

City of Daytona Beach

Main Street Pier and Restaurant Property and General Liability Insurance Proposal

Effective: 09/30/2017 – 09/30/2018

Presented By:

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Senior Vice President

Jessica Truskowski, CIC
Account Analyst

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Claims Supervisor

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Senior Marketing Analyst



This proposal contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations, and conditions, refer to the policy document. A specimen copy is available upon request. In the event of any differences between the policy and this summary, the policy will control.

CLIENT SERVICE TEAM

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MARKET SUMMARY

Market:	Line of Coverage:	Response:
Axis	Property	Quoted and Illustrated
Scottsdale	Property	Cannot Compete with Current Premium
XL/Indian Harbor	Property	Declined-cannot write property situated over water
ACE	Property	Decline / Can't compete due to class of business
ADMIRAL	Property	Decline / No longer a market for property
ALLIANZ	Property	Decline due to class of business
ALTERRA	Property	Decline / Can't compete due to class of business
ASPEN	Property	Decline due to class of business
AVONDALE	Property	Decline due to class of business
BEAZLEY	Property	Decline due to class of business
BLUE RIVER	Property	Can't compete with current terms
CATALYTIC	Property	Decline / Can't compete due to class of business
GENSTAR	Property	Decline due to age
GREAT AMERICAN	Property	Can't compete with incumbent
ICAT	Property	Decline due to class of business
IFG	Property	Can't compete due to class of business
MT HAWLEY	Property	Decline / Can't compete with current terms
SENECA	Property	Decline / Can't compete with current terms
UNITED NATIONAL	Property	Decline / Can't compete with current terms
WKFC	Property	Decline / Can't compete with current terms
Scottsdale	General Liability	Quoted and Illustrated
Nautilus	General Liability	Indicated \$3,500
General Star	General Liability	Declined – Class of business

Axis Surplus Insurance Company

PROPOSED PROPERTY COVERAGE

Client ultimately chooses value insured

Location of Premises:

Main Street Pier and Restaurant
1200 Main Street, Daytona Beach, Florida 32114

Description of Coverage:

Building & Personal Property Coverage Form
Business Income (Including Extra Expense) Coverage Form
Causes of Loss – Special Form Excluding Windstorm/Hail, Flood, Storm
Surge/Wave Wash and Earthquake in addition to standard policy exclusions
Sinkhole Coverage Included

Description of Property:	Limits of Coverage:
Pier	\$6,000,000
Restaurant	\$3,750,000
Loss of Rental Income	\$500,000
Total Insurance Values	\$10,250,000

Deductibles:	
All Other Perils Per Occurrence	\$10,000
Waiting Period for Business Income	72 Hours

Coinsurance:

Nil

Valuation:

Replacement Cost

NOTE:

Detached walls, fences, free-standing property improvements such as athletic equipment, windscreens, light poles, or signs are not covered unless specifically scheduled on the policy.

PROPOSED PROPERTY COVERAGE (Continued)

Client ultimately chooses value insured

Forms & Endorsements include (but are not limited to):

Standard Policy Forms & Endorsements as issued by ISO or Carrier
35% Minimum Earned Premium Endorsement
30 Day Notice of Cancellation except 10 Days for Non Payment of Premium
Common Policy Conditions
Commercial Property Conditions
Service of Suit Clause
Florida Changes – Cancellation and Non-Renewal

Exclusions include (but are not limited to):

Standard Policy Exclusions as issued by ISO or Carrier
Terrorism (Optional – See Premium Page)
Windstorm/Hail
Flood
Storm Storm/Wave Wash (Perils of the Sea)
Earthquake
Equipment Breakdown
Asbestos
Mold/Fungus/Wet or Dry Rot/Bacteria
Cyber
Pollution
Nuclear, Biological, Chemical
Commercial Property Exclusion Endorsement
Electronic Property and Virus

Scottsdale Insurance Company

PROPOSED LIABILITY COVERAGE

Higher limits may be available upon request

Coverage will pay sums which the insured becomes legally liable to pay for damages because of bodily injury or property damage to which this insurance applies.

Location of Premises:

1200 Main Street, Daytona Beach, Florida 32114

Description of Coverage:

Commercial General Liability – Occurrence Form

Commercial General Liability:	Limits of Coverage:
Each Occurrence	\$1,000,000
Personal Injury & Advertising Injury	\$1,000,000
Fire Damage – Any One Fire	\$100,000
Medical Expense	\$5,000
Aggregates	
All Other Coverages	\$2,000,000
Products/Completed Operations	\$1,000,000
Deductible Per Claimant Including Loss Adjustment Expense (Applies to Bodily Injury, Property Damage, Personal Injury and Advertising Injury)	\$1,000

Rating Basis:

**Premium is Subject to Annual Audit
25% Minimum Earned Premium at Inception
Premium is 100% Minimum & Deposit**

Classification:	Basis:	Expiring Rate:	Renewal Rate:	Exposure:
Pier	Each	\$983.094	\$983.094	1
Restaurant ((LRO)	Area	\$ 80.000	\$ 80.000	20,000 sq.ft.

Standard ISO Coverages Include (but are not limited to):

- Contractual Liability
- Broad Form Property Damage
- Non-Owned Watercraft
- Limited Worldwide Liability
- Additional Persons Insured
- Extended Bodily Injury
- Newly Acquired Organizations

PROPOSED LIABILITY COVERAGE *(Continued)*

Higher limits may be available upon request

Forms & Endorsements include (but are not limited to):

Standard Policy Forms & Endorsements as issued by ISO or Carrier
Amendment of Insured Contract Definition
Common Policy Conditions
Contractors Special Conditions
Cancellation Amendment
Amendment to Other Insurance Condition
Premium Audit
Minimum and Advanced Premium Endorsement
Minimum Earned Cancellation Premium Endorsement
Service of Suit Clause
Florida Changes - Cancellation & Non-Renewal
Amendment of Nonpayment Cancellation Condition
Limitation of Coverage to Designated Premises
Optional Provisions Endorsement
Bodily Injury, Property Damage, Personal & Advertising Injury –
Deductible Endorsement
Amendatory Endorsement

Exclusions include (but are not limited to):

Standard Policy Exclusions as issued by ISO or Carrier
Certified Acts of Terrorism (Optional)
Access or Disclosure of Confidential or Personal Information and Data-
Related Liability - with limited Bodily Injury Exception
Known Injury or Damage Exclusion - Personal and Advertising Injury
Marijuana / Cannabis Products Exclusion
Employment Related Practices
Fungi or Bacteria (Liability)
Hydraulic Fracturing
Nuclear Energy Liability
Punitive or Exemplary Damage
Asbestos
Lead Contamination
Aircraft
Designated Professional Service “Any and All Professional Exposure”
Total Pollution
Total Liquor Liability

SUMMARY OF PROPOSED PREMIUMS AND RELATED INFORMATION

Premiums as Proposed:	Annualized Expiring:	Renewal:
Property	\$ 45,000.00	\$ 45,000.00
Inspection Fee	\$ 500.00	\$ -
Fees / Surcharges / Taxes	\$ 39.00	\$ 4.00
General Liability	\$ 2,583.00	\$ 2,583.00
Inspection Fee	\$ 150.00	\$ -
Fees / Surcharges / Taxes	\$ 35.00	\$ 35.00
Total Premium	\$ 48,307.00	\$ 47,622.00

Options: Premiums include any applicable fees / surcharges / taxes		
Terrorism - Axis Property		\$ 2,500.00
Terrorism - General Liability		\$ 129.00

Payment Option:

Line of Coverage:	Carrier:	Direct Bill / Agency Bill:	Payment Option:
Property	Axis	Agency Bill	Annual Premium due in full
General Liability	Scottsdale	Agency Bill	Annual Premium due in full

Binding Instructions:

Line of Coverage:	Carrier:	Items Needed to Bind Coverage:
Property	Axis	<ul style="list-style-type: none"> • Signed Acord Application • Signed Terrorism Form • Signed Surplus Lines Form
General Liability	Scottsdale	<ul style="list-style-type: none"> • Signed Acord Application • Signed Terrorism Form • Signed Surplus Lines Form

Please refer to the individual proposed coverage parts for terms and conditions that this proposal may be subject to. This proposal is based upon the exposures to loss made known to the Agency. Any changes in these exposures (i.e., new operations, new products, additional states of hire, etc.) need to be promptly reported to us in order that proper coverage(s) may be put into place.

A.M. BEST FINANCIAL RATING

The insurance company providing coverage has the following A. M. Best* Financial rating:

* **Rating Guide:** A++ to C- = Highest to lowest rating
15 to 1 = Largest to smallest rating

<u>Line of Coverage and Carrier</u>	Rating for Stability	Rating for Assets / Surplus
General Liability ** Scottsdale Insurance Company	A+	XV
Property ** Axis Surplus Insurance Company	A+	XV

** Denotes excess & surplus lines insurance company. See attached Statement Acknowledging that Coverage has been placed with a Non-Admitted Carrier. Please review and return to Brown & Brown. Brown & Brown does not have direct binding authority with this excess and surplus lines market.

A.M. BEST FINANCIAL RATING (Continued)

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Financial Strength Rating Guide	
<i>Secure</i>	<i>Vulnerable</i>
A++, A+ (Superior)	B, B- (Fair)
A, A- (Excellent)	C++, C+ (Marginal)
B++, B+ (Good)	C, C- (Weak)
	D (Poor)
	E (Under Regulatory Supervision)
	F (In Liquidation)
	S (Suspended)

Financial Size Category Guide			
<i>Class</i>	<i>Adj. PHS (\$ Millions)</i>	<i>Class</i>	<i>Adj. PHS (\$ Millions)</i>
I	Less than 1	IX	250 to 500
II	1 to 2	X	500 to 750
III	2 to 5	XI	750 to 1,000
IV	5 to 10	XII	1,000 to 1,250
V	10 to 25	XIII	1,250 to 1,500
VI	25 to 50	XIV	1,500 to 2,000
VII	50 to 100	XV	2,000 or greater
VIII	100 to 250		

**NON-ADMITTED CARRIER DISCLAIMER
STATEMENT ACKNOWLEDGING THAT COVERAGE HAS
BEEN PLACED WITH A NON-ADMITTED CARRIER**

Per Florida Statute, the insured is required to sign the following E&S disclosure:

The undersigned hereby agrees to place insurance coverage in the surplus lines market and understands that superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

City of Daytona Beach

Named Insured

Signature of Insured's Authorized Representative

Date

Axis Surplus Insurance Company

Name of Excess and Surplus Lines Carrier

Property

Type of Insurance

09/30/2017

Effective Date of Coverage

Bobbi P. Barlow

#A013832

Producing Agent Name

License Number

Line of Coverage	Property
Premium	\$ 45,000.00
Filing Fee	
Inspection Fee	
Florida Surplus Lines Tax - 5%	\$ -
FSLSO Service Fee - 0.15%	\$ -
EMPA Fee	\$ 4.00
Total Premium	\$ 45,004.00

**NON-ADMITTED CARRIER DISCLAIMER
STATEMENT ACKNOWLEDGING THAT COVERAGE HAS
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City of Daytona Beach

Named Insured

Signature of Insured's Authorized Representative

Date

Scottsdale Insurance Company

Name of Excess and Surplus Lines Carrier

General Liability

Type of Insurance

09/30/2017

Effective Date of Coverage

Bobbi P. Barlow

#A013832

Producing Agent Name

License Number

Line of Coverage	General Liability
Premium	\$ 2,583.00
Filing Fee	\$ 35.00
Inspection Fee	\$ -
Florida Surplus Lines Tax - 5%	\$ -
FSLSO Service Fee - 0.15%	\$ -
EMPA Fee	\$ -
Total Premium	\$ 2,618.00

APPENDIX

RELATED INFORMATION

Compensation: In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or “pooled”) with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products & services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based on the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date the premiums are remitted to the insurance company or intermediary. In the event we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

Wholesale Broker/Managing General Agent: *MacDuff Underwriters, Inc.*

This intermediary is owned in whole or in part by Brown & Brown, Inc., the parent company of Brown & Brown of Florida, Inc.

Wholesale Broker/Managing General Agent: *Southern Cross Underwriters*

This intermediary is not owned in whole or in part by Brown & Brown, Inc., the parent company of Brown & Brown of Florida, Inc.

Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent, may provide additional services including, but not limited to, underwriting; loss control; risk placement; coverage review; claims coordination with the insurance company and policy issuance. Compensation paid for these services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment. The fee, if any, for the Wholesale Insurance Broker's/Managing General Agent's services above is \$0.

Questions and Information Requests: Should you have any questions, or require additional information, please contact this office at 1-800-877-2769 or, if you prefer, submit your question or request online at:
<http://www.bbinsurance.com/customerinquiry.shtml>.

RELATED INFORMATION (Continued)

Compensation: If we are being compensated upon a fixed dollar amount or fixed percentage fee (meaning that the contract specifies our compensation and states anywhere in the document that additional compensation will not be paid to us or any other party) any additional compensation to us or any other party, including wholesale brokers or third-party intermediaries, is strictly prohibited. Likewise, if our contract sets compensation based upon a fixed dollar amount or fixed percentage fee and the contract specifies that additional compensation shall be credited to the insured, any additional compensation to any party, including brokers, wholesale brokers or third-party intermediaries, must be promptly returned to you. If our contract is not based upon such fixed fee terms, no owned or affiliated party, including brokers, wholesale brokers or third-party intermediaries, may accept any type of compensation without full disclosure by the undersigned broker to you of the dollar amount or percentage of compensation prior to binding your coverage.

Questions and Information Requests. Should you have any questions, or require additional information, please contact this office at 1-800-877-2769 or, if you prefer, submit your question or request online at: <http://www.bbinsurance.com/customerinquiry.shtml>.

LIABILITY TERMS

Contractual Liability - Extends coverage to liability assumed under contract. Applies to both oral and written agreements relating to named insured's business.

Personal Injury Liability & Advertising Injury Liability - Covers false arrest, detention or imprisonment, malicious prosecution, libel, slander, wrongful eviction or entry, or other invasion of the right of private occupancy.

Premises Medical Expense - Made if there is reason to believe that the resulting injury would not have occurred but for some condition on the insured premises or operations conducted by the insured. Negligence of the insured need not be established.

Fire Damage - Intended for tenant or lessee of a commercial building who does not agree under contract to be responsible for the building, or for that part of the building, which is in its care, custody or control. Coverage is for one peril, fire, when fire is the result of an insured's negligence.

Non-Owned Watercraft Liability Coverage - (Under 26 feet in length) Provides coverage for liability which arises from any watercraft as long as the watercraft is not owned by the insured nor being used to carry persons or property for a fee.

Limited Worldwide Coverage - Intended to extend the scope of "policy territories" to anywhere in the world. This is limited to the activities of any insured who is domiciled in the United States and the original suit for damage is brought within the United States, its territories, possessions, or in Canada.

Extended Bodily Injury Coverage - Amends definition of occurrence to include any intentional act by or at the direction of the insured, which results in bodily injury, but only if such bodily injury results from the use of "reasonable" force for purposes of protecting persons or property.

Newly Acquired Organizations - Automatic protection for newly acquired organizations until the new organizations are specifically added to the policy or 90 days, whichever occurs first.

Additional Persons Insured - Includes as insureds: (1) Any spouse of a partner concerning business activities of the partnership and (2) any employee of the named insured while acting within the scope of his or her duties. Does not apply to bodily injury or personal injury sustained by a fellow employee which occurs during the course of employment.

Employee Benefits - Provides coverage against damages because of a "Negligent Act" in the "Administration" of "your employee benefits program".

Liquor Liability - Provides coverage against claims for "damages" sustained by any person or organization if such liability is imposed on the insured by reason of the selling, serving, or furnishing of any alcoholic beverage.