



CITY OF GAINESVILLE RFP #RMDX-210025-GD

ORAL RESPONSE 5/11/2021



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MARSH SERVICE TEAM

City of Gainesville

Brian Fitzsimmons

Vice President
Client Executive
Sunrise, FL
954 838 3502
brian.v.fitzsimmons@marsh.com

Beth Sanders

Vice President
Account Executive
Sunrise, FL
954 838 3584
beth.sanders@marsh.com

Susan Vignone

Senior Account Representative
Tampa, FL
813 207 6371
susan.b.vignone@marsh.com

CORE TEAM

LIABILITY

Sandra McFarland

Senior Vice President
Public Entity Placement Specialist
New York, NY
212 345 2277
sandra.j.mcfarland@marsh.com

POLLUTION

Amber Walker

Vice President
Environmental Advisory Specialist
Atlanta, GA
404 790 9509
amber.l.walker@marsh.com

PROPERTY

Ben Rios

Senior Vice President
Senior Placement Manager
Atlanta, GA
404 583 9299
ben.rios@marsh.com

FINRPO - FIDUCIARY

Tal Harpaz

Vice President
FINPRO Placement Specialist
New York, NY
646 460 4187
tal.harpaz@marsh.com

RISK CONSULTING

Cliff Roberts

Senior Vice President
Senior Engagement Lead
Tampa, FL
813 662 0717
clifford.roberts@marsh.com

AVIATION

Jonathan Atz

Assistant Vice President
Aviation Advisory
Atlanta, GA
404 995 2486
jonathan.atz@marsh.com

CLAIMS

Jim Earnest

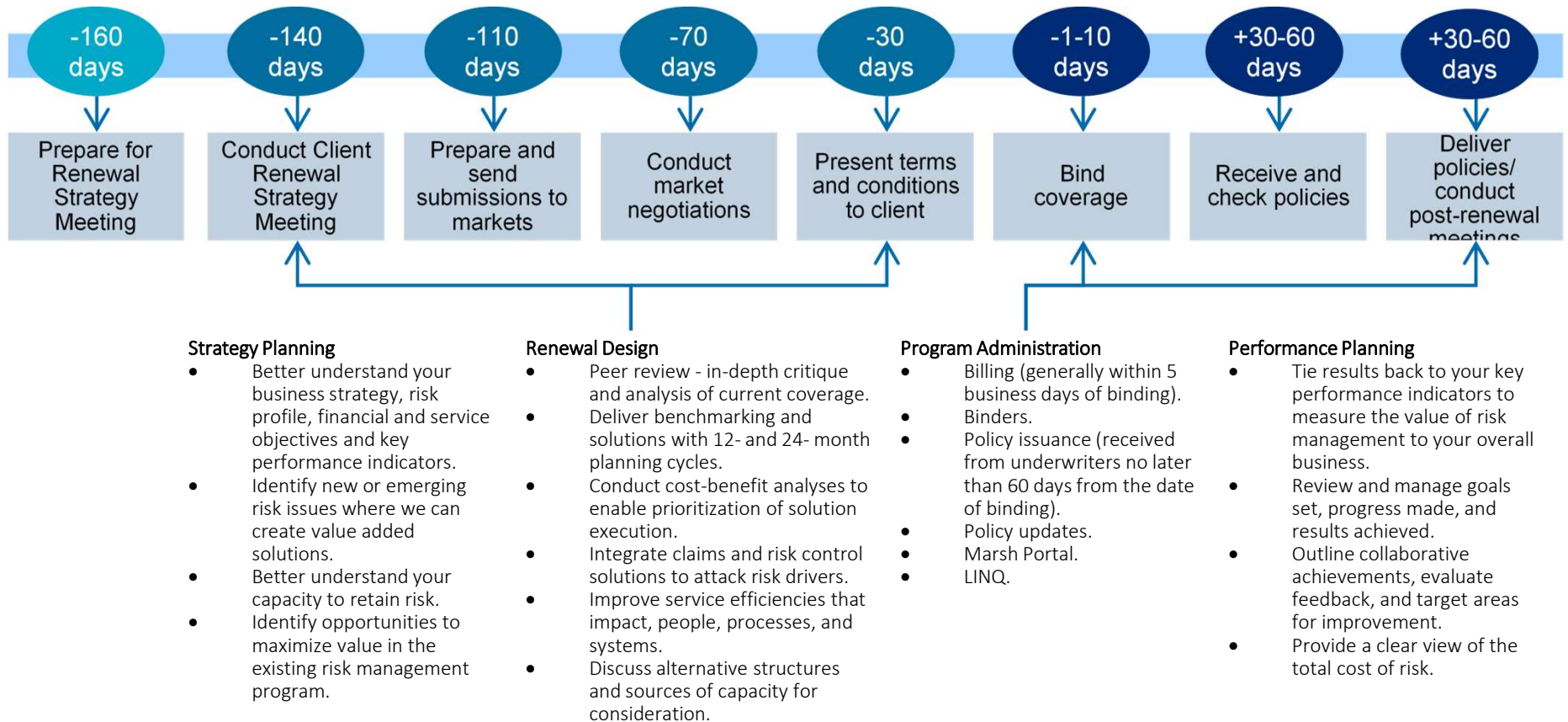
Senior Vice President
Claims Advocate – Casualty
Sunrise, FL
954 838 3569
james.earnest@marsh.com

CASUALTY RENEWAL OUTLOOK

Trending

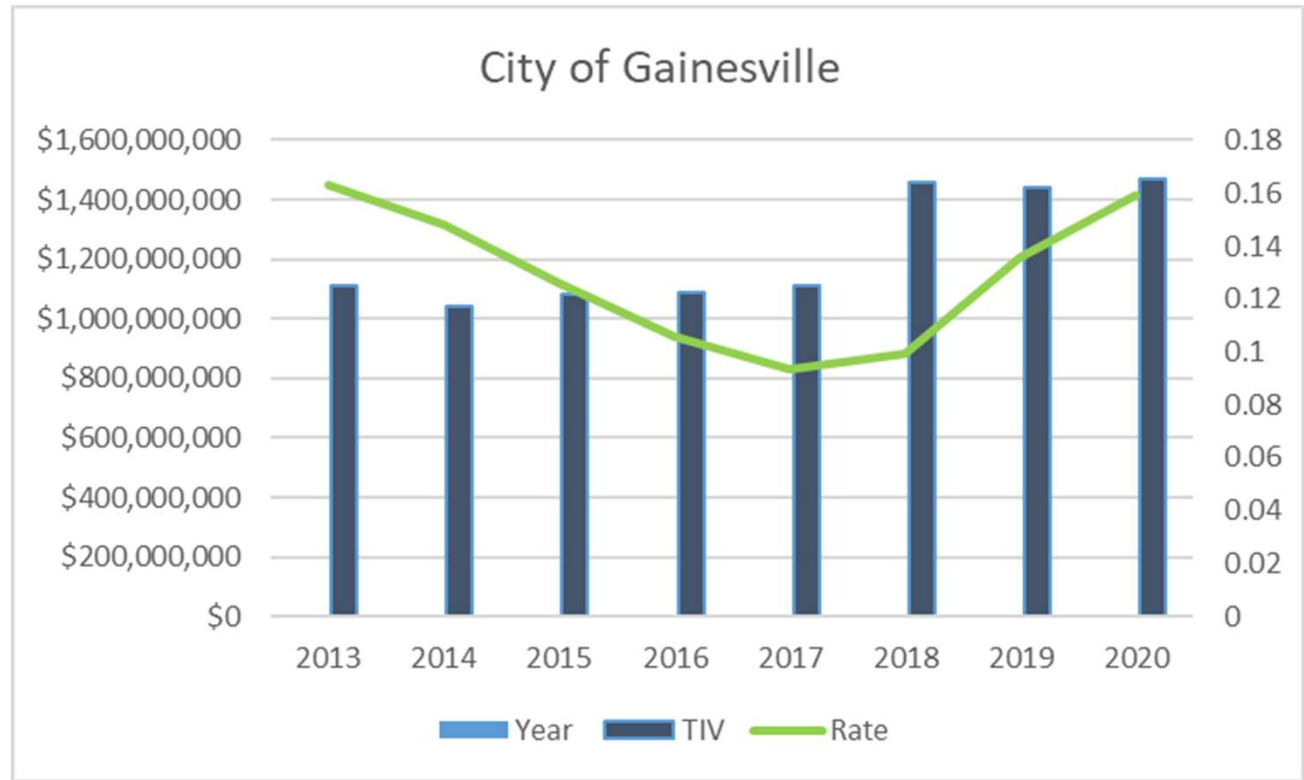
- Claims resulting from COVID-19 and civil unrest continue to drive liability and workers' compensation pricing upwards.
- Increasing medical costs and expanded definition of compensable and presumptive injury legislation is driving pricing and retention increases on workers' compensation.
- Communicable disease exclusions are prevalent across coverage lines as a result of the ongoing pandemic.
- Individual loss experience can positively or negatively affect pricing and availability of coverage.
- Pandemic response coverage solutions are expected to evolve. The Pandemic Risk Insurance Act (PRIA), similar to the Terrorist Risk Insurance Act that was enacted after the attacks of September 11, 2001, is a potential solution to mitigate the impact of pandemic losses to businesses and insurers.
- Market defection is taking place in the States of Washington, California, and Colorado due to legislative environment and changes in laws around qualified immunity for law enforcement.
- Two-year rate guarantees are restricted due to rising and unpredictable reinsurance costs.
- Excess Liability capacity continues to constrict, and can be cost prohibitive.

RENEWAL STRATEGY



CITY OF GAINESVILLE HISTORICAL PROPERTY RATE

Year	TIV	Premium	Rate
2020	\$ 1,471,857,723	\$ 2,340,589	0.159
2019	\$ 1,442,997,767	\$ 1,954,642	0.1355
2018	\$ 1,460,879,481	\$ 1,449,830	0.0992
2017	\$ 1,112,932,677	\$ 1,037,721	0.0932
2016	\$ 1,086,364,177	\$ 1,146,767	0.1056
2015	\$ 1,084,527,677	\$ 1,365,420	0.1259
2014	\$ 1,043,352,677	\$ 1,546,249	0.1482
2013	\$ 1,110,391,547	\$ 1,812,112	0.1631

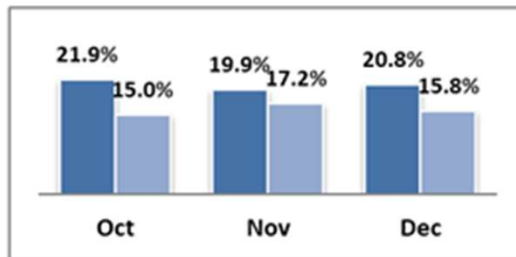
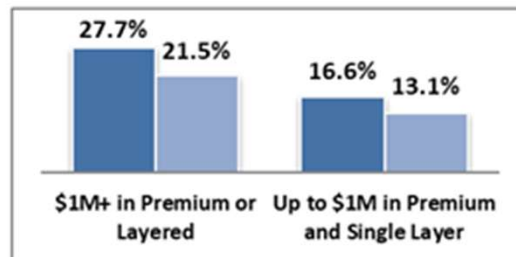
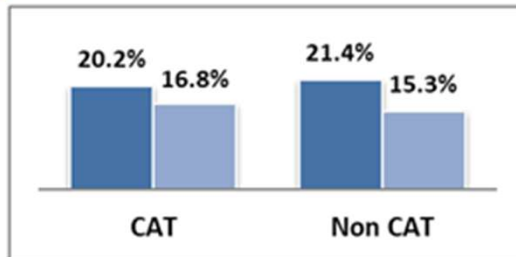


STATE OF THE PROPERTY MARKET – Q1 2021 AN HOLISTIC VIEW

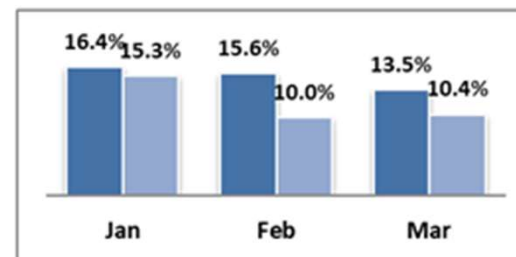
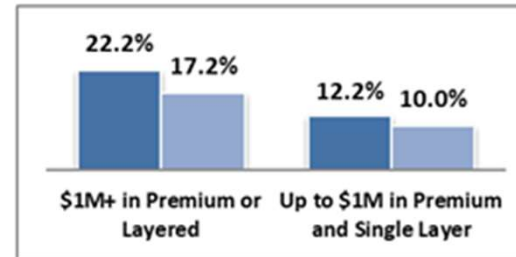
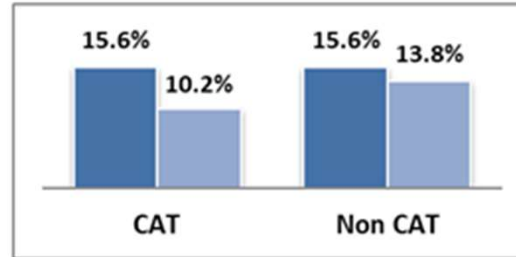
Q1 Commentary

- For all clients with a premium >\$1M or shared & layered, the average rate increase was **+22.2%**, which is down from **+27.7%** in Q4 of 2020
- 15.0% of clients took higher deductibles in Q1
- Growth goals from carriers are driving increased market competition
- 2020 is estimated to be 4th worst loss year in history, excluding COVID-19
 - Convective storm, civil unrest, flooding, named storm, wildfire
- COVID claim estimates vary significantly between \$40 - \$100+ billion

Q4 '20 Detailed View:



Q1 '21 Detailed View:



PROPERTY INSURANCE RISK ASSESSMENTS

- Scope of Insurance Risk Assessments at Generating Stations
 - Equipment Hazards (Pressure Vessel, Mechanical, Electrical)
 - Property (Fire, Natural Hazards, Other)
- Two Distinct Reports or one All-Risk Report
- Evaluation Standards Generally Similar but can Vary by Insurance Company
- Marsh Property Advisory Assists by:
 - Survey Visit (actual or virtual) Coordination with GRU Management
 - Attending Surveys with Insurance Company Representatives
 - Reviewing and Prioritizing Recommendations
 - Providing Advocacy for Client

PUBLIC UTILITY CLIENT REFERENCES

- **City of Gainesville (Gainesville Regional Utilities)**

- CPS Energy / City Public Services San Antonio
- Energy Northwest (Formerly WPPSS)
- Kauai Electric Cooperative
- Kodiak Electric
- Lansing Board of Water and Light
- New York Power Authority
- Oglethorpe
- Omaha Public Power District (OPPD)
- Piedmont Municipal Power Agency

- **Bay County (FL)**

- Public Utility Risk Management Services (PURMS)
- Sacramento Municipal Utilities District (SMUD)
- **Seminole Electric Cooperative, Inc.**
- Snohomish County Public Utility District
- Tennessee Valley Authority
- Wabash Valley Power Association
- Valdez Electric Cooperative
- Over 30 APPA members enrolled in the APPA partnership insurance programs.

LINQ CLIENT EXPERIENCE

LINQ Will Improve Your Client Experience

Easy, 24/7 access to your insurance information in a single, secure location.

View and issue certificates of insurance, upload and manage your exposure data, view claims, and access all of your Marsh applications.

Data-driven insights to inform real-time decision-making and support long-term growth.

Customized profile to view your cost of risk and benchmarking models, analytics dashboards, and industry-specific risk insights at-a-glance.



Personalized to the way you want to work.

Select navigation favorites and client service preferences.

Communicate and collaborate with your Marsh team and your internal risk management stakeholders at the click of a button.

Share files and make decisions in one central place.



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