



# VILLAGE OF KEY BISCAYNE

*Village Council*  
Robert Oldakowski, *Mayor*  
Jorge E. Mendia, *Vice Mayor*  
Martha Fdez-León Broucek  
Carol Diaz-Castro  
Mortimer Fried  
James L. Peters  
Robert L. Vernon

## Memorandum

Date: October 7, 2003  
To: Jacqueline R. Menendez  
Village Manager  
From: *JOL* Randolph G. White *CRW*  
Village Finance Director  
Subject: Insurance Policy Proposals

Please find attached, proposals for the insurance coverage for the Village for Fiscal year 2004. These proposals include the coverage for general liability, public officials' liability, property, and windstorm. These proposals come before Council as a result of a request last year that the process of review and award of the annual policies for the previously named coverage be the decision of Council.

This is in direct relation to and a part of the annual budgeting process. As a result of this direct competitive process, both quotes are well below initial insurance company estimates of premiums.

For the convenience of Council, representatives from both companies will be in attendance and available for technical questions should they arise.

**Village of Key Biscayne  
Insurance Bid Results  
For Fiscal Year 2004**

<i>Policy Component</i>	<i>PGIT Policy</i>	<i>Florida League of Cities Policy</i>
<b>General Liability</b>		
Limit	\$5,000,000	\$5,000,000
Deductible	\$0	\$0
Aggregate	\$10,000,000	none applies
<b>Public Officials</b>		
Limit	\$5,000,000	\$5,000,000
Deductible	\$25,000 per loss	\$0
Aggregate	\$5,000,000	none applies
<b>Police Professional</b>		
Limit	\$5,000,000	\$5,000,000
Deductible	\$10,000 per loss	\$0
Aggregate	\$5,000,000	none applies
<b>Crime/Employee Dishonesty</b>		
Limit	\$50,000 per loss	none applies
Deductible	\$1,000	\$0
Aggregate	none applies	none applies
<b>Vehicles</b>		
Limit	\$5,000,000	\$5,000,000
Limit for PIP	\$10,000	\$10,000
Deductible	\$1,000	\$0
Aggregate	none applies	none applies
<b>Property</b>		
Limit	\$13,726,740	Replacement Cost
Deductible	\$5,000	\$5,000
Aggregate	none applies	none applies
<b>Windstorm</b>		
Deductible	greater of 3% of damaged property or \$20,000	greater of 2% of damaged property or \$5,000
Limit	\$12,981,070	\$12,981,070
Aggregate	none applies	none applies
<b>Premium for Above</b>	<b>\$574,865</b>	<b>\$553,497</b>

**PREFERRED GOVERNMENTAL  
INSURANCE PROGRAM  
PROPOSAL  
FOR THE  
VILLAGE OF KEY BISCAWAYNE**

**Proposed effective date:  
October 1, 2003**

**Presented by:**

**Todd E. Higley  
Vice President – Public Entity  
Risk Management Associates**



Risk Management Associates

VILLAGE OF KEY BISCAYNE

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## **VILLAGE OF KEY BISCAYNE**

### **The Agency**

Risk Management Associates has established itself as one of the premier insurance services organizations for public entities in the southeastern United States. Our in-depth understanding of the unique risk exposures and operating environment of public entities allows us to tailor insurance products and services to effectively meet their needs.

In March 2000, Risk Management Associates became part of the Brown and Brown, Inc. family of agencies. The merger combines the talents of RMA's highly specialized public entity group with the resources of the ninth largest independent insurance agency in the United States.

As a Brown and Brown company, RMA has access to hundreds of insurance markets nationwide. With premium volume exceeding \$2,500,000,000, Brown and Brown is the largest agent for many national insurance companies. The buying power and premium leverage within this organization is surpassed by few agencies.

Based on our background we know which insurance carriers provide the broadest, most cost effective coverage for the Village of Key Biscayne. Only a select few insurance carriers understand or are aware of the issue of Florida's sovereign immunity statute, government in the sunshine and ethics laws, and unique requirements of coverage under the workers' compensation statute.

Risk Management Associates focuses on developing innovative approaches towards managing your risk. Cost effective insurance products, professional service, and commitment to client's needs are our primary goals. Proof of account satisfaction is reflected by a 97% business retention rate.

Our offices are conveniently located in Lake Mary and Plantation. The account executive for the Village of Key Biscayne will be Todd Higley. Mr. Higley will serve you from RMA's Plantation office.

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## VILLAGE OF KEY BISCAYNE

### THE PROGRAM

Preferred Governmental Insurance Program (PGI) is a fully insured property and casualty package program designed specifically for Florida's governmental agencies. Underwritten by a select group of "A" rated insurance carriers, the following coverages are available:

Property and Equipment Breakdown	General Liability
Contractors Equipment	EMT/Paramedic Professional Liability
Electronic Data Processing	Law Enforcement Professional Liability
Miscellaneous Inland Marine	Employee Benefits Administration Liability
Crime	Automobile Liability and Physical Damage
Bonds (Employee Dishonesty)	Public Officials Liability
Environmental Impairment Liability	Workers' Compensation

Initiated in 1992, the program was designed to provide an alternative to self-insured pools offering property and casualty coverage. Since that time, the program has grown to include over 200 Florida public entities and encompasses an even wider range of coverage.

### MISCELLANEOUS INSURANCE COVERAGES

To fully serve our clientele, Risk Management Associates can offer coverage for other exposures such as:

Bonds	Accidental Death & Dismemberment
Fiduciary Liability	Special Events
Primary Flood	Health, Life, Dental
Excess Flood	Airport Liability
Workers' Compensation	Aboveground and Underground Petroleum Tank Liability

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Risk Management Associates

## **VILLAGE OF KEY BISCAYNE**

### **CLAIMS ADMINISTRATION**

Preferred Governmental Claims Solutions (PGCS) administers and closely controls all claims from start to finish. Mr. Kevin Cothron is the Claims Coordinator for property and liability and performs the initial review of all loss notices. PGCS is dedicated to exclusively serving Florida governmental agencies. The team of full-time, licensed adjusters understands federal laws and state statutes governing actions against public entities. A toll-free telephone number is provided.

You will find our approach to be aggressive and protective of your entity's interests. We take full advantage of rights afforded under law. Setting a precedent of always settling claims does not characterize the Program's position.

In case of a disaster, a 24 hour claim hotline is available.

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## **VILLAGE OF KEY BISCAYNE**

### **WORKERS' COMPENSATION**

In the tradition of creating and supporting innovative insurance products and viable options for public entities, RMA offers workers' compensation coverage through Preferred Governmental Insurance Trust (PGIT). PGIT is a stand-alone workers' compensation fund established for the exclusive purpose of providing coverage to governmental entities according to Florida Statute.

Program Management Services provides all underwriting, member, and administrative services. This includes safety and loss prevention services by staff with Risk Management for Public Entities (RMPE) certifications.

Claims for the Trust are administered by a group of dedicated adjusters from JLT Insurance Services located in Lake Mary, Florida. Established in 1956, JLT has handled more public entity claims than any other third party administrator in the State of Florida. An on-line claims access system is available to members of the Trust.

Managed care services are furnished by Corvel Corporation. With providers throughout all 67 counties in Florida, Corvel offers one of the broadest networks in the state.

As a Trust, PGIT is not eligible for a rating from A. M. Bests. In the event that PGIT is unable to meet its claim payment obligations, there is no protection provided by the State Guarantee Fund. PGIT is not assessable, however. This means each member is responsible for only their own claims, and not for the claims of any other member. In contrast to other governmental trust funds, PGIT provides unequalled financial security. This is achieved by providing statutory excess coverage above \$50,000 per claim. Reinsurance is provided by a highly rated insurance company.

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**VILLAGE OF KEY BISCAYNE**

**PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT)  
OVERVIEW**

Preferred Governmental Insurance Trust is a fully funded workers' compensation insurance facility, that together with the Preferred Governmental Insurance Trust public entity package product, comprises the Preferred Governmental Insurance Program. Program Management Services is the Administrator throughout the State of Florida.

PGIT represents the most financially secure alternative for municipalities, counties, special districts and schools for statutory workers' compensation and employer's liability coverage, with a foundation built upon a personalized service commitment to its members, customized loss control initiatives and aggressive claims management.

A variety of risk financing and pricing options are available, from traditional guaranteed cost to deductible programs, to loss sensitive retrospective rating plans.

To market the program, Program Management Services has partnered with select brokers in Florida who specialize in the public sector and have a significant book of existing governmental business.

Following is a brief overview of the Trust structure and service components:

- 1. Legal Structure**
  - Multi-line intergovernmental pool
  - Governed by Board of Trustees comprised of elected officials
  
- 2. Marketing**
  - Program Management Services, Lake Mary
  - Kurt Heyman, Vice President-Marketing
  
- 3. Underwriting**
  - Program Management Services, Lake Mary
  - Laura Vedrin, Vice President, Workers' Compensation Programs
  - Janice Gadson, Underwriting Assistant
  - Pam Lester, Underwriting Assistant
  
- 4. Loss Control**
  - Mr. Tom Schieffelin, RMPE-Director of Loss Control
  - State of Florida approved program

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**VILLAGE OF KEY BISCAWAYNE**

- 5. Policy Issuance**
  - Program Management Services, Lake Mary
  - PDS Management System
  - Integrates interlocal agreement to participate with NCCI rules and regulations
  
- 6. Auditing**
  - Program Management Services, Lake Mary
  - Quarterly self audits
  
- 7. Claims**
  - Contractually provided for PGIT by JLT Insurance Services Company (formerly known as Insurance Servicing & Adjusting Company), located in Lake Mary, Florida
  - Handled Florida League Workers' Compensation claims for ten years
  - Toll free first notice of injury reporting line (800) 275-4626
  - Toll free claims servicing line (800) 237-6617
  - On line claims system available for members
  - Seven offices throughout the State of Florida
  
- 8. Managed Care**
  - Corvel Corporation – Orlando
  - Featured services include utilization review, case management, early intervention program
  - Comprehensive managed care network in all 67 counties
  
- 9. Excess/Reinsurance**
  - Provided by Preferred Governmental Insurance Trust
  - Cut-through endorsement furnished to each member entity guaranteeing claim payments beyond the first \$50,000 of every claim
  - Protected by the State Guaranty Fund
  
- 10. Accounting**
  - Larry Shores, CPA, External Accountant, Shores & Company
  - Specializes in intergovernmental pools
  - Audited financial statements as required by the State of Florida

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**VILLAGE OF KEY BISCAYNE**

**Preferred Governmental Insurance Trust  
Board Members**

The Honorable Robert E. Walker – Mayor of Springfield

The Honorable Dwight E. “Ed” Wolf, II – Mayor of Wildwood

The Honorable Joanna Wilkinson – Mayor of Haines City

Tom Rice, Sr., Supervisor - South Indian River County Water Control

Charles C. Walsey, Vice President – Indian River Trail Improvement District

Benny Strickland, Chairperson – Sumter County BOCC

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**VILLAGE OF KEY BISCAYNE**

**PGI RISK ADVISORY BOARD**

The Risk Advisory Board is comprised of staff from various public entities that participate in the Trust. This board, which will work closely with the Board of Trustees, will serve as a valuable mechanism to monitor member feedback, and will develop programs and services to benefit the entire PGI membership.

The Risk Advisory Board has initially been created in direct conjunction with the Preferred Governmental Insurance Trust. The majority of our members participate in both PGIT and the Preferred Governmental Insurance Trust property and liability insurance program, which together comprise the Preferred Governmental Insurance (PGI) program. Thus, it is the objective of the administrator to eventually broaden the scope of the Risk Advisory Board to encompass the entire PGI program.

Following is a list of current Advisory Board members:

<b>Name</b>	<b>Entity</b>	<b>Title</b>
Parrish Barwick	Wakulla County BOCC	County Administrator
Sandra Howell	Sumter County BOCC	Supervisor of Administrative Services
Genny Turano	Utilities Commission of City of New Smyrna Beach	Risk Manager
Neville Turner	Kissimmee Utilities Authority	Risk Manager
Elaine Trehy	City of Madeira Beach	Director/Administrative Services
Frank Hancock	St. Johns Water Management District	Risk Manager
Jim Dalke	Marion County/City of Ocala	Risk Manager
Jeanette Horton	Bal Harbour Village	Village Clerk
Larry Napier	City of Fellsmere	Finance Director
Sherree Pitzarell	Gilchrist County BOCC	Deputy Clerk
Sue Taylor	City of Jacksonville Beach	Risk Manager
Al Pennell	Melbourne-Tillman Water Control	Administrator

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## **VILLAGE OF KEY BISCAYNE**

### **AN INTRODUCTION TO YOUR SERVICE TEAM**

**Todd Higley**

Public Entity Vice President

Will be responsible for all aspects of your program. In addition, Mr. Higley is responsible for all of the day to day operations of the Public Entity Division.

**Christine Faver, AAI**

Customer Service Manager

Responsible for daily office operations and quality control as respects to customer service.

**Bonnie Krigsman**

Account Manager

Will assist all aspects of your program, including endorsements, client services, accounting and quality assurance.

**Agnes Bentz**

Customer Service Representative

Responsible for daily service of your account including endorsement and certificate requests, property and automobile schedules, reporting and following up of claims, quality assurance, and assisting the vice president and the account manager with any other service required.

***Our Service Team philosophy focuses on accountability at all levels of account management. Our goal is not simply to meet your service needs, but to exceed them. All of the employees at RMA are dedicated to achieving this goal and distinguishing ourselves from the competition. Resumes for the above referenced personnel are available upon request.***

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# R | M | A

Risk Management Associates

## VILLAGE OF KEY BISCAYNE

### PROPERTY

<u>Proposed term:</u>	October 1, 2003 – October 1, 2004
<u>Company:</u>	Preferred Governmental Insurance Trust (Not Rated by A. M. Best)
<u>Limits of Liability:</u>	\$12,981,070 Blanket for Building/Contents \$1,000,000 Flood Sublimit
Electronic Data Processing	\$288,829 Hardware, Software, Breakdown
Contractor's/Mobile Equipment	\$173,460
Watercraft	\$5,000
Miscellaneous Equipment	\$278,381
<u>Deductible Options:</u> <b>Option #1:</b>	\$5,000 Per Occurrence – Buildings and Contents \$5,000 Per Occurrence – Inland Marine 3% of \$12,981,070 Per Occurrence/Per Damaged location for Named Windstorm subject to minimum of \$20,000 Per Occurrence Flood: Zones A or V – Excess of maximum limits (building and contents) available from NFIP\ whether purchased or not \$5,000 Flood Other than Zones A or V
<b>Option #2:</b>	\$10,000
<b>Option #3:</b>	\$25,000
<b>Option #4:</b>	\$50,000
<b>Option #5:</b>	\$100,000

#### Coverage:

Special Form (formerly “All Risk”), subject to standard policy exclusions.

Replacement cost applicable to Buildings, Contents and EDP.

All other covered property paid per policy form.

No Coinsurance Clause

Actual Cash Value applies to Piers, Docks and Wharves

Certain coverages subject to sublimits as stated in policy

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**R | M | A**  
Risk Management Associates

**VILLAGE OF KEY BISCAYNE**

Covered Property:

Buildings or structures newly acquired, occupied or constructed:	\$1,000,000
Personal property newly acquired:	\$ 250,000
Personal property temporarily away from premises:	\$ 100,000
Personal property of others: (limited to \$1,000 per volunteer, \$2,500 per employee)	\$ 50,000

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**VILLAGE OF KEY BISCAYNE**

**PROPERTY**

Notes of Importance:

1. A signed schedule(s) of property for all property to be insured is required within 30 days of binding. The following information should be included:
  - Street address or plat description
  - 100% replacement cost value of all property to be insured
  - Brief description of the construction of all buildings or structures at each location.
2. Functional Replacement Cost applies to buildings over 65 years old or with historical/landmark status.

*Please refer to policy form on how above coverage applies. Subject to deductibles and restrictions as stipulated in policy. PGIT's liability for loss or damage will be limited only to the loss or damage due a covered cause of loss.*

**EQUIPMENT BREAKDOWN**

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**VILLAGE OF KEY BISCAYNE**

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

Coverages:

Equipment Breakdown Limit	\$12,981,070
Property Damage	\$12,981,070
Extra Expense	\$5,000,000
Data or Media	\$100,000
Spoilage	\$50,000
Utility Interruption	\$100,000
Ammonia Contamination	\$100,000
Hazardous Substance	\$100,000
Water Damage	\$50,000

Deductibles: Same as Property

Notes of Importance:

- ◆ Period of Restoration 180 days

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**VILLAGE OF KEY BISCAYNE**

**SPECIAL PROPERTY COVERAGES**

Standard ISO property coverages are provided in the Preferred Governmental Insurance Program, as well as the following:

<b>COVERAGE</b>	<b>LIMIT</b>
1. Business Interruption	\$100,000
2. Extra expense	\$100,000
3. Valuable papers	\$250,000
4. Accounts receivable	\$100,000
5. Computer equipment and electronic media	<b>\$288,829</b>
6. Fine arts (maximum per item \$5,000)	\$100,000
7. Mobile, portable, or contractor's equipment	<b>\$173,460</b>
8. Rented, leased or borrowed property	\$ 50,000
9. Miscellaneous property (if included in property schedule)	<b>\$278,381</b>
10. Trees, shrubs, and landscape planting (maximum per tree \$1,000)	\$ 25,000
11. Golf course greens and tees (maximum any one green or tee \$5,000)	\$ 50,000
12. Food spoilage	\$ 10,000
13. Animals (maximum per animal \$1,000)	\$ 25,000
14. Paved surfaces	\$100,000
15. Commandeered property or impounded property	\$100,000
16. Emergency service portable equipment	\$250,000
17. Communications equipment	\$ 50,000
18. Vacant buildings	Per Form

***Please refer to policy on how above coverage applies. Subject to deductibles and certain restrictions. Above coverage is provided to you as part of the blanket limit of insurance. If higher limits are required, they will be stated in the property or inland marine sections of this proposal, but will remain a part of the blanket limit of insurance.***

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# R|M|A

Risk Management Associates

## VILLAGE OF KEY BISCAYNE

### EXTENSIONS OF COVERAGE

The limits below are in addition to the blanket limit of insurance but subject to the blanket limit deductible shown in the property section of this proposal:

<b>COVERAGE</b>	<b>LIMIT</b>
1. Preservation of property	\$100,000
2. Fire Department service charge	\$ 25,000
3. Repair of theft damage to non-owned buildings	\$ 50,000
4. Debris removal: the greater of 25% of loss or	\$250,000
5. Increased cost of construction: greater of 15% of value of damaged bldg. or	\$250,000
6. Pollutant clean up and removal:	\$ 50,000
7. Arson and crime reward	\$ 10,000
8. Utility interruption (excluding Transmission & Distribution)	\$100,000
9. Sewer back up during flooding	\$ 25,000

***Please refer to policy form on how above coverage applies. Subject to deductibles and restrictions as stipulated in policy. Preferred Governmental Insurance Trust's liability for loss or damage will be limited only to the loss or damage due a covered cause of loss.***

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# R|M|A

Risk Management Associates

## VILLAGE OF KEY BISCAYNE

### MAJOR PROPERTY EXCLUSIONS

#### Property Not Covered:

1. Accounts, bills, currency, or other moneys, deeds, food stamps, or other evidences of debt, scrip, notes or securities except under conditions described in “Special Property Coverages” section of the policy.
2. Automobiles
3. Dams, levees, reservoirs, tunnels, bridges, roadways, walks, patios, or other paved surfaces except under conditions described in “Special Property Coverages” section of the policy.\*\*
4. Contraband, or property in the course of illegal transportation or trade.
5. Cost of excavations, grading, backfilling, or filling.\*\*
6. Land, water, and growing crops.
7. Bulkheads, pilings, piers, wharves, or docks unless scheduled.
8. Property covered under another coverage form of this or any other policy in which it is more specifically described.
9. Retaining walls that are not part of buildings you own.\*\*
10. Underground tanks, pipes, flues, sewers, or drains you own that are not located on “premises” insured under this policy.
11. Electrical or communication lines, towers, and poles you own that are not located on a “premises” insured under this policy.
12. Buildings that are “vacant” except under conditions described in “Special Property Coverages” section of the policy.
13. Watercraft not included in the schedule provided to the company.
14. Personal property while airborne or waterborne
15. Aircraft

#### Excluded Risks of Direct Physical Loss:

1. Building ordinance enforcement
2. Collapse
3. Water, except as provided under “Extensions of Coverage”
4. Utility failure, except as provided under “Special Property Coverages”
5. Government action
6. War, military action and terrorism
7. Mold
8. Nuclear reaction
9. Pollution, except as provided under “Extensions of Coverage”
10. Asbestos
11. Earthquake

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Risk Management Associates

VILLAGE OF KEY BISCAYNE

CRIME/EMPLOYEE DISHONESTY

Proposed term: October 1, 2003 – October 1, 2004

Company: Preferred Governmental Insurance Trust (Not Rated by A.M. Best)

Limits of Liability and Coverage:

Table with 2 columns: Coverage Type and Amount. Rows include Employee Dishonesty, Theft, Disappearance, and Destruction, Forgery or Alteration, and Computer Fraud.

Notes of Importance:

- 1. Employee dishonesty coverage is extended to cover those employees required by Florida Statute to be separately bonded. Coverage applies in excess of the statutory bond amount.
2. Electronic Transfers are automatically covered under Computer Fraud.
3. Excludes Faithful Performance

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Risk Management Associates

VILLAGE OF KEY BISCAYNE

GENERAL LIABILITY

Proposed term: October 1, 2003 – October 1, 2004

Company: Preferred Governmental Insurance Trust (Not Rated by A.M. Best)

Limits of Liability:

Table with 2 columns: Description and Amount. Rows include Primary Bodily Injury and Property Damage Liability, Excess Bodily Injury and Property Damage Liability, and General Aggregate.

Table with 2 columns: Deductible Options and Amount. Rows include Option #1 through Option #5.

Coverage:

- 1. EMT/Paramedic Professional Liability
2. Premises operations
3. Products and completed operations
4. Fire legal liability - \$50,000
5. "Insured" contracts
6. Host liquor law liability
7. Broad form property damage
8. Watercraft liability (under 52 feet)
9. Limited worldwide coverage
10. Additional persons insured
11. Employee Benefits Liability (Claims-made basis)-Retro Date 10/1/00 Limits \$5,000,000 Occurrence/\$10,000,000 Aggregate
12. Failure to Supply Water
13. Principle of Eminent Domain including Inverse Condemnation - \$100,000 Per Occurrence/Annual Aggregate

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## VILLAGE OF KEY BISCAYNE

### Notes of Importance:

1. "Primary" bodily injury and property damage liability provides full tort liability based on Florida Sovereign Immunity limits under F.S.768.28.
2. Excess bodily injury and property damage liability is limited to legislative claims bills and claims subject to federal or out-of-state jurisdictions.
3. Premium is not audited.
4. Defense Costs are paid in addition to policy limits

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## **VILLAGE OF KEY BISCAYNE**

### **LIABILITY COVERAGE - MAJOR EXCLUSIONS**

- Expected or intended injury
- Workers' Compensation and similar laws
- Employment-Related practices
- Employer's Liability
- Pollution
- Automobiles
- Aircraft and airports
- Damage to owned property
- Asbestos
- Nuclear
- Health care facilities
- Hospital/Clinic Medical Malpractice
- War
- Law Enforcement Professional Liability

*For additional exclusions and more details on how they apply, please refer to coverage form.*

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**VILLAGE OF KEY BISCAYNE**

**LAW ENFORCEMENT LIABILITY**

Proposed term: October 1, 2003 – October 1, 2004

Company: Preferred Governmental Insurance Trust  
(Not Rated by A.M. Best)

Limits of Liability:

Primary Bodily Injury and Property Damage Liability – F.S. 768.28 (Note 1)	\$100,000 Per Person \$200,000 Per Occurrence
Excess Bodily Injury and Property Damage Liability (Note 2)	\$900,000 Per Person \$800,000 Per Occurrence
General Aggregate:	\$5,000,000

Deductible Options:

<b>Option #1:</b>	\$10,000 Per Occurrence
<b>Option #2:</b>	\$25,000
<b>Option #3:</b>	\$50,000
<b>Option #4:</b>	\$100,000

Coverage:

1. Pays damages the insured becomes legally obligated to pay because of a “wrongful act” resulting in “personal injury” or “property damage” in the performance of law enforcement activities.
2. Definitions of Personal Injury includes Bodily Injury, Death, Sickness, Disease, Humiliation, Mental Anguish, Mental Distress and Violations of Property Rights
3. Liability assumed in any mutual aid or reciprocal law enforcement contracts
4. Definition of “Employee” includes auxiliary law enforcement officers, reserve officers and volunteers
5. Broadened definition of “Who is an Insured”
6. Defense Costs are paid in addition to policy limits
7. Premium is not auditable
8. Deductible applied to money damages and claims expenses (including investigation, adjustment, and defense costs).

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## **VILLAGE OF KEY BISCAYNE**

### **Notes of Importance:**

1. “Primary” bodily injury and property damage liability provides full tort liability based on Florida Sovereign Immunity limits under F.S.768.28.
2. Excess bodily injury and property damage liability is limited to legislative claims bills and claims subject to federal or out-of-state jurisdictions.

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**VILLAGE OF KEY BISCAYNE**

**LAW ENFORCEMENT LIABILITY COVERAGE - MAJOR EXCLUSIONS**

- Contractual Liability (except mutual aid or reciprocal law enforcement contracts)
- Workers' Compensation, Employers Liability and similar laws
- Pollution
- Asbestos, Silica, Dust
- Lead
- War
- Personal Property in Insured's care, custody and control (except for property on persons at time of arrest)
- Criminal Acts
- Aircraft, Auto or Watercraft
- Employment Injury
- Non-Monetary Damages

*For additional exclusions and more details on how they apply, please refer to coverage form.*

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**R | M | A**  
Risk Management Associates

**VILLAGE OF KEY BISCAYNE**

**AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE**

Proposed term: October 1, 2003 – October 1, 2004

Company: Preferred Governmental Insurance Trust  
(Not Rated by A. M. Best)

Limits of Liability:

Primary Bodily Injury and Property Damage Liability – F.S. 768.28 (Note 1)	\$100,000 Per Person \$200,000 Per Occurrence
Excess Bodily Injury and Property Damage Liability (Note 2)	\$4,900,000 Per Person \$4,800,000 Per Occurrence
Personal Injury Protection	\$10,000 (statutory)
Uninsured Motorist	Rejected

Liability Deductible Options:

<b>Option #1</b>	Zero
<b>Option #2:</b>	\$2,500
<b>Option #3:</b>	\$5,000
<b>Option #4:</b>	\$10,000
<b>Option #5:</b>	\$25,000
<b>Option #6:</b>	\$50,000
<b>Option #7</b>	\$100,000

Physical Damage Comprehensive – 38 Vehicles  
Actual Cash Value Collision – 38 Vehicles

Deductible: \$1,000 Comprehensive  
\$1,000 Collision

Coverage and Notes of Importance:

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**R | M | A**  
Risk Management Associates

**VILLAGE OF KEY BISCAYNE**

- “Primary” bodily injury and property damage liability provides full tort liability based on Florida sovereign immunity limits under F.S. 768.28
- “Excess” bodily injury and property damage liability is limited to legislative “claims bills” and claims subject to federal or out-of-state jurisdictions.
- Hired and Non-Owned Liability is included.
- Need signed UM rejection form
- Premium is not audited.
- An Auto Schedule with Actual Cash Value is required within 30 days of binding.

**PUBLIC OFFICIALS LIABILITY**

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Risk Management Associates

VILLAGE OF KEY BISCAYNE

Proposed term: October 1, 2003 – October 1, 2004

Company: Preferred Governmental Insurance Trust  
(Not Rated by A. M. Best)

Form: Claims Made - Duty to Defend

Limits of Liability:  
\$5,000,000 Each Loss  
\$5,000,000 Annual Aggregate

Deductible Options: **Option #1** \$25,000 Per Wrongful Act  
**Option #2:** \$50,000  
**Option #3** \$100,000

Coverage:

- 1. Pays damages the insured becomes legally obligated to pay due to “wrongful acts” arising out of the discharge of duties.
- 2. Defense costs are included in the policy limit. The company appoints counsel.
- 3. Deductible applies towards damages, “claim expenses” and supplemental payments.
- 4. Full Prior Acts coverage provided
- 5. Broadened definition of “Who is an Insured”

Notes of Importance:

- 1. This quotation is subject to receipt and approval of completed and signed application prior to binding.
- 2. Excludes coverage for Employment Related Practices – (See EPL Coverage Section)

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Risk Management Associates

## VILLAGE OF KEY BISCAYNE

### PUBLIC OFFICIALS LIABILITY

**Major Exclusions included but not limited to:**

- Fiduciary Liability
- Workers Compensation, Employers Liability and similar laws
- Pollution
- Asbestos, Silica, Dust, Lead, Fungi and Bacteria
- Bodily Injury, Personal Injury, Property Damage or Advertising Injury
- War, Strikes or Terrorism
- Law Enforcement Activities
- Criminal Acts
- Failure to effect and maintain insurance
- Fines or penalties resulting from Non-monetary damages
- Insured vs. Insured
- Employment Practices
- Bonds, Taxes of Construction contracts
- Collective Bargaining Agreements
- Strikes and Lockouts
- Prior or Pending claims
- Damages arising out of Eminent Domain, Condemnation, Inverse Condemnation or Adverse Possession (except defense costs for these items, which are covered up to \$10,000 annually)
- Workers Adjustment and Retraining Notification Act
- Health Care Professional or Health Care Facilities
- Contractual Liability
- Capital improvement to make property more accessible or accomodating to disabled persons
- R.I.C.O.

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**R | M | A**  
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**VILLAGE OF KEY BISCAYNE**

**EMPLOYMENT PRACTICES LIABILITY**

Proposed term: October 1, 2003 – October 1, 2004

Company: Preferred Governmental Insurance Trust  
(Not Rated by A. M. Best)

Form: Claims Made - Duty to Defend

Limits of Liability:

\$5,000,000 Per Person  
\$5,000,000 Per Occurrence  
\$5,000,000 Annual Aggregate

Deductible Options:

<b>Option #1:</b>	\$25,000 Per Loss
<b>Option #2:</b>	\$50,000
<b>Option #3:</b>	\$100,000

Coverage:

1. Pays damages the insured becomes legally obligated to pay due to “wrongful employment practices” arising out of the discharge of duties.
2. Defense costs are included in the policy limit. The company appoints counsel
3. Deductible applies towards damages, “claims expenses” and supplemental payments
4. Full prior acts covered
5. Broadened definition of “Who is an Insured”
6. Defense costs (attorney) provided for claims or suits seeking relief or redress in any form other than monetary damages including EEOC hearings.

Notes of Importance:

- This quotation is subject to receipt and approval of completed and signed application prior to binding.
- Coverage included for sexual harassment (including physical contact)
- Definition of “Wrongful Employment Practice” extended to include discrimination misrepresentation, invasion of privacy, defamation, and retaliation, infliction of emotional distress, wrongful discipline, negligent evaluation, negligent hiring or supervision.

**EMPLOYMENT PRACTICES LIABILITY**

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**R | M | A**  
Risk Management Associates

**VILLAGE OF KEY BISCAYNE**

**Major Exclusions included but not limited to:**

- Criminal Acts
- Fiduciary Liability
- Pollution
- Asbestos, Silica, Dust, Lead, Fungi and Bacteria
- Bodily Injury, Personal Injury, Property Damage or Advertising Injury
- Self-Dealing or Illegal Profit
- Damages arising out of Eminent Domain, Condemnation, Inverse Condemnation or Adverse Possession
- War, Strikes or Terrorism
- Law Enforcement Activities
- Failure to effect and maintain insurance
- Fines or penalties resulting from Non-monetary damages
- Insured vs. Insured
- Workers Compensation or Similar Laws
- Bonds, Taxes of Construction contracts
- Collective Bargaining Agreements
- Strike and Lockouts
- Workers Adjustment and Retraining Notification Act
- Health Care Professional or Health Care Facilities
- Contractual Liability
- Prior or Pending claims
- RICO

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# R | M | A

Risk Management Associates

## VILLAGE OF KEY BISCAYNE

### WORKERS' COMPENSATION GUARANTEED COST

Proposed term: October 1, 2003 – October 1, 2004

Insurer: Preferred Governmental Insurance Trust

Class Code	Description	Estimated Payroll	Rate Per \$100	Estimated Premium
5509	Street or Road Maintenance	If any	11.34	0
7704	Firefighters & Drivers	2,413,669	11.18	269,848
7720	Police Officers & Drivers	1,998,392	11.18	223,420
8810	Clerical	1,116,807	.62	6,924
9102	Park NOC – Employees & Drivers	187,664	10.37	19,461
9410	Municipal NOC	563,203	13.91	78,342
	TOTALS	\$6,136,429		\$597,995

#### **Option #1 – Zero Deductible All Classes**

Estimated Manual Premium		\$597,995
Safety Program	2%	-\$ 11,960
Drug Free Workplace	5%	-\$ 29,302
Experience Modification	.79	\$439,819
Scheduled Credit	.7500	-\$109,955
Standard Premium		\$329,864
Stock Premium Discount	11.92%	-\$ 39,318
Normal Premium		\$290,546
Expense Constant		\$ 200
Estimated Discounted Premium		\$290,746

Payment Plan Quarterly: \$72,836.50 Due October 1, 2003  
\$72,636.50 Due January 2, 2004  
\$72,636.50 Due April 1, 2004  
\$72,636.50 Due July 1, 2004

#### **Please see additional options following**

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# R | M | A

Risk Management Associates

## VILLAGE OF KEY BISCAYNE

### WORKERS' COMPENSATION GUARANTEED COST

#### Option #2 - \$50,000 Deductible Presumption Claims Only

Class Code	Description	Estimated Payroll	Rate Per \$100	Estimated Premium
5509	Street or Road Maintenance	If any	11.34	0
<b>7704</b>	<b>Firefighters &amp; Drivers</b>	<b>2,413,669</b>	<b>10.06</b>	<b>269,848</b>
<b>7720</b>	<b>Police Officers &amp; Drivers</b>	<b>1,998,392</b>	<b>10.06</b>	<b>223,420</b>
8810	Clerical	1,116,807	.62	6,924
9102	Park NOC – Employees & Drivers	187,664	10.37	19,461
9410	Municipal NOC	563,203	13.91	78,342
	<b>TOTALS</b>	<b>\$6,136,429</b>		<b>\$548,580</b>

Estimated Manual Premium		\$548,580
Safety Program	2%	-\$ 10,972
Drug Free Workplace	5%	-\$ 26,880
Experience Modification	.79	\$403,475
Scheduled Credit	.8500	-\$ 60,521
Standard Premium		\$342,954
Stock Premium Discount	11.95%	-\$ 40,967
Normal Premium		\$301,987
Expense Constant		\$ 200
Estimated Discounted Premium		\$302,187

Payment Plan Quarterly: \$75,696.75 Due October 1, 2003  
\$75,496.75 Due January 2, 2004  
\$75,496.75 Due April 1, 2004  
\$75,496.75 Due July 1, 2004

**Please see additional options following**

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# R | M | A

Risk Management Associates

## VILLAGE OF KEY BISCAYNE

### WORKERS' COMPENSATION GUARANTEED COST

#### Option #3 - \$25,000 Deductible All Classes

Estimated Manual Premium		\$597,995
Deductible Discount	18.50%	-\$110,629
Subject Premium		\$487,366
Safety Program	2%	-\$ 9,747
Drug Free Workplace	5%	-\$ 23,881
Experience Modification	.79	\$358,453
Scheduled Credit	.7250	-\$ 98,575
Standard Premium		\$259,878
Stock Premium Discount	11.74%	-\$ 30,500
Normal Premium		\$229,378
Expense Constant		<u>\$ 200</u>
Estimated Discounted Premium		\$229,578

Payment Plan Quarterly: \$57,544.50 Due October 1, 2003  
\$57,344.50 Due January 2, 2004  
\$57,344.50 Due April 1, 2004  
\$57,344.50 Due July 1, 2004

#### Self – Insured Retention Options

<b>Option #4</b>	<b>\$200,000 Self Insured Retention</b>	<b>\$67,000</b>
<b>Option #5</b>	<b>\$300,000 Self Insured Retention</b>	<b>\$47,200</b>
<b>Option #6</b>	<b>\$350,000 Self Insured Retention</b>	<b>\$39,900</b>

#### Notes of Importance:

1. Employer's Limit of Liability is \$1,000,000/1,000,000/1,000,000.
2. For all Self Insured Retention options, insured is responsible for all taxes and Third Party Administrator cost. Preferred Governmental Claims Solutions is the only approved Third Party Administrator for PGIT.
3. Experience modification factor is subject to verification. Revised Experience modification factor will be applied upon receipt.
4. The final amount of credit is dependent upon compliance with program requirements.
5. Final premium subject to payroll audit.

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## VILLAGE OF KEY BISCAYNE

### PREMIUM RECAPITULATION

	<u>Annual Premium</u>	
<b>Property/Inland Marine/Equipment Breakdown</b>		
Option #1 - \$5,000 AOP Deductible	\$65,554	
Option #2 - \$10,000		\$58,930
Option #3 - \$25,000		\$55,618
Option #4 - \$50,000		\$50,650
Option #5 - \$100,000		\$45,682
<b>Crime/Employee Dishonesty</b>	<b>Included</b>	
<b>General Liability</b>		
Option #1 - \$Zero Deductible	\$64,186	
Option #2 - \$10,000		\$59,319
Option #3 - \$25,000		\$56,885
Option #4 - \$50,000		\$37,417
Option #5 - \$100,000		\$25,250
<b>Law Enforcement</b>		
Option #1 - \$10,000 Deductible	\$45,293	
Option #2 - \$25,000		\$40,000
Option #3 - \$50,000		\$35,000
Option #4 - \$100,000		\$30,000
<b>Automobile Liability and Physical Damage</b>		
Option #1 - \$Zero Deductible Auto Liability	\$47,307	
Option #2 - \$2,500		\$41,700
Option #3 - \$5,000		\$40,366
Option #4 - \$10,000		\$37,896
Option #5 - \$25,000		\$34,563
Option #6 - \$50,000		\$25,739
Option #7 - \$100,000		\$15,936
<b>Public Officials Liability/Employment Practices Liability</b>		
Option #1 - \$25,000 Deductible	\$61,669	
Option #2 - \$50,000		\$50,000
Option #3 - \$100,000		\$41,000

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## VILLAGE OF KEY BISCAYNE

### PREMIUM RECAPITULATION (continued)

#### Annual Premium

#### Workers' Compensation

Option #1 – 0 Deductible All Classes	\$290,746
Option #2 - \$50,000 Deductible Presumption Claims	\$302,187
Option #3 - \$25,000 Deductible All Classes	\$229,578
Option #4 - \$200,000 Self Insured Retention	\$ 67,000
Option #5 - \$300,000 Self Insured Retention	\$ 47,200
Option #6 - \$350,000 Self Insured Retention	\$ 39,900

**Total Premium:**

**Varies depending on Options Chosen**

#### Notes of Importance:

- ◆ PGIT is not protected by the Florida Guarantee Association in the event it becomes unable to meet its claims payment obligations.
- ◆ Quote subject to review and acceptance by PGIT Board of Trustees.
- ◆ Premiums are subject to change if ALL lines of coverage quoted are not bound.
- ◆ Florida surcharges have not been included above.
- ◆ Total Premium due within 30 days of inception

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VILLAGE OF KEY BISCAYNE

ACCEPTANCE OF PROPOSAL - PACKAGE POLICY

After careful review and consideration of the terms and conditions described herein,

I hereby accept / reject this proposal:
(please circle one)

Property Deductible Options: Option #1, Option #2, Option #3, Option #4, Option #5

General Liability Deductible Options: Option #1, Option #2, Option #3, Option #4, Option #5

Law Enforcement Liability Deductible Options: Option #1, Option #2, Option #3, Option #4

Auto Liability Deductible Options: Option #1, Option #2, Option #3, Option #4, Option #5
Option #6, Option #7

Public Officials/Employment Practices Deductible Options Option #1, Option #2, Option #3

(Name)
(Title)
(Date)

I hereby accept this proposal with the following changes:

- •
•

(Name)
(Title)
(Date)

Risk Management Associates has invested a significant amount of our time and resources towards providing you with a competitive insurance program. This proposal is an integral part of that effort, and as such, should be considered proprietary information. In the event we are unsuccessful in

The brief description of insurance coverage contained in this proposal is being provided as an accommodation only and is not intended to cover or describe all policy terms. For more complete and detailed information relating to the scope and limits of coverage, please refer directly to the policy documents. Specimen forms are available upon request.
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## **VILLAGE OF KEY BISCAYNE**

earning your good business, we respectfully request that all copies of this proposal be returned to our agency representative. If this proposal is left in your possession and is subsequently rejected, we will gladly refund you the cost of postage via U.S. Mail for it's expedient return.

Please note that this proposal is a brief summary only, provided for comparison purposes. The actual terms, conditions, coverages and exclusions will always be determined by the policy forms.

Increased limits of liability insurance are available. Please contact our office for a quotation at your convenience.



Risk Management Associates

VILLAGE OF KEY BISCAYNE

ACCEPTANCE OF PROPOSAL – WORKERS’ COMPENSATION

After careful review and consideration of the terms and conditions described herein,

I hereby accept / reject this proposal: Option #1, Option #2, Option #3, Option #4, Option #5 (please circle one) Option #6

(Name)

(Title)

(Date)

I hereby accept this proposal with the following changes:

- •
•

(Name)

(Title)

(Date)

Risk Management Associates has invested a significant amount of our time and resources towards providing you with a competitive insurance program. This proposal is an integral part of that effort, and as such, should be considered proprietary information. In the event we are unsuccessful in earning your good business, we respectfully request that all copies of this proposal be returned to our agency representative. If this proposal is left in your possession and is subsequently rejected, we will gladly refund you the cost of postage via U.S. Mail for it’s expedient return.

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# R | M | A

Risk Management Associates

## VILLAGE OF KEY BISCAIYNE

Guide to Bests Ratings		
Bests Category	Rating	Description
Secure	A++	Superior
Secure	A+	Superior
Secure	A	Excellent
Secure	A-	Excellent
Secure	B++	Very Good
Secure	B+	Very Good
Vulnerable	B	Fair
Vulnerable	B-	Fair
Vulnerable	C++	Marginal
Vulnerable	C+	Marginal
Vulnerable	C	Weak
Vulnerable	C-	Weak
Vulnerable	D	Poor
Vulnerable	E	Under regulatory supervision
Vulnerable	F	In liquidation
Vulnerable	S	Rating suspended
Not Rated	NR-1	Insufficient data
Not Rated	NR-2	Insufficient Size and/or operating experience
Not Rated	NR-3	Rating procedure inapplicable
Not Rated	NR-4	Company request
Not Rated	NR-5	Not formally followed
Rating modifier	u	Under review
Rating modifier	q	Qualified
Affiliation code	g	Group
Affiliation code	p	Pooled
Affiliation code	r	Reinsured

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

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

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# FLORIDA LEAGUE OF CITIES, INC.

PUBLIC RISK SERVICES

- Administration/Marketing
- Risk Control
- Underwriting  
Property & Casualty  
Health

Post Office Box 530065  
125 East Colonial Drive  
Orlando, FL 32853-0065  
800-445-6248  
407-425-9142  
Suncom 344-0725  
Fax 407-425-9378

- Health Claims  
Post Office Box 538140  
Orlando, FL 32853-8140  
800-756-3042  
407-245-0725  
Suncom 344-0725  
Fax 407-425-9378

- Workers' Compensation Claims  
Post Office Box 538135  
Orlando, FL 32853-8135  
800-756-3042  
407-245-0725  
Suncom 344-0725  
Fax 407-425-9378

- Property & Liability Claims  
Post Office Box 538135  
Orlando, FL 32853-8135  
800-756-3042  
407-245-0725  
Suncom 344-0725  
Fax 407-425-9378

September 15, 2003

Village of Key Biscayne  
ATTN: Randy White  
85 W. McIntyre Street  
Key Biscayne, FL 33149

Re: Florida Municipal Insurance Trust

We appreciate the opportunity to present you with our response to your recent insurance request. We welcome the occasion to meet with you to discuss this matter.

The Florida League of Cities Insurance Program was established in 1977 to provide affordable Workers' Compensation coverage and service to governmental entities. Liability, property and group health programs followed shortly thereafter and propelled the League into the recognized leader of such services in the state of Florida. In 1992 the programs were merged under the name of the Florida Municipal Insurance Trust.

The Trust, governed by a board of elected officials, is a non-assessable, non-profit, tax-exempt risk sharing pool. It has superior financial stability presently highlighted by \$255 million in assets, \$90 million in annualized premium, and over \$38 million in allocated surplus with approximately 500+ members. The FMIT offers a packaging of comprehensive general and automobile liability and property coverages including professional liability and remains on the **broadest claims payment basis (occurrence) with no annual payment limitation (aggregate).**

When examining other insurance markets, it is obvious that our self-insured group concept is a most attractive insurance alternative. To be certain, the FMIT is highly qualified to meet all your risk management needs. Our expertise in the areas of governmental coverages, coupled with our outstanding claims, loss control and fraud (SIU) departments translates to considerable service and savings over that of traditional markets.

Thank you for your time and consideration. We look forward to the chance to meet with you sometime in the near future.

Sincerely,

Chuck Wilde  
Account Executive

CH /nb

Enclosure

# FLORIDA MUNICIPAL INSURANCE TRUST

ANNUAL PREMIUM SUMMARY for 2003 - 2004

## VILLAGE OF KEY BISCAYNE

FMIT# 0298

Option 1 - GL and AL @ \$2,000,000

		<u>DEDUCTIBLE</u>	<u>LIMIT</u>	<u>NET PREMIUM</u>
<b>Liability Coverages</b>				
- Comprehensive General Liability		n/a	\$2,000,000	\$51,049
- Police Professional Liability		n/a	\$2,000,000	\$27,234
- Police Professional Liability Prior Acts		n/a	n/a	n/a
- Public Officials E & O		n/a	\$2,000,000	\$19,298
- Public Officials E & O Prior Acts Coverage		n/a	\$1,000,000	\$18,763
<b>Automobile Coverage</b>				
- Comprehensive Automobile Liability		n/a	\$2,000,000	\$17,687
- Personal Injury Protection (PIP)		n/a	\$10,000	Included
- Automobile Medical Payment		n/a	n/a	n/a
- Uninsured Motorist Protection		n/a	n/a	n/a
- Automobile Physical Damage		Per Schedule	n/a	\$8,995
<b>Workers' Compensation</b>				
- Employers' Liability		\$1,000,000/\$1,000,000/\$1,000,000		
- Total Payroll:	\$6,136,429	First Dollar	STATUTORY	\$296,797
- Experience Modification	0.790			
- Effective Date	10/1/2003			
<b>Property Coverage</b>				
- Coinsurance:	100%			\$159,147
- Valuation Basis:	Replacement Cost			
- Coverage Form:	Special			
- Blanket or Specific	Blanket			
- Total Real & Personal Property		\$5,000	\$12,981,070	
<b>Miscellaneous Coverages</b>				
- Business Income			\$250,000	Included
- Extra Expense			\$250,000	Included
- Valuable Papers		n/a	n/a	n/a
- Accounts Receivable		n/a	n/a	n/a
- Electronic Data Processing				
- Equipment:		Included In Contents		Included
- Software:		Included In Contents		Included
- Equipment Breakdown		Included In Contents		Included
- Inland Marine	Yes	Per Schedule		Included
- Inland Marine - Blanket Coverage	Yes	\$500		Included
- Crime/Bonds Coverages				
- Money and Securities -	Loss Inside:	None	n/a	n/a
	Loss Outside:	None	n/a	n/a
- Depositors' Forgery		n/a	n/a	n/a
- Bond Type *				
Honesty Blanket Bond			n/a	n/a
Honesty Blanket Position Bond			n/a	n/a
Faithful Performance Blanket Bond			n/a	n/a
Faithful Performance Blanket Position Bond			n/a	n/a

\*Certain Officers and Subordinates are excluded automatically from coverage by the terms of the designated Blanket Bonds:

1. All Coverages - Finance Directors, Treasurers and Tax Collectors by whatever title known.
2. Faithful Performance Coverages - Personnel required by law to furnish an individual bond to qualify for office (Policemen excluded).
3. Honesty Coverages - Personnel required by law to give bond for faithful performance duties.

**TOTAL ANNUAL FMIT PREMIUM**

**\$598,970**

SIR Services include Risk Control and Defensive Cost and Awards or Settlements for Liability, if applicable

**IMPORTANT NOTE:**

THE FMIT PREMIUMS INCLUDE A MULTI-LINE CREDIT BY COVERAGE BASED ON ACCEPTANCE OF ALL COVERAGES QUOTED. IF ONLY SELECTED COVERAGE ARE ACCEPTED, THE PREMIUM IS SUBJECT TO CHANGE.

Accidental Death and Dismemberment:

n/a

Bond (Public Official/Schedule Position):

n/a

Pollution:

n/a

Storage Tank Liability:

n/a

**GRAND TOTAL PREMIUM**

**\$598,970**

# FLORIDA MUNICIPAL INSURANCE TRUST

ANNUAL PREMIUM SUMMARY for 2003 - 2004

## VILLAGE OF KEY BISCAYNE

FMIT# 0298

Option 2 - GL and AL @ \$5,000,000

		<u>DEDUCTIBLE</u>	<u>LIMIT</u>	<u>NET PREMIUM</u>
<b>Liability Coverages</b>				
- Comprehensive General Liability		n/a	\$5,000,000	\$53,386
- Police Professional Liability		n/a	\$5,000,000	\$28,480
- Police Professional Liability Prior Acts		n/a	n/a	n/a
- Public Officials E & O		n/a	\$5,000,000	\$20,182
- Public Officials E & O Prior Acts Coverage		n/a	\$1,000,000	\$18,763
<b>Automobile Coverage</b>				
- Comprehensive Automobile Liability		n/a	\$5,000,000	\$19,827
- Personal Injury Protection (PIP)		n/a	\$10,000	Included
- Automobile Medical Payment		n/a	n/a	n/a
- Uninsured Motorist Protection		n/a	n/a	n/a
- Automobile Physical Damage		Per Schedule	n/a	\$8,995
<b>Workers' Compensation</b>				
- Employers' Liability		\$1,000,000/\$1,000,000/\$1,000,000		
- Total Payroll:	\$6,136,429	First Dollar	STATUTORY	\$296,797
- Experience Modification	0.790			
- Effective Date	10/1/2003			
<b>Property Coverage</b>				
- Coinsurance:	100%			
- Valuation Basis:	Replacement Cost			
- Coverage Form:	Special			
- Blanket or Specific	Blanket			
- Total Real & Personal Property		\$5,000	\$12,981,070	\$159,147
<b>Miscellaneous Coverages</b>				
- Business Income			\$250,000	Included
- Extra Expense			\$250,000	Included
- Valuable Papers		n/a	n/a	n/a
- Accounts Receivable		n/a	n/a	n/a
- Electronic Data Processing				
- Equipment:		Included In Contents		Included
- Software:		Included In Contents		Included
- Equipment Breakdown		Included In Contents		Included
- Inland Marine	Yes	Per Schedule		Included
- Inland Marine - Blanket Coverage	Yes	\$500		Included
- Crime/Bonds Coverages				
- Money and Securities -	Loss Inside:	None	n/a	n/a
	Loss Outside:	None	n/a	n/a
- Depositors' Forgery		n/a	n/a	n/a
- Bond Type *				
Honesty Blanket Bond			n/a	n/a
Honesty Blanket Position Bond			n/a	n/a
Faithful Performance Blanket Bond			n/a	n/a
Faithful Performance Blanket Position Bond			n/a	n/a

\*Certain Officers and Subordinates are excluded automatically from coverage by the terms of the designated Blanket Bonds:

1. All Coverages - Finance Directors, Treasurers and Tax Collectors by whatever title known,
2. Faithful Performance Coverages - Personnel required by law to furnish an individual bond to qualify for office (Policemen excluded),
3. Honesty Coverages - Personnel required by law to give bond for faithful performance duties.

**TOTAL ANNUAL FMIT PREMIUM**

**\$605,577**

SIR Services include Risk Control and Defensive Cost and Awards or Settlements for Liability, if applicable

**IMPORTANT NOTE:**

THE FMIT PREMIUMS INCLUDE A MULTI-LINE CREDIT BY COVERAGE BASED ON ACCEPTANCE OF ALL COVERAGES QUOTED. IF ONLY SELECTED COVERAGE ARE ACCEPTED, THE PREMIUM IS SUBJECT TO CHANGE.

Accidental Death and Dismemberment:

n/a

Bond (Public Official/Schedule Position):

n/a

Pollution:

n/a

Storage Tank Liability:

n/a

**GRAND TOTAL PREMIUM**

**\$605,577**

WORKERS' COMPENSATION PAYROLLS

<u>CODE</u>	<u>DESCRIPTION</u>	<u>PAYROLL</u>
7704	Firefighters & Drivers	2,410,091
7720	Police Officers & Drivers	2,051,389
8810	Clerical Office Employees NOC	780,879
9015	Buildings - Operation by Owner or Lessee	643,960
9102	Park NOC - All Employees & Drivers	127,101
9410	Municipal, Township, County or State Employee NOC	123,009
TOTAL PAYROLL		6,136,429

## GENERAL LIABILITY

### COVERAGES INCLUDE:

- Premises Operations
- Products/Completed Operations
- Contractual Liability (Designated Contracts Only)
- Owners' & Contractors' Protective Liability
- Personal Injury Liability
- Host Liquor Liability
- Incidental Medical Malpractice Liability
- Watercraft Liability
- Fire Legal Liability - \$250,000 Limit
- Broad Form Property Damage
- Advertising Injury Liability
- Supplemental Errors & Omissions - Subject to a \$2,500 Deductible
- Employee Benefits Program Administration Liability
- Extra Contractual Legal Expense - \$25,000 Limit

### IMPORTANT NOTE:

THE DELETION OF ANY OF THE ABOVE COVERAGES DOES NOT AUTOMATICALLY REDUCE THE PREMIUM. THESE PREMIUMS ARE BASED ON ALL OF THE ABOVE COVERAGES. ANY DELETIONS OF COVERAGE WILL ALTER THE EXPERIENCE MODIFICATIONS FACTOR ORIGINALLY USED AND MAY RESULT IN A HIGH PREMIUM.

### Prior Acts

Coverage for prior acts is retroactively extended for claims that occurred but were not reported to the designated member or to the Florida Municipal Insurance Trust until the effective date of coverage, whether or not reported to the prior insurer. No coverage will be provided for any occurrence that may cause a potential claim that the insured was aware of prior to the effective date of this endorsement and which was not reported to the prior insurer.

Retroactive Date: 10/1/99

## AUTOMOBILE PHYSICAL DAMAGE COVERAGE

### COVERAGE INCLUDES:

- Rental Reimbursement - scheduled vehicles
- Lease Differential - scheduled vehicles
- Limited Replacement Cost - owned private passenger vehicles
- Member's Personal Effects

### DEDUCTIBLES:

Comprehensive	1,000
Collision	1,000

## PROPERTY COVERAGE

### WINDSTORM, HAILSTORM AND WATER DAMAGE ARE EXCLUDED FOR ALL PROPERTY LOCATED WITHIN 1/2 MILE OF COASTAL WATERS

Blanket Inland Marine coverage is defined as: Coverage for all unscheduled Inland Marine equipment valued at \$15,000 or less subject to \$500 deductible.

The following additional coverages are included at no additional premium:

1. Newly acquired or constructed property - \$1,000,000.00 per locations
2. Valuable Papers and Records - Cost of Research - \$100,000.-- maximum per member per occurrence.
3. Outdoor Property/Signs - \$10,000.00
4. Accounts Receivable - \$100,000 maximum per member per occurrence.
5. Extra Expense - \$500,000.00 maximum per member per occurrence.
6. Excess Flood - \$500,000.00 maximum per member per occurrence.
7. Police Dogs - \$5,000.00 for death in line of duty.
8. Business Interruption - \$50,000.00. Applicable to water and wastewater treatment plants.
9. Terrorism - \$5,000,000.00 maximum per occurrence for loss or damage
10. Electronic Data Processing Equipment (Software) - \$10,000.00 per occurrence for mechanical breakdown.
11. Equipment Breakdown Coverage (Boiler & Machinery)

The above is only a summary of certain terms and conditions of the extension described. Please refer to the actual endorsement endorsement for complete details of coverages and limitations.

## WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

Employers' Liability Limits:

\$1,000,000	Each Accident
\$1,000,000	By Disease
\$1,000,000	Aggregate by Disease

The Workers' Compensation premium is subject to adjustment when the October 1, 2003 experience modification is received.

Premium calculation includes: 5% Drug Free Credit, 2% Safety Credit

**PLEASE READ THIS PAGE CAREFULLY**

**NO COVERAGES, TERMS OR CONDITIONS ARE TO BE ASSUMED.**

All Trust Programs are Non-Assessable

Terms of this Agreement:

Premiums shown are subject to year-end audit adjustments.

All coverages provided by the Florida Municipal Insurance Trust are on an occurrence format. The Florida Municipal Insurance Trust does not automatically include prior acts (tail) coverage.

**2003/2004 PREMIUM INSTALLMENT PLAN**

<u>First Installment</u>	<u>Second Installment</u>	<u>Third Installment</u>	<u>Fourth Installment</u>
25% minimum due October 1, 2003	25% minimum due January 2, 2004	25% minimum due April 1, 2004	25% minimum due July 1, 2004

Payment will be forward to the League Office in Tallahassee

For any other coverages, the premium is billed by the Florida League of Cities and due in full at inception, regardless of the size of premium

Forty-five (45) Days Notice of Cancellation and Non-Renewal

Fifteen (10) Days Notice of Cancellation for Non-Payment of Premium

## FLORIDA LEAGUE OF CITIES PUBLIC RISK SERVICES

Public Risk Services is a full service operation formed to administer the Florida League of Cities' sponsored Trust. This office is located in Orlando, Florida and includes four primary departments.

### MARKETING

Marketing and account service is provided for the Florida League of Cities' sponsored insurance trusts. Service is provided throughout the state with marketing representatives in geographically defined territories. The North portion of Florida is serviced by Tom Conley located in Tallahassee; the Central is serviced by John Ligon in Orlando; and the South is serviced by Chuck Wilde in Vero Beach.

### UNDERWRITING

Functions of this department include evaluating insurance exposures for prospective and current members; computing premiums for proposals, renewals and audits; and issuing policies. Department personnel are divided into four teams including a separate health unit along with territorial teams to work with each marketing representative. Additionally, premium billing and collection is coordinated between the Tallahassee and Orlando office.

### CLAIM ADJUSTING/MONITORING

An integral part of the service is both the claims adjusting and the monitoring functions. All claims are handled "in house" by League personnel.

### RISK CONTROL

The Florida League of Cities Risk Control services provides resources to address property, liability and workers' compensation losses. This includes implementation of a formal loss control program, field consultation, risk management/ safety training programs, field inspection and custom designed programs for specialized operations. In addition, the department provides risk bulletins and a monthly "Safety Update" newsletter for public entities. There is no cost to members associated with any of these resources.

**OVERVIEW OF THE FLORIDA  
LEAGUE OF CITIES SAFETY SERVICES**

The problems contributing to accidents, injuries and lawsuits involving public entities are understood to be much more complex than ever before. With your cooperation and our loss prevention expertise, success in loss avoidance/reduction is an attainable goal. Please take advantage of our services.

**1 SYSTEM 7**

This safety management program assists you in the implementation of a formal "measurable" loss control program. The League provides an orientation and all materials necessary to implement the program immediately. The success of cities on this program has been excellent. This program is the cornerstone for all of our other services.

**2 FIELD SURVEYS**

We assist you in making an initial jobsite safety assessment and provide materials that will facilitate periodic inspections to uncover unsafe workplace or worksite conditions that could result in loss.

**3 FIELD CONSULTATION**

The field consultation program provides members with advice regarding the development and implementation of meaningful policies and procedures that could assist the entity on managing their operations for success in loss avoidance. This service also includes a complete assessment of your present loss control efforts. Written recommendations accompany all field consultations.

**4 SAFETY TRAINING**

Workshops, seminars and other training formats are available to support your program. Examples of programs:

- (1) How to make accident investigations
- (2) Job hazard analysis
- (3) Accident investigation
- (4) Proper lifting
- (5) Proper hiring techniques
- (6) Recreational safety

**5 RISK BULLETINS & "LIFTING" PAMPHLETS**

Risk bulletins on a variety of subjects are available to support your efforts. A complete listing is available on request.

**6 CUSTOM SLIDE/VIDEO PROGRAMS**

If your operation is unique or circumstances dictate concerns of a specific nature, the League has the capability to develop an in-house "custom" program on "any" topic.

**7 NEWSLETTER**

Support your program with information and updates provided in our Monthly Safety Newsletter.

THERE IS NO ADDITIONAL COST FOR ANY OF THE ABOVE SERVICES. THEY ARE PROVIDED AS A MEMBER SERVICE OF THE FLORIDA LEAGUE OF CITIES.