



COLUMBIA COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM REQUEST FORM

The Board of County Commissioners meets the 1st and 3rd Thursday of each month at 5:30 p.m. in the Columbia County School Board Administrative Complex Auditorium, 372 West Duval Street, Lake City, Florida 32055. All agenda items are due in the Board's office one week prior to the meeting date.

Today's Date: 8/17/2016 Meeting Date: 9/6/2016

Name: Ray Hill Department: Purchasing

Division Manager's Signature:

Ben Scott

1. Nature and purpose of agenda item:

BCC Administration - Requesting Approval of Ranking and Award 2016-L Insurance Services and Coverages

2. Recommended Motion/Action:

There is no recommended motion or action.

3. Fiscal impact on current budget.

This item is currently budgeted. The account number to be charged is various

District No. 1 - Ronald Williams
District No. 2 - Rusty DePratter
District No. 3 - Bucky Nash
District No. 4 - Everett Phillips
District No. 5 - Scarlet P. Frisina



BOARD OF COUNTY COMMISSIONERS • COLUMBIA COUNTY

Memo

Date: 8/17/2016

To: Board of Commissioners

From: Ray Hill, Purchasing Director

RE: Bid No. 2016-L Insurance Services and Coverages

The Evaluation and Ranking Committee of David Kraus, Scott Ward and Ray Hill has reviewed the proposals for the above referenced project. It was the unanimous vote of the Committee to rank the firms as follows:

1. PRIA
2. The Wheeler Agency
3. Arthur J. Gallagher & Co.
4. Insurance Offices of America

It is our recommendation that the Board approve this ranking and accept the coverages per the attached document.

The *Preferred* policy provides significant advantages and benefits in protecting the County's assets. Please see below a summary of some of the coverage advantages provided in this proposal.

Preferred is proposing a two-year rate guarantee for all coverages proposed. The rates used to develop premiums will not change for two policy years. There are no caveats or exceptions.

Property Insurance

- *Preferred* purchases very high sublimits of coverage (such as flood, debris removal, extra expense, etc.) for the entire Trust. However, the availability of these sublimits to individual members is measured and managed to ensure that each member would receive the limits as shown on their respective coverage agreements.
 - PRM will indicate that their total pool limits are available to each of their members. In our opinion this is disingenuous and misleading. In any major catastrophic event these limits are shared amongst all PRM members and not reserved for one member.
- *Preferred* will provide windstorm coverage for all of the County's radio towers.
 - FMIT generally excludes windstorm coverage for radio and broadcast towers
- *Preferred* will not charge any additional premium for newly acquired buildings, structures or property in the open. All new property will be added to the coverage at no cost during the policy year.
- All Property in the Open (outdoor machinery, gazebos, recreational structures, lights, etc.) is automatically covered if within 1,000 feet of a covered location. *Preferred* is the ONLY program to provide this coverage. In addition to covering all property in the open *Preferred* also provides a blanket limit of \$100,000 for property that is not within 1,000 feet of a covered location.
 - FMIT requires all fences, lights, scoreboards, backstops, pavilions, dugouts, etc. to be individually valued and scheduled for coverage to apply. Premium is charged for these additional items. FMIT will only pay \$25,000 per location and \$100,000 per year for unscheduled items.
- *Preferred's* Named Windstorm deductible is 2% and applies to each scheduled item with NO per location minimum deductible.
- Flood coverage is provided with the lowest deductibles of any program. \$1,000 per occurrence for non-flood hazard zones.
- Sewer Back Up Due to Flooding – *Preferred* does not limit sewer back up losses caused by flooding.
 - FMIT will only pay \$25,000 per occurrence for sewer back up due to flooding.
- \$500,000 for Demolition Expenses and Increased Cost of Construction due to Building Code Ordinance. PGIT will provide up to \$500,000 at any location. Not subject to 25% of the loss and not subject to the limit of insurance at that location.
 - FMIT limits coverage to 25% of the loss amount and will pay "no more than the Limit of Insurance applicable to the covered building property at any scheduled location". Policy form FMIT PROP 12 1011.

- \$500,000 for Cost to Remove Debris with no “per location” maximum. PGIT’s limit is in addition to the total scheduled limit (total building and contents limits for that location). PGIT will also pay to remove “storm blown debris” from a covered location.
 - **FMIT** limits coverage to 25% of loss amount and only \$10,000 per location. FMIT will **not** pay more than the scheduled limit of insurance (total building and content value) for debris removal.
- **Preferred** provides Agreed Value coverage for all scheduled equipment. This is far superior to Actual Cash Value settlements that include depreciation.
- Disaster Recovery Program – Pre approved local contractors and vendors are available for members to access for disaster recovery efforts. **Preferred** will pay contractors and vendors directly for services rendered on behalf members.
- Pre Disaster Planning – PRIA maintains all County schedules and appraisals in electronic format. Schedules are updated continuously with all changes tracked and documented. We also pro- actively visit County locations and suggest changes to maintain the most efficient coverage. In the event of a major disaster PRIA has established protocols with FEMA representatives and will submit all schedules, policies and adjuster worksheets directly to FEMA. Thereby eliminating significant administrative burden from County staff.

Auto Liability

- Employer Provided Vehicles - **Preferred** provides automobile liability for ANY auto under nearly all circumstances. Members are not required to schedule “take home vehicles” or implement a personal use policy to maintain liability coverage for employees that have “take home vehicles”. Employees are covered even if found to be outside their scope and duty while operating a vehicle.
 - **FMIT** mandates that each “take home” vehicle be scheduled as a “take home” vehicle and the employee assigned to the vehicle also must be identified.
 - A policy governing the use of City vehicles must also be in place.
 - The employee must be acting within scope and duty for coverage to apply.
- No additional premium is charged for any vehicles added during the policy year.
 - FMIT will charge additional premium for any vehicle whose value is above \$100,000.
- **Preferred** provides Agreed Value physical damage coverage for all Fire Trucks. This gives the County a much higher claim settlement than Actual Cash Value which would include depreciation.

General Terms

- **Preferred** provides true traditional risk transfer insurance mechanisms. **Preferred** will NOT seek additional fees or run off costs if the County decides to leave the Trust at some point in the future.
 - PRM reserves the right to charge the County additional fees, loss fund payments and administrative fees (article 17.3 of the PRM by laws). PRM members that leave the PRM pool are charged run off fees and/or additional fees as a cost to exit the pool. In addition to additional fees to leave there is also a minimum 45-day notice required. There is no such notice required by **Preferred**.

PROPERTY – INLAND MARINE

Term: October 1, 2016 to October 1, 2017

Company: Preferred Governmental Insurance Trust (*Preferred*)

Limits of Liability (Per Schedules Provided):

Covered Property	
\$58,010,580	Stated Value Buildings and Contents
\$100,000	Business Income
\$500,000	Additional Expense

Special Property Coverages	
\$5,000,000	Flood
\$5,000,000	TRIA

Inland Marine	
\$1,155,532	Unscheduled Blanket Inland Marine***
\$10,160,697	Contractor's / Mobile Equipment***
Included in Blanket	Communications Equipment ***
\$207,000	Other Inland Marine
Included in Blanket	Electronic Data Processing Equipment ***
Included in Blanket	Emergency Portable Service Equipment ***
Included in Blanket	Fine Arts ***
\$50,000	Rented, Leased or Borrowed Equipment♦♦

Deductibles: \$1,000 per Occurrence – Buildings and Contents

2% of TIV per Occurrence / Per Location for "Named Storm" subject to minimum of \$10,000 Per Occurrence. Location is defined by each itemized listing on the applicable schedule

\$1,000 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 vehicle.

♦♦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.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

Columbia County
RFP #2016-L – Property, Inland Marine, Auto, Workers' Compensation Insurance
Coverage and Services



PROPERTY – INLAND MARINE

“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 of 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 of 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.

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 to repair the damaged property; or
 - b. The cost 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 value is subject to an 80% coinsurance clause.

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. Certain coverages subject to sub-limits stated in policy.
6. During the current coverage agreement period, there will be no charge for any new locations acquired after the inception date of the 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.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

PROPERTY – INLAND MARINE

Extensions of Coverage	
\$250,000	Accounts Receivable, per occurrence
\$1,000, Any one \$5,000, Aggregate	Animals
\$250,000, or 25% of loss whichever is greater	Debris Removal, per occurrence
\$500,000	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
\$10,000 Per Occurrence \$20,000 Aggregate	Fungus Cleanup Expense
\$25,000 Per Occurrence \$1,000 Max per Tree	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.
\$25,000 Per Employee \$50,000 Per Occurrence	Personal Property of Employees
\$25,000 Per Occurrence \$50,000 Aggregate	Pollution Cleanup Expense
\$250,000	Preservation of Property, per occurrence
\$10,000	Professional Fees, per occurrence
\$10,000	Recertification, per occurrence
\$100,000	Service Interruption Coverage, per occurrence
\$250,000	Transit, per occurrence

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Coverage and Services



PROPERTY – 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. Electrical or communication lines, towers, and poles you own that are not located on a “covered location” insured under this policy.
15. Personal property of volunteers.

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. Earth movement, whether sudden or gradual

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

COINSURANCE EXAMPLE

Coinsurance Example:	
Amount of Loss	\$40,000
Building Insured for	\$100,000
Replacement Cost at Time of Loss	\$150,000
Coinsurance Percentage	80%
Minimum Amount Building Should Be Insured for	\$120,000
Deductible	\$5,000

Step 1: $\$150,000 \times .80 = \$120,000$

Step 2: $\$100,000 / \$120,000 = .83$

Step 3: $\$40,000 \times .83 = \$33,200$

Step 4: $\$33,200 - \$5,000 = \$28,200$

In this example, the trust would pay \$28,200 of the \$40,000 loss.

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Columbia County

RFP #2016-L – Property, Inland Marine, Auto, Workers' Compensation Insurance
Coverage and Services



EQUIPMENT BREAKDOWN

Term: October 1, 2016 to October 1, 2017

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.

Coverages:

Limit:	Coverage:
\$50,000,000	Property Damage / Loss of Business Income / Additional Expense per accident
\$500,000	Water Damage
\$500,000	Ammonia Contamination
\$500,000	Hazardous Substance Coverage
\$2,000,000	Utility Interruption (24 Hour Waiting Period)
\$250,000	Spoilage Damage
\$500,000	Ordinance or Law
\$1,000,000	Expediting Expenses

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

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

Columbia County
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CRIME

Term: October 1, 2016 to October 1, 2017

Company: Preferred Governmental Insurance Trust (*Preferred*)

Limits of Liability and Coverage:

Coverage:	Limit:	Deductible:
Employee Dishonesty	\$50,000	\$1,000
Forgery or Alteration Coverage	\$50,000	\$1,000
Theft, Disappearance and Destruction Coverage		
Inside	\$10,000	\$1,000
Outside	\$10,000	\$1,000
Computer Fraud Coverage (Including Funds Transfer	\$50,000	\$1,000

Notes of Importance:

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

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE

Term: October 1, 2016 to October 1, 2017

Company: Preferred Governmental Insurance Trust (*Preferred*)

Limits of Liability:
(Based on 232 Vehicles)

Primary Bodily Injury and Property Damage Liability – Combined \$1,000,000 Any One Accident – Symbol 1

Personal Injury Protection \$10,000 – Statutory – Symbol 5

Uninsured Motorist \$100,000 – Symbol 2

Liability Deductible: \$0 Each Accident

Physical Damage: Comprehensive – 232 Vehicles, Symbol 2,8
Collision – 232 Vehicles, Symbol 2,8

Physical Damage Deductible:

Comprehensive \$1,000 per Vehicle
Collision \$1,000 per Vehicle

Coverage and Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Hired and non-owned liability is included.
3. Hired physical car damage is included at \$35,000 maximum.
4. Premium is based on number of vehicles and subject to adjustment if schedule is changed.
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.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

Columbia County
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AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE

Description of Covered Auto Designation Symbols:

SYMBOL	DESCRIPTION
1	= ANY "AUTO"
2	= 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.
3	= 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.
4	= 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.
5	= 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.
6	= 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.
7	= 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).
8	= 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.
9	= 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 or your personal affairs.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

WORKERS' COMPENSATION GUARANTEED COST

Term: October 1, 2016 to October 1, 2017

Insurer: Preferred Governmental Insurance Trust (*Preferred*)

Class Code	Description of Class Code	Estimated Payroll
5509	Street or Road Maintenance	\$1,817,702
6217	Excavation & Drivers	\$300,768
7704	Firefighters & Drivers	\$2,309,100
8380	Automobile Service Repair	\$175,413
8742	Salespersons / Collectors / Messengers	\$1,063,376
8810	Clerical	\$6,445,547
8820	Attorney – All Empl & Clerical	\$118,800
9015	Buildings – Owner or Lessee	\$579,409
9102	Park NOC – Employees & Drivers	\$276,882
9402	Street Cleaning & Drivers	\$58,090
9410	Municipal NOC	\$229,033
TOTAL		\$13,374,120

Estimated Manual Premium	\$412,260
Experience Modification 1.56	
Estimated Discounted Premium	\$365,957
Hickman Insurance Fee	\$ 10,950

This quote is based on NCCI approved rates that are effective 1/1/2016. If the pending NCCI rate changes are effective on or before October 1, 2016 the 2016-2017 coverage agreement will be issued at the new rates. However, if the proposed rate increase is effective after 10/1/2016, then our:

- a. 10/1/2016 to 10/1/2017 Coverage agreements will be issued at the current 1/1/2016 rates as quoted herein.
- b. 2 Year Agreements (10/1/2016 to 10/1/2018), if elected, will not have the rate increase applied until the 10/1/2018 renewal.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

Columbia County
RFP #2016-L – Property, Inland Marine, Auto, Workers' Compensation Insurance
Coverage and Services



WORKERS' COMPENSATION GUARANTEED COST

Notes of Importance:

1. The "Estimated Discounted Premium" includes all applicable credits including safety program and drug-free workplace credits as per Florida Statute 440.
2. Employer's Limit of Liability is \$1,000,000/\$1,000,000/\$1,000,000.
3. Experience modification factor is subject to verification. This final amount of credit is dependent upon compliance with program requirements.
4. Final premium subject to payroll audit.
5. The expense constant charge has been included.
6. If NCCI re-promulgates a mod, *Preferred* will honor the mod as promulgated. If the mod changes during the fund year, *Preferred* reserves the right to apply a correct mod back to the inception date of the coverage agreement.
7. **First payment of \$91,639.25 due 10/01/16 (25%) 9 Monthly Installments of \$30,479.75 beginning 11/1/16**

Subjectivities:

- Signed PGIT WC Application by 11/2/16
- Signed Drug Free Application by 11/2/16
- Signed Safety Program Application by 11/2/16
- Employee Concentration Form prior to Binding

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

Columbia County
RFP #2016-L – Property, Inland Marine, Auto, Workers' Compensation Insurance
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PREMIUM RECAPITULATION

	<u>Annual Premium</u>	<u>Check Option</u>	
		<u>Accept</u>	<u>Reject</u>
<i>Preferred Package</i>			
Property including Equipment Breakdown	\$170,780.00	<input type="checkbox"/>	<input type="checkbox"/>
Inland Marine	\$38,773.00	<input type="checkbox"/>	<input type="checkbox"/>
Crime / Employee Dishonesty	\$1,000.00	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Liability	\$71,998.00	<input type="checkbox"/>	<input type="checkbox"/>
Automobile Physical Damage	\$42,951.00	<input type="checkbox"/>	<input type="checkbox"/>
Total Premium	\$325,502.00	<input type="checkbox"/>	<input type="checkbox"/>
<i>Preferred Workers' Compensation</i>			
Workers' Compensation	\$365,957.00		
Hickman Insurance Fee	\$10,950.00		
Total Premium	\$376,907.00	<input type="checkbox"/>	<input type="checkbox"/>
Two-Year Coverage Agreement*		<input type="checkbox"/>	<input type="checkbox"/>
<i>*Please refer to the next page for details on the Two-Year Offer</i>			

I authorize PRIA 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)

Preferred 2-Year Coverage Agreement Option
IMPORTANT NOTE:

Preferred's quote covers two (2) annual twelve month periods, from 10/01/2016 12:00:00 AM to 10/01/2017 12:00:00 AM and from 10/01/2017 12:00:00 AM to 10/01/2018 12:00:00 AM. The following conditions apply in addition to all other conditions of this quote:

- A. All Aggregate limits reset for the period 10/01/2017 12:00:00 AM to 10/01/2018 12:00:00 AM. Losses applying to one annual coverage period will not erode the aggregate limits of another annual coverage period.
- B. The premium for the period 10/01/2017 12:00:00 AM to 10/01/2018 12:00:00 AM will be determined based on updated exposure values for the period.
- C. Rates for the period 10/01/2017 12:00:00 AM to 10/01/2018 12:00:00 AM will be identical to those for the period commencing 10/01/2016 12:00:00 AM, with premiums subject to the following:
 - 1. NCCI Experience modification factors will be applied as promulgated.
 - 2. Changes to Schedules: Property, Inland Marine, and Automobile
 - 3. Payroll
 - 4. Number of Employees
- D. In the event of cancellation of any line of business prior to 10/01/2018 12:00:00 AM, a penalty equal to 60 days premium of such line(s) of business shall become earned, any provision of the agreement to the contrary notwithstanding.
 - 1. This penalty is earned and payable regardless of when notice of such cancellation is given, or the effective date of such cancellation.

Notes of Importance:

1. Quotes provided in the proposal are valid until 09/27/2016. 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. **With the exception of Workers' Compensation, 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 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 Public Risk Insurance Agency. 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.**

PREFERRED Compensation Disclosure

We appreciate the opportunity to assist with your insurance needs. Information concerning additional 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 2016 – 2017 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*, PRU receives an administration fee, based on the size and complexity of the account, of up to 12.5% of the premium you pay to *Preferred*. PRU may also receive commissions from insurance companies with whom it places your coverage, which commissions are derived from the premium you pay to *Preferred*. Multiple underwriters may be involved in the placement of your coverage. If so, they also may be compensated for their services from the premium you pay to *Preferred*.

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

PREFERRED Compensation Disclosure (continued)

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 MacDuff Underwriters) are owned by Brown & Brown, Inc., for the placement of *Preferred*'s insurance policies, and for individual risk placements for some *Preferred* members (excess and surplus lines, professional liability coverage, etc.). 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 derived from your premium, and is largely dictated by the insurance company. It typically ranges between 10% and 17% of the premiums you pay to *Preferred* for your coverage. Some wholesale brokers used by Brown & Brown to place your coverage may also act as Managing General Agents for various insurance companies, and may be compensated directly by those insurance companies for their services in placing and maintaining coverage with those particular companies.

The wholesale insurance brokerage utilized in the placement of property insurance was Peachtree Special Risk Brokers, which is a company owned by Brown & Brown Inc. Furthermore, any professional liability coverage afforded by the package of insurance you purchased was acquired through Apex Insurance Services, which is also a company affiliated with Brown & Brown Inc.

NOTICE OF CARRIER FINANCIAL STATUS

Risk Management Associates, Inc. dba Public Risk Insurance Agency, 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 A.M. 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 A.M. Best Company. Alternative quotes may be available with an A- or better rated carrier upon your request.
- Coverage is being placed 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 A.M. 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: Columbia County BOCC

Policy Number: PK FL1 0121012 15-14 and WC FL1 0121012 15-14

Policy Period: 10/01/2016-2017

Date of Notice: 08/04/2016

*** A.M. Best Rating Guide: Rating for Stability: A++ to D = Highest to lowest rating**
Rating for Assets/ Surplus: 15 to 1 - 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.	I	Less than \$1,000,000
	II	\$1,000,000 - \$2,000,000
	III	\$2,000,000 - \$5,000,000
	IV	\$5,000,000 - \$10,000,000
	V	\$10,000,000 - \$25,000,000
	VI	\$25,000,000 - \$50,000,000
	VII	\$50,000,000 - \$100,000,000
	VIII	\$100,000,000 - \$250,000,000
	IX	\$250,000,000 - \$500,000,000
	X	\$500,000,000 - \$750,000,000
	XI	\$750,000,000 - \$1,000,000,000
	XII	\$1,000,000,000 - \$1,250,000,000
	XIII	\$1,250,000,000 - \$1,500,000,000
	XIV	\$1,500,000,000 - \$2,000,000,000
	XV	Greater than \$2,000,000,000

Public Risk Insurance Agency always strives to place your coverage with highly secure insurance companies. We cannot, however, guarantee the financial stability of any carrier.

**Columbia County, Florida
Board of County Commissioners
8/16/2016**

[illegible]

REQUEST FOR PROPOSAL #2016-K

PRICING INFORMATION

Risk Management Associates, Inc. dba
NAME OF RESPONDENT: Public Risk Insurance Agency


BILLING ADDRESS: P.O. Box 2416

Daytona Beach, FL 32115

	COVERAGE AMOUNT	DEDUCTIBLES	FY 16-17	Estimated* FY 17-18
PROPERTY	\$58,010,580	\$1,000 AOP 2%/\$10,000 Min for NS	\$170,780	\$170,780
	\$5,000,000	\$1,000	Included	Included
INLAND MARINE	\$11,573,229	\$1,000	\$38,773	\$38,773
AUTOMOBILE	\$1,000,000	\$0	\$71,998	\$71,998
	Comprehensive / Collision	\$1,000	\$42,951	\$42,951
CRIME	\$50,000	\$1,000	\$1,000	\$1,000
WORKER'S COMPENSATION	Statutory	\$0	\$365,957+ \$ 10,950**	\$365,957+ \$ 10,950**

See copies of existing policies

Use of this form is OPTIONAL. However, coverage, deductibles and prices by the respondent must include the information above. Attach additional information if necessary.

Responder's Signature: 

Date: 8/5/2016

*The 17-18 Premium is based on current exposures and is subject to change based on updated exposures. Please refer to Section 6 for further details.

**Hickman Insurance Fee