

RESPONSE TO RFP NO. RMDX-150054-DD FOR  
**CITY OF GAINESVILLE**



**BROKER INSURANCE AND RISK  
MANAGEMENT CONSULTING SERVICES**



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Section # of RFP Document	Page # of RFP Document	Minimum Requirements	Section and/or Page # of the Proposal
II (B)	8	Minimum 10 years with public entities of equal size and complexity.	Page 6
II (B)	8	Experience with a power generating utility is required.	Pages 9 - 11
II (B)	8	Service team assigned should have experience with the marketing and placement of a complex insurance program, including the placement of a property program with a minimum total insured value of \$500,000,000.	Pages 13-16 and Pages 19-22
II (B)	8	Property placement must have a significant boiler and machinery component.	Page 11
II (B)	8	Service team should have a public entity client with a minimum insurance placement of \$3 million.	Pages 16-17
II (B)	8	Proposer shall have experience coordinating loss control visits with carriers.	Attachment B, page 65 question 32
II (B)	8	Must have experience with a power generating utility having at least 400MW of generating capacity.	Page 11
II (B)	8	Prior experience with a transit operation is preferred	Pages 11-12





## SECTION ONE

# OVERVIEW

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Marsh is the ideal risk management partner for the City and the most qualified to assist you in achieving your mission: *“We are committed to providing exceptional services that enhance the quality of life for the Gainesville community.”*

Just as the City is committed to its citizens - Marsh is committed to our clients!

The following are key differentiators of Marsh:

**Industry Leadership and Specialization** – Marsh has long understood the value of industry specialization. Within our Public Entity/Education Practice we have a unique network of over 550 national and global insurance and risk management professionals specializing in government issues and risk profiles. The Power and Utility Practice is a global network that serves as broker or advisor to many of the world’s utility companies. Nationally Marsh places business for over 270 utility clients. Our Power and Utility Practice ranks fourth among our specialty groups. Your local team, led by Lisa Shaw, with extensive risk management experience, will utilize our Public Entity and Power and Utility Practices in delivery of ‘Best in Class’ service and depth of resources to the City.

**Service Commitment** – We employ a truly consultative approach to client service. Your service team is acknowledged as an extension of the City’s risk management staff. We place a high priority on continuity and look to provide quality service year in and year out.

**Unmatched Depth of Services** – The Marsh Sunrise , Atlanta, Dallas, Chicago and New York offices are staffed with insurance professionals fully engaged with experience in every facet of insurance and risk management; broking, risk financing, captives, loss control, claims, contract review, and benchmarking.

**Technology** – Our ability to leverage technology for the benefit of our clients is invaluable. Our proprietary systems allow us to continually deliver professional services efficiently, while effectively reducing your administrative burden.

We sincerely desire to continue our longstanding partnership with the City.







## SECTION TWO

## BACKGROUND AND QUALIFICATIONS

## About Marsh

## Corporate Background

## 144+ Years of Excellence

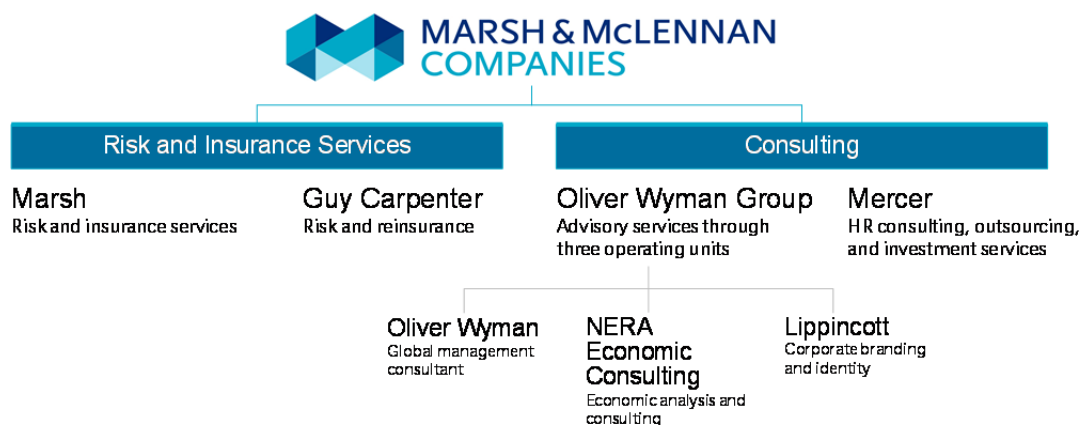
Marsh is the world's leading risk and insurance services firm, providing global risk management, risk consulting, insurance broking, financial solutions, and insurance program management services

Since 1871, Marsh, a global leader in insurance broking and risk management, teams with its clients to define, design, and deliver innovative industry-specific solutions that effectively manage risk. We have approximately 26,000 colleagues who collaborate to provide advice and transactional capabilities to clients in more than 100 countries. Marsh is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global team of professional services companies offering clients advice and solutions in the areas of risk, strategy and human capital. With 55,000 employees worldwide and annual revenue exceeding \$12 billion, Marsh & McLennan Companies is also the parent company of Guy Carpenter, a global leader in providing risk and reinsurance intermediary services; Mercer, a global leader in human resource consulting and related services; and Oliver Wyman, a global leader in management consulting.

Marsh's clients vary by size, industry, geography and risk exposures. Marsh is organized to serve clients efficiently and effectively, delivering tailored solutions based on complexity of the risk and global footprint, and matched to clients' buying styles.

Unlike our major competitors, Marsh always has been and continues to be based in the United States.

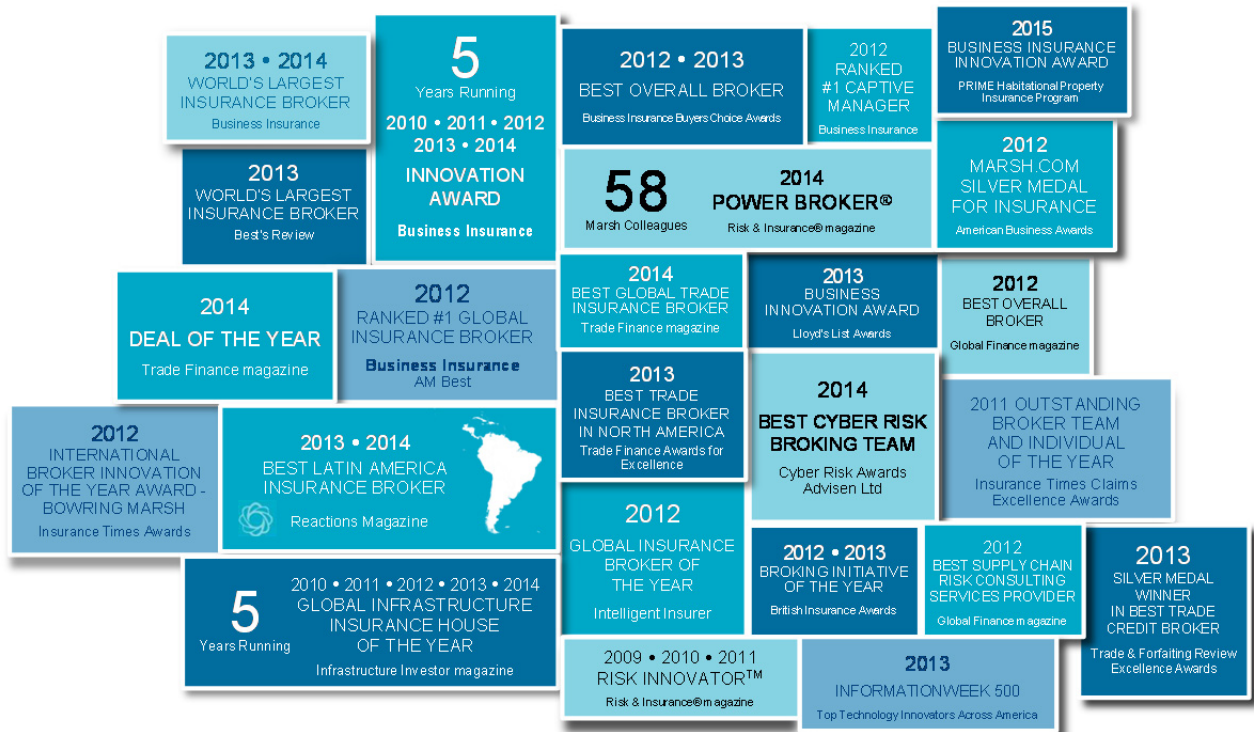
The diagram below displays the structure of Marsh & McLennan Companies.



Our mission is to help our clients thrive

## Awards and Recognition

Marsh and its employees around the world are the recipients of numerous industry awards for risk management innovation and client service.



## Focus and Expertise

### Industry Specialization

#### Public Entity Practice

Marsh has a longstanding and unequivocal commitment to the service of public sector clients. Marsh's Public Entity Practice has been in place more than 40 years and has unparalleled experience in procurement of governmental insurance. A key differentiator lies in the expertise of our Public Entity Practice, a focused group of professionals who specialize in the unique risk challenges of government entities. Marsh is an active supporter and participant in STRIMA, PRIMA, URMIA, AGRIP and other public entity risk management associations and forums.

This practice is structured to share information and expertise for your benefit. The City's local service team is supported by our national and global network of more than 550 Marsh public sector professionals that will be your trusted advisors with the resources and in-depth knowledge of the business of government. Our full-time global public entity team monitors the current trends within the industry from all perspectives — legal, finance, regulatory and insurance — to offer the State the best possible guidance for your risk management strategy and to provide customized, cost effective solutions designed to mitigate risk and contain loss.

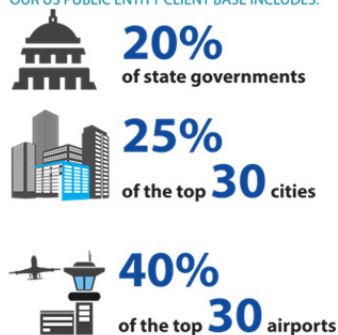
Marsh's Public Entity Practice regularly engages in group communications, discussions, and educational opportunities focused on identifying emerging issues within the public sector; discovering how peer public sector clients are managing their risk; staying abreast of the legal environment and Federal laws; and benchmarking insurance premiums and coverage costs. Your team has access to major insurance markets around the world and works closely with insurers that specialize in public entity risks to develop tailored solutions to meet the specific needs of our clients. We have experience with public entity risk management, insurance brokerage, self-insurance pool formation and administration, and alternative risk financing programs.

In the US, Marsh serves more than 500 individual public entities including states, cities, counties, schools, airports, transportation districts and governmental risk pools. Through our work with risk pools and education consortia, we assist several thousand governmental entities with their collective risk management needs. Our public entity practice places approximately \$166.4 million of premium into the marketplace each year.

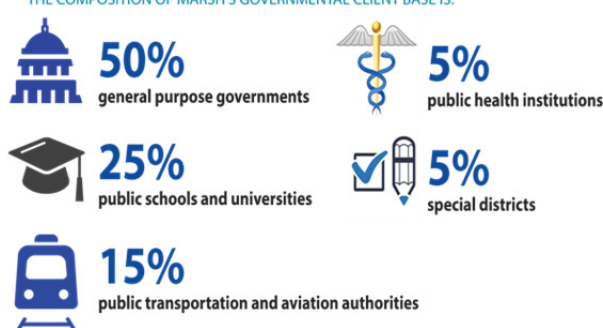
## MARSH'S PUBLIC ENTITY PRACTICE

Marsh works with more than 500 individual public entities across the country including states, cities, counties, schools, airports, transportation districts, and governmental risk pools.

#### OUR US PUBLIC ENTITY CLIENT BASE INCLUDES:



#### THE COMPOSITION OF MARSH'S GOVERNMENTAL CLIENT BASE IS:



In addition, we utilize various vehicles to educate our clients and colleagues and keep them abreast of ever-changing market and risk issues. The breadth and depth of our organization means that we have an unsurpassed amount of industry information that we can pass along to the City. The following are examples of our proven track record:

## WHAT VALUE DOES THE PUBLIC ENTITY PRACTICE PROVIDE TO THE CITY?

**Creativity:** Marsh is continuously at the forefront of new and emerging insurance and risk management challenges facing our public sector clients. Our industry leading solutions include the implementation of integrated risk programs and group captives.

**Value:** Your partnership with Marsh will provide you with access to key peer group benchmarking; solutions to emerging risk issues; and opportunities to interact with your public sector peers at upcoming events for our clients.

**Alignment with your professional organizations:** The Public Entity Practice is constantly monitoring and evaluating governmental developments relating to insurance and risk management, assuring our clients of early solutions to problems created by these changes. The team members are active supporters of PRIMA, STRIMA, AGRiP, PERI, PARMA, and CAJPA.

**Placement Specialists:** *Marsh is the only brokerage firm with placement specialists dedicated to the public sector.* This team of experts understands the need for stability in markets that are committed to enterprises like the City and provide the extensive coverage provisions mandates to the marketplace. They employ rigorous standards in the identification of primary and reinsurance markets to offer the broadest terms and conditions for our clients. Marsh has established industry best practices to be utilized by your team in their efforts to provide the broadest coverage by the most financially stable carriers.

**Marsh Risk Solutions:** The Public Entity network includes Marsh Risk Consulting (MRC) professionals who tailor their services to the public sector. Working together, we will identify risk exposures across your full scope of operations that need your immediate and near-term attention. Then, drawing on solutions available through Marsh, we will help the City build and execute a cost effective strategy for addressing these risks. MRC's Public Entity Consulting Practice has developed policies and procedures for assessing and benchmarking risk management practices specific to the public sector.

**Real-Time Knowledge Management:** Marsh's Public Entity Practice includes a practice Knowledge Manager (KM) who ensures that the network receives and has access to current trends within the industry from many different perspectives. The KM is an internal resource for the Marsh network and provides research of recent industry activity and emerging issues; product/solution identification and development. Your local service teams will gain access of this information via distribution of monthly internal newsletters; distribution of daily news feeds; research and response to network inquiries; client news distribution to key account personnel; and tracking of revenue and client/prospect activity.

Below, we highlight successes Marsh has achieved delivering services to similar public entity clients.

### EXCESS WORKERS' COMPENSATION: MARKETING EFFORT RESULTING IN COST SAVINGS

**Issue:** A municipality client requested options to reduce their \$10,000,000 SIR on their excess workers' compensation coverage.

**Solution:** Marsh provided options from three different carriers at three different SIR levels for the client's consideration.

**Benefit to Client:** The competition from this marketing effort resulted in a savings of 19% over the expiring premium at the \$10,000,000 SIR level. Competitive options at lower SIR levels were also presented.

### RISK IDENTIFICATION: IMPROVED RISK PROFILE LEAD TO REDUCED COST

**Issue:** We assisted a public entity with their risk identification process by looking at risk faced by all public entities and then comparing the results to the specific needs and circumstances of our client through an in-depth program review along with interviews of key stake holders. By looking at our client's risk and how their coverage and loss control efforts addressed their exposures, we were able to identify areas where improvements were needed.

**Solution:** Based on the findings we helped create and implement an action plan that enhanced both their coverage and loss control efforts enabling the entity to more efficiently and cost effectively address ongoing as well as emerging trends.

**Benefit to Client:** As a result of their improved risk profile, carriers offered more competitive quotes bringing rates down by 20%. Where they are self-insured the new loss control measures lowered the frequency and severity of losses thereby reducing their overall loss cost measures lowered the frequency and severity of losses thereby reducing their overall loss cost.

### RISK FOCUS: QUANTIFYING RISK

**Issue:** A public entity client's risk manager wanted validation that "all" risks applicable to its entity were being adequately identified and addressed.

**Solution:** Marsh originally demonstrated their "Risk Advisor" analysis program to the entity, pending the hiring of new personnel. Marsh then demonstrated "Risk Focus", a new more economical risk management tool developed by Marsh for their Public Entity clients. Marsh offered to perform a Risk Focus exercise for the entity with the stipulation that if the results from the Risk Focus were not adequate for their needs, the entity would have the option to secure a Risk Advisor analysis at no additional cost.

**Benefit to Client:** The entity was able to quantify their overall risk exposures from a strategic, operational, financial, and hazard basis with the certainty of one pre-established fee.

### EXCESS LIABILITY: "SLEEP INSURANCE"

**Issue:** Due to an adverse long-term loss history, a Public Entity client was unable to secure quotations for Excess Liability coverage through any of the markets contacted.

**Solution:** The Marsh team including Transaction Specialists, Marsh Risk Consulting and local Public Entity Practice members worked with the client to develop and put into place new internal procedures designed to help this client become a desired risk in the eyes of the insurance marketplace. These changes impacted internal training and hiring practices as well as the hiring of additional personnel to monitor the successfulness of the procedures in place. Through the acumen demonstrated by their efforts and their continued creative negotiation and presentation skills, Marsh was able to secure competitive quotations for the coverage.

**Benefit to Client:** This client was able to secure a much needed coverage allowing their Risk Manager the additional advantage of "sleep insurance".

## Marsh Power and Utilities Practice

Marsh's Power and Utilities Practice provides insurance industry consultation and risk management services for gas, water, electric, and renewable energy utilities, including independent power producers worldwide. We specialize in identifying the events, issues, trends, and regulations affecting the management of utility risks, and also specialize in understanding the ability of organizations in the industry to compete profitably.

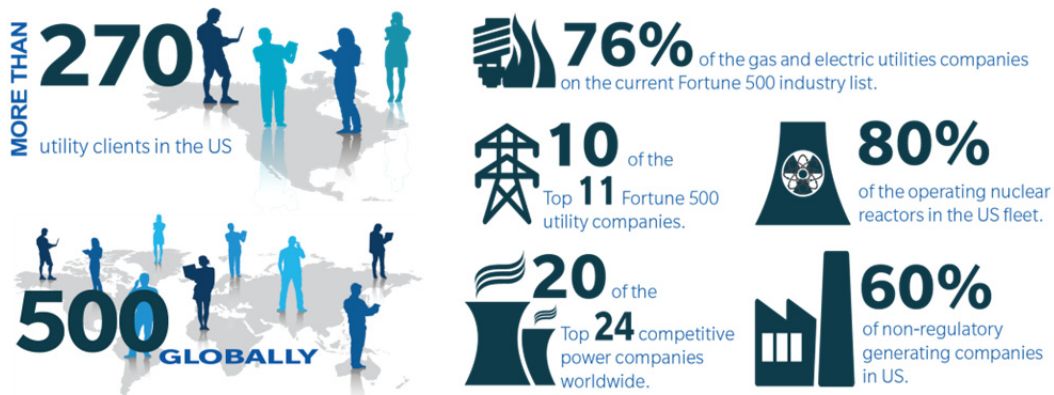
As a client of Marsh's Power and Utilities Practice, you have access to optimal risk engineering management and insurance solutions and our experts' extensive knowledge of power and utility operations and exposures. Client benefits include:

- Dedicated advice and support to help reduce the total cost of risk associated with power and utility exposures.
- Regular communication with Marsh colleagues throughout our global network about industry issues, new risk management tools, and other insights.
- Peer reviews on your insurance programs, facilitating continuous improvement, and addressing emerging issues.
- Industry-specific benchmarking studies and tools for the power and utility industry.

Marsh is the leading provider of insurance brokerage, property loss control, claims, and risk management solutions to the power and utilities industry. Marsh clients range in size from small, single-location merchant generation plants to local and state municipalities and agencies to large, fully-integrated utility companies. Our network of power experts continues to serve each of the top 10 U.S. gas and electric utilities listed in the Fortune 500.

Marsh's Power and Utilities Practice is comprised of more than 100 specialists. We manage more than \$900 million of insurance premiums for nearly 275 clients.

## MARSH'S US POWER & UTILITIES PRACTICE AT-A-GLANCE





## Power and Utility Industry Experience

Marsh is the leading provider of insurance brokerage, property loss control, claims, and risk management solutions to the power and utilities industry. Marsh clients range in size from small, single-location merchant generation plants to large, fully-integrated utility companies. Our network of power experts continues to serve each of the top 10 U.S. gas and electric utilities listed in the Fortune 500.

Marsh's Power and Utilities Practice is comprised of more than 100 specialists. We manage more than \$900 million of insurance premiums for more than 270 clients, including Florida Utility – Seminole Electric Cooperative - 600 (+) MW.

## Power Property

Marsh's power property specialists are well versed in all aspects of the property insurance discipline, including builders risk, business interruption, and inland marine. Our professionals work with clients to identify the full spectrum of property exposures and to provide solutions that help avert, mitigate, and transfer risk at optimal levels.

Marsh's utility property placements always include a significant boiler and machinery component. In order to obtain the broadest coverages available for boiler and machinery exposures, coverage is placed within the all-risk coverage form. By including boiler and machinery within the all-risk form, deductibles and premium cost for the boiler and machinery coverage is negotiated aggressively within the entire program premium terms and conditions. This allows the City of Gainesville to receive the broadest boiler and machinery coverage available at the lowest cost possible.

## When Marsh Property Places Newly Won Business, We Deliver:

- Unmatched local expertise in the design, marketing, and placement of global property insurance programs. This includes specialization in key coverage topics such as Terrorism.
- Unequaled global market access and market intelligence.
- Benchmarking data that allows us to drive the most competitive program costs and broadest coverage for our clients. Through our benchmarking we have been successful in achieving premium reductions up to 20% with enhanced coverages.
- Analytics that support our program design recommendations.

## Marsh Power and Utilities Differentiators

Marsh's Power and Utility Practice has earned its reputation as a leader in providing risk and insurance services to the power and utility industry by our understanding of the industry, the risks our utility clients face and our proven track record of executing on the design and delivery of cost effective risk management solutions. Additionally, through our dedicated risk engineering resources, we can evaluate, quantify, and provide informed estimates of Maximum Potential Loss (MPL) and Maximum Foreseeable Loss (MFL) scenarios that could impact BPA. This process in turn enables BPA to select appropriate sums insured and to more fully evaluate both insurable and uninsurable loss scenarios.

Our ability to benchmark the insurance and risk management arrangements of our clients helps us to ensure that best international risk management practices are presented to BPA for consideration and that the most favorable insurance terms are achieved.

## TENNESSEE VALLEY AUTHORITY (TVA)

TVA began exploring a property insurance program with Marsh for the first time in 2001. Their initial efforts were halted by the events of September 11 and the very tough insurance market conditions that followed. However, during these initial discussions, markets determined they needed additional information on exposures through engineering reports and more detailed claims experience.

In 2006 TVA again instructed Marsh to approach the insurance market. This time five years of loss data had been accurately captured and Marsh had updated and refreshed the engineering reports. These were widely accepted by the Insurance Market and helped in the detailed presentation of the risk and acceptance by the market of the exposure. Asset valuations were questioned by one or two markets, but after detailed explanation in the broking process the values presented were accepted by all Insurers.

Meetings were held with the global insurance market place (US, Bermuda, London and Zurich). These meetings included presentations by the Risk Management group and also by the operations group with the goal of introducing TVA to the market so that insurers could gain a greater understanding of the management philosophies and operating practices. Again underlying a central tenant of our insurance marketing strategy to foster and build relationships between clients and the markets that insure them.

A successful program was established with substantial limits and adequate deductibles. The loss control engineering program continued to be managed by Marsh Risk Consulting with AEGIS (the electric and gas insurance mutual) taking over the inspection role. Marsh was again able to foster successful relationship as TVA operations became acquainted with the insurance driven loss prevention focus. This evolved to such a degree that the success of the program was discussed at a breakout session at the annual Aegis policy holder's conference.

Seismic risk was of concern to underwriters. Marsh assisted in the presentation of these risk insurers by running the RMS catastrophe modelling system with input of modifiers to lower the anticipated annual loss and to lower the associated premium cost. This modelling and the data inputs have been added to the underwriting submission and helped reduce premium cost.

Risk Financing Optimization has also been run to find the efficiency frontier between premium cost and retention and this has further fine-tuned the premium costs associated with the program.

## LONG ISLAND POWER AUTHORITY (LIPA)

LIPA manages electricity transmission and distribution on Long Island and had been insured under the umbrella of National Grid who had responsibility for the operation of the system and also procurement of insurance.

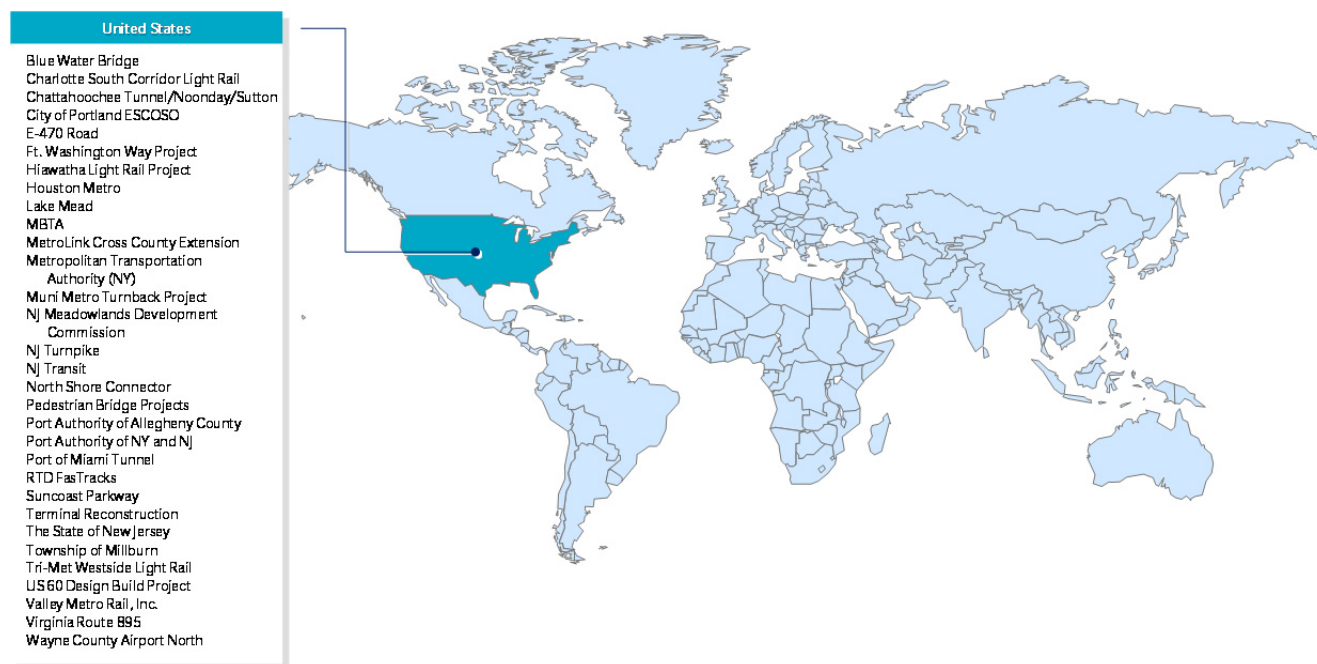
On January 1, 2014 PSEG took over the responsibility for operation of the system and also for procurement of insurance. This was also the first time that LIPA had purchased property insurance has a stand-alone entity.

Marsh Risk Consulting provided loss control engineering and helped produce underwriting reports. These included elevations and assessment to flood and storm surge exposures. These were included within the underwriting submission along with schedule of values and description of operations. A group underwriting presentation was arranged in the Marsh offices in New York and all leading and active insurers who provide insurance for power and utility companies attended. Presentations were given by the President and Chief Operating Officer of PSEG Long Island, and by the Vice Presidents of Transmission & Distribution and Business Services. This enabled markets to gather a thorough understanding of whom they would be insuring and their philosophies on management and risk.

Bids were solicited from markets who wanted to participate on the program with the program terms and conditions being set by a leading US industry mutual and a large European reinsurer thereby establishing a balance in market participation and diversification in insurance partners.

## Marsh Transportation Sector

Marsh provides insurance and risk management services to the transportation sector across the globe. Our global client base encompasses the comprehensive spectrum of road, rail, maritime and aviation asset holders in government-owned, private sector participation and privatization situations. We are involved in all stages of the project life cycle covering planning, design, financing, building and operation of infrastructure assets.



### Marsh Rail Practice

Marsh's Rail Practice delivers the industry's leading risk management services expertise to more than 200 railroad clients worldwide.

Rail is a growth industry with great potential. Worldwide interest in the socioeconomic benefits of healthy and efficient railway systems has led to the greatest investment in railroad expansion and upgrade in history.

Our Rail Practice is solely dedicated to deliver risk solutions and services to clients involved in transporting people and freight via rail. Our goal is to bring a level of intellectual capital and service delivery to our rail clients that has never been seen before, utilizing a platform that leverages the experience, expertise, and relationships of the worldwide

teams of Marsh Global Rail professionals and involved clients. We will concentrate not only on short term solutions and transactional opportunities, but also long term strategies and advocacy for railroads and the global rail industry.

The Rail Practice is here to help you provide the best service to Marsh rail clients. Marsh's transactional, claims management, and consulting capabilities, and the extended offerings of our Marsh & McLennan sister companies are complemented by the services of Marsh's Rail Practice. Clients hire a team that knows their business, and our rail practice is the first and only brokerage rail practice with an experienced railroad operations consultant on board.

Marsh's I Rail Practice looks at the world from the client's perspective. Our core team has 175 years of rail operations and insurance experience, which is unequaled in the industry. Our global reach platform is supported with more than 40 experienced rail insurance professionals in a dozen countries.

Marsh provides risk management services across the rail industry spectrum, including:

- Passenger and freight main line operators.
- Class I, Class II, Class III, and regional railroads.
- Terminal, switching, and industrial railroads.
- Urban and commuter rail operators.
- Railroad product manufacturers.
- Railcar leasing companies.
- Rail infrastructure managers.
- Locomotive and railcar repair services.

## TRANSPORTATION SUCCESS STORY

Marsh Risk Consulting's Forensic Accounting and Claims Services (FACS) Practice is one of the premier claims consulting practices in the United States with the ability to facilitate both FEMA and insurance claims processes. FACS has prepared hundreds of complex FEMA and insurance claims totaling billions of dollars after federally declared disasters, including Tropical Storm Allison, Hurricanes Charley, Frances, Ivan, Jeanne, Katrina, Rita, Wilma, Ike, and Irene, the 2008 Midwest Floods, and the 2010 Nashville Floods. Additionally, FACS is currently being retained by many organizations in the northeast to provide claim preparation and FEMA consulting services as a result of Super storm Sandy.

Marsh FACS has assisted North America's largest transportation network (New Jersey Transit – to be deleted) and the largest public transportation agency in North America (MTA – to be deleted) with their FEMA and insurance claim recoveries for Hurricane Irene and Super storm Sandy. We have successfully guided these public entity, transportation clients through the entire FEMA recovery process (i.e. applying for public assistance, attending the applicant's briefing and kick-off meetings, substantiating emergency/debris removal charges, developing scopes for permanent work, assisting with the preparation of project worksheets, establishing the proper documentation protocols, and managing the final closeout audit phase, including FEMA's Insurance Purchase Requirements). We understand FEMA's Insurance Purchase Requirements. More importantly, we have an in depth understanding of how each of FEMA's guidelines can impact those requirements. Our knowledge of the Stafford Act, FEMA PA 9500-series policy, rules, regulations, appeal rulings and - most importantly - provisions from the 44 Code of Federal Regulations (CFR) §206.250 through §206.253 will enable the Marsh Brokerage team to cater a dynamic insurance program to meet the evolving needs of COG.

## Designated Risk Practices

Marsh has the industry's largest group of professionals dedicated to helping clients manage risk and organized according to our clients' industries, risk issues, and size. Whatever the risks you face, your Marsh team will draw upon this expertise in specific lines of insurance to deliver innovative and effective solutions for risk identification, loss control, claim management, insurance placement and more.

All Marsh placement and servicing colleagues specialize in a particular risk practice (Property, Casualty, Aviation, Environmental, or FINPRO). Specialization is the key to developing the skill set that helps our people lead the market in technical knowledge and product innovation. Our specialists provide the City with expert advice on the design, negotiation, execution, and servicing of its insurance needs.

### RISK PRACTICE

- Understanding the developing business and legal environment to provide insight, guidance, and intellectual capital into these emerging risk issues.
- Increasing the potential for effective loss control through early identification of trends in the type, frequency, and severity of claims.
- Discussing and sharing risk management best practices within your sector.
- Learning and networking via chemical industry roundtables and webinars.
- Developing customized industry- and risk-specific benchmark reports.

### Property Practice

The US Property Practice encourages thought leadership in all aspects of the property insurance discipline, and our professionals work closely with clients to identify the full spectrum of property exposures and to provide solutions that help avoid, mitigate, or transfer risk. Our clients receive innovative and cost-effective risk management and insurance solutions as we leverage our in-depth knowledge of their property risks with our global capabilities.

### PROPERTY PRACTICE AT-A-GLANCE

- 750+ professionals.
- \$7.4+ billion in premiums placed annually.
- 79% of the Fortune 100.
- 47% of the Fortune 1,000.
- 20,000+ placements annually for 2,500 clients.
- Tier 1 wind exposure for nearly 30 percent of all clients.
- The 2015 premium is in excess of \$8 million with a total insured value of approximately \$37 million.

## Casualty Practice

The Casualty Practice focuses on clients' TCOR — Total Cost of Risk — and takes a holistic approach to efficient and effective TCOR mitigation from reducing risk transfer and claims handling costs to identifying and reducing loss costs from both a pre and post loss perspective.

### CASUALTY PRACTICE AT-A-GLANCE

- 1,600+ professionals.
- \$8.3+ billion in premiums placed annually.
- 82% of the Fortune 100.
- More than 40% of the Fortune 100 and Fortune 1000.
- 50,000+ placements annually for 10,000+ clients.

## FINPRO Practice

No other management liability broker offers the scope and depth of our Financial and Professional (FINPRO) Practice. With more than 40 years of innovation, program design, market strategies, and claims management expertise, through all market cycles, our FINPRO Practice has the knowledge and experience that will enable the City to stay ahead of changing market conditions, including cost, trending exposures, technical coverage issues and claims management.

FINPRO is represented in virtually every major Marsh office globally. As a Marsh client, the City would have access to experts that specialize in the liability exposures of Network Security and Information Privacy Liability (Cyber), Professional Liability (E&O), Public Officials, Crime, Employment Practices Liability (EPL), Fiduciary liability, Kidnap and Ransom, Crime, and any other areas of risk management where there may be insurance risk transfer solutions.

### FINANCIAL AND PROFESSIONAL (FINPRO) PRACTICE AT-A-GLANCE

- 900+ professionals worldwide.
- \$3.4 billion in premiums placed annually.
- 59% of the Fortune 100.
- 50% of the Fortune 250.
- 44% of the Fortune 500.
- 39% of the Fortune 1000.

## Aviation Practice

As an innovator and initiator for technical issues, Marsh is actively engaged in influencing and shaping significant changes within the aviation sector. We are thus able to influence new clauses and develop ideas which are used to our clients' benefit. In fact, the firm has pioneered many of the groundbreaking developments and expansions that have taken place in aviation insurance and risk management for more than half a century. We are frequently consulted by government entities on the insurance implications of aviation related legislation and the risk management issues involved in the development of policies and regulations. For most major insurers, Marsh is the single largest producer of aviation business worldwide. The volume and scope of our business has earned us an unparalleled market position across our product lines:

- General Aviation.
- Airlines.
- Financial Institutions.
- Aerospace Manufacturers and Suppliers.
- Space and Satellite Risks.

### AVIATION PRACTICE AT-A-GLANCE

- 250 aerospace professionals
- More than 1,000 clients.
- 3 of the top 5 largest insured airline fleets.
- 7 of the top 10 aerospace manufacturers.
- Some of the world's largest airports.
- More than 1.5 billion airline passengers.
- Premium volume in excess of \$2 billion.



## Environmental Practice

The Marsh Environmental Practice is much more than insurance brokerage. Advisors are commonly brought in early in any process to provide independent insight and advice around risks and solutions, including ideas that can enhance cash generation. This allows us to assist clients in assessing environmental risks and providing advice on alternatives so that an appropriate management decision can be made to enable and maximize business goals and objectives. We then execute on an array of consultative and insurance solutions to support and meet those goals and objectives.

## ENVIRONMENTAL PRACTICE AT-A-GLANCE

- 50 full-time environmental risk professionals.
- Place more premium into the market than any other broker —over \$500 million over the last 5 years.
- Enhanced coverage within standard policy structures and identification of risks requiring stand-alone policies.

## Placement and Advisory Expertise

Marsh is the only brokerage firm with full-time insurance placement specialists dedicated to Public Entity and Power/Utilities industries. Our placement specialists have mature relationships with key insurers. We have direct access to all necessary markets and carriers. Unlike our competition, we use full-time, dedicated placement teams who focus solely on the Public Entity and Power/Utilities marketplace.

<b>Ben Rios</b>	A former Florida resident for more than 40 years, an insurance professional specializing in utilities located in Florida since 1992, Ben understands the unique exposures of Florida utilities. Being a specialist in placing power and utility property, Ben has broad and extensive relationships with the US power and utility marketplace, including the Tennessee Valley Authority Team. Ben places over \$20M in property premium for utilities and large industrial risks based in the Southeast United States. Ben has the distinction of being on the Marsh team that won the City of Gainesville business in 2005.
<b>Jonathan McAnally</b>	Jonathan has over 10 years (15 in the industry) experience in the southeastern US property insurance market. Having placed COG's property program for nearly 5 years as well as being involved with other utilities throughout the region, Jonathan has an acute knowledge of the underwriting marketplace and risks faced by utilities. In addition to his role as Property Client Advisor, Jonathan manages the Property Advisory Practice of Marsh's Atlanta, GA office.
<b>Nancy Gratzner</b>	In her role as Atlanta Aviation Practice Leader, Nancy's responsibilities include management and direction of aviation insurance for Marsh clients in the southeastern United States. She has extensive knowledge of all aviation-related coverages and is an expert in corporate aircraft program design and placement. Nancy has 40 years of aviation insurance experience.
<b>Stephanie Sims</b>	Stephanie is a Senior Client Representative/Placement Representative in the Aviation Practice of Marsh's Atlanta office. In this role, her responsibilities include client advisory and the placement, marketing, servicing, and management of corporate aviation accounts, aviation products liability, commercial aviation operators, and aviation general liability. Stephanie has over 15 years of experience in account management and client servicing in the insurance industry, of which 8 years have been with Marsh.
<b>Michelle Perito</b>	Michelle Perito is a Placement Specialist in Marsh's Qualified Solutions Group in New York, where she is responsible for brokering FINPRO lines. Michelle uses her strong negotiation skills and knowledge of the marketplace to obtain the best possible terms for clients. Michelle joined Marsh in June 2014 and has spent over 12 years in the insurance industry. Prior to joining Marsh, Michelle was a wholesale broker specializing in Management and Professional Liability, EPLI, and Fidelity coverages for hard-to-place small to mid-sized private and non-profit companies.
<b>Matthew Kern</b>	Matthew is a Broker with Marsh's Environmental Practice and has extensive experience and expertise in serving municipalities, institutions, and power and utility clients in the area of environmental risk consulting and environmental insurance broking. Matthew has 18 years of experience in environmental risk management services, most recently with 5 years at Marsh and prior to that 13 years as an environmental paralegal at two international general practice law firms.
<b>Jim Wolfarth</b>	Jim is a Senior Vice President and the Casualty Leader of Marsh's Global Rail Practice. Jim has 30 years of casualty insurance broking experience including 20 years of railroad liability experience.

## Innovative Success Stories

### SUCCESS STORY#1 - CITY OF GAINESVILLE - 2014 PROPERTY RENEWAL

(Also answering question # 15 in RFP Attachment B-  
Aggressive Broking)

Strategy: To leverage the declining rates to obtain a lower renewal premium with existing panel of insurer without utilizing new carriers i.e. no outside competition

2014 Renewal- We were successful in negotiating a \$265,586 premium reduction, (9.1% rate reduction) with the existing insurers without outside carrier competition at a time when Florida utilities were experiencing flat to -3% rate reductions. This strategy provided substantial premium savings to the City of Gainesville without replacing any incumbent insurers. Thus allowing the incumbent carriers to collect another year of premium and increase their profitability which will be beneficial to COG in future renewal negotiations.

### SUCCESS STORY#2 - FLORIDA UTILITY -2014

(Also answering question # 15 in RFP Attachment B-  
Aggressive Broking)

Strategy: To secure a multi-year program with incumbent Insurer, obtain guaranty rate reduction with in the term and minimize additional premium for necessary value increase of \$350 (+) million

#### Result:

Restructured a large Florida utility's program by cancelling and re-writing the program with the existing insurer before 2014 year end. The new program was a three year term program deal in lieu of one year term offering a guarantee rate reduction during the multi-year term. Program included increasing values in excess of \$350 (+) million over the several years of the program with no additional premium charge for the increase in values each year until year the final year. The additional charge was only for the total value reported in the final year. This structure regarding values provided substantial additional savings to the utility by not having to pay additional premiums in the prior years of the multi-year term.

## Streamlined Service Model

### Your Mash Account Team

*The members of the Marsh service team have been selected based upon their applicable knowledge of clients such as the City and will leverage real-world experience and technical expertise in their respective discipline and servicing specialty to deliver outstanding outcomes.*

Our culture of collaboration and knowledge-sharing extends to our clients and their insurers, which will help you solve issues effectively and efficiently. Our proposed team pledges to:

- Respond to questions and requests in a timely manner.
- Provide you with new ideas and information.
- Maintain a monthly open-items list.
- Develop procedures to ease program administration and claims handling.
- Work with you to identify and manage risk to reduce your total cost of risk.
- Take an aggressive approach to controlling losses.
- Represent your interests in the insurance marketplace.
- Act as your advocate in the event of a claim.

Your Marsh team will collaborate with you to promote quality control. Our approach is client-focused and each member of your Marsh team is responsible for meeting established service standards and achieving specific goals. The City can expect to receive the highest quality service in everything we do.

### Team Chart



## Roles and Responsibilities

Team Member and Role	Responsibilities	Qualifications
<b>Lisa Shaw</b> Senior Vice President Client Executive	<ul style="list-style-type: none"> <li>• Works with Client to develop short- and long-term strategic goals.</li> <li>• Oversees quality of deliverables and enforces critical deadlines.</li> <li>• Seeks feedback on Marsh’s execution of projects and renewals through consistent dialogue.</li> <li>• Negotiates Marsh scope of services and compensation.</li> <li>• Ensures Client receives accurate and timely information and that expectations are exceeded.</li> </ul>	<ul style="list-style-type: none"> <li>• 23 years with Marsh.</li> <li>• 34 years in insurance industry.</li> <li>• 15+ Marsh Florida Public Entity and Education Expert.</li> <li>• 4 years on the City.</li> <li>• Manages 11 accounts, of which 6 are Public Entities.</li> <li>• Power/Utility and Transportation account management experience and utilization of Marsh industry practice resources.</li> <li>• Chartered Property Casualty Underwriter (CPCU).</li> <li>• Associate of Risk Management (ARM).</li> <li>• Certified Risk Manager (CRM).</li> <li>• Certified Insurance Counselor (CIC).</li> </ul>
<b>Vincent Zollo</b> Vice President Client Manager/Advisor	<ul style="list-style-type: none"> <li>• Coordinates service delivery from Client service team.</li> <li>• Coordinates renewal strategy discussions with Client Executive, service team and Client.</li> <li>• Resolves issues and assists with day-to-day service.</li> <li>• Provides contract review services as well as risk identification review and policy review to ensure the broadest available coverage.</li> <li>• Provides Client with market information.</li> </ul>	<ul style="list-style-type: none"> <li>• 14 years with Marsh.</li> <li>• 20 years in insurance industry.</li> <li>• Chartered Property and Casualty Underwriter (CPCU).</li> <li>• Certified Insurance Counselor (CIC).</li> </ul>
<b>Sandi Lee</b> Assistant Vice President Client Representative	<ul style="list-style-type: none"> <li>• Provides day-to-day support and Client service.</li> <li>• Assists with accounting/billing issues and policy administration.</li> <li>• Reviews policy documentation for accuracy.</li> </ul>	<ul style="list-style-type: none"> <li>• 19 years with Marsh.</li> <li>• 21 years in insurance industry.</li> <li>• Certified Professional Insurance Agent (CPIA).</li> <li>• Accredited Customer Service Representative (ACSR).</li> <li>• Licensed Broker in the State of Florida.</li> </ul>
<b>Resources</b>		
<b>Brad Harmes</b> Managing Director National Public Entity Practice	<ul style="list-style-type: none"> <li>• Managing director and risk pooling practice leader in Marsh’s National Public Entity Practice.</li> <li>• Develop alternative risk solutions for public entity clients.</li> <li>• Monitor governmental regulatory, legislative and compliance issues.</li> </ul>	<ul style="list-style-type: none"> <li>• 26 years with Marsh.</li> <li>• 36 years’ experience in public entity risk management and insurance programs.</li> <li>• Managed risk pooling, group captive, risk retention and residual market alternative programs.</li> <li>• Chartered Property Casualty Underwriter (CPCU).</li> <li>• Associate in Risk Management - Public Entity (ARM-P).</li> </ul>

Team Member and Role	Responsibilities	Qualifications
<b>Dan McGarvey</b> Managing Director Chair, US Power and Utility Practice	<ul style="list-style-type: none"> <li>Coordinates power and utility-related services.</li> <li>Offers strategic brokerage advice specific to Client.</li> <li>Gathers specialized resources to support Client's emerging needs.</li> </ul>	<ul style="list-style-type: none"> <li>26 years with Marsh.</li> <li>26 years in insurance industry.</li> <li>BS (with honors), US Naval Academy.</li> <li>MBA in finance (with honors), University of Rhode Island.</li> <li>Chartered Property Casualty Underwriter (CPCU).</li> <li>ARM, CEBS, AAI, AU, Are, AMIM, AFSB, ALCM, CRIM, AIC, ASLI.</li> <li>Retired Navy Commander</li> <li>Naval Nuclear Chief Engineer Certification.</li> </ul>
<b>Casualty</b>		
<b>Sandy McFarland</b> Senior Vice President Placement Specialist	<ul style="list-style-type: none"> <li>Develops program and coverage strategy specific to public officials.</li> <li>Ensures the prompt, professional delivery of the Client's FINPRO advisory and placement services.</li> </ul>	<ul style="list-style-type: none"> <li>14 years with Marsh.</li> <li>36 years in insurance industry.</li> <li>Knowledgeable with Public Official liability.</li> <li>Associate in Risk Management (ARM).</li> <li>Licensed broker.</li> </ul>
<b>Stacey Hughes-Garcia</b> Placement Representative	<ul style="list-style-type: none"> <li>Assist in the placement and marketing of Public Entity and Construction programs.</li> <li>Participate in all phases of the placement and marketing process as well as maintaining internal files and documents in order to ensure accurate and prompt service to clients.</li> </ul>	<ul style="list-style-type: none"> <li>16 years with Marsh.</li> <li>16 years in insurance industry. (Various Casualty areas including GRM and National Brokerage.)</li> <li>Licensed Broker.</li> </ul>
<b>Property</b>		
<b>Ben Rios</b> Senior Vice President Placement Specialist	<ul style="list-style-type: none"> <li>Negotiates placement with underwriters</li> <li>Enhances Client's access to insurers.</li> <li>Provides up-to-date market coverage, capacity, pricing, and other key information to Client as part of renewal strategies.</li> <li>Shares in-depth knowledge of markets' internal structure and target business.</li> <li>Attends Client/underwriter meetings.</li> <li>Contributes to property renewal strategy and program design</li> <li>Risk identification review and policy forms and endorsements review to ensure that the broadest available coverage is provided.</li> <li>Responsible for placing in excess of 35 programs a year with several insurance companies in certain programs.</li> </ul>	<ul style="list-style-type: none"> <li>9 years with Marsh.</li> <li>35 years in insurance industry.</li> </ul>
<b>Jonathan McAnally</b> Senior Vice President Advisory	<ul style="list-style-type: none"> <li>Overall responsibility for property renewal strategy, program design and placement.</li> <li>Negotiates placement with underwriters.</li> <li>Risk identification review and policy forms and endorsements review to ensure that the broadest available coverage is provided.</li> <li>Attends The City/underwriter meetings.</li> </ul>	<ul style="list-style-type: none"> <li>15 years with Marsh.</li> <li>15 years in insurance industry.</li> </ul>

Team Member and Role	Responsibilities	Qualifications
<b>Aviation</b>		
<b>Nancy Gratzer</b> Senior Vice President Advisory	<ul style="list-style-type: none"> <li>Overall responsibility for aviation renewal strategy, program design, and placement.</li> <li>Negotiates placement with underwriters.</li> <li>Risk identification review and policy forms and endorsements review to ensure the broadest available coverage is provided.</li> <li>Attends The City/underwriter meetings.</li> <li>Represents The City's risk to the aviation insurance marketplace.</li> <li>Leads renewal strategy meeting and negotiates coverage terms and pricing on The City's behalf.</li> <li>Provides advice on key issues facing corporate aviation flight departments.</li> </ul>	<ul style="list-style-type: none"> <li>35 years with Marsh.</li> <li>39 years in insurance industry.</li> <li>35 years CMT experience.</li> </ul>
<b>Stephanie Sims</b> Senior Client Representative/Placement Representative	<ul style="list-style-type: none"> <li>Provides day-to-day support and responsible for client service activities, including, but not limited to, billing and invoice, policy administration and documentation, and client inquiries.</li> <li>Risk identification review and policy forms and endorsements review to ensure the broadest available coverage is provided.</li> <li>Represents The City's risk to the aviation insurance marketplace.</li> <li>Negotiates placement with underwriters.</li> <li>Assist with renewal strategy meeting and negotiates coverage terms and pricing on The City's behalf.</li> </ul>	<ul style="list-style-type: none"> <li>8 years with Marsh.</li> <li>15 years in insurance industry.</li> <li>Currently Pursuing Associate in Risk Management Designation (ARM)</li> </ul>
<b>FINPRO</b>		
<b>Michelle Perito</b> Placement Specialist	<ul style="list-style-type: none"> <li>Risk identification review and policy forms and endorsements review to ensure that the broadest available coverage is provided.</li> <li>Negotiates placement with underwriters.</li> <li>Ensures the prompt, professional delivery of the Client's FINPRO advisory and placement services.</li> </ul>	<ul style="list-style-type: none"> <li>1 year with Marsh.</li> <li>12 years in the industry.</li> <li>Licensed broker.</li> </ul>
<b>Felicia Watkins</b> Placement Lawyers Professional	<ul style="list-style-type: none"> <li>Responsible for working with all of the Marsh offices in the transition and placement of errors and omissions accounts.</li> <li>Provides support and service for any and all errors and omission coverage that fits within the FINPRO Safe unit.</li> <li>Also works with the market place for enhanced coverage terms and conditions.</li> </ul>	<ul style="list-style-type: none"> <li>5years with Marsh.</li> <li>21 years in insurance industry.</li> <li>Licensed broker in the State of Illinois.</li> <li>Non-resident Licensed broker in all states.</li> <li>Registered Professional Liability Underwriter (RPLU).</li> </ul>
<b>Claims</b>		
<b>Jim Earnest</b> Senior Vice President Claims Advisor	<ul style="list-style-type: none"> <li>Assist with Pre-Loss coverage analysis.</li> <li>Provide advice and counsel on potential coverage issues raised by a claim, and the position likely to be adopted by the insurer.</li> <li>Prepare and submit timely notice of claim to insurers.</li> <li>Provide aggressive claims advocacy to ensure maximum recovery and expeditious resolution of the claim.</li> <li>Analyze and respond to carrier coverage questions, reservation of rights letters and coverage disclaimers.</li> </ul>	<ul style="list-style-type: none"> <li>2 years with Marsh.</li> <li>30 years in insurance industry.</li> <li>BA, University of Florida</li> <li>10 years direct management of Public Sector clients with national TPA.</li> </ul>



Team Member and Role	Responsibilities	Qualifications
<b>Pollution</b>		
<b>Matthew Kern</b> Assistant Vice President Placement Specialist	<ul style="list-style-type: none"> <li>• Enhances The City’s access to insurers.</li> <li>• Provides up-to-date market coverage, capacity, pricing, and other key information to The City as part of renewal strategies.</li> <li>• Shares in-depth knowledge of markets’ internal structure and target business.</li> <li>• Negotiates placement with underwriters.</li> <li>• Attends The City/underwriter meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• 4 years with Marsh.</li> <li>• 4 years in insurance industry.</li> <li>• 12 years as a lawyer specializing in insurance.</li> </ul>
<b>Railroad Liability</b>		
<b>James Wolfarth</b> Senior Vice President Placement Specialist	<ul style="list-style-type: none"> <li>• Brings extensive contact base and visibility in industry relevant insurance markets.</li> <li>• Keeps team apprised of industry risk issues, emerging trends, and solutions.</li> <li>• Provides peer review and service team assessment.</li> </ul>	<ul style="list-style-type: none"> <li>• 4 years with Marsh.</li> <li>• 29 years in insurance industry.</li> <li>• Licensed broker.</li> </ul>
<b>Property Engineering</b>		
<b>Jim Casey</b> Loss Control Consultant	<ul style="list-style-type: none"> <li>• Works with The City to identify and evaluate property loss exposures.</li> <li>• Coordinates insurance company engineering services.</li> <li>• Reviews insurer recommendations and advising priority for action items.</li> <li>• Performs property loss control audits and building valuations.</li> <li>• Advises The City of utility loss control best practices.</li> <li>• Expertise in building protection, builders risk, fire protection systems, and estimating building replacement costs.</li> </ul>	<ul style="list-style-type: none"> <li>• 2 years with Marsh.</li> <li>• 24years in insurance industry.</li> <li>• Experienced in administering and providing risk control, safety, and loss prevention best practices and consulting to large, diverse, Fortune 500, domestic and international accounts.</li> <li>• Society of Fire Protection Engineers Tri-State Chapter Past Vice President.</li> <li>• Membership in the National Fire Protection Association (NFPA).</li> <li>• Previously with AEGIS.</li> </ul>

## Senior Leadership Engagement

Marsh leadership is at your disposal to provide ideas as well as support to the local team. As part of our client service model, we have engaged the following risk and industry leaders to provide oversight to the City.

- **Dan McGarvey, US Power and Utilities Industry Practice Leader:** Dan McGarvey is routinely engaged by utility clients to assist with the kinds of specialized challenges and to identify specialized resources in the firm to deploy in support. This year he has been engaged in mid-size utility challenges for clients including Omaha Public Power Company, South Carolina Public Power Authority, City Public Service Company of San Antonio, Old Dominion Electric Cooperative, and many others.
- **Brad Harmes, National Public Entity Practice Leader:** Brad is a leader within Marsh's Public Entity/Nonprofit Practice. He brings an extensive contact base through national and regional public entity risk management organizations and visibility in insurance markets specializing in public entity accounts. He stays constantly up-to-date with best practices and emerging issues related to the public sector, as well as monitoring governmental regulatory, legislative and compliance issues.

Behind the scenes, our leadership provides insight into specific market trends, guidance on strategy, and support to the servicing team as necessary, including ensuring appropriate staff.

### DAN MCGARVEY



"As part of Marsh's executive team in the Power and Utility segment, I support the service of our clients in this sector, and makes myself available when needed for special client service needs. Examples might include support of an Enterprise Risk Management program launch, a merger or acquisition with risk challenges, a contentious claim, or the construction and commissioning of an unproven technology.

I will be available to help support your Marsh team with the day to day needs of the City, providing access to resources across Marsh & McClennen Companies, which provides you with access to professionals with broad knowledge of best practices in utility risk management."

### BRAD HARMES



"I will serve as your Public Entity resource officer, bringing the power of Marsh's bench strength to the City of Gainesville account. In this role, I will provide the City industry insight and best practices, participates in key meetings, strategic discussions, and the annual stewardship process."

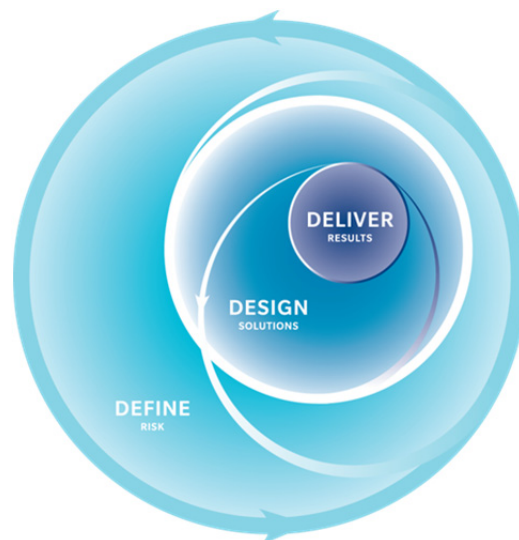
## Approach to Brokerage Services

### Marsh 3D<sup>®</sup>

The framework for our client engagement methodology is a continuous process to ensure that the broadest possible coverage at the lowest possible cost are being attained. Through this process, we will engage the City every step of the way and will clearly chart a course for excellence so that the City leadership may follow our process and progress.

Detailed planning, aggressive preparation, and precise execution driven by all team members on the City's program will ensure our success. Marsh 3D allows us to measure our results against mutually developed goals and objectives. These goals and objectives are determined at several key meetings throughout the year as well as through our continual dialogue with you.

Our process enables us to surround the City with industry resources, marketing power, and analytical tools to help define, design, and deliver an insurance and risk management program that will allow you to maximize value.



**Define:** We begin by establishing the the City story, through a thorough review of your business strategies and risk management objectives. We use a critical eye to recognize opportunities for the City's growth and improvement in price, structure and coverage, as well as service delivery.



**Design:** Marsh undertakes a significant amount of analysis in stress testing the current the City insurance programs: reviewing coverage, identifying areas of improvement, and considering alternative designs. We approach each renewal with a fresh perspective, never hesitating to exhaust all strategies and/or designs that may apply to future programs. The result is a technical coverage and structure strategy that the City and Marsh develop together.



**Deliver:** The final state of our service cycle involves marketing and executing, as well as post renewal review, managing ongoing service issues and pulling additional resources together to ensure that the most optimal program is negotiated.

A detailed description of our Marsh 3D process was provided earlier in our response.

## Marketing Your Insurance Program for Optimal Results

Marsh's marketing philosophy is simple—to maximize value for our clients by aligning our marketing strategy with your business objectives and values. We do this effectively by using the insights we acquire during the Define stage of Marsh 3D. Marsh will always put the City's interests first and will champion your brand in the marketplace, using only those strategies and tactics that are consistent with your reputation.

To be successful at representing a client like the City, our marketing strategy is a careful balance of the following:

- Minimizing insurance costs while maximizing coverage, security, and service.
- Optimizing the City's risk appetite with the appropriate program design.
- Improving risk data to aid the City in assessing and managing risk.
- Establishing communication guidelines to the insurers and creating competition.
- Developing and maintaining relationships between the insurer and the City.
- Identifying the optimal level of retention relative to market pricing.
- Selecting and accessing the appropriate insurers from which to solicit proposals, regardless of location.
- Developing alternative program designs.
- Reviewing risk mitigation strategies.

### Negotiating Power

Marsh places over \$49 billion in premium annually into the global marketplace. We have long-term business relationships with every major insurer in all of the key marketplaces, including the US, Bermuda, Asia, London, and Europe. We will access these markets on the City's behalf, leveraging our network to secure the most efficient and effective program possible.

### Placement Expertise

Marsh's marketing strength is a product of our unique placement model. Our dedicated placement specialists are located in select cities around the world. This structure produces an incredible volume of transactions from the cities where Marsh placement offices are located, strategically concentrating Marsh's negotiations with the market. Our placement specialists are extremely knowledgeable of the markets in which we work, so they can expertly identify insurers that are willing and qualified to quote on potential risks.

## VALUE TO THE CITY

- Centralized market access concentrates the volume of Marsh placements from a given office, maximizing our purchasing power, and helps us drive market negotiations on behalf of our clients.
- Our placement specialists are experts, focused specifically on placing a single line or related group of coverages, which translates to deeper product knowledge, better marketing results, and more complete advisory capabilities for our clients.
- As the largest aggregator of premium placements, Marsh has developed unique databases and analytical tools to provide our clients with uncommon insight into their risk management decisions.

## Ongoing Performance Evaluation

### Execute Plans

We execute approved solutions through our marketing network with access to global markets and local service delivery. We execute claims management and risk control solutions and document day-to-day service and program maintenance commitments that guarantee professional execution and deliver results that continually exceed The City's risk management and insurance expectations. We tie our results back to your KPIs to measure the value of risk management to The City.

### Review and Manage

Before we begin the process again, we conduct a Performance Review and Planning Meeting (a post-due diligence of sorts) with The City that assesses goals set in the past, demonstrates what we achieved in relation to these pre-determined goals, and asks for your feedback on what we can improve.

We will monitor progress continuously. The set of existing and emerging risk issues to focus upon, cost/benefit of solution sets (pre-loss, risk finance, and post-loss), service efficiencies for implementation, and overall impact on KPIs.

### Deliver – Enhancing Service Performance

#### Client Service Plan Timeline

	Action Steps	Responsibility	Date (TBD with the City)
DEFINE	Internal pre-renewal meeting	Marsh	180 days prior to renewal date
	Strategy planning and renewal placement meeting	The City/Marsh	150 days prior to renewal date
	Send renewal information to Marsh	The City	120 days prior to renewal date
DESIGN	Prepare and send submission to the City for approval	Marsh	90 days prior to renewal date
	Send submission to the marketplace	Marsh	90-100 days prior to renewal date
	Receive primary quotes and commence coverage analysis	Marsh	60-75 days prior to renewal date
	Present primary quotes to the City	Marsh	60 -75 days prior to renewal date
	Negotiate any improvements	Marsh	45 days prior to renewal date
DELIVER	Present excess layers and final proposal to the City	Marsh	30 days prior to renewal date

A detailed service plan is essential to our effectiveness and accountability as your broker. We believe it should include measurable goals and objectives, target dates and clearly identified responsibilities that we have discussed and agreed upon with you. As a guideline for developing a specific service plan for the City, we have listed below the key components of a fully integrated insurance and risk management service plan and our approach to each of them.

## A Unique Service Model

Given the inextricable link between strategy (goals and objectives) and execution, we believe it is important to first outline the goals, targets and results we are trying to accomplish.

**Review Goals, Objectives and Standards:** An effective program can only be achieved when clear objectives and priorities are established. To accomplish this, we will work with you in an open and active dialogue to determine the goals and expectations of the City.

**Analyze Existing Program:** Through peer review and risk practice review, we endeavor to continuously analyze the strengths and weaknesses in the current program.

**Evaluate Program Alternatives/Options:** Continual monitoring of your risk management program to its peer group is an important validation process. In addition to this, your team takes pride in staying abreast of emerging issues in your peer group and the products available that will assist the City in its management of risk.

**Develop the Optimal Program Design:** The result is an innovative, state-of-the-art program, in terms of design, form and funding approach, which meets your specific objectives.

**Survey and Evaluate Potential Markets:** One of our greatest brokerage strengths is our knowledge of which carriers to approach for your risk. Our brokers have strong relationships with individual underwriters. We also draw upon our expertise and experience in marketing similar types of programs. The result is the development of a strategic marketing plan.

**Prepare a Quality Submission:** High quality submissions are the key to successful marketing efforts and enhance your firm's desirability as a risk to underwriters. Our specifications address all of your coverage and service requirements, as well as updated the up-to-date exposure data supplied by the City.

**Provide Strategic Marketing Services:** Marsh's commanding worldwide market presence and reputation are distinct advantages in market negotiations. Our market reputation, relationships and portfolio ensure that we obtain a competitive program for you. Successfully marketing an insurance program for the City is one of our most important responsibilities.

Marsh appreciates and enforces the importance of the City's strategic objectives regarding insurer relationships and the procurement process. We will continue to strengthen market relationships as well as enhance the City's marketing and placement protocol. Working together, we design, develop, coordinate, and implement a broad teaming strategy to complement the City's risk management objectives. Marsh enthusiastically supports your desire to maintain direct insurer relationships – the benefits are many and proven. We look forward to the City maintaining a critical role in marketing presentations, underwriter meetings, and claim negotiations.

**Evaluate Carrier Proposals:** We quantify the risk/reward trade-off between competing proposals. We present to the City a complete proposal showing differences in pricing as well as terms and conditions and services offered by various carriers. In that proposal we submit all quotes, along with confirmation that no revenue other than that allowed in our service agreement is included in the premium. We disclose all carrier quotes, included those that have declined to quote. Unfortunately, most carriers quotes are only bindable for thirty days. While we will endeavor to have quotes to the city as early as possible, one hundred days in advance may not be realistic. We will continue to work with the City to meet your needs.

**Provide Program Administration Services:** This includes being available for special meetings as issues arise at the city. An important part of our role as your broker is to help you manage the day-to-day operations of the program. Our professional standards help to ensure that essential. In addition, we will continue to conduct a pre-renewal strategy meeting to review market conditions, preliminary benchmarking data, and the City's risk management objectives; this becomes a spring-board for our formal renewal strategy meeting, where we identify capacity, pricing, and program structure targets where we identify capacity, pricing and program structure ADD as well as review current premium, limits and claims history.

### Preparation and Documentation for Coverage in Place

Marsh will prepare for the City's approval an insurance summary including the scope and limits of your program and policies



### Policy Administration and Maintenance

Marsh will administer and maintain insurance policies in compliance with the City's processes and procedures, including these services:

- Provide binders for renewing coverages.
- Track policy issuance by carrier.
- Deliver policies.
- Invoicing and insurer communications: review, verify, approve, and forward timely invoices, premium audit statements, and related financial administrative matters: providing notice of any changes in terms and conditions, premiums, cancellations, and other insurer communications from insurers.
- Endorsement processing: review and process endorsements, deviations, and other policy changes.
- Policy management: advise on and support any open policy management issues, including questions about coverage, payments, and disputes.
- Certificates of insurance: issue required certificates of insurance and any other documents necessary to support the City programs.

### Additional Services

Marsh also will be responsible for and/or provide the following services, as directed by the City:

- Licensing: maintain all proper insurance agent/broker licenses and other credentials required by laws of the USA and foreign governments, including sub-jurisdictions.
- Claim collection: collect loss payments and legal fees as required from insurers, ensuring timely payments and claim closure.
- Benchmarking: provide sufficient benchmarking data to support management recommendations on risk management decisions and audit requirements in accordance with the City's processes and procedures.

**Alternate risk management concepts:** Offer recommendation and analysis options that enhance program quality and maximize the City's capabilities to manage risk

Please refer to the proposal CSA in the Appendix for details on additional services that are not within the scope or remuneration.

### Loss Control Services

Coordinate loss control/safety services desired by the City, including accompanying carrier loss control personnel on inspections, and explaining and negotiating loss control recommendations on the City's behalf.

## City Of Gainesville Proposed Risk Consulting Service Plan

Marsh Risk Consulting will provide the following Property Risk Consulting Services to the City for the period September 1, 2015 to July 31<sup>st</sup> 2016.

### Insurance Placement - Risk Engineering Support

- Assist in developing property insurance marketing data including:
  - Loss Control/COP information. This will be accomplished reviewing:
    - Existing loss control reports.
    - Information on locations and operations.
  - Prepare a one page Property Risk Quality Summary that includes:
    - Highlight of risk quality.
    - Key risk improvements made or planned.
    - Overview of property risk management program and operations.
    - Key risk improvement priorities with the client's response.
  - Participate in marketing discussion with brokers by meeting with carrier underwriters and engineers to present the loss control and property risk information.

### Loss Prevention Services and Program Management

- Prepare a service plan for the property loss prevention program with the carrier to include:
  - Inspection list and schedule.
  - Communications and report distribution.
  - Timelines/schedules.
  - Performance measures that include:
    - Report quality.
    - Report turn-around time within agreed time frame of 30 days.
    - Recommendation responses time.
- Provide quality control reviews of reports and program throughout the year to assure activity meets the service plan.
- Participate in carrier surveys at the Deerhaven, Kelley and South East Energy Center.
- Review loss prevention reports to for accuracy, completeness and consistency across the operations.
- Review loss estimates provided by the carrier to determine if the estimates are presented with sufficient information supporting the loss estimates based on the events postulated and operations.
- Risk Improvement recommendations:
  - Review and prioritization based upon an agreed set of measures.
  - Development and manage process, for consensus agreement for alternate solutions to existing recommendations that documents agreements and reasoning.
- General consulting services throughout the course of the project. To provide technical guidance, review risk issues or questions with sites or risk management, assist with loss control questions from plants.

**Deliverables**

- Written PRC Account Service Plan that covers:
  - Account teams and contact.
  - Roles and responsibilities.
  - Scope of services.
  - Target dates.
  - Performance metrics for MRC and Carriers as appropriate.
- Site visits summary reports.
- Loss control program performance status report - quarterly or as appropriate.
- Annual Stewardship/Executive Summary – Senior Management Overview:
  - Program Performance Report.
  - Property Risk Consulting Dashboard with action plan as appropriate.
  - Trends and Observations.
  - Recommendations for Improvement or focus.
  - Loss Control Program ROI Overview:
    - Completed/Removed Recommendation.
    - Alternative Recommendation Savings.
    - Site Evaluation Efficiencies.
    - Recommendation Response.
    - Risk Improvement, etc.

## Claims Advocacy and Loss Control Expertise

Claims Advocacy is a major Marsh strength that we believe is as significant as anything we do. We provide a staff of trained claim professionals and attorneys with years of experience handling property and casualty claims. Our ‘value added’ is a streamlined claim process and a focus on maximizing insurance recovery for the City.

One of the most valuable attributes of our claims advocates is their ability to assist in providing pragmatic, logical, and well-grounded responses to coverage issues raised by insurers. This process entails the construction of a strategy on how to best approach insurers and which coverage issues to pursue. We also provide advice on the following:

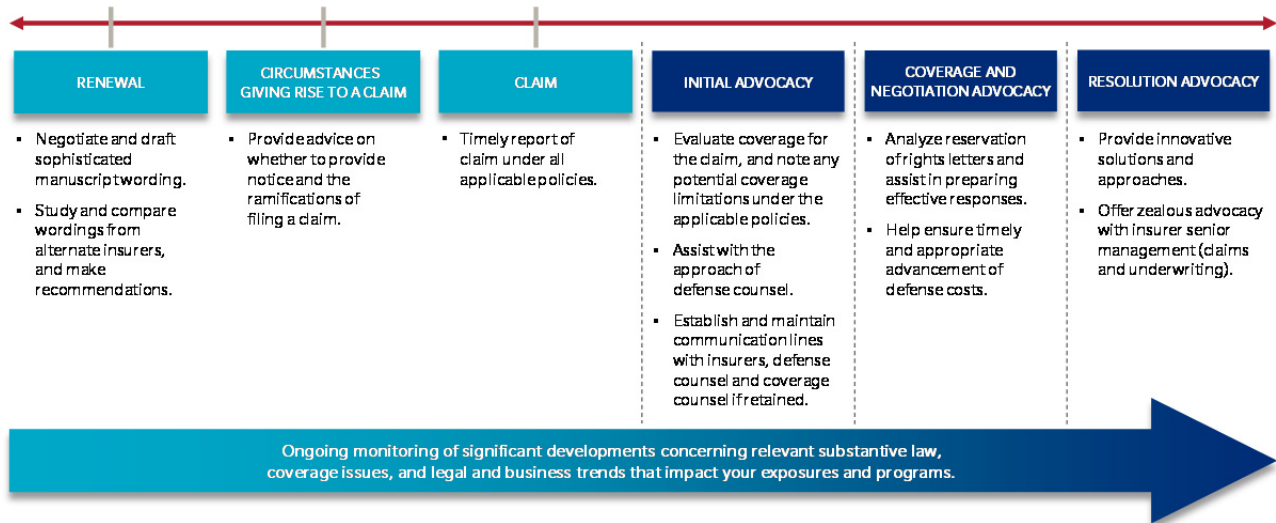
- Preliminary coverage analysis prior to claim submission to help determine anticipated coverage issues that may be raised by insurers.
- Analysis of what constitutes a reportable event.
- Selection and approval of defense counsel.
- Guidance regarding litigation management guidelines, legal billing, and quarterly reporting.
- Application of the policy retention.
- Payment of defense costs.
- Indemnity and settlement issues.

During the negotiation phase, they utilize their technical expertise, legal knowledge, and business relationships to help achieve superior outcomes, while simultaneously nurturing our clients’ relationships with their insurers.

Our claims advocacy services are included for all clients for whom we place coverage.

### CLAIMS ADVOCACY – CONTINUUM OF VALUE-ADDED SERVICES

Unsurpassed Technical Expertise + Strong Relationships with Major Insurers = Favorable Claim Resolution



## Safety and Loss Prevention

### Broad MRC Resources to Meet Your Needs

In addition to the core claim and loss control services listed above, Marsh offers our clients an array of pre- and post-loss consulting services that can be discussed on a project-by-project basis. These services focus on identifying exposures, reducing or mitigating loss costs, and are geared towards helping our clients reduce their total cost of risk. We offer a multitude of services, both industry- and risk-specific.

### Marsh Risk Consulting

Marsh Risk Consulting (MRC) is a global organization comprised of more than 800 consulting specialists in over 34 countries dedicated to providing clients in all industries and across all geographies with advice and solutions across a comprehensive range of insurable and non-insurable risk issues. Our colleagues in Marsh Risk Consulting (MRC) help clients with risk identification, assessment, quantification, retention, management, resiliency, and financing. Marsh can provide safety and loss control support to Mueller in two ways. First, our longstanding relationships with insurers allow us to manage the delivery of safety and loss control services provided by your insurance carriers to ensure they provide value instead of being intrusive and cumbersome.

Second, Marsh can provide overall program management for the City in which additional resources may be pulled in to fill any gaps in the safety and loss control services offered by your insurers.

Our approach to safety and loss prevention for all lines of coverage is designed around pre-loss risk transfer analysis and education and post-loss evaluation, claims support, and program adjustment. The Marsh 3D process outlined above, ensures considerable time is spent in defining risk and designing the optimal solution in order to create and implement a strategic risk plan critical to reducing the likelihood of a loss/losses affecting the City.

For a list of frequently provided services, please see the following graphic.



## MRC Sample Listing of Solutions

<ul style="list-style-type: none"> <li>• Business interruption/dependencies studies and value stream mapping.</li> <li>• Natural catastrophe risk assessments, loss estimates, and loss modeling (CatDQ).</li> <li>• Valuation services.</li> <li>• Boiler and machinery/equipment reliability risk consulting.</li> <li>• Fire protection engineering consulting.</li> <li>• Property and life safety risk/hazard evaluations and consulting.</li> <li>• Pre-acquisition property risk assessments.</li> <li>• Gas dispersion/vapor cloud explosion modeling.</li> <li>• Process safety management consulting/audits.</li> <li>• Property risk management program design, development, review.</li> <li>• Global property risk information and data management system.</li> <li>• Green building assessments and development of sustainable and efficient protection strategies.</li> <li>• Forensic accounting.</li> <li>• Loss measurement and claim preparation (property and earnings).</li> <li>• Claims project management and engineering.</li> <li>• Fraud investigations.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction project risk assessments, governance, performance reviews, and delay and dispute consulting.</li> <li>• Dispute advisory, expert witness testimony and litigation support.</li> <li>• Claim Inventory Workout (CIW).</li> <li>• TPA comparison/Variable Cost of Risk Evaluator (V CORE<sup>SM</sup>).</li> <li>• Workers' Compensation Past Performer<sup>SM</sup> and claim audits.</li> <li>• Claim and managed care vendor selection (VAST).</li> <li>• Case management assessment (CMAT).</li> <li>• Return to work.</li> <li>• Complex liability claim support.</li> <li>• Insurance Coverage Explorer<sup>TM</sup>.</li> <li>• Insurance archaeology.</li> <li>• Settlement and defense cost allocation analysis and modeling.</li> <li>• Health and safety performance excellence programs including:               <ul style="list-style-type: none"> <li>— Risk assessments.</li> <li>— Gap analyses.</li> <li>— Safety management system consulting.</li> <li>— Fleet and driver safety.</li> <li>— Behavioral Risk Improvement (BRI).</li> <li>— Ergonomics.</li> <li>— Regulatory agency compliance support.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety program support.</li> <li>• Crisis management planning and real-time execution, including a 24/7 hotline.</li> <li>• Reputational risk management.</li> <li>• Enterprise risk identification, management, and support.</li> <li>• Corporate preparedness and disaster recovery services.</li> <li>• Operational risk assessments.</li> <li>• Business continuity and supply chain planning and risk management.</li> <li>• Environmental risk and sustainability consulting.</li> <li>• Product risk prevention, preparation, and recall.</li> <li>• Managed Care Scorecard.</li> <li>• Workers' Compensation Loss Profile.</li> <li>• General Liability Loss Profile.</li> <li>• Renewal Evaluator.</li> <li>• Risk information manager support.</li> <li>• Statistical analyses developed by actuarial professionals.</li> <li>• Predictive modeling.</li> <li>• Enterprise risk management analytics.</li> <li>• Natural catastrophe modeling.</li> <li>• Real-time, on-demand industry benchmarking reports.</li> </ul>
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## Marsh Risk Consulting Practice

Our dedicated Risk Consulting Practice will work in partnership with the City Risk Management team and insurance company loss control representatives to augment current programs and bring the greatest value while delivering measurable and sustainable services. Our team of experts will work to prevent losses from occurring in the first place and reduce your total cost of risk (TCOR). Our role as loss control consultants goes far beyond providing strategic and tactical skills, which are critical in assisting the City in the containment of costs. We offer a multitude of services, both industry- and risk-specific. See pages 29-30 for our proposed Risk Consulting service plan.

## PROPERTY RISK CONSULTING AT WORK

Marsh's Property Risk Consulting Practice (PRC) uses our risk based loss control process to deliver analysis and solutions uniquely aligned to the Client's objectives for risk identification, risk mitigation and risk management. Our consultative process is reflected in our advice, and site reports used by a number of stakeholders throughout The Client as well as your business partners. Our approach gives us flexibility to incorporate skills sets from a number of subject matter experts in Natural Hazard experts, Business Interruption and others to optimize risk mitigation strategies. We accomplish this by:

Understanding where our solutions and technical expertise over a range of issues can ease the burden and costs associated with risk mitigation or reduction. Our observations and deep understanding of The Client's operations and risk issues allow us to present solutions that work at both the corporate level and at sites:

- Identifying emerging or critical operational and business risks and their financial impact.
- Assessing, quantifying and prioritizing risk exposures.
- Demonstrating return on investment for mitigation strategies.
- Developing a sound risk management program to monitor and measure implementation and effectiveness.

As an example of our contribution, a loss in the Client's Refuse Building and earlier explosion in the No. 1 Combustor necessitated a major rebuild of the facility and brought to light a number of perceived deficiencies in the previous design of the plant's sprinkler systems and related risk management programs. As a result a number of property insurance carriers increased their scrutiny of plant protection, operating and maintenance practices as well as the design and reliability of future planned protective systems.

Marsh's PRC Practice was engaged to provide consultative advice on building improvements and fire protection upgrades. PRC's advice and guidance proved useful as during the rebuilding process a number of carriers sought to participate in coverage for the project. Our teamed approach with the Client brought technical rigor and the needed information to your operations and carriers to optimize the cost/benefit of expenditures related to critical plant machinery and equipment, operating and maintenance practices, and risk management costs.

Furthermore, our activity identified needs to focus on key management programs for electrical safety and continuity planning. As the client identified and expanded upon required program enhancements for electrical short circuit, electrical coordination studies and arc flash protection; PRC provided efficient strategies to improve asset safety and minimize potential downtimes.



## Claims Success Stories

### RELEVANT STORY #1

Marsh's claims practice was recently engaged by an existing client to help them work through a catastrophic loss. The loss involved a gas plume in a water production facility that damaged 100% of the equipment and also part of the building. While there were concerns made by the carrier regarding coverage, Marsh helped the client work through the issues to ensure payment of the claim was properly resolved. Some examples included: advance payments so the client was not fronting money for the claim, engaging Marsh's FACS group to help with the calculation of the Business Interruption loss, and support for payment of the client's internal costs and extra expenses incurred as a result of the loss.

### RELEVANT STORY #2

#### Client Issue

One of our large utility clients suffered a substantial loss from an explosion and resultant fire in one of their turbine generators situated in one of their fossil fuel plants. It became apparent that there were considerable hidden damages and, therefore, the loss would be far more costly than originally anticipated. In addition to the property policy, this client also maintained a stand-alone Power Outage policy with a very strict three day post loss reporting requirement. The provisions were that a potential claim had to be reported almost immediately after the claim occurred to trigger cover despite the fact that the policy had a significant eighty-four day waiting period before they reimbursed the insured on an agreed value per day basis. Initially our client felt the repairs could be completed in a short time frame so they made the decision not to report the claim. Once the client determined that the extent of the loss was substantially more than originally believed and after confirming that the time period to effect repairs would be considerable they instructed us to report the claim to the outage carrier on their behalf. Based on the fact that the reporting of the claim was outside the policy requirement for notification and despite the fact that no prejudice was created due to the late reporting of the matter, the carrier formally denied the claim. Repairs to the unit exceeded the eighty-four day waiting period so the client was out a considerable amount of money.

#### Marsh Solution

Based on our initial discussions with the carrier, we realized that it was going to be difficult to overcome their denial of this claim. The entire Marsh account team met to discuss our alternatives and agreed on a course of action that was then discussed with and accepted by our client. We decided to utilize a three pronged attack to dispute the denial and convince the carrier to withdraw it and adjust the claim on its merits. First, we utilized Marsh's property placement specialists to contact the underwriters and strongly protest the denial. Secondly, we recruited some of Marsh's most senior property claim resources country wide to contact the most senior carrier claim officers to dispute the denial and urge reconsideration based on all relevant facts. Finally, we enlisted the client, based on the long positive relationship with the carrier to appeal the denial with their carrier contacts and state that if the denial stood it might end or seriously hurt the relationship that had developed over the years.

#### Result

After several discussions at various levels we were able to prevail and have the carrier withdraw their denial and pay the claim under the policy conditions. Once the claim was concluded successfully, we met with the client and agreed on revisions to the policy designed to prevent a reoccurrence of this situation and negotiated some positive changes to the policy going forward.

## RELEVANT STORY #2

### Challenges FACS Faced

A major hurricane caused extensive damage to five production facilities in three states for one of Marsh's chemical clients. High winds and extreme storm surge battered two sites, while the others suffered less significant damage. On top of the initial destruction, some facilities were submerged in salt water for an extended period of time, exacerbating the damage.

After a preliminary loss analysis, the client received estimates that it would take at least 12 months to restore its facilities. Losses were estimated to be in the hundreds of millions of dollars, compounded by the loss of customers and suppliers, infrastructure and shipping line damage, and temporary and permanent changes in market conditions.

### FACS Solutions

Key to resolving such challenges are to diligently prepare claims for property damage, business interruption, and extra expense losses. Marsh Risk Consulting's (MRC) FACS Practice worked closely with the client and its Marsh Claims Advocate throughout the claim to streamline all procedures and help ensure an efficient recovery process.

**Communication:** The FACS team interacted often and openly with the client's insurers, which had retained their own claims consultants, engineers, and accountants. The open communication helped to quickly identify potential loss issues, allowing for immediate evaluation and progress toward a clear and concise claims process. FACS team members also educated the insurers' auditors about the client's operations, thereby simplifying and expediting the information request process.

**Financial Analysis:** FACS was able to show that the client's undamaged plants could not produce the same products as the two most severely damaged locations. This proved that the loss of production equated directly to a loss of sales. FACS then worked with the insurers to demonstrate the necessity and urgency of securing sizable advance payments.

**Technology:** MRC's customizable database technology, FACSdb, efficiently and effectively tracks and reports immense volumes of claims data. For this client, the FACS team entered more than 100,000 lines of data, including the scope of work and detailed costs for cleanup, repairs, and replacement. The database helped separate wind and flood losses, enabling efficient application of deductibles, thus helping with the ACV recovery calculation required by the client's policy.

### Result

Through a combination of effective communication, financial analysis, and technology, MRC's FACS team helped our client secure significant advance payments and a favorable settlement within 18 months of the loss.

- Our work with the insurers, efficient documentation, and data-crunching ability resulted in quick acceptance of our claim methodology.
- Insurers ultimately validated more than 95 percent of the claimed business interruption losses.
- With the FACS claims project manager handling all day-to-day claims recovery tasks, the client was able to devote more time to its customers and to reestablishing its business.

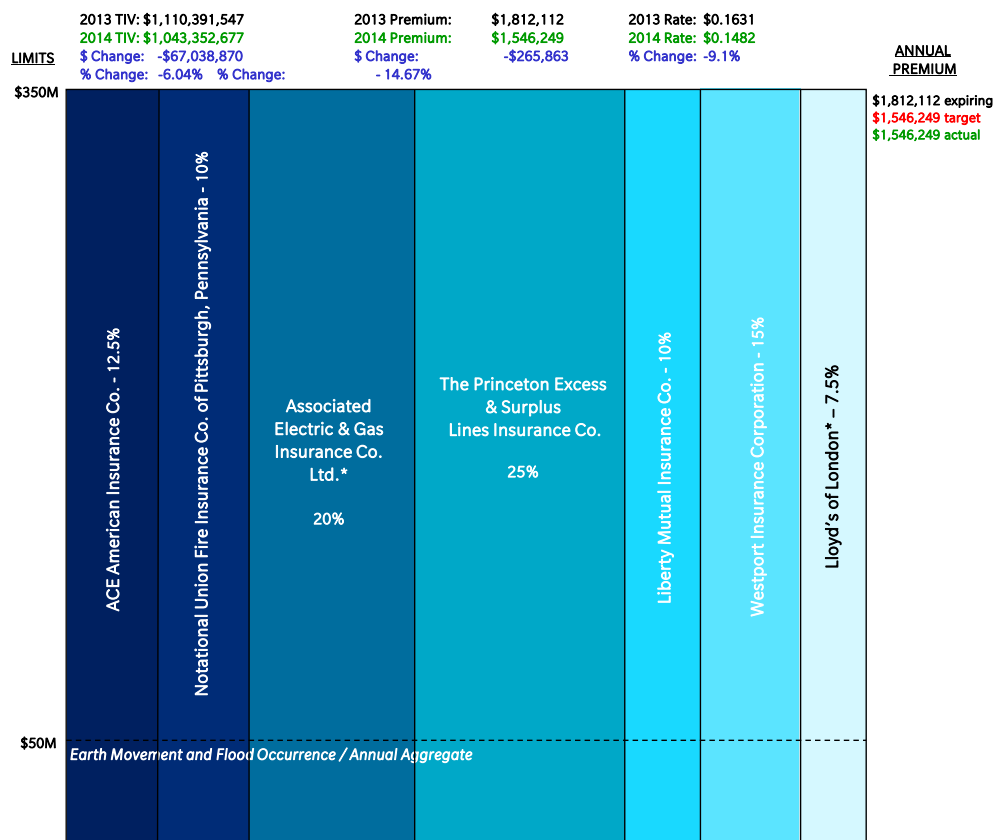


# SECTION THREE TECHNICAL PROGRAM DISCUSSION

## City of Gainesville Property Program

### Current Program

Property Insurance  
Program:  
October 1, 2014 – 2015



**DEDUCTIBLES:**

- All Perils PD: - \$100,000 ALL NON-UTILITY PROPERTIES
- \$250,000 UTILITY PROPERTIES
- \$500,000 Deerhaven Steam Generating Unit No. 1
- \$500,000 Deerhaven Steam Generating Unit No. 2
- \$500,000 Deerhaven Unit No. 3 GE MS7001EA
- \$500,000 Kelly Steam Generating Unit #CT4
- \$1.50/KVA OR \$250,000 Which ever is greater for all transformers
- Named Windstorm Including Flood- 3% of the property damaged TIV of the locations involved in the loss subject to a min \$500K -
- Flood Zone A - Excess of Maximum Available NFIP whether purchased or not - Flood Zone V - 2% of PD TIV subject to minimum of \$250,000 per occurrence

\$1,812,118 expiring  
\$1,546,249 target  
\$1,546,249 actual

**BOILER & MACHINERY:**

Boiler And Machinery: Included	
Ammonia Contamination	\$1,000,000
Consequential Damage	\$1,000,000
Hazardous Substances	\$1,000,000
Water Damage	\$1,000,000

Stand Alone Premium: included within the Property Program

**ENGINEERING:**

\$34,600 quoted by AEGIS to perform engineering services outlined in Property Loss Control Services Proposal/Contract

ADDITIONAL FEES / TAXES  
\* SURPLUS LINES CARRIER  
- TAXES DO NOT APPLY -

REVISION DATE: 09/29/2014

Advantages (Pros)	Considerations (Cons)
<ul style="list-style-type: none"> <li>7 Carriers – Excellent spread of risk among insurers – If a major loss occurs each carrier has a small percentage of the loss in lieu of 50 to a 100% of the loss.</li> </ul>	<ul style="list-style-type: none"> <li>Loss Limit of \$350M in lieu of Total Insured Value limit.</li> </ul>
<ul style="list-style-type: none"> <li>Most Insurers have been on program for many years - Profitable – Know COG’s exposures.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage for Named Storm and Flood deductibles in lieu of fixed amount.</li> </ul>
<ul style="list-style-type: none"> <li>London Participation – able to take a larger percentage in syndicate should a major loss occur, industry insurers cut back capacity or premiums increase drastically.</li> </ul>	<ul style="list-style-type: none"> <li>Low Terrorism coverage limits.</li> </ul>
<ul style="list-style-type: none"> <li>AEGIS Participation – Utility industry insurer only; in-depth understanding of utility exposures and operations. At times agreeable to pay questionable claims even if no coverage exists.</li> </ul>	
<ul style="list-style-type: none"> <li>Multiple Carrier Structure allows for replacement of carrier or more if needed without jeopardizing the continuity of the program.</li> </ul>	
<ul style="list-style-type: none"> <li>Marsh Manuscript Policy Form in lieu of insurance company form- Broad coverages, few exclusions, large sub limits, utility industry specific coverages.</li> </ul>	
<ul style="list-style-type: none"> <li>Claims Adjuster is appointed by City of Gainesville at policy inception, before a loss occurs. Insurance company forms assign the adjuster not COG.</li> </ul>	

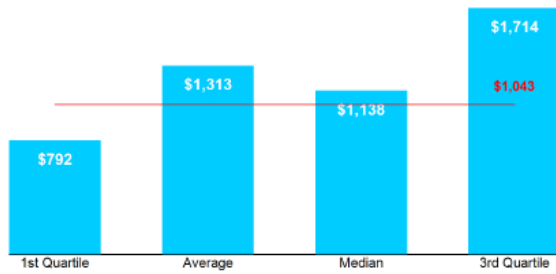
## Benchmarking

Utilities Industry | TIV from \$500,000 to \$4,000,000 | 44 Peers

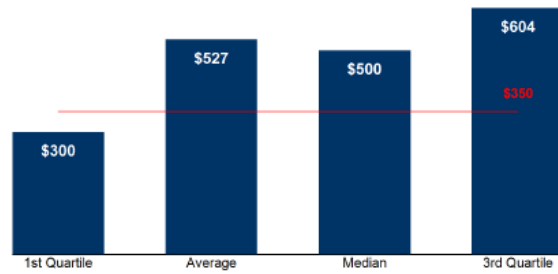
### Property All Risk and Terrorism Peer Comparison Report

City of Gainesville

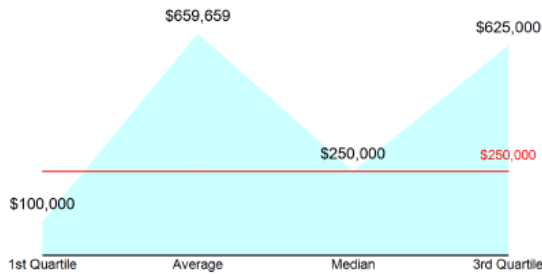
**Total Insured Value** (44 Peers)  
In \$ Millions



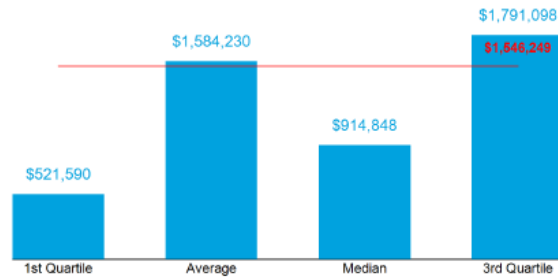
**Total Limits** (44 Peers)  
In \$ Millions



**Main Deductible/Retention** (44 Peers)  
Actual Amount



**Total Property Premiums** (44 Peers)  
Actual Amount



Note: All figures preceded by "\$" are references to U.S. dollars

Benchmarking results show average premium spend for the City of Gainesville’s corresponding peer group. Given the Named Storm exposure of Florida, it appears the program is priced well; however, in this property market Marsh is confident that substantial premium savings can be realized in the upcoming renewal.

## Market Update

### Property Insurance

#### Market Conditions as of July 2015

The property insurance market is softening evidenced by declining rates and broadening terms throughout the 2014 year and first two quarters of 2015. The additional capital flowing into the property insurance market placed downward pressure on the market as it converted to additional capacity for all risk and catastrophe perils coverage.

Based on significant 2015 reinsurance treaty cost reductions and excess capacity, the downward trend in premium rates continue and perhaps will accelerate in the balance of 2015 for the industry including utilities. During the 2<sup>nd</sup> quarter of 2015, average property rates continued to decline on an average of 5% to 15%. Given the large property values and high property insurance premiums associated with utility industry, utilities with acceptable risk profiles are experiencing higher premium reductions.

Insured's with non-hazard risk profiles, excellent loss experience and minimal catastrophic exposed properties are seeing the highest rate decreases. These decreases should continue until the next major catastrophe, or until the economy improves to the point that investors begin moving money out of insurance and into other more lucrative industries.

Flood once viewed as the lesser of the catastrophic perils, has now taken equal billing with earthquake and wind and is capable of costing the industry tens of billions of dollars annually. While there is little to no underwriting impact yet, insurers and modeling companies are working on tornado modeling. Additionally, definitions of a catastrophe perils and deductibles are being more closely written to be clear in application and avoid ambiguity.

With respect to terrorism coverage, January 12, 2015 President Obama signed HR 26, the "Terrorism Risk Insurance Program Reauthorization Act of 2015".

### Program Design As To How It

#### Relates To Existing Market Conditions:

- Additional low cost capacity continues to support a multiple carrier program structure,
- A quota share structure in lieu of layered structure is still advantageous as no single carrier has a large portion of the risk in the primary exposed layers.
- Utility industry insurance companies desire to be in a quota share program which limits their exposure motivating insurers to reduce their price, possibly improve their coverage terms in order to win the business.
- Within this competitive, premium declining marketplace, a stable single carrier structure option also exists with FM Global insurance company. Combined with FM's ability to offer very high coverage limits, their increased new business goals, a one carrier FM insurance placement is a legitimate possibility. Our discussions have been positive with FM regarding City of Gainesville's property insurance program:
  - Increasing the \$350 million loss limit at a competitive premium cost is realistic because of the softening market place.
  - Obtaining a flat deductible amount lieu of a percentage for Named Storm and Flood is possible given the available capacity and the engineering improvements COG continues to make. The risk improvement COG has been making will bring additional premium reductions in a declining premium marketplace.
  - Multi Year programs with reductions guaranteed each year are available.
  - Terrorism Coverage-Purchase as a separate placement, apart from your property all risk policy. This allows for improved coverage and lower terrorism premiums.



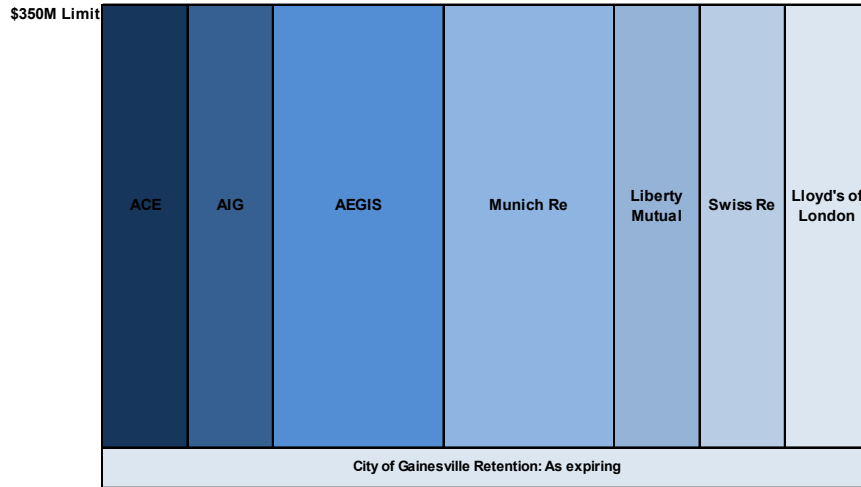
## Property Program Considerations

### Property Program Structure Options

We have based all of the following options on the following goals for City of Gainesville:

- 15% Annual Premium Rate Cost Reduction.
- Improved Coverages.
- Cost Certainty – Removal of percentage deductibles to fixed amount.
- Program Stability.
- Increased Limits.
- Increase Self Insurance through higher deductibles making COG less dependent on Insurers for expensive primary coverage, and ultimately saving substantial premium costs.

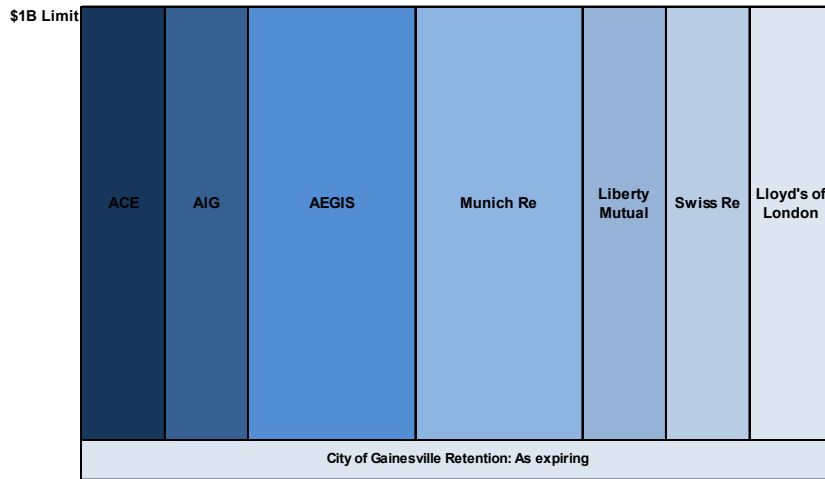
Option 1 – Renew with current program structure



Benefits and Considerations of Option 1

Potential Benefits	Considerations
<ul style="list-style-type: none"> <li>Multiple Carriers – Program Stability in the event of a major loss.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain replacement cost insurance appraisal to determine replacement cost value.</li> </ul>
<ul style="list-style-type: none"> <li>Insurers have been on the program for several years. Exposures and quality of risk known through engineering; premium cost reductions available from knowing this risk quality information.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain flat deductibles for Named Storm and Flood coverages.</li> </ul>
<ul style="list-style-type: none"> <li>Manuscript Marsh policy form with broad coverages to include COG appointed Claims Adjuster.</li> </ul>	<ul style="list-style-type: none"> <li>Higher retention of \$1 million to reduce costs.</li> </ul>

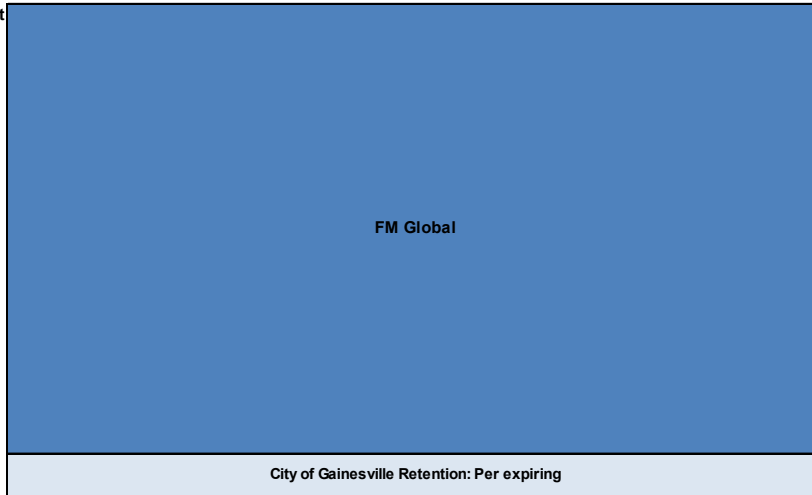
**Option 2: Increase loss limit to \$1B with expiring panel**



Potential Benefits	Considerations
<ul style="list-style-type: none"> <li>Property limits \$1 Billion. Multiple Carriers provide program stability in the event of a major loss.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain replacement cost insurance appraisal to determine replacement cost value.</li> </ul>
<ul style="list-style-type: none"> <li>Insurers have been on the program for several years. Exposures and quality of risk known through engineering; premium cost reductions available from knowing this risk quality information.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain flat deductibles for Named Storm and Flood coverages.</li> </ul>
<ul style="list-style-type: none"> <li>Manuscript Marsh policy form with broad coverages to include COG appointed Claims Adjuster.</li> </ul>	<ul style="list-style-type: none"> <li>Higher retention of \$1 million to reduce costs.</li> </ul>

**Option 3**

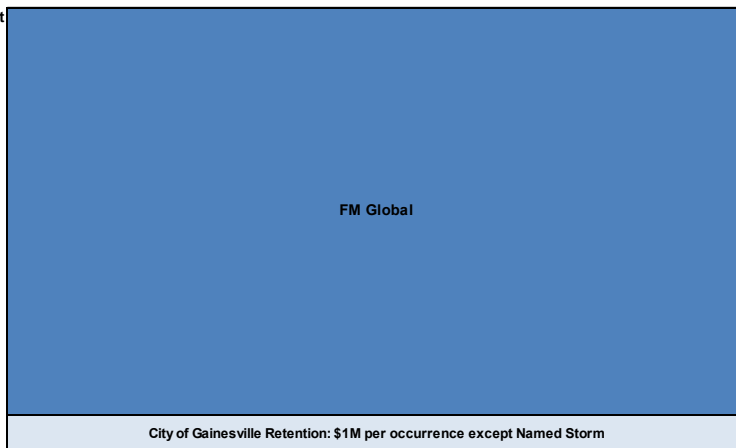
\$350M Limit



Potential Benefits	Considerations
<ul style="list-style-type: none"> <li>• FM Global offers program stability because of underwriting expertise and superior financials. Property Limit \$1 Billion.</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain replacement cost insurance appraisal to determine replacement cost value.</li> </ul>
<ul style="list-style-type: none"> <li>• Credible engineering services and knowledge for utilities. FM’s engineering expertise in the utility industry is recognized as one of the best in the insurance industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain flat deductibles for Named Storm and Flood coverages.</li> </ul>
<ul style="list-style-type: none"> <li>• Policy form with broad coverages specific to large utilities power plants.</li> </ul>	<ul style="list-style-type: none"> <li>• Claims adjuster is provided by FM Global.</li> </ul>

**Option 4**

\$1B Limit



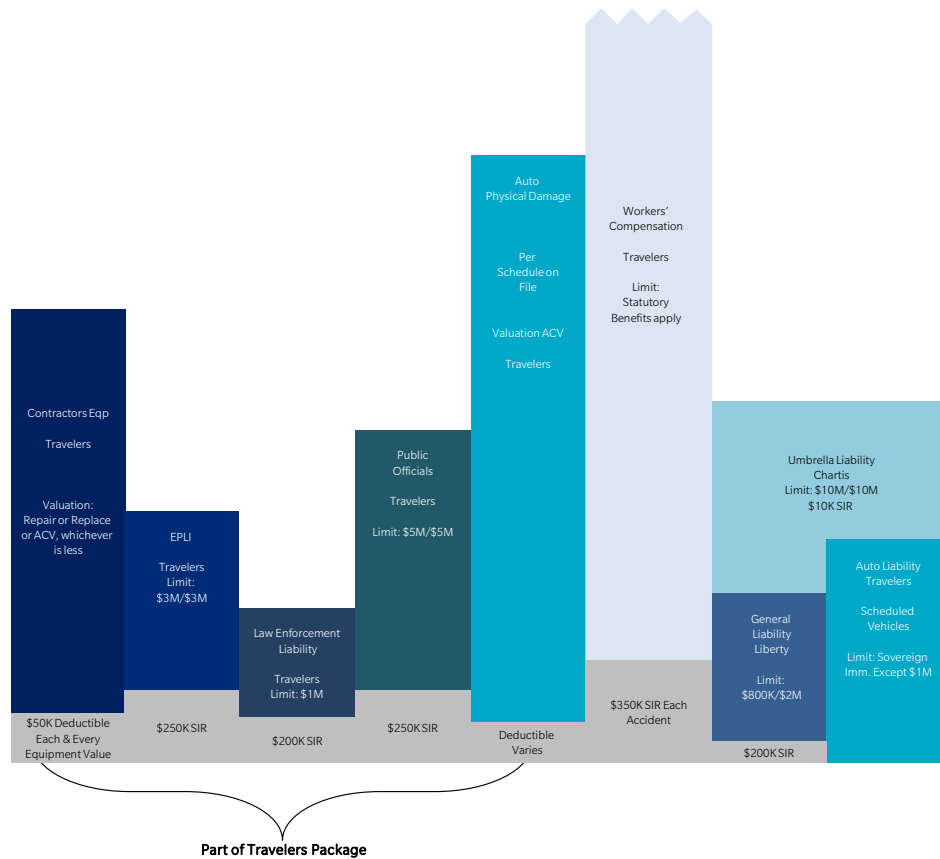
Potential Benefits	Considerations
<ul style="list-style-type: none"> <li>FM Global offers program stability because of underwriting expertise and superior financials. Property limits \$1 Billion.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain replacement cost insurance appraisal to determine replacement cost value.</li> </ul>
<ul style="list-style-type: none"> <li>Credible engineering services and knowledge for utilities. FM's engineering expertise in the utility industry is recognized as one of the best in the insurance industry.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain flat deductibles for Named Storm and Flood coverages.</li> </ul>
<ul style="list-style-type: none"> <li>Higher retention of \$1 million to reduce costs.</li> </ul>	<ul style="list-style-type: none"> <li>COG must be financially prepared to pay a large deductible.</li> </ul>
<ul style="list-style-type: none"> <li>Policy form with broad coverages specific to large utilities power plants.</li> </ul>	<ul style="list-style-type: none"> <li>Claims adjuster is provided by FM Global.</li> </ul>

Coverage	Limit of Liability	Per Claim Retention	Projected Renewal Premium given current market conditions (Net)	Key Markets
Blanket Stated Amount	\$350 Million	As Is	<b>Option (A)</b> \$1.3 million premium* <b>Option (B)</b> \$950,000 to \$1,000,000 **	ACE, AIG, AEGIS, Munich Re, Liberty Mutual, Swiss Re, Lloyd's of London, FM Global, Starr Tech, Aspen, EIM, NEIL, Allianz, Zurich, Munich US, Liberty, Swiss RE, Validus, XL, US, Ironshore, Navigators, HDI, ARCH, AWAC, SCOR, TORUS, Endurance, AXIS, ACE

\* **Option (A)** - \$1.3 million premium with current carriers which have been on the program for many years who understand the risk exposures, possesses in-depth knowledge and input in the facilities and power plants maintenance program, equipment condition and has calculated probable maximum loss estimates based on their experience and knowledge of the exposures.

\*\* **Option (B)** - \$950,000 to \$1,000,000 premium range if program is marketed to all available utility insurers; which would include the existing insurers on the program and new insurers whom are not on the program currently. At this premium range it's possible some of the existing carriers would not remain on the program for the 2015-2016 term.

## City of Gainesville Casualty Program Overview of Current Program



Currently, there are various casualty policies in place. The two main casualty programs in place are:

1. The City of Gainesville.
2. Gainesville Regional Utilities.

The City of Gainesville does not purchase General Liability as they rely heavily on immunities in place for the State. Law Enforcement, Public Officials and Employment related practices coverage are purchased, as these are areas where claims often fall in federal jurisdiction and are not subject to the immunity protections. Gainesville Regional Utilities on the other hand, purchases General Liability and an Excess Liability policy.

As stated above, your Excess Workers Compensation retention is below what most public entities purchase or is available. Your Workers Compensation is written on a Statutory basis, which is commonly available by most markets.

## Casualty Program Considerations

The City currently purchases a fragmented program. We recommend seeking quotes on the current program structure as well as the following structure options:

### Combined Program

City and Utility covering all-lines (City currently does not purchase General Liability) at varying retention levels:

- **Advantage:** All coverage in one place, reduce gaps and easier to understand.
- **Disadvantage:** Limited markets willing to combine municipal and utility exposure.
- Evaluate need for stand-alone automobile programs and consider combining into an all-lines approach:
  - **Advantage:** Streamlined coverage approach. Cost Effective.
  - **Disadvantage:** Higher retentions, and no 1<sup>st</sup> party physical damage coverage.
- All-Lines Aggregate product which provides a stop on the out of pocket expense based on actuarial review:
  - **Advantage:** Greater certainty of Total cost of risk.
  - **Disadvantage:** Additional cost involved. Stop Losses are usually set at very high levels (levels above the worst loss years).

### Excess Workers Compensation

- Consider higher retention or split retention (higher on police and utility exposure) as retention is low compared to peers of similar size:
  - **Advantage:** Cost Savings.
  - **Disadvantages:** Additional costs if catastrophic loss occurs.
- Consider aggregate stop loss which provides a stop on the out of pocket expense based on actuarial review. This could be done in combination with the other casualty programs through an all lines aggregate approach:
  - **Advantage:** Greater certainty of Total cost of risk.
  - **Disadvantage:** Additional cost involved. Stop Losses are usually set at very high levels (levels above the worst loss years).

### Special Events

The City of Gainesville purchases a small Special Events policy for two events that take place during the policy term. The coverage is required as per written contract. We do not expect any change with the renewal premium and K&K remains the most competitive market and provides outstanding service.

### Ironwood Public Golf Course

Travelers Insurance Company provides the coverage for the golf course. Although, pricing has been slowly increasing over the years, The City of Gainesville continues to receive competitive pricing and terms as Travelers handles multiple line on this account. Looking ahead to the upcoming renewal, we would recommend a focused marketing effort to once again validate the pricing provided by Travelers.

### Railroad Liability

Overall the rail market remains stable, but has been firming up over the past 6-9 months due to overall industry loss experience and activity. There is abundant capacity and generally prospective carriers are looking for modest increases of 3-5%. Liberty remains a strong player in this industry as well as Zurich, XL, Lexington, ACE and Arch.

The City of Gainesville purchases a small policy with \$5M in limits as their rail activity has been decreasing during the past few years. We do not expect much change with the renewal as we're at minimum premium levels.



## Benchmarking

### General Liability

We typically do not provide benchmarking data as Public Entities have very different buying styles and immunities varying in each state. For instance, in Florida the tort cap is \$200,000 while in New York there is no cap. This greatly affects the limits and coverage purchased by public entities; therefore it would not be a good business decision to base your limits on countrywide data. We have expertise in each state that we work in and can provide you with expert guidance on coverages, retentions and pricing.

### Excess Workers Compensation

We typically do not provide benchmarking data since Public Entities often base their retentions on budgetary allowance, it would therefore not be a good business decision to base your retention on countrywide data. There are only 6 insurance carriers providing this coverage and they will also play a major part in the retentions they are willing to offer which will mainly be based on your own loss experience. We can state that your current retention of \$350,000 is significantly lower than most public entities. Many carriers have minimum retentions on Policy and Fire exposure of \$500,000.

## Market Update

### INSURANCE MARKET CONDITIONS

Typical Rate Change at Renewal (Average/Good Risk Profile)

Coverage	Rate Change Q3 2015*	Rate Change Q3 2014
• Integrated Casualty over a self-insure retention.	• 5% decrease to Flat	• Flat to 7% increase
• Guaranteed Cost/Low Deductible Package Programs.	• Flat to 5% increase	• 5% increase to 10% increase
• Excess Workers' Compensation.	• Flat to 10% increase	• 5% increase to 20% increase
• Umbrella and Follow Form Excess.	• Flat to 5% increase	• 5% increase to 10% increase

\*Note that these estimates reflect average rate changes across the country. Rates in specific regions can greatly vary, especially in the western region.

## Market Commentary

### Casualty

Casualty insurance rates indicate a softening market for public entities as seen in the early Q3 results. While capacity remains abundant, and new markets continue to emerge we are seeing conservative use of capacity and extremely selective underwriting in Western States where immunities have been challenged or do not exist. In California, Starr Indemnity has completely withdrawn and are selectively underwriting public entities with police or sports related exposure. Few markets are able to provide primary limits in excess of \$10 million. If higher limits are desired, this can be done through a layered approach using multiple carriers. Eastern region clients tend to be lower limit buyers and heavily rely on tort caps, and we see a drastic difference in both carrier appetites, as well as client buying trends from East to West.

Integrated programs are the most common buying style for public entities willing to self-insure the first \$250,000 of loss or more. These programs combine general liability, automobile liability as well as professional liability for police, public official's liability or school board legal liability including employment related practices.

There remains limited capacity for low deductible and guaranteed cost programs. In states where it is permitted,

Pools and Risk Retention Groups write the bulk of this business. Monoline Automobile markets are very limited, especially when it involves emergency vehicles, 15-passenger vans, shuttles, buses, and para-transit. The market for guaranteed cost workers' compensation for public entity is virtually nonexistent.

The Excess Workers Compensation marketplace is showing rate stabilization. After 5 years of adjustments in rate and retention levels we are starting to see a competitive market. The marketplace remains limited with only 6 major markets willing to entertain public entity risks. Statutory coverage is available by all carriers, although some may not offer this on risks where there is a high concentration of employee risk. Minimum retention average is \$500,000. Where there is Police and Firefighter exposure the minimum retention is normally at \$1,000,000 or higher. This is especially enforced in states where there are presumptive injury laws. We expect to see this market continue to stabilize through the year end, but carriers will still heavily rely on loss experience to determine adequate rates.

## Risk Trends

### Cyber Risk

This continues to be an emerging topic, and coverage is being offered by more carriers. There are many different varieties of coverage. It is important to make sure that the General Liability and Cyber Liability coverage's complement each other, and ideally to have your Bodily Injury and Property Damage covered under General Liability as Cyber Liability specifically excludes these types of injury.

### Drones

The use of Drones by public entities is increasing rapidly. These are used for many different purposes, and carriers have been addressing coverage in different ways. Some carriers, depending on size have offered coverage as an

extension to the General Liability and others consider these to be purely an aviation exposure. Underwriters are following trends carefully. In addition to the high cost first party risk, there is also significant exposure to bodily injury (malfunction/direct impact to persons), property damage (impact with property), and personal injury (privacy breach).

### Head Injury

Traumatic brain injury (TBI) and potential litigation from sports-related injuries is becoming an area of concern for many markets. This has had an effect on underwriting for Community Colleges, and States where there is University exposure. Questionnaires are required and it strict guidelines are not in place around prevention; coverage is being excluded or denied in some instances.

# City of Gainesville FINPRO Program

## Overview of Current Program

### Lawyers Professional

Expiring premium is \$19,218 including fees. Assuming no material changes or claim activity, we anticipate flat renewal pricing with the incumbent carrier based on 9 City attorneys at expiring terms, conditions, limits and deductibles.

Due to timing of the RFP release we were unable to conduct our annual renewal strategy discussion to review and identify exposures and risk with the City. We would seek to review this coverage further with the City to determine accuracy of risks, exposures, coverage.

Underwriters at Lloyds, London – Incumbent. Other potential Markets: Chubb, Zurich, AIG, Philadelphia, ACE, One Beacon

### General Employees’ Pension Plan and Disability Fund

Fiduciary	Crime
\$5,000,000 Limit	\$200,000 Limit
\$15,000 Retention Premium: \$27,562	\$5,000 Deductible Premium: \$5,217
Chubb	Great American

### Consolidated Police Officers

Fiduciary
\$5,000,000 Limit
\$15,000 Retention Premium: \$17,898
Chubb

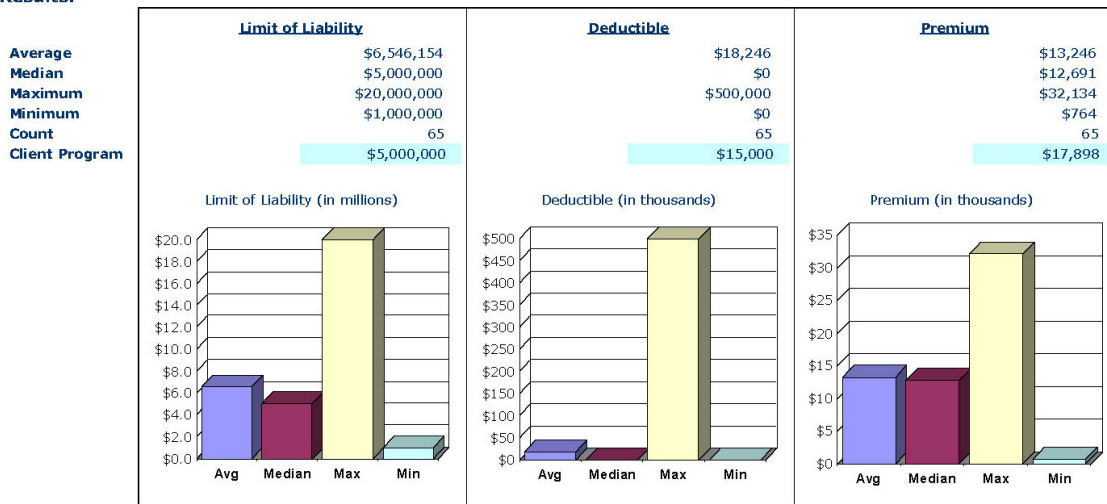
Advantages	Consideration
<ul style="list-style-type: none"> <li>Strong financial strength of carriers Chubb A++, Great American A+.</li> <li>Chubb and Great American are Admitted Carriers.</li> <li>Long term relationship established with incumbent carriers.</li> </ul>	<ul style="list-style-type: none"> <li>Review Crime limit and consider higher limit options based on benchmarking.</li> <li>Review Fiduciary limit and consider higher limit options based on benchmarking.</li> </ul>
<ul style="list-style-type: none"> <li>Both Chubb and Great American are market leaders in the FINPRO space.</li> <li>Crime policy includes “Faithful Performance of Duty” (endorsement #1) which many other carriers either do not want to provide or they charge a higher premium for it.</li> </ul>	<ul style="list-style-type: none"> <li>Consider additional Insuring Agreements under the Crime – i.e. Forgery or Alteration, Computer Fraud, Money Orders and Counterfeit Paper Currency, and Claim Expense coverage.</li> <li>Improve coverage terms where possible - i.e. adding Social Engineering coverage to the Crime.</li> <li>Consider additional Insuring Agreements under the Crime – i.e. Forgery or Alteration, Computer Fraud, Money Orders and Counterfeit Paper Currency, and Claim Expense coverage.</li> </ul>
<ul style="list-style-type: none"> <li>Crime is Loss Discovered vs. Loss Sustained.</li> </ul>	<ul style="list-style-type: none"> <li>Request 90 days for Cancellation/Non-Renewal, currently at 60 days.</li> </ul>
<ul style="list-style-type: none"> <li>Full policy limit for HIPAA (\$5M).</li> </ul>	

## Benchmarking

### Fiduciary Benchmarking for City of Gainesville Consolidated Police Officers

Company Formation:	Private	Inception Dates:	<b>Lower</b> All Active	-	<b>Upper</b> All Active
Industry Type:	All	Total Assets:	\$0	-	All
Insurer Selection:	All	Plan Assets:	\$100,000,000	-	\$300,000,000
State Selection:	All	Annual Sales:	\$0	-	All
		Employee Count:	0	-	All
		Premium:	\$0	-	All
		Limit of Liability:	\$0	-	All
		Deductible:	\$0	-	All

**Results:**

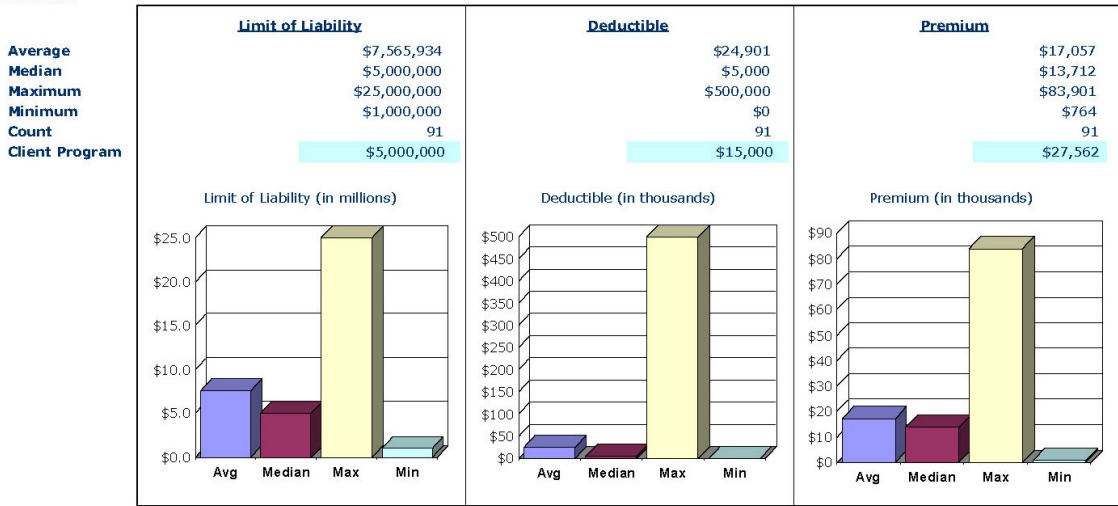


Based on 65 peers, with plan assets of \$100M to \$300M, the benchmarking report shows that the City of Gainesville is within the Median range with a \$5M limit and deductible below average.

Fiduciary Benchmarking for City of Gainesville General Employees’ Pension Plan

Company Formation: Private	Inception Dates: All Active	<b>Lower</b>	-	<b>Upper</b>	All Active
Industry Type: All	Total Assets: \$0		-		All
Insurer Selection: All	Plan Assets: \$100,000,000		-		\$500,000,000
State Selection: All	Annual Sales: \$0		-		All
	Employee Count: 0		-		All
	Premium: \$0		-		All
	Limit of Liability: \$0		-		All
	Deductible: \$0		-		All

Results:



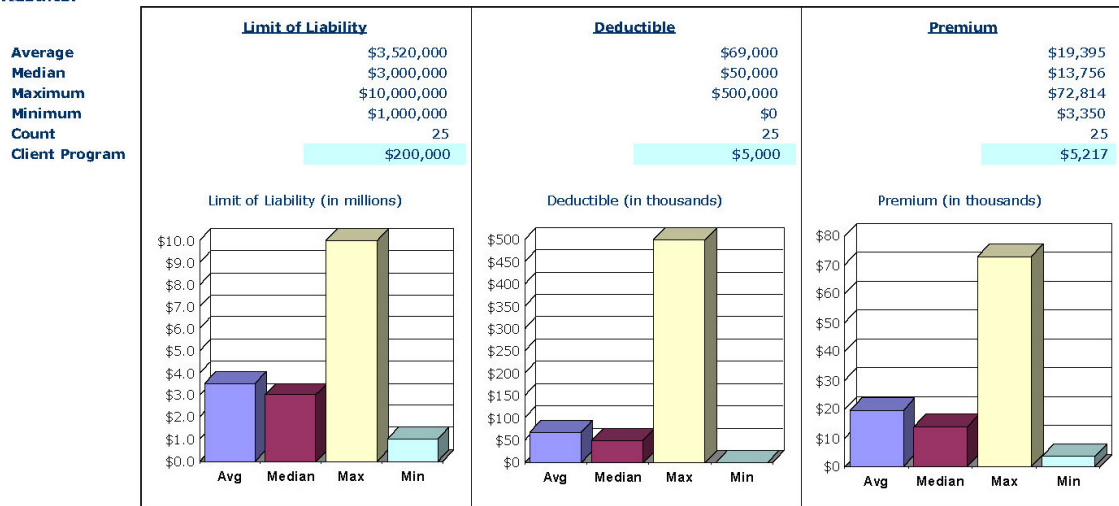
Based on 91 peers, with plan assets of \$100M to \$500M, the benchmarking report shows that the City of Gainesville is within the Median limit of \$5M with a deductible that is below average.

### Crime Benchmarking for City of Gainesville General Employees

Company Formation: Private  
 Industry Type: All  
 Insurer Selection: All  
 State Selection: All

	<i>Lower</i>	-	<i>Upper</i>
Inception Dates:	All Active	-	All Active
Total Assets:	\$0	-	All
Plan Assets:	\$100,000,000	-	\$500,000,000
Annual Sales:	\$100,000,000	-	\$700,000,000
Employee Count:	1,000	-	2,500
Premium:	\$0	-	All
Limit of Liability:	\$0	-	All
Deductible:	\$0	-	All

**Results:**



Based on a peer count of 25, with an employee count of 1,000 to 2,500, the benchmarking report shows the Median limit of \$3M with a Median deductible of \$50K.

## Market Update

Heading into 2015, the underwriting community has generally reached stabilization by underwriting to exposures, claims and financials. Their efforts during the past year have led them to mitigate loss ratios and re-establish underwriting guidelines. In general, marketing efforts have decreased from extensive marketing efforts over the last 3 years due to carrier stabilizing premium increases. Clients will likely see increases in premium and/or retentions based on exposure changes year over year, but not as significant as in the past.

The chart below depicts the average premium charge for a six month time period of 10/14/2014 to 3/31/2015, as well as the anticipated pricing outlook. It also represents how many renewals were subject to premium increases. The six month time frame reflects a greater number of transactions, which in-turn represents a more accurate snap-shot of the FINPRO marketplace for Private and Non-profit risks.

Coverage Line	6 month Average Premium Change	% of Renewals with Increases	Renewal Pricing Outlook*
D&O	7.1%	73%	5% to 10% increase
EPL	7.5%	82.9%	5% to 10% increase
Fiduciary Liability	4.1%	72.4%	Flat to 7% increase
Crime	5.8%	77.8%	Flat to 7% increase
Special Risk (Kidnap, Ransom, and Extortion)	1.8%	51.3% (represents 80 renewals out of 156)	Flat to 5% increase



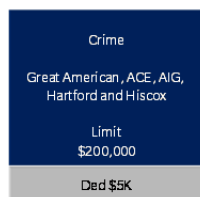
## FINPRO Program Recommendations

### FINPRO Program Structure Options

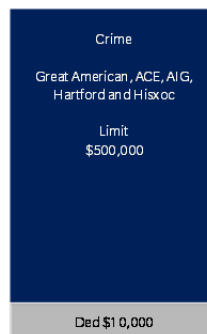
We have based all of the following options on the following goals for the City:

- Increased limits.
- Improved Coverages.

#### Option #1



#### Option #2



#### Option #3



Coverage	Limit of Liability	Per Claim Retention	Projected Renewal Premium given current market conditions (Net)	Key Markets
Crime	\$200,000	\$5,000	\$5,300*	Great American, ACE, AIG, Hartford, Hiscox
	\$500,000	\$10,000	\$8,815*	
	\$1,000,000	\$25,000	\$14,000*	
Fiduciary (General Employees Plan)	\$5,000,000	\$15,000	\$28,900*	Chubb, ACE, AIG, Hartford,
Fiduciary (Police and Firefighters Plan)	\$5,000,000	\$15,000	\$18,500*	Chubb, ACE, AIG, Hartford,

\*Premiums are estimated and are subject to underwriting and will vary depending on exposures and market.

### Benefits and Considerations of Options

Potential Benefits	Considerations
<ul style="list-style-type: none"> <li>• Additional limits.</li> <li>• Higher retention could provide premium decrease.</li> </ul>	<ul style="list-style-type: none"> <li>• Premium.</li> </ul>

## City of Gainesville Aviation Program Overview of Current Program

<b>Insurance Company:</b>	ACE (Westchester Fire Insurance Company)
<b>Policy Number:</b>	AAC N00982143 012
<b>Aircraft:</b>	1970 Bell 206A, N911GV
<b>Agreed Hull Value:</b>	\$250,000
<b>Liability Limit:</b>	\$20,000,000
<b>War Liability:</b>	Not purchased
<b>Annual Premium:</b>	\$15,760

Advantages	Areas for Improvement
<ul style="list-style-type: none"> <li>ACE has developed an excellent relationship with the City over the years. The City is pleased with ACE's performance and is reflected in their loyalty. At the 2015 renewal, a new market, QBE, expressed interest in offering a quote. The City elected not to pursue a quote from QBE because of their overall satisfaction with ACE.</li> <li>ACE demonstrated their commitment to the City at the 2015 renewal by decreasing premium by 8.4% and including a governmental entity endorsement to the policy, significantly enhancing the coverage provided.</li> </ul>	<ul style="list-style-type: none"> <li>Explore other markets to gauge interest, should ACE's pricing or coverage terms become unacceptable.</li> <li>Ensure that ACE's pricing and coverage terms remain competitive.</li> <li>Consider multi-year program with guaranteed rates.</li> </ul>

### Benchmarking

Due to the age and use of the helicopter, comparable benchmarking is not available.

### Market Update

In 2014, aviation insurance buyers continued to benefit from soft market conditions -- the result of overcapacity in the aviation insurance marketplace and competition between insurers for increased market share.

Aviation premium has dropped significantly over the past few years, and total premium volume has now eroded to pre-9/11 levels (barely enough to cover attritional losses).

The numerous airline accidents occurring in 2014 (Malaysia Airlines, TransAsia and Air Algerie) have had little impact on General Aviation insurance premiums. The Airline sector, however, experienced an increase in premium for contingent war hull coverage in the second half of 2014.

Despite the well-publicized airline losses of 2014, recent studies indicate that air travel has actually become much safer over the past few decades. Contributing factors include:

- Enhancements in aircraft design and navigation systems.
- Improvements in crew training methods.
- Innovations in technology.

Although contributing greatly to aviation safety, these same factors also contribute to the rising cost of aviation claims, as this new technology comes with significantly higher repair costs.

No major change in rates or premiums is anticipated at this time. Underwriters will continue to review individual risks and may request small increases, where possible, in an attempt to return to profitability.

Insurers continue to invest in safety services to support clients.

Current issues in the General Aviation marketplace include:

- Human factors (fatigue, detrimental reliance on technology).
- Cyber-attacks and data breaches.
- Increased commercial use of drones (Unmanned Aerial Systems).
- Air traffic management.
- Possible consolidation among aviation insurance companies.

We are monitoring these issues and will keep you apprised of any potential impact on your aviation insurance program.

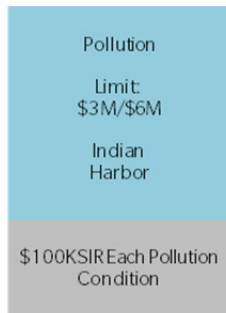
## Aviation Program Recommendations

### Aviation Program Structure Options

We have explored alternative markets in the past for the City; however, the age and use of the helicopter has generated limited interest in the past. Fortunately, ACE has been very responsive and dedicated to the City's needs. ACE has provided a broad array of coverages, including all risks hull on an agreed-value basis and \$20 million liability, as well as the Governmental Entity endorsement recently added to the policy. For the 2016 renewal, we could pursue a multi-year policy with guaranteed rates; however, ACE has been resistant to offering these deals. We would seek to leverage the long term relationship and possible competition from QBE to achieve these results. With your permission, we would approach other markets to gauge their interest.

# City of Gainesville Environmental Program

## Overview of Current Program



The policy provides coverage for pollution liability associated with properties and storage tanks owned, leased, or otherwise occupied by the Insured. The policy also covers pollution liability for designated operations conducted by the Insured. Coverage includes the following:

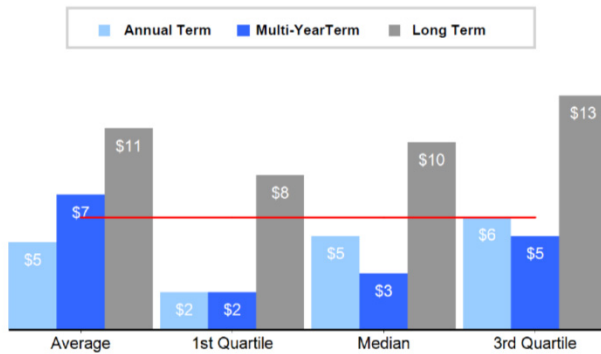
- First-Party Onsite Cleanup Costs.
- Third-Party Offsite Cleanup Costs.
- Third-Party Onsite / Offsite Bodily Injury and Property Damage.
- Blanket Non-Owned Disposal Sites.
- Third-Party Transportation.
- Coverage for Civil Fines, Penalties and Assessments.
- Mold Exclusion.
- State-mandated financial assurance for tanks.

Advantages	Areas for Improvement
<ul style="list-style-type: none"> <li>• Third-Party Bodily Injury for Pollution Conditions in Potable Water distributed by the Insured.</li> </ul>	<ul style="list-style-type: none"> <li>• Mold Coverage.</li> </ul>
<ul style="list-style-type: none"> <li>• Coverage grant for properties inadvertently not scheduled to the policy by the insured.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand offsite coverage to other operations (road work, herbicide application, etc.)</li> </ul>
<ul style="list-style-type: none"> <li>• Policy provides the state-mandated financial assurance for Aboveground and Underground Storage Tanks.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand Transportation Coverage for First-Party.</li> </ul>
<ul style="list-style-type: none"> <li>• Coverage grant for offsite operations, specifically mosquito pesticide application and firefighting services.</li> </ul>	

## Benchmarking

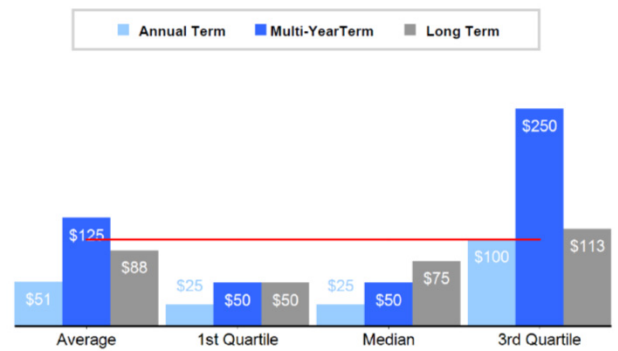
Total Aggregate Limits (\$Millions) - 18 Peers

City of Gainesville \$6

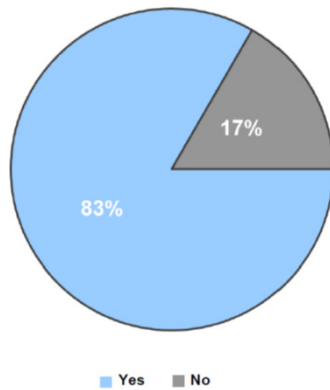


Deductibles/Retentions (\$Thousands) - 18 Peers

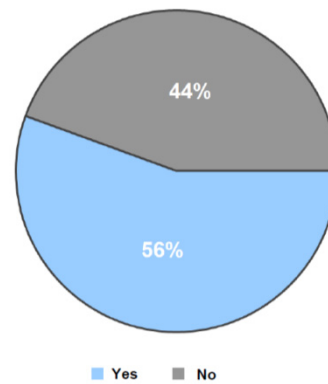
City of Gainesville \$100



% of peers purchased transportation coverage



% of peers purchased mold coverage



### Limits

Most insureds purchase lower limits on annual terms for this class of risk but we would not recommend that approach due to the size of the portfolio and the financial assurance for the tanks.

### Retention

Reflect the average.

### Pie Charts

Demonstrate that most public entity insureds purchase these coverages.

## Market Update

The pollution market has hit bottom in terms of pricing and we are starting to see rate increases on environmentally-intensive risk classes, specifically heavy manufacturing, oil/gas and transportation-heavy risk.

We expect the carrier to renew coverage as-expiring with flat premium; however, if we are adding any new properties to the policy that were not previously covered, we will likely see a premium increase. In addition, we may see site-specific coverage restrictions if these new locations have environmental issues. We can certainly market the renewal but it is already competitively priced and other markets will likely struggle to match the incumbent renewal premium and terms (particularly the Third-Party Bodily Injury for potable water, coverage for properties inadvertently not scheduled and the firefighting coverage).

Suggested alternative markets are AIG, ACE and Ironshore.

## Environmental Program Recommendations

### Environment Program Structure Options

We have based all of the following options on the following goals for City of Gainesville:

- Maintain current coverage.
- Secure an option for Mold Coverage.

Expand offsite coverage to other operations (road work, herbicide application, etc.)

#### Option 1



Coverage	Limit of Liability	Per Claim Retention	Projected Renewal Premium given current market conditions (Net)	Key Markets
Pollution Legal Liability	\$3MM / \$6MM (each incident / aggregate)	\$100,000 (each incident)	\$79,000	XL ACE AIG Ironshore

#### Benefits and Considerations of Option 1

Potential Benefits	Considerations
<ul style="list-style-type: none"> <li>• Can address potential Third-Party Bodily Injury Exposure for any habitational properties in the Insured’s Portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>• May result in 10 to 20% additional premium but the increase can be mitigated if the coverage is limited to specific properties.</li> </ul>
<ul style="list-style-type: none"> <li>• Expand offsite coverage to other operations (road work, herbicide application, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• Will require a detailed list of the client’s road work. Additional premium should be minimal.</li> </ul>
<ul style="list-style-type: none"> <li>• Expand Transportation Coverage for First-Party Transportation.</li> </ul>	<ul style="list-style-type: none"> <li>• Will require the client’s vehicle schedule. Additional premium should be minimal.</li> </ul>





## SECTION FOUR

# COMPENSATION PROPOSAL

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Our proposal is presented on a flat fee basis for the services provided within the scope of services as follows:

- Year 1: \$198,500
- Year 2: \$204,455
- Year 3: \$210,589
- Year 4 (If extended): \$216,907
- Year 4 (If extended): 223,415

The scope of services and policies serviced under our client service agreement, are included in this fee. If additional policy(s) are to be serviced, a fee for such services will be negotiated.

Marsh is committed to full disclosure of all revenue. Any additional retail commission earned by Marsh on these policies, should the insurance carrier not remove commission from the premium, we will credit against the Marsh fee.

Marsh shall be compensated for providing its Services with respect to Flood placed through the National Flood Insurance Program through commissions received from insurers, which shall be in addition to and not credited against the annual fee. Marsh will deliver Flood Zone Determinations to you, as may be needed, for an additional fee of \$8.75 per Determination, payable to Kroll.

It is the industry standard that some carriers will only work through wholesalers or managing general agents (MGA). Marsh currently does not place any of the City's policies with an owned wholesaler or MGA. But there are several policies placed with non-owned wholesalers and/or MGAs. Marsh will disclose when a wholesaler and MGA is used and will attempt to determine the percentage of the premium that is applicable to their revenue. The City will have options of whether or not to place business with these wholesalers if they are unwilling to disclose their remuneration. Marsh and its affiliates will not credit any wholesale commissions against the annual fee.

Please refer the Proposed Client Service Agreement in Appendix D for further details.



## SECTION FIVE

# REQUIRED FORMS

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## Attachment B

The following form(s) will enable submitters to provide basic information and specific qualifications regarding the provision of insurance to the City. Provide all requested information, as responses are needed for comparison between all submissions. This form need not be typed; it may be handwritten in ink.

### Submission Form - For Qualification of Property/Casualty Insurance Agent Of Record

1. Insurance Agent / Insurer Representative: **Lisa Shaw**
2. Firm Name: **Marsh USA, Inc.**
3. Address: **1560 Sawgrass Corporate Pkwy., #300, Sunrise, FL 33323**
4. Telephone: **(954) 838-3427** Fax: **(954) 838-3723** E-Mail: **lisa.m.shaw@marsh.com**

#### Insurance Agent / Insurer Representative

5. Number of years in the insurance business: **34**
6. Number of years with your present firm: **23**
7. Number of public entities you service: **6**
8. Have you attached background information on yourself, e.g. resume? **Yes, all team biographies have been provided in the Appendix.**
9. Have you attached an explanation of your experience with other public entities of similar size, complexity and magnitude? **Yes, please see Appendix.**
10. Do you or does a key person in your firm that will be assigned to the City's account in a major capacity have experience with a power generating electric utility? **Yes, please refer to Section 2 of our response for details on team member experience.**  
(The City considers such experience to be mandatory. Additional questions are provided later herein.)
11. Have you attached explanatory details of this experience? **Yes, please refer to Section 2 of our response for details on team member experience.**
12. Have you attached an explanation of your experience with electric utility, gas utility and public transportation operations? **Yes**
13. Will you provide the scope of agent services as outlined in the RFQ? **Yes**
14. Will you commit to proactive and aggressive pursuit of negotiation of favorable policy terms, conditions and pricing of insurance coverage? **Yes**
15. Have you attached examples of such proactive and aggressive negotiations, etc.?

Marsh 3D, Define/Design/Deliver, is the framework for our client engagement and servicing methodology. It is a continuous process to ensure that the broadest possible coverage at the lowest possible cost are being attained. This structured and proactive approach to the renewal strategy and process help us ensure a successful renewal.

The process begins with your direct feedback on what changes have occurred over the past year that might affect the renewal or coverage needs, hot button issues and budgetary constraints. We will design a plan that will include markets to approach, coverage need and target premiums.

Some examples of aggressive negotiations:

We were the successful bidder on Client A's Excess Workers Compensation insurance program for the 2014 coverage Year. In addition to proactively providing enhanced coverage's, we offered a two year rate guarantee that provided for no more than a 3% increase in the 2nd year. This was a very appealing option, as the Excess Workers Compensation market had been volatile and double digit increases were the norm. As we entered the 2nd year of the program we carefully evaluated the losses and presented a case to the market, and were able to successfully negotiate a slightly lower rate than expiring. In addition, we were able to maintain the broad terms including a single retention for communicable disease, which was an important coverage enhancement at the time when there was an outbreak of Ebola viruses.

On the Client B, we provided a layered casualty program totaling \$50,000,000 in limits. The issue we set out to solve was to include full program limits on their Employment Related Practices coverage that was currently excluded in the \$25 MM x/o \$25 MM layer. Keeping in mind that there is a limited market for "State" business due to the complexity of operations, we used our extensive knowledge of the marketplace to target in on our best candidates. We set up one on one meetings with the State that ultimately lead to the restructuring of the program and providing full limits for Employment Related Practices, while saving the client significant dollars.

## Firm Background

16. Which of your firm's Florida offices will provide the ongoing services to the City? **Sunrise, Florida**
17. Will any other offices be involved; to what extent? Be specific. **Yes.**
18. Years the firm has been in business: **144**
19. Number of Florida public entities the firm services: **9**
20. Have you attached an explanation of your firm's experience with other public entities of similar size, complexity and magnitude? **Yes. Please refer to Section 2, pages 6-10 for details.**
21. Have you attached an explanation of your firm's experience with electric utility, gas utility and public transportation operations, including commentary on specialists in these coverages, their location and their availability to the City when needed? **Yes. Please refer to Section 2, pages 10-14 for details.**
22. Firm's Florida premium volume: **In excess of \$400 million.**
23. Approximately what percentage of the firm's Florida business are public entities, in revenue volume, e.g. commissions, fees? **Between 5 and 10 percent.**
24. Have you provided background information on the range of your firm's services? **Yes please refer to Section 2, pages 27-41 of our proposal for details.**
25. Are the key person's designated to services the City's account appropriately licensed by the State of Florida? **Yes**

Regarding question 25, please complete the following table

Name	License Types	Years Serving Large Commercial Accounts	Years Serving Public Entities
Lisa Shaw	220, 215	30	15+
Vincent Zollo	220, Surplus Lines	10+	5+
Sandra McFarland	Non-resident	33	19
Ben Rios	Non- resident	22	22
James Earnest	520	30	10+
Jim Casey	Non-resident	25	23

26. Have you attached details of the experience of the listed persons with large commercial accounts and/or public entities with similar size and complexity as the City?

**Yes, please see Roles and Responsibilities and Team Biographies in the Appendix.**

27. Have you attached details of other persons, and their background and office locales, that will be most involved in providing expertise regarding the City's electric utility?

**Yes, please see Roles and Responsibilities in Section 2 and Team Biographies in the Appendix.**

28. What, specifically, is the firm's experience with power generating electricity utilities? How many, where located, and (briefly) what has the firm done for them?

**Marsh is the leading provider of insurance brokerage, property loss control, claims, and risk management solutions to the power and utilities industry, currently providing services for 270 Power and Utility clients. Marsh clients range in size from small, single-location merchant generation plants to large, fully-integrated utility companies. Our network of power experts continues to serve each of the top 10 U.S. gas and electric utilities listed**

in the Fortune 500. Additional details regarding our power and utility experience can be found in Section 2 of this response.

29. What is the basis of the power generating electric utility expertise possessed by your key person(s) to be assigned to the City's account?

The Marsh electric utility specialist, expertise is founded on each individual's experience in all areas of insurance coverage for electric utilities. Each has hands on knowledge of structuring and placements of coverage with insurers that specialize in electric utilities. They have managed accounts for our electric utility clients regarding their insurance programs, monitoring the claims management process with the Marsh Claims Advisor and insurance company adjusters. In conjunction with Marsh Loss Control Advisors they have participated with insurance company loss control engineers regarding plant inspections, reviewed with the Marsh Loss Control Advisor the insurance company engineering recommendations inclusive of responses to insurance company as regards loss control recommendations.

30. What kind of guarantee can you provide that the key person(s) with the power generating electric utility expertise will be available to the City when needed?

Historically, we have been available to meet the day to day servicing needs and requirement for the City as well as a variety of other risk challenges. We intend to move forward with the same integrity.

31. What is the specialist's knowledge of new technology for electric utilities and its relationship to insurance coverages and costs?

The Marsh Utility and Power Consultants stay informed of all new technology that has an effect on our client's accounts. Dedicated exclusively to the Power and Utility Industry, our specialists provide the expertise to properly present our client's programs to the insurance market place to obtain the best in coverage at the most competitive of premiums.

32. Provide specifics on agency personnel (employees or subcontractors other than staff of insurance companies) who are likely to be utilized in performing desired inspection and loss control services.

Jim Casey will be utilized to perform the City's desired inspection and loss control services. As part of Marsh PRC team, Jim currently helps coordinate the Property and Boiler Machinery insurance visits for TVA, the largest government owned utility in the US. Visits range from small hydroelectric facilities to the 2600 MW Cumberland Coal Fired generating station. Prior to the surveys, Marsh PRC works with the carriers to determine an agenda for the survey. During the survey, Jim manages the group to make sure we stay within the allotted time, and follow the agenda. After the survey he coordinates the flow of the engineering reports and develops an engineering summary for the insurance panel. In addition to TVA we also provide services to the New York Power Authority (NYPA). These services are similar to the ones provided to TVA.

Please Jim's biography in the appendix for further details about his background and experience.

33. State the amount of errors and omissions insurance for the firm and the name of the insurer.

Marsh USA, Inc.'s limit of liability for Professional Liability is \$10,000,000 each claim; \$10,000,000 aggregate. The insurer is Epsilon Insurance Company, Ltd.



34. If you are invited to a finalist interview, are you willing to discuss with the interview committee investigations of alleged wrongdoings, litigation and/or settlements, and fines or penalties (in the U.S.) involving your firm and the specific agents listed as projected to provide services to the City?

In January 2005, MMC and its subsidiary Marsh LLC entered into a settlement agreement with the New York State Attorney General (“NYAG”) and the New York State Insurance Department (“NYSID”) to settle a civil complaint relating to Marsh’s use of market service agreements with various insurance companies (the “NYAG Lawsuit”). Effective February 11, 2010, MMC and Marsh entered into an Amended and Restated Agreement with NYAG and NYSID, which replaces the January 2005 Settlement Agreement. MMC, Marsh and their subsidiaries and affiliates are evaluating the potential impact, if any, of the changes contained in the Amended and Restated Agreement on their businesses.

Following the filing of the NYAG Lawsuit, private plaintiffs filed civil actions against MMC and its affiliates alleging claims based on allegations that are similar or identical to those alleged in the NYAG Lawsuit. In addition, various state regulators and attorneys general initiated investigations relating to the conduct alleged in the NYAG Lawsuit. The vast majority of these lawsuits and investigations have either been dismissed or settled.

In addition, Marsh has entered into consent orders with the Insurance Departments of several states to resolve questions over alleged insurance law violations. The most common of these relates to surplus lines filings. In some cases, these consent orders have included monetary fines. Marsh places a very high priority on regulatory compliance and has never experienced the loss or suspension of any insurance license as a result of any disciplinary action.

Marsh is a national insurance agent and broker and does business in all of the 50 states in the U.S. From time to time, Marsh and its subsidiaries are subject to various claims, lawsuits and proceedings including those concerning alleged errors and omissions in connection with the placement of insurance and in rendering consulting services. Marsh believes its reputation for providing quality services and its historic performance over the long term speak for itself. Marsh is committed to serving its clients to the highest professional and ethical standards as demonstrated by its long history as the industry's leader.

For additional information, please see Note 15 to Consolidated Financial Statements in MMC’s Form 10-K for the year ended December 31, 2014, and Form 10-Q for the quarter ended March 31, 2015.

**Remuneration**

35. State your total remuneration (as commissions, maximum commissions etc.) for the following coverages; and treat each as if it might be separable from the others (include, if you can, your transparency disclosure of the remuneration to be paid to the intermediary(ies) or wholesalers or others you plan to utilize (provide attachments if necessary):

**All the maximum commissions below are not applicable, as we are proposing an Annual fee.**

**If and when the use of any intermediary is necessary, we will negotiate the lowest possible commission at that time. Typical intermediary commissions is between 5 percent to 15 percent.**

**The City**

Insurance Coverage	Proposing Agency		Intermediary	
	% of Premium	Maximum Commission	% of Premium	Maximum Commission
Excess Workers Compensation	%	\$	5-15 %	\$
Contractors Equipment	%	\$	5-15 %	\$
Employment Practices Liability	%	\$	5-15 %	\$
Public Officials Liability	%	\$	5-15 %	\$
Automobile Physical Damage	%	\$	5-15 %	\$
Law Enforcement Liability	%	\$	5-15 %	\$
The City Employee Disability Fund Fiduciary Liability	%	\$	5-15 %	\$
The City Fire and Police Fiduciary Liability	%	\$	5-15 %	\$
Lawyers Professional Liability	%	\$	5-15 %	\$
Special Events	%	\$	5-15 %	\$
Accidental Death & Dismemberment	%	\$	5-15 %	\$
Crime	%	\$	5-15 %	\$
Fine Arts Floater	%	\$	5-15 %	\$
Pollution and Remediation Legal Liability	%	\$	5-15 %	\$
Aviation – Helicopter	%	\$	5-15 %	\$
Rehab Dwellings – Property/Liability	%	\$	5-15 %	\$
Environmental Liability	%	\$	%	\$
Public Official Bonds – Two	%	\$	%	\$
Bond – Downtown Redevelopment	%	\$	%	\$
Property	%	\$	%	\$
Excess Property	%	\$	%	\$
Boiler and Machinery	%	\$	%	\$
Pension Trust Fiduciary Liability General Employee Pension Plan and Employee Disability	%	\$	%	\$



	Proposing Agency		Intermediary	
Pension Trust Fiduciary Liability Police and Firefighters	%	\$	%	\$
Aviation/Hangarkeepers Liability	%	\$	%	\$
Thomas Center / Fine Arts	%	\$	%	\$
Vacant Dwellings	%	\$	%	\$
Builders Risk – If Requested	%	\$	%	\$
TOTAL:	N/A	\$ 198,500.00	N/A	\$

### Gainesville Regional Utilities

	Proposing Agency		Intermediary	
Insurance Coverage	% of Premium	Maximum Commission	% of Premium	Maximum Commission
Primary Property/Boiler & Machinery	%	\$	%	\$
Excess Property/Boiler & Machinery	%	\$	%	\$
General Liability - Deerhaven	%	\$	%	\$
Excess Liability - Deerhaven	%	\$	%	\$
Railroad Liability – Leased Cars Only	%	\$	%	\$
Railroad Physical Damage – Owned and Leased Cars	%	\$	%	\$
Electronic Data Processing	%	\$	%	\$
Bonds	%	\$	%	\$
TOTAL:	N/A	\$ Included	N/A	\$

### Gainesville Regional Utilities Communication Services

	Proposing Agency		Intermediary	
Insurance Coverage	% of Premium	Maximum Commission	% of Premium	Maximum Commission
General Liability	%	\$	%	\$
Auto Liability	%	\$	%	\$
Excess Liability	%	\$	%	\$
Electronic Data Processing	%	\$	%	\$
TOTAL:	N/A	\$ Included	N/A	\$

Ironwood Public Golf Course

Insurance Coverage	Proposing Agency		Intermediary	
	% of Premium	Maximum Commission	% of Premium	Maximum Commission
Package Property	%	\$	%	\$
Inland Marine	%	\$	%	\$
General Liability	%	\$	%	\$
Pollution Liability	%	\$	%	\$
Liquor Liability	%	\$	%	\$
Hired / Non-Owned Liability	%	\$	%	\$
Excess / Umbrella Liability	%	\$	%	\$
Golf Cart / Golf Maintenance	%	\$	%	\$
Golf Facilities Management Liability	%	\$	%	\$
Automobile Liability	%	\$	%	\$
Crime	%	\$	%	\$
TOTAL:	N/A	\$ <b>Included</b>	N/A	\$

Are the above maximum commissions negotiable?

All the above maximum commissions are not applicable, as we are proposing an Annual fee.

If and when the use of any intermediary is necessary, we will negotiate the lowest possible commission at that time. Typical intermediary commissions is between 5 percent to 15 percent.

- 36. Will this remuneration be included within the premiums you propose, or in addition to net premiums proposed? Explain.  
**This is a fee that will be in addition to net premiums proposed.**
- 37. Number of years you are willing to guarantee this level of remuneration, regardless of premium changes? Explain.  
**We are proposing a 3% increase for year two and three including options years.**
- 38. Is proposed remuneration inclusive of marketing activity and services to be provided throughout the year? To what extent are there also fees for services, e.g. loss control, actuarial, windstorm modeling, property valuations? (Clearly explain any variable.) **Yes. Please see draft CSA provided in the Appendix for details.**
- 39. To what extent will you need a separate contract for services not related to the insurance being purchased?  
**Marsh can either add additional services or coverage(s) via addendum to the contract for an additional negotiated fee or if it is the City's desire for Marsh to issue an engagement letter that can be done as well. Marsh's engagement letter confirms the service(s) and/or coverage(s) being offered as well as confirmation of commission and/or fee received. Engagement letters are sent out on a year basis.**
- 40. Do you acknowledge that the City reserves the right, at any time, to remove the agent of record status for one or more types of coverage if believed to be in the City's best interest to solicit such coverage from one or more parties involving other agents? **Yes**
- 41. Do the submitting agency and agents agree to allow and pledge full cooperation to the City if it (at its option) desires an audit of the agency and related parties regarding the City's expenditures for the property/casualty insurance/self-insurance program and all related remuneration to the agency and agents and others involved, including the tracking of funds to intermediaries, insurers, etc.? **Yes**

**General**

42. Will you be available for the Agent finalist interviews is held if you are selected as a finalist? **Yes**
43. Have you disclosed the name of any officer, director, agent or other key person who is also an official or employee of the City? If none, state "none". **None**
44. Have you disclosed the name of any official or employee of the City who owns, directly or indirectly, an interest of five percent or more in a proposing firm or any of its branches? If none, state "none". **None**
45. Reasons for the City qualifying your firm: describe below and by attachment the key reasons your firm should be qualified by the City to be the agent of record. Emphasize issues that make the firm unique, or give it special advantages over other submitters. Attach and supplemental documentation you think is relevant to your qualification.

**Marsh is the ideal risk management partner for the City and the most qualified to assist you in achieving your mission: "We are committed to providing exceptional services that enhance the quality of life for the Gainesville community." Our Key Differentiators have been provided in the Appendix of our proposal.**

46. Describe your ability to access, utilize and leverage key insurance markets.

**Marsh maintains senior relationships with all key insurance markets. These relationships as well as the size of our book premiums placed allows us total access in placing the City's coverage for the best in terms, conditions and price.**

47. If you represent unique and/or exclusive markets or specialty programs please explain and indicate if you think the City would be better off with these markets and programs than with the its current program..

**We recommend that the City strongly consider placing their terrorism coverage in a separate program. Marsh has worked diligently with underwriters to develop terrorism coverage that offers the City broader coverage than found in existing terrorism coverage built into the standard all-risk policy form.**

**Additional Comments**

I have read the City's Request for Qualification for Agent of Record. I am submitting information based upon the representation that my firm is of sufficient size and capability and has sufficient experience to serve the City.

I understand that the City may conduct interviews with selected firms submitting proposals, and the City's decisions about interviews and selection shall be final.

This Request by the City is understood to be a solicitation of background information and qualifications from firms that may be designated as agent of record. I represent that I am authorized to provide this submission on behalf of my firm.

<u>July 23, 2015</u>		<u>Marsh USA, Inc.</u>	<u>(954) 838-3427</u>
Date	Authorized Signature, Title	Firm	Telephone

Which are your preferred insurance company markets (intermediaries and wholesalers are not insurance company markets), in order of those you think can best serve the City with the best cost, coverage service?

Although the current program is being renewed regardless of submitting agent responses and the chosen agent of record is unlikely to be asked to replace the current program until the next renewal, the City wants to hear what each submitting agent thinks about the best markets available to serve the City.

Agents (including incumbent) are asked to provide indications of those insurance markets believed to be, by order of preference, those that would be in the best interests of the City for the following coverages. The markets to be listed can be incumbent markets, or they can be different markets than the incumbent if you do not think current markets are in the City's best interest. **Although the numbering sequence is limited, additional insurers may be listed!**

#	Insurer Name Also, include MGA/MGU, if Applicable	Insurer Group or Fleet Name	Your Firm's Estimated Annual Florida Premium Volume	Direct Access Yes or No	Group/Fleet Exclusive Yes or No
PACKAGE POLICY (All Lines Aggregate- the City does not currently purchase an All Lines Aggregate program, however, the following are potential markets that can write similar to the current program structure or can provide an *All Lines Aggregate)					
1.	Travelers Property & Casualty	Travelers Companies, Inc.	*	Yes	No
2.	Preferred Governmental Insurance Trust / Public Risk Underwriters		*	No	No
3.	Florida Municipal Trust		*	No	No
4.	*Brit	Brit Insurance Holdings LTD	*	Yes	No
5.	*Munich Re America	Munich Reinsurance Company	*	Yes	No
6.	*Colony Insurance Company	Argo Group International Holdings LTD	*	No	No
7.	Lexington Insurance Co.	American International Group, Inc.	*	Yes	No
<b>EXCESS WORKERS COMPENSATION</b>					
1.	Travelers Property Casualty Company of America	Travelers Companies, Inc.	*	Yes	No
2.	Arch Insurance Co.	Arch Capital Group LTD	*	Yes	No
3.	Safety National	Tokio Marine Holdings Inc.	*	Yes	No

EXCESS WORKERS COMPENSATION					
4.	NY Marine & General	New York Marine Group	*	No	No
5.	ACE Insurance Company	ACE LTD	*	Yes	No
6.	Midwest Employers Casualty	W.R. Berkley	*	Yes	No

\* Marsh places over \$40 billion in premium annually—nearly \$7.4 billion in property, \$8.3 billion in casualty, and \$3.4 billion in financial and professional coverage premiums. Marsh does not disclose premium by market/insurer.

Police Professional and Public Officials should say “Included in Package/All Lines Aggregate”.

## Drug-Free Workplace Form

(See following page)

## DRUG-FREE WORKPLACE FORM

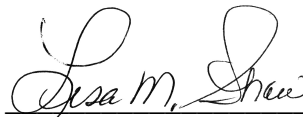
The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that

\_\_\_\_\_ does:

(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for the drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.



\_\_\_\_\_  
Bidder's Signature

\_\_\_\_\_  
Date



## Exhibit A - Article X. Local Preference Policy Form

(See following page)

## **ARTICLE X. LOCAL PREFERENCE POLICY\***

**\*Editor's note:** Section 9 of Ord. No. 001261 states: "This ordinance shall become effective October 1, 2004, and shall be reviewed by the City Commission October 1, 2005, and unless extended by action of the City Commission, shall be deemed repealed effective March 31, 2006, provided that it shall remain applicable to new contracts solicited prior to repeal."

### **Sec. 2-620. Findings of fact.**

The city annually spends significant amounts on purchasing personal property, materials, and contractual services and in constructing improvements to real property or to existing structures. The dollars used in making those purchases are derived, in large part, from taxes, fees, and utility revenues derived from local businesses in the corporate city limits of Gainesville, and the city commission has determined that funds generated in the community should, to the extent possible, be placed back into the local economy. Therefore, the city commission has determined that it is in the best interest of the city to give a preference to local businesses in the corporate city limits of Gainesville in making such purchases whenever the application of such a preference is reasonable in light of the dollar-value of proposals received in relation to such expenditures.

(Ord. No. 001261, § 1, 3-29-04)

### **Sec. 2-621. Definition.**

"Local business" means the vendor has a valid occupational license, issued by the City of Gainesville at least six months prior to bid or proposal opening date, to do business in said locality that authorizes the business to provide the goods, services, or construction to be purchased, and a physical business address located within the limits of said locality, in an area zoned for the conduct of such business, from which the vendor operates or performs business on a day-to-day basis. Post office boxes are not verifiable and shall not be used for the purpose of establishing said physical address. In order to be eligible for local preference, the vendor must provide a copy of the occupational license.

(Ord. No. 001261, § 2, 3-29-04)

### **Sec. 2-622. Local preference in purchasing and contracting.**

In bidding of, or letting contracts for procurement of, supplies, materials, equipment and services, as described in the purchasing policies, the city commission, or other purchasing authority, may give a preference to local businesses in making such purchase or awarding such contract in an amount not to exceed five percent of the local business' total bid price, as described below, and in any event the cost differential should not exceed \$25,000.00. Total bid price shall include not only the base bid price but also all alterations to that base bid price resulting from alternates which were both part of the bid and actually purchased or awarded by the city commission or other authority. In the case of requests for proposals, letters of interest, best evaluated bids, qualifications or other solicitations and competitive negotiation and selection in which objective factors are used to evaluate the responses, local businesses are assigned five percent of the total points of the total evaluation points.

(Ord. No. 001261, § 3, 3-29-04)

### **Sec. 2-623. Exceptions to local preference policy.**

The preference set forth in this Article X shall not apply to any of the following purchases or contracts:

- (1) Good or services provided under a cooperative purchasing agreement;

## EXHIBIT A

- (2) Contracts for professional services procurement of which is subject to the Consultants' Competitive Negotiation Act (F.S. § 287.055) or subject to any competitive consultant selection policy or procedure adopted or utilized by the city commission or charter officer;
- (3) Purchases or contracts which are funded, in whole or in part, by a governmental entity and the laws, regulations, or policies governing such funding prohibit application of that preference; or
- (4) Purchases made or contracts let under emergency or noncompetitive situations, or for litigation related legal services, etc., as such are described in the city's purchasing policies;
- (5) Purchases with an estimated cost of \$50,000.00 or less;
- (6) Application of local preference to a particular purchase, contract, or category of contracts for which the city commission is the awarding authority may be waived upon written justification and recommendation of the charter officer and approval of the city commission. The preferences established herein in no way prohibit the right of the city commission or other purchasing authority to compare quality or fitness for use of supplies, materials, equipment and services proposed for purchase and compare qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Further, the preferences established herein in no way prohibit the right of the city commission or other purchasing authority from giving any other preference permitted by law in addition to the preference authorized herein.

(Ord. No. 001261, § 4, 3-29-04)

**Sec. 2-624. Application, enforcement.**

The local preference shall apply to new contracts for supplies, materials, equipment and services first solicited after October 1, 2004. This article shall be implemented in a fashion consistent with otherwise applicable city purchasing policies and procedures.

(Ord. No. 001261, § 5, 3-29-04)

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Local Preference is requested:     YES         NO

If Local preference is requested this exhibit must be submitted with the proposal.

A copy of your Business tax receipt and Zoning Compliance Permit should be submitted with the proposal if a local preference is requested.

## Exhibit D – Living Wage Compliance Form

(See following page)

**LIVING WAGE COMPLIANCE**  
See Living Wage Decision Tree (Exhibit C hereto)

Check one:

- Living Wage Ordinance does not apply  
(check all that apply)
- Not a covered service
  - Contract does not exceed \$100,000
  - Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employees 50 or more persons, but not including employees of any subsidiaries, affiliates or parent businesses.
  - Located within the City of Gainesville enterprise zone.
- Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville's living wage requirements, as applicable, without any adjustment to the bid price.



APPENDIX A  
ADDENDUM ONE

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## ADDENDUM NO. 1

Date: July 15, 2015

RFP Due Date: July 27, 2015  
at 3:00 P.M. (Local Time)

Project Name: Broker/Agent Insurance and Risk Management  
Consulting Services

RFP No.: RMDX-150054-DD

NOTE: This Addendum has been issued only to the holders of record of the Request for Proposal RMDX-150054-DD.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. Any questions shall be submitted in writing to the City of Gainesville Purchasing Division by close of business day, July 16, 2015. Questions may be submitted as follows:
 

Email: [drymonjd@cityofgainesville.org](mailto:drymonjd@cityofgainesville.org)  
or  
Faxed (352) 334-3163  
Attention: Doug Drymon
2. Please find attached:
  - a. Copy of the black out period definitions (Financial Procedures Manual Section 41-424 Prohibition of lobbying in procurement matters).
  - b. Exhibit #1 - Copy of proposed contract for Broker and Risk Consulting Services. (**NOTE:** if Proposer has a suggested service agreement that they would like the City to consider, they may include that contract form in their proposal. The City will require the inclusion of the public records language, indemnity and right to audit language included in the general terms and conditions included in the RFP, at a minimum. Any contract or service agreement will be subject to approval of the City Attorney as to form and legality.)
  - c. Exhibit #2 - City of Gainesville Schedule of Values (SOV).
  - d. Exhibit #3 - City of Gainesville Property Policy and Participation Acknowledgements.
  - e. Exhibit #4 - City of Gainesville GRU Power Generation Property Risk Assessment – Deerhaven Plant.
  - f. Exhibit #5 - City of Gainesville GRU Power Generation Machinery Risk Assessment – Kelly Plant.
  - g. Exhibit #6 - City of Gainesville GRU Power Generation Machinery Risk Assessment – South Energy Center.
  - h. Exhibit #7 - Final Policy Gainesville Regional Utilities (Inc.).
  - i. Exhibit #8 - 2014 Umb Policy # BE012493121



3. Per a request from Steven C. Varvel, City of Gainesville Risk Management Director, all firms responding to the Request for Proposal (RFP) should clearly identify the section and/or page # within their proposal where they have satisfactorily demonstrated that they meet the minimum requirements outlined in Section II(B) of the RFP. Proposers should submit their response in a format similar to the following table:

SECTION # of RFP Document	PAGE # of RFP Document	MINIMUM REQUIREMENTS (Must/Should)	SECTION and/or PAGE # of the Proposal
II(B)	8	Minimum 10 years' experience with public agencies of equal size and complexity to City of Gainesville is required.	
II(B)	8	Experience with a power generating utility having at least 400MW of generating capacity is required.	
II(B)	8	Proposer's assigned Service Team should have experience with the marketing and placement of a complex insurance program, including the placement of a property program having a minimum total insured value of \$500,000,000.00, and which includes a significant boiler and machinery component.	
II(B)	8	Proposer's Service Team should have a public entity client with a minimum insurance placement of \$3 million.	
II(B)	8	Proposer shall have experience coordinating loss control visits with carriers.	

4. Additionally, all proposals submitted should conform to the following change to Section I(C) of the original RFP document:

#### **PROPOSAL SUBMISSION**

One (1) original and ~~two (2)~~ **three (3)** copies (a total of ~~three~~ **four** sets) of the complete proposal must be received by July 27, 2015 at 3:00 p.m. local time at which time all proposals will be publicly opened. In addition, proposer should provide one (1) electronic copy of their proposal in PDF format on a CD or USB flash drive. Electronic documents should not be password protected, encrypted, etc.

Following are responses to inquiries which have been received to-date from prospective proposers:

5. Inquiry: We would like to request a copy of the Property policy and the Property Statement of values.  
Response: Please refer to Exhibits #2 and #3 uploaded with this Addendum to DemandStar.
6. Inquiry: The Schedule of Insurance provided and the policy list reflected in Attachment Form B do not match, please confirm which is accurate.  
Response: The schedule of insurance does not include the six bonds renewed annually for two Charter Officers, two Finance Director/CFO, employee dishonesty and tax collector. In addition to the schedule, the City purchases two fiduciary liability policies for its pension plans, an

aviation policy for its police helicopter, statutory life insurance for police and fire, and a small property policy for rental rehab owned locations that renew during the year. The Attachment Form B includes all types of insurance purchased over the past 10 years and is intended to be overly broad to ensure that any additional risk transfer tools (insurance) are included in the proposal. If there are any lines that would include an additional fee, the City would like those fees identified in advance. An example would be a builder's risk policy. This not something the City purchases on an annual basis but would like to know, if needed, is it included in the proposals price structure.

7. Inquiry: The Schedule of Insurance reflects GRU's Property (All Risk) Boiler & Machinery sublimit is \$1,000,000; please confirm if this is correct.  
Response: This represents sub-limits on special expense. See policy (Exhibit #3) for details.
8. Inquiry: A copy of GRU's General Liability / Umbrella policy.  
Response: Please refer to Exhibit #8 uploaded with this Addendum to DemandStar.
9. Inquiry: A copy of GRU's latest risk engineering reports and GRU's standard master services agreement.  
Response: Please refer to Exhibits #4, #5 and #6, as well as Exhibit #7 uploaded with this Addendum to DemandStar.
10. Inquiry: Please confirm if the separate price proposal is applicable for this RFP response.  
Response: A separate price proposal is not applicable. The pricing should be indicated on the provided response form. Any compensation in addition to fees/commissions stated in the response should be clearly identified. Any add on services, such as broker's staff attendance at plant loss control meetings or intermediary commissions require full disclosure and transparency.

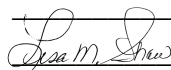
ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 1 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

#### CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 1 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: Marsh USA, Inc.

BY:



DATE:

07/23/2015

CITY OF \_\_\_\_\_ FINANCIAL SERVICES  
GAINESVILLE PROCEDURES MANUAL

**41-424      Prohibition of lobbying in procurement matters**

Except as expressly set forth in Resolution 060732, Section 10, during the black out period as defined herein no person may lobby, on behalf of a competing party in a particular procurement process, City Officials or employees except the purchasing division, the purchasing designated staff contact. Violation of this provision shall result in disqualification of the party on whose behalf the lobbying occurred.

Black out period means the period between the issue date which allows for immediate submittals to the City of Gainesville Purchasing Department for an invitation for bid or the request for proposal, or qualifications, or information, or the invitation to negotiate, as applicable, and the time the City Officials and Employee awards the contract.

Lobbying means when any natural person for compensation, seeks to influence the governmental decision making, to encourage the passage, defeat, or modification of any proposal, recommendation or decision by City Officials and Employees, except as authorized by procurement documents.



APPENDIX B  
ADDENDUM TWO

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**ADDENDUM NO. 2**

Date: July 16, 2015

RFP Due Date: July 27, 2015  
at 3:00 P.M. (Local Time)Project Name: Broker/Agent Insurance and Risk Management  
Consulting Services

RFP No.: RMDX-150054-DD

NOTE: This Addendum has been issued only to the holders of record of the Request for Proposal RMDX-150054-DD.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. Any questions shall be submitted in writing to the City of Gainesville Purchasing Division by close of business day, July 16, 2015. Questions may be submitted as follows:

Email: [drymonjd@cityofgainesville.org](mailto:drymonjd@cityofgainesville.org)

or

Faxed (352) 334-3163

Attention: Doug Drymon

2. Please find attached:
  - a. Attachment B, "Submission Form for Qualification of Property/Casualty Insurance Agent of Record" in unlocked MS WORD format.

Following are responses to inquiries which have been received to-date from prospective proposers:

3. Inquiry: Is it possible to obtain a copy of Attachment B in an unlocked format in order for us to complete and return with our response?

Response: Please refer to the attached document uploaded with this Addendum to DemandStar.

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 1 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 2 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: Marsh USA, Inc.

BY:

DATE:

07/23/2015









## APPENDIX C

## MARSH SCHEDULE OF EXCEPTIONS

The following are proposed modifications to the materials provided by City of Gainesville (the "Client") in connection with the Request for Proposal No. RMDX-150054-DD relating to Broker/Agent Insurance and Risk Management Consulting Services. Marsh USA Inc. ("We" or "Marsh") is willing to discuss and consider alternatives that are mutually acceptable to Marsh and the Client.

PROVISION	PROPOSED CLARIFICATIONS
Audit Rights	Any audit shall be upon reasonable advance notice, during ordinary business hours and subject to, and limited by, reasonable and appropriate confidentiality obligations and reasonable scope limitations which may be required to protect the confidential and proprietary nature Marsh's operations and the shared nature of systems which may be used to provide the Services. The scope of the Client's audit shall be limited to information directly related to Marsh's performance of services for the Client and shall exclude internal Marsh records, documents, correspondence and other information.
Indemnification	Marsh will indemnify the Client only against third party liabilities and only to the extent they arise out of Marsh's negligent acts or omissions or wilful misconduct in connection with Marsh's services for the Client or Marsh's breach of its agreement with the Client.
Insurance	Marsh is covered under a comprehensive insurance program designed by Marsh & McLennan Companies, Inc. ("MMC"), its ultimate parent company. The insurance program provides limits of coverage that meet or exceed usual and customary standards of insurance for similar firms insuring similar risks. Should Marsh be awarded the work pursuant to this RFP, the specific insurance requirements in connection with this engagement will be subject to review by MMC's Risk Management department.
Termination	In the event of termination of Marsh's engagement by the Client for any reason, Marsh and its affiliates shall have no further obligation to provide services to the Client.
Compliance with Law	Marsh will comply with all laws to the extent applicable to its services performed on behalf of the Client.
Indemnification	Marsh will indemnify the Client only against third party liabilities and only to the extent they arise out of Marsh's negligent acts or omissions or wilful misconduct in connection with Marsh's services for the Client or Marsh's breach of its agreement with the Client.
Insurance	Marsh is covered under a comprehensive insurance program designed by Marsh & McLennan Companies, Inc. ("MMC"), its ultimate parent company. The insurance program provides limits of coverage that meet or exceed usual and customary standards of insurance for similar firms insuring similar risks. Should Marsh be awarded the work pursuant to this RFP, the specific insurance requirements in connection with this engagement will be subject to review by MMC's Risk Management department.

## **Definitive Contract and Additional Terms**

### **Additional Terms**

In addition, we propose including provisions substantially similar to the following:

**Taxes and Fees.** In certain cases, insurance placements that Marsh makes on the Client's behalf may require the payment of insurance premium taxes (including U.S. federal excise taxes), sales taxes, use taxes, surplus or excess lines and similar taxes and/or fees to federal, state or foreign regulators, boards or associations. The Client will pay such taxes and fees, whenever assessed. Any such taxes and fees collected by Marsh will be promptly remitted by Marsh to the appropriate authorities.

**Responsibilities of the Client.** The Client shall be solely responsible for the accuracy and completeness of all information that the Client furnishes to Marsh and/or insurers, and the Client shall sign any required application for insurance. Marsh shall not be responsible for verifying the accuracy or completeness of any information that the Client provides, and Marsh shall be entitled to rely on that information. Marsh shall have no liability for any errors, deficiencies or omissions in any Services provided to the Client, including the placement of insurance on the Client's behalf, that are based on inaccurate or incomplete information provided to Marsh. The Client understands that the failure to provide all necessary information to an insurer, whether intentional or by error, could result in the impairment or voiding of coverage.

The Client agrees that all decisions regarding the amount, type or terms of coverage shall be the Client's ultimate responsibility. While Marsh may provide advice and recommendations, the Client must decide the specific coverage that is appropriate for the Client's particular circumstances and financial position.

The Client will review all policy documents provided to the Client by Marsh.

**Intermediaries.** When in Marsh's professional judgment it is necessary or appropriate and subject to the Client's prior approval, Marsh may utilize the services of other intermediaries, including wholesale brokers, to assist in the marketing of the Client's insurance. Such intermediaries may be affiliates of Marsh.

**Disclaimers.** (a) Marsh does not speak for any insurer, is not bound to utilize any particular insurer and is not authorized to make binding commitments on behalf of any insurer, except under special circumstances which Marsh shall endeavor to make known to the Client. Marsh shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or other financial obligations. Marsh does not guarantee or make any representation or warranty that insurance can be placed on terms acceptable to the Client. Marsh will not take any action to replace the Client's insurers unless the Client instructs Marsh to do so. Marsh's service obligations to the Client are solely contractual in nature. The Client acknowledges that, in performing services, Marsh and its affiliates are not acting as a fiduciary for the Client, except to the extent required by applicable law, and do not have a fiduciary or other enhanced duty to the Client. Any reports or advice provided by Marsh should not be relied upon as accounting, legal, regulatory or tax advice. In all instances, Marsh recommends that the Client seeks its own advice on such matters from professional accounting, legal, regulatory and tax advisors.

(b) If Marsh has taken over any existing program or policies implemented by another broker, Marsh will not assume any responsibility for the adequacy or effectiveness of those programs or policies or any acts or omissions occurring prior to Marsh's engagement. Within a reasonable time, Marsh will have completed a review of such programs and policies and will make recommendations it believes are necessary.

(c) Any loss control services and/or surveys performed by Marsh under this Contract are advisory in nature. Such services are limited in scope and do not constitute a safety inspection as provided by a safety engineering service. Marsh does not claim to find or include every loss potential, hazard, statutory or code violation or violation of good practice. All surveys and reports are based upon conditions observed and information supplied by the Client. Marsh does not expressly or impliedly guarantee or warrant in any way the safety of any site or operation or that the Client or any of its sites or operations is in compliance with federal, state or local laws, codes, statutes, ordinances or recommendations.

(d) Marsh is not authorized to practice law and none of Marsh's advice or services shall be construed as, or a substitute for, legal advice. Marsh's services may include advice and recommendations; however all decisions in connection with the implementation of such advice and recommendations shall be the sole responsibility of, and made by, the Client.

(e) Marsh may provide to the Client information and services related to insurance regulatory and insurance tax issues relating to the Client's insurance program. Any reports or advice provided by Marsh will be based on publicly available information and Marsh's experience as an insurance broker and risk consultant in dealing with such matters for other clients and should not be relied upon as accounting, regulatory or tax advice. In all instances, Marsh recommends that the Client seek its own advice on accounting, regulatory and tax matters from professional legal and tax advisers.

(f) Marsh may provide the Client with modeling and/or business analytics services, including Loss Projection Model (LPM), Workers' Compensation Performance Assessment (WCPA), IDEAL, Risk Bearing Capacity and risk tolerance analysis (RBC), benchmarking and industry risk mapping ("Modeling and Analytics"). Modeling and Analytics services will be based upon a number of assumptions, conditions and factors. If any of them or any information provided to Marsh are inaccurate or incomplete or should change, the Modeling and Analytics provided by Marsh could be materially affected. These services are subject to inherent uncertainty, and actual results may differ materially from that projected by Marsh. They are provided solely for the Client's benefit, and do not constitute, and are not intended to be a substitute for, actuarial, accounting or legal advice. Marsh shall have no liability to any third party in connection with these services or to the Client with regard to any services performed or provided by a third party. Except to the Client's insurers in connection with the placement of coverage by Marsh, the Client shall not share any of Marsh's Modeling and Analytics work product with a third party without Marsh's prior written consent.

**Limitation of Liability.** In no event shall either party be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits arising out of or relating to any services provided by Marsh or its affiliates. The aggregate liability of Marsh, its affiliates and its and their employees to the Client arising out of or relating to the provision of services by Marsh or its affiliates shall not exceed \$10 million. This provision applies to the fullest extent permitted by applicable law.

**Jury Waiver.** Each party, on behalf of itself and its affiliates, to the fullest extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to this Agreement or any services provided by Marsh or its affiliates. The waiver applies to any action or legal proceeding, whether sounding in contract, tort or otherwise. Each party, on behalf of itself and its affiliates, also agrees not to include any employee, officer or director of the other party or its affiliates as a party in any such action or proceeding.

**Severability.** It is the intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified or deleted in such manner so as to afford the party for whose benefit it was intended the fullest benefit commensurate with making this Agreement, as modified, enforceable, and the balance of this Agreement shall not be affected thereby, the balance being construed as severable and independent.

**Miscellaneous.** The parties are of equal commercial sophistication and have negotiated this Agreement at arms' length. Each party is entering into this Agreement voluntarily, has read and understands all its provisions and has had the opportunity to seek and to obtain the advice of counsel on its rights and responsibilities under, and the terms and conditions of, this Agreement.

**Definitive Contract**

*Prior to the commencement of any work in connection with this RFP, Marsh will work with the Client to arrive at a mutually acceptable service agreement. Marsh's performance of services for the Client is subject to the negotiation and execution of such an agreement, the terms and scope of services of which may vary from the terms contained in this RFP.*



APPENDIX D

# PROPOSED CLIENT SERVICE AGREEMENT

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AGREEMENT ("Agreement") effective September 1, 2015 (the "Effective Date"), between Marsh USA Inc. ("Marsh"), and City Of Gainesville ("you").

It is agreed as follows:

**1. Services.**

Marsh will act as your insurance broker and/or risk management consultant with respect to the lines of insurance listed in Section 2. Marsh shall provide to you the following services (the "Services"):

**Pre-Marketing Services**

- (a) Conduct an initial strategy discussion in advance of each placement;
- (b) Assist you in assessing your risks and in developing insurance specifications which Marsh will submit to insurers;
- (c) Recommend potential insurers;

**Marketing and Placement Services**

- (d) Solicit quotes from insurers that you select;
- (e) Negotiate on your behalf with insurers;
- (f) Assist you in evaluating the options received from insurers;
- (g) Use best efforts to place insurance for you, but only after you have authorized Marsh to bind coverage for you;

**Services related to Marsh placements**

- (h) Deliver confirmation of coverage once it is placed;
- (i) Follow up with insurance carriers to obtain policies and/ or endorsements. Marsh may deliver your insurance policies and endorsements to you electronically;
- (j) Review policies and endorsements for conformity with agreed terms and coverages;
- (k) Provide coverage summaries;
- (l) At your request, issue certificates or memoranda of insurance and/or auto identification cards;
- (m) Review premium and exposure audits, rating adjustments, dividend calculations and loss data;
- (n) Provide you with invoices, except in the case of direct billing by insurers. Remit premiums to insurers and, where applicable, remit taxes and fees to the relevant authorities, following receipt thereof from you;
- (o) Monitor published financial information of your current insurers and alert you when one of those insurers falls below Marsh's minimum financial guidelines.

**Claims-Related Services**

- (p) Provide the following claims-related services:
  - Evaluate coverage applicability on all Marsh placed business
  - Assist you in the development of settlement strategies
  - Assist you with insurer negotiations
  - Assist you with litigation management issues that impact claim settlements
  - Excluding Workers Compensation, Primary Auto Liability / Physical Damage and non-complex Primary General Liability claims, prepare loss notices to insurers and notify insurers of claims;

provided that your Marsh claims advocate is informed in writing by you of the claim, with details of the claim, and Marsh has placed the applicable policies or the Marsh claims advocate has been provided written notice by you of the applicable carrier and policies.

The total number of hours of property and casualty claims services described in this paragraph provided by Marsh to you in a calendar year shall not exceed 62.5. In the event such claims services exceed such hourly allotment, Marsh reserves the right to seek additional compensation.

In addition, Marsh will provide the Property Risk Consulting Services described in Appendix B.

Marsh may utilize the services of intermediaries to place your insurance, subject to your approval.

Marsh will not serve as your insurance broker, but only as your risk consultant, with respect to placements with ineligible insurers. In those circumstances, Marsh's non-U.S. affiliates shall provide the brokerage Services.

Marsh may retain your information in paper or imaged format and may destroy paper copies if Marsh retains digital images thereof.

Marsh's service obligations to you are limited to those set forth above. Marsh can provide additional services at an additional cost. The cost and scope of additional services (see Appendix A) will be agreed in advance and reflected in an amendment to this Agreement or a separate agreement.

**2. Lines of Insurance.**

<b><u>Line(s) Of Coverage</u></b> (effective 10/01/2015)
<b>City of Gainesville</b>
Automobile Liability
General Liability
Misc. Professional Liability
Excess Workers Compensation
Pollution Legal Liability
Inland Marine
<b>Gainesville Regional Utilities</b>
Automobile Liability
General Liability
Misc. Casualty
Excess Liability
Property/All Risk (incl. Flood)
Misc. Property
<b>Ironwood</b>
Automobile Non-Owned
Excess Liability
Business Owners/Property Package

**3. Compensation.**

Marsh will deliver the Services to you for an annual fee of \$198,500, which shall be subject to a cost of living-related increase of 3% on each anniversary of the Effective Date.

The annual fee shall be invoiced by Marsh on the Effective Date, and thereafter, on each anniversary of the Effective Date and shall be due and payable by you within thirty (30) days of receipt of invoice.

Prior to each placement by Marsh, Marsh shall disclose to you any commissions to be collected by Marsh or its affiliates, except when such affiliates are acting as an underwriting manager on behalf of insurers. Marsh shall credit against the annual fee any retail commissions collected by it or its affiliates. If the retail commissions for a contract year exceed the annual fee, then Marsh will return any excess retail commissions to you unless prohibited by anti-rebating laws. Marsh and its affiliates will not credit any wholesale commissions against the annual fee. In addition, any percentage of premium based insurer consulting compensation collected by Marsh or its affiliates will not be credited against the annual fee. Percentage of premium based insurer consulting compensation was formerly known as enhanced commissions.

The form of Marsh's compensation, whether by commission, fee, or both, shall not affect Marsh's role as insurance broker or the scope of the Services to be provided by Marsh.

Marsh shall be compensated for providing its Services with respect to Flood placed through the National Flood Insurance Program through commissions received from insurers, which shall be in addition to and not be credited against the annual fee. Marsh shall disclose to you these commissions prior to placement. Marsh will deliver Flood Zone Determinations to you for an additional fee of \$8.75 per Determination, subject to your approval of the ordering of such Flood Zone Determinations.

In the case of local placements made by Marsh's non-U.S. affiliates on behalf of you or your non-U.S. subsidiaries, Marsh's non-U.S. affiliates shall receive commissions, which shall be in addition to and not be credited against the annual fee. Prior to each placement, Marsh shall disclose to you any such commissions to be collected by Marsh or its affiliates, except when such affiliates are acting as an Underwriting manager on behalf of insurers. Marsh may make disclosures to your local operating management.

Any commissions collected by Marsh or its affiliates shall be considered fully earned at the time of placement. If you terminate a policy before it expires, Marsh will retain the commission it has collected except that, if Marsh places the replacement policy, Marsh will return any unearned commission.

If you ask Marsh to access non-U.S. markets not anticipated at the Effective Date, you agree to negotiate in good faith the additional costs of Services relating to those placements.

If there is a significant change in your operations or risks that affects the nature and scope of your insurance program and/or service needs, both parties agree to renegotiate Marsh's compensation in good faith.

#### **4. Term and Termination.**

The term of this Agreement shall commence on the Effective Date and shall terminate three (3) years thereafter (each year of the term shall be deemed to be a "Contract Year"), with the option to extend for two additional years, subject to mutual written agreement. Prior to the end of each Contract Year, the parties will negotiate services and/or compensation for the subsequent Contract Year. If, prior to the end of the current Contract Year, the parties do not mutually agree in writing upon services and compensation for the subsequent Contract Year, this Agreement shall terminate at the end of the current Contract Year.

Either party may terminate this Agreement upon 90 days' prior written notice. If Marsh terminates this Agreement, Marsh's compensation will be adjusted pro-rata to reflect the duration of the Agreement. If you terminate this Agreement, Marsh's annual compensation will be deemed earned as follows: 60% at the commencement of the current contract year; 75% after four months of the current contract year; and 100% after seven months of the current contract year.

The obligation of Marsh and its affiliates (including its UK affiliates) to provide Services to you will cease upon the effective date of termination, unless otherwise agreed in writing. Marsh will assist you in arranging a smooth transition process, subject to receipt by Marsh of all amounts due to Marsh from you.

#### **5. Taxes and Fees.**

Marsh may place insurance for you that may require the payment of insurance premium taxes (including U.S. federal excise taxes), sales taxes, use taxes, surplus or excess lines and similar taxes and/or fees to federal, state or foreign regulators, boards or associations. You agree to pay such taxes and fees. Marsh will remit any taxes and fees that it collects from you to the appropriate authorities.

#### **6. Your Responsibilities.**

You shall be solely responsible for the accuracy and completeness of all information that you furnish to Marsh and/or insurers, and you shall sign any required application for insurance. Marsh shall not be responsible for verifying the accuracy or completeness of any information that you provide, and Marsh shall be entitled to rely on that information. Marsh shall have no liability for any errors, deficiencies or omissions in any Services provided to you, including the placement of insurance on your behalf, that are based on inaccurate or incomplete information provided to Marsh. You understand that the failure to provide all necessary information to an insurer, whether intentional or by error, could result in the impairment or voiding of coverage.

You agree that all decisions regarding the amount, type or terms of coverage shall be your ultimate responsibility. While Marsh may provide advice and recommendations, you must decide the specific coverage that is appropriate for your particular circumstances and financial position.

You will review all policy documents provided to you by Marsh.

### **7. Other Revenue.**

If Marsh assists you with obtaining premium financing, Marsh may receive compensation from the finance company that provides the premium financing. Marsh shall provide to you information relating to Marsh's and its affiliates' arrangements with and interests in the premium finance companies to be considered by you and the compensation that Marsh and its affiliates would receive from these companies for your placements.

Marsh earns and retains interest income on premium payments held by Marsh on behalf of insurers between the time Marsh receives these payments from you and the time Marsh remits these payments to the insurers, where permitted by applicable law.

### **8. Disclaimers; Limitation of Liability.**

Marsh does not speak for any insurer, is not bound to utilize any particular insurer and is not authorized to make binding commitments on behalf of any insurer, except under special circumstances which Marsh shall endeavor to make known to you. Marsh shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or other financial obligations. Marsh does not guarantee or make any representation or warranty that insurance can be placed on terms acceptable to you. Marsh will not take any action to replace your insurers unless you instruct Marsh to do so. Marsh's service obligations to you are solely contractual in nature. You acknowledge that, in performing services, Marsh and its affiliates are not acting as a fiduciary for you, except to the extent required by applicable law, and do not have a fiduciary or other enhanced duty to you. Any reports or advice provided by Marsh should not be relied upon as accounting, legal, regulatory or tax advice. In all instances, Marsh recommends that you seek your own advice on such matters from professional accounting, legal, regulatory and tax advisors.

Marsh will not be responsible for the adequacy or effectiveness of any insurance programs or policies implemented by another broker, or any acts or omissions occurring prior to Marsh's engagement.

Any loss control services performed by Marsh are advisory in nature. These services do not constitute a safety inspection and do not include every loss potential, hazard, statutory or code violation or violation of good practice. All surveys and reports are based upon conditions observed and information supplied by you. Marsh does not guarantee or warrant the safety of any site or operation or that you or any of your sites or operations is in compliance with federal, state or local laws, codes, statutes, ordinances or recommendations.

In no event shall either party to this Agreement be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits arising out of or relating to any services provided by Marsh or its affiliates. The aggregate liability of Marsh, its affiliates and its employees to you or your affiliates arising out of or relating to the provision of services by Marsh or its affiliates shall not exceed \$10,000,000. This provision applies to the fullest extent permitted by applicable law.

Marsh may provide to you information and services related to insurance regulatory and insurance tax issues relating to your insurance program. Any reports or advice provided by Marsh will be based on publicly available information and Marsh's experience as an insurance broker and risk consultant in dealing with such matters for other clients and should not be relied upon as accounting, regulatory or tax advice. In all instances, Marsh recommends that you seek your own advice on accounting, regulatory and tax matters from professional legal and tax advisers.

Marsh may provide you with modeling and/or business analytics services, including Loss Projection Model (LPM), Workers' Compensation Performance Assessment (WCPA), IDEAL, Risk Bearing Capacity and risk tolerance analysis (RBC), benchmarking and industry risk mapping ("Modeling and Analytics"). Modeling and Analytics services will be based upon a number of assumptions, conditions and factors. If any of them or any information provided to Marsh are inaccurate or incomplete or should change, the Modeling and Analytics provided by Marsh could be materially affected. These services are subject to inherent uncertainty, and actual results may differ materially from that projected by Marsh. They are provided solely for your benefit, and do not constitute, and are not intended to be a substitute for, actuarial, accounting or legal advice. Marsh shall have no liability to any third party in connection with these services or to you with regard to any services performed or provided by a third party. Except to your insurers in connection with the placement of coverage by Marsh, you shall not share any of Marsh's Modeling and Analytics work product with a third party without Marsh's prior written consent.

### **9. Public Records.**

By entering into this Agreement with you, Marsh acknowledges that it will, to the extent applicable, comply with the Florida Public Records Act (Chapter 119, Florida Statutes). In complying with the Florida Public Records Act, Marsh shall:

- a. Keep and maintain public records that ordinarily and necessarily would be required by you in order to perform the service;
- b. Provide the public with access to public records on the same terms and conditions that you would provide the records and at cost that does not exceed the cost provided by law;
- c. Ensure that all public records that are exempt or confidential and exempt from public disclosure requirements are not disclosed except as authorized by law; and
- d. Meet all requirements for retaining public records and transfer to you, at no cost, all public records in possession of Marsh upon termination of the Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements; provided, however, that Marsh may retain copies of public records which are necessary for the conduct and proper record keeping of Marsh's business in



accordance with standard operating procedures or applicable law. All records stored electronically must be provided to you in a format that is compatible with your information technology.

Failure to comply with the Florida Public Records Act, including failure to provide a public record upon request is a breach of this Agreement between you and Marsh.

**10. Insurance.**

Marsh shall procure and maintain for the duration of this Agreement the following insurance coverages:

Commercial General Liability coverage including bodily injury, property damage, personal injury and contractual liability with limits of liability of \$1,000,000 combined single limit per occurrence and \$2,000,000 aggregate.

Professional Indemnity (Errors and Omissions) Insurance of \$10,000,000 per claim and aggregate.

The Commercial General Liability coverage described in paragraph (1) shall include you as an additional insured with respect to your vicarious liability arising from Marsh's provision of services.

**11. Indemnity.**

Marsh shall indemnify and hold you harmless from and against any and all losses, expenses, costs (including reasonable attorneys' fees and costs of defense), claims, damages and awards to the extent arising out of the negligence or willful misconduct of Marsh or any of its employees in providing Services.

**12. Audit Rights.**

Marsh shall maintain records sufficient to document its completion of the scope of service established by this Agreement. These records shall be subject at all reasonable time to review, inspect, copy and audit by persons duly authorized by you. These records shall be kept for a minimum of three (3) years after completion of the Agreement. Records which relate to any litigation, appeals or settlements of claims arising from performance under this Agreement shall be made available until a final disposition has been made of such litigation, appeals, or claims. Such review shall be (i) reasonable, including, without limitation, with regard to scope, timing and duration; (ii) subject to reasonable confidentiality restrictions; and (iii) limited by any confidentiality obligations that Marsh may have.

**12. Miscellaneous.**

The laws of the State of New York govern this Agreement, without regard to choice of law principles. This Agreement may only be amended by mutual written agreement.

Each party, on behalf of itself and its affiliates, to the fullest extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to this Agreement or any services provided by Marsh or its affiliates. The waiver applies to any action or legal proceeding, whether sounding in contract, tort or otherwise. Each party, on behalf of itself and its affiliates, also agrees not to include any employee, officer or director of the other party or its affiliates as a party in any such action or proceeding.

Any litigation or other proceedings arising from or relating to this Agreement or any services provided by Marsh or its affiliates to you or your affiliates shall be brought in the state or federal courts located in the State of New York, County of New York, United States of America, and the parties consent to the jurisdiction of such courts in connection therewith.

It is the intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified or deleted in such manner so as to afford the party for whose benefit it was intended the fullest benefit commensurate with making this Agreement, as modified, enforceable, and the balance of this Agreement shall not be affected thereby, the balance being construed as severable and independent.

The parties are of equal commercial sophistication and have negotiated this Agreement at arms' length. Each party is entering into this Agreement voluntarily, has read and understands all its provisions and has had the opportunity to seek and to obtain the advice of counsel on its rights and responsibilities under, and the terms and conditions of, this Agreement.

This Agreement and its written amendments and appendices constitute the entire understanding between Marsh and you, and supersede all other agreements or understandings, related to its subject matter.

Neither party will have any liability for any failure or delay in performing because of a force majeure event.

*[Signature Page Follows]*

**Marsh USA Inc.**

By: \_\_\_\_\_  
Lisa M Shaw  
Senior Vice President

Date: \_\_\_\_\_

Accepted and agreed:

**City Of Gainesville**

By: \_\_\_\_\_  
Steve Varvel  
Risk Management Director

Date: \_\_\_\_\_

SAMPLE

## Appendix A - Additional Services

Additional Services are available for separate compensation and shall be agreed upon in advance and addressed by amendment to this agreement or by separate agreement (in certain cases with affiliates of Marsh). Such additional services include, but are not limited to:

- Actuarial analysis of Workers' Compensation, General Liability, and Automobile Liability claims, or other lines of insurance;
- Consulting relating to workers' compensation cost containment, including behavioral risk management, absence management, cumulative injury management, lean ergonomics, financial diagnostics, claims inventory workout, vendor selection, return-to-work, PastPerformer diagnostics, managed care, claim audits and custom cost containment solutions;
- Business interruption and other claim valuation services offered by Marsh's Forensic Accounting practice;
- Environmental risk consulting services;
- Specialty consulting, including business continuity management, supply chain risk management, strategic risk assessments, and other MRC specialty practices;
- Specialized/customized property risk consulting solutions, including business interruption, boiler and machinery specialized consulting, loss estimate studies, emergency response management solutions, fire protection engineering services, and property risk site evaluation and assessment services;
- Claims services other than those specified under Section 1, if any, including claims management services, claims reporting as to lines of coverage or claims not included under Section 1, and property and casualty catastrophic claim response;
- Mass tort claims consulting and insurance archaeology research;
- Risk Financing Optimization (RFO), Catastrophic (CAT) Modeling and Enterprise Risk Management (ERM), including Dynamic Risk Mapping, services;
- Services in connection with loss portfolio transfers and alternative risk financing, including placements made in connection with such services;
- Captive insurance company feasibility studies;
- Establishment and administration of captive insurers;
- Placement of non-recurring insurance, including, but not limited to:
  - "one-time" placements for construction projects,
  - "one-time" placements for marine/cargo risks,
  - "one-time" placements for surety,
  - Placements for specific financial risks, such as trade credit,
  - Placements involving significant quantitative or actuarial analysis or modeling,
  - Placement of risks with financial institutions other than insurance carriers, and
  - Placements of risks not customarily accepted by insurers;
- Provision of the following services:
  - Identification and assessment, in general terms, of potential insurance regulatory and insurance tax issues relating to your insurance program;
  - Recommendations concerning insurers in light of such regulatory and tax issues;
  - Obtaining from your current and proposed insurers their views regarding potential insurance regulatory and insurance tax issues relating to your insurance, and the collection and settlement of local premium taxes and claims payment;
  - Review of and commentary on your internal premium allocation methodology in light of insurance regulatory and tax issues;
  - Recommendations regarding a premium allocation model, taking into account factors relevant to your operations and in light of specific insurance regulatory and tax issues;
  - Recommendations concerning modifications to your insurance program in light of the insurance regulations of the countries in which your insurable risks are located;
  - Review of your past insurance arrangements for specified periods with respect to insurance regulatory and premium-related tax issues;
  - Information regarding premium-related taxes payable by you in the countries in which you have operations;
  - Where a captive is involved in your insurance program, information and advice regarding the insurance regulatory and premium-related tax issues impacting on the captive;
- Employee benefits services;
- Pension plan consulting;
- Compensation consulting;
- Executive deferred compensation services;
- Risk management claims information systems, including Marsh ClearSight LLC software programs, and related services;
- Strategic Risk Assessment;

- Provision of Marsh personnel on an out-sourced basis;
- Security Consulting;
- Insurance-related mergers and acquisition due diligence services and transactional solutions;
- Placement and servicing of owner controlled insurance programs; and
- Interactive on-line client services.

SAMPLE

## Appendix B – Account Service Plan

Marsh Risk Consulting will provide the following Property Risk Consulting (“PRC”) Services to the City of Gainesville for the period of August 1, 2015 to July 31, 2016:

### 1. Insurance Placement - Risk Engineering Support

- Assist in developing property insurance marketing data including:
  - Loss Control/COP information. This will be accomplished by reviewing:
    - Existing loss control reports
    - Information on locations and operations
- Prepare a one page Property Risk Quality Summary that includes:
  - High risk of quality
  - Key risk improvements made or planned
  - Overview of property risk management program and operations
  - Key risk improvement priorities with the Client’s response(s)
- Participate in marketing discussion with brokers by meeting with carrier underwriters and engineers to present the loss control and property risk information.

### 2. Loss Prevention Services and Program Management

- Prepare a service plan for the property loss prevention program with the carrier to include;
  - Inspection list and schedule
  - Communications and report distribution
  - Timelines/schedules
  - Performance measures that include:
    - Report quality
    - Report turn-around time within agreed time frame of 30 days
    - Recommendation responses time
- Provide quality control reviews of reports and program throughout the year to assure activity meets the service plan.
- Participate in carrier surveys at the Deerhaven, Kelley and South East Energy Center.
- Review loss prevention reports to for accuracy, completeness and consistency across the operations.
- Review loss estimates provided by the carrier to determine if the estimates are presented with sufficient information supporting the loss estimates based on the events postulated and operations.
- Risk Improvement recommendations:
  - Review and prioritization based upon an agreed set of measures.
  - Development and manage process, for consensus agreement for alternate solutions to existing recommendations that documents agreements and reasoning.
- General consulting services throughout the course of the project. To provide technical guidance, review risk issues or questions with sites or risk management, assist with loss control questions from plants.

### 3. Deliverables

- Written PRC Account Service Plan that covers;
  - Account teams and contact
  - Roles and responsibilities
  - Scope of services
  - Target dates
  - Performance metrics for MRC and Carriers. as appropriate.
- Site visits summary reports
- Loss control program performance status report - quarterly or as appropriate
- Annual Stewardship/Executive Summary – Senior Management Overview
  - Program Performance Report
  - Property Risk Consulting Dashboard with action plan as appropriate
  - Trends and Observations
  - Recommendations for Improvement or focus

- Loss Control Program ROI Overview
  - Completed/Removed Recommendation
  - Alternative Recommendation Savings
  - Site Evaluation Efficiencies
  - Recommendation Response
  - Risk Improvement, etc.

SAMPLE









APPENDIX E  
CERTIFICATES OF INSURANCE

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# EPSILON (US) INSURANCE COMPANY

48 South Service Road, Melville, N.Y. 11747

## CERTIFICATE OF INSURANCE

\*\*\*\*\*

NAMED INSURED: Marsh & McLennan Companies, Inc.

ADDITIONAL INSURED: Marsh USA Inc.  
1166 Avenue of the Americas  
New York, NY 10036

INSURER: Epsilon (US) Insurance Company

POLICY NUMBER: 09301415

POLICY PERIOD: September 30, 2014 – September 30, 2015

LIMIT OF LIABILITY: Each Claim Aggregate  
\$10,000,000 \$10,000,000

TYPE OF INSURANCE: Professional Liability

\*\*\*\*\*

CERTIFICATE HOLDER: Marsh & McLennan Companies, Inc.  
and any of its Subsidiaries  
1166 Avenue of the Americas  
New York, NY 10036

Should the above described policy be cancelled before the expiration date thereof, the Insurer will endeavor to mail 30 days written notice to the certificate holder named above, but failure to mail such notice shall impose no obligation or liability of any kind upon the Insured, the Insurer, their manager, agents or representatives.

Epsilon (US) Insurance Company



Joel R. Hughes  
Authorized Representative

Date: September 30, 2014

PLEASE REFER ALL INQUIRIES TO MARSH & MCLENNAN COMPANIES, INC.,  
RISK MANAGEMENT DEPT., 1166 AVENUE OF THE AMERICAS, NEW YORK,  
NEW YORK 10036





## APPENDIX F

# COLLEAGUE BIOGRAPHIES

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### LISA M. SHAW

Senior Vice President

#### CURRENT RESPONSIBILITIES

Lisa Shaw is a Senior Vice President/Client Executive in the Insurance Services division of Marsh USA Inc. In this senior role, she is responsible for the coordination and delivery of all Marsh resources, leading the Marsh team, developing marketplace strategies and crafting solutions for her clients and prospects business and insurance risks. Lisa oversees the efforts of her team in the delivery of these solutions that enable her clients to implement the most appropriate, efficient and cost effective risk management program available.

#### EXPERIENCE

Lisa began her insurance career at Poe & Associates in 1981. Prior to joining Marsh, she held an Account Executive position with AON in Atlanta, Georgia. Lisa's tenure with Marsh began in 1992 in the Atlanta office, followed by her relocation to the Sunrise, Florida office in 2002.

Her experience with complex risk management accounts has positioned her to provide guidance and expertise to facilitate, develop and implement risk management programs for her domestic and multi-national clients. She has been involved in the design of traditional and alternative risk management programs such as captives, loss portfolio transfers and integrated risk programs. Lisa has a diversified, multi-disciplinary background with her consulting and industry focus primarily in Public Entities/Education, Real Estate/Construction and Healthcare. In an industry with ever changing dynamics, she draws on her brokerage experience and depth of knowledge to manage the varying and complex facets of her clients' risk management and operational needs to bring a unique perspective on risk treatment.

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#### AFFILIATIONS

- Chartered Property Casualty Underwriter (CPCU)
- Associate of Risk Management (ARM)
- Certified Risk Manager (CRM)
- Certified Insurance Counselor (CIC)
- Member CPCU Society of South Florida
- Women Executive Leadership (WEL)

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## VINCENT ZOLLO

Vice President

### CURRENT RESPONSIBILITIES

Vincent Zollo is a client manager in the Sunrise, Florida office. The client manager is responsible for servicing the account and maintaining the relationship with the client throughout the insurance cycle.

### EXPERIENCE

Vincent has been in the insurance industry since 1994 and has been with Marsh since May 2000. During that time, Vincent has also spent time as a claims consultant, specializing in the settlement of property claims and a property advisor/placement specialist responsible for the design, marketing, and implementation of property placements, with emphasis on Florida and other coastal states.

### EDUCATION

- BS in electrical engineering technology, NY Institute of Technology
- MBA in business administration, Nova Southeastern University

### AFFILIATIONS

- Chartered Property and Casualty Underwriter (CPCU)
- Certified Insurance Counselor (CIC)

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## SANDRA M. LEE

Assistant Vice President

### CURRENT RESPONSIBILITIES

Sandra Lee is a client representative in the Sunrise, Florida office. The client representative is responsible for working beside the client manager with maintaining the relationship with the client throughout the insurance cycle.

### EXPERIENCE

Sandra has been in the insurance industry since 1994 and has been with Marsh since August of 1996. During that time, Sandi has spent majority of this time working in the Private Equity sector to develop creative risk transfer programs for the various Private entities.

### AFFILIATIONS

- Certified Professional Insurance Agent (CPIA)
- Accredited Customer Service Representative (ACSR)
- Licensed Broker in the State of Florida
- Non-Residence Licensed in various States



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## BRADLEY K. HARMES

Managing Director

### CURRENT RESPONSIBILITIES

Brad Harmes is a member of Marsh's National Public Entity Practice, based in Houston, Texas. He has more than 30 years' experience working with municipal pooling, public entity insurance programs, state workers' compensation funds, and other alternative risk facilities.

### EXPERIENCE

Brad began his experience in 1978, managing self-insurance, municipal pooling, public entity insurance programs, and state workers' compensation funds. He implemented the first workers' compensation self-insurance group in Virginia and has managed municipal group insurance programs in Texas.

Brad joined the firm in 1987 and has held a variety of client executive and management positions. He was appointed senior vice president and office head of AMGRIP in 1999. In 2003, he joined the Marsh Professional Resource Group as coordinator of the Marsh Steering Committee for the Administration of Risk Pooling Entities and was responsible for developing Marsh's Risk Pooling Professional Standards. He transferred to Marsh's Alternative Risk Solutions Group in 2004 and was appointed managing director and Risk Pooling Practice leader in 2005.

Brad has special expertise in the areas of: legislative and regulatory analysis, strategic business planning, business process analysis, operating procedures, underwriting policies, procedures and services, and major computer systems conversions and transitions.

### EDUCATION

- MPA, Virginia Commonwealth University
- BS, University of Evansville
- Henderson Fellow at the Federal Executive Institute

### AFFILIATIONS

- Chartered Property and Casualty Underwriter (CPCU)
- Associate in Risk Management – Public Entity (ARM-P)



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## DANIEL S. MCGARVEY

Managing Director

### CURRENT RESPONSIBILITIES

Dan McGarvey is the chairman of Marsh's US Power and Utility Practice. He has served the risk management needs of utility clients for over twenty years and has provided consulting and placement services for more than half of the nation's nuclear plant operators. He is based in our Greenville, South Carolina office.

### EXPERIENCE

Dan graduated from the US Naval Academy and is a retired navy commander who served in the nuclear surface ship community, attaining the designation of Naval Nuclear Chief Engineer. He joined the firm in 1989 as a nuclear risk consultant, and during eight years in Phoenix served in client executive and sales professional roles, leading the service of utility, construction, and public entity clients. Since relocating to the Carolinas in 1997, he has served the firm as a client executive, regional utility practice leader, national nuclear practice leader, Carolinas sales leader, and the Greenville office head. Dan was cited as one of the nation's most influential insurance brokers in Risk & Insurance Magazine's inaugural Power Broker issue and received this recognition an additional four times.

### EDUCATION

- BS (with honors), US Naval Academy
- Naval Nuclear Chief Engineer Certification
- MBA in finance (with honors), University of Rhode Island

### AFFILIATIONS

- Certified Property and Casualty Underwriter (CPCU)
- Associate in Risk Management (ARM)
- Associate in Underwriting (AU)
- Associate in Claims (AIC)
- Associate in Reinsurance (ARe)
- Accredited Advisor in Insurance (AAI)
- Associate in Loss Control Management (ALCM)
- Associate in Marine Insurance Management (AMIM)
- Associate in Fidelity and Surety Bonding (AFSB)
- Associate in Surplus Lines Insurance (ASLI)
- Construction Risk Insurance Specialist (CRIS)
- Certified Employee Benefits Specialist (CEBS)
- RIMS Fellow (RF)
- Associate in Enterprise Risk Management (ARM-E)
- Member, American Nuclear Society

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## JIM CASEY

Vice President

### CURRENT RESPONSIBILITIES

Jim Casey is a consultant in Marsh Risk Consulting's (MRC) Property Risk Consulting Practice, based in the Cincinnati office. Jim is responsible for delivering technical risk control advice to clients and supports efforts to develop and grow the Marsh client base.

### EXPERIENCE

Jim joined MRC in 2013. He has extensive and diverse experience in the property risk consulting and insurance worlds, having previously worked for companies such as AEGIS, Matrix Risk Consultants, HSB Professional Loss Control, and Industrial Risk Insurers, where he started his career in 1990.

His career has focused on administering and providing risk control, safety, and loss prevention best practices and consulting to the logistics, integrated steel, and energy sectors, in the property risk industry. He held positions as Senior Property Engineer, and Senior Loss Control Engineer and has a broad range of account management experience handling large, diverse, Fortune 500, domestic and international accounts as well as smaller, regional clients.

### EDUCATION

- BS in electrical engineering, Clarkson University

### AFFILIATIONS

- Society of Fire Protection Engineers Tri-State Chapter Past Vice President
- Membership in the National Fire Protection Association (NFPA)

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## JAMES EARNEST

Senior Vice President

### CURRENT RESPONSIBILITIES

James is a casualty/property claims advisor in our Sunrise, Florida office with more than 28 years of experience in the insurance industry. He fully understands multi-line insurance programs and the impact this can have on the client's bottom line. In this role, he provides technical expertise, guidance, and support to deliver strategic cost reduction and claim resolution/recovery strategies to Marsh clients.

### EXPERIENCE

James joined Marsh in 2013 with over 28 years of previous multi-line claims experience. His past work experience includes handling large exposure cases (WC and AL/GL) and managing several branch locations for a multi-national carrier and claims administrator. With management and leadership responsibility for day-to-day operations and business development, James brings a strong client service and results focus. Introducing strategic ways to reduce claim cost by implementing and executing "best practices" processes has allowed James to be successful across several different business segments including retail/wholesale, restaurant/entertainment, and public entity.

### EDUCATION

- BA in business/economics, University of Florida

### AFFILIATIONS

- All Lines Adjusters License
- Associate Member Risk and Insurance Management Society (RIMS)

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## STACEY HUGHES-GARCIA

### CURRENT RESPONSIBILITIES

Stacey Hughes-Garcia is a Placement Representative in the Industry Placement Group of Marsh. Stacey's responsibilities include assisting in placement and marketing on Public Entity and Construction programs. In addition, Stacey is responsible for maintaining internal files and documents in order to ensure accurate and prompt service to clients. This includes, but is not limited to, reviewing policy documents for accuracy, as well as recording benchmarking data for numerous clients on various insurance programs.

### EXPERIENCE

Stacey joined Marsh in September, 1999. Throughout Stacey's years at Marsh, she has worked on numerous accounts in GRM and National Brokerage and has experience in client advisory as well as placement with the markets.

### EDUCATION

- Associate degrees in Applied Science(Fine Arts and Jewelry Design)- Fashion Institute of Technology (SUNY)

### AFFILIATIONS

- Licensed Broker in the State of New York

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## NANCY P. GRATZER

Senior Vice President

### CURRENT RESPONSIBILITIES

In her role as Atlanta Aviation Practice Leader, Nancy Gratzter's responsibilities include management and direction of aviation insurance for Marsh clients in the southeastern United States. She has extensive knowledge of all aviation-related coverages and is an expert in corporate aircraft program design and placement.

### EXPERIENCE

Nancy joined Marsh Aviation in 1979. She began her career in aviation insurance in 1975 as an underwriter for Universal Aviation Underwriters. Her brokerage experience includes marketing and servicing the aviation insurance needs of Fortune 500 and numerous other clients across the United States.

She is a member of the Georgia Business Aviation Association, Aero Club of Metropolitan Atlanta, Airports Council International, and the Society of CPCU. An active member of the Aviation Insurance Association (AIA) since 1984, Nancy has served as Director of agents and brokers, vice president, and president of the AIA.

Nancy was instrumental in developing the first professional designation for the aviation insurance industry and is currently serving as a committee member of the AIA Educational Institute. She was recently appointed as a founding director of the AIA Educational Foundation.

In 2013, Nancy received the AIA Pinnacle Award. Recipients of this award have demonstrated that their career achievements exemplify the standards and goals of the Aviation Insurance Association and have gone above and beyond the call of duty. The Pinnacle Award is the most prestigious award given by the Aviation Insurance Association, and Nancy was the first female to receive this honor.

In May 2014, Nancy will be inducted as an inaugural member of the AIA Eagle Society in recognition of her substantial contributions to the aviation industry and achievement in her career in aviation. Membership is conferred by nomination by the President of the AIA, and awarded with the concurrence of the majority of the Board of Directors.

### AFFILIATIONS

- Chartered Property Casualty Underwriter (CPCU)
- Certified Aviation Insurance Professional (CAIP)

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## MATTHEW KERN

### CURRENT RESPONSIBILITIES

Matthew Kern is as a placement specialist in Marsh's Chicago office as part of the national Environmental Small Placement (ESP) group. In this role, he helps place pollution legal liability, contractors pollution liability, and related environmental insurance products for a broad range of sectors, including but not limited to manufacturing, energy, health care, construction, aviation, retail, finance, real estate investment, and municipal government. Matthew assists national Environmental Practice members and client service teams in reviewing environmental insurance programs and evaluating environmental exposures for current and prospective clients. He also advises clients, prospects, and Marsh colleagues on the benefits, availability, and pricing of environmental insurance. The ESP group is responsible for the placement and servicing of environmental insurance policies with premiums of \$100,000 and less. The ESP facility is also responsible for all storage tank placements regardless of premium.

### EXPERIENCE

Matthew joined Marsh in 2010. He has successfully helped clients recognize and manage their environmental liabilities through the placement of comprehensive insurance solutions.

Before joining Marsh, Matthew was employed as an environmental paralegal for two large, international law firms. In this role, Matthew's main responsibility was to identify and manage the clients' environmental liabilities. He directed the environmental due diligence for several complex corporate and real estate transactions with highly diverse environmental exposures. He also worked on a number of remediation and redevelopment projects for contaminated properties, and was lead paralegal for toxic tort lawsuits involving bodily injury and property damage caused by environmental contamination.

Environmental insurance played a major role in many of Matthew's legal projects, particularly with corporate and real estate transactions, where environmental insurance helped facilitate deals that were stalled due to concern over pollution liability. He also helped secure long-term pollution coverage for remediated properties to protect against potential future claims.

### EDUCATION

- BA in history, Lake Forest College, Lake Forest, IL

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## JONATHAN MCANALLY

Senior Vice President

### CURRENT RESPONSIBILITIES

Jonathan McAnally currently serves as property client advisor in the Marsh Atlanta office. In this role, Jonathan is responsible program design, implementation, and day-to-day service for five Fortune 1000 (or privately-owned equivalent) clients and the placement specialist for clients in multiple industries—health care, real estate, restaurant/hospitality, municipality, manufacturing, construction, and retail. In addition to this role, Jonathan is the builders risk advisory and placement leader for Marsh Atlanta and Southeast Region and manages a team of placement specialists responsible for all property placements originating out of Marsh's Florida operations.

### EXPERIENCE

Jonathan started his career with Marsh in Memphis in 1999. Since that time, he has been involved in many different facets of the business, including his role as a client representative handling administrative duties for Owner Controlled Insurance Programs and day-to-day servicing and placement of property and casualty business for over 20 construction clients. In spring of 2002, Jonathan joined Global Broking North America as part of the Middle Market Placement center in Tampa set up to handle mid-sized firms. While there, Jonathan handled the marketing and placement of property and casualty lines of coverage for the firm's middle market construction accounts countrywide. In April 2003, Jonathan transferred to the Atlanta Property Department to work with the three Marsh offices in Florida at the time—Ft. Lauderdale, Tampa, and Orlando. During this time, Jonathan gained experience placing property insurance for natural catastrophe-driven property programs including shared and layered programs, DIC placements, and wind deductible buy backs. In 2004, Jonathan assumed the additional role of placement and marketing for the Atlanta Construction Department. Since then he has specialized in placements of master builders risk programs for large construction and real estate clients and has become a resource for large builders risk placements throughout the region.

### EDUCATION

- BA in business administration, University of Mississippi

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## SANDRA J. MCFARLAND

Senior Vice President

### CURRENT RESPONSIBILITIES

Sandra McFarland is a senior vice president and placement specialist for the Marsh Public Entity Practice. Her responsibilities include evaluation and providing creative marketing solutions for Marsh's public sector clients, as well as assisting our advisory offices in program design, market trends, and compatibility. She is wholly focused on public entity solutions and services. Sandra is based in our New York office.

### EXPERIENCE

Sandra began her insurance career in 1978. She joined Marsh's Boston office in 2000 as a client advisor for risk management casualty, where she serviced a variety of risk management clients and was actively involved in captive management for a large group of hospital systems and related health care clients. In late 2001, Sandra transferred to our New York office to fill a broker position dedicated to public entity placement. She has been, and continues to be instrumental in resolving the most difficult coverage issues for our clients. Prior to joining Marsh, Sandra worked for three years with a top managing general agent for a municipality program providing all lines of coverage in the New England states.

Sandra is a PRIMA member and actively follows the public entity trade papers, keeping her abreast of issues specific to public entities across the country, including tort reforms that so heavily influence the casualty marketplace.

Sandra was recognized as a 2015 Power Broker by Risk & Insurance Magazine for her superior work with Public Entity clients.

### AFFILIATIONS

- Associate in Risk Management/Public Entity Risk Management (ARM-P)
- Member, Public Risk Management Association (PRIMA)
- Licensed broker of Property and Casualty in the State of New York



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## MICHELLE PERITO

### CURRENT RESPONSIBILITIES

Michelle Perito is a placement specialist in Marsh's Qualified Solutions Group in New York, where she is responsible for brokering FINPRO lines. Michelle uses her strong negotiation skills and knowledge of the marketplace to obtain the best possible terms for clients.

### EXPERIENCE

Michelle joined our firm in 2014. She has spent over ten years in the insurance industry. Prior to joining Marsh, Michelle was a wholesale broker specializing in management and professional liability, EPLI, and fidelity coverages for hard-to-place small to mid-sized private and non-profit companies.

### EDUCATION

- Adelphi University, Garden City, NY

### AFFILIATIONS

- PLUS member

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## **BEN RIOS, JR.**

Senior Vice President

### **CURRENT RESPONSIBILITIES**

Ben Rios is a Senior Property Placement Specialist in the Atlanta, Georgia office. In this role, he is responsible for the design, marketing and implementation of property placements for various types of industries to include manufacturing, energy, retail, healthcare, real estate, inland marine and construction type risks. These programs involve insurable values ranging from \$100 million to excess of \$4 billion.

Responsibilities include market relations, strategy implementation, as well as client retention, and consultation. Additionally, he is involved in strategic use of engineering information and risk improvement to drive improved pricing and terms our client's property insurance programs.

### **EXPERIENCE**

Ben has over 30 years' experience in the industry as a broker. Prior to joining Marsh, Ben spent many years working for FM Global Insurance Company as a client manager and team leader. Ben has been a Power and Utility Specialist for both FM Global and Marsh. His responsibilities included team leadership, growing and maintaining the insurance programs for Fortune 500 companies' as well as managing client relationships.

### **EDUCATION**

- BSBA - Management, University of Central Florida

### **AFFILIATIONS**

- Resident License - Insurance Broker - Georgia
- Non-Resident Licensed - Insurance Broker – Florida and various other states

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## STEPHANIE SIMS

### CURRENT RESPONSIBILITIES

Stephanie Sims is a Senior Client Representative/Placement Representative in the Aviation Practice of Marsh's Atlanta office. In this role, her responsibilities include client advisory and the placement, marketing, servicing, and management of corporate aviation accounts, aviation products liability, commercial aviation operators, and aviation general liability.

### EXPERIENCE

Stephanie joined Marsh in 2006. She brings over 15 years of experience in account management and client servicing. Prior to joining Marsh, Stephanie worked for other large insurance brokers in Chicago in the risk management practice in account management, client servicing, and quality assurance of insurance documents including, but not limited to, certificates of insurance, auto ID cards, correspondence, and policy review. Stephanie also has two years of sales, senior customer service, and underwriting experience with a small personal auto insurance agency.

### EDUCATION

- MBA in Business Administration, Roosevelt University, Chicago
- BBA in Business Administration, Robert Morris College, Chicago
- Currently pursuing Associate in Risk Management (ARM) Designation

### AFFILIATIONS

- Certificate in General Insurance (INS)
- Georgia Property/Casualty Agency License; Georgia Property/Casualty Counselor License
- Non-Resident Broker license in various states
- Member, Atlanta Association of Insurance Professionals (Former Elected Executive Committee Member)
- Member, National Black MBA Association
- Member, Sigma Beta Delta, International Honor Society for Excelled Students in Business, Management and Administration

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## FELICIA WATKINS

### CURRENT RESPONSIBILITIES

Felicia Watkins is an errors and omissions broker in Marsh's Chicago office in the FINPRO/Safe unit. In this role, she is responsible for working with all of the Marsh offices in the transition and placement of errors and omissions accounts. In addition, she provides support and service for any and all errors and omission coverage that fits within the FINPRO Safe unit. Felicia also works with the market place for enhanced coverage terms and conditions.

### EXPERIENCE

Felicia joined Marsh in 2010. Prior to joining Marsh, Felicia served various roles within another major broker for more than 16 years. Her most recent role was an underwriter for five years. She was responsible for all underwriting aspects of non-profit directors and officers, employment practices liability and fiduciary coverage throughout the country. Her role also included underwriting several programs including a private school program, a housing authority program, as well as a large number of small community hospitals.

### EDUCATION

- Studies in insurance, business administration, accounting, Robert Morris College, Chicago, Illinois, and Triton College, River Grove, Illinois

### AFFILIATIONS

- Licensed Broker in the State of Illinois
- Nonresident licensed Broker in all states
- RPLU Designation

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## JAMES K. WOLFARTH

Senior Vice President

### CURRENT RESPONSIBILITIES

Jim Wolfarth is a client executive and casualty leader in Marsh's Global Railroad Practice specializing in the design, coordination and placement of complex programs for railroad clients. Jim is also responsible for the development and implementation of new casualty products to address the risk management needs of the railroad industry.

### EXPERIENCE

Jim joined Marsh in 2010 after spending 25 years with other major brokers, holding various key positions including senior casualty broker and senior client executive. Jim began his insurance career in New York in 1985 with a major brokerage firm. In 1996, he moved to Baltimore, MD to be the senior casualty broker in Aon's National Railroad Practice working on the largest freight and passenger railroads in the U.S. and Canada. Jim moved into the client executive role in the National Railroad Practice helping clients with claim management, actuarial services, policy management, and automobile fleet management, all while remaining central to their railroad liability broking.

### EDUCATION

- BS in business administration, Roger Williams University



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