

**AGREEMENT FOR PROPERTY AND CASUALTY INSURANCE BROKER SERVICES**

THIS AGREEMENT FOR PROPERTY AND CASUALTY INSURANCE BROKER SERVICES ("Agreement") is entered into by and between the **CITY OF OCALA**, a Florida municipal corporation ("City") and **RISK MANAGEMENT ASSOCIATES, INC.**, a for-profit corporation duly organized and authorized to do business in the state of Florida (EIN: 59-2445801) ("Broker").

**WHEREAS**, on May 9, 2022, City issued a Request for Proposal ("RFP") for the provision of property and casualty insurance broker services, RFP No.: RSK/220392 (the "Solicitation"); and

**WHEREAS**, three (3) firms responded to the Solicitation and, after consideration of price and other evaluation factors set forth in the Solicitation, the proposal submitted by Risk Management Associates, Inc., was found to be the highest ranked proposal as scored by the City; and

**WHEREAS**, Risk Management Associates, Inc., was chosen as the intended awardee to provide property and casualty insurance broker services (the "Services"); and

**NOW THEREFORE**, in consideration of the foregoing recitals, the following mutual covenants and conditions, and other good and valuable consideration, City and Broker agree as follows:

1. **RECITALS.** City and Broker hereby represent, warrant, and agree that the Recitals set forth above are true and correct and are incorporated herein by reference.
2. **CONTRACT DOCUMENTS.** The Contract Documents which comprise the entire understanding between City and Broker shall only include this Agreement and those documents listed in this section as Exhibits to this Agreement. Each of these documents are incorporated herein by reference for all purposes. If there is a conflict between the terms of this Agreement and the Contract Documents, then the terms of this Agreement shall control, amend, and supersede any conflicting terms contained in the remaining Contract Documents.

A. **Exhibits to Agreement:** The Exhibits to this Agreement are as follows:

Exhibit A: Scope of Work (A-1 through A-2)

Exhibit B: Proposal Response (B-1 through B-29)

If there is a conflict between the individual Exhibits regarding the scope of work to be performed, then any identified inconsistency shall be resolved by giving precedence in the following order: (1) Exhibit A, then (2) Exhibit B.

3. **SERVICES.** Broker shall provide all materials, labor, supervision, tools, accessories, and equipment necessary for Broker to perform its obligations under this Agreement as set forth in the attached **Exhibit A - Scope of Work** and **Exhibit B – Proposal Response**. The Scope of Work under this Agreement may only be adjusted by written amendment executed by both parties.

- A. **Staff Replacement:** City reserves the right to request the replacement of the insurance agent appointed by Broker to service the City under this Agreement.
4. **COMPENSATION.** City shall pay Broker a lump sum amount not to exceed **TWO HUNDRED THIRTY-FIVE THOUSAND, FIVE HUNDRED AND NO/100 DOLLARS (\$235,500)** (the "Contract Sum") as full and complete compensation for the timely and satisfactory provision of services over the initial contract term in accordance with the Contract Documents. **The Contract Sum shall be payable to Broker in equal quarterly installments of TWENTY-NINE THOUSAND, FOUR HUNDRED THIRTY-SEVEN AND NO/100 DOLLARS (\$29,437.50).** The pricing under this Agreement may only be adjusted by written amendment executed by both parties.
- A. **Commissions and Fees.** The Contract Sum shall serve as full and complete compensation for Broker's professional services and shall include any and all travel required by the Broker to meet with City staff as outlined in the Scope of Work and Proposal Response.
- (1) No additional compensation shall be due or payable to Broker or any other third-party for the services provided by Broker under this Agreement.
  - (2) The payment of any additional compensation or commissions by Broker, as part of brokered policies, to any party (including brokers, wholesale brokers, or third-party intermediaries) must be promptly returned to City.
  - (3) Broker shall be expressly prohibited from accepting any additional compensation for services provided under this Agreement without providing full disclosure to City of the nature, amount, and/or percentage of said compensation prior to binding the insured's coverage and fully refunding compensation to the insured. **Failure by Broker to disclose third-party compensation agreements or understandings to City in advance shall constitute material breach and serve as grounds for termination of this Agreement.**
- B. **Renewal Pricing Increases.** Any and all renewals shall be subject to a maximum negotiated price increase of no more than **FIVE PERCENT (5%)** above the Compensation set forth in this Section.
- C. **Invoice Submission.** Broker shall submit invoices to City for services rendered on a quarterly basis and said invoices shall include the City Contract Number, an assigned Invoice Number, and an Invoice Date. Original invoices shall be submitted through the responsible City Project Manager at: **City of Ocala Risk Management, Office** Attn: **Richard Dennis**, E-Mail: [rdennis@ocalafl.org](mailto:rdennis@ocalafl.org); Telephone: (352) 401-3989.
- D. **Payment of Invoices by City.** The City Project Manager must review and approve all invoices prior to payment. City Project Manager's approval shall not be unreasonably

withheld, conditioned, or delayed. Payments by City shall be made no later than the time periods established in section 218.735, Florida Statutes.

- E. **Withholding of Payment.** City reserves the right to withhold, in whole or in part, payment for any and all work that: (i) has not been completed by Broker; (ii) is inadequate or defective and has not been remedied or resolved in a manner satisfactory to the City Project Manager; or (iii) which fails to comply with any term, condition, or other requirement under this Agreement. Any payment withheld shall be released and remitted to Broker within **THIRTY (30)** calendar days of the Broker's remedy or resolution of the inadequacy or defect.
- F. **Excess Funds.** If due to mistake or any other reason Broker receives payment under this Agreement in excess of what is provided for by the Agreement, Broker shall promptly notify City upon discovery of the receipt of the overpayment. Any overpayment shall be refunded to City within **THIRTY (30)** days of Broker's receipt of the overpayment or must also include interest calculated from the date of the overpayment at the interest rate for judgment at the highest rate allowed by law.
- G. **Tax Exemption.** City is exempt from all federal excise and state sales taxes (State of Florida Consumer's Certification of Exemption 85-8012621655C-9). The City's Employer Identification Number is 59-60000392. Broker shall not be exempted from paying sales tax to its suppliers for materials to fulfill contractual obligations with the City, nor will Broker be authorized to use City's Tax Exemption Number for securing materials listed herein.
5. **EFFECTIVE DATE AND TERM.** This Agreement shall become effective and commence on **JANUARY 1, 2023** and continue in effect through and including **DECEMBER 31, 2026** (the "Initial Contract Term"). This Agreement may be renewed for **ONE (1)** additional **THREE-YEAR** (3-year) period by written consent between City and Broker.
6. **FORCE MAJEURE.** Neither party shall be liable for delay, damage, or failure in the performance of any obligation under this Agreement if such delay, damage, or failure is due to causes beyond its reasonable control, including without limitation: fire, flood, strikes and labor disputes, acts of war, acts of nature, terrorism, civil unrest, pandemics, acts or delays in acting of the government of the United States or the several states, judicial orders, decrees or restrictions, or any other like reason which is beyond the control of the respective party ("Force Majeure"). The party affected by any event of force majeure shall use reasonable efforts to remedy, remove, or mitigate such event and the effects thereof with all reasonable dispatch.

- A. The party affected by force majeure shall provide the other party with full particulars thereof including, but not limited to, the nature, details, and expected duration thereof, as soon as it becomes aware.
  - B. When force majeure circumstances arise, the parties shall negotiate in good faith any modifications of the terms of this Agreement that may be necessary or appropriate in order to arrive at an equitable solution.
  - C. Broker performance shall be extended for a number of days equal to the duration of the force majeure. Broker shall be entitled to an extension of time only and, in no event, shall Broker be entitled to any increased costs, additional compensation, or damages of any type resulting from such force majeure delays.
6. **INSPECTION AND ACCEPTANCE OF THE WORK.** Broker shall report its progress to the City Project Manager as set forth herein. All services work, and materials provided by Broker under this Agreement shall be provided to the satisfaction and approval of the Project Manager.
- A. The Project Manager shall decide all questions regarding the quality, acceptability, and/or fitness of materials furnished, or workmanship performed, the rate of progress of the work, the interpretation of the specifications, and the acceptable fulfillment of the Agreement, in his or her sole discretion, based upon both the requirements set forth by City and the information provided by Broker in its Proposal. The authority vested in the Project Manager pursuant to this paragraph shall be confined to the direction or specification of what is to be performed under this Agreement and shall not extend to the actual execution of the work.
  - B. Neither the Project Manager's review of Broker's work nor recommendations made by Project Manager pursuant to this Agreement will impose on Project Manager any responsibility to supervise, direct, or control Broker's work in progress or for the means, methods, techniques, sequences, or procedures incident Broker's furnishing and performing the work.
7. **TERMINATION AND DEFAULT.** Either party, upon determination that the other party has failed or refused to perform or is otherwise in breach of any obligation or provision under this Agreement or the Contract Document, may give written notice of default to the defaulting party in the manner specified for the giving of notices herein. Termination of this Agreement by either party for any reason shall have no effect upon the rights or duties accruing to the parties prior to termination.
- A. **Termination by City for Cause.** City shall have the right to terminate this Agreement immediately, in whole or in part, upon the failure of Broker to carry out any obligation,

term, or condition of this Agreement. City's election to terminate the Agreement for default shall be communicated by providing Broker written notice of termination in the manner specified for the giving of notices herein. Any notice of termination given to Broker by City shall be effective immediately, unless otherwise provided therein, upon the occurrence of any one or more of the following events:

- (1) Broker fails to timely and properly perform any of the services set forth in the specifications of the Agreement;
- (2) Broker provides material that does not meet the specifications of the Agreement;
- (3) Broker fails to complete the work required within the time stipulated in the Agreement;
- or
- (4) Broker fails to make progress in the performance of the Agreement and/or gives City reason to believe that Broker cannot or will not perform to the requirements of the Agreement.

B. **Broker's Opportunity to Cure Default.** City may, in its sole discretion, provide Broker with an opportunity to cure the violations set forth in City's notice of default to Broker. Broker shall commence to cure the violations immediately and shall diligently and continuously prosecute such cure to completion within a reasonable time as determined by City. If the violations are not corrected within the time determined to be reasonable by City or to the reasonable satisfaction of City then City may, without further notice, declare Broker to be in breach of this Agreement and pursue all remedies available at law or equity, to include termination of this Agreement without further notice.

C. **City's Remedies Upon Broker Default.** In the event that Broker fails to cure any default under this Agreement within the time period specified in this section, City may pursue any remedies available at law or equity, including, without limitation, the following:

- (1) City shall be entitled to terminate this Agreement without further notice;
- (2) City shall be entitled to hire another vendor to complete the required work in accordance with the needs of City;
- (3) City shall be entitled to recover from Broker all damages, costs, and attorney's fees arising from Broker's default prior to termination; and
- (4) City shall be entitled to recovery from Broker any actual excess costs by: (i) deduction from any unpaid balances owed to Broker; or (ii) any other remedy as provided by law.

D. **Termination for Non-Funding.** In the event that budgeted funds to finance this Agreement are reduced, terminated, or otherwise become unavailable, City may terminate

- this Agreement upon written notice to Broker without penalty or expense to City. City shall be the final authority as to the availability of budgeted funds.
- E. **Termination for Convenience.** City reserves the right to terminate this Agreement in whole or in part at any time for the convenience of City without penalty or recourse. The Project Manager shall provide written notice of the termination. Upon receipt of the notice, Broker shall immediately discontinue all work as directed in the notice, notify all subcontractors of the effective date of the termination, and minimize all further costs to City including, but not limited to, the placing of any and all orders for materials, facilities, or supplies, in connection with its performance under this Agreement. Broker shall be entitled to receive compensation solely for: (1) the actual cost of the work completed in conformity with this Agreement; and/or (2) such other costs incurred by Broker as permitted under this Agreement and approved by City.
8. **PERFORMANCE EVALUATION.** At the end of the contract, City may evaluate Broker's performance. Any such evaluation will become public record.
9. **NOTICE REGARDING FAILURE TO FULFILL AGREEMENT.** Any vendor who enters into an Agreement with the City of Ocala and fails to complete the contract term, for any reason, shall be subject to future bidding suspension for a period of **ONE (1)** year and bid debarment for a period of up to **THREE (3)** years for serious contract failures.
10. **BROKER REPRESENTATIONS.** Broker expressly represents that:
- A. Broker has read and is fully familiar with all of the terms and conditions of this Agreement, the Contract Documents, and other related data and acknowledges that they are sufficient in scope and detail to indicate and convey understanding of all terms and conditions of the work to be performed by Broker under this Agreement.
  - B. Broker has disclosed, in writing, all known conflicts, errors, inconsistencies, discrepancies, or omissions discovered by Broker in the Contract Documents, and that the City's written resolution of same is acceptable to Broker.
  - C. Broker is familiar with all local, state, and Federal laws, regulations, and ordinances which may affect cost, progress, or its performance under this Agreement whatsoever.
  - D. **Public Entity Crimes.** Neither Broker, its parent corporations, subsidiaries, members, shareholders, partners, officers, directors or executives, nor any of its affiliates, contractors, suppliers, subcontractors, or consultants under this Agreement have been placed on the convicted vendor list following a conviction of a public entity crime. Broker understands that a "public entity crime" as defined in section 287.133(1)(g), Florida Statutes, is "a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision

of any other state or with the United States...” Broker further understands that any person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime: (1) may not submit a bid, proposal, or reply on a contract: (a) to provide any goods or services to a public entity; (b) for the construction or repair of a public building or public work; or (c) for leases of real property to a public entity; (2) may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and (3) 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 from the date of being placed on the convicted vendor list.

**11. BROKER RESPONSIBILITIES.** Except as otherwise specifically provided for in this Agreement, the following provisions are the responsibility of the Broker:

- A. Broker shall competently and efficiently supervise, inspect, and direct all work to be performed under this Agreement, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the work in accordance with the Contract Documents.
- B. Broker shall be solely responsible for the means, methods, techniques, sequences, or procedures, and safety precautions or programs incident thereto.
- C. Broker shall be responsible to see that the finished work complies accurately with the contract and the intent thereof.
- D. Broker shall comply with all local, state, and Federal laws, regulations, and ordinances which may affect cost, progress, or its performance under this Agreement, and be responsible for all costs associated with same.
- E. Broker shall continue its performance under this Agreement during the pendency of any dispute or disagreement arising out of or relating to this Agreement, except as Broker and City may otherwise agree in writing.

**12. CITY RESPONSIBILITIES.**

- A. City shall timely produce complete and accurate information including, but not limited to, current financial information, statements of values, loss information, and any other information necessary for the effectuation of insurance coverage at the request of the Broker.
- B. City will provide the Broker with a notice of any material changes in the City's business operations, risk exposures, or in any other material information provided under the Scope of Work. In addition, Broker shall confirm the accuracy and recommend any changes to insurance policies issued to City.



13. **NO EXCLUSIVITY.** It is expressly understood and agreed by the parties that this is not an exclusive agreement. Nothing in this Agreement shall be construed as creating any exclusive arrangement with Broker or as prohibit City from either acquiring similar, equal, or like goods and/or services or from executing additional contracts with other entities or sources. The City is not obligated to procure any insurance or to use Broker for insurance it might wish to procure; the City may do so independently at any time with no notice.
14. **COMMERCIAL AUTO LIABILITY INSURANCE.** Broker shall procure and maintain, for the life of this Agreement, commercial auto liability insurance covering all automobiles owned, non-owned, hired, and scheduled by Broker with a combined limit of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage for each accident.
15. **GENERAL LIABILITY INSURANCE.** Broker shall procure and maintain, for the life of this Agreement, commercial general liability insurance with minimum coverage limits not less than:
  - A. One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate limit for bodily injury, property damage, and personal and advertising injury; and
  - B. One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate limit for products and completed operations.
  - C. Coverage for contractual liability is also required.
  - D. City, a political subdivision of the State of Florida, and its officials, employees, and volunteers shall be covered as an additional insured with a CG 20 26 04 13 Additional Insured – Designated Person or Organization Endorsement or similar endorsement providing equal or broader Additional Insured Coverage regarding liability arising out of activities performed by or on behalf of Broker. The coverage shall contain no special limitation on the scope of protection afforded to City, its officials, employees, or volunteers.
16. **WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY.** Broker shall procure and maintain, for the life of this Agreement, Workers' Compensation insurance and employer's liability insurance in amounts required by applicable statutes. Broker shall ensure any and all subcontractors have coverage as required by applicable statutes. Broker is not required to name City as an additional insured under the policies, but a subrogation waiver endorsement is required.
17. **PROFESSIONAL LIABILITY/INSURANCE AGENT'S ERRORS AND OMISSIONS.** For the term of this Agreement and any subsequent renewals, Broker shall be required to obtain and



maintain, at Broker's expense, Errors and Omissions Insurance providing coverage to Broker and its agents with limits of at least \$10,000,000 per occurrence. This insurance shall be written by an insurer who possess an A.M. Best rating of at least an "A" and shall include the City of Ocala as loss payee. Coverage must continue for **THREE (3)** years after contract expiration.

#### 18. MISCELLANEOUS INSURANCE PROVISIONS.

- A. Insurance Requirements. These insurance requirements shall not relieve or limit the liability of Broker. City does not in any way represent that these types or amounts of insurance are sufficient or adequate to protect Broker's interests or liabilities, but are merely minimums. No insurance is provided by the City under this contract to cover Broker. **No work shall be commenced under this contract until the required Certificate(s) of Insurance have been provided.** Work shall not continue after expiration (or cancellation) of the Certificates of Insurance and shall not resume until new Certificate(s) of Insurance have been provided. Insurance written on a "Claims Made" form is not acceptable without consultation with City of Ocala Risk Management.
- B. Deductibles. Broker's deductibles/self-insured retentions shall be disclosed to the City and may be disapproved by City. Broker is responsible for the amount of any deductible or self-insured retention.
- C. Certificates of Insurance. Broker shall provide a Certificate of insurance, issued by an agency authorized to do business in the State of Florida and with an A.M. Best rating\* of at least an A, showing the "City of Ocala" as an Additional Insured. Shown on the certificate as the certificate holder should be: **City of Ocala, Contracting Department- 3<sup>rd</sup> Floor, 110 SE Watula Ave., Ocala, FL 34471, E-Mail: [vendors@ocalafl.org](mailto:vendors@ocalafl.org)**. Renewal certificates must also be forwarded to the Contracting Department prior to the policy expiration. **TEN (10)** days written notice must be provided to the City in the event of cancellation.  
  
\*Non-rated insurers must be pre-approved by the City Risk Manager.
- D. Failure to Maintain Coverage. In the event Broker fails to disclose each applicable deductible/self-insured retention or obtain or maintain in full force and effect any insurance coverage required to be obtained by Broker under this Agreement, Broker shall be considered to be in default of this Agreement.
- E. Severability of Interests. Broker shall arrange for its General Liability, Business Automobile Liability, and Excess/Umbrella Insurance to include, or be endorsed to include, a severability of interests/cross liability provision, so that the "City of Ocala" (where named

as an additional insured) will be treated as if a separate policy were in existence, but without increasing the policy limits.

- F. Mandatory Endorsements for All Required Policies. All required policies shall include: (i) endorsement that waives any right of subrogation against the City of Ocala for any policy of insurance provided under this Agreement or under any state or federal worker's compensation or employer's liability act; and (ii) endorsement to give the City of Ocala no less than **THIRTY (30)** days written notice (with the exception of non-payment of premium which requires a **TEN (10)** calendar day notice) in the event of cancellation or material change.
- G. Exceptions and exemptions to these insurance requirements may be allowed at the discretion of the City's HR/Risk Director on a case-by-case basis and evidenced by a separate waiver attached to this Agreement and incorporated herein.

19. **NON-DISCRIMINATORY EMPLOYMENT PRACTICES.** During the performance of the contract, the Broker shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, national origin, sex, pregnancy, age, disability, sexual orientation, gender identity, marital or domestic partner status, familial status, or veteran status and shall take affirmative action to ensure that an employee or applicant is afforded equal employment opportunities without discrimination. Such action shall be taken with reference to, but not limited to: recruitment, employment, termination, rates of pay or other forms of compensation and selection for training or retraining, including apprenticeship and on-the-job training.

20. **SUBCONTRACTORS.** Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by City or its representatives to any subcontractor of Broker or any other persons or organizations having a direct contract with Broker, nor shall it create any obligation on the part of City or its representatives to pay or seek payment of any monies to any subcontractor of Broker or any other persons or organizations having a direct contract with Broker, except as may otherwise be required by law. City shall not be responsible for the acts or omissions of any vendor, subcontractor, or of any of their agents or employees, nor shall it create any obligation on the part of City or its representatives to pay or to seek the payment of any monies to any subcontractor or other person or organization, except as may otherwise be required by law.

21. **DELAYS AND DAMAGES.** The Vendor agrees to make no claim for extra or additional costs attributable to any delays, inefficiencies, or interference in the performance of this contract occasioned by any act or omission to act by the City except as provided in the Agreement. The Broker also agrees that any such delay, inefficiency, or interference shall be compensated

for solely by an extension of time to complete the performance of the work in accordance with the provision in the standard specification.

22. **INDEPENDENT CONTRACTOR STATUS.** Broker acknowledges and agrees that under this Agreement, Broker and any agent or employee of Broker shall be deemed at all times to be an independent contractor and shall be wholly responsible for the manner in which it performs the services and work required under this Agreement. Neither Broker nor its agents or employees shall represent or hold themselves out to be employees of City at any time. Neither Broker nor its agents or employees shall have employee status with City. Nothing in this Agreement shall constitute or be construed to create any intent on the part of either party to create an agency relationship, partnership, employer-employee relationship, joint venture relationship, or any other relationship which would allow City to exercise control or discretion over the manner or methods employed by Broker in its performance of its obligations under this Agreement.
23. **ACCESS TO FACILITIES.** City shall provide Broker with access to all City facilities as is reasonably necessary for Broker to perform its obligations under this Agreement.
24. **ASSIGNMENT.** Neither party may assign its rights or obligations under this Agreement to any third party without the prior express approval of the other party, which shall not be unreasonably withheld.
25. **RIGHT OF CITY TO TAKE OVER CONTRACT.** Should the work to be performed by Broker under this Agreement be abandoned, or should Broker become insolvent, or if Broker shall assign or sublet the work to be performed hereunder without the written consent of City, the City Project Manager shall have the power and right to hire and acquire additional men and equipment, supply additional material, and perform such work as deemed necessary for the completion of this Agreement. Under these circumstances, all expenses and costs actually incurred by City to accomplish such completion shall be credited to City along with amounts attributable to any other elements of damage and certified by the Project Manager. The City Project Manager's certification as to the amount of such liability shall be final and conclusive.
26. **PUBLIC RECORDS.** Broker shall comply with all applicable provisions of the Florida Public Records Act, Chapter 119, Florida Statutes. Specifically, Broker shall:
- A. Keep and maintain public records required by the public agency to perform the service.
  - B. Upon request from the public agency's custodian of public records, provide the public agency 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 the contract term and following completion of the contract if Broker does not transfer the records to the public agency.
- D. Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of Broker or keep and maintain public records required by the public agency to perform the service. If Broker transfers all public records to the public agency upon completion of the contract, Broker shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Broker keeps and maintains public records upon completion of the contract, Broker shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

**IF BROKER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO BROKER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: CITY OF OCALA, OFFICE OF THE CITY CLERK; 352-629-8266; E-mail: [clerk@ocalafl.org](mailto:clerk@ocalafl.org); City Hall, 110 SE Watula Avenue, Ocala, FL 34471.**

- 27. **AUDIT.** Broker shall comply and cooperate immediately with any inspections, reviews, investigations, or audits relating to this Agreement as deemed necessary by the Florida Office of the Inspector General, the City's Internal or External auditors or by any other Florida official with proper authority.
- 28. **PUBLICITY.** Broker shall not use City's name, logo, seal or other likeness in any press release, marketing materials, or other public announcement without City's prior written approval.
- 29. **E-VERIFY.** In accordance with Executive Order 11-116, Broker shall utilize the U.S. Agency of Homeland Security's E-Verify system, <https://e-verify.uscis.gov/emp>, to verify the employment eligibility of all employees hired during the term of this Agreement. Broker shall also require all subcontractors performing work under this Agreement to utilize the E-Verify system for any employees they may hire during the term of this Agreement.
- 30. **CONFLICT OF INTEREST.** Broker is required to have disclosed, with the submission of their bid, the name of any officer, director, or agent who may be employed by the City. Broker

shall further disclose the name of any City employee who owns, directly or indirectly, any interest in Broker's business or any affiliated business entity. Any additional conflicts of interest that may occur during the contract term must be disclosed to the City of Ocala Procurement Department.

31. **WAIVER.** The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, shall not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. Any waiver by any party of any breach of any provision of this Agreement should not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on any party in any circumstance shall, of itself, entitle such party to any other or further notice or demand in similar or other circumstances.
32. **SEVERABILITY OF ILLEGAL PROVISIONS.** Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under the applicable law. Should any portion of this Agreement be declared invalid for any reason, such declaration shall have no effect upon the remaining portions of this Agreement.
33. **INDEMNITY.** Broker shall indemnify City and its elected officials, employees and volunteers against, and hold City and its elected officials, employees and volunteers harmless from, all damages, claims, losses, costs, and expenses, including reasonable attorneys' fees, which City or its elected officials, employees or volunteers may sustain, or which may be asserted against City or its elected officials, employees or volunteers, arising out of the activities contemplated by this Agreement including, without limitation, harm or personal injury to third persons during the term of this Agreement to the extent attributable to the actions of Broker, its agents, and employees.
34. **NO WAIVER OF SOVEREIGN IMMUNITY.** Nothing herein is intended to waive sovereign immunity by the City to which sovereign immunity may be applicable, or of any rights or limits of liability existing under Florida Statute § 768.28. This term shall survive the termination of all performance or obligations under this Agreement and shall be fully binding until any proceeding brought under this Agreement is barred by any applicable statute of limitations.
35. **NOTICES.** All notices, certifications or communications required by this Agreement shall be given in writing and shall be deemed delivered when personally served, or when received if by facsimile transmission with a confirming copy mailed by registered or certified mail, postage prepaid, return receipt requested. Notices can be concurrently delivered by e-mail. All notices shall be addressed to the respective parties as follows:

If to Broker:

Risk Management Associates, Inc.  
Attention: Matt Montgomery  
300 North Beach Street  
Daytona Beach, FL 32114  
Phone: 386-239-7245  
Cell: 850-528-7423  
E-mail: [matt.montgomery@bbrown.com](mailto:matt.montgomery@bbrown.com)

If to City of Ocala:

Daphne Robinson, Esq., Contracting Officer  
City of Ocala  
110 SE Watula Avenue, 3rd Floor  
Ocala, Florida 34471  
Phone: 352-629-8343  
Fax: 352-690-2025  
E-mail: [notices@ocalafl.org](mailto:notices@ocalafl.org)

Copy to:

Robert W. Batsel, Jr.  
Gooding & Batsel, PLLC  
1531 SE 36<sup>th</sup> Avenue  
Ocala, Florida 34471  
Phone: 352-579-6536  
Fax: 352-579-1289  
E-mail: [rbatsel@lawyersocala.com](mailto:rbatsel@lawyersocala.com)

36. **ATTORNEYS' FEES.** If any civil action, arbitration or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs and all expenses reasonably incurred even if not taxable as court costs (including, without limitation, all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that civil action, arbitration or legal proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges reasonably billed by the attorney to the prevailing party.

37. **JURY WAIVER.** IN ANY CIVIL ACTION, COUNTERCLAIM, OR PROCEEDING, WHETHER AT LAW OR IN EQUITY, WHICH ARISES OUT OF, CONCERNS, OR RELATES TO THIS AGREEMENT, ANY AND ALL TRANSACTIONS CONTEMPLATED HEREUNDER, THE PERFORMANCE HEREOF, OR THE RELATIONSHIP CREATED HEREBY, WHETHER SOUNDING IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, TRIAL SHALL BE TO A COURT OF COMPETENT JURISDICTION AND NOT TO A JURY. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. NEITHER PARTY HAS MADE OR RELIED UPON ANY ORAL REPRESENTATIONS TO OR BY ANY OTHER PARTY REGARDING THE ENFORCEABILITY OF THIS PROVISION. EACH PARTY HAS READ AND UNDERSTANDS THE EFFECT OF THIS JURY WAIVER PROVISION.
38. **GOVERNING LAW.** This Agreement is and shall be deemed to be a contract entered and made pursuant to the laws of the State of Florida and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State of Florida.
39. **JURISDICTION AND VENUE.** The parties acknowledge that a majority of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Marion County, Florida. Any civil action or legal proceeding arising out of or relating to this Agreement shall be brought only in the courts of record of the State of Florida in Marion County or the United States District Court, Middle District of Florida, Ocala Division. Each party consents to the exclusive jurisdiction of such court in any such civil action or legal proceeding and waives any objection to the laying of venue of any such civil action or legal proceeding in such court and/or the right to bring an action or proceeding in any other court. Service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws, rules of procedures or local rules.
40. **REFERENCE TO PARTIES.** Each reference herein to the parties shall be deemed to include their successors, assigns, heirs, administrators, and legal representatives, all whom shall be bound by the provisions hereof.
41. **MUTUALITY OF NEGOTIATION.** Broker and City acknowledge that this Agreement is a result of negotiations between Broker and City, and the Agreement shall not be construed in favor of, or against, either party because of that party having been more involved in the drafting of the Agreement.



42. **SECTION HEADINGS.** The section headings herein are included for convenience only and shall not be deemed to be a part of this Agreement.
43. **RIGHTS OF THIRD PARTIES.** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or because of this Agreement on any persons other than the parties hereto and their respective legal representatives, successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.
44. **AMENDMENT.** No amendment to this Agreement shall be effective except those agreed to in writing and signed by both parties to this Agreement.
45. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.
46. **ELECTRONIC SIGNATURE(S).** Broker, if and by offering an electronic signature in any form whatsoever, will accept and agree to be bound by said electronic signature to all terms and conditions of this Agreement. Further, a duplicate or copy of the Agreement that contains a duplicated or non-original signature will be treated the same as an original, signed copy of this original Agreement for all purposes.
47. **ENTIRE AGREEMENT.** This Agreement, including exhibits, (if any) constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the Parties, except to the extent reference is made thereto in this Agreement. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms of this Agreement. No representations, understandings, or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth herein.
48. **LEGAL AUTHORITY.** Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

**IN WITNESS WHEREOF,** the parties have executed this Agreement on \_\_\_\_\_.

**ATTEST:**

**CITY OF OCALA**

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Angel B. Jacobs  
City Clerk

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Ire Bethea, Sr.  
City Council President

**Approved as to form and legality:**

**RISK MANAGEMENT ASSOCIATES, INC.**

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Robert W. Batsel, Jr.  
City Attorney

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Matt Montgomery  
Executive Vice President

**SECTION 1. BACKGROUND**

- 1.1 Property and casualty insurance broker ("Broker") will provide services for the following lines of coverage:
- Property and Inland Marine
  - Public Officials
  - Privacy (Cyber) Liability
  - Aviation
  - Crime
  - AD&D
  - Pollution
  - Liquor Liability
  - Fiduciary Liability (General Employees, Police & Fire)
  - Surety Bond – Highway Bond
  - Workers Compensation
  - Fire Fighter Cancer Benefit
  - Automobile
  - General Liability

**SECTION 2. SUMMARY OF WORK**

- 2.1 **SERVICES:** The Broker shall perform a full range of services for the City related to the property and casualty insurance lines shown above. This includes, but is not limited to:
- A. Design, market, and implement programs that adequately and economically protect the City of Ocala and designated parties.
  - B. Develop and issue solicitations for coverage lines; evaluate proposals; and make recommendations regarding carriers, coverage, limits, terms, conditions, and exposures.
  - C. Identify programs, products, and insurers capable of meeting the City's insurance needs.
  - D. Review policies and endorsements for accuracy and conformance with negotiated coverage.
  - E. Develop an annual schedule of coverage that lists the policy by coverage, company, policy number, policy duties, premium, and brief description.
  - F. Issue and deliver valid and timely binders for insurance policies purchased by the City through the Broker.
  - G. Assist the City in developing insurance requirements for the various contracts (design, construction, and service) and in reviewing insurance policies, contracts, leases, and bonds as requested by the City.
  - H. Coordinate with the City's HR/Risk Management representative to assure that up-to-date exposure data will be incorporated into the issuance of newly purchased policies.
  - I. Audit the City's Workers' Compensation classification coding, as needed.
  - J. Promptly and accurately process insurance policy certificates and endorsements and other change requests as needed.
  - K. Represent the City in negotiations with insurers, underwriters, insurance regulatory authorities, and other parties on brokered policies.
  - L. Assure that insurance policies purchased are delivered in accordance with the proposal(s) that were accepted by the City.

- M. Coordinate loss control/safety services desired by the City that are available at “no-cost” from the insurers whose policies were purchased through the Broker.
- N. Provide evaluation, training, and education relative to loss control, safety, claims management, and related topics in the area of risk management.
- O. Provide information concerning new exposures, regulatory requirements, and uninsurable risks.
- P. Respond to questions and inquiries from City of Ocala HR/Risk management representatives.
- Q. Serve as a resource for information on coverage issues, policy interpretation, claims issues, potential exposure, and other issues.
- R. Assist in risk-related issues in contractual agreements.
- S. Maintain and protect confidential information.
- T. Provide COI review and provide guidance on coverage.

2.2 **PRICING:** The annual fee will be paid to the Broker on a quarterly basis.

- A. This fee shall be full compensation for the Broker’s professional services and shall include any and all travel required by the Broker to meet with City staff as outlined in the Scope of Work and the proposer’s approach and methodology.
- B. Additional compensation will not be paid to the Broker or to any other party and is strictly prohibited. **Any and all additional compensation or commissions, as part of brokered policies, paid to any party, including brokers, wholesale brokers, or third-party intermediaries, must be promptly returned to the City.**
- C. Broker may not accept any type of compensation without full disclosure to the City of the dollar amount or percentage of compensation prior to binding the insured’s coverage along with fully refunding the compensation to the insured.
- D. Failure to disclose third-party compensation agreements/understandings to the City may result in contract termination.

### SECTION 3. STAFF REPLACEMENT

- 3.1 The City reserves the right to request the replacement of the assigned broker appointed to the City.
- 3.2 At the request of the City, the Broker must replace any incompetent, unfaithful, abusive, or disorderly person in their employment. The City and the Broker must each be promptly notified by the other of any complaints received.

### SECTION 4. CITY RESPONSIBILITIES

- 4.1 City shall timely produce complete and accurate information including, but not limited to, current financial information, statements of values, loss information, and any other information necessary for the effectuation of insurance coverage at the request of the Broker.
- 4.2 City will provide the Broker with a notice of any material changes in the City's business operations, risk exposures, or in any other material information provided under this Scope. In addition, the Broker shall confirm the accuracy and recommend any changes to insurance policies issued to City.
- 4.3 The City is not obligated to procure any insurance or to use Broker for insurance it might wish to procure. The City may do so independently at any time with no notice.



# **RFP #RSK/220392**

## **Property & Casualty Insurance Broker Service**

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

Paul Dawson, ARM-P – Senior Vice President / Public Risk Advisor  
300 North Beach Street  
Daytona Beach, FL 32114  
(407) 496-0989

Submittal Date: May 31, 2022 at 2:00 PM

**ELECTRONIC COPY**



## City of Ocala - 2022 Property and Casualty Insurance Broker Services

**Proposer Name:** Risk Management Associates, Inc.

**Evaluation Criteria:** The Selection Committee shall score all proposals, which meet the submittal requirements based on the following factors:

EVALUATION CRITERIA	WEIGHT
Qualifications, Experience, and Licensing Requirements	40 points
Approach and Methodology; <i>OPTIONAL: Value-Added Programs/Services</i>	40 points
Price Proposal	20 points
<b>TOTAL</b>	<b>100 points</b>

**Proposal Response:** The following information must be submitted in your proposal response. *Do not alter any of the headings.* **Proposal response shall be no more than thirty (30) pages**, excluding a cover page, cover letter, resumes, letters of reference, certifications, insurance, and certificates.

### Qualifications, Experience, and Licensing Requirements\* 40 points

*\* Do not include the City of Ocala in your references or experience.*

#### A. Qualifications (20 points):

1. Identify the individuals who will be assigned to provide services, their roles, resumes,\* tenure, and qualifications.

#### ***Mr. Paul Dawson, ARM-P – Senior Vice President/Account Executive***

Mr. Dawson will serve as the Team Leader, the individual ultimately responsible for analyzing and designing the insurance program, marketing, negotiating with insurers and other service providers, and communicating with the City's decision makers throughout all aspects of the insurance placement and maintenance on behalf of the City. He will be available for any and all meetings, presentations or workshops at the City's request. Ms. Michelle Martin will provide back up for the rare occasions when Mr. Dawson is unavailable.

Mr. Dawson currently serves 40 public entity clients, ranging in size from small special taxing districts to large self-insureds. These include the Cities of Ocala, St Cloud, Fort Lauderdale, Sarasota, Tallahassee, and the Counties of Brevard, Citrus, Clay, Flagler, Okaloosa, Gilchrist and Marion, to name a few. ***He has over 27 years of public entity insurance/risk management experience including focus in the following areas:***

- Contractual Risk Transfer and Indemnification Language
- Insurance and Self-Insurance Program and Policy Design
- Risk Retention and Transfer Analysis
- Local Government Financing and Budgeting
- Public Entity Law (Florida Statutes governing tort liability, procurement, court rulings, etc.)
- FEMA Coordination and Stafford Act interpretation
- Claims Advocacy
- Informational and Educational Presentations

Key functions include but are not limited to:

- Responsible for continual communication with the City and available to the City for advice and consultation on all risk management issues
- Analyze and evaluate current program strengths and weaknesses
- Establish program goals, timelines and strategies
- Evaluate underinsured or uninsured exposures of the City
- Design alternate risk transfer options
- Perform contractual risk transfer reviews and provide recommendations if needed
- Assist in drafting reports and analysis for senior management
- Engage in direct negotiations with insurers for optimal terms
- Present renewal options and attend public meetings in support of renewal recommendations.
- Act as a claim advocate for all claim conflicts
- Coordinate and attend claims meetings
- Review loss reports quarterly
- Coordinate requests for FEMA public assistance directly with FEMA
- Establish estimate renewal pricing annually
- Communicate industry trends, changes and emerging solutions
- Monitor client satisfaction and program efficiencies

Mr. Dawson's experience, expertise and personal history in serving the risk management needs of public entities separates him from all other peers. The capabilities of Mr. Dawson have been recognized by independent consultants and experienced risk managers throughout Florida. Evidence of this can be found in recent RFQ contests for broker services at City of Fort Lauderdale, Brevard County, Osceola County School Board, Leon County School Board, Clay County, City of Sarasota, Citrus County, and Okaloosa County to name a few. In each contest Brown & Brown (previously known as PRIA) and Mr. Dawson prevailed and were chosen as the most qualified agency.

#### **Other Key Team Members Include:**

##### ***Matt Montgomery – Brown & Brown, Public Sector Executive Vice President***

Mr. Montgomery leads the Brown & Brown, Public Sector office with almost 20 years of experience in Federal and State Government. Matt's expertise is particularly valuable for direct assistance with government agencies, presentations to executive staff and governing Boards, and other meetings as needed. Matt also provides high-level support to all aspects of client services.

##### ***Robin Russell, ARM-P, CISR, CSRM – Director of Operations***

Ms. Russell oversees customer service delivery and quality control. With a Risk Management degree from Florida State University, Robin has focused in public entity insurance and risk management for 17 years. She is also charged to constantly improve Brown & Brown's service offerings, including technological efficiencies to assist our clients.

##### ***Danielle Coggon, CIC, CISR – Public Risk Specialist***

Danielle Coggon will serve as the City's account manager. She will be responsible for the daily and frequent service needs of the City. Both Mr. Dawson and Ms. Coggon will work as a team handling the day-to-day service issues for the City. Ms. Coggon is well versed in responding to service requests, issuing certificates of insurance, maintaining property, vehicle and equipment schedules, claims handling as well as general requests for service. Ms. Coggon boasts an impressive record of 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 insurance programs.



***Alexa Gray – Public Risk and Claims Specialist***

Alexa provides backup to Ms. Coggon for policy management, Certificate of Insurance issuance, claims reporting, claims file management, and NFIP Flood program policy administration. Alexa is pursuing an Associate in Claims (AIC) designation. Alexa also provides backup for Certificate-related questions and other administrative projects.

***Pamela Hancock – Senior Risk Control Specialist***

Public Risk Underwriters of Florida, Inc., a wholly owned subsidiary of Brown & Brown, Inc., provides Safety and Loss Control Services to over 400 public entities within Preferred Governmental Insurance Trust, and additional singular clients. Based out of Sarasota County, Ms. Hancock's brings over 25 years' industry experience, and is involved in **Southwest Florida PRIMA** (Public Risk Managers Association), American Society of Safety Engineers, and a Continuing Education Trainer for the Florida Society of Medical Assistants.

2. Include the name, title, phone number, and location of the office.

*\*NOTE: resumes should be attached at the end of the document after ATTACHMENT 1 – RESUMES cover page and are excluded from the page count.*

***Response:***

Risk Management Associates, Inc., a wholly owned subsidiary of Brown & Brown, Inc.  
**300 North Beach Street, Daytona Beach, FL 32114**  
**(386) 239-4045**

**B. Experience (15 points):**

1. Provide a list of at least two (2) public agencies, or large private agencies, for which your company has provided similar services during the last five (5) years.
2. Include the agency/company name, contact information, period of the contract, dollar value of the contract, services provided, and insurance lines.

***Response:***

Brown & Brown is fully dedicated to the Public Entity insurance sector. Our experience with large public entities is extensive and includes highly complex program management for more than 50 of Florida's local governments which utilize large property schedules paired with self-insured casualty and workers compensation programs.

The Team Leader for the city is Paul Dawson. Mr. Dawson has over 27 years of experience in managing insured and self-insured programs for Florida's public entities.

Our entire organization handles countless other similar programs nationwide. Hands on experience and the results of that experience speak volumes for an insurance broker. **Evidence of our abilities and experience with Florida's governmental entities is not solely in a statement trumpeting our greatness but in our recent past performance on behalf other public entities.**

On the following pages you will find a few client highlights which are relevant as it relates to our proactive approach and the results of our diligent efforts in protecting our clients' financial assets. Our successful strategy is to never let a program become stagnant. We constantly take a fresh unbiased approach to the design of an insurance program. The processes used to achieve these results are no different than those that we have and will implement on behalf of the City of Ocala. There are many other similar examples available, and we are very proud of our long track record of delivering positive results to every client.

## City of St Cloud

Total Insured Values: \$132M

Number of Employees: 700

Total Program Premium \$1,500,000

Contact: Joe Etter (407) 759-7209

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Brown & Brown has managed the City's property and liability insurance program since 1997. We were awarded the City Broker of Record for all property and casualty insurance in 2011 and again in 2019. To illustrate the superiority of our service approach and discipline we submit this short summary of examples of cost savings and improvements we have achieved on behalf of the City.

- Analyzed deductibles and self-insured retentions every year with cost benefit analysis reports submitted to the City as part of every insurance renewal. Some examples include:
  - **2006** – Evaluated all retentions and deductibles for cost efficiency. Resulted in several program changes and **\$17,829** in premium reductions.
  - **2012** – Evaluated all retentions and deductibles for cost efficiency. Resulted in more program refinement and **\$38,912** in premium savings.
  - **2015** – Provided a Total Cost of Risk Analysis comparing St. Cloud, Kissimmee, Osceola County and Osceola School Board. The result of which resulted in our negotiation of a **\$133,420** workers' compensation premium savings.
  - **2016** – Analyzed the potential for savings in establishing a self-insured workers' compensation program, which was successfully implemented in March 2017. This program design change has **saved the City over \$1,000,000.**
  - **2018/2019** – negotiated multiple year insurance rate guarantees and **Firefighter Cancer** Benefit policy to cover a new Florida law.
  - **2019-2021** – negotiated rate freezes on most property and casualty policies despite wide-spread industry rate increases.
- Safety Committee Program – Brown & Brown started the City's program in early 2013. As a result of our efforts (and City Staff's) the current average monthly workers' compensation losses have been **reduced to \$10,000** per month compared with \$63,000 a month in 2013. We also reduced their experience modification factor from 1.76 to .68!
- Brown & Brown has assisted with drafting new **insurance requirements** for vendors and contractors by providing full drafts of industry accepted specifications as well as examples of specifications from other Florida cities.
- We regularly engage in claims advocacy by negotiating directly with claims adjusters and defense counsel. We efforts have resulted in much better-than-expected results in favor of the City.

## City of Fort Lauderdale

Total Insured Values: \$532M

Number of Employees: 2,700

Total Program Premium \$3,250,000

Contact: Guy Hine (954) 828-5494

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Brown & Brown was awarded the City's Agent of Record in a statewide Request for Qualifications process in 2009, 2013, 2017 and again in 2021. Brown & Brown, Public Sector manages all property, casualty and workers' compensation insurance programs. Since becoming the City's Agent of Record, we have accomplished the following:

- Brown & Brown has reduced the cost of casualty and workers' compensation insurance by 25% since 2009 with **NO** decrease in coverage, limits or retentions.

- In April 2010, we reduced the total property premium by \$167,288 (8%) while also increasing the overall property insurance limit from \$100M to \$150M. This was achieved by utilizing a Utility Property specialist – StarrTech Insurance.
- Conducted a flood audit on all city-owned property and identified the need to put NFIP policies in place and successfully coordinated the placement of 71 NFIP policies. By doing so the City obtained an additional \$40,921,000 of flood coverage.
- Provided an accurate wind and flood model which in turn put Brown & Brown in better position to negotiate favorable terms with insurance carriers.
- Provided significant improvement in the property schedule by providing secondary building characteristics and thereby improving wind model output and accuracy.
- Brown & Brown improved the insurance requirements and indemnification language for all City contracts by drafting standardized insurance requirements and procedures for all departments to follow.
- We delivered property rate reductions in 7 out of the last 10 years.
- The City's current total cost of coverage is more than 22% LESS than it was 2009 when Brown & Brown took over the program. That includes better coverage and lower retentions.

### Citrus County BOCC

Total Insured Values: \$275M

Number of Employees: 850

Total Program Premium \$1,925,000

Contact: Mary Glancy (352) 527-5363

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Brown & Brown has provided risk management and related insurance services on for the County since 2005. Brown & Brown was chosen as the County's agent of record in an RFQ process in 2005, 2010, 2015 and again in 2020. Since that time, we have provided significant improvements in all aspects of the County's risk management program, greatly lowered insurance cost, assisted with numerous projects and lowered the overall cost of risk. Below is a summary of our some of our accomplishments.

- In 2005, (Brown & Brown's first renewal) we provided a premium savings of \$588,000 when compared to the renewal pricing by incumbent carriers.
- Increased the flood coverage by \$6,000,000. The previous agent had not proposed or recommended NFIP coverage. Brown & Brown discovered the oversight and assisted in obtaining flood elevation certificates and placing the appropriate flood coverage with NFIP.
- Placed property insurance coverage for all utility structures with a utility insurance specialty carrier resulting in greatly reduced cost and broader coverage
- Brown & Brown improved the insurance requirements for contractors and the process of contractual risk transfer with contractors and vendors. Brown & Brown provided guidance and assistance in drafting new procedures and requirements. We also conducted a workshop for local vendors and contractors in order to educate the companies doing business with the County.
- Upgraded the property schedule to include significantly better exposure detail including roof covering, shape of roof, flood zone, and distance to the Gulf information. This information yielded a more accurate wind and flood model which in turn put Brown & Brown in a better position to negotiate favorable terms with insurance carriers.
- Identified a dedicated catastrophic claims adjuster and disaster recovery contractor. These companies have been pre-approved by carriers to ensure an "instantaneous" response to large losses.
- Conducted many educational workshops and seminars specific to contractual indemnification, labor law, defensive and safe driving, heavy equipment operation, etc.
- We have consistently improved the County's cost of risk utilizing the competitive bid process to leverage rates and terms for all County exposures.

Perhaps the best testament to our experience relevant to the City of Ocala is our representation of more than 75 other great Florida Cities, including.

- |                            |                         |
|----------------------------|-------------------------|
| ✓ City of Miami            | ✓ City of Sarasota      |
| ✓ City of Jacksonville     | ✓ City of North Miami   |
| ✓ City of Ft. Lauderdale   | ✓ City of North Port    |
| ✓ City of Naples           | ✓ City of Palm Bay      |
| ✓ Town of Jupiter          | ✓ City of Coconut Creek |
| ✓ City of Lake Worth Beach | ✓ City of Weston        |
| ✓ City of Ocala            | ✓ City of Sweetwater    |
| ✓ City of Tallahassee      | ✓ City of Deltona       |
| ✓ City of Daytona Beach    | ✓ City of Punta Gorda   |
| ✓ City of Marco Island     | ✓ City of St. Cloud     |

### C. Licensing Requirements (5 points):

1. Describe how frequently you evaluate your licensing requirements and what that process entails.

*Response:*

Brown & Brown's agent and agency license compliance function is conducted by our Corporate Legal department. The department ensures that each insurance licensee is in good standing and monitors each agent to ensure the continuing education requirements are met.

Each staff member is individually licensed in accordance with State requirements. Brown & Brown's agency license is a non-expiring license and will remain active unless we violate a State Statute. The Department of Financial Services regulates insurance licenses for agents and agencies in Florida.

2. Are you in full compliance with the requirements now?

Yes.

## Approach and Methodology;

*OPTIONAL: Value Added Programs/Services*

**40 points**

### D. Approach and Methodology (38 points):

1. Provide an overview of your approach to performing the Scope of Work to best serve the City of Ocala. Demonstrate the intended methods for design, implementation, maintenance, communication, and improvement of the City's property and casualty insurance lines.

*Response:*

Our approach is focused on proven insurance industry and risk management strategies which reduce your Total Cost of Risk. These can be broken down into 4 categories: **Client Vision, Risk Assessment, Market Research & Negotiation, and Insurance Placement.**

### 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 will conduct a pre-renewal meeting to establish our mutual strategic plan and program objectives. We will use this information to develop budget estimates and objectives for each renewal program.

## Risk Assessment

Our methodology involves detailed and structured identification of current and future loss exposures. We assess our client's exposure to risk in many ways and degrees of intensity, which vary from detailed property appraisals to comprehensive continued-operation studies. We use risk identification and exposure analysis as the foundation of our risk management program design and to analytically base our recommendations. This process is used to design and implement insurance and self-insurance programs and to continually monitor the effectiveness of these programs. Any recommendations for program design, loss control, safety training, or new insurance policies are presented in written form with analytical support. We provide objective and subjective analysis so that the City can make informed decisions.

We have extensive experience with the analysis of all exposures that local governments face.

**Property** – We run Probable Maximum Loss (PML) models for each large client to evaluate the large loss centers and flood probabilities. We will provide the City with catastrophic modeling results at each property renewal to ensure that the insurance loss limits are adequate and will be considered “reasonable” by State regulators.

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.

Analysis of flood exposures is critical. FEMA will not provide public assistance for flood losses to structures that are in a High Hazard flood plain (Zones A and V) unless coverage is purchased through the National Flood Insurance Program (NFIP) or the commercial marketplace. Consequently, we determine flood zones for all locations on an annual basis. Structures that are in A or V zones should be insured with NFIP or commercial policies at appropriate levels.

We also evaluate the need for and the proper levels of often overlooked property coverages such as: extra expense, boiler & machinery, increased cost of construction, building code ordinance, demolition costs, debris removal, utility interruption, pollution clean-up, sewer back up, property-in-the-open, 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 (physical audits, City's website and internet research)
- Financial Record Research (CAFR, Budget)
- Loss Run Reports
- Current Program Analysis and Review (Coverage Forms and Policies)

**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 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 class code audits, 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 values to determine the best risk retention and transfer levels that minimize the City's financial exposures both long and short-term.

**Cyber Liability** – Exposure to loss of personal data and malicious attack of computer systems has quickly become one of the most significant risks that local governments face. We have been proactive in identifying these emerging risks and tailoring our approach to risk transfer and retention as the cyber insurance market turns volatile. To measure cyber risk, we utilize a vulnerability report provided by Coalition. Coalition is a Brown & Brown resource that assists us in measuring vulnerability and risk levels of our clients IT security systems. It is a valuable tool in identifying deficiencies as well negotiating terms with carriers.

### **Insurance and Self-Insurance Program Design, Marketing, and Placement**

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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 spot where the difference between a good broker and a great broker will yield the most tangible program cost savings.

#### **Program Design**

Once exposures have been identified and quantified, Brown & Brown will design self-insured and insurance strategies tailored to the needs of the City. Each evaluation includes comprehensive cost-of-risk analysis using actual loss experience, probable loss levels, claim administration costs and other intangible factors. We then determine the cost of transferring risk (buying insurance) to the insurance marketplace via a comprehensive marketing process. The defense costs, current and future premiums as well as subjective pros and cons of each program option are carefully measured. In addition to designing traditional risk transfer and retention programs, our history shows that we are experts at securing insurance terms that are customized to the City's unique needs and exposures.

**Obtaining the Best Terms** – Our marketing process and philosophy is somewhat unique and can be summated as:

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

Our team strategically leverages market forces, spurs competition, and as a result, can consistently bring the **most** viable insurance placements to our clients. We are perpetually focused on the balance between holding the markets' interest while driving competition. That balance requires high levels of skill, experience, and market relationships capable of countering the market's desire to build profitable and long-term insurance contracts. Our team consistently achieves this balance through a combination of three critical market performance attributes.





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 deep 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 – some of the factors which drive the consistent change and necessitate top-tier broker performance:

- Catastrophic Losses
- Regional, National & Global Loss Trends
- Changes in Carrier Appetite
- New Carrier Entrants & Departures
- Shifts in the Legal Environment
- Regulatory Changes
- Emerging Exposures
- Insurance Product Trends
- Investment Capital
- Global Capacity Adjustments

### Market Leverage

Brown & Brown has established itself as one of the preeminent power brokerage houses in the world. Our 14,000 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.

It should be noted that we have the closest and strongest relationship with the City's current liability and excess workers' compensation carrier (*Preferred*) than any other Florida agency. As *Preferred's* largest agent, we are uniquely qualified to negotiate favorable and unique terms on behalf of the City. We meet with *Preferred's* underwriters and managers several times per year to plan for the upcoming year, discuss policy changes, and provide our input regarding desired improvements in the program.

The *Preferred* program has provided the City with significant premium and coverage advantages that are nearly unmatched in the current market. For example, the City's property insurance rate has risen only 10% in the last five years. In contrast the City of Gainesville's rate has risen over 48% in the same time period.



## Implementation

Prior to recommending and implementing specific programs, we provide written evaluation of the terms and conditions presented by insurance carriers. Our evaluation is generally presented in a spreadsheet format with objective criteria of each quote compared with all other competitive quotes. Subjective criteria are also provided and usually includes the claim handling reputation of a carrier, length of time in the Florida marketplace and the probability that a carrier will assist the City if a difficult claim arises. Our goal is to align the City with insurers that treat the City as a partner and offer the best overall terms and conditions today and in the future. We are a truly independent brokerage with no bias for any particular program, insurer or intermediary. We will always recommend what is in the best interest of the City regardless of any financial impact to Brown & Brown. Our program design recommendations are not limited to insurance products but instead focus on the City's Total Cost of Risk. These evaluations consider all cost factors including insurance, claims retention and administration.

Brown & Brown is uniquely qualified to accomplish this as we are one of the few agencies that have access to all competitive insurance carriers and accessible programs. We have the unique distinction of having the most complete access to the competitive marketplace. For example, the City's primary property and casualty insurer, *Preferred*, utilizes a small but efficient agency distribution network to which many agencies do not have access. Furthermore, Brown & Brown, Public Sector is *Preferred*'s largest agent by volume accounting for over 50% of *Preferred*'s premium; however, it is important to note that we do not solely focus on placing our client's within *Preferred*, 70% of our business is placed with other markets. This speaks volumes for our diligent efforts to place clients with the most cost-effective insurers and always doing what's best for the client.

## Monitoring and Improving Programs

Benchmarking with other similar public entities is an excellent method of comparing our results with those of other brokers and other entities. We maintain a dynamic worksheet of competitive insurance terms that includes many of Florida's public entities. This provides a comparison of rates and terms that is relevant in determining our efficiency and ability to negotiate competitive rates on behalf of our clients. We share the benchmarking with clients to illustrate how our results compare amongst similar entities.

We also aim to improve our client's insurance programs in both rate and coverage each year. We track these improvements and summarize them for review by our clients at every renewal. These results are compared with the initial renewal expectations and goals as well as the results of other similar entities in the State.

We constantly monitor the industry for new risk transfer mechanisms and ideas. Our success has been in no small part due to our ability to evaluate and implement innovative risk transfer programs. We have explored and are focused on mitigating the volatile fluctuations inherent in the Florida property insurance marketplace and provide predictability and stability.

2. Specify your service commitment levels, including timeframes for the following: RFP timeframe; binder delivery; policy issuance (including receipt of policy or amendments); and billing.

### *Response:*

Our commitment to provide the City with the very highest level and quality of service has been and will continue to be our top priority. We adhere to strict quality control guidelines. These guidelines dictate that we deliver accurate documentation to our clients within certain predetermined timeframes.

- Accurate binders must be delivered PRIOR to policy inception
- Binders must be replaced PRIOR to the binder expiration date if the policy has not been received
- Endorsements must be delivered to insureds within one business week of receipt by Brown & Brown
- Policies must be delivered to insureds within two business weeks of receipt by Brown & Brown

- All binders, endorsements, invoices, and policies are checked for accuracy against a detailed checklist and against the proposal that was presented to the insured
- Brown & Brown documents all of the above transactions in a proprietary agency management system with compliance audits performed by an outside auditor once per year
- All documentation is provided in both hard copy and electronic formats
- Certificate requests must be completed within 24 hours of receipt

Below is our desired timeline for the City's renewal cycle:

### Workflow Schedule

#### 120+ days prior to policy expiration

- Initiate Marketing Process
- Current market conditions analysis
- Discuss Budget Constraints and Goals
- Written request for underwriting data
- Collection of risk exposure information
- Establish market attack strategy
- Identify desired coverage, terms and conditions goals
- Provide written premium estimates for all coverages.

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

- Scrub Statement of Values
- Approval of Submission by client
- Submit all underwriting data to chosen and/or all interested carriers
- Update risk management on progress and early pricing indications

#### 60 to 90 days prior to expiration

- Written summary of quotes received, and markets responses
- Provide Premium Comparison with expiring and renewal terms.
- Include Cost of Risk Analysis
- Obtain Catastrophic Modeling Results
- 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

#### 30 to 60 days after policy inception

- Re-issue any expired binders
- Review, correct and issue policies
- Provide an annual summary of program terms and premiums.

#### Ongoing Service Items

- Daily Policy Maintenance and Client Service Requests
- Claims Advocacy and Handling
- Large Claim Reviews
- Property appraisal management and implementation
- Update and Scrub Statement of Values data
- Stewardship Report
- 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

3. What is your expected response time to answer questions/inquiries from City of Ocala HR/Risk management representatives? What will the inquiries be limited to?

*Response:*

As the preeminent public entity brokerage firm in the State of Florida, we understand the budget and procurement process and the political environment in which our clients must operate. We have industry leading knowledge of the Florida Statutes that govern public entities such as the Public Records Law, Sunshine Law, Sovereign Immunity, Construction Regulations (FS 255, FS 725) Privacy Laws (FS 501) and the industry impact of State Court rulings. We are also well versed in the Stafford Act and FEMA's public assistance grant process.

We generally provide an immediate response to inquiries; however, due to the complex nature of insurance and State and Federal law, additional time to consult with outside experts may be required.

We also maintain a robust database of reference materials including applicable State Statutes, Court Rulings, Contract Language, Attorney General Opinions, etc. This information is shared with clients as hard copy back up to verbal inquiries. There is no limit to the inquiries relative to risk management issues that we can and will respond to. For questions outside our expertise, we have access to numerous industry experts and legal consultants that can assist us in providing formal responses.

4. What is your process to identify programs, products, and insurers capable of meeting the City's insurance needs? Explain your sourcing and marketing program to add new insurers to your database/distribution list.

*Response:*

It should be noted that the insurance program for the City of Ocala is more complex than that of an average City. The structure includes multiple self-insured retentions with excess liability coverage for liability and workers' compensation programs and small or large deductibles for 11 other policies. We utilize 11 different underwriters for these coverages and access more than 50 underwriters at renewal to ensure we offer the most competitive terms at each renewal. This level of complexity is not unique to us. We have 50 other public entity clients in Florida with similar programs.

To achieve and maintain a client's cost efficiency a broker must have critical mass with all competitive programs including admitted carriers, specialized programs and specialty underwriting programs. We access all of these markets directly and do not need to use an intermediary (wholesale broker) to get quotes from these carriers. Intermediaries increase the cost of policies by adding additional remuneration hidden within their quotes. Many brokers have numerous public entity clients but lack the critical mass with all carriers and the ability to access all carriers directly. This is a clear advantage that we have over our competitors. It is one method we use to reduce premium and get the best terms available.

## **Evaluating Insurers**

Determining the value that a specific market can provide the City is complex and critical in maintaining the cost effectiveness of our programs. We have access to literally every competitive market available to cities similar to Ocala. We routinely engage in discussions with new markets and products to maintain our competitive edge. We consider many factors and conditions including but not limited to:

- Financial Stability and Security – Our corporate mandate is to engage in carriers with AM Best rating on A- or higher. In addition to the current AM Best rating we also review a company's financial outlook and the extent of the risk portfolio in high risk areas (such as property risks in coastal areas)
- Length of Time in Business and in the Florida marketplace
- Long term underwriting appetite for public sector risks

- Location of Claims office
- History of speed and willingness to pay claims
- Reputation in the marketplace for claim denials
- Is the company a Managing General Agency/Underwriter or are they a full-service insurer?

We rely on our many years of experience in the public sector to measure subjective criteria as well as polling other public entities to determine their experiences. Due to our critical mass in the public entity sector we typically have regional and national underwriters contact us to market new programs. We also proactively pursue new programs through our involvement in trade shows, conferences and national publications. We are the largest public entity broker in Florida and the largest insurance intermediary in Florida. This gives us the unique ability to identify programs, products and insurers capable of meeting the City's needs.

Our analysis includes a very detailed comparison of coverage terms from each option presented. This process is critical in order for the City to make a sound decision.

5. Please provide your standard carrier financial requirements. Please indicate the rating based on AM Best, Standard & Poors, etc. The City requires all placements to meet the minimum-security requirements of AM Best rated companies (A- or better); can you comply?

*Response:*

Although we cannot predict the future results of any company, we 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.

6. Describe the criteria used when evaluating current insurance markets.

*Response:*

Please see our response to question 4 above, **Evaluating Insurers**.

7. How will you develop an annual schedule of coverage which lists the policy by coverage, company, policy number, policy duties, premium, and brief description? Provide examples of the schedule format. Does this include proposing coverage enhancements?

*Response:*

We prepare a Schedule of Insurance for Insurance for each client. Below is the current Schedule of Insurance for Ocala.

LINE OF COVERAGE	2021/2022		
	LIMIT	DEDUCTIBLE	ANNUAL PREMIUM
<b>Property:</b>			
<b>Preferred Governmental Ins Trust</b>	<b>Policy #PX FL1 0422004 21-20</b>		
Buildings & Contents	\$ 311,629,994	\$ 25,000	\$ 930,311
Equipment Breakdown	\$ 100,000,000	\$ 25,000	
Flood	\$ 1,000,000	\$ 25,000	
Earthquake	\$ 1,000,000	\$ 25,000	
Named Windstorm	Included	2% / min \$35,000	
Accounts Receivable	\$ 500,000	\$ 25,000	
Additional Expense	\$ 1,000,000	\$ 25,000	
Business Income	\$ 1,000,000	\$ 25,000	
Errors & Omissions	\$ 250,000	\$ 25,000	
Demolition & Increased Cost of Construction	\$ 1,000,000	\$ 25,000	
<b>Inland Marine:</b>			
Blanket Unscheduled Inland Marine	\$ 1,525,000	\$ 25,000	\$ 13,182
Mobile Equipment (Scheduled)	\$ 4,523,634	\$ 25,000	
Fine Arts	\$ 190,000	\$ 25,000	
Rented Borrowed Leased Equipment	\$ 250,000	\$ 25,000	
		<b>Sub-Total</b>	<b>\$ 943,493</b>
<b>Crime:</b>	<b>Policy #105683797</b>		
<b>Travelers Casualty &amp; Surety</b>	<b>1-Year Term Offered</b>		
Employee Dishonesty	\$ 1,000,000	\$ 10,000	\$ 6,980
Theft, Disappearance & Destruction In/Out	\$ 1,000,000	\$ 10,000	
Social Engineering	\$ 250,000	\$ 10,000	
		<b>Sub-Total</b>	<b>\$ 6,980</b>
<b>General Liability:</b>	<b>Policy #PX FL1 0422004 21-20</b>		
<b>Preferred Governmental Ins Trust</b>			
General Liability	\$ 1,000,000	\$200,000/\$300,000	\$ 48,094
Employee Benefits	\$ 1,000,000	\$200,000/\$300,000	
Law Enforcement Liability	\$ 1,000,000	\$200,000/\$300,000	\$ 38,192
Deadly Weapon Protection	\$ 1,000,000	Included	
		<b>Sub-Total</b>	<b>\$ 86,286</b>
<b>Automobile:</b>	<b>Policy #PX FL1 0422004 21-20</b>		
<b>Preferred Governmental Ins Trust</b>			
Auto Liability	None		
Comprehensive and Collision	Symbol 10,8	\$ 25,000	\$ 64,017
		<b>Sub-Total</b>	<b>\$ 64,017</b>
<b>Public Officials:</b>	<b>Policy #M00608476 009</b>		
<b>ACE American Insurance Co</b>	<b>Please note: Claims Expense &amp; Defense Costs erode Limit</b>		
Public Officials Liability	\$1,000,000/\$1,000,000	\$ 150,000	\$ 88,299
Employment Practices Liability	included	\$ 150,000	
		<b>Sub-Total</b>	<b>\$ 88,299</b>
<b>Cyber Liability</b>	<b>Policy #D95512227</b>		
<b>ACE American Insurance Company</b>			
Cyber Incident Response Team	\$1,000,000/\$1,000,000	\$ 250,000	\$ 16,838
<b>Cyber Incident Response Coach Retention</b>		\$ 250,000	
Business Interruption Loss & Extra Expense	\$1,000,000/\$1,000,000	\$ 250,000	
Contingent Business Interruption & Extra Expense	\$1,000,000/\$1,000,000	\$ 250,000	
Digital Data Recovery	\$1,000,000/\$1,000,000	\$ 250,000	
Network Extortion	\$1,000,000/\$1,000,000	\$ 250,000	
		<b>Sub-Total</b>	<b>\$ 16,838</b>
<b>Excess Workers' Compensation:</b>	<b>Policy #PX FL1 0422004 21-20</b>		
<b>Preferred Governmental Ins Trust</b>	<b>21/22 Payroll: \$66,560,044</b>		
Workers' Compensation	Statutory	\$ 500,000	\$ 287,878
Employers Liability	\$1m/\$1m/\$1m	\$ 500,000	
		<b>Sub-Total</b>	<b>\$ 287,878</b>
<b>Pollution:</b>	<b>Policy #PEC000604815</b>		
<b>Indian Harbor</b>	<b>2 Year Policy Term</b>		
Pollution/Aggregate	\$1,000,000/\$10,000,000	\$ 100,000	\$ 42,714
			<b>\$ 42,714</b>
<b>Liquor Liability:</b>	<b>Policy #CL 2648815H</b>		
<b>Mt Vernon Fire Insurance Company</b>			
Ocala Golf Club Liquor Liability	\$1,000,000/\$2,000,000		\$ 675
Fee			\$ 75
		<b>Sub-Total</b>	<b>\$ 750</b>
<b>Fiduciary:</b>			
<b>Hudson Insurance Company</b>			
General Employees: Policy #SFD31210098-009	\$ 1,000,000	\$ 10,000	\$ 6,947
Pending or Prior Date: 10/1/2009			
Police: Policy #SFD31210096-09	\$ 1,000,000	\$ 5,000	\$ 4,859
Pending or Prior Date: 10/1/2009			
Firefighters: Policy #SFD31210097-09	1,000,000	\$ 5,000	\$ 3,987
Pending or Prior Date: 10/1/2009			
		<b>Sub-Total</b>	<b>\$ 15,793</b>
<b>AD&amp;D:</b>	<b>Policy #ADD N11237599</b>		
<b>ACE American Insurance Co</b>	<b>2-Year Term Prepaid (10/1/2020 - 10/1/2022)</b>		
Line of Duty Coverage	\$ 75,000		\$ 19,770
Fresh Pursuit Coverage	\$ 150,000		
Unlawful and Intentional Death & Dismemberment	\$ 225,000		
		<b>Sub-Total</b>	<b>\$ 19,770</b>
<b>Aviation:</b>	<b>Policy #15001370</b>		
<b>Global Aerospace</b>			
Premises Liability	\$ 5,000,000		\$ 1,965
Hangarkeepers Aircraft/Occurrence	\$1,000,000/\$2,000,000	\$ 1,000	
			<b>\$ 1,965</b>
<b>Firefighter Cancer Benefit:</b>	<b>Policy #PTP N17937911</b>		
<b>ACE American Insurance Co</b>			
Diagnosis Cancer Benefit	\$ 25,000	\$ -	\$ 26,128
Cancer Death Benefit	\$ 75,000		
			<b>\$ 26,128</b>
<b>Special Events</b>			
Harvest Fest Event	GL/Liquor	No 2021 Event	\$ -
BOBA Event	Liquor	No 2021 Event	\$ -
Motown Event	Liquor	No 2021 Event	\$ -
Tuscawillia Sculpture Event	Liquor	No 2021 Event	\$ -
Levitt Concert Series	Liquor	4/16/2021-6/27/2021	\$ 1,061
Summer Bash	Liquor	No 2021 Event	\$ -
Festival at Fort King	GL	12/3/21-12/7/21	\$ 746
			<b>\$ 1,806</b>
<b>TOTAL PREMIUM</b>			<b>\$1,602,717</b>

8. How will your firm issue solicitations and evaluate proposals? Provide examples if available.

*Response:*

Brown & Brown prepares an annual marketing summary for the City that includes a summary of all market responses and markets solicited.

Proposals are evaluated using objective and subjective criteria as explained in our response to question 4. In addition, we provide detailed comparison spreadsheets that reveal coverage advantages and differences amongst competitive carriers. An example of the Privacy Protection (Cyber Liability) evaluation recently conducted is enclosed below for your reference.

	Travelers Ins Co		Preferred Gov't Ins Trust	
LINE OF COVERAGE	Limit	Deductible	Limit	Deductible
<b>Cyber Liability</b>	Annual Premium \$28,000		Annual Premium \$18,000	
<b>Third Party Coverage</b>				
Privacy and Security Liability	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Payment Card Costs	\$ 2,000,000	\$ 75,000	\$ 1,000,000	\$ 25,000
Media	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Regulatory Proceedings	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
<b>First Party Coverage</b>				
Privacy Breach Notification	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Computer and Legal Experts/Forensics	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Hardware & Software Betterment (50% of costs)	\$ 100,000	\$ 75,000	Not Covered	
Cyber Extortion	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Data Restoration	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Public Relations	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Business Interruption	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Bricked Equipment Repair/Replacement (in a BI loss)	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Dependent Business Interruption-Outsource Provider-	\$ 100,000	\$ 75,000	\$ 100,000	\$ 25,000
Dependent Business Interruption-Outsource Provider-System Failure	\$ 100,000	\$ 75,000	\$ 100,000	\$ 25,000
System Failure (not a security breach)	Not Covered		\$ 100,000	\$ 25,000
<b>Cyber Crime</b>				
Computer Fraud	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Funds Transfer Fraud (Not Directed by Insured)	\$ 2,000,000	\$ 75,000	\$ 2,000,000	\$ 25,000
Social Engineering Fraud	\$ 100,000	\$ 75,000	\$ 250,000	\$ 25,000
Telecom Fraud	\$ 100,000	\$ 75,000	\$ 100,000	\$ 25,000

9. What is your process for reviewing policies and endorsements for accuracy and conformance with negotiated coverage? Who is responsible for this verification? Do you have a process currently in place?

*Response:*

## Quality Control

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 an extensive quality control process that assures the quality and accuracy of all transactions and processes. This includes the review of all insurance policies, communications and invoices. It is imperative to maintain strict controls and protocols in all facets of our business to ensure that our clients' requests, communications and financial transactions are conducted with the utmost accuracy and consistency. Brown & Brown utilizes a separate internal audit division to ensure that these protocols and procedures are strictly followed. This division is accountable only to the CEO of Brown & Brown. We are audited twice a year for financial transactions and for adherence to quality service processes and procedures. We are consistently in the top 5% in audit grades among 220 other Brown & Brown offices



We handle each of our client's transactions as expeditiously and accurately as possible. We strive to not only meet our client's expectations but to exceed them. Each transaction and all communications of each client's program are carefully documented so that any employee can pick up the file at a moment's notice and seamlessly continue services. We review each policy for accuracy using a detailed checklist. Our checklist contains not only standard policy terms but also any custom terms and conditions that we have negotiated for our clients. Brown & Brown's risk management department is responsible for review and audit of policies, endorsements and invoices. This department manages our larger and more complex clients, including the City of Ocala.

There are three employees responsible for verification and accuracy of client information. The Team Leader, Paul Dawson, Account Manager, Danielle Coggon and Director of Operations, Robin Russell.

10. Detail your process to issue and deliver valid binders for insurance policies purchased by the City through the Broker. What information will be included in the binders?

*Response:*

Our quality control criteria requires that accurate binders are issued at or prior to policy effective dates. Binders can remain in force for only 30 days. If necessary, replacement binders are requested and provided prior to their expiration.

The information in a typical insurance binder includes Insured Name, Carrier Name, Effective Dates, Policy Number, Line of Coverage, Policy Limits, Premium and Applicable Endorsements.

11. How will you assist the City in determining insurance requirements for various City contracts (design, construction, and service)? Will you assist the City in reviewing insurance policies, contracts, leases, and bonds as requested by the City? Do you currently have standard requirements?

*Response:*

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 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 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.

We also make it a point to stay current with changes to ISO policy coverage forms. There have been many new forms introduced by ISO. Many provide less coverage for insureds and additional insureds. It is imperative to stay current as many of these forms do not provide the same level of protection to the City as the older forms. Our recommendations include a requirement for a minimum level of coverage afforded by a specific form, such as the CG 20 26 04 13 Additional Insured endorsement.

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 most recently added a requirement for vendors to



provide the appropriate credit monitoring, ID theft protection, call centers and health rehabilitation services in the event a security breach is caused by the vendor.

12. Will your service team join client meetings if needed? Are meetings included in your fee?

*Response:*

Our service team is available to join client meetings, workshops and public meetings. There is never a charge for meeting attendance.

13. Will you audit the City's Workers' Compensation classification coding? If so, explain the process. Is this audit included in your fee, or a separate charge (provide charge amount)?

*Response:*

Yes, we have audited and corrected many worker's compensation payroll audits for our clients. We are intimately familiar with the process of auditing and realigning NCCI classification codes. We will work with your payroll department to gather the current data including codes and job descriptions. We subscribe to NCCI's National Scopes Manual and maintain all updates in our database to ensure that we have the latest Scope for each code. In 2017 we conducted a class code for the city by reviewing 988 employee codes resulting in realignment of 20 employees.

Brown & Brown would not charge a fee to conduct this audit. Our findings would be presented in a spreadsheet highlighting each employee/code that may be better classified. After receipt of all employee codes, payrolls and job descriptions we anticipate the audit to take 5 to 7 business days.

14. Explain how you will coordinate with the City's HR/Risk Management representative to assure that up-to-date exposure data will be incorporated into the issuance of newly purchased policies.

*Response:*

We are committed to assisting the City in creating and maintaining accurate exposure data including payroll, buildings, structures, vehicles and equipment. We have spent significant time updating and reconciling the City's data, spreadsheets and reports. Our objective is to minimize the staff's administrative burden and maintain accurate data bases. Our renewal process includes the full review of underwriting data for accuracy, comparing year-over-year data and using city financial reports to ensure underwriting exposures such as payroll, revenue and expenditures are not over or understated.

**Property Exposure Data** – We have already provided to the City, at no cost, a valuable web-based Property Asset Management Tool. This property management web-based platform is offered by AssetWorks, an industry leading appraisal and asset management company. The system is called AMP and 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 greatly increases the integrity of data and has complete conversion capability for catastrophic modeling, proof of loss documentation and a plethora of property-based reports.

15. How will you promptly and accurately process insurance policy certificates and endorsements and other change requests as needed? Outline the timeframes for these processes.

*Response:*

Brown & Brown adheres to strict quality control guidelines. These guidelines dictate that we deliver accurate documentation to our clients within certain predetermined timeframes.

- Endorsements must be delivered to insureds within 5 business days of receipt
- Policies must be delivered to insureds within two business weeks of receipt
- All binders, endorsements, invoices and policies are checked for accuracy against a detailed checklist and against the proposal that was presented to the insured
- Brown & Brown documents all of the above transactions in our agency management system with compliance audits performed by an outside auditor once per year
- All documentation is provided in both hard copy and electronic formats
- Certificate requests must be completed within 24 hours of receipt

16. Explain your role when representing the City in negotiations with insurers, underwriters, insurance regulatory authorities, and other parties on brokered policies. Do you currently provide such services?

*Response:*

Brown & Brown's primary responsibility is to be the lead representative and advocate with insurers, claims adjusters, claimants, regulatory authorities, etc. Our goal is to directly handle these functions on behalf of the City in support of our collective goals and to lessen the burden of City staff. We consistently negotiate better terms and rates on behalf of the City with all insurers. For example, in each of the last five years we have requested and obtained better terms after receiving the insurers' initial renewal quote. Our process is not to simply transact insurance but to negotiate the most favorable terms available.

Two of our core competencies are the ability to consistently lower our clients' cost of risk and improve the terms of their policies. We have consistently outperformed our competition in this area. Testament in our ability to negotiate better terms and lower our clients cost can be found in our history with the City and other public entities. We have managed to stabilize the City's total cost of risk despite an increasingly volatile insurance market environment. In comparison with other similar sized cities the City's insurance premium increases have been much lower and rates remain among the lowest available. We have accomplished this over a long period of time by leveraging our relationships with insurers and negotiating tough but fair terms that favor the City.

Our experience with other public entities demonstrates a history of excellent service and consistent improvement in risk transfer programs. Our effort to find the most competitive terms and conditions for our clients is a never-ending process. We nurture and maintain excellent relationships with key and emerging markets, which have traditionally benefited our clients with lower premiums, better coverage and better service. When taking over a new account from a competitor we have never failed to improve the terms and conditions of their insurance program.

An excellent example of our ability and willingness to "go to bat" for the City occurred in 2002. We negotiated a \$100,000 property claims settlement with the City's current insurer (*Preferred*) on behalf of the City even though the date of loss was most likely in a previous carrier's policy period. The other carrier vehemently denied the claim. We recommended filing suit against the insurers involved even though the incumbent program was managed by Brown & Brown's sister company. We were successful in getting all parties at the negotiating table and coordinated a settlement amongst several attorneys, City staff and the insurers excess carriers.

Since that time we have acted as the City's claim advocate and have been instrumental in many favorable claim settlements. We have not yet represented the City in any insurance regulatory proceedings but we would certainly do so if the opportunity arose.

17. How will you coordinate loss control/safety services desired by the City that are available at "no-cost" from the insurers whose policies were purchased through the broker?

*Response:*

An important part of an effective risk management program is loss control, safety training and risk identification. We have been and will remain proactive in coordinating and facilitating all resources available to the City. The City's primary insurer, Preferred, has dramatically increased the volume and quality of training and educational materials available to the City at no cost. The City is currently taking advantage of many of these programs. There is also a safety and training expense reimbursement that provides the City with up to \$5,000 in matching funds for expenditures focused on safety and training. We send out email reminders to the City to complete the application for these reimbursements each year.

Our procedure and commitment is to promote these programs to the City and facilitate the implementation of every opportunity to improve safety and reduce costs.

18. What is your plan to provide evaluation, training, and education relative to loss control, safety, claims management, and related topics in the area of risk management?

*Response:*

Mitigating and reducing loss is a key objective of our program, and a tailored loss control plan is the key to lowering the long-term cost of risk. Brown & Brown will coordinate our highly qualified loss control representatives for training, safety audits, policy review, workers' compensation claim reduction and other activities at with your direction. We will be an active partner in assisting 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.

Our Safety & Risk Management Consultants can identify training needs, risk exposures, and deliver risk management resources. All our consultants have over 20 years of experience. Some of the standard training topics include (but are certainly not limited to):

- Emergency and Hurricane Preparedness
- Defensive Driving
- Vehicle Crash Board
- Return-to Work Programs
- Safety Committee Assistance and Attendance
- Claims Analysis and Corrective Action
- Supervisors Training – ADA, Civil Rights, Discrimination, Bullying, etc.
- Workplace Ergonomics
- Job Hazard Analysis
- Cyber Security, Awareness and Employee Training Tools

Brown & Brown will obtain, analyze, and monitor workers' compensation loss reports 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.

19. How often will you provide information concerning new exposures, regulatory requirements, and uninsurable risk? Where is this information garnered from and how will you communicate it to the City?

*Response:*

We believe it is important to keep our risk managers informed of industry trends, case law, emerging risks and everything risk related. In this endeavor we communicate regularly with newsletters, emails, white papers and webinars.

We monitor each Florida State legislative session for any bills that may affect our clients risk management program. We utilize lobbyist to gain as much information as possible about these bills and share our knowledge with our customers. For example, the last session included House and Senate bills that proposed significant changes to the State Sovereign immunity limits. We provided regular emails with updates as these bills progressed through committees as well as estimates on the financial impact if the bill passed.

This past legislative session included two bills that will have a direct impact on cyber liability risks for local governments. We will be conducting a webinar to explain the impact of HB 7055 and HB 7057 shortly after the Governor signs these bills into law.







To maintain knowledge of changes in Federal and State regulations we use industry watchdogs, daily email alerts and subscribe to numerous insurance and public risk specific publications. We have regular contact with Tallahassee insiders throughout the year and especially when the State legislature is in session. We are active members in the Public Risk Management Association, Florida Association of Counties and the Florida League of Cities.

We also meet with the City well in advance of renewal dates to discuss market conditions and other factors influencing insurance terms and conditions. This information is vital to our clients' ability to communicate potential changes in their risk management programs effectively and intelligently to their respective public officials and upstream managers. We understand the current economic climate and the strain that it has put on budgets and personnel. Our objective is to communicate quickly and effectively all of the relevant information that our clients will need to plan for the future and make informed decisions in a timely manner. Brown & Brown provides a quarterly Insurance Market Trend report that provides global and national insight of industry trends and emerging risks. These are shared with clients to ensure these exposures are managed quickly and effectively






Below is an example of our weekly newsletter which is emailed with links for ease of access to detailed information concerning each topic. The topics come from different sources to present an unbiased publication.

 <p><b>THE WEEKLY RUNDOWN</b></p> <p>Presented by  <b>Brown &amp; Brown</b></p> <p>April 25, 2022</p>	
 <p><b>Guidance on Web Accessibility and the ADA</b></p> <p><a href="#">CONTINUE READING &gt;</a></p>	 <p><b>Can New Labor Models Improve the Mental Health of Employees?</b></p> <p><a href="#">CONTINUE READING &gt;</a></p>
 <p><b>Cyberattacks, Extortion Worry Directors Most, but Other Issues Warrant Attention</b></p> <p><a href="#">CONTINUE READING &gt;</a></p>	 <p><b>Voluntary Benefits on the Rise as Employers Fight for Talent</b></p> <p><a href="#">CONTINUE READING &gt;</a></p>

We have also been very proactive with assisting clients navigate the Covid pandemic with regular and timely webinars, newsletters and HR specific guidance.

Below are just a few samples of resources that have been offered to our clients




**Brown & Brown**  
INSURANCE\*

Investor Relations | NYSE: BRO


Company News

**Brown & Brown Offers Access to The Brown & Brown Relief Center to Any Company in Need**

DAYTONA BEACH, Fla. (B&B NEWSWIRE) – Brown & Brown Insurance Company, Inc. (NYSE: BRO) announced today that it has created a relief center to provide financial assistance to companies in need.



**Live Stream Series | Update No. 2**  
**COVID-19 ("Coronavirus")**  
HOSTED BY **Brown & Brown**  
INSURANCE\*



**Join us for a Live Stream on**  
**Coronavirus in the Sunshine State**  
HOSTED BY **Brown & Brown**  
INSURANCE\*  
FLORIDA

**Impacts of Furloughs, Leaves and Layoffs; Navigating Insurance Carrier Financial Relief; Business Income; and Health & Clinical Updates**


Wednesday, April 15<sup>th</sup> | 2:00pm ET **REGISTER NOW**

**Navigating COVID-19 Employer & Employee Concerns:**  
HR Regulatory Guidance, Managing A Remote Workforce & Mental Health


Friday, March 20<sup>th</sup> | 2:00pm ET, 11:00am PT

**REGISTER NOW**


— PRESENTERS —




**Joel Axler, MD**  
National Behavior Health Manager  
SBA-Brown & Brown, Inc.




**Nick Karls**  
Vice President, Regulatory & Legislative Strategy  
Hays Companies




**Bob Lloyd**  
Executive Vice President, General Counsel  
Brown & Brown, Inc.




**Louise J. Short, MD, MSC**  
National Clinical Leader  
Brown & Brown, Inc. & Strategic Benefits Advisors




**Josh Becksmith**  
Executive Vice President  
Brown & Brown Jacksonville



**Veronica Jimenez**  
Sr. Vice President, Private Client Leader  
Brown & Brown Fort Lauderdale



**Bryan Koehler**  
Executive Vice President, Employee Benefits  
Brown & Brown Orlando



**Senator Wilton Simpson**  
The Florida Senate

Please join Brown & Brown Insurance and our team of companies for another installment of our live stream series on COVID-19 ("Coronavirus").

**TOPICS COVERED:**

- ▶ Furloughs vs. Layoffs: Key Differences & Compliance Concerns
- ▶ Current State of COVID-19-Related Legislation
- ▶ Impact to FMLA, Paid Leave or Disability Provisions
- ▶ Managing A Remote Workforce, Cyber Security & Disability Provisions
- ▶ Update on What We Know About the Virus, the Pandemic, and the Employer Response
- ▶ Psychological Effects of COVID-19: Resources & Mitigation Strategies for Employers

To access this free live stream and additional resources, please visit [bbinsurance.com/covid19](https://bbinsurance.com/covid19).

**Brown & Brown**  
INSURANCE\*

**RETURN TO THE WORKPLACE GUIDE & CHECKLISTS**

'Returning to the workplace' is unquestionably a process that is likely to look different for companies based on size, industry, geography, demographics and countless unique business factors.


While most are eager to return to normalcy - the ability to rethink, reopen and reoccupy workplaces or operational cadence takes careful thought and consideration, not only to protect your employees but also your business.

Use this guide as a tool in your response-to-recovery process.

The impacts of COVID-19 have been profound and the path to recovery will remain fluid. As always, follow any local, state or national guidance as it relates to safety, guidelines and recommendations. The information included herein is to help guide you, but it does not replace any guidance from the [Centers for Disease Control \(CDC\)](#), [World Health Organization \(WHO\)](#), [United States Department of Labor](#), [OSHA](#) or local and state laws or guidance.

**INCLUDED TOPIC AREAS**

1. Decisions to Consider	6. Establishing Systems
2. Policy Reviews	7. Workplace Changes
3. Legal Considerations	8. Customer & Vendor Interactions
4. Preparing your Workforce	9. Planning Ahead
5. Preparing your Workplace	



20. Do you allow insureds to report claims directly to the Carrier?

*Response:*

Yes; however, the City has the option to report claims directly to our in-house claims department and allow us to report, track and assist in expediting claim settlements.

21. How will you serve as a resource for information on coverage issues, policy interpretation, claims issues, potential exposure, and other issues? Do you have In-House claim professionals available to advise the City of Ocala?

*Response:*

**Information Resource**

We are first and foremost available to the City at all times on any matters related to Risk Management. As mentioned earlier in this response we have the expertise and experience to be an excellent resource for all risk management information. Our service structure is organized in such a way that the Team Leader (Mr. Paul Dawson) is intimately involved in all coverage, policy and claims issues. Information regarding the City's risk management program and peripheral issues can be addressed immediately. We believe that in our tenure as the City's insurance broker we have never failed to provide answers, data or results in a timely fashion.

We pride ourselves on our efficiency in answering questions about policy coverage, claim scenarios and policy structure. We have an excellent understanding of the City's current coverage as we are the architect of the program, and we use this knowledge to our advantage. Several years ago, there was a large sinkhole claim that was initially contested by the carrier because the property (tennis courts) was not specifically scheduled on the property policy. We contested this interpretation of the policy and succeeded in securing a \$69,973 claim payment for the City to repair the courts.

**Professional Claims Advice**

Our history with the City reveals that as a claims advocate we are in your corner and represent your interests first. We will continue to be involved in negotiating claim settlements and assisting with the actual claim administration process. We have numerous claim management professionals and defense attorneys in our organization that provide valuable consultation for complex legal and claim issues.

We have been involved in numerous large claims on behalf of the City and we are proud of the results that we have achieved. On several occasions we have rejected initial declinations from insurers and were successful in obtaining sizable claim proceeds where it appeared none were available. We accomplished this by challenging the carrier's interpretation of the policy language and applying pressure in the right amount and at the right time. In the future we will continue to represent the City in all claims issues. The City's Team Leader, Paul Dawson and our in-house claims professional will assist the City in all claim matters.

22. Detail how you will assist in risk-related contractual agreements.

*Response:*

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 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. We also offer a 10% reduction in the cost of Ctrax for our clients that choose CTrax as their automated certificate tracking needs. CTrax is a widely used and industry accepted certificate compliance tracking tool.



There have been numerous court cases in recent years that resulted in a broadening of local government liability exposures as well 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.

We also make it a point to stay current with changes to ISO insurance policy coverage forms. There have been many new forms introduced by ISO. Many provide less coverage for insureds and additional insureds. It is imperative to stay current as many of these forms do not provide the same level of protection to the City as the older forms. Our recommendations include a requirement for a minimum level of coverage afforded by a specific form, such as the CG 20 26 04 13 Additional Insured endorsement.

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 just recently amended our cyber liability template to include transferring notification of potentially affected persons onto any vendor that is responsible for an actual or suspected breach. Included in this template are requirements for the vendor to provide other services after a breach such as credit monitoring, ID theft monitoring, staffing a call center, and health records rehabilitation.

23. How do you maintain confidential client data? Describe your firm's process for data security monitoring.

*Response:*

### **Confidentiality**

Brown & Brown maintains strict protocols controlling all files and correspondence. Each employee signs a confidentiality agreement forbidding any sharing or breach of customer information with anyone but that customer.

In addition, Brown & Brown's electronic data is controlled and maintained by Brown & Brown's Corporate Information Technology Department. Below is a summary of security measures to ensure electronic data remains confidential. ***In the unlikely event of a breach of protected information, we commit to notifying the City as early as appropriate, ideally within 24 hours.***

Brown & Brown IT conducts frequent internal security audits of in place groups, individual accounts, internal and external discussion groups with an emphasis on ensuring that a user:

- » Only has access to the files, folders, and emails relevant to their respective position and responsibilities within Brown & Brown.
- » Brown & Brown IT has a Data Governance Product which reports to a SQL database showcasing user access to network resources.
- » Brown & Brown IT employs a security appliance which monitors and prevents external penetration of the network securing our data and our users from any external malicious impact.
- » Access to all data bases is granted after a two step verification process. Brown & Brown uses a multi-factor authentication safeguard for all system access.

24. Can you provide access to the Carrier's online reporting data or adjuster notes?

*Response:*

Yes. The City has access to their primary insurers on-line claims system (PGSC-TPA.com). This system includes all adjuster notes and financial data associated with each claim.

25. Will you provide COI review for compliance and provide guidance on coverage to best protect the City's interests?

*Response:*

Yes. We currently review many COI's for compliance with the City's insurance requirements. Our written response and recommendations (if any) are normally submitted to the City within 24 hours.

The City's current insurance requirements for vendors and contractors has been updated several times in the last few years with our assistance. We will continue to provide advice on amendments to these standards as changes in exposure, industry or regulation require.

If the City utilizes an outside certificate review and compliance system, like Ctrax, we will assist in establishing the parameters required for the automatic analysis of certificates of insurance.

26. State any services you are unable to provide or any deviations from the Scope of Work.

*Response:*

There are no services that we are unable or unwilling to provide.

27. List performance guarantees.

*Response:*

Performance guarantees are typically not included in broker contracts. Our performance measurables are very subjective. However we are completely open to any ideas or requests from the City if a performance guarantee is desired.

**E. OPTIONAL: Value-Added Programs/Services (2 points):**

1. List any additional programs or services provided by your company at no cost to the City (i.e. training programs, written programs, educational classes).
2. This may include OSHA, HR, wellness, safety, etc.

*This section is optional and not required. If your firm is not offering any value-added programs and/or services, please state "N/A" or "none" in this section.*

*Response:*

As the largest broker in Florida, Brown & Brown has the ability to provide the City with significant resources and experts at no additional cost. Our team will leverage the full force and experience of these industry experts on behalf of the City, ensuring your benefits service team is the very best available.

**FEMA Public Assistance Coordination (No Additional Cost to the City)**

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. We have coordinated the efforts of the insurance carrier'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.

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 Brown & Brown will be assisting in every step of the 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

### **Asset Management Program (No Additional Cost to the City)**

AMP is proprietary software to which we subscribe. The program was developed and is maintained by AssetWorks. This web-based system provides an efficient and secure platform for tracking and reporting property data. Uses include loss control, proof of loss documentation, Cat Modeling, historical tracking and insurance marketing. This is available, but not mandatory for our clients to use at no cost. It provides our clients with the following services to support large Property Schedule Maintenance and Claims Management Support.

- **Integration with Existing Appraisal Reports**
- Tracking of Primary and Secondary COPE data
- Document and Valuation Management and Trending
- Dynamic Reporting Tool
- Data Exchange Capability
- Communication capability with Broker for real time property schedule changes

### **Cyber Resources**

In addition to Cyber specialists on staff, a free resource available to the City is access to our **Coalition** vulnerability and response report. Cyber Liability has become an extremely relevant and important coverage. 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 a report of vulnerabilities and loss recommendations.

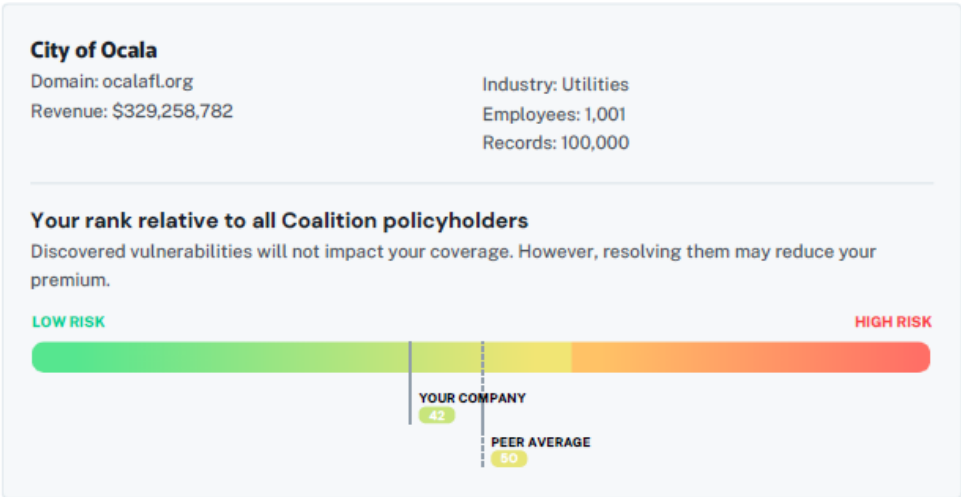
Coalition's signals intelligence platform provides a snapshot of a company's current risk level by using public, external methods (no penetration or intrusive tactics) to:

- » 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

Below is one section of the 25-page Risk Assessment Report for the City.

1 Executive Summary

This assessment evaluates cybersecurity risk using data-driven, objective, and publicly available metrics together with Coalition's proprietary claims data. The findings and recommendations in this report are intended to help proactively identify, quantify, and manage cybersecurity risk. All findings can be investigated in greater detail using Coalition Control.



Vulnerabilities by Criticality

Prioritized list of vulnerabilities we found on your assets. Critical vulnerabilities represent an active threat and should be remediated as soon as possible.



Detected Assets

Outside-in view of the Web properties we identified.

DOMAINS	IPS	APPLICATIONS	SERVICES	HOSTING
15	50	14	25	2

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

We have many additional training and safety resources that are available at no cost but due to space constraints we are not able to detail the offering.

## Price Proposal

20 points

## F. Price Proposal (20 points):

1. Provide a **FLAT FEE** annual price based on the Scope of Work.
  - This fee should be full compensation for the broker's professional services and shall include any and all travel required by the broker to meet with City staff as outlined in the Scope of Work and the proposer's approach and methodology.
  - Additional compensation will not be paid to the broker or to any other party and is strictly prohibited. **Any and all additional compensation or commissions, as part of brokered policies, paid to any party, including brokers, wholesale brokers, or third-party intermediaries, must be promptly returned to the City.**
  - Broker may not accept any type of compensation without full disclosure to the City of the dollar amount or percentage of compensation prior to binding the insured's coverage along with fully refunding the compensation to the insured.
  - Failure to disclose third-party compensation agreements/understandings to the City may result in bid rejection or future contract termination.

*Response:*

FLAT FEE PRICING	
ANNUAL (12-Month Pricing):	\$78,500*
CONTRACT TERM TOTAL: <i>January 1, 2023 - December 31, 2025</i>	\$235,500*

\*The exception to the Fee Proposal is for policies that are written in the National Flood Insurance Program. This program is a Federal government program falling under the direction of FEMA. In April 2012 FEMA issued a memorandum of understanding directing the administrators (underwriting and policy issuance companies) to prohibit the practice of rebating or returning of commissions for flood policies written in the National Flood Insurance Program. Violations of this directive can result in agents having the contracts with NFIP administrators revoked. Consequently, Brown & Brown attorneys have determined that in order to maintain our good standing with NFIP and supporting administrators we will comply with this directive for all NFIP policies and all broker agreements.