- WAVE® by WebAIM Accessibility Evaluation Tool - Evaluate accessibility of an organization's website

## Safety resources include:

- Safety procedures & practices
- Workers' compensation resources
- Union relations resources
- Unemployment compensation resources
- Layoff resources
- OSHA training videos

## Emergency and disaster resources include:

- Sample communications
- Plans
- Policies
- Posters and notices
- Federal and state resources
- Helpful checklists

Members who have their EPLI coverage with Preferred may register to use this valuable service by speaking to their Preferred Loss Control Consultant.

# My Community Workplace Website

The My Community Workplace is available to all Preferred members. This free online resource that can save you time and money by providing cutting edge training and information for your workplace. Members may register to use this valuable resource at [MyCommunityWorkplace.org](https://MyCommunityWorkplace.org).

## Online Training

Online training modules for managers and supervisors are available 24/7 at no cost to the member. This could result in a potential savings of thousands of dollars a year in training costs.

### Training courses available:

- Preventing Workplace Sexual Harassment
- Preventing Workplace Discrimination
- Preventing Wrongful Termination
- Promoting Ethical Behavior
- Promoting Child Safe Environments

## Up-to-Date Information and Expert Commentary

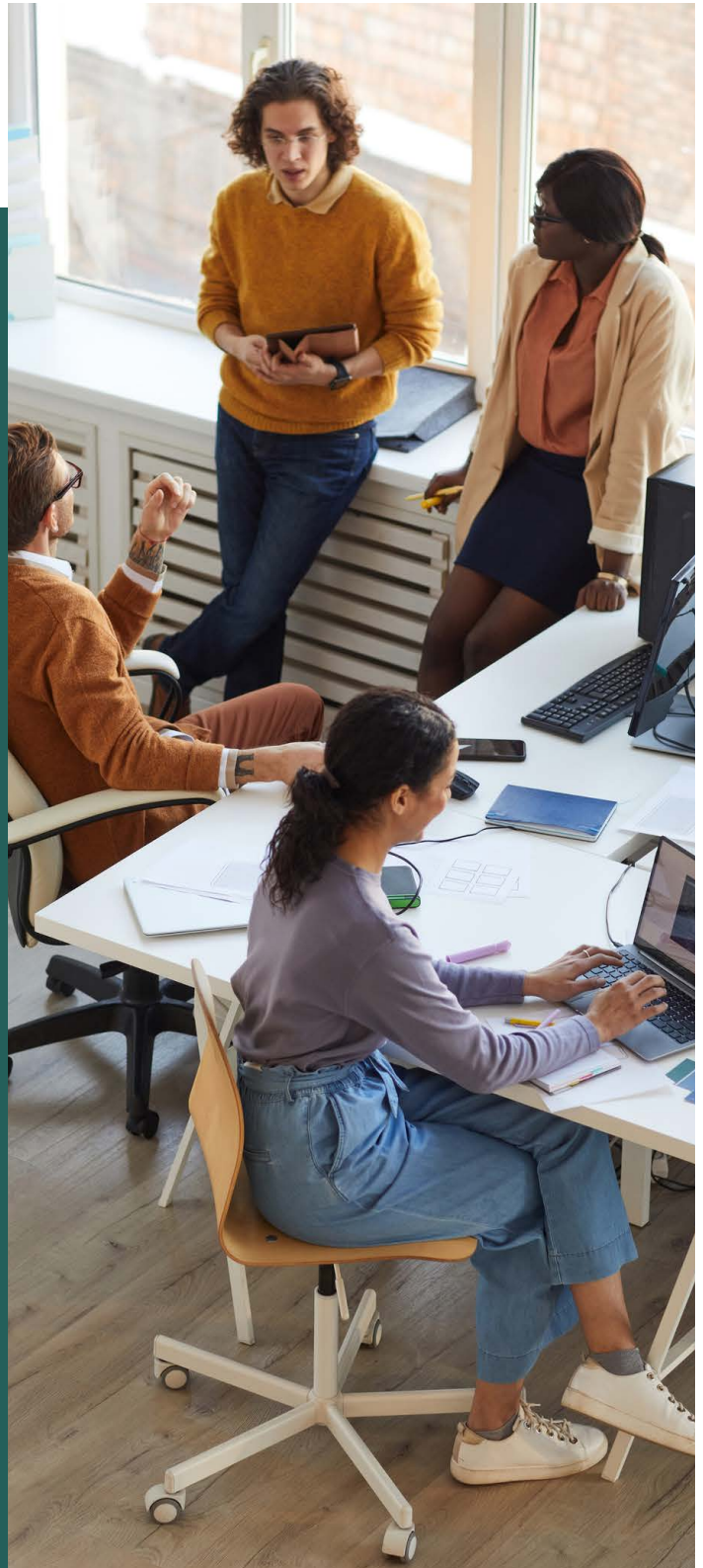
### Topics include:

- Best practices for employment practices and child protection
- Leadership and management skills
- Cyber awareness
- Exclusive articles written for the specialized interests, such as government entities, schools and not-for-profits

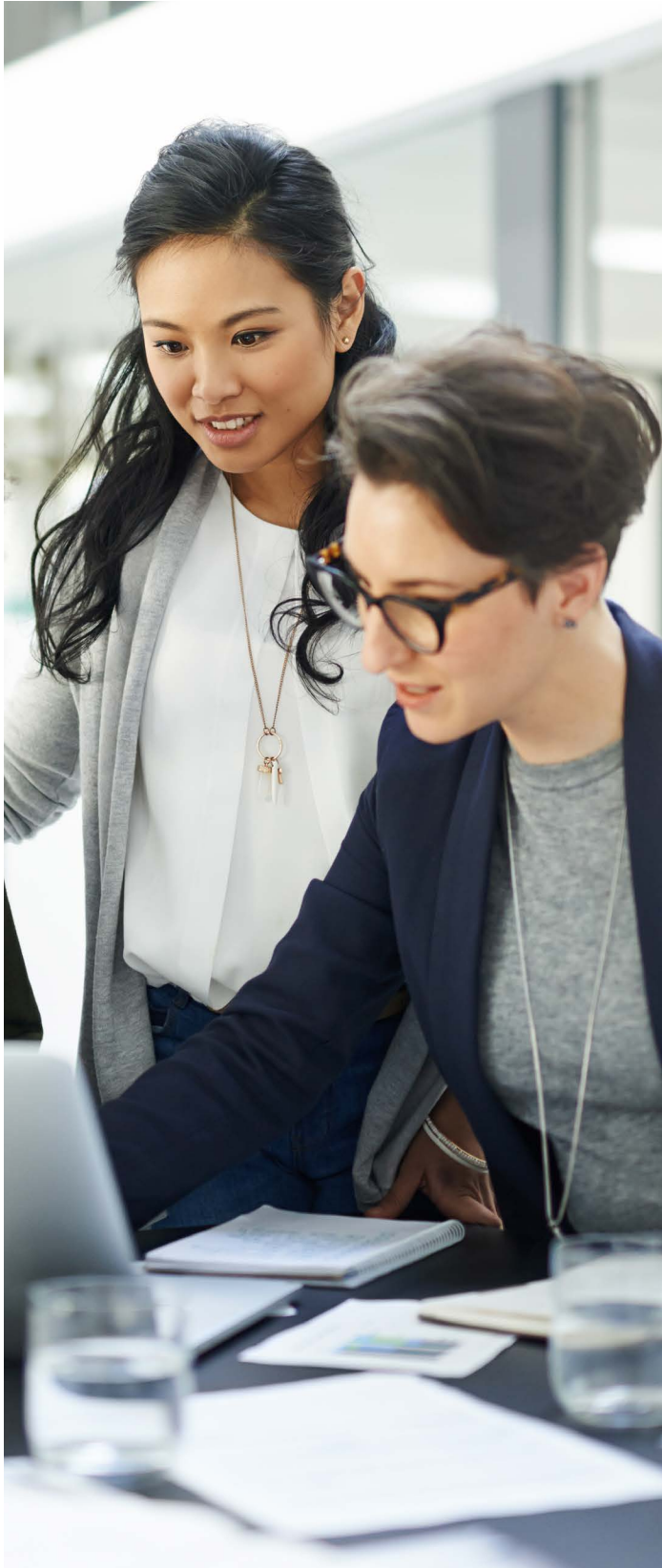
## Knowledge Vault

- Library and checklists – Thousands of articles covering vital workplace issues, grouped according to topic, as well as self-audit checklists
- Links to important federal and state government websites
- Model Handbook – Over 95 model policies on workplace issues ranging from equal employment opportunity to social media (certain key policies are available in English and Spanish)
- Loss Scenarios – Examples of situations that have caused liability for organizations like yours

Notice: [MyCommunityWorkplace.org](https://MyCommunityWorkplace.org) is a product of The McCalmon Group, Inc., platform administrator solely responsible for its content.



# Preferred Virtual Training Academy



The Preferred Virtual Training Academy provides virtual training by our experienced Loss Control Consultants, as well as industry experts on a variety of topics such as workplace safety and claims handling, human resources and cyber security. Training is interactive and customized to better meet the educational needs of your organization. As always, training is provided at no additional cost to Preferred members. Some of the benefits of using virtual training include:



## Convenience

Employees can take training at their workstation at the traditional workplace or from a remote location.



## Productivity

Virtual training allows employees to use their time more effectively. Safety: Employees do not have to physically gather in groups.



## Efficiency

No requirement to reserve/setup training room, as well as coordinate setup of audio/visual equipment.



## Cost effectiveness

Employees do not need to travel off site to receive training.

We encourage you to contact your Preferred Loss Control Consultant to learn more about our Virtual Training Academy and begin the process of selecting training topics. In addition, a comprehensive list of customized training topics to meet your needs is available upon request.

# Onsite Safety Survey Program



Our Loss Control Consultants are always available to meet your onsite/in person needs including conducting training on hundreds of topics and assisting members with safety surveys and inspections.

The primary goal is to identify unsafe conditions and/or unsafe behavior that could contribute to an accident, injury and/or illness. General surveys/inspections can be provided as well as surveys/inspections with a specific emphasis, i.e., slip, trip and fall hazards or ADA. We have developed safety inspection checklists to assist our members in providing regular and recurring inspections on a proactive basis. These checklists allow members to proactively identify workplace safety hazards and provide corrective action before an accident, injury and/or illness occurs.

**We can assist in finding and reducing these hazards!**

- + Public Beach
- + Cafeteria / Kitchen
- + City Hall
- + Public Dog Park
- + Fire Station
- + Meeting / Exhibit Hall
- + Public Park
- + Park Trails
- + Playground
- + Police Station
- + Schools
- + Skate Park
- + Sports Complex (indoor)
- + Sports Complex (outdoor)
- + Public Swimming Pool
- + Trenching & Shoring
- + Public Utilities
- + Vehicle Maintenance Garage

# Health and Safety Fair Participation



Planning a special event for your employees? Preferred's Loss Control Consultants can participate in your upcoming employee health and safety fairs.

Our participation in your special event could include one or more of the following:

- Safety related hand-out materials, such as booklets and brochures
- Special event promo giveaway items

Contact your agent or Preferred Loss Control consultant on how we can participate in your upcoming employee related special events.