Baker County BOCC

Request for Proposal 2017-08
Property & Casualty Insurance

Response Prepared By:
A wholly owned subsidiary of Brown & Brown, Inc.

Paul Dawson, ARM-P – Senior Vice President / Account Executive
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Daytona Beach, FL  32114
(386) 239-4045

Due:  July 20, 2017 at 3:00 p.m.

ELECTRONIC COPY
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Baker County Board of County Commissioners  
Request for Proposals #2017-08  
Property and Casualty Insurance

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Tab 1
Letter of Transmittal
July 18, 2017

Baker County BOCC
Kennie Downing, County Manager
55 N. 3rd Street
Macclenny, FL 32063

RE: RFP 2017-08 – Property & Casualty Insurance

Dear Ms. Downing:

On behalf of Public Risk Insurance Agency (PRIA), we are pleased to participate in the County’s Request for Proposals- Risk Management and Insurance Services. We trust that you will find the response contained herein to be concise in demonstrating our understanding of the County’s solicitation for a comprehensive and cost efficient insurance program.

Public Risk Insurance Agency (PRIA) is a wholly owned subsidiary of Brown & Brown, Inc. Brown & Brown is a Florida Corporation and the 6th largest insurance intermediary in the United States. PRIA’s structure is unique in that our agency serves only public entities in Florida, currently representing over 250 public entities in the State. We offer the unique combination of a “boutique” public entity agency with the resources of a large national broker that allows us to negotiate better terms and conditions, create specific service plans based on our client’s goals and objectives, as well as provide the best service to our clients.

We have provided a comprehensive Insurance program from the Preferred Governmental Insurance Trust, including a myriad of “loss control” services and resources to accomplish the ultimate goal – to **reduce the County’s overall Cost of Risk**. These loss control and risk management services are outlined below.

**Tailored Loss Control Services** – Loss control is the key to lowering the long-term cost of risk for the County. This proposal includes a full suite of personal and programmatic resources to help the County reduce losses year-over-year including: regular and in-person consultations from our locally based loss control experts, assigned legal counsel, a proprietary HR Helpline, pre-disaster planning, OSHA training and more. **We are providing a full-service loss control program on for all coverages proposed.**
Coverage Enhancements –

- **NO Deductible** for Errors and Omissions, Civil Rights or Employment Practices claims!
- **General/ Professional Liability** coverage is greatly enhanced with a premium 25% less than the expiring FACT policy.
- **2-year policy** – provided as an option. This 2nd year rate guarantee confirms our commitment and provides budget stability for 2018.
- Liability Defense costs (legal fees) are in addition to and not subject to the policy limits indicated in the proposal. Deductibles do NOT apply to defense costs!
- **Cyber Liability** – $2,000,000 limit to cover liabilities associated with technology use such as privacy liability, breach notification costs, network security liability, and crisis management.
- Non-Monetary claims defense limit $100,000 (for **Administrative and Injunctive Relief complaints**). No sublimit per claim and NOT subject to 50% reimbursement limitations.
- $300,000 limit for coverage allegations involving the principle of **Eminent Domain** including Inverse Condemnation, and claims brought under the Bert J. Harris, Jr., Private Property Rights Protection Act.
- **Property appraisals** will be provided at no additional cost to the County (a value of $10,000).

More Options – This program is flexible and offers various coverage options such as deductibles and self-insured retentions which will allow the County to custom build a risk management program which balances the budgetary constraints with risk appetite.

Financial Strength – It is important to be confident that your insurer can pay future claims. We have proposed the Preferred Governmental Insurance Trust, which boasts financials that are among the strongest in the state, with a healthy surplus.

Fixed Costs – There are no additional costs to our program after the policy expires. There are no unknown runoff claims administration, costs or other commitments if the County decides to leave the program in the future.

Back-Office Support – Our staff can provide a tremendous amount of assistance to the County staff, such as, claims advocacy, budgeting and allocations, FEMA assistance, and My Community Workplace portal. We provide these services to allow for greater efficiencies to your staff via time-saving and delegated tasks.

It is our intent to demonstrate our firm’s willingness and ability to provide the requested services as outlined in our RFP response. PRIA’s philosophy is and always will be to exceed our clients’ expectations while maintaining high professional and ethical standards.

Please consider this as confirmation that no Consultant or similar firm will receive any remuneration relating to Baker County’s insurance placement.
The individuals authorized to make representations for PRIA are Mr. Paul Dawson, Senior Vice President and Mr. Matt Montgomery, Executive Vice President.

We welcome and encourage the opportunity to further explain our proposal and approach to risk management via discussion and/or on-site presentation. We are proven and committed to provide professional services with superior results for your property and casualty program. Thank you for your consideration.

PRIA acknowledges that we have received the 3 (three) released Addendums.

Sincerely,

Matt Montgomery
Executive Vice President
Tab 2
Minimum Eligibility Criteria
Minimum Eligibility Criteria

2.1.1 Proposer must be licensed and provide proof of licensure certifying that proposer is authorized to do business in the State of Florida.
Minimum Eligibility Criteria

Licensee Details

Demographic Information

Name of Licensee: DAVIDSON, WILLIAM PAUL
License #: A100596
Business Location: DAYTONA BEACH, FLORIDA

Types and Classes of Valid Licenses

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Licensee Details

Demographic Information

Name of Licensee: MONTGOMERY, MATTHEW ROBERT
License #: W028597
Business Location: DAYTONA BEACH, FLORIDA

Types and Classes of Valid Licenses

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Licensee Details

Demographic Information

Name of Licensee: FAIRCLOTH, ROBIN LEE
License #: A298586
Business Location: DAYTONA BEACH, FLORIDA

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Licensee Details

Demographic Information

Name of Licensee: BURCHETT, LINDA JO
License #: A90659
Business Location: DAYTONA, FLORIDA

Types and Classes of Valid Licenses

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Experience & Qualification
Company Overview

Brown & Brown, Inc. is a Florida based Company, founded in Florida more than 78 years ago. Brown & Brown employs thousands of Floridians and operates out of the corporate headquarters located in Daytona Beach, Florida. Brown and Brown, Inc. operates internationally with locations in 40 states, London, and Bermuda.

Brown & Brown, Inc. was founded in 1939 in Daytona Beach, Florida.
- Ranked 6th largest insurance intermediary in the United States
- 200+ offices in 40 states
- 8,300+ employees
- International operations include London brokerage with European and Bermuda market relationships.

Brown & Brown entities have very significant operations in Florida.
- Corporate headquarters in Daytona Beach and Tampa
- 78+ years continuous service in Florida
- Florida premium placements exceed $2.5 Billion.
- Largest independent intermediary in Florida by premium volume
- 40+ offices in Florida

One of Brown & Brown’s core businesses is public entity business, nationally and in Florida.
- Public Entity operations in 10 states with multiple offices throughout the country
- Florida public entity business exceeds $200,000,000 in premium placements
- Over 250 public entity clients in Florida served

PRIA is the public entity specialist broker within Brown & Brown. PRIA represents only the public entity sector. We will manage all services from this office. Our operations are unique:
- PRIA currently represents over 250 of Florida’s governmental entities
  - 22 Counties
  - 65 cities
  - 7 public school districts
  - 7 public universities
  - State of Florida
  - Other special taxing Districts
- Only retail agency in Florida 100% committed to Florida’s public entities.
- PRIA has served Florida governments exclusively for over 25 years.
- We place $100 million of annual premiums for our Florida clients
Experience & Qualifications

- 23 insurance professionals located in Daytona Beach
  - Personnel have over 300 years of combined insurance experience
  - Most staff have professional insurance/risk designations, including:
    - Bachelors of Science – Risk Management/Insurance and Finance
    - CIC – Certified Insurance Counselor
    - CISR – Certified Insurance Service Representative
    - CRM – Certified Risk Manager
    - CSRM – Certified School Risk Management
    - ARM – Associates in Risk Management
    - RMPE – Completion of Risk Management for Public Entities course
    - All staff members are encouraged to continue their pursuit of knowledge by continuing educational endeavors.
- Professional Affiliations - PRIA is involved and committed to industry organizations to include:
  - Florida Association of Counties (FAC)
  - Florida District and County Managers Association (FCCMA)
  - Public Risk and Insurance Management Association (PRIMA)
  - Florida Governmental Finance Officers Association (FGFOA)
  - Florida Educational Risk Managers Association (FERMA)
  - Florida School Board Association (FSBA)
  - Risk Management Society (RIMS)
  - Florida Public Human Resources Association (FPHRA)

2.2.1 State whether your firm is local (Baker County), regional, national or international.

Brown & Brown, Inc. is an international company headquartered in Daytona Beach, FL. PRIA is also located in the Daytona Beach headquarters.

2.2.2 Proposer shall provide the location of the office from which the service is to be performed and number of partners, managers, supervisors, and other professional staff employed at that office.

PRIA’s office is located within Brown & Brown corporate headquarters in Daytona Beach, FL. A majority of Brown & Brown’s senior management is located in Daytona Beach, including the President, Chief Executive Officer, Chief Financial Officer, and Regional Vice Presidents. This is important to our clients in that PRIA has access to the very top level of influence in an organization with over $1.7 billion in annual revenues in the event of a special need for our clients. This extra level of backing can be important for claims advocacy, insurance program rate and terms negotiation, and service support for tough issues if they arise.

PRIA employs 23 insurance professionals including 2 managers.
2.2.3 Proposer shall provide the names, titles and resumes of employees at the office, who will be available to provide services to Baker County BOCC during the term of this contract. Indicate the level of public entity expertise of each of the staff, as well as the total combined years of experience in providing these services. Please state whether the primary responsibility of any of these positions is other than providing services as described in this RFP.

PRIA staff is well experienced in improving and managing property and casualty insurance programs. In addition, the day-to-day service provided by our internal staff is second to none. Our staff has been extensively trained in matters specific to public entities and is carefully selected based on their people skills, insurance education and experience, willingness to satisfy customers and dedication to our goals. It is our belief that this experience has been very evident in servicing Baker County’s insurance needs.

All PRIA staff are 100% dedicated to insurance placement and broker services for public entities. Our team’s collective experience **exceeds 300 years**. Our team approach to servicing risk management accounts is to provide a strong internal service team that is ready to respond to each risk management client’s unique risk exposures and needs. Each member is supported by specific backup professionals to ensure no service interruption in the event any PRIA teammates are out of the office. All teammates and the agency are appropriately licensed and insured. Resumes are included herein; below is an overview of the team:

**ACCOUNT EXECUTIVE**

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

2-20 General Lines Agents License, State of Florida

**Insurance Work Experience**

22 Years of Public Entity Insurance Experience

Paul serves as Baker County’s primary contact, the individual ultimately responsible for coordinating all services and resources available to the County. His responsibilities also include analyzing and designing the insurance program, marketing, negotiating with insurers and other service providers. He will communicate with the County’s decision makers throughout all aspects of the insurance placement and will be available for all meetings, presentations or workshops, at your request.

Paul currently serves 30 public entity clients, ranging in size from small special taxing districts to large self-insureds. These include the Cities of Ocala, Fort Lauderdale, Sarasota, St. Cloud and Tallahassee, Counties of Clay, Brevard, Citrus, Flagler, Sarasota, Columbia, Gilchrist and Marion to name a few. **He has over 22 years of public entity insurance/risk management experience including proficiency in the following areas:**
Experience & Qualifications

- Contractual risk transfer and indemnification language
- Insurance and self-insurance program and policy design
- Risk retention and transfer analysis
- Local government financing and budgeting
- Public entity Law (Florida Statues governing tort liability, procurement, court rulings, etc.)
- FEMA coordination and Stafford Act interpretation
- Claims advocacy
- Informational and educational presentations

Responsibilities include direct consulting with clients to identify and analyze risk exposures and coverage needs, and develop and design individualized insurance programs. Professional client services include oversight of insurance and risk management programs, including claims advocacy, internal policy and procedures development, and contract review. Effective and efficient communication methods for elected board presentations, committee meeting participation, and coordination of daily staff service objectives.

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

Matthew R. Montgomery - Executive Vice President,
2-20 General Lines Agents License, State of Florida

Mr. Montgomery is responsible for the executive oversight of PRIA. He has 15 years of experience in Federal and State Government. He served as Legislative Affairs Director and Deputy Director for the Florida Department of Highway Safety and Motor Vehicles, Florida Department of Agriculture and Consumer Services respectively, before pursuing his present career in public entity risk management. Mr. Montgomery earned his Bachelor of Arts degree from Florida State University.
SERVICE TEAM

Our approach to servicing our public entity accounts is to provide a strong internal service team that is ready to respond to each client’s unique risk exposures and needs. To ensure a high level of continuous service we assign back up service team members for each large account.

ACCOUNT MANAGER

Linda Burtchett – Account Representative
2-20 General Lines Agents License, State of Florida

Ms. Burtchett services a small group of municipality clients within the agency. This special focus allows for immediate resolution of unique needs of complex insurance programs such as Baker County. Ms. Burtchett is well versed in meeting service expectations regardless of time required to do so.

Key functions include but are not limited to:

- Quote/Binder/Policy review for accuracy
- Proposal/Binder/Policy delivery
- Invoicing, Certificates and general inquiries
- Audits and premium adjustments
- Carrier premium payments
- Property, Auto and Inland Marine Schedule maintenance
- Provide up-to-date Schedules of Insurance coverage
- Creation and assembly of reports, claims data and loss history summaries
- Securing alternative needs such as performance bonds, additional coverages, etc.

Robin Faircloth, CISR, CSRM – Director of Operations
2-20 General Lines Agents License, State of Florida
1-20 Surplus Lines License, State of Florida

Robin will be assigned as part of the team dedicated to servicing the County. Ms. Faircloth grew up in her family’s insurance agency and received a Risk Management degree from Florida State University. With over 19 years of experience (13 at PRIA), her skills have propelled her to PRIA’s Director of Operations. Ms. Faircloth holds a Surplus Lines license and boasts an impressive record of quality service and routinely receives accolades from her clients. Robin has been charged to constantly improve service offerings to our clients, including technological efficiencies to assist our clients. Ms. Faircloth has 13 years’ experience managing and servicing the needs of PRIA’s public entity clients.
**Back Up Team Members**

To ensure continuity of quality service we have assigned back up personnel for Mr. Dawson and Ms. Burtchett. These individuals will work in the background to stay current with any issues or ongoing projects and will be primary contacts should either Mr. Dawson or Ms. Burtchett be unavailable for an extended time.

Mr. Matt Montgomery will back up Mr. Dawson and Ms. Robin Faircloth will back up Ms. Burtchett.

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**Scope of Service and Approach**

PRIA insures and provides risk management services to more Florida Counties that any other agency. With 22 County clients, we have an in depth and unique understanding of the risks and challenges that Counties face. We understand the intricacies that distinguish Counties from Cities and other local governments. We have developed and refined our procedures to reduce your administrative burdens by becoming an extension of your risk management office. Our consulting practices are to seek proactive solutions to reducing your costs by customizing insurance programs and negotiate improvements in terms and conditions every year.

Our sole focus is to act as the County’s advocate in all manners, always. It is important to note that we do NOT work for any insurance company, trust or facility. Unlike the employees of other Trusts, we are truly independent and represent the Count’s best interests in all negotiations and endeavors.
Tab 4
Loss Control Assistance
Proposers are expected to provide loss control/safety assistance and are requested to submit information regarding loss control programs and applicable cost, if additional.

**Preferred Safety & Loss Control Assistance**

The success of any public-sector community is clearly tied to its ability to protect and preserve its human and physical assets. This basic premise serves as the cornerstone of an effective Safety Management program and underscores the importance of Risk Control to the community. Preferred's Safety and Risk Management Department is very aware of the valuable contribution a comprehensive risk control program makes to the bottom-line of any organization.

At Preferred, Safety consultations originate with one basic thought—Specific measures can be recommended to minimize or eliminate the exposures that cause accidents. This does not mean that the workplace become no-risk utopias, but we expect our consultants to recommend measures to control/minimize all types of accidents, injuries and illnesses to our Preferred clients’ operations and premises.

Stressing our problem-solving skills... Preferred is dedicated to meeting the challenge of the complex problems facing public sector organizations... disarming these problems and converting them into factors, which work to the advantage of our clients. Our emphasis approach to risk control incorporates the following elements:

**Loss Control/Safety Services**

- Designated safety consultant – Mike Marinan
- Assistance with policies for Drug Free Workplace, Pre-disaster Planning, Return to Work, Safety Workplace Manual, etc.
- Attend and assist with implementation of Safety Meetings
- Educational/ Legal Seminars – Employment Law, ADA, Contractual Risk Transfer, etc.
- TIPS program (up to $5,000 reimbursement yearly for safety-related incentives)
- HR Helpline & My Community Workplace - Handbook templates & Best practices
- 450+ multilingual on-line training courses – Target Solutions
- Communication materials – Posters, newsletter material, etc.
- Internal Training Topics (generally with no additional costs) may include:
  - Claims Handling, such as Hurricane Recovery and Workers Comp/Liability
  - Ergonomics
  - Park Inspection Training
  - Safety Committee Meetings Presentation/Topics
✓ Coordinate outside training specialists (additional costs may be associated for 3rd parties) which could include:
  o Safety Policies & Procedures development (templates available at no cost)
  o Certain OSHA Training (utilize firms such as OCS)
  o HR/Employment Specialists/Training
✓ Claims Analytics/Benchmarking utilized to identify loss trends and areas of training needed.
✓ Employee Pre-Termination Legal Services - $5,000

*Preferred’s* Safety and Risk Management Department evaluates the unique needs to each client, ultimately designing a program that is capable of being integrated into the overall risk control efforts of each client. Our management system’s direction to the problem-solving approach is the foundation of our Safety and Risk Management Service.

A complete guide of loss control services available to the County can be found directly following this page.
HR RISK MANAGEMENT HELPLINE

The Preferred HR Risk Management HELPLINE is available to those members that have their POL/EPLI or ELL/EPLI coverage with the Trust. The HELPLINE is an employment law focused resource designed to control costs, save time, and complement the valuable services that Preferred provides. The resources provided by the HELPLINE allows members to save thousands of dollars annually.

HR RISK MANAGEMENT HELPLINE BENEFITS INCLUDE:

• Confidential, documented responses to specific employment law questions from real attorneys who are experts in HR Risk Management and employment law issues
• Online Unlawful Harassment Training for all supervisors and employees
• A state-specific employee handbook building tool
• HR Express Updates including popular Questions of the Month and HR Alerts
• Customizable HR risk management resources including Federal and State-specific forms and posters
• Plus more…

This is just a sample of the topics that members will be able to obtain valuable assistance with...

Americans with Disabilities Act (ADA)
Affirmative Action Plans
Age Discrimination (ADEA)
Background & Employment Screening
Benefit Continuation (COBRA)
Compensation
Disability Claims & Issues
Discrimination Payroll
Drug Testing
Employee Turnover
Exempt/Non-Exempt Issues (Overtime)
Facility Closure
Family and Medical Leave laws (FMLA)
Fraud/Theft/Shrinkage
Continued...
Member comments on this valuable benefit...

“The HELPLINE is so useful to me as the only HR person here. It seems that any question I have, they always have an answer that is easy to understand and applicable for me. I like and use it so much that I no longer have my membership in the SHRM. It is a cost saver for the City and helpful to me. I would have no problem referring others to this site and hope that Preferred never “lets it go”

“I’m finding the Preferred HR Management HELPLINE through Preferred a really neat tool. I thought the online Sexual Harassment training was great; it was nice that we could track progress and see who completed it and who did not. We managed to get everyone completed on time due to this feature. We thought the training was very informative overall. I think it’s great that a Relationship Manager reached out to me and gave me a tour of the website. Through that I was able to learn new features about the service. It’s a great thing to have access to attorneys in case we ever run into a situation”

“I think the HELPLINE is a very good tool for managers; I am so glad to have it! My first impression of the website was that it is professional and easy to use. My favorite part of the service is the ability to ask questions specific to my needs. I generally use the service once or twice a month. When I log on, I am usually looking for a specific topic or case related to my needs at the time. The Questions of the Month are my favorite. I would ABSOLUTELY recommend this service to other employers! I am SO glad to have the HELPLINE; I am grateful that it is included as part of our membership with Preferred!”

Please contact your regional Loss Control representative should you need additional information on this valuable service...
2017

Risk Management & Loss Control Services Guide

Exclusively for Preferred PGIT Members
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Introduction

This manual is designed to outline the resources and services that are provided by the Public Risk Underwriters Risk Management & Loss Control Department.

The resources and services defined in this manual may be subject to future enhancements or changes to improve effectiveness in meeting our member’s needs.

In addition to safety training and hazard identification, our field representatives are capable of assisting our members with more comprehensive insurance related issues. These include experience modifications analysis, risk financing techniques, risk retention, claims trending and analysis, light duty, drug free workplace, FEMA, emergency preparedness, and workers’ compensation classification.

We offer several services at no charge to the member including an extensive online training course offering, the Preferred TIPS matching reimbursement program, various webinars on timely topics, and access to My Community Workplace.

In order to effectively serve our members we will implement the following additional measures as needed:

• Assist our Underwriting Department in targeting additional product applications that may be beneficial to our customers through field analysis.

• Maintain effective relationships with the agents by keeping them informed of each member’s resource and service needs.

• Work closely with PGCS Claim Services to share information and refine data that is utilized to evaluate our members and target specific areas where services may be required to assist in improving retained losses.
The success of any Municipal organization is tied to its ability to protect and preserve its human and physical assets. This basic premise serves as the cornerstone of an effective safety management program and underscores the importance of safety and risk control to the community. Public Risk Underwriters Safety & Risk Management Department is very aware of the valuable contribution that a comprehensive Safety & Risk Control Program makes to the bottom-line of any organization.

Our safety consultations originate with one basic thought: to recommend specific measures to minimize or eliminate the exposures that cause accidents. Our safety and risk consultants can recommend measures to control and minimize all types of accidents, injuries and illnesses to Preferred member’s operations and premises.

We are dedicated to meeting the challenge of the complex issues facing our members. Disarming these issues and converting them into solutions which work to the advantage of the member is our goal. Our approach to risk control incorporates the following elements:

**Exposure Identification** - Assist members in determining areas where a chance of loss might exist through cause trend analysis, work site evaluations, and facility inspections.

**Exposure Measurement and Loss Analysis** - Loss analysis and a review of the consequences of the exposures will be considered to develop alternative methods of control.

**Determination and Selection of Appropriate Risk Control Methods** - Based on measurement and analysis, specific recommendations and/or a custom designed risk control plan will be formulated. OSHA, as well as other Agency Standards will be applied and/or used as a “Best Practice” measure when designing and formulating safety and risk control plans.

**Training and Safety Management Consulting** - After considering the members needs, specific services and/or training will be formulated and initiated to fit the members need (see Training Programs section). Key personnel or specialty consulting services with the knowledge and skills needed to meet those identified needs will be provided.

**Additional Consulting Services Available** – Public Risk Underwriters Safety & Risk Management has other services available that may benefit our members. These services include security evaluations and review of existing safety and risk programs.

Public Risk Underwriters Safety and Risk Management evaluates the unique needs of each member. Our goal is to design a program that is capable of being integrated into the overall safety and risk control efforts of each member. Our dedication to the problem solving approach is the foundation of our Safety and Risk Management Service.
The purpose of the Public Sector Safety Program is to outline an effective way to establish and enhance safe work practices for your employees, identify and control occupational hazards, and prevent or reduce on-the-job illnesses and injuries. The program contains eight elements which include the necessary instructional forms and step-by-step requirements needed to establish the basic framework for a solid Safety Program.

The Eight Elements:

- Management Commitment and Worker Involvement
- Safety Committees
- Safety and Health Training
- First Aid (training can typically be provided by your local Fire Department or Red Cross Chapter)
- Accident Investigation
- Record Keeping
- Safety Rules, Policies and Procedures
- Employer Self-inspection and Job Hazard Analysis

The Program Will Help You to:

- Improve workplace safety awareness
- Involve employees and encourage participation and feedback in problem solving
- Evaluate the general and specific safety training needs of your employees
- Analyze physical conditions and work practices that lead to accidents and injuries
- Identify hazardous conditions and establish preventive and protective measures
- Comply with state and federal safety standards and regulations

The Benefits of Implementing This Program May Include:

- Reducing the cost of workers’ compensation insurance premiums
- Reducing medical treatment costs and lost work or production time
- Reducing the incident or severity of workplace illnesses and injuries
- Reducing liability costs associated with work processes and conditions
- Improving workplace morale and productivity
Onsite Safety and Risk Training Programs

Preventing workplace injuries is a key element to a smooth work operation. We can show you how your municipality or governmental operation can benefit from our extensive safety training programs to help your organization achieve its safety performance goals. Each program is designed to assist your employees in recognizing potential safety issues, unsafe work behaviors, and obtain new levels of safety awareness and performance. These training program presentations usually take approximately one hour to present, and are supported by multimedia material and training handouts.

Training topics include:

- Accident Investigation
- Basic Electrical Safety
- Job Safety Analysis (JSA)
- Personal Protection Equipment (PPE)
- Office Safety
- Lock Out/Tag Out
- Workstation Ergonomics
- Blood Borne Pathogens
- Safe/Defensive Driving
- Back Safety/Proper Lifting
- Emergency and Hurricane Preparedness
- Hazard Communications / Right-to-Know
- Confined Space Entry

This is just a sample of our training topics. Please contact your agent or your Public Risk Underwriters Safety and Risk Management Department representative to enquire about additional training topics that may not be listed above.

We can also create and generate a training certificate of completion for each of your attending employees. Just provide a list of your attending employees to the Public Risk Underwriters Safety and Risk Management representative who conducts your training session. The attendee list should include each attendee’s full name and date that each attended training. We will prepare your training completion certificates and deliver or mail them to you upon completion.

If you would like further details on this valuable resource tool, please contact your regional Public Risk Underwriters Safety and Risk Management representative.
It is the objective of Public Risk Underwriters, Safety and Risk Management Department to establish a procedure at the member’s location for the proactive and systematic recognition and control of hazards at all facilities. The maintenance of owned, leased, occupied and/or possessed properties will be placed at a high priority level. To meet this objective, Preferred members can establish the following policy section to assure regular maintenance of properties and regular inspections (with checklists). This can be done with frequency and scope relative to commonly expected changes in conditions, whether caused by normal wear and tear, vandalism, misuse, damage from adverse weather conditions or other natural phenomenon.

Frequency and scope should also be relative to the level of hazards that exist, such as volume of visitors or employees, occupancy by children, accessibility by disabled persons or the elderly, and premises activities (such as swimming and competitive sports). This includes facilities that are critical to the providing of public utilities, and facilities that involve storage and processing of hazardous chemicals or flammable substances.
The Preferred TIPS program is a reimbursement program with matching training/safety incentives that can be applied for by any current member of Preferred. Each entity is eligible to apply for a matching incentive of up to $5,000 per coverage year. The applications will be accepted until the end of each quarter and then evaluated and recipients notified by the end of the month following the quarter.

Examples of eligible reimbursements include:

- Personal protective equipment
- Safety related signs
- ADA compliance measures
- Police accreditation program fees
- Driver training
- Law enforcement simulator training
- Ergonomic training
- Sidewalk repairs
- Continuing education classes
- Lifeguard training
- Most any safety related training or equipment.

Once an application is received the committee will determine the relevance of the training/safety purchase against the lines of coverage purchased by the member. The committee will also consider the information provided in the application.

Please contact your regional Loss Control representative or send an email to PreferredTIPS@publicrisk.com should you have any questions, need additional assistance, or be in need of a copy of the Preferred TIPS application.

A copy of the Preferred TIPS application may also be obtained by logging into ETools.
Preferred Online Learning Center -

Effective training and records management is vital in today’s workplace. Reducing claims, controlling losses and streamlining efficiencies are critical. That is why Preferred partnered with TargetSolutions to provide our members with innovative web-based training management technology.

- Preferred members can access more than 280 training courses in English and Spanish covering topics related to HR/Employment Practices, OSHA Compliance, Motor Vehicle Safety, and School Safety utilizing TargetSolutions extensive web-based library. TargetSolutions is committed in helping members to deliver training, ensure compliance and reduce risk by streamlining and automating the training management process.

- TargetSolutions enables members to define, measure and monitor key risk metrics that help keep their employees safe and protect assets. With the platform, Onsite Administrators can create risk mitigation tools specific for their organization, making it possible to analyze the fundamentals and take action where needed.

- TargetSolutions’ web-based training management platform is accessible 24/7. Users can navigate captivating, cross-browser compatible courses with cutting-edge interactions at a pace and time that is convenient for them.

- TargetSolutions’ Risk Management Platform makes it possible for Member Onsite Administrators to assign and deliver online training courses to their users. The system also provides the ability to track, document and report assignments. Tracking training, generating reports and analyzing deficiencies has never been easier.

- TargetSolutions’ technology platform features the industry’s most dependable and powerful cloud-based system. TargetSolutions delivers 99.95 percent uptime, delivering a fast and reliable experience for users. TargetSolutions’ backup datacenter has been strategically positioned, securing production infrastructure.

If you would like further details on this valuable resource tool, please contact Michael Stephens, Senior Loss Control Specialist at email: mstephens@publicrisk.com or phone: (321) 832-1658.
Preferred HR Risk Management HELPLINE

The Preferred HR Risk Management HELPLINE is available to those members that have their POL/EPLI or ELL/EPLI coverage with Preferred. The HELPLINE is an employment law focused resource designed to control costs, save time, and complement the valuable services that Preferred provides. The resources provided by the HELPLINE allow members to save thousands of dollars annually.

HR Risk Management HELPLINE benefits include:

- Confidential, documented responses to specific employment law questions from real attorneys who are experts in HR Risk Management and Employment Law issues
- Online Unlawful Harassment Training for all supervisors and employees
- A state-specific employee handbook building tool
- HR Express Updates including popular Questions of the Month and HR Alerts
- Customizable HR Risk Management resources including Federal and State-specific forms and posters

Registering for the Preferred HR Risk Management HELPLINE:

Members that have their POL/EPLI or ELL/EPLI coverage with Preferred may register to utilize this valuable service by going to www.pgithelpline.com, or by calling (877) 568-6655 to speak with a HELPLINE representative.

This is just a sample of the topics that members will be able to obtain valuable assistance with...

- Americans with Disabilities Act (ADA)
- Immigration Laws and Issues
- Recognition Programs
- Affirmative Action Plans
- Interviewing
- Regulatory Compliance (State & Federal)
- Age Discrimination (ADEA)
- Layoffs
- Religious Issues
- Background & Employment Screening
- Management & Employee Development
- Retaliation
- Benefit Continuation (COBRA)
- Marital Status
- Safety Procedures & Practices
- Compensation
- Military Leave (USERRA)
- Sexual Harassment
- Disability Claims & Issues
- National Origin & Language Issues
- Sexual Preference & Orientation Issues
- Discrimination Payroll
- Payroll
- Termination & Discharge
- Drug Testing
- Performance Management
- Training
- Employee Turnover
- Personnel Files (Content & Handling)
- Unemployment Compensation
- Exempt/Non-Exempt Issues (Overtime)
- Physical Appearance Issues
- Union Relations – General Inquiries
- Facility Closure
- Pre-Employment Behavioral & Skill Testing
- Wage/Hour (Federal) – (FLSA)
- Family and Medical Leave laws (FMLA)
- Pregnancy
- Wage/Hour (State)
- Fraud/Theft/Shrinkage
- Privacy of Documentation (HIPAA Issues)
- Workers Compensation
- Gender Issues
- Progressive Discipline Situations
- Workplace Violence
- Hiring Practices
- Racial Issues

If you would like further details on this valuable resource tool, please contact Michael Stephens, Senior Loss Control Specialist at email: mstephens@publicrisk.com or phone: (321) 832-1658.
My Community Workplace Website for Preferred Members

The My Community Workplace website is available to all Preferred members. The site is a free online resource that can save you time and money by providing cutting edge training and information for your workplace. Members may register to use this valuable resource by going to www.mycommunityworkplace.org.

Web Based Training

Online training modules for managers and supervisors are available 24/7 at no cost to the member. This could result in a potential savings of thousands of dollars a year in training costs.

Training courses available:

- Preventing Workplace Sexual Harassment
- Preventing Workplace Discrimination
- Preventing Wrongful Termination
- Promoting Ethical Behavior
- Promoting Child Safe Environments

Up-to-Date Information and Expert Commentary

Topics Include:

- Best practices for employment practices and child protection
- Leadership and management skills
- Healthy lifestyle and safety
- Exclusive articles written for the specialized interests, such as government entities, schools, and not-for-profits

New Student Protection Zone

The new Student Protection Zone enhancement will help entities protect students from bullying, cyber bullying, hazing, harassment, sexual abuse and other risks. The Student Protection Zone is a first-of-its-kind functionality that provides weekly education, expert commentary and state-specific reference information.

Knowledge Vault

- Library and Checklists – Thousands of articles covering vital workplace issues, grouped according to topic, as well as self-audit checklists
- Links to important federal and state government websites
- Model Handbook – Over 95 model policies on workplace issues ranging from Equal Employment Opportunity to Social Media (certain key policies are available in English and Spanish).
- Loss Scenarios – Examples of situations that have caused liability for organizations like yours

My Workplace

This part of the site can be set up to communicate information and policies to the employees of an organization registered on My Community Workplace.

Control Panel

- This feature allows the site administrator to adapt the site to match the needs of his/her organization:
- Add or recruit additional users
- Change default training settings
- Upload organization’s own employee policies into training modules
- Monitor training progress of the organization’s registered users and download training reports

Notice: Mycommunityworkplace.org is a product of The McCalmon Group, Inc., platform administrator solely responsible for its content. Please contact The McCalmon Group, Inc. should you have questions regarding the website at 1-888-712-7667.
Reporting a Claim

Please Notify:

Preferred Governmental Claim Solutions
P.O. Box 958456
Lake Mary, FL. 32795-8456
Toll Free: 1-800-237-6617 ext. 4002
Local: (321) 832-1400
Fax: 1-321-832-1717

Reporting a Claim:

• Phone: 1-800-237-6617 ext. 4002 - During office hours of 8 AM to 5 PM, Monday through Friday
• Fax: 321-832-1448
• Email: LiabilityClaims@pgcs-tpa.com
• Email: WCclaims@pgcs-tpa.com
• PGCS website at www.pgcs-tpa.com

PGCS Online Claims Data Access

PGCS Online Claims Data Access provides clients with the ability to gain immediate access to information on claims that PGCS is handling for them. With this tool clients can review claims, get loss runs, and analyze trends with statistical and graphical reports.

Registering for PGCS Online Claims Data Access:

To register, just go to www.pgcs-tpa.com and click the Member/Client button. Then click Register and complete the form. Once the form is complete, click Register again and you will see the Website Access Terms and Agreements. Read them, click the checkbox to accept them, then click submit.

The next page asks you to print the acceptance form. Print, sign it, and mail it to the indicated address. (There is no longer any requirement to have it notarized.)

Activating PGCS Online Claims Data Access:

Upon receipt of the form, Senior PGCS Management will review the registration, determine the appropriate parameters for the account and authorize the webmaster to activate it. Once authorized, the webmaster will apply those parameters to the account settings, activate the account and notify the client by email.
Our participation in your special event could possibly include one or more of the following:

• Safety related displays, demonstrations and/or presentations
• Safety related hand-out materials, such as booklets, brochures and slide guides
• Special event promo give away items
• Gift donation per event raffle / prize drawing

Please contact your agent or Public Risk Underwriters Safety & Risk Management representative for further details on how we may be able to take part in your upcoming employee related special events.

Planning a special event for your employees? If so, let us know! Public Risk Underwriters Safety and Risk Management Department will consider all invitations pertaining to participation in your upcoming special events, such as annual employee health & safety fairs.

Our participation in your special event could possibly include one or more of the following:

• Safety related displays, demonstrations and/or presentations
• Safety related hand-out materials, such as booklets, brochures and slide guides
• Special event promo give away items
• Gift donation per event raffle / prize drawing

Please contact your agent or Public Risk Underwriters Safety & Risk Management representative for further details on how we may be able to take part in your upcoming employee related special events.

Are you looking for answers to specific questions related to public sector safety and risk management? Are you either having a difficult time finding it, or don’t have the necessary time to properly conduct the research to find the answer?

If so, please let us assist you in finding the answer through the use of our public sector network capabilities and safety & risk research initiative. Our business relationships with other public entity sectors allows us to contact numerous in-state, as well as out-of-state governmental entity services to find the answers, resources, or materials you are in search of.
Self Inspection Forms

Public Risk Underwriters Safety and Risk Management has the following checklists that can be utilized by Preferred members to perform routine self inspections of their facilities, property, and operations. These self-inspection checklists can be accessed through the E-tools section of the Public Risk Underwriters website.

Available Inspection Checklists:

- Public Beach
- Cafeteria / Kitchen
- City Hall
- Public Dog Park
- Fire Station
- Meeting / Exhibit Hall
- Public Park (including water recreation facilities)
- Park Trails
- Playground
- Police Station
- Schools
- Skate Park
- Sports Complex (indoor)
- Sports Complex (outdoor)
- Public Swimming Pool
- Trenching & Shoring
- Public Utilities
- Vehicle Maintenance Garage
Safety Related Material and Resources

Safety Times Reproducible Articles

These 129 reproducible safety articles may be used in internal newsletters, safety meetings, safety e-mail alerts, and other ways to promote safety. The articles will benefit your organization by providing your employees with knowledge and skills on avoiding off-the-job accidents. This can prevent on-the-job accidents by fostering a 24-hour safety attitude. Your organization can benefit by reducing loss expenses, and increasing productivity. The articles are accessible through the E-tools section of the Public Risk Underwriters website.

Safety Slide Guides

These handy pocket slide guides are compact and cover a variety of safety related topics. The pocket slides are a great quick reference resource to find answers to safety related questions. Each slide guide addresses common questions and/or safety tips on a specific topic to stay safe and healthy. If you would like further details on this valuable resource tool, please contact Michael Stephens, Senior Loss Control Specialist at email: mstephens@publicrisk.com or phone: (321) 832-1658.

- ALICE - Active Shooter Response Plan
- Everyday Exercises for Busy People
- Ergonomics
- Natural Disasters
- Preventing Carpal Tunnel Syndrome
- Texting & Distracted Driving
- Backache Prevention
- Fire Hazards
- Stress Management
- Skin and Sun Safety
- First Aid

Auto Accident Claim Reporting Kit

As an additional service to those members that carry automobile coverage through Preferred, Public Risk Underwriters can provide an Auto Accident Report Kit for each of your insured vehicles.

The kit is designed to assist drivers in collecting accurate data at the scene of an accident in order to aid in the expediting of claims processing. At least one kit should be stored in each covered vehicle’s glove compartment or other easily accessible storage area. The kit is accessible through the E-tools section of the Public Risk Underwriters website.
Safety Posters

Public Risk Underwriters Safety and Risk Management currently has 12 different safety posters available to Preferred members. Each poster is constructed of heavy duty glossy finish paper and measures 17” x 22”. These posters may be ordered as a set, or ordered per each title. Currently, the following poster titles are available:

If you would like further details on this valuable resource tool, please contact Michael Stephens, Senior Loss Control Specialist at email: mstephens@publicrisk.com or phone: (321) 832-1658.
Public Risk Underwriters Safety and Risk Management has a vast library of safety training videos available. Here is just an example of the safety topics covered...

Safe Work Practices
General Office Safety
Back Injury Prevention / Safe Lifting
Chemical Safety
Safety in the Maintenance Department
Fire Extinguisher Training and Use
Commercial Lawn Mower Safety
Chain Saw Safety
Landscape Maintenance
Heat Stress
Respirator Selection and Use

Bloodborne Pathogens
Emergency Preparedness at Work
Tree Trimming Safety
Personal Protective Equipment
Hand and Power Tool Safety
Ladder Safety
Office and Computer Ergonomics
Fire Extinguisher Safety
Confined Space Entry
Trenching and Shoring
High Voltage and Electrical Safety

If you would like further details on this valuable resource tool, please contact Michael Stephens, Senior Loss Control Specialist at email: mstephens@publicrisk.com or phone: (321) 832-1658.
It is of paramount importance that the level of service that we provide meets the expectations of our clients. We take a pro-active approach to servicing our accounts and encourage you to contact us with your thoughts and input.

Mike Marinan – Director of Member Services
Phone: (321) 832-1473
Cell: (407) 725-6858
Email: numarinan@publicrisk.com

Pam Hancock – Senior Safety & Risk Management Consultant
Cell: (321) 960-3432
Email: phancock@publicrisk.com

Mike Stephens - Senior Loss Control Specialist
Phone: (321) 832-1658
Fax: (321) 832-1489
Email: mstephens@publicrisk.com

Pam has worked in the insurance field for the last 20 years of her career. The last 9 years with Public Risk Underwriters of Florida, Inc. Her experience includes working in Program Development, Marketing, Training and Liaison between Members and Underwriting and Claims and of course Risk Management. She has completed the 10 hour OSHA Outreach Training course in General Industry Safety and Health, and most recently completed Fundamentals of Employment Law with State College of Florida. Her educational background is in Business and Computer Programming. Pamela has a true passion for working with members and helping them to accomplish their goals.

Chris Kittleson – Senior Safety & Risk Management Consultant
Cell: (321) 525-0353
Email: ckittleson@publicrisk.com

Chris joined Public Risk Underwriters of Florida, Inc. as a Sr. Risk Control Consultant in 2010 and provides Loss Control services for the southern Florida region. With over 19 years of safety & health consulting experience Chris has developed industry expertise in the areas of Construction, Manufacturing and USL&H as well as safety programming expertise in the areas of Safety Program Development, Return to Work Programs, Regulatory Compliance, Accident Investigation and Safety Training. Prior to working in the Insurance industry Chris’ career was with IBM where he held various Engineering positions. Chris graduated Cum Laude from St. Cloud State University, St. Cloud, MN with a Bachelors of Science in Engineering Technology, has earned his Associate in Risk Management (ARM) designation, is a Professional Member of the American Society of Safety Engineers (ASSE) and was awarded the 2014 Safety Professional of the Year Award by the South Florida Chapter of ASSE.

Mike has a degree in Industrial Safety Engineering and over 34 years experience in the Safety and Risk Management field. He has been employed by Public Risk Underwriters of Florida, Inc. for almost 15 years. He holds an RMPE designation, holds a General Lines 220 and 218 licenses, and is an active member of ASSE and numerous related Safety and Health organizations. He was a Governor appointee to the Task Force on Workplace Safety.

Mike has worked with Public Risk Underwriters of Florida, Inc. for the last thirteen years. Prior to working with Preferred Mike worked within the health insurance industry. Mike has completed the OSHA #501 Trainer Course in Occupational Safety and Health Standards for General Industry and has attained certification as a Safety Auditor through The National Association of Safety Professionals. Mike’s safety awareness and resourcefulness are what make him an essential part of the Safety & Risk Management team.
TargetSolutions delivers employee training that helps public entities mitigate risk, reduce claims and save money.

ONLINE COURSE CATALOG :: TABLE OF CONTENTS

Welcome to TargetSolutions’ course catalog. This document lists courses offered for members of Preferred through the TargetSolutions platform. If you have any questions, please contact us at (800) 840-8048.

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FIRE & EMERGENCY
MEDICAL SERVICES

TargetSolutions’ course catalog delivers more than 250 hours of recertification courses for emergency responders. Firefighter courses are based on the NFPA codes and standards, including NFPA 1001, 1021 and the 1500 Series. Courses also cover wildland fire, response to terrorism and much more. EMS courses allow first responders, EMT-Basics, EMT-Intermediates and EMT-Paramedics to complete their continuing education requirements in an engaging and easy-to-use format.

EMS CONTINUING EDUCATION
- EMS Back Injury Prevention
- EMS Common Infectious Pathogens
- EMS Confined-Space Entry
- EMS Diet & Nutrition
- EMS Driving Safety
- EMS Emergency Response to Terrorism (Modules 1-4)
- EMS Hazard Communication
- EMS Health & Wellness
- EMS Heat Illness and Emergencies
- EMS Infectious Disease Control
- EMS Workplace Stress

NFPA 1001 COURSES
- NFPA 1001 Firefighter Personal Protective Equipment
- NFPA 1001 Portable Extinguishers

NFPA 1500 COURSES
- NFPA 1500 Advanced HAZWOPER Awareness (Modules 1–4)
- NFPA 1500 Bloodborne Pathogens Safety
- NFPA 1500 Combustible & Flammable Liquids
- NFPA 1500 Compressed Gas Safety
- NFPA 1500 Confined Space Entry
- NFPA 1500 CPR Academic
- NFPA 1500 Driving Safety
- NFPA 1500 Hazard Communication
- NFPA 1500 HAZMAT Spill Prevention & Control
- NFPA 1500 HAZMAT Transportation
- NFPA 1500 Laboratory Safety
- NFPA 1500 Materials Handling, Storage, Use & Disposal
- NFPA 1500 Personal Protective Equipment
- NFPA 1500 Respiratory Protection
- NFPA 1500 Welding Safety
HUMAN RESOURCES

TargetSolutions’ Human Resources courses are designed to supplement the course catalog by providing training that is relevant and essential to all employees. Courses covering Employment Practices for Supervisors cover issues encountered in the workplace for individuals tasked with making employment decisions, including issues of harassment, hiring and termination, discrimination, evaluation and documentation.

HUMAN RESOURCES
- Alcohol-Free Workplace
- Business Ethics: Quick Refresh
- Computer Security Awareness
- Customer Service
- Drug-Free Workplace
- Ethics in the Workplace
- General HIPAA Awareness
- General Office Ergonomics
- Health & Wellness
- Office Safety
- Red Flag Rules (Identity Theft Protection)
- Sexual Harassment Awareness
- Workplace Diversity
- Workplace Stress
- Workplace Violence

EMPLOYMENT PRACTICES FOR SUPERVISORS
- Anger, Violence, and Conflict in the Workplace
- Dealing with Issues of Alcohol and Substance Abuse
- Discipline and Termination
- Employment Practices Overview
- Hiring Practices
- Interviewing and Hiring
- Interviewing Skills for Managers: Conducting an Interview
- Performance Management
- Preventing Discrimination in the Workplace
- Reasonable Suspicion of Alcohol for Supervisors
- Reasonable Suspicion of Drugs for Supervisors
- Understanding Employee Leave
- Motor Vehicle Incident Investigation for Supervisors
- Motor Vehicle Personnel Selection for Supervisors
- Motor Vehicle Safety Overview for Supervisors
- Sexual Harassment Awareness for Supervisors
- Successful Hiring
- Successful Termination
MOTOR VEHICLE SAFETY
TargetSolutions’ Online Driver Training & Compliance Program offers organizations a solution to reduce motor vehicle losses. Driver curriculum is designed to change unsafe driving behavior and reinforce critical safe-driving concepts. Courses have been tailored to meet the varied needs of drivers of automobiles, large trucks and passenger vans. Supervisor curriculum is designed to provide supervisors with the training necessary to maintain a staff of safe and capable drivers. Driver training courses and curriculum for supervisors are available.

DRIVER TRAINING
- Fleet Program Accidents and Emergencies
- Fleet Program Adjusting to Changing Conditions
- Fleet Program Aggressive Driving
- Fleet Program Dangers of Speeding
- Fleet Program Defensive Driving Strategies
- Fleet Program Distracted Driving
- Fleet Program Driver Safety Orientation
- Fleet Program Expressway and Highway Driving
- Fleet Program Impaired Driving
- Fleet Program Intersection Safety
- Fleet Program Passenger Van Safety
- Fleet Program Safe Backing
- Fleet Program Seat Belt & Airbag Safety
- Fleet Program Securing Materials for Transportation
- Fleet Program Sharing the Road
- Fleet Program Vehicle Inspection and Maintenance
- Fleet Program Vehicle Safety and Security

LARGE VEHICLE DRIVER TRAINING
- Fleet Program Accidents & Emergencies for Large Vehicle Operators
- Fleet Program Adjusting to Changing Conditions for Large Vehicle Operators
- Fleet Program Aggressive Driving for Large Vehicle Drivers
- Fleet Program Dangers of Speeding for Large Vehicle Drivers
- Fleet Program Defensive Driving Strategies for Large Vehicle Drivers
- Fleet Program Distracted Driving for Large Vehicle Drivers
- Fleet Program Driver Safety Orientation for Large Vehicle Drivers
- Fleet Program Expressway and Highway Driving
- Fleet Program Impaired Driving for Large Vehicle Drivers
- Fleet Program Intersection Safety for Large Vehicle Drivers
- Fleet Program Large Vehicle Characteristics
- Fleet Program Safe Backing for Large Vehicle Drivers
- Fleet Program Seat Belt & Airbag Safety for Large Vehicle Drivers
- Fleet Program Securing Materials for Transportation for Large Vehicle Drivers
- Fleet Program Sharing the Road for Large Vehicle Drivers
- Fleet Program Vehicle Inspection and Maintenance for Large Vehicle Drivers
- Fleet Program Vehicle Safety and Security for Large Vehicle Drivers

EMERGENCY VEHICLE OPERATOR TRAINING
- Fire Industry Driver Intersection Safety
- Fire Industry Driver Operator
- Fleet Program Accidents and Emergencies for Emergency Vehicle Operators
- Fleet Program Adjusting to Changing Conditions for Emergency Vehicle Operators
- Fleet Program Dangers of Speeding for Emergency Vehicle Operators
- Fleet Program Defensive Driving Strategies for Emergency Vehicle Operators
- Fleet Program Distracted Driving for Emergency Vehicle Operators
- Fleet Program Driver Safety Orientation for Emergency Vehicle Operators
- Fleet Program Emergency Vehicle Characteristics
- Fleet Program Emergency Vehicle Operations
- Fleet Program Impaired Driving for Emergency Vehicle Operators
- Fleet Program Intersection Safety for Emergency Vehicle Operators
- Fleet Program Legal Considerations for Emergency Vehicle Operators
- Fleet Program Safe Backing for Emergency Vehicle Operators
- Fleet Program Seat Belt & Airbag Safety for Emergency Vehicle Operators
- Fleet Program Securing Materials for Transportation for Emergency Vehicle Operators
- Fleet Program Vehicle Inspection and Maintenance for Emergency Vehicle Operators
- Fleet Program Vehicle Safety and Security for Emergency Vehicle Operators

SUPERVISOR TRAINING
- Motor Vehicle Incident Investigation for Supervisors
- Motor Vehicle Safety Overview for Supervisors
- Motor Vehicle Personnel Selection for Supervisors
OSHA & COMPLIANCE

TargetSolutions’ online courses can be used to help comply with OSHA and other federal and state regulatory agency training mandates. Complete all of your required compliance training courses online, eliminating the logistic issues inherent in traditional training methods. OSHA & Compliance courses cover the following categories: General Safety, Environmental Awareness, Human Resources and supervisor-related course topics.

**OCCUPATIONAL HEALTH & SAFETY**
- Advanced Construction Safety (Modules 1–4)
- Advanced HAZWOPER Awareness (Modules 1–4)
- Aerosol Transmissible Diseases
- Alcohol-Free Workplace
- Asbestos Awareness
- Back Injury Prevention
- Bloodborne Pathogens Safety
- Building Evacuation and Emergencies
- Combustible & Flammable Liquids
- Compressed Gas Safety
- Confined-Space Entry
- CPR Academic
- Diet & Nutrition
- Disaster Preparedness
- Driving Safety
- Drug-Free Workplace
- Electrical Safety
- Emergency Action Plans
- Eye Safety
- Fall Protection
- Fire Extinguisher Safety
- Fire Prevention Safety
- First Responder Operations Level Refresher (Modules 1–4)
- Forklift Safety
- General Construction Safety
- General First Aid Part 1
- General First Aid Part 2
- General Office Ergonomics
- Hand & Power Tool Safety
- HAZMAT Spill Prevention & Control
- HAZMAT Transportation
- Health & Wellness
- Hearing Conservation
- HIV/AIDS Awareness
- Incident Investigation
- Indoor Air Quality
- Industrial Ergonomics
- Introduction to Industrial Hygiene
- Introduction to OSHA
- Laboratory Safety
- Ladder & Scaffold Safety
- Laser Safety
- Lead Awareness
- Lock-Out / Tag-Out

**COMPLIANCE**
- ADA Compliance in Business
- Federal Acquisition Regulation Overview 3.10
- General HIPAA Awareness
- Sexual Harassment Awareness
- Sexual Harassment Prevention: Quick Refresh
- Workplace Diversity

- Machine Guarding
- Materials Handling, Storage, Use & Disposal
- Office Safety
- Personal Protective Equipment
- Radiation Safety
- Respiratory Protection
- Hazard Communication
- Risk Assessment Analysis
- Safety and Health Programs
- Slips, Trips, & Falls Prevention
- Trenching & Shoring
- Welding Safety
- Working in Extreme Temperatures
- Workplace Stress
- Workplace Violence
SCHOOL DISTRICTS

TargetSolutions offers a comprehensive catalog of online courses for school district employees. Courses are designed to enhance knowledge and ensure safety in scholastic environments, covering a wide range of topics for principals, teachers, supervisors, librarians, custodians, food service employees and school security personnel. Courses cover the following categories: Emergency Operations Management, Environmental, Health, Human Resources, Library Services, Nutrition Service, School Safety & Behavioral and Transportation.

DRIVER TRAINING
- Adjusting to Changing Driving Conditions (EDU)
- Defensive Driving Strategies (EDU)
- Driver Safety Orientation (EDU)
- Driving Accidents & Emergencies (EDU)
- Large Vehicle Characteristics (EDU)
- Passenger Van Safety (EDU)

FOOD SERVICE
- Food Safety, Foodborne Illness & Kitchen Sanitation (EDU)
- Food Service General Safety (EDU)
- Food Services Proper Lifting (EDU)
- School Meal Compliance (EDU)

HUMAN RESOURCES
- Child Abuse: Mandated Reporter Training
- Ethics in the Workplace (EDU)
- Introduction to Understanding the Rights of LGBT Students (EDU)
- Maintaining Professional Staff/Student Boundaries (EDU)
- Sexual Harassment Awareness (EDU)
- Workplace Diversity (EDU)

OSHA, COMPLIANCE & SAFETY
- Aerosol Transmissible Diseases (EDU)
- Avoiding Slips, Trips, and Falls (EDU)
- Bloodborne Pathogens Safety (EDU)
- Breaking Up Student Fights (EDU)
- Computer Security Awareness (EDU)
- Crossing Guard Safety (EDU)
- Electrical Safety (EDU)
- FERPA: Protecting Student Privacy (EDU)
- Fire Extinguisher Safety (EDU)
- Fire Prevention Safety (EDU)
- General First Aid Part 1 (EDU)
- General First Aid Part 2 (EDU)
- General Office Ergonomics (EDU)
- Hazmat Spill Prevention & Control (EDU)
- Hearing Conservation (EDU)
- Incident Investigation (EDU)
- Lead Awareness (EDU)
- Personal Protective Equipment (EDU)
- Playground Safety (EDU)
- Playground Supervision (EDU)
- Proper Lifting (EDU)
- Proper Lifting Library Operations (EDU)
- Proper Use of Seclusion and Restraint (EDU)
- Principal’s Recognition of Hazards on a School Campus
- Respiratory Protection (EDU)
- School Bullying (EDU)
- School Bus Behavior and Discipline (EDU)
- School Shooting Awareness
- School Violence and Weapons (EDU)
- Student Concussions (EDU)
- Working in Extreme Temperatures (EDU)
- Workplace Violence (EDU)
- Youth Suicide: Awareness & Prevention (EDU)
SPANISH

TargetSolutions offers online training courses in Spanish. Courses cover the following categories: Driver Training, Environmental Awareness, General Safety, Human Resources and Occupational Health. If you would like more information about TargetSolutions’ Spanish library, please contact us today.

DRIVER TRAINING
- Accidents & Emergencies (Spanish)
- Adjusting to Changing Conditions (Spanish)
- Aggressive Driving (Spanish)
- Dangers of Speeding (Spanish)
- Defensive Driving Strategies (Spanish)
- Distracted Driving (Spanish)
- Driving Safety (Spanish)
- Expressway and Highway Driving (Spanish)
- Impaired Driving (Spanish)
- Incident Investigation (Spanish)
- Intersection Safety (Spanish)
- Large Vehicle Characteristics (Spanish)
- Safe Backing (Spanish)
- Seat Belt & Airbag Safety (Spanish)
- Securing Materials for Transportation (Spanish)
- Sharing the Road (Spanish)
- Vehicle Inspection and Maintenance (Spanish)
- Vehicle Safety and Security (Spanish)

OCCUPATIONAL HEALTH & SAFETY
- Advanced HAZWOPER Awareness (Spanish)
  (Modules 1-4)
- Asbestos Awareness (Spanish)
- Back Injury Prevention (Spanish)
- Bloodborne Pathogens Safety (Spanish)
- Combustible & Flammable Liquids (Spanish)
- Compressed Gas Safety (Spanish)
- Confined-Space Entry (Spanish)
- CPR Academic (Spanish)
- Diet & Nutrition (Spanish)
- Disaster Preparedness (Spanish)
- Electrical Safety (Spanish)
- Eye Safety (Spanish)
- Fall Protection (Spanish)
- Fire Extinguisher Safety (Spanish)
- Fire Prevention Safety (Spanish)
- Forklift Safety (Spanish)
- General Construction Safety (Spanish)
- General First Aid (Spanish)
- General Office Ergonomics (Spanish)
- Hand & Power Tool Safety (Spanish)
- Hazard Communication (Spanish)
- Hazmat Spill Prevention & Control (Spanish)
- Hazmat Transportation (Spanish)
- Health & Wellness (Spanish)
- Hearing Conservation (Spanish)
- Indoor Air Quality (Spanish)

- Industrial Ergonomics (Spanish)
- Laboratory Safety (Spanish)
- Ladder & Scaffolding Safety (Spanish)
- Laser Safety (Spanish)
- Lead Awareness (Spanish)
- Lock-Out / Tag-Out (Spanish)
- Machine Guarding (Spanish)
- Materials Handling, Storage, Use, & Disposal (Spanish)
- Office Safety (Spanish)
- Personal Protective Equipment (Spanish)
- Radiation Safety (Spanish)
- Respiratory Protection (Spanish)
- Risk Assessment Analysis (Spanish)
- Slips, Trips, & Falls Prevention (Spanish)
- Trenching & Shoring (Spanish)
- Welding Safety (Spanish)
- Working in Extreme Temperatures (Spanish)
- Workplace Stress (Spanish)
- Workplace Violence (Spanish)

HUMAN RESOURCES
- Alcohol-Free Workplace (Spanish)
- Drug-Free Workplace (Spanish)
- Incident Investigation (Spanish)
- Sexual Harassment Awareness (Spanish)
- Workplace Diversity (Spanish)
BUSINESS SKILLS

COMMUNICATION
- Art of Communication
- Assertiveness
- Better Business Writing
- Business Communication Fundamentals
- Effective Presentation Skills
- Email Etiquette
- Giving and Receiving Criticism
- Giving Feedback that Gets Results
- Powerful Communication Skills
- Powerful Presentations
- Successful Negotiation
- The Art of Negotiation

Communicating Up
- Communicating to Your Manager
- Your Manager’s Communication Style
- Your Path to Communicating Up
- Mastering Communicating Up
- Communicating Up Health Check

CONFLICT RESOLUTION
- Conflict Resolution
- Handling Conflict and Confrontation

Resolving Conflicts
- Characterizing Conflict
- Know Your Conflict Behavior
- Identifying Conflict Behaviors
- Your Path to Resolving Conflicts
- Mastering Resolving Conflicts
- Resolving Conflicts Health Check

GENERAL
- An Entrepreneur's Guide to Networking
- Art of Organization
- Art of Stress Management
- Attitude for Success
- Business Dining Etiquette
- Company Layoffs and Downsizing
- Critical Thinking and Problem Solving
- Delivering Effective Training
- Discrimination Prevention
- Empowerment
- Energy Management: Exercise, and Safety
- Everyone is a Leader
- Facilitating Meetings and Groups
- Get SMARTER with Goals
- Healthy Practices: Nutrition, Exercise, and Safety
- How to De-Junk Your Life
- How to Get Things Done

- Interviewing Skills for Employees
- It's my Job! Career Growth
- Making Humor Work at Work
- Manage Time
- Managing Stress at Work
- Managing Up: Strengthening Relationships
- Meetings That Get Results
- Motivation and Goal Setting
- New Business of Paradigms
- Tactics of Innovation
- The Change Process
- The Power of One - Taking Accountability
- The Power of Vision
- Wealth Innovation and Diversity
- Work Life Balance
- Working as a Team

Business Execution
- Execution Strategies
- Inspiring Excellence
- Turning Ideas into Actions

Improving Work Habits
- Performance Issue or Poor Work Habit?
- Describing the Work Habit
- Keep Ownership with the Team Member
- Empathizing
- Your Path to Improving Work Habits
- Mastering Improving Work Habits
- Improving Work Habits Health Check

Supporting Change
- The 3 Phases of Change
- Reactions to Change
- Your Path to Supporting Change
- Mastering Supporting Change
- Supporting Change Health Check

LEADERSHIP
- A Leaders Guide to Decision Making
- Advanced Management Skills
- An Effective Leader's Guide to Time Management
- Building Leadership Capability
- Creating a Code of Conduct
- Effective Delegation Overview
- Lead with Strengths
- Leadershift
- Mentoring that Matters
- Negativity in the Workplace
- Transition to Leadership
Basics of Leadership
- Leadership Challenges
- Knowledge Management
- Elements of Change
- Leadership Dynamics

Communication Essentials
- Empowering Leadership
- Craft Clear and Concise Messages
- Team Member Messages
- Listening
- Nonverbal Behavior
- Impactful Feedback
- Mastering Essential Skills of Communicating

Effective Delegation
- What to Delegate
- Issues in Delegating
- Your Path to Delegating
- Mastering Delegating
- Delegating Health Check

Leadership Essentials
- The Work of Leaders
- Focus on Behavior
- Enhance Self-Esteem
- Encourage Participation
- Lead Effective Meetings
- Mastering Essential Skills of Leadership
- Essential Skills of Leadership Health Check

MANAGING PEOPLE
- Appraising Performance
- Coaching with Confidence
- Developing Your Leadership Style
- Employee Discipline
- Fundamentals of Business Crisis Management
- Internet and Computer Policy
- Managing Contractors and Temporary Employees
- Managing Disagreement
- Managing Technical Professionals
- Motivating Employees
- Rewarding Peak Performers

Coaching Job Skills
- Determining Training or Coaching
- Your Path to Training New Skills
- Your Path to Coaching Existing Skills
- Mastering Training New Skills
- Mastering Coaching Existing Skills
- Health Check

Developing Performance Goals & Standards
- The Value of Planning
- Creating Performance Standards
- Corporate Culture Changes
- Keeping Employees Energized
- Your Path to Developing Performance Goals and Standards
- Mastering Developing Performance Goals and Standards
- Developing Performance Goals and Standards Health Check

Effective Discipline
- Taking Disciplinary Action
- The Disciplinary Process and Documentation
- Responding to Team Member Reactions
- Your Path to Effective Discipline
- Mastering Effective Discipline
- Effective Discipline Health Check

IT Pro to Manager
- Managing the Development of Technical Professionals
- Successful Communication and Process Management Skills
- Developing Leadership and Transitioning into Management

Management 101
- Introduction to Management
- Leading and Communicating as a Manager
- Making an Impact as a Manager
- Taking Control as a Manager

Managing Complaints
- The Difficulties of Managing Complaints
- Handling Complaints Using Active Listening
- Your Path to Managing Complaints
- Mastering Managing Complaints
- Managing Complaints Health Check

Multigeneration Management
- Workforce Generations
- Leading Silents and Boomers
- Multi-Generational Leadership (GenX and Next)
- Cross-Generational Teams
- Developing Generations

Performance Management
- Preventing Problems
- Identifying Problems and Causes
- Feedback and Counseling
- Disciplining Problem Performance
Providing Performance Feedback
- The Power of Performance Feedback
- Providing Verbal Performance Feedback
- Providing Written Performance Feedback
- Your Path to Providing Performance Feedback
- Mastering Providing Performance Feedback
- Providing Performance Feedback Health Check

SERVING CUSTOMERS
- Call Center Success
- Calming Upset Customers
- Connecting with Customers Through Customer Service
- Cornerstones of Sales and Customer Service
- Helping Customers through Quality Service
- Power of Telephone Courtesy
- Telephone Collections
- The Rewards of Telephone Courtesy
OFFICE PRODUCTIVITY

ADOBE
Acrobat 9 Pro
- Introduction, Navigation, Acrobat Distiller and Creating PDFs
- PDF Maker, Links, Bookmarks, Acrobat Features and Managing PDFs

GOOGLE
Docs
- Getting Started, Fundamentals, Formatting & Customization
- Working with Tables, Proofing, Navigation Techniques & Distribution

Presentations
- Getting Started, Fundamentals, Formatting Text & Drawing Options
- Media and Tables, Animating Slides, Collaboration and Distribution

Spreadsheets
- Getting Started, Fundamentals and Beyond the Basics
- Enhancing, Organization, Optimization & Distribution

INTUIT
QuickBooks 2011
- Setup, General Product Knowledge, Customization and List Management
- Working with Items, Sales, Purchases and Inventory
- Sales Tax, Reconciliation, Tracking Time and Payroll
- Reports, Basic Accounting, Saving Time and Shortcuts
- An Overview of QuickBooks 2011

MICROSOFT
Access 2007
- Navigating, Database Design, & Working with Tables
- Field Properties, Relationships, Subdatasheets, & Filters
- Queries & Concatenation
- Importing and Exporting Data, Mail Merge, Forms, & Reports
- Data Entry, Automation, Security, & Sharing Information

Access 2010
- Navigating and Customization
- Database Management and Table Design
- Building and Customizing Forms
- Building Queries
- Building Reports

Access 2013
- Working with Databases
- Creating, Modifying, and Managing Tables
- Working with Forms
- Working with Queries

Excel 2007
- Manipulating Data, Worksheets, Data Integrity, Modifying Cell Content
- Formatting Data, Numbers, Text and Tables, Modifying Formulas
- Referencing Formulas, Ranges, Subtotals, Lookups and Conditional Logic
- Financial Formulas, Text Formulas, Charts, Conditional Formatting
- Outlining, Sorting, Filtering, PivotTables, Protecting Data, Collaboration

Excel 2010
- Navigating and Managing Worksheets
- Formatting
- Using Formulas and Functions

Excel 2013
- Navigating and Managing
- Formatting Data, Text & Tables
- VLOOKUP, Formulas & Conditional Logic
- Financial Formulas, What-if Scenarios, Charts & Graphs
- Advanced Operations, Conditional Formatting, Macros & Printing

Office 2007
- Formatting Text, Lists, Tabs, AutoCorrect and Web Features
- Proofing, Cut, Copy, Paste, Backgrounds, Graphics, Collaboration Tools

Outlook 2007
- Navigating, Configuring Accounts, Creating and Securing Emails
- Working Offline, Changing Views, Organization, Rules, & Alerts
- Archiving, Contacts, Calendar, Meetings, Tasks, & Journal

Outlook 2010
- Navigating and Formatting
- Email Management and Settings
- Contact and Calendar Management

Outlook 2013
- Getting Started
- Message and Contact Management
- Time and Task Management

PowerPoint 2007
- Introduction, Navigation, Themes, Text, Slide Masters
- Charts, Tables, Shapes, Tools, SmartArt, Photos, Backgrounds
- Multimedia, Animation, Delivery Formats, Proofing, Protecting
PowerPoint 2010
- Creating Presentations and Using Templates
- Customizing Presentations
- Multimedia and Delivery Formats

PowerPoint 2013
- The Basics of Word
- Creating On-Screen Elements
- Customizing Presentations

Project 2007
- Overview, Getting Started, Managing Calendars, Task Durations
- Importing and Exporting, Tasks, Resources and Resource Assignments
- Baselines, Progress, Optimizing, Views, Reports, & Multiple Projects

Project 2010
- Introduction, Navigation, Managing Tasks, Deadlines and Constraints
- Resources, Assigning Costs, Tracking and Analyzing, Comparing Progress
- Custom Fields, Views, Manipulating Data, Communicating & Collaborating

Publisher 2007
- An Overview of Publisher 2007

Windows 7
- Introduction, Navigation, Managing Files and Folders and Personalizing
- System Settings, Control Panel, Network Connections, & Updates

Windows 8
- An Introduction to Windows 8

Word 2007
- Navigation, Text, Themes, Templates, Quick Parts and Printing
- Characters, Formatting, Tabs, Columns, Charts, Links, Headers & Footers
- Mail Merge, Content, Reviewing, and Protecting and Sharing Documents

Word 2010
- Navigating and Printing
- Templates and Formatting
- Customizing Documents

Word 2013
- The Basics
- Formatting
- Advanced Options
PROJECT MANAGEMENT

AGILE
- Series Overview
- Traditional vs. Agile Project Management
- Manifesto Principles 1 - 6
- Manifesto Principles 7-12
- Scrum and XP Methods
- Other Agile Methods
- Value Driven Development
- Prioritization and Risk Management
- Planning Agile Projects
- Estimation
- Managing Projects
- Adaptive Planning and Design
- Soft Skills and Leadership
- Team Formation and Boosting Team Performance
- Stakeholder Engagement
- Communication in Projects
- Problem Detection, Metrics, and Resolution
- Quality and Earned Value Management
- Continual Improvement
- PMI Code of Conduct
- PMI Agile Certified Practitioner (PMI-ACP)® Exam Prep
- Test Me - PMI Agile Certified Practitioner Exam (PMI-ACP)®

TRADITIONAL
- Project Management Overview
- Managing Projects within Organizations
- Process Groups
- Execution, Monitoring and Controlling
- Project Change Control and Closure
- Initiation Basics, Developing a Project Charter and Plan
- Collecting Requirements and Defining Scope
- Monitor and Control Project Scope
- Defining and Sequencing Project Activities
- Developing and Controlling the Project Schedule
- Estimating Activity Resources and Durations
- Controlling Costs
- Estimating & Budgeting Project Costs
- Project Quality Planning
- Quality Assurance and Cost Control
- Managing Projects for Human Resources
- Planning Projects for Human Resources
- Processes for Managing Project Communications
- Stakeholders and the Communication Management Plan
- Identifying Project Risks
- Performing Risk Analysis
- Risk Management Planning
- Risk Response, Monitor and Control
- Managing Procurement During Your Project
- Planning Procurement for Your Project
- Stakeholder Identification and Planning
- Project Stakeholder Engagement and Communication
- PMI® Certification Requirements
- Test Me - Project Management Professional (PMP)®
- Project Management Professional (PMP)® 2016 Exam Updates
Tab 5
Claim Service
Proposers are expected to provide prompt and professional claims service and are requested to submit information regarding claims service and applicable costs, if additional. Loss Runs should be furnished to the County on a monthly basis. Proposals should include sample loss runs.

Claim Services

Preferred Claims Administration

Preferred Governmental Claim Solutions, Inc. ® (PGCS) is the premier governmental third party claims administrator in the state of Florida and also administers the claims for Preferred Governmental Insurance Trust (Preferred). Since its founding in 1956, PGCS has provided claims administration services exclusively to over 450 governmental entities including schools, cities, towns, counties, community development districts, and fire districts. Therefore, PGCS’s adjusters are extremely qualified to handle governmental tort liability and public sector workers’ compensation claims. They are experts at investigating and handling police and firefighters presumption claims. PGCS is sensitive to the politics involved in the handling of public entity claims.

PGCS boasts the most robust and user friendly online claims system among all public entity insurers. Baker County staff will have full access to and training for this claims system.

PGCS’s claims administration program consists of workers’ compensation, general liability, bodily injury, personal injury, property, auto liability, auto physical damage, employment practices liability, school leaders/educators liability and public officials liability. Their claims staff has over 630 years of combined insurance experience and each has been with PGCS an average of 8 years. Claims are handled under strict supervision in accordance with the PGCS workers’ compensation and liability claim handling procedure manuals and the PGCS claim best practices manual. A random sampling of each adjuster’s claim files are audited on a monthly basis by a Quality Assurance Manager to ensure compliance.

PGCS provides their clients with a dedicated Subrogation Unit to pursue reimbursements from at-fault third parties. Their current recovery rate is fifty-nine (59) percent of the claim costs expended. PGCS also has a dedicated excess reporting and recovery unit for communication to and securing reimbursement from the excess and/or reinsurance carriers. In addition, PGCS provides a state-approved Special Investigation Unit (SIU) to prevent and pursue fraudulent claims. PGCS offers rewards up to $10,000.00 for the arrest and conviction of persons committing workers’ compensation fraud. This service is provided via a twenty-four hour seven day a week hotline.

PGCS utilizes the RiskMaster system for claims processing. This system captures a wide variety of data, and allows the adjuster to enter an unlimited number of claim notes, process reserve changes, and issue claim payments. Customized reports can be obtained from PGCS’s on-line system containing a multitude of data parameters that a client may choose to analyze. The system can be accessed by clients via their website at www.pgcs-tpa.com.
Property Claims RESPONSE – a specialized property claims adjusting program to assist public entities in assessing damage, efficiently managing repairs, and maximizing proceeds following a loss.

THE PREFERRED RESPONSE

Pre-disaster planning begins with asset identification, coordinated by your local retail agent, utilizing Preferred’s property appraisal services. Our agent partners and loss control/safety consultants are available to review and refine your Continuity of Operations (COOP) strategy.

Real time alert notifications are provided on the Preferred APP via smart phone or tablet. Our local agents and claim staff follow up with emails to members within the expected landfill cone.

Emergency response by a panel of approved vendors who specialize in construction, water extraction, and mold remediation. Resources, including manpower and equipment, can be dispatched.

FEMA recovery coordination starts with confirmation of insurance coverage and claim payments. Preferred reports are tailored to meet FEMA standards and are made available electronically to FEMA representatives. Preferred partners with FEMA consultants to help members navigate FEMA project management.

Expedited payments for repairs can be made directly to service providers/contractors or to the member. The Preferred claims service provides the member flexibility in deciding how to structure their disaster recovery plan.

Reporting claims has never been easier. A member may report a claim via the website (PGCS-tpa.com), Preferred APP, fax, phone, or e-mail.

Recovery is tailored for each member based on how much of the recovery process the member wants to manage. Preferred adjusters can recommend contractors to mitigate the disaster damage or you may use contractors already appointed with your entity.

Education is provided via webinars and seminars. Individual consultation is provided by thePreferred loss control representatives, local retail agents and contracted FEMA specialist.

Dedicated in-house staff are available in person, by telephone and email to meet all of your pre and post disaster needs.

For one step Disaster Recovery, we are clearly PREFERRED
BADGE Program for Heart and Lung Presumption Claims – Specialized legal and medical approach in addressing the “heart and lung bill” applicable to police and fire fighter workers’ compensation claims. This program recognizes the need for disease management, case management, and legal review to ensure positive outcomes.
THE CARDIAC REGISTERED NURSE WORKS DIRECTLY WITH THE ADJUSTER, EMPLOYER AND EMPLOYEE ASSISTING IN THE FOLLOWING:

- Gathering medical data required to properly determine the compensability by the adjuster.
- Manage the initial diagnostics and treatment to most effectively diagnose condition.
- Works with the employee through diagnostics and moving them toward a stable position.
- Provide education and establish goals with the employee in making lifestyle changes in order to reduce or eliminate future costly events associated with their work-related illness.
- Conference with the treating physician regarding the job description, and assist in the determination of when the claimant can safely return to work.
- During the maintenance phase of the program, the cardiac nurse case manager monitors the physician’s findings, diagnostics, lab values and medications. Coordinates care and provides education. The goal is to maintain the claimant at this stable state, acting proactively when necessary.
- Facilitates communication with employees, physicians, employers and adjusters, keeping them apprised of any changes.

Communication with PGCS’s clients is the cornerstone of their claims administration program. Professional adjusters, nurses, management, quarterly in-depth claim review meetings, 24/7 claim reporting, utilization of attorneys specializing in public entity defense, litigation management, and return to work programs are just a sample of how PGCS has set the standard for the industry.

PGCS is committed to partnering with their clients to provide professional and aggressive claim management programs. While they are recognized as the leader in the industry, PGCS is always striving to improve the quality of their programs and expand the services that they offer.
Preferred Governmental Insurance Trust  
Agent Member Experience Report

**Claim Service**

### Baker County Board Of County Commissioners

#### As Of 04/30/2017

**PK2FL1 0021002 15-02**

10/01/2016 To 09/30/2017

### Claim List

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<td>Closed</td>
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<td>0.00</td>
<td>3,564.69</td>
<td>0.00</td>
<td>5,000.00</td>
<td>124,444.83</td>
<td></td>
</tr>
</tbody>
</table>

### Statistical Data

- Claim Total: 4
- Closed Claims: 4
- Total Payments: 8
- Total Loss: $114,703.97
- Total Deductible: $5,000.00
- Total Payment: $119,703.97

---

Baker County Board of County Commissioners – RFP #2017-08 
Property and Casualty Insurance
Tab 6
Proposal Response Forms
PROPOSAL RESPONSE FORMS
[These forms must be completed and included in the proposal response, or the proposal will be considered incomplete]

AGENT/INSURER QUALIFICATIONS

AGENT
1. Location of Office

   220 S. Ridgewood Avenue, Suite 210
   Daytona Beach, FL 32114

2. Number of Offices in Florida:  Brown & Brown - 40+; PRIA - 1

3. Number of Employees in Florida:  Brown & Brown - 3,000; PRIA - 23

4. Number of Public Entities Handled:  250+

5. List three (3) Public Entities references including Names, addresses, Telephone Numbers, and e-mail:  See Section 6, Page 19 for References.

INSURER (PROVIDE INFORMATION FOR EACH INSURER)

1. Best rating, or attach financial information:  Financial Statement Attached in Section 8.

2. Number of Public Entities insured:  400+

3. List three (3) Public Entity references, including Names, addresses and telephone numbers:  See Section 6, Page 19 for References.

4. Location of nearest claims office handling our account:

   Preferred Governmental Claims Solutions
   615 Crescent Executive Court
   Lake Mary, FL 32746

5. Attach description of loss control/ prevention program.  See Section 4.
SERVICE COMPANY (If Applicable)

Name: Preferred Governmental Claims Solutions / Public Risk Underwriters

1. Number of Public Entities serviced:

   Property: 200+
   Third party liability: 200+
   Worker compensation: 200+

2. List three (3) Public entity references, including names, addresses and telephone numbers: See Section 6, Page 19 for References.

3. Location of nearest claims office handling our account:

   Preferred Governmental Claims Solutions
   615 Crescent Executive Court
   Lake Mary, FL 32746


5. Please describe Firm's most favorable premium payment terms

   Package - Annual or 50% Down, 25% due in 75 days, 25% due in 166 days.
   Workers' Compensation - Annual, Quarterly or 25% down and up to 9 monthly installments.
   All other policies - Annual

6. Please describe any deviations from property, etc. specifications

   Please see Section 7 for summary of coverage advantages specifically for General Liability.
## SERVICES PROVIDED

<table>
<thead>
<tr>
<th>Service</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Practices Hot Line</td>
<td>Yes</td>
</tr>
<tr>
<td>Employment Law Seminar</td>
<td>Yes</td>
</tr>
<tr>
<td>Sexual Harassment Seminars</td>
<td>Yes</td>
</tr>
<tr>
<td>Sample Personnel Policy and Procedures</td>
<td>Yes</td>
</tr>
<tr>
<td>Contract Evaluations</td>
<td>Yes</td>
</tr>
<tr>
<td>Risk Management Seminars</td>
<td>Yes</td>
</tr>
<tr>
<td>Police Liability/Critical Incidence Hot Line</td>
<td>N/A</td>
</tr>
<tr>
<td>On Site Risk Analysis, Including Third Party Liability</td>
<td>Yes</td>
</tr>
<tr>
<td>Safety Program Development, Including Third Party Liability</td>
<td>Yes</td>
</tr>
<tr>
<td>Regulatory Assistance</td>
<td>Yes</td>
</tr>
<tr>
<td>Indoor Air Quality Analysis</td>
<td>As Needed</td>
</tr>
<tr>
<td>Industrial Hygiene Analysis</td>
<td>As Needed</td>
</tr>
<tr>
<td>Monthly Loss Runs By Type of Loss and Department</td>
<td>Yes</td>
</tr>
<tr>
<td>Appraisals</td>
<td>Yes**</td>
</tr>
</tbody>
</table>

*Yes**Performed by independent professional firm. Not to be confused with an "Asset Valuation", which is not an appraisal.
Company Name: Risk Management Associates, Inc. dba Public Risk Insurance Agency

*Please type or print "N/A" in lieu of a premium if a coverage is not being offered in this proposal.

REAL & PERSONAL VALUES

Building $30,334,344
Contents $Included

Yes/No
Blanket? Yes
Agreed Amount? Yes
If not, coinsurance% N/A
All risk or equivalent? Yes
Flood & earthquake included? Yes
Sub-limit? $5,000,000
Deductible? $2,500
Earth Movement (Broader than Earthquake) - $1,000,000
Replacement Cost? Yes
Building ordinance? Yes
Permission to rebuild at another site? Yes
Permission not to rebuild? Yes - Actual Cash Value Applies
Architect fees? Yes
Includes property in transit? Yes
Automatic Coverage - $5,000,000 - No additional premium remainder of term? No Premium for any newly acquired structures - No Sublimit
Joint agreement with B & M?  Yes

Deductible: $2,500 - All Other Peril
2% / $15k minimum Named Windstorm

PREMIUM: $78,869
<table>
<thead>
<tr>
<th>BUSINESS INCOME/EXTRA EXPENSE VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000 Business Income</td>
</tr>
<tr>
<td>$1,000,000 Extra Expense</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PREMIUM:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ Included in Property</td>
</tr>
</tbody>
</table>
### INLAND MARINE

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivables</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Contractors Equipment</td>
<td>$3,792,930</td>
</tr>
<tr>
<td>Miscellaneous Property</td>
<td>$150,000* - at Unnamed Locations</td>
</tr>
<tr>
<td>Mobile Radio/Telephone</td>
<td>Included in Contractors Equipment</td>
</tr>
<tr>
<td>Fine Arts</td>
<td>Included in Contractors Equipment</td>
</tr>
<tr>
<td>Museum Fine Arts</td>
<td>Included in Contractors Equipment</td>
</tr>
<tr>
<td>Valuable Papers</td>
<td>Included in Contractors Equipment</td>
</tr>
<tr>
<td>Electronic Data Processing</td>
<td>Included in Contractors Equipment</td>
</tr>
<tr>
<td>Watercraft</td>
<td>$7,900</td>
</tr>
<tr>
<td>Police Dogs/Horses</td>
<td>$1,000 / $5,000</td>
</tr>
<tr>
<td>Employee Tools</td>
<td>$25,000 / $50,000</td>
</tr>
<tr>
<td>All risk or Equivalent?</td>
<td>Yes</td>
</tr>
<tr>
<td>Agreed value/No coinsurance?</td>
<td>Yes</td>
</tr>
<tr>
<td>Flood &amp; Earthquake included?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Deductible: Various - Please refer to Section 7 for specific deductibles.

**PREMIUM:** $3,793

*All property in the open is covered if within 1,000' of a covered location with no sublimit. There is an additional $250,000 for errors in scheduling buildings.*
BOILER AND MACHINERY

Limit: $30,334,344

Deductible: $2,500

Comprehensive Coverage? Yes

Repair/Replacement? Yes

PREMIUM $ Included in Property
BUSINESS AUTOMOBILE

Limit of Liability
PIP ($10,000)
U.M. Excluded

Deductible:

PREMIUM:

$2,000,000

$0

$17,785*

*Includes Physical Damage coverage.
### COMMERCIAL CRIME

<table>
<thead>
<tr>
<th>IIom</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faithful Performance/Employee Dishonesty</td>
<td>$500,000</td>
</tr>
<tr>
<td>Forgery or Alteration</td>
<td>$500,000</td>
</tr>
<tr>
<td>Theft, Disappearance and Destruction</td>
<td>$500,000</td>
</tr>
<tr>
<td>Computer Fraud Coverage Included? Yes or No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Describe any other restrictions or extensions of coverage?

*No restrictions. Faithful Performance and duties included.*

Deductible: $1,000

**PREMIUM:** $1,000
WORKERS' COMPENSATION

Statutory WC Benefits Provided? ________________
Yes

Jones Act Coverage Provided? ________________
N/A*

Employers Liability Limit? ________________
$1,000,000 Yes

All States Coverage Provided: ________________
Yes

Deductible: ________________
$0

PREMIUM: ________________
$204,206

*Jones Act Coverage is specifically for crews of vessels.
GENERAL LIABILITY

Limits: $1,000,000*

Deductible: $10,000 - General Liability
            $0 - POL/EPLI

PREMIUM: $10,002 - General Liability  $39,616
          $29,615 - Public Officials Liability / Employment Practices Liability

Important Coverage Improvements and Benefits of the Preferred Policy Compared to the Expiring FACT Policy:

1. There is NO aggregate limitation on the proposed General Liability policy.
2. The Information Security & Privacy Liability limit is $2,000,000 compared to the FACT limit of $200,000.
3. There is NO deductible on the Public Officials Liability (Errors and Omissions/ Civil Rights Liability), or Employment Practices Liability policies. The current FACT deductible is $10,000 per claim.
4. The proposed Information Security & Privacy Liability policy has NO deductible. The current FACT coverage has high deductibles ranging from $10,000 to $35,000 per claim.
5. FACT will “settle or defend, as it considers appropriate, any claim or suit”. This means that FACT can settle claims without consent or input from the County. The Preferred policy has a “consent to settle” clause that requires Preferred to consult with the County prior to any claim settlement.
6. The FACT employment practices liability policy excludes any claims for back pay, front pay, wages or benefits. Preferred does NOT exclude any of these claims.
7. The FACT coverage for non-monetary and injunctive relief claims is very limited. These claims include administrative hearings, ethics violation allegations, EEOC hearing and claims requesting relief in lieu of money damages. Specific limitations include:
   a. Coverage is limited to reimbursement of defense costs only and further limited to 50% of defense costs and only $25,000 per claim and $100,000 per policy year.
      i. Preferred provides $100,000 for defense costs, paid directly to attorneys with no deductible applied at 100% of the defense costs.
   b. FACT Coverage is also limited to only “Public Officers” (Elected or Appointed Officials, County Manager, Employed County Attorney, Chief Building Inspector or Purchasing Agent).
      i. Preferred covers all employees, officers and officials.
   c. There is NO Injunctive Relief coverage in the FACT policy.
      i. Preferred provides up to $100,000 per year in defense of claims requesting relief.
TOTALS OF PREMIUMS PROPOSAL #1: List any discounts off your totals for other programs the County may take advantage of:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$78,969</td>
</tr>
<tr>
<td>Inland Marine</td>
<td>$3,793</td>
</tr>
<tr>
<td>Boiler and Machinery</td>
<td></td>
</tr>
<tr>
<td>Business Automobiles</td>
<td></td>
</tr>
<tr>
<td>Commercial Crime</td>
<td>$17,785</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>$1,000</td>
</tr>
<tr>
<td>General Liability</td>
<td>$204,206</td>
</tr>
<tr>
<td>Including POL/EPLI</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$345,369</td>
</tr>
</tbody>
</table>

TOTAL OF PREMIUMS PROPOSAL #2 – Separated General Liability:
Separated Costs for General Lability

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability only</td>
<td></td>
</tr>
<tr>
<td>Including POL/EPLI</td>
<td>$39,616</td>
</tr>
</tbody>
</table>

All Insurance Less General Liability

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$78,969</td>
</tr>
<tr>
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<tr>
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<td></td>
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<tr>
<td>Business Automobiles</td>
<td></td>
</tr>
<tr>
<td>Commercial Crime</td>
<td>$17,785</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>$1,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$305,753</td>
</tr>
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</table>
PROPOSER’S CERTIFICATION

I have carefully examined this Request for Proposal 2017-08 Property and Casualty Insurance, which includes scope, requirements for submission, general information and the evaluation and award process.

I acknowledge receipt of the following addenda, and the cost, if any, of such revisions has been included in the price of the proposal:

Addendum #1 Date: 7/6/17 Addendum #2 Date: 7/6/17 Addendum #3 Date: 7/17/17

I hereby propose to provide the services requested in this proposal. I agree that the proposal will remain firm until October 1, 2017 to allow the County adequate time to evaluate the qualifications.

I certify that all information contained in the proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the company as its agent and that the company is ready, willing and able to perform if awarded a contract.

I further certify, under oath, that this proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or of any other bidder, or to fix overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against Baker County Board of County Commissioners or any person interested in the proposed contract, or for an employee of Baker County BOCC; and that all statements in said proposal are true. The undersigned executed this Proposer’s Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

Risk Management Associates, Inc. dba Public Risk Insurance Agency
NAME OF BUSINESS P.O. Box 2416
MAILING ADDRESS

Matthew Montgomery, Executive VP
NAME, TITLE, TYPED Daytona Beach, FL 32115
(386) 239-7245 / (386) 239-4049 TELEPHONE NUMBER/FAX NUMBER

mmontgomery@bbpria.com E-MAIL ADDRESS
SWORN STATEMENT UNDER SECTION 287.133(3)(a),
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

This form must be signed and sworn to in the presence of a notary public or other officer authorized to administer oaths.

1. This sworn statement is submitted to Baker County BOCC
   (Print name of the public entity)
   by Matthew Montgomery, Executive Vice President
   (Print individual’s name and title)
   for Risk Management Associates, Inc. dba Public Risk Insurance Agency
   (Print name of entity submitting sworn statement)
   whose business address is 220 S. Ridgewood Avenue, Suite 210, Daytona Beach, FL 32114
   (If applicable) its Federal Employer Identification Number (FEIN) is 59-2445801

   (If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: On the attached sheet.) Required as per IRS Form W-9. Social Security Number required for one or more of the following purposes: identification and verification; credit worthiness; billing and payment; data collection, reconciliation, tracking, benefit processing and tax reporting. Social Security Numbers are also used as a unique numeric identifier and may be used for such purposes.

2. I understand that a “public entity crime” as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including but not limited to, and bid or contract for goods or services to be provided to any public entity or agency or political subdivision or any other state or of the Unites States, and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that “convicted” or “conviction” as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that “affiliate” as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

   (1) A predecessor or successor of a person convicted of a public entity crime, or;

   (2) An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term “affiliate” includes those offices, directors, executives, partners, shareholders, employees, members and agents who are active in the management of the affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not fair market value under an arm’s length agreement, shall be a facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the proceeding 36 months shall be considered an affiliate.

5. I understand that a “person” as defined in Paragraph 287.133(1)(c), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term “person” includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of the entity.
SWORN STATEMENT UNDER SECTION 287.133(3)(a), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES (page 2)

6. Based on information and belief, the statement, which I have marked below, is true in relation to the entity submitting those sworn statements. (Please indicate which statement applies.)

X Neither the entity submitted this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity or affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, member, or agents who are active in management of the entity, or an affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, member, or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearing and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (Attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OR ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

[Signature]
7/18/25017
(Date)
STATE OF Florida
COUNTY OF Volusia

PERSONALLY APPEARED BEFORE ME, the undersigned authority, Matthew Montgomery
(Name of individual signing)
who, after first being sworn by me, affixed his/her signature in the space provided above on this 18th day of July, 2017.

Robin Lee Faircloth
(Notary Public)

My Commission Expires: 9/30/2018

STATE OF Florida
COUNTY OF Volusia
NON-COLLUSIVE AFFIDAVIT

State of Florida
County of Volusia

Matthew Montgomery, being first duly sworn, deposes and says that he is Executive Vice President, the party making the foregoing proposal or bid, that such proposal

(partner or officer of the firm, etc.)
or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or of any other bidder, or to fix overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against Baker County BOCC of any person interested in the proposed contract; and that all statements in said proposal or bid are true.

[Signature]

(Bidder, if the bidder is an individual;
Partner, if the bidder is a partnership;
Officer, if the bidder is a corporation)

Risk Management Associates, Inc. dba
Public Risk Insurance Agency

(Company Name)

STATE OF Florida
COUNTY OF Volusia

The foregoing instrument was acknowledged before me this 18th day of July, 2017 by Matthew Montgomery (name and title of corporate officer) of Risk Management Associates, Inc (name of corporation), a Florida (state or place of incorporation) corporation, on behalf of the corporation. He/she is personally known to me or has produced ______ (type of identification) as identification.

[Signature]

(Robin Lee Faircloth)

(Name of notary type, printed or stamped)
Director of Operations
(Title or rank)

My commission expires:
9/30/2018
5. List three (3) Public Entity references including names, addresses, telephone numbers and email:

<table>
<thead>
<tr>
<th>Client</th>
<th>Contact Name</th>
<th>Phone and Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madison County</td>
<td>Donna Blair</td>
<td>(850) 973-8013 <a href="mailto:dblair@madisonclerk.com">dblair@madisonclerk.com</a></td>
</tr>
<tr>
<td>Clay County</td>
<td>James Taylor</td>
<td>(904) 278-4754 <a href="mailto:James.taylor@claycountygov.com">James.taylor@claycountygov.com</a></td>
</tr>
<tr>
<td>Flagler County</td>
<td>Joe Mayer</td>
<td>(386) 313-4007 <a href="mailto:jmayer@flaglercounty.org">jmayer@flaglercounty.org</a></td>
</tr>
<tr>
<td>Columbia County</td>
<td>David Kraus</td>
<td>(386) 758-1178 <a href="mailto:David_Kraus@columbiacountyfla.com">David_Kraus@columbiacountyfla.com</a></td>
</tr>
</tbody>
</table>

PRIA Public Entity Clients

<table>
<thead>
<tr>
<th>Cities / Towns / Villages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic</td>
</tr>
<tr>
<td>Auburndale</td>
</tr>
<tr>
<td>Aventura</td>
</tr>
<tr>
<td>Bal Harbour Village</td>
</tr>
<tr>
<td>Bay Harbor Islands</td>
</tr>
<tr>
<td>Bellevue</td>
</tr>
<tr>
<td>Bonita Springs</td>
</tr>
<tr>
<td>Bunnell</td>
</tr>
<tr>
<td>Casselberry</td>
</tr>
<tr>
<td>Chattahoochee</td>
</tr>
<tr>
<td>Chipley</td>
</tr>
<tr>
<td>Coconut Creek</td>
</tr>
<tr>
<td>Dania Beach</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State / Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baker</td>
</tr>
<tr>
<td>Brevard</td>
</tr>
<tr>
<td>Citrus</td>
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</table>

<table>
<thead>
<tr>
<th>Schools / Universities</th>
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</thead>
<tbody>
<tr>
<td>Collier School District</td>
</tr>
<tr>
<td>Florida Atlantic University</td>
</tr>
<tr>
<td>Florida International University</td>
</tr>
<tr>
<td>Florida Polytechnic University</td>
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## Special Districts

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<th>Special District</th>
<th>Subsidiary</th>
<th>Subsidiary</th>
<th>Subsidiary</th>
<th>Subsidiary</th>
<th>Subsidiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barefoot Bay Recreation District</td>
<td>Fellsmere Water Control District</td>
<td>Lakewood Ranch Stewardship District</td>
<td>Pine Tree Water Control District</td>
<td>Suwannee River Water Management District</td>
<td></td>
</tr>
<tr>
<td>Bayfront Park Management Trust</td>
<td>Ft. Myers Housing Authority</td>
<td>Lee County Housing Authority</td>
<td>Pinellas Park Water Management District</td>
<td>Tallahassee Community Redevelopment Agcy</td>
<td></td>
</tr>
<tr>
<td>Big Bend Water Authority</td>
<td>Ft. Myers Beach Fire District</td>
<td>Lehigh Acres Municipal Services Improvement</td>
<td>Pinellas Suncoast Fire &amp; Rescue District</td>
<td>TBARTA</td>
<td></td>
</tr>
<tr>
<td>Bonita Springs Fire Control District</td>
<td>Highlands County Sheriff</td>
<td>Loxahatchee Groves Water Control District</td>
<td>Pinellas Suncoast Transit</td>
<td>Tampa Bay Water</td>
<td></td>
</tr>
<tr>
<td>Broward MPO</td>
<td>Hillsborough Transit Authority</td>
<td>Loxahatchee River District</td>
<td>Pompano Beach Housing Authority</td>
<td>Tampa Historic Streetcar</td>
<td></td>
</tr>
<tr>
<td>Buckhead Ridge MCD</td>
<td>Immokalee Fire Control District</td>
<td>Melbourne-Tillman Water Control District</td>
<td>Port Ybor Association, Inc.</td>
<td>Three Rivers Regional Library System</td>
<td></td>
</tr>
<tr>
<td>Central Florida Fire Consortium</td>
<td>Immokalee Water and Sewer District</td>
<td>Miami Beach Housing Authority</td>
<td>Ranger Drainage District</td>
<td>Tindall Hammock Irrigation &amp; Soil</td>
<td></td>
</tr>
<tr>
<td>Children’s Board of Hillsborough County</td>
<td>Indian River Lagoon Council</td>
<td>Miami Sports &amp; Exhibition Authority</td>
<td>Sanibel Fire &amp; Rescue</td>
<td>Titusville Housing Authority</td>
<td></td>
</tr>
<tr>
<td>Citrus Mosquito Control District</td>
<td>Jacksonville Beach CRA</td>
<td>Moore Haven Mosquito Control District</td>
<td>Sebring Airport Authority</td>
<td>Troup Indiantown WCD</td>
<td></td>
</tr>
<tr>
<td>Citrus County Sheriff</td>
<td>Jupiter Redevelopment Agency</td>
<td>Naples Airport Authority</td>
<td>Seminole Improvement District</td>
<td>Upper Captiva Fire District</td>
<td></td>
</tr>
<tr>
<td>Clay County Utility Authority</td>
<td>Key Largo Fire Rescue &amp; Emergency Med.</td>
<td>New River Solid Waste</td>
<td>South Indian River WCD</td>
<td>Viera Stewardship District</td>
<td></td>
</tr>
<tr>
<td>Collier Mosquito Control District</td>
<td>Key Largo Volunteer Fire</td>
<td>North Springs Improvement District</td>
<td>South Trail Fire</td>
<td>Wakulla United Firefighters Assoc.</td>
<td></td>
</tr>
<tr>
<td>Consolidated Dispatch Agency</td>
<td>Lake Asbury MSBD</td>
<td>Northern Palm Beach County ID</td>
<td>Southeast Overtown Park West CRA</td>
<td>Washington County Sheriff</td>
<td></td>
</tr>
<tr>
<td>Davie Community Redevelopment Agcy</td>
<td>Lake Region Lakes</td>
<td>Old Plantation Water Control District</td>
<td>Southwest Florida Water Management District</td>
<td>West Palm Beach CRA</td>
<td></td>
</tr>
<tr>
<td>Emerald Coast Utilities Authority</td>
<td>Lake Worth Drainage District</td>
<td>Palm Beach County Housing Authority</td>
<td>Spring Lake Improvement District</td>
<td>Winter Haven Housing Authority</td>
<td></td>
</tr>
<tr>
<td>Estero Fire Rescue</td>
<td>Lakewood Ranch Interdistrict Auth</td>
<td>Peach River / Manasota Regional WCD</td>
<td>St. Johns River Water Management District</td>
<td>52 Community Development Dist</td>
<td></td>
</tr>
</tbody>
</table>
Tab 7
PRIA Coverage / Proposal Summary
**PROPERTY – INLAND MARINE**

**Term:** October 1, 2017 to October 1, 2018

**Company:** Preferred Governmental Insurance Trust (Preferred)

Limits of Liability (Per Schedules Provided):

<table>
<thead>
<tr>
<th>Covered Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,334,344</td>
</tr>
<tr>
<td>$1,000,000</td>
</tr>
<tr>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

**Special Property Coverages**

<table>
<thead>
<tr>
<th>Special Property Coverages</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000,000</td>
</tr>
<tr>
<td>$1,000,000</td>
</tr>
<tr>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

**Inland Marine**

<table>
<thead>
<tr>
<th>Inland Marine</th>
</tr>
</thead>
<tbody>
<tr>
<td>$827,662</td>
</tr>
<tr>
<td>Included in Blanket</td>
</tr>
<tr>
<td>$2,907,368</td>
</tr>
<tr>
<td>Included in Blanket</td>
</tr>
<tr>
<td>Included in Blanket</td>
</tr>
<tr>
<td>Included in Blanket</td>
</tr>
<tr>
<td>Included in Blanket</td>
</tr>
<tr>
<td>$50,000</td>
</tr>
<tr>
<td>Included in Blanket</td>
</tr>
<tr>
<td>$7,900</td>
</tr>
</tbody>
</table>

**Deductibles:**

- $2,500 per Occurrence – Buildings and Contents
- 2% of TIV per Occurrence / Per Location for “Named Storm” subject to minimum of $15,000 Per Occurrence. Location is defined by each itemized listing on the applicable schedule
- $2,500 any one occurrence for Flood, except:
- Excess of maximum NFIP available whether purchased or not or 5% of the TIV at each affected location whichever is greater for Zones A & V
- Various per Occurrence – Inland Marine

***Unscheduled items are subject to a maximum value of $25,000 or less per item excluding Watercraft. Items valued above this amount must be scheduled.

**Watercraft, not exceeding 25 feet, coverage is not hull coverage. Limited to Specified Perils only, excluding collision with vehicle.

♦♦Unscheduled items are subject to a maximum value of $250,000 or less per item, subject to the maximum per occurrence loss limit shown on the Inland Marine Schedule. Items valued above $250,000 must be schedule.

*This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.*
PROPERTY – INLAND MARINE

“Named Storm” Definition: “...the direct action of wind, including wind driven water and storm surge when associated with or occurring in conjunction with a storm or weather disturbance which is named...” Wind driven water and storm surge loss are NOT subject to Flood Sublimit and are included to the blanket limits.

Flood coverage in zones A or V, or within a 100 Year Flood Plain as designated by the United States Army Corps of Engineers, will have a special flood deductible equal to all flood insurance available for such property under the NFIP, whether purchased or not or 5% of the Total Insured Value at each affected location whichever is greater. If such property is not eligible for the National Flood Insurance Program because the community in which the property is located does not participate in the NFIP, the Special Flood Deductible will be $1,000,000 per insured location damaged in the flood occurrence or 5% of the Total Insured Value at each affected location whichever is greater.

Flood zones A will include, but not be limited to all of the sub-classifications of AO, AH, AE, AR, A1 through A99, or any other sub-classification with the A prefix or designation. Flood zones V will include, but not be limited to all of the sub-classifications of VO, VH, VE, VR V1 through V99, or any other sub-classification with the V prefix or designation. See policy form for special deductible restrictions.

Coverage:

1. Special form (formerly “All Risk”), subject to policy exclusions.
2. Replacement Cost applies to Buildings, Contents and EDP is subject to all terms and conditions of the coverage agreement the most we will pay for all loss, damage or costs in any one occurrence is the applicable limits of liability shown in the property declaration. The blanket limit of coverage shown in the property declaration applies to all covered property unless a separate limit, lower limit or reduced amount of coverage is indicated elsewhere in the coverage agreement or in the property declaration.
3. Inland Marine coverage paid at “Agreed Value” if the valuation type on the Inland Marine schedule is shown as agreed value; or the lesser of Actual Cash Value or 110% of the value reported on the schedule. See policy for complete details.
4. Preferred will pay for covered loss to your real property, inland marine or personal property:
   a. At the location shown on the Schedule of the Declarations,
   b. Property in the open within 1,000 feet of locations described in a. above,
   c. With respects to Inland Marine, at or away from your covered location.
5. No Coinsurance Clause
6. Certain coverages subject to sub-limits stated in policy.
7. During the current coverage agreement period, there will be no charge for any new locations acquired after the inception date of the agreement. If the newly added location was owned or acquired prior to the inception date of the coverage agreement then premium is due at the time the location is added.
8. The Preferred Property Program is a shared limit. The limits purchased are a per occurrence limit and in the event an occurrence exhaust the limit purchased by Preferred on behalf of the members, payment to you for a covered loss will be reduced pro-rata based on the amounts of covered loss by all members affected by the occurrence.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
### PROPERTY – INLAND MARINE

<table>
<thead>
<tr>
<th>Extensions of Coverage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$2,000,000</strong></td>
<td>Accounts Receivable, per occurrence</td>
</tr>
<tr>
<td><strong>$1,000, Any one</strong></td>
<td>Animals</td>
</tr>
<tr>
<td><strong>$5,000, Aggregate</strong></td>
<td>Debris Removal, per occurrence</td>
</tr>
<tr>
<td><strong>$250,000, or 25% of loss whichever is greater</strong></td>
<td>Demolition Cost, Ordinance &amp; Increased Cost of Construction, per occurrence</td>
</tr>
<tr>
<td><strong>$500,000</strong></td>
<td>Errors and Omissions, per occurrence</td>
</tr>
<tr>
<td><strong>$25,000</strong></td>
<td>Expediting Expense, per occurrence</td>
</tr>
<tr>
<td><strong>$25,000</strong></td>
<td>Fire Department Charges, per occurrence</td>
</tr>
<tr>
<td><strong>$10,000 Per Occurrence</strong></td>
<td>Fungus Cleanup Expense</td>
</tr>
<tr>
<td><strong>$20,000 Aggregate</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$25,000 Per Occurrence</strong></td>
<td>Lawns, Plants, Trees and Shrubs, Excludes Wind (see policy form for additional restrictions)</td>
</tr>
<tr>
<td><strong>$1,000 Max per Tree</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$2,000,000</strong></td>
<td>New Locations, per occurrence – 60 days from the date new location(s) is first purchased, rented or occupied, whichever is earlier. See policy for details.</td>
</tr>
<tr>
<td><strong>$25,000 Per Employee</strong></td>
<td>Personal Property of Employees</td>
</tr>
<tr>
<td><strong>$50,000 Per Occurrence</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$25,000 Per Occurrence</strong></td>
<td>Pollution Cleanup Expense</td>
</tr>
<tr>
<td><strong>$50,000 Aggregate</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$25,000</strong></td>
<td>Preservation of Property, per occurrence</td>
</tr>
<tr>
<td><strong>$10,000</strong></td>
<td>Professional Fees, per occurrence</td>
</tr>
<tr>
<td><strong>$150,000</strong></td>
<td>Property at Miscellaneous Unnamed Locations</td>
</tr>
<tr>
<td><strong>$10,000</strong></td>
<td>Recertification, per occurrence</td>
</tr>
<tr>
<td><strong>$100,000</strong></td>
<td>Service Interruption Coverage, per occurrence</td>
</tr>
<tr>
<td><strong>$250,000</strong></td>
<td>Transit, per occurrence</td>
</tr>
</tbody>
</table>

*This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.*
PROPERTY – INLAND MARINE
MAJOR EXCLUSIONS

Property **Not** Covered includes but not limited to:

1. Animals, water, land including land on which the property is located, shrubs, trees, lawns, growing crops, or standing timber, except under conditions described in the “Extensions of Coverage” section of the policy.
2. Aircraft.
3. Property you sold under conditional sale, trust agreement, installment payment, or other deferred payment plan after such property has been delivered to the customer.
4. Caves, caverns, mines or any type, or any property contained within them.
5. Currency, money, notes or securities.
6. Dams, dikes or levees.
7. Contraband or property in the course of illegal transportation or trade.
8. Property covered under import or export ocean cargo policies.
9. Property you transport as a common carrier.
10. Property shipped by mail, unless sent registered or certified.
11. Watercraft unless loss is from a specified peril and scheduled on the inland marine schedule.
12. Vehicles licensed or designed for highway use, unless shown on the Property Declaration, Extensions of Coverage item U, and then no coverage for any over the road coverage or collision with another vehicle or object. The AOP deductible applies per occurrence and in the event of a Named Storm the Named Storm deductible applies per vehicle rather than per location. This coverage is paid at actual cash value at time of loss.
13. Bulkheads, docks, piers, wharves, retaining walls, boardwalks or underwater conduits from: freezing and thawing; impact of watercraft; waves, or debris driven by waves; pressure or weight of ice or water, whether driven by wind or not; or sinking or settling.
14. Electrical or communication lines, towers, and poles you own that are not located on a “covered location” insured under this policy.
15. Personal property of volunteers.

Excluded Risks of Direct Physical Loss include but not limited to:

1. War, invasion, acts of foreign enemies, hostilities or war like operations, civil war, rebellion, revolution, insurrection, civil commotion, military, usurped power, or any act of terrorism
2. Biological or Chemical Materials
3. Electronic Data or Electronic Date Recognition Exclusion
4. Asbestos
5. Damage caused by electronic currents artificially generated.
6. Pollution, except as provided under “Extensions of Coverage”
7. Building ordinance enforcement or Government action
8. Nuclear reaction
9. Utility failure
10. Fungus, except as provided under “Extensions of Coverage”
11. Any offshore oil well or oil shipping/tanker incident and the ensuing oil spill

_This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations._
EQUIPMENT BREAKDOWN

Term: October 1, 2017 to October 1, 2018

Company: Preferred Governmental Insurance Trust (Preferred)

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

Coverages:

<table>
<thead>
<tr>
<th>Limit</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,334,344</td>
<td>Property Damage / Loss of Business Income / Additional Expense per accident</td>
</tr>
<tr>
<td>$500,000</td>
<td>Water Damage</td>
</tr>
<tr>
<td>$500,000</td>
<td>Ammonia Contamination</td>
</tr>
<tr>
<td>$500,000</td>
<td>Hazardous Substance Coverage</td>
</tr>
<tr>
<td>$2,000,000</td>
<td>Utility Interruption (24 Hour Waiting Period)</td>
</tr>
<tr>
<td>$250,000</td>
<td>Spoilage Damage</td>
</tr>
<tr>
<td>$500,000</td>
<td>Ordinance or Law</td>
</tr>
<tr>
<td>$1,000,000</td>
<td>Expediting Expenses</td>
</tr>
</tbody>
</table>

Deductibles: Same as Property – Building and Contents
24 Hours – Utility Interruption

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
CRIME

Term: October 1, 2017 to October 1, 2018

Company: Preferred Governmental Insurance Trust (Preferred)

Limits of Liability and Coverage:

<table>
<thead>
<tr>
<th>Coverage:</th>
<th>Limit:</th>
<th>Deductible:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Dishonesty</td>
<td>$500,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Forgery or Alteration Coverage</td>
<td>$500,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Theft, Disappearance and Destruction Coverage</td>
<td>$500,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Inside</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Outside</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Computer Fraud Coverage (Including Funds Transfer)</td>
<td>$500,000</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Notes of Importance:

1. Employee dishonesty coverage is excluded for those employees required by law to be individually bonded.
2. Includes Faithful Performance.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
GENERAL LIABILITY

Term: October 1, 2017 to October 1, 2018

Company: Preferred Governmental Insurance Trust (Preferred)

Form: Occurrence

Limits of Liability:

General Liability

- Bodily Injury and Property Damage: $1,000,000 per Occurrence
- Personal Injury and Advertising Injury: Included per Person or Organization
- Products / Completed Operation Agg: Included
- Fire Damage: Included

Employee Benefits Liability

- $1,000,000 per person

Deductible: $10,000 per Occurrence

Coverage:

1. EMT/Paramedic Professional Services
2. Premises Operations
3. “Insured” Contracts
4. Host Liquor Liability
5. Broad Form Property Damage Subject to a sublimit of $2,500 Personal Property of Others
6. Watercraft Liability (under 52 feet). See policy form for limitations
7. Limited Worldwide Coverage
8. Additional Covered Party
9. Failure to Supply Water
10. Vicarious Law Enforcement Liability with a sublimit $1,000,000
11. Principle of Eminent Domain Including Inverse Condemnation, claims brought under the “Bert J. Harris, Jr., Private Property Rights Protection Act” $300,000 per Occurrence / Annual Aggregate.
12. Sewer Backup and Water Damage with a sublimit of $10,000/$200,000 for non-negligent claims and $200,000/$200,000 for negligent claims.
13. Herbicide and Pesticide Sublimit of $1,000,000 or GL Limit, whichever is less.

Notes of Importance:

1. Premium is not audited.
2. Defense Costs are paid in addition to policy limits.
3. In the event that an occurrence, accident or offense continues beyond the policy period, the applicable deductible would apply separately to each policy period in which the occurrence, accident or offense was committed or was alleged to have been committed.
4. Limits of Liability are subject to Florida Statute 768.28.
5. Deductible does not apply to claims expense.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
GENERAL LIABILITY

Exclusions, but not limited to:

- Expected or intended injury
- Contractual Liability
- Liquor Liability
- Workers’ Compensation and similar laws
- Employer’s Liability
- Pollution
- Aircraft, Auto or Watercraft
- Mobile Equipment
- War
- Damage to Your Property, Product or Work
- Damage to Impaired Property or Property Not Physically Injured
- Recall of Products, Work or Impaired Property
- Racketeering
- Law Enforcement, except for vicarious liability arising out of an act or omission by a law enforcement agency that is not owned, operated or controlled by the “Covered party” if there is a contract with an outside agency to provide law enforcement for your entity.
- Asbestos, Mold, Fungi, or Bacteria
- Liability arising out of or caused or contributed to by any ownership, maintenance, operation, use, loading, unloading or control of or responsibility for any airfield, airport, aircraft, runway, hangar, building or other property or facility designed for, used, connected, associated or affiliated with or in any way related to aviation or aviation activities; this exclusion does not apply to premises exposure for those common areas open to the public including but not limited to parking areas, sidewalks, and terminal buildings.
- Failure or inability to supply or any interruption of any adequate quantity of power, steam, pressure, or fuel
- Subsidence, erosion or earth movement.
- Hospital / Clinic Medical Malpractice or Health Care Facilities
- Professional Health Care Services, but not including emergency medical services for first aid performed by emergency medical technicians, paramedics or Medical Director while in the course and scope of their duties.
- ERISA
- Actual or alleged illegal discrimination
- Injunctive, declaratory or equitable relief
- Actual or alleged deterioration, bursting breaking, leaking, inadequacy, design of, control of, maintenance of, or any other alleged responsibility for any structure device, or water course, natural or man-made, including, but not limited to: dams, reservoirs, levees, banks, embankments, gates, canals, ditches, gutters, sewers, aqueducts, channels, culvert, retaining walls, drains, tanks, watershed, or drains, a purpose of which is the containing, carrying, impeding, channeling, diverting, or draining of water or other liquid. Does not apply only as to the bursting or failure of man-made sewer, storm water, grey water or potable water supply pipes owned and maintained by Covered Party.
- Sexual abuse after initial discover

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
PUBLIC OFFICIALS LIABILITY
EMPLOYMENT PRACTICES LIABILITY

Term: October 1, 2017 to October 1, 2018

Company: Preferred Governmental Insurance Trust (Preferred)

Form: Occurrence

Coverage: Pays damages the insured becomes legally obligated to pay because of a “wrongful act” arising out of the discharge of duties

Limits of Liability:

<table>
<thead>
<tr>
<th>Liability</th>
<th>Per Claim</th>
<th>Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Officials Liability</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Employment Practices Liability</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Cyber Liability*</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td></td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td></td>
<td>$2,000,000</td>
<td>$2,000,000</td>
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<tr>
<td></td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td></td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Retro Date: 10/1/2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*D Coverages included in Cyber Liability include the following:

- Media Content Services
- First Party Business
- Privacy
- First Party Crisis Management
- First Party Extortion Threat
- Network Security

Deductibles:

<table>
<thead>
<tr>
<th>Liability</th>
<th>Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Officials Liability</td>
<td>$0 per Claim</td>
</tr>
<tr>
<td>Employment Practices Liability</td>
<td>$0 per Claim</td>
</tr>
<tr>
<td>Cyber Liability</td>
<td>Same as Public Officials Liability Deductible</td>
</tr>
</tbody>
</table>

Supplementary Payments:

1. Employee pre-termination legal consultation services - $2,500 per employee/$5,000 aggregate.
2. Non-Monetary claims defense costs subject to a $100,000 aggregate limit and the terms and conditions of the policy.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
PUBLIC OFFICIALS LIABILITY
EMPLOYMENT PRACTICES LIABILITY

Notes of Importance:
1. Defense Costs are paid in addition to policy limits.
2. Deductible does not apply to claims expense.
3. Broadened definition of “Who is an Insured.”
4. Limits of Liability are subject to Florida Statute 768.28.

Exclusions, but not limited to:
- Criminal Acts
- Non-Monetary relief except as provided in the Supplementary Payments
- Bodily Injury, Personal Injury, Property Damage, Advertising Injury
- Damages arising out of Inverse Condemnation, Eminent Domain, Temporary or Permanent taking, Adverse Possession, Dedication by adverse Use, Condemnation Proceedings, or claims brought under Florida Statute 70.001 the “Bert J. Harris Jr., Private Property Rights Protection Act” or any similar claim by whatever named called.
- War, Invasion, Acts of foreign enemies, hostiles or warlike operations, strike, lock-out, riot, civil war, rebellion, revolution, insurrection or civil commotion
- Failure to effect and maintain insurance
- Fiduciary Liability
- Pollution
- Workers’ Compensation, Employers Liability and similar laws
- Nuclear
- ERISA of 1974, any similar state or local laws, and any rules and regulations promulgated thereunder and amendments thereto.
- Infringement of copyright, trademark, plagiarism, piracy or misappropriation of any ideas or other intellectual property
- Contractual Liability
- Health Care Professional or Health Care Facilities
- Prior and Pending claims
- Workers’ Adjustment and Retraining Notification Act, OSHA, RICO, or ADA
- Law Enforcement Activities
- Insured vs. Insured
- Bonds, Taxes or Construction contracts
- Collective Bargaining Agreements
- Capital Improvement to make property more accessible or accommodating to disabled persons
- Punitive Damages
- Return or improper assessment of taxes, assessments, penalties, fines, fees

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
PUBLIC OFFICIALS LIABILITY
EMPLOYMENT PRACTICES LIABILITY
Applies to the Cyber Liability ONLY

Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered losses that occur after the retroactive date.

Extended Reporting Periods:

*Preferred* provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

**Automatic Extended Reporting Period** – continued coverage granted for a period of 60 days following the effective date of termination or nonrenewal, but only for Claims first made during the 60 days and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

**Optional Extended Reporting Period** – The Public Entity shall have the right, upon payment to be determined of the expiring premium, to purchase Optional Extended Reporting Period, for the period of 12 months following the effective date of the cancellation or nonrenewal, but only for Claims first made during the Optional Extended Reporting Period and arising from Wrongful Acts taking place prior to the effective date of the termination or nonrenewal.

*This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.*
AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE

Term: October 1, 2017 to October 1, 2018

Company: Preferred Governmental Insurance Trust (Preferred)

Limits of Liability:
(Based on 93 Vehicles)

- Primary Bodily Injury and Property Damage Liability – Combined: $2,000,000 Any One Accident – Symbol 1
- Personal Injury Protection: $10,000 – Statutory – Symbol 5
- Uninsured Motorist: Rejected

Liability Deductible: $0 Each Accident

Physical Damage:
- Comprehensive – 74 Vehicles, Symbol 10, 8
- Collision – 74 Vehicles, Symbol 10, 8

Physical Damage Deductible:
- Comprehensive: $1,000 per Vehicle and $2,500 for values over $100,000
- Collision: $1,000 per Vehicle and $2,500 for values over $100,000

Coverage and Notes of Importance:

1. Defense Costs are paid in addition to policy limits.
2. Hired and non-owned liability is included.
3. Hired physical car damage is included at $35,000 maximum.
4. Premium is based on number of vehicles and subject to adjustment if schedule is changed.
5. Physical Damage coverage paid at Actual Cash Value or 110% of the value reported on the schedule, whichever is less. Please see policy for complete details.
6. Limits of Liability are subject to Florida Statute 768.28.
7. Refer to Description of Covered Auto Designation Symbols for definition of Symbol 10 on the next page.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
# AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE

Description of Covered Auto Designation Symbols:

<table>
<thead>
<tr>
<th>SYMBOL</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ANY “AUTO”</td>
</tr>
<tr>
<td>2</td>
<td>ALL OWNED “AUTOS” ONLY. Only those “autos” you own and or lease (and for Liability Coverage any “trailers” you don’t own while attached to power units you own). This also includes all those “autos” you acquire ownership of after the coverage agreement begins.</td>
</tr>
<tr>
<td>3</td>
<td>OWNED PRIVATE PASSENGER “AUTOS” ONLY. Only the private passenger “autos” you own. This includes those private passenger “autos” you acquire ownership of after the coverage agreement begins.</td>
</tr>
<tr>
<td>4</td>
<td>OWNED “AUTOS” OTHER THAN PRIVATE PASSENGER “AUTOS” ONLY. Only those “autos” you won that are not of the private passenger type (and for Liability Coverage any “trailers” you don’t own while attached to power units you own). This includes those “autos” not of the private passenger type you acquire ownership of after the coverage agreement begins.</td>
</tr>
<tr>
<td>5</td>
<td>OWNED “AUTOS” SUBJECT TO NO-FAULT. Only those “autos” you own and or lease that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those “autos” you acquire ownership of after the coverage agreement begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.</td>
</tr>
<tr>
<td>6</td>
<td>OWNED “AUTOS” SUBJECT TO A COMPULSORY UNINSURED MOTORIST LAW. Only those “autos” you own and or lease that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those “autos” you acquire ownership of after the coverage agreement begins provided they are subject to the same state uninsured motorist requirement.</td>
</tr>
<tr>
<td>7</td>
<td>SPECIFICALLY DESCRIBED “AUTOS”. Only those “autos” described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any “trailers” you don’t own while attached to any power unit described in ITEM THREE).</td>
</tr>
<tr>
<td>8</td>
<td>HIRED “AUTOS” ONLY. Only those “autos” you hire rent or borrow. This does not include any “auto” you lease, hire, rent, or borrow from any of your employees or partners or members of their households.</td>
</tr>
<tr>
<td>9</td>
<td>NONOWNED “AUTOS” ONLY. Only those “autos” you do not own, hire, rent or borrow that are used in connection with your business. This includes “autos” owned by your employees or partners or members of their households but only while used in your business or your personal affairs.</td>
</tr>
<tr>
<td>10</td>
<td>Per Symbol 2, except coverage only applies to vehicles with a year or model of 1994 or newer, with the exception of Units 051 (2001 Dodge), 076 (2003 Chevrolet), 064 (2008 trailer and 074 (2008 Trailer) which do not carry APD Coverage. Further vehicles valued up to $99,999 have $1,000 Comprehensive and Collision deductibles and vehicles valued $100,000 and above have $2,500 Comprehensive and Collision deductibles.</td>
</tr>
</tbody>
</table>

*This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.*
WORKERS' COMPENSATION
GUARANTEED COST

Term: October 1, 2017 to October 1, 2018

Insurer: Preferred Governmental Insurance Trust (Preferred)

<table>
<thead>
<tr>
<th>Class Code</th>
<th>Description of Class Code</th>
<th>Estimated Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>5509</td>
<td>Street or Road Maintenance</td>
<td>$630,335</td>
</tr>
<tr>
<td>7704</td>
<td>Firefighters &amp; Drivers</td>
<td>$84,290</td>
</tr>
<tr>
<td>7705</td>
<td>Ambulance Service</td>
<td>$635,229</td>
</tr>
<tr>
<td>7720</td>
<td>Police Officers &amp; Drivers</td>
<td>$5,045,515</td>
</tr>
<tr>
<td>8380</td>
<td>Automobile Service Repair</td>
<td>$31,254</td>
</tr>
<tr>
<td>8742</td>
<td>Salespersons / Collectors / Messengers</td>
<td>$19,776</td>
</tr>
<tr>
<td>8810</td>
<td>Clerical</td>
<td>$3,000,255</td>
</tr>
<tr>
<td>8831</td>
<td>Hospital – Veterinary &amp; Drivers</td>
<td>$58,411</td>
</tr>
<tr>
<td>8868</td>
<td>College Professional Employees</td>
<td>$15,117</td>
</tr>
<tr>
<td>9015</td>
<td>Buildings – NOC Owner / Lessee</td>
<td>$88,396</td>
</tr>
<tr>
<td>9102</td>
<td>Park NOC – Employees &amp; Drivers</td>
<td>$63,269</td>
</tr>
<tr>
<td>9403</td>
<td>Garbage – Collection &amp; Drivers</td>
<td>$91,033</td>
</tr>
<tr>
<td>9410</td>
<td>Municipal NOC</td>
<td>$145,166</td>
</tr>
</tbody>
</table>

TOTAL $9,908,046

- Experience Modification 1.03
- Estimated Discounted Premium: $204,206

Notes of Importance:
1. The “Estimated Discounted Premium” includes all applicable credits including safety program and drug-free workplace credits as per Florida Statute 440.
2. Employer’s Limit of Liability is $2,000,000/$2,000,000/$2,000,000.
3. Experience modification factor is subject to verification. This final amount of credit is dependent upon compliance with program requirements.
4. Final premium subject to payroll audit.
5. The expense constant charge has been included.
6. Payment terms are 25% down and 3 quarterly installments.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.
## PREMIUM RECAPITULATION

<table>
<thead>
<tr>
<th>Coverage Type</th>
<th>Annual Premium</th>
<th>Check Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property including Equipment Breakdown</td>
<td>$78,969</td>
<td></td>
</tr>
<tr>
<td>Inland Marine</td>
<td>$3,793</td>
<td></td>
</tr>
<tr>
<td>Crime / Employee Dishonesty</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>General Liability</td>
<td>$10,002</td>
<td></td>
</tr>
<tr>
<td>Public Officials / Employment Practices Liability</td>
<td>$29,614</td>
<td></td>
</tr>
<tr>
<td>Automobile Liability</td>
<td>$12,499</td>
<td></td>
</tr>
<tr>
<td>Automobile Physical Damage</td>
<td>$5,286</td>
<td></td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>$204,206</td>
<td></td>
</tr>
<tr>
<td>Two-Year Coverage Agreement*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Please refer to the next page for details on the Two-Year Offer

Payment Plans:
- Package: 50% Down, 25% due in 75 days, 25% due in 166 days
- Workers’ Compensation: 25% down plus 3 quarterly installments

I authorize PRIA to request the underwriters to bind coverage on the items indicated above and acknowledge receipt of the Compensation and Financial Condition Disclosure(s) provided in this proposal.

__________________________________________
(Signature)

__________________________________________________
(Name & Title)

__________________________________________________
(Date)

---

Baker County Board of County Commissioners – RFP #2017-08
Property and Casualty Insurance
**Preferred 2-Year Option**

**IMPORTANT NOTE:**

*Preferred*’s quote covers two (2) annual twelve month periods, from 10/01/2017 12:00:00 AM to 10/01/2018 12:00:00 AM and from 10/01/2018 12:00:00 AM to 10/01/2019 12:00:00 AM. The following conditions apply in addition to all other conditions of this quote:

A. All Aggregate limits reset for the period 10/01/2018 12:00:00 AM to 10/01/2019 12:00:00 AM. Losses applying to one annual coverage period will not erode the aggregate limits of another annual coverage period.

B. The premium for the period 10/01/2018 12:00:00 AM to 10/01/2019 12:00:00 AM will be determined based on updated exposure values for the period.

C. Rates for the period 10/01/2018 12:00:00 AM to 10/01/2019 12:00:00 AM will be identical to those for the period commencing 10/01/2017 12:00:00 AM, with premiums subject to the following:
   1. NCCI Experience modification factors will be applied as promulgated.
   2. Changes to Schedules: Property, Inland Marine, and Automobile
   3. Payroll
   4. Number of Employees

D. Due to scheduled changes in rating algorithms, there may be some fluctuation in property premium per location, however, the composite property rate for the building & contents schedule will remain the same.

E. In the event of cancellation of any line of business within 90 days after the first day of either annual coverage period, the premium for such line(s) shall be 25% minimum earned. In the event of cancellation of any line of business following the initial 90 days of each annual coverage period, a penalty equal to 60 days premium of such line(s) of business shall become earned, any provision of the agreement to the contrary notwithstanding.

   1. This penalty is earned and payable regardless of when notice of such cancellation is given, or the effective date of such cancellation.
Notes of Importance:

1. Quotes provided in the proposal are valid until 09/29/17. After this date terms and conditions are subject to change by the underwriters.

2. Preferred is not subject to the Florida Insurance Guaranty Act, in the event it becomes unable to meet its claims payment obligations. However, insured is named on excess of loss policies.

3. Some of the Carriers of the Preferred excess of loss policies are issued pursuant to the FL Surplus Lines laws. Entities insured by surplus lines carriers do not have the protection of the FL Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.

4. Quote is subject to review and acceptance by Preferred Board of Trustees.

5. Premiums are subject to change if all lines of coverage quoted are not bound. **Premiums are subject to 25% minimum premium upon binding.**

6. Not all coverages requested may be provided in this quotation.

7. Flood quotes from NFIP may be available. Please advise your agent if you have property located in zones A or V and would like to have separate NFIP quotes.

8. Property values are based on information supplied by you. You should have reviewed your property schedule and as you deem necessary have appraisals done to verify your reported values are accurate based on current market conditions.

9. The Trust requires all Members to maintain valid and current certificates of workers’ compensation insurance for all work performed by persons other than its employees.

10. **With the exception of Workers’ Compensation, the total premium is due within 30 days of inception. Premium financing can be arranged if needed.**

11. Quote is not bound until written orders to bind are received from the insured and the Trust subsequently accepts the risk.

12. Should signed application reveal differing details/data than original application received, the entire quote/binder is subject to revision and possible retraction.

13. Higher limits of liability may be available. Please consult with your agent.

14. This proposal is based upon exposures to loss made known to the Public Risk Insurance Agency. Any changes in exposures (i.e. new operations, new acquisitions of property or change in liability exposure) need to be promptly reported to us in order that proper coverage may be put into place.

15. **This proposal is intended to give a brief overview. Please refer to coverage agreements for complete information regarding definition of terms, deductibles, sub-limits, restrictions and exclusions that may apply. In the event of any differences, the policy will prevail.**
PREFERRED Compensation Disclosure

We appreciate the opportunity to assist with your insurance needs. Information concerning additional compensation paid to other entities for this placement and related services appears below. Please do not hesitate to contact us if any additional information is required.

Our office is owned by Brown & Brown, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so.

For the 2017 – 2018 policy year, your insurance was placed with Preferred Governmental Insurance Trust (Preferred). Preferred is an insurance trust formed by Florida public entities through an Interlocal Agreement for the purpose of providing its members with an array of insurance coverages and services. Preferred has contracted with entities owned by Brown & Brown, Inc. to perform various services. As explained below, those Brown & Brown entities are compensated for their services.

Preferred has contracted with Public Risk Underwriters (PRU), a company owned by Brown & Brown, Inc., to administer Preferred’s operations. The administrative services provided by PRU to Preferred include:

- Underwriting
- Coverage review
- Marketing
- Policy Review
- Accounting
- Issuance of Preferred Coverage Agreements
- Preferred Member Liaison
- Risk Assessment and Control

Pursuant to its contract with Preferred, PRU receives an administration fee, based on the size and complexity of the account, of up to 12.5% of the premium you pay to Preferred. PRU may also receive commissions from insurance companies with whom it places your coverage, which commissions are derived from the premium you pay to Preferred. Multiple underwriters may be involved in the placement of your coverage. If so, they also may be compensated for their services from the premium you pay to Preferred.

Preferred has also contracted with Preferred Governmental Claims Solutions (PGCS), a company owned by Brown & Brown, Inc., for purposes of administering the claims of Preferred members. The services provided by PGCS to Preferred may include:

- Claims Liaison with Insurance Company
- Claims Liaison with Preferred Members
- Claims Adjustment
**PREFERRED Compensation Disclosure (continued)**

Pursuant to its contract with Preferred, PGCS receives a claims administration fee for those accounts which PGCS services of up to 5% of the non-property portion of the premiums you pay to Preferred.

Preferred also utilizes wholesale insurance brokers, some of which (such as Peachtree Special Risk Brokers and MacDuff Underwriters) are owned by Brown & Brown, Inc., for the placement of Preferred’s insurance policies, and for individual risk placements for some Preferred members (excess and surplus lines, professional liability coverage, etc.). The wholesale insurance broker may provide the following services:

- Risk Placement
- Coverage review
- Claims Liaison with Insurance Company
- Policy Review
- Current Market Intelligence

The wholesale insurance broker’s compensation is derived from your premium, and is largely dictated by the insurance company. It typically ranges between 10% and 17% of the premiums you pay to Preferred for your coverage. Some wholesale brokers used by Brown & Brown to place your coverage may also act as Managing General Agents for various insurance companies, and may be compensated directly by those insurance companies for their services in placing and maintaining coverage with those particular companies.

The wholesale insurance brokerage utilized in the placement of property insurance was Peachtree Special Risk Brokers, which is a company owned by Brown & Brown Inc. Furthermore, any professional liability coverage afforded by the package of insurance you purchased was acquired through Apex Insurance Services, which is also a company affiliated with Brown & Brown Inc.
NOTICE OF CARRIER FINANCIAL STATUS

Risk Management Associates, Inc. dba Public Risk Insurance Agency, and its parent company, Brown & Brown, Inc. (collectively “Brown & Brown”) do not certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer or pooling entity. We endeavored to place your coverage with an insurance carrier with an A.M. Best Company financial rating of “A-“ or better.* While Brown & Brown cannot certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer or pooling entity or otherwise predict whether the financial condition of any such entity might improve or deteriorate, we are hereby providing you with notice and disclosure of financial condition so that you can make an informed decision regarding the placement of coverage. Accordingly, with receipt of this notice you acknowledge the following with regard to the placement and any subsequent renewal of the coverage indicated below:

- Brown & Brown may have other options for your insurance placement, including quotations with insurance carriers holding an “A-” or better rating from A.M. Best Company. Alternative quotes may be available with an A- or better rated carrier upon your request.

- Coverage is being placed through Preferred Governmental Insurance Trust (“Preferred”), which is as a Florida local government self-insurance fund established pursuant to Section 624.4622, Florida Statutes, as such Preferred is not rated by the A.M. Best Company.

- Preferred is not subject to the protections afforded by any state guaranty fund or association.

- The financial condition of insurance companies and other coverage providers including local government self-insurance funds like Preferred may change rapidly and that such changes are beyond the control of Brown & Brown.

- You should review the financial and membership information from Preferred and agree to abide by the conditions of membership established by Preferred.

- You should consider the information provided, including the Preferred coverage quote and coverage placement and review it with your accountants, legal counsel and advisors.

Named Insured: Baker County BOCC  
Policy Number: PKFL1 0021002 17-04 and WCFL1 0021002 17-04  
Policy Period: 10/1/17-18 (2 year option through 2019)  
Date of Notice: 07/20/17

* A.M. Best Rating Guide:  
Rating for Stability: A++ to D = Highest to lowest rating  
Rating for Assets/Surplus: 15 to 1 - Largest to smallest rating
Guide to Bests Ratings

<table>
<thead>
<tr>
<th>Best Category</th>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure</td>
<td>A++</td>
<td>Superior</td>
</tr>
<tr>
<td>Secure</td>
<td>A+</td>
<td>Superior</td>
</tr>
<tr>
<td>Secure</td>
<td>A</td>
<td>Excellent</td>
</tr>
<tr>
<td>Secure</td>
<td>A-</td>
<td>Excellent</td>
</tr>
<tr>
<td>Secure</td>
<td>B++</td>
<td>Very Good</td>
</tr>
<tr>
<td>Secure</td>
<td>B+</td>
<td>Very Good</td>
</tr>
<tr>
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<td>B</td>
<td>Fair</td>
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<tr>
<td>Vulnerable</td>
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<td>Fair</td>
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<td>C++</td>
<td>Marginal</td>
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<tr>
<td>Vulnerable</td>
<td>C+</td>
<td>Marginal</td>
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<tr>
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<td>C</td>
<td>Weak</td>
</tr>
<tr>
<td>Vulnerable</td>
<td>C-</td>
<td>Weak</td>
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<td>Poor</td>
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<td>E</td>
<td>Under Regulatory Supervision</td>
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<td>In Liquidation</td>
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<td>NR-1</td>
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<tr>
<td>Not Rated</td>
<td>NR-2</td>
<td>Insufficient Size and/or operating experience</td>
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<tr>
<td>Not Rated</td>
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<td>Rating Procedure Inapplicable</td>
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<td>Group</td>
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<tr>
<td>Affiliation Code</td>
<td>p</td>
<td>Pooled</td>
</tr>
<tr>
<td>Affiliation Code</td>
<td>r</td>
<td>Reinsured</td>
</tr>
</tbody>
</table>

Guide to Best’s Financial Size Categories

| Reflects size of | I | Less than $1,000,000 |
| insurance company | II | $1,000,000 - $2,000,000 |
| based on their capital, surplus and conditional reserve funds in U.S. dollars. | III | $2,000,000 - $5,000,000 |
| | IV | $5,000,000 - $10,000,000 |
| | V | $10,000,000 - $25,000,000 |
| | VI | $25,000,000 - $50,000,000 |
| | VII | $50,000,000 - $100,000,000 |
| | VIII | $100,000,000 - $250,000,000 |
| | IX | $250,000,000 - $500,000,000 |
| | X | $500,000,000 - $750,000,000 |
| | XI | $750,000,000 - $1,000,000,000 |
| | XII | $1,000,000,000 - $1,250,000,000 |
| | XIII | $1,250,000,000 - $1,500,000,000 |
| | XIV | $1,500,000,000 - $2,000,000,000 |
| | XV | Greater than $2,000,000,000 |

Public Risk Insurance Agency always strives to place your coverage with highly secure insurance companies. We cannot, however, guarantee the financial stability of any carrier.
Tab 8
Preferred
Governmental Insurance Trust
PREFERRED GOVERNMENTAL INSURANCE TRUST (Preferred) OVERVIEW

Several hundred members and millions in premiums prove that the Preferred Governmental Insurance Trust® fulfills what Florida needs: an insurance program exclusively customized and dedicated to the public sector. Preferred stays on the forefront of specialized insurance for property, casualty and workers’ compensation because it is non-profit and self-governed with a membership comprised solely of Florida public entities.

Preferred’s history dates back to 1999. Its robust membership and financial strength, including consistent growth of surplus, stem from its conservative platform of managed risk. Preferred is just that: preferred for unmatched public entity experience, innovation, stability and personalized service.

<table>
<thead>
<tr>
<th>Preferred's Member Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipalities</td>
</tr>
<tr>
<td>Counties</td>
</tr>
<tr>
<td>Special Districts</td>
</tr>
<tr>
<td>Public Schools</td>
</tr>
<tr>
<td>Charter Schools</td>
</tr>
<tr>
<td>Sheriff Departments</td>
</tr>
<tr>
<td>Housing Authorities</td>
</tr>
<tr>
<td>Aviation Authorities</td>
</tr>
<tr>
<td>Transit, Port &amp; Utility Authorities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Preferred's Comprehensive Coverages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>General Liability</td>
</tr>
<tr>
<td>Automobile Liability</td>
</tr>
<tr>
<td>Automobile Physical Damage</td>
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<tr>
<td>Law Enforcement Liability</td>
</tr>
<tr>
<td>Public Officials Liability</td>
</tr>
<tr>
<td>Employment Practices Liability</td>
</tr>
<tr>
<td>Educators’ Legal Liability</td>
</tr>
</tbody>
</table>

The Power of Groups and People

What does a specialized insurance trust do for you? In the case of Preferred, it gives you the purchasing power of a very large trust with billions of covered property values—far more financial negotiating power than a single public entity can muster. As a Preferred member, you are part of a formidable Florida insurance trust.

The trust also transfers risks from any one public entity to the larger group. This provides all members of the trust better rating structures with less volatility. Preferred’s sole focus on government ensures that members’ unique needs are met.
Underwriting and Administration

Behind Preferred's underwriting platform are decades of success built on integrity and market relationships. Our team of underwriters’ vast insurance expertise enhances the actuarial and scientific data used to underwrite individual risks within the trust. Services delivered are both broad and precise. Reliability is assured. The administrator for Preferred is Public Risk Underwriters of Florida, Inc.® (PRU), Florida's premier public entity specialist of its kind. Preferred's claims administrator is PGCS Claim Services. With more than 25 years in claims experience, PGCS is Florida’s foremost governmental third-party administration company.

Underwriting Highlights

- **Diverse risk financing options**: guaranteed cost, deductible, self-insured retention, all lines aggregate
- **Competitive premium discounts** based on favorable experience and sound safety practices
- **Flexibility of coverage design**, including mono-line or package basis
- **Dynamic financial analysis** conducted periodically to validate the trust’s superior financial standing

Administration

- **General counsel, defense counsel and litigation services** by specialists in governmental law
- **Membership relations** for networking and professional development
- **Legislative Pulse newsletter** from Tallahassee-based law firm
- **Professional marketing** that guarantees local agent support, governmental knowledge and an ever-growing group of members
- **Preferred News**—a quarterly publication covering the spectrum of government insurance issues
- **State filing, accounting and independent CPA audited financials** as needed

*Preferred's Expert Boards Know Your Business*

Preferred is governed and guided by people working daily in all segments of Florida’s public sector – from municipalities to counties to schools to special taxing districts.

The Board of Trustees is comprised of elected public officials who work wisely and diligently to set policy, keeping Preferred as the premier public entity insurer of its kind.
### Preferred Governmental Insurance Trust

<table>
<thead>
<tr>
<th>Board of Trustees</th>
<th>City of Wildwood</th>
<th>Cypress Grove CDD</th>
<th>Gulf County</th>
<th>South Indian River WCD</th>
<th>Osceola County</th>
<th>City of Jacksonville Beach</th>
<th>Marion County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwight E. “Ed” Wolf, II</td>
<td>Chair (Mayor)</td>
<td>Vice Chair (Chair)</td>
<td>Secretary (Commissioner)</td>
<td>Trustee (Vice President)</td>
<td>Trustee (Commissioner)</td>
<td>Trustee (Commissioner)</td>
<td>Commissioner</td>
</tr>
<tr>
<td>Charles Walsey</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Warren Yeager</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Thomas Rice, Sr.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Fred Hawkins, Jr.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chris Hoffman</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kathryn Bryant</td>
<td>Alternate Trustee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FINANCIAL STRENGTH

PREFERRED GOVERNMENTAL INSURANCE TRUST
SELECTED FINANCIAL INFORMATION AT AND FOR
THE YEAR ENDING SEPTEMBER 30, 2016

<table>
<thead>
<tr>
<th>Assets</th>
<th>$206,213,356</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities &amp; Surplus</th>
<th>$105,452,664</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid Losses and Loss Adjustment Expenses</td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td></td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$87,973,700</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Premiums</th>
<th>$96,719,649</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned Premiums</td>
<td></td>
</tr>
<tr>
<td>Excess Premiums</td>
<td>$30,909,700</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>$54,507,758</th>
</tr>
</thead>
<tbody>
<tr>
<td>Losses and Loss Adjustment Expenses</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Income (Loss)</th>
<th>$(3,449,163)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loss</td>
<td></td>
</tr>
</tbody>
</table>

---

![Preferred Governmental Insurance Trust
Earned Premium By Fund Year
2007 - 2016](image)

![Preferred Governmental Insurance Trust
Surplus
2007 - 2016](image)
CONTENTS

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INDEPENDENT AUDITORS’ REPORT

Board of Trustees
Preferred Governmental Insurance Trust
Lake Mary, Florida

We have audited the accompanying financial statements of Preferred Governmental Insurance Trust (the “Trust”), which comprise the Statements of Net Position as of September 30, 2016 and 2015, and the related Statements of Revenue, Expenses and Changes in Trust Net Position, and of Cash Flows for the years then ended, and the related Notes to Financial Statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
INDEPENDENT AUDITORS' REPORT - CONTINUED

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preferred Governmental Insurance Trust as of September 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Management’s Discussion and Analysis is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Emphasis of Matter

As discussed in the Notes to Financial Statements, the terms of the Trust’s service contract provide for claims adjusting services on claims that arose during the contract period provided that the contract remains in effect. In the event the contract is terminated, the Trust will be liable for the additional expenses related to adjusting these claims until all such claims are concluded. The amount of this liability, if any, cannot be presently determined. Accordingly, the accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in the Notes to Financial Statements, the reserves for unpaid losses and loss adjustment expenses in the accompanying financial statements are based upon evaluations by the Trust’s independent actuary. Management believes that these estimates are reasonable. However, these estimates are subject to change and the change can be material in relation to the financial statements taken as a whole. No assurance can be given that the actual losses will not be more or less than the current estimates.

January 23, 2017
The management of the Preferred Governmental Insurance Trust (the Trust) has prepared the following narrative overview and analysis of the financial activities of the Trust for the fiscal year ending September 30, 2016 and 2015 using other comparative years as appropriate. We encourage readers to consider the information presented here in conjunction with the Trust’s financial statements and Notes to Financial Statements to enhance their understanding of the Trust’s financial performance.

Financial Highlights

Unless otherwise indicated, financial performance throughout this analysis is expressed in thousands.

- The Trust’s overall financial condition remains strong which has resulted in the ability to maintain the higher risk retention levels adopted during the 2014 fiscal year. Total net position (surplus) decreased by $3,449 from 2015 to 2016, or 4%, to a total of $87,974. In the prior year, total net position decreased by $3,307 from 2014 to 2015, also 4%, to a total of $91,423. The current and prior year decreases in net position came primarily as a result of expected loss reserve strengthening based upon actuarially determined increases for unpaid losses and loss adjustment expenses.

- Total assets have steadily increased in each of the last two years. Total assets increased by $14,286 from 2015 to 2016, or 7%, to a total of $206,214. In the prior year, total assets increased by $14,726 from 2014 to 2015, or 8%, to a total of $191,928. Improvements each year are attributable to investment earnings and the growth in cash and investments.

- Investment earnings have consistently tracked with internally adopted benchmarks. Investment earnings of $7,680 represent returns of 4.3% on average investment balances in 2016. The current year’s rebound from the abrupt stock market correction timed at the end of 2015 resulted in an increase in investment performance in our equity portfolio that fueled overall performance. By contrast, earnings in 2015 were $1,753 as the Trust’s investments posted a 1.1% return on average investment balances. A stock market correction at the end of 2015 resulted in a reduction of investment performance in our equity portfolio. During 2014, the Trust increased its allocation to intermediate term bonds, magnifying the impact of changing interest rates on the portfolio, and doubled its investment allocation to stocks in currently high performing equity markets. Management fully anticipates greater volatility as it assumes greater risks.

- The ratio of our premium to our net position, a common measure of solvency has been nearly one to one each year. The ratio shows the degree to which the Trust’s premium exceeds or is nearly covered by net position. Modestly increasing premium revenues from 2014 to 2016 in comparison to declining net position as part of the initial expected response to increased risk retention produce a ratio of premium to net position of 110% in 2016 in comparison to 102% in 2015 and 97% in 2014.

- Routine recoveries from the Trust’s excess program decreased over the prior year. As claims mature and costs invade excess layers, timely and effective collections of claims of ceded risk have become increasingly important to the Trust. Routine excess recoveries declined to roughly $13,000 as older claims in years with lower retentions are settled. Recoveries are down from the approximate $14,900 and $14,600 in collections achieved in 2015 and 2014 respectively.
Preferred Governmental Insurance Trust

MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Trust’s financial statements. Typically, government financial statements would be presented as three components:

1) government-wide financial statements,
2) fund financial statements, and
3) notes to financial statements.

However, as the Trust uses only one proprietary fund, which presents financial statement information in the same manner as government-wide financial statements, only with more detail, we do not present government-wide financial statements as the information would be repetitive.

The financial statements are comprised of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Trust Net Position and the Statement of Cash Flows and the Notes to Financial Statements. The financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles applicable to governmental enterprise funds.

The Statement of Net Position presents the Trust’s financial position as of the end of its fiscal year. Information is displayed on assets and liabilities with the difference between the two amounts as net position. The net position of the Trust reflects the present value of resources available to its members at the end of the fiscal year after satisfaction of all loss reserves.

The Statement of Revenues, Expenses and Changes in Trust Net Position presents information detailing the revenues and expenses that resulted in a change in net position during the current fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash associated with the event is received or paid. Thus revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, premiums collected from a public entity might not be reflected as revenue until fully earned by the passage of time. Likewise, claims that occurred during the fiscal year will be reflected as an expense whether or not they have been paid as of the end of the fiscal year.

The Statement of Cash Flows represents the cash provided and used by the Trust categorized by operating activities and investing activities. It reconciles the beginning and end of year cash balances contained in the balance sheet. The effects of accrual accounting and not cash activities, such as premium and discount amortization are adjusted to supplement the presentation in the Statement of Revenues, Expenses and Changes in Trust Net Position.

The Notes to Financial Statements follow the basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the financial statements and accompanying notes, required supplementary information is presented illustrating the Trust’s past ten years of earned revenues and investment.
Preferred Governmental Insurance Trust

MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED

income compared to related costs of losses and other expenses incurred by the Trust, including historic developed losses.

Financial Analysis


Statements of Net Position. The Trust’s Statements of Net Position display the assets, liabilities and net position of the Trust as of the Trust’s year end, September 30. A comparison of audited balances as of September 30, 2016, 2015 and 2014 display continued increases in both assets and stable net position. The growth in assets is a function of strong underwriting discipline, vigorous control of losses and responsible investment.

Assets grew in the 2016 and 2015 fiscal years in response to declining outlays for excess insurance. The improved asset position was entirely offset by increases in estimates of unpaid losses and loss adjustment expenses. The steady increase in these liabilities was attributable to the Trust’s decision to retain additional risk for its workers compensation coverage and increases to Florida’s tort cap. The improvement of the Trust’s current investments on hand in comparison to the accrued increases in unpaid future losses is a fully anticipated consequence of its business decision and environmental impact of accepting more risk.

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2016</th>
<th>% Change</th>
<th>2015</th>
<th>% Change</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 6,811</td>
<td>-53.5%</td>
<td>$ 14,652</td>
<td>-28.3%</td>
<td>$ 20,444</td>
</tr>
<tr>
<td>Investment securities available for sale</td>
<td>181,963</td>
<td>16.9%</td>
<td>155,641</td>
<td>16.4%</td>
<td>133,746</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>718</td>
<td>-10.3%</td>
<td>800</td>
<td>10.3%</td>
<td>725</td>
</tr>
<tr>
<td>Premiums receivable</td>
<td>378</td>
<td>5.0%</td>
<td>360</td>
<td>6.8%</td>
<td>337</td>
</tr>
<tr>
<td>Excess recoverables on paid losses</td>
<td>3,602</td>
<td>-11.3%</td>
<td>4,062</td>
<td>-26.4%</td>
<td>5,518</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>12,742</td>
<td>-22.4%</td>
<td>16,413</td>
<td>-0.1%</td>
<td>16,432</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 206,214</td>
<td>7.4%</td>
<td>$ 191,928</td>
<td>8.3%</td>
<td>$ 177,202</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET POSITION</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid losses and loss adjustment expenses</td>
<td>$ 105,453</td>
<td>23.1%</td>
<td>$ 85,678</td>
<td>21.5%</td>
<td>$ 70,502</td>
</tr>
<tr>
<td>Unearned premium</td>
<td>10,576</td>
<td>0.3%</td>
<td>10,546</td>
<td>-4.4%</td>
<td>11,037</td>
</tr>
<tr>
<td>Claims service fees payable</td>
<td>361</td>
<td>-19.1%</td>
<td>446</td>
<td>17.1%</td>
<td>381</td>
</tr>
<tr>
<td>Advances by excess insurers</td>
<td>197</td>
<td>101.0%</td>
<td>98</td>
<td>16.7%</td>
<td>84</td>
</tr>
<tr>
<td>State of Florida assessments payable</td>
<td>165</td>
<td>5.8%</td>
<td>156</td>
<td>-0.6%</td>
<td>157</td>
</tr>
<tr>
<td>Accounts payable and other liabilities</td>
<td>17</td>
<td>-99.1%</td>
<td>1,846</td>
<td>3,519.6%</td>
<td>51</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>1,471</td>
<td>-15.2%</td>
<td>1,735</td>
<td>567.3%</td>
<td>260</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>$ 118,240</td>
<td>17.6%</td>
<td>$ 100,505</td>
<td>21.9%</td>
<td>$ 82,472</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>NET POSITION – UNRESTRICTED</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>87,974</td>
<td></td>
<td>-3.8%</td>
<td>91,423</td>
<td>-3.5%</td>
<td>94,730</td>
</tr>
</tbody>
</table>

| TOTAL LIABILITIES AND NET POSITION          | $ 206,214 |     | $ 191,928 |     | $ 177,202|
A significant component of our costs has been our excess insurance program. The ability to appropriately negotiate excess coverage in a manner that economically and effectively mitigates risks with a variety of business partners both in the United States and abroad has been essential to the ongoing success of the Trust.

Indeed, maturing claims make the excess program even more important as cash flows become dependent not only on our premium collections but also upon the timeliness of recoveries from excess insurance carriers.

The following schedule summarizes the collections from excess insurance carriers over the last five fiscal years by line. Both the importance of excess insurance recoveries and the consistency in collection efficiency for routine (non catastrophic/non hurricane) claims is shown below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Workers Compensation</th>
<th>Non Catastrophic</th>
<th>Catastrophic</th>
<th>Subtotal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$8,670</td>
<td>$4,326</td>
<td>$ -</td>
<td>$4,326</td>
<td>$12,996</td>
</tr>
<tr>
<td>2015</td>
<td>$9,407</td>
<td>$5,540</td>
<td>$ -</td>
<td>$5,540</td>
<td>$14,947</td>
</tr>
<tr>
<td>2014</td>
<td>$11,341</td>
<td>$3,265</td>
<td>$ -</td>
<td>$3,265</td>
<td>$14,606</td>
</tr>
<tr>
<td>2013</td>
<td>$9,671</td>
<td>$2,422</td>
<td>$ -</td>
<td>$2,422</td>
<td>$12,093</td>
</tr>
<tr>
<td>2012</td>
<td>$7,539</td>
<td>$2,280</td>
<td>$143</td>
<td>$2,423</td>
<td>$ 9,962</td>
</tr>
</tbody>
</table>

Routine collections from the excess program for combined workers compensation and non-catastrophic coverage decreased to $13.0 million in the current year after ranging between $14.0 and $15.0 million during the 2015 and 2014 years. The gradual erosion of workers compensation recoveries in response to increased retentions and the decline in non catastrophic package recoveries marked by increased exposure to an increased tort cap drove collections lower. Collections generally represent claims initially paid by the Trust and then reimbursed by excess carriers. Maturing claims in years in which the Trust assumed lower risks for workers compensation exposures is the primary force behind new collection patterns. Timely billing and collection of these amounts ensures cash flow for the Trust and maintenance of investment balances. Uniform collections of about $13 million throughout the current year has preserved average investment balances and helped to produce about $279,500 (not in thousands) in investment earnings at 4.3% in 2016 and $82,500 (not in thousands) in investment earnings in 2015 based on that year’s 1.1% investment returns.

**Statements of Revenues, Expenses and Changes in Trust Net Position.** The Statement of Revenues, Expenses and Changes in Trust Net Position display the Trust revenues and expenses and the manner in which they account for the change in net position. The following schedule shows a comparison of that activity for the years ended September 30, 2016, 2015, and 2014 and a number of key relationships.
Preferred Governmental Insurance Trust

MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>% Change</th>
<th>2015</th>
<th>% Change</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premiums</td>
<td>$96,720</td>
<td>4.1%</td>
<td>$92,916</td>
<td>0.8%</td>
<td>$92,197</td>
</tr>
<tr>
<td>Net investment income</td>
<td>4,071</td>
<td>-26.4%</td>
<td>5,527</td>
<td>25.1%</td>
<td>4,417</td>
</tr>
<tr>
<td>Net increase (decrease) in fair value of investments</td>
<td>3,609</td>
<td>N/A</td>
<td>(3,774)</td>
<td>-221.2%</td>
<td>3,114</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>104,400</td>
<td>10.3%</td>
<td>94,669</td>
<td>-5.1%</td>
<td>99,728</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses and loss adjustment expenses</td>
<td>54,508</td>
<td>25.7%</td>
<td>43,364</td>
<td>37.0%</td>
<td>31,642</td>
</tr>
<tr>
<td>Excess insurance expense</td>
<td>30,910</td>
<td>-6.7%</td>
<td>33,125</td>
<td>-14.8%</td>
<td>38,869</td>
</tr>
<tr>
<td>Administrative fees</td>
<td>9,898</td>
<td>3.8%</td>
<td>9,537</td>
<td>4.8%</td>
<td>9,100</td>
</tr>
<tr>
<td>Agent commissions</td>
<td>6,573</td>
<td>1.9%</td>
<td>6,451</td>
<td>1.2%</td>
<td>6,373</td>
</tr>
<tr>
<td>Claims service fees</td>
<td>3,961</td>
<td>6.3%</td>
<td>3,727</td>
<td>3.6%</td>
<td>3,596</td>
</tr>
<tr>
<td>State of Florida assessments</td>
<td>676</td>
<td>5.1%</td>
<td>643</td>
<td>2.2%</td>
<td>629</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,323</td>
<td>17.2%</td>
<td>1,129</td>
<td>27.4%</td>
<td>886</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>107,849</td>
<td>10.1%</td>
<td>97,976</td>
<td>7.6%</td>
<td>91,095</td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td>(3,449)</td>
<td>4.3%</td>
<td>(3,307)</td>
<td>-138.3%</td>
<td>8,633</td>
</tr>
<tr>
<td><strong>NET POSITION – Beginning</strong></td>
<td>91,423</td>
<td>-3.5%</td>
<td>94,730</td>
<td>10.0%</td>
<td>86,097</td>
</tr>
<tr>
<td><strong>NET POSITION – Ending</strong></td>
<td>$87,974</td>
<td>-3.8%</td>
<td>$91,423</td>
<td>-3.5%</td>
<td>$94,730</td>
</tr>
</tbody>
</table>

The current year results for the Trust benefited from increased premiums, strong investment income and reduced excess insurance expense. Results were reduced, however, from increased loss and loss adjustment expenses accrued in response to a strengthening of expected loss reserves.

Loss and loss adjustment expenses have increased steadily by approximately $12,000 each year from 2014 to 2016 as a result of a combination of increased retention, primarily in the workers compensation line of coverage, as well as a reduced benefit from reductions of prior year reserves in all lines of coverage. Management believes that these expense estimates are conservative.

Conversely, excess insurance expense has declined by nearly $8,000 from $38,869 in 2014 to $30,909 in 2016. The Trust has benefitted from a continued decline in the property insurance environment as well as assumption of higher workers compensation retentions, both resulting in lower excess insurance premiums.

The reduction in cash paid for excess insurance provided the resources for increased investment balances while the increase in estimated expenses associated with unpaid losses and loss adjustment expenses decreased net position. Management fully anticipated the immediate increase in cash and invested assets and increase in deferred and accrued liabilities that result in the decline in net position.

Investment earnings reflect strong performance generally consistent with the overall market.
The capitalization of the Trust was stable in 2016 with net position consistent as a percentage of premiums. Over the last ten years, net position has increased from less than 20% of earned premium to over 90% of earned premium. Results reflect the consistent conservative underwriting of the Trust.

**Statements of Cash Flows.** The Statements of Cash Flows display the sources and uses of the Trust’s cash generated from operating and investing activities.

The increases in the Trust’s cash flows from continuing operations in all years presented show the impact of increased retentions and the resulting reduction in excess insurance (ceded reinsurance) payments. Cash flows from operations totaled $10,718 in 2016 and are consistent with positive cash flows from operations of $14,425 and $12,166 in 2015 and 2014 respectively.

Although operating cash is used in response to the consistent demands from maturing claims classified as losses and loss adjustment expenses paid, diligent collections of excess recoveries described above serve to offset a portion of those amounts and stabilize operating cash outflows. Current year cash flows from operations responded favorably to the continued decline in excess insurance costs (ceded reinsurance) and the resulting improvement in net premiums collected.
**CASH FLOWS FROM CONTINUING OPERATIONS**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums collected</td>
<td>$68,544</td>
<td>$62,223</td>
<td>$53,327</td>
</tr>
<tr>
<td>from policyholders,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>net of ceded reinsurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses and loss</td>
<td>(34,733)</td>
<td>(28,188)</td>
<td>(23,073)</td>
</tr>
<tr>
<td>adjustment expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>paid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other underwriting</td>
<td>(23,093)</td>
<td>(19,610)</td>
<td>(18,088)</td>
</tr>
<tr>
<td>expenses paid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY</strong></td>
<td>10,718</td>
<td>14,425</td>
<td>12,166</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM INVESTING ACTIVITIES**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net proceeds (purchases) of debt and</td>
<td>(22,712)</td>
<td>(25,669)</td>
<td>(15,557)</td>
</tr>
<tr>
<td>equity securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income collected</td>
<td>4,153</td>
<td>5,453</td>
<td>4,349</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY (USED IN) INVESTING</strong></td>
<td>(18,559)</td>
<td>(20,216)</td>
<td>(11,208)</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NET (DECREASE) INCREASE IN CASH AND**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH EQUIVALENTS</td>
<td>7,841</td>
<td>5,792</td>
<td>958</td>
</tr>
<tr>
<td>Cash and short term investments –</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>beginning of year</td>
<td>14,652</td>
<td>20,444</td>
<td>19,486</td>
</tr>
<tr>
<td><strong>CASH AND SHORT TERM INVESTMENTS -</strong></td>
<td>6,811</td>
<td>14,652</td>
<td>20,444</td>
</tr>
<tr>
<td><strong>END OF YEAR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Over the last three fiscal years, the Trust has transferred a total of $50 million dollars into its investment portfolio, $20 million in both 2016 and 2015 and $10 million in 2014. The aggressive increase in invested capital has come in response to declining excess insurance costs resulting from both improved excess insurance market conditions and increased retentions. The investment portfolio of the Trust increased by $26 million during the 2016 fiscal year in direct response to continued improvements to cash provided by operations. The increased investments are displayed as a use of cash from investing activities. The Trust similarly experienced an increase in the amount in its investment portfolio of $22 million during the 2015 fiscal year. That investment increase is also displayed as a use of cash from investing activities.
Economic Factors and Major Initiatives

Increased premium revenues in 2016 and 2015 came despite softening of both workers compensation and property markets. The Trust experienced both an increase of insurable units in as well as addition of new members. Financial results each year are impacted by the Trust’s tempered response to meeting aggressive pricing challenges in the highly competitive market for public entity insurance programs.

Net position as a percentage of revenue has remained relatively stable from 2014 to 2016 and has increased steadily since 2007. The following graph shows the comparison of premium revenue to growth in fund surplus (net position) for the last ten years.

The Trust dedicated a leadership position to loss control to assist members and to help the Trust contain losses in 2015 and inaugurated the Preferred Training Incentive Programs (TIPs), a member reimbursement program with matching training/safety incentives that can be applied for by any current member of the Trust. Each entity is eligible to apply for a matching incentive beginning in 2015. The enormously popular program resulted in over $445,000 in distributions to members in 2016 and $235,000 in 2015 in recognition of their ongoing training and safety improvement efforts.

Through its administrator, the Trust continues to offer and invest in online services to its membership through its Preferred Academy including learning and training opportunities through webinars, Target Solutions, My Community Workplace, and Environ Workplace Helpline related to both coverage and legal issues.

The Trust also provides on-line loss runs, claim notes and other analytics for claims management as it remains responsive in the highly competitive public entity insurance market.
Even as the Federal Reserve Open Market Committee begins to allow interest rates to slowly increase in the coming year, fixed income results are likely to remain below long term averages and also cause unrealized losses on our portfolio. Even modest changes in effective market interest rates can cause significant changes in portfolio value. Current year earnings on fixed income securities were modest and still benefitted from unrealized gains associated with slight declines in market interest rates.

Revisions to the Trust’s investment policy at the beginning of the 2014 fiscal year shifted a greater percentage of its portfolio to equity securities. Outstanding returns in equity markets coupled with the Trust’s increased participation in those markets produced a near record of investment earnings for the Trust that year. Stock market corrections at the end of the 2015 fiscal year produced lower results but positioned the Trust for magnified gains in the 2016 fiscal year in response to a robust equity market. As always, investment returns are uncertain but asset allocations have steadily produced results consistent with internally established benchmarks and the Trust’s risk tolerance.

The following graph shows the investment performance of the Trust in comparison to those adopted benchmarks. Investment earnings track with market volatility and have followed the behavior of benchmark measures. Although the 2016 year was somewhat disappointing in comparison to our benchmarks, the portfolio historically outperforms the market as it improves and either matches or underperforms the market as it deteriorates.

As Trust assets grow, investment income becomes an increasingly important and consistent element of operating results and net position (surplus). Over the seventeen year period ending September 30, 2016, the Trust has earned $52 million in investment income which represents 59% of accumulated surplus. Even as the net position of the Trust has increased by 32% over the last six years, cumulative investment earnings have remained a consistent and growing contributor to that surplus. The following chart shows the growth of cumulative investment income as a percentage of surpluses in the ten years since the 2007 fiscal year.
Contacting the Trust’s Financial Management

This financial report is designed to provide our members and the public with a general overview of the Trust’s finances and to demonstrate the Trust’s operational and fiscal accountability for the premiums it receives. The Trust contracts its financial administration to Public Risk Underwriters of Florida, Inc. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Ann E. Hansen, Executive Vice President, Public Risk Underwriters of Florida, Inc., P.O. Box 958455, Lake Mary, Florida 32795-8455.
FINANCIAL STATEMENTS &
NOTES TO FINANCIAL STATEMENTS
Preferred Governmental Insurance Trust

STATEMENTS OF NET POSITION

<p>| ASSETS | September 30, |</p>
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$6,811,227</td>
<td>$14,652,343</td>
</tr>
<tr>
<td>Investment securities</td>
<td>181,963,447</td>
<td>155,641,129</td>
</tr>
<tr>
<td>Total cash and investments</td>
<td>188,774,674</td>
<td>170,293,472</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>717,633</td>
<td>799,765</td>
</tr>
<tr>
<td>Premiums receivable</td>
<td>378,028</td>
<td>359,545</td>
</tr>
<tr>
<td>Excess recoverables on paid losses</td>
<td>3,601,513</td>
<td>4,061,595</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>12,741,508</td>
<td>16,413,045</td>
</tr>
<tr>
<td>Total assets</td>
<td>$206,213,356</td>
<td>$191,927,422</td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET POSITION | |
| --- | --- | --- |
| Unpaid losses and loss adjustment expenses | $105,452,664 | $85,677,499 |
| Unearned premium | 10,576,205 | 10,546,428 |
| Claims service fee payable | 361,081 | 445,980 |
| Advances by excess insurers | 196,906 | 98,046 |
| State of Florida assessments payable | 164,918 | 156,493 |
| Accounts payable and other liabilities | 16,640 | 1,845,597 |
| Unearned revenue | 1,471,242 | 1,734,516 |
| Total liabilities | 118,239,656 | 100,504,559 |
| Net position - unrestricted | 87,973,700 | 91,422,863 |
| Total liabilities and net position | $206,213,356 | $191,927,422 |

The accompanying notes are an integral part of these statements.
Preferred Governmental Insurance Trust

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN TRUST NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>For the Years Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30,</td>
</tr>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
</tr>
<tr>
<td>Premiums</td>
<td>$96,719,649</td>
</tr>
<tr>
<td>Net investment income</td>
<td>4,070,878</td>
</tr>
<tr>
<td>Net increase (decrease) in fair value of investments</td>
<td>3,609,705</td>
</tr>
<tr>
<td>Total revenues</td>
<td>104,400,232</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
</tr>
<tr>
<td>Losses and loss adjustment expenses</td>
<td>54,507,758</td>
</tr>
<tr>
<td>Excess insurance expense</td>
<td>30,909,700</td>
</tr>
<tr>
<td>Administrative services</td>
<td>9,897,969</td>
</tr>
<tr>
<td>Agent commissions</td>
<td>6,573,288</td>
</tr>
<tr>
<td>Claims service fees</td>
<td>3,961,561</td>
</tr>
<tr>
<td>State of Florida assessments</td>
<td>676,283</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,322,836</td>
</tr>
<tr>
<td>Total expenses</td>
<td>107,849,395</td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td>(3,449,163)</td>
</tr>
<tr>
<td>Net position - beginning of year</td>
<td>91,422,863</td>
</tr>
<tr>
<td><strong>NET POSITION - END OF YEAR</strong></td>
<td>$87,973,700</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
### Preferred Governmental Insurance Trust

**STATEMENTS OF CASH FLOWS**

For the Years Ended September 30, 2016 and 2015

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums collected from policyholders, net of ceded reinsurance</td>
<td>$68,544,389</td>
<td>$62,222,982</td>
</tr>
<tr>
<td>Losses and loss adjustment expenses paid</td>
<td>(34,732,593)</td>
<td>(28,188,130)</td>
</tr>
<tr>
<td>Net other underwriting expenses paid</td>
<td>(23,093,279)</td>
<td>(19,610,047)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY OPERATING ACTIVITIES</strong></td>
<td><strong>10,718,517</strong></td>
<td><strong>14,424,805</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of debt securities</td>
<td>(57,743,353)</td>
<td>(50,058,128)</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of debt securities</td>
<td>39,050,585</td>
<td>27,650,420</td>
</tr>
<tr>
<td>Purchases of equity securities</td>
<td>(22,750,969)</td>
<td>(18,522,846)</td>
</tr>
<tr>
<td>Proceeds from sales of equity securities</td>
<td>18,731,124</td>
<td>15,261,433</td>
</tr>
<tr>
<td>Investment income collected</td>
<td>4,152,980</td>
<td>5,452,986</td>
</tr>
<tr>
<td><strong>NET CASH USED IN INVESTING ACTIVITIES</strong></td>
<td><strong>(18,559,633)</strong></td>
<td><strong>(20,216,135)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET DECREASE IN CASH AND CASH EQUIVALENTS</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents - beginning of year</td>
<td>14,652,343</td>
<td>20,443,673</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS - END OF YEAR</strong></td>
<td><strong>$6,811,227</strong></td>
<td><strong>$14,652,343</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net position</td>
<td>$(3,449,163)</td>
<td>$(3,307,089)</td>
</tr>
<tr>
<td>Change in fair value of investments</td>
<td>$3,609,705</td>
<td>$3,774,580</td>
</tr>
<tr>
<td>Investment income collected</td>
<td>$(4,152,980)</td>
<td>$(5,452,986)</td>
</tr>
</tbody>
</table>

CHANGES IN ASSETS AND LIABILITIES

(Increase) decrease in:

- **Accrued interest receivable**: 82,132 (74,416)
- **Premiums receivable**: 18,483 (22,986)
- **Excess recoverables on paid losses**: 460,082 1,456,291
- **Prepaid expenses and other assets**: 3,671,537 19,187

Increase (decrease) in:

- **Unpaid losses and loss adjustment expenses**: 19,775,165 15,175,499
- **Unearned premium**: 29,777 (490,542)
- **Claims service fee payable**: 84,899 65,425
- **Advances by excess insurers**: 98,860 14,089
- **State of Florida assessments payable**: 8,425 (624)
- **Accounts payable and other liabilities**: (1,828,957) 1,794,115
- **Unearned revenue**: (263,274) 1,474,262

Net cash provided by operating activities: $10,718,517 $14,424,805

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:

- **Income taxes**: $ -- $ --
- **Interest**: $ -- $ --

Non-cash increase (decrease) in investment securities available-for-sale and net position as a result of change in the basis of investment securities available-for-sale to their estimated fair value, net of taxes of $0-:

$3,609,705 $(3,774,580)

The accompanying notes are an integral part of these statements.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Preferred Governmental Insurance Trust (the “Trust”) significant policies consistently applied in preparation of the accompanying financial statements follows. Other significant accounting policies are disclosed elsewhere in the financial statements and the notes thereto.

**Reporting Entity**

The Trust was created in 1999 to provide a program of property and casualty coverage as a governmental self insurance fund under the provisions of Section 624.462, Florida Statutes. The Trust is governed under the terms and conditions of an interlocal agreement amongst the governments that participate in the program (known as Members) adopted pursuant to Section 163.01, Florida Statutes.

Chapter 624 allows for any two or more local governments to enter into an interlocal agreement for the purpose of insuring those governments against loss or damage from any hazard or cause provided the self insurance fund has annual premiums in excess of $5 million, maintains a program of self insurance evaluated by an independent actuary, submits audited financial statements to the State of Florida Office of Insurance Regulation on an annual basis and has a governing body comprised entirely of local elected officials.

The Trust meets the statutory requirements and is comprised of local government entities that execute a Participation Agreement and thereby become members of the Trust. Generally members are those governments that purchase insurance from the Trust. The governing body of the Trust (Trustees) consists of between five and nine local elected officials representing members of the Trust. Trustees are elected to staggered terms by a majority vote of the members or the Board of Trustees.

For financial reporting purposes, the Trust is a stand-alone entity: there are no component units included in the accompanying financial statements and the Trust is not considered a component unit of another entity.

**Basis of Accounting**

The Trust prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprise, and the prevailing practices within the insurance industry. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting - Continued

The assets, liabilities and net position of the Trust are reported in a self-balancing set of accounts representing funds available for support of the Trust’s operations.

Operating Revenues and Expenses

The Trust defines operating revenues and expenses as all periodic non-investment activities that contribute to the measurement of its risk financing objectives. The Trust’s operating revenues and expenses are deemed to consist of all non-investment revenues earned and all expenses incurred. All of the Trust’s revenues and expenses relate to the operating and maintenance of the self insurance fund. There are no non-investment revenues or expenses deemed to be non-operating. Premiums are direct charges for services while investment earnings serve to add to long term earnings which offset discounts applied in the valuation of the unpaid claims liability. Expenses are entirely operating and represent losses, ceded premiums, acquisition costs, taxes and administration.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, demand deposit accounts with commercial banks and cash invested in commercial money market funds are considered cash equivalents. Investments that are held separately from the investment accounts and are highly liquid with an original maturity of ninety days or less when purchased or so near their maturity that they present an insignificant risk of change in value because of changes in interest rates are considered to be cash equivalents.

Investments

The investments are stated at their estimated fair value in accordance with Governmental Accounting Standards Board Statement No. 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools.” Any change in unrealized gains and losses on investments are reported in the Statements of Revenues, Expenses and Changes in Trust Net Position.

Fair Value Measurements

The Trust applies the Financial Accounting Standards Board framework as a method of applying the definition of fair value in Governmental Accounting Standards Board
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued

Statement No. 72. That framework provides a fair value hierarchy that prioritizes the inputs in valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs are unadjusted quoted prices for identical assets in active markets.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 - Inputs are unobservable and based on management estimate.

Excess Recoverables on Paid Losses

Recoverables from excess insurers on paid losses, if any, are reported as assets in the Statements of Net Position.

Recoverables from excess insurers on unpaid losses, if any are recorded as a reduction to the liability for unpaid losses and loss adjustment expenses in the Statements of Net Position.

Excess Insurance

The Trust uses excess insurance agreements to reduce its exposure to large losses on all types of insured events. Excess insurance permits recovery of a portion of losses from excess insurance carriers, although it does not discharge the primary liability of the Trust as direct insurer of the risk subject to those agreements. The Trust does not report risks that invade the excess layers as liabilities unless it is probable that those risks will not be covered by the excess insurer. Settled claims have not exceeded excess coverage in any of the past three fiscal years.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Policy Acquisition Costs

Policy acquisition costs, which consist of agent commissions, are primarily related to the issuance of new insurance policies and these costs are expensed when policy is written.

Prepaid Expenses and Other Assets

Ceded unearned premiums are accounted for as prepaid expenses and other assets. These costs are deferred and amortized on a straight-line basis over the life of the insurance contracts. Excess insurance premiums are generally paid in July and in October of each year and earned ratably each month.

Unpaid Losses and Loss Adjustment Expenses

The Trust establishes claims liabilities based on estimates of the ultimate cost of claims (including future allocated claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Unearned Premium

Premiums are billed based upon the estimated annual premiums due and are earned on a straight line basis throughout the year. Amounts due are initially recorded as unearned premiums. Amounts due or paid that have not been recognized as revenues are displayed as unearned premiums.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Earned Premium

At year end, certain members that purchase workers’ compensation from the Trust report actual payrolls to the administrator and the other members have a payroll audit. Any additional premiums due are billed at that time. Premiums for workers’ compensation coverage as recorded herein are based upon actual payrolls as reported by the members for applicable accounts, and audited payrolls for the other members.

Income Taxes

The Trust is exempt from Income taxes under provisions of Section 115 of the Internal Revenue Code.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts may have been reclassified to conform to current period classifications.

NOTE 2 - FAIR VALUE MEASUREMENTS

The following table sets forth, by level within the fair value hierarchy, the Trust’s assets at estimated fair value:

<table>
<thead>
<tr>
<th></th>
<th>As of September 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td>Debt securities</td>
<td>$</td>
</tr>
<tr>
<td>Equity securities</td>
<td>36,822,770</td>
</tr>
<tr>
<td>Total securities</td>
<td>$36,822,770</td>
</tr>
</tbody>
</table>
NOTE 2 - FAIR VALUE MEASUREMENTS - CONTINUED

The Trust did not have any Level 3 assets at any point during the years ended September 30, 2016 and September 30, 2015. There were no significant transfers between Level 1 and Level 2 during the years ended September 30, 2016 and September 30, 2015.

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Trust uses three cash accounts to transact its ongoing business and three types of investment portfolios to handle investment activities. Cash accounts are generally classified as operating, premium trust, and claims. The Trust has two investment portfolios for debt securities. One investment portfolio has shorter and one investment portfolio has longer scheduled maturities. The Trust also has an investment portfolio devoted to equities.

Cash and Cash Equivalents

The three cash accounts divide administration of the transactional requirements of the Trust into separate bank accounts. The operating account is used to pay for the general administrative costs of the Trust. The premium trust account is the depository for premiums of members and is the source used to pay all premium related charges other than claims and general administrative costs. Claims payment accounts are used to pay claims and claims adjustment expenses. The claims accounts are the depositories for subrogation, deductible and excess reimbursements.

All bank deposit amounts are covered by either federal depository insurance or collateral with the State of Florida under the Florida Security for Public Deposits Act (Chapter 280, Florida Statutes).

The Florida Security for Public Deposits Act (the Act) established guidelines for qualifications and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Trust deposits in qualified public depositories are totally insured. The qualified

<table>
<thead>
<tr>
<th>Description</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt securities</td>
<td>$</td>
<td>--</td>
<td>$ 125,197,314</td>
<td>$</td>
</tr>
<tr>
<td>Equity securities</td>
<td>30,443,815</td>
<td>--</td>
<td>--</td>
<td>30,443,815</td>
</tr>
<tr>
<td>Total securities</td>
<td>$ 30,443,815</td>
<td>$ 125,197,314</td>
<td>--</td>
<td>$ 155,641,129</td>
</tr>
</tbody>
</table>
Cash and Cash Equivalents - Continued

Public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

Investment Accounts

The Board of Trustees formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that establishes permitted investments, asset allocation limits, credit rating requirements and maturity limits to protect the Trust’s cash and invested assets. The investments of the Trust comply with the limitations of its policy. The primary investment objective of the investment accounts is to provide a market return over the long term. To achieve this result, the investment portfolio consists of short and intermediate debt securities and equity securities. Additionally, the entire portfolio is diversified across economic sectors, geographic locations, and industries.

Investment balances in each portfolio for the years ended September 30, 2016 and 2015 were as follows:

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated Fair Value</td>
<td>Percent Asset Allocation</td>
</tr>
<tr>
<td>Intermediate portfolio</td>
<td>$ 121,523,930</td>
<td>66.8%</td>
</tr>
<tr>
<td>Short-term portfolio</td>
<td>$ 23,616,747</td>
<td>13.0%</td>
</tr>
<tr>
<td>Total debt portfolio</td>
<td>$ 145,140,677</td>
<td>79.8%</td>
</tr>
<tr>
<td>Equities securities</td>
<td>$ 36,822,770</td>
<td>20.2%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 181,963,447</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Authorized investments must, by policy, meet specific quality standards based upon ratings issued by a nationally recognized statistical rating organization (NRSRO) and are benchmarked against appropriate indices for purposes of quarterly reporting to the Board of Trustees. Investments allowed under the Trust’s investment policy include:
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investment Accounts - Continued

Direct obligations of the United States Treasury including bills, notes, bonds and various forms of Treasury zero-coupon securities.

Obligations of the agencies or instrumentalities of the Federal Government including but not limited to the Federal Home Loan Mortgage Corp, Federal National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Banks, and the Student Loan Marketing Association.

Mortgage obligations guaranteed by the United States Government or sponsored agencies or instrumentalities. This includes mortgage pass-through securities as well as collateralized mortgage obligations.

Asset-based securities issued in the United States as long as they are rated AAA by at least one NRSRO.

Corporate fixed-income securities issued by any corporation in the United States as long as they are rated BBB or better at the time of purchase by any NRSRO.

U.S. dollar denominated and issued obligations and securities of foreign states or non-U.S. corporations which are rated BBB or better by at least one NRSRO.

Money market mutual funds as defined and regulated by the SEC.

Repurchase agreements.

Commercial paper issued in the United States by any corporation with a rating of at least A1 by at least one NRSRO.

Certificates of deposit.

Securities of state, municipal and county governments or their public agencies as long as they are rated at least BBB or better by an NRSRO.

Guaranteed investment contracts issued by insurance companies rated at least BBB or better by one NRSRO.
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investment Accounts - Continued

Commingled investment funds, including but not limited to exchange traded funds investment trusts, limited partnerships and listed no-load mutual funds.

Equity securities including common stock, preferred stock, American depository receipts and interest bearing obligations having an option to convert into common stock.

Investments - Debt Securities

The following disclosures have been prepared relative to the debt securities included in the short-term and intermediate-term debt securities portfolios of the Trust.

*Interest rate risk.* The risk that the market value of securities in a portfolio may fall due to changes in general interest rates is referred to as interest rate risk. The Trust mitigates that risk by structuring its portfolio such that securities mature to meet cash requirements for ongoing operations or otherwise are available to meet possible temporary cash flow requirements that might be associated with increased losses. The Trust’s strategy is designed to avoid the need to sell securities on the open market prior to maturity.

The Trust uses effective duration as a measurement of interest rate risk. Duration, as distinct from maturity, determines the amount of price volatility the portfolio would experience given a shift in interest rates. For example, a portfolio with a duration of 3.5 years would incur a price decrease (increase) of 3.5% in the event of a 1% increase (decrease) in interest rates. Maturity is the contractual end date of a debt security. Average life is used in the place of maturity for all debt securities such as mortgages that are subject to both amortization and prepayment. Mortgage backed securities included in the portfolios are assigned an expected average life as a proxy for their maturity and to provide a reasonable basis for assessing compliance with the investment policy of the Trust. Expected average life anticipates the period a security will be outstanding based on both the contracted or scheduled maturity of the instrument and the likelihood of prepayments.

As of September 30, 2016 and 2015, the Trust's debt securities portfolios were segregated into two distinct portfolios defined in the Trust’s investment policy by the maximum maturity of their individual securities.
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

**Investments - Debt Securities - Continued**

The short-term debt securities portfolio limits the maximum maturity of securities to three years. The typical effective duration of the short-term debt securities portfolio is around one year and within a range of six to eighteen months. As of September 30, 2016 and 2015, the average maturity of the short-term debt securities portfolio was 1.43 years and 1.27 years, respectively; and the effective duration was 1.02 years and .82 years, respectively.

The intermediate-term debt securities portfolio limits maximum maturity of securities to ten years. The typical effective duration of the intermediate-debt security portfolio is between 2.5 and 5.5 years. As of September 30, 2016 and 2015, the average maturity of the intermediate-term debt securities portfolio was 3.79 years and 3.91 years, respectively; and the effective duration was 3.02 years and 3.36 years, respectively.

The combined investment portfolios had a weighted average duration of 2.69 years and 2.91 years as of September 30, 2016 and 2015, respectively.

The schedule below shows the Trust’s debt securities at September 30, 2016 and 2015.

Investments in debt securities are stated at their estimated fair value and consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortized Cost</td>
<td>Estimated Fair Value</td>
<td>Gross Unrealized Gains</td>
<td>Gross Unrealized Losses</td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>$10,502,513</td>
<td>$10,619,081</td>
<td>$121,906</td>
<td>$(5,338)</td>
</tr>
<tr>
<td>Other government agencies</td>
<td>5,323,502</td>
<td>5,329,884</td>
<td>7,492</td>
<td>(1,110)</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>77,981,023</td>
<td>79,926,242</td>
<td>1,986,745</td>
<td>(41,526)</td>
</tr>
<tr>
<td>Mortgage-backed paydown securities</td>
<td>47,902,946</td>
<td>49,265,470</td>
<td>1,369,961</td>
<td>(7,437)</td>
</tr>
<tr>
<td>Total debt securities</td>
<td>$141,709,984</td>
<td>$145,140,677</td>
<td>$3,486,104</td>
<td>$(55,411)</td>
</tr>
</tbody>
</table>
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS – CONTINUED

Investments - Debt Securities - Continued

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2015</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortized Cost</td>
<td>Estimated Fair Value</td>
<td>Gross Unrealized Gains</td>
<td>Gross Unrealized Losses</td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>$ 8,498,316</td>
<td>$ 8,509,793</td>
<td>$ 11,630</td>
<td>$ (153)</td>
</tr>
<tr>
<td>Other government agencies</td>
<td>7,089,222</td>
<td>7,094,419</td>
<td>5,527</td>
<td>(330)</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>77,542,044</td>
<td>78,365,025</td>
<td>1,156,406</td>
<td>(333,425)</td>
</tr>
<tr>
<td>Mortgage-backed paydown securities</td>
<td>30,316,787</td>
<td>31,228,077</td>
<td>948,190</td>
<td>(36,900)</td>
</tr>
<tr>
<td><strong>Total debt securities</strong></td>
<td><strong>$ 123,446,369</strong></td>
<td><strong>$ 125,197,314</strong></td>
<td><strong>$ 2,121,753</strong></td>
<td><strong>$ (370,808)</strong></td>
</tr>
</tbody>
</table>

The amortized cost and estimated fair value of debt securities as of September 30, 2016 and 2015 by contractual maturity are shown below. In some instances, actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortized Cost</td>
<td>Estimated Fair Value</td>
<td>Gross Unrealized Gains</td>
<td>Gross Unrealized Losses</td>
</tr>
<tr>
<td>Due in one year or less</td>
<td>$ 15,318,997</td>
<td>$ 15,335,995</td>
<td>$ 19,712</td>
<td>$ (2,714)</td>
</tr>
<tr>
<td>Due after one year through five years</td>
<td>57,929,345</td>
<td>59,037,391</td>
<td>1,150,001</td>
<td>(41,955)</td>
</tr>
<tr>
<td>Due after five years through ten years</td>
<td>20,558,696</td>
<td>21,501,821</td>
<td>946,430</td>
<td>(3,305)</td>
</tr>
<tr>
<td>Mortgage-backed paydown securities</td>
<td>47,902,946</td>
<td>49,265,470</td>
<td>1,369,961</td>
<td>(7,437)</td>
</tr>
<tr>
<td><strong>Total debt securities</strong></td>
<td><strong>$ 141,709,984</strong></td>
<td><strong>$ 145,140,677</strong></td>
<td><strong>$ 3,486,104</strong></td>
<td><strong>$ (55,411)</strong></td>
</tr>
</tbody>
</table>
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Debt Securities - Continued

<table>
<thead>
<tr>
<th>Due in one year or less</th>
<th>Amortized Cost</th>
<th>Estimated Fair Value</th>
<th>Gross Unrealized Gains</th>
<th>Gross Unrealized Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30, 2015</td>
<td>$23,685,863</td>
<td>$23,725,929</td>
<td>$40,387</td>
<td>$(321)</td>
</tr>
<tr>
<td>Due after one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>through five years</td>
<td>$48,615,582</td>
<td>49,321,153</td>
<td>794,248</td>
<td>(88,677)</td>
</tr>
<tr>
<td>Due after five years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>through ten years</td>
<td>$20,828,137</td>
<td>20,922,155</td>
<td>338,928</td>
<td>(244,910)</td>
</tr>
<tr>
<td>Mortgage-backed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>paydown securities</td>
<td>$30,316,787</td>
<td>31,228,077</td>
<td>948,190</td>
<td>(36,900)</td>
</tr>
<tr>
<td>Total debt securities</td>
<td>$123,446,369</td>
<td>$125,197,314</td>
<td>$2,121,753</td>
<td>$(370,808)</td>
</tr>
</tbody>
</table>

Proceeds from sales of investment securities were approximately $35,100,000 and $26,400,000 during the years ended September 30, 2016 and 2015, respectively. Realized gains and losses of approximately $2,000,000 and $(2,000,000), respectively, were realized on the sales of investment securities during the year ended September 30, 2016. Realized gains and losses of approximately $2,600,000 and $(530,000), respectively, were realized on the sales of investment securities during the year ended September 30, 2015.

The following is a weighted average duration by security type as of September 30, 2016 and 2015:

<table>
<thead>
<tr>
<th>September 30, 2016</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Fair Value</td>
<td>Weighted Average Duration</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>U.S. Treasury Note</td>
<td>$10,619,081</td>
</tr>
<tr>
<td>Other government agencies</td>
<td>5,329,884</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>79,926,242</td>
</tr>
<tr>
<td>Mortgage-backed paydown securities</td>
<td>49,265,470</td>
</tr>
<tr>
<td>Total debt securities</td>
<td>$145,140,677</td>
</tr>
</tbody>
</table>

31
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Debt Securities - Continued

The weighted average maturity of mortgage-backed paydown securities is approximately 23.1 years and 23.2 years at September 30, 2016 and 2015, respectively, based upon the contractual due dates of the individual securities. The effective duration for these securities, however, is approximately 2.58 years and 3.46 years at September 30, 2016 and 2015, respectively, based upon the estimated times these securities will be outstanding.

Credit risk. The risk that losses might occur as a result of the failure of a security issuer or backer is referred to as credit risk. The Trust’s investments policy attempts to mitigate credit risk by limiting investments to the safest types of securities and by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The Trust had the following investments and credit ratings with the percent asset allocations at September 30, 2016 and 2015. The credit ratings are those of only one NRSRO.

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>9/30/16</th>
<th>9/30/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury notes</td>
<td>TSY</td>
<td>7.3 %</td>
</tr>
<tr>
<td>Other government agencies</td>
<td>AGY</td>
<td>37.6</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>AAA</td>
<td>1.8</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>AA1</td>
<td>2.1</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>AA2</td>
<td>4.0</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>AA3</td>
<td>3.5</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>A1</td>
<td>7.9</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>A2</td>
<td>10.7</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>A3</td>
<td>10.2</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>BAA1</td>
<td>10.2</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>BAA2</td>
<td>2.8</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>BAA3</td>
<td>1.9</td>
</tr>
</tbody>
</table>

All debt securities purchased by the Trust must meet minimum credit rating requirements at the time of their acquisition. In the event of subsequent ratings downgrades, a security may continue to be held if it is believed that the ultimate repayment of principal and interest is still highly certain. The Trust’s investment policy allows for corporate notes that fall outside investment guidelines to be held if management considers repayment to be highly certain.
Custodial credit risk. The Trust’s investment policy pursuant to Section 218.415(18), Florida Statutes requires securities to be held with a third party custodian; and all securities purchased by, and all collateral obtained by the Trust should be properly designated as an asset of the Trust. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository charted by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida.

Concentration of credit risk. Investment policy guidelines are specific to investment types maintained by the Trust. Additionally, within each account type, the Trust limits the amount held in any one investment.

Intermediate-Term Debt Securities Portfolio

The intermediate-term debt securities portfolio is limited by the Trust’s investment policy to debt securities with an effective maturity of any individual holding not to exceed ten years. Except for U.S. Treasury securities and money market funds, not more than 10% of the assets of the portfolio may be invested in the securities of any single issuer.

As of September 30, 2016 and 2015, the Trust had the following issuer concentrations based on fair value of the five largest individual issuers in the intermediate-term debt securities portfolio aside from direct obligations of the United States government:

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Estimated Fair Value</th>
<th>Estimated Percent Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Rock Inc.</td>
<td>$1,109,430</td>
<td>0.9 %</td>
</tr>
<tr>
<td>J.P. Morgan Chase</td>
<td>1,114,000</td>
<td>0.9</td>
</tr>
<tr>
<td>Comcast</td>
<td>1,115,860</td>
<td>0.9</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>1,130,270</td>
<td>0.9</td>
</tr>
<tr>
<td>Caterpillar</td>
<td>1,140,420</td>
<td>0.9</td>
</tr>
<tr>
<td>U. S. Treasury securities</td>
<td>5,052,590</td>
<td>4.2</td>
</tr>
<tr>
<td>Other governmental agencies</td>
<td>49,017,105</td>
<td>40.3</td>
</tr>
<tr>
<td>Other (combined)</td>
<td>61,844,255</td>
<td>51.0</td>
</tr>
<tr>
<td>Total intermediate-debt securities</td>
<td>$121,523,930</td>
<td>100.0 %</td>
</tr>
</tbody>
</table>
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Intermediate-Term Debt Securities Portfolio - Continued

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated Fair Value</td>
<td>Estimated Percent Asset Allocation</td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>$3,006,010</td>
<td>2.9 %</td>
</tr>
<tr>
<td>Other government agencies</td>
<td>34,824,583</td>
<td>33.9</td>
</tr>
<tr>
<td>J.P. Morgan Chase</td>
<td>1,137,020</td>
<td>1.1</td>
</tr>
<tr>
<td>Comcast</td>
<td>1,132,740</td>
<td>1.1</td>
</tr>
<tr>
<td>General Electric</td>
<td>1,150,310</td>
<td>1.1</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>1,168,800</td>
<td>1.1</td>
</tr>
<tr>
<td>Caterpillar</td>
<td>1,184,320</td>
<td>1.2</td>
</tr>
<tr>
<td>Other (combined)</td>
<td>59,238,376</td>
<td>57.6</td>
</tr>
<tr>
<td>Total intermediate-debt securities</td>
<td>$102,842,159</td>
<td>100.0 %</td>
</tr>
</tbody>
</table>

Short-Term Debt Securities Portfolio

The short-term debt securities portfolio is limited by the Trust’s investment policy to debt securities with an effective maturity of any individual holding not to exceed three years. Except for U.S. Treasury securities and money market funds, not more than 10% of the assets of the portfolio may be invested in the securities of any single issuer.

As of September 30, 2016 and 2015, the Trust had the following issuer concentrations based on fair value of the five largest individual issuers in the short-term debt securities portfolio aside from direct obligations of the United States government:
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Short-Term Debt Securities Portfolio - Continued

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated Fair Value</td>
<td>Estimated Percent Asset Allocation</td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>$ 5,566,491</td>
<td>23.6 %</td>
<td></td>
</tr>
<tr>
<td>Other government agencies</td>
<td>5,578,577</td>
<td>23.6 %</td>
<td></td>
</tr>
<tr>
<td>Apple</td>
<td>606,798</td>
<td>2.6 %</td>
<td></td>
</tr>
<tr>
<td>General Electric Co.</td>
<td>576,510</td>
<td>2.5 %</td>
<td></td>
</tr>
<tr>
<td>Shell Intl. Fin.</td>
<td>506,955</td>
<td>2.1 %</td>
<td></td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>554,626</td>
<td>2.3 %</td>
<td></td>
</tr>
<tr>
<td>JP Morgan Chase &amp; Co</td>
<td>502,815</td>
<td>2.1 %</td>
<td></td>
</tr>
<tr>
<td>Other (combined)</td>
<td>9,723,975</td>
<td>41.2 %</td>
<td></td>
</tr>
<tr>
<td>Total short-term debt securities</td>
<td>$ 23,616,747</td>
<td>100.0 %</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2015</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated Fair Value</td>
<td>Estimated Percent Asset Allocation</td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>$ 5,503,783</td>
<td>24.6 %</td>
<td></td>
</tr>
<tr>
<td>Other government agencies</td>
<td>3,497,912</td>
<td>15.7 %</td>
<td></td>
</tr>
<tr>
<td>Apple</td>
<td>650,176</td>
<td>2.9 %</td>
<td></td>
</tr>
<tr>
<td>BP Capital</td>
<td>500,130</td>
<td>2.2 %</td>
<td></td>
</tr>
<tr>
<td>Walt Disney</td>
<td>500,035</td>
<td>2.2 %</td>
<td></td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>500,845</td>
<td>2.2 %</td>
<td></td>
</tr>
<tr>
<td>National Australia Bank</td>
<td>500,650</td>
<td>2.2 %</td>
<td></td>
</tr>
<tr>
<td>Other (combined)</td>
<td>10,701,624</td>
<td>48.0 %</td>
<td></td>
</tr>
<tr>
<td>Total short-term debt securities</td>
<td>$ 22,355,155</td>
<td>100.0 %</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Investments - Equity Securities Portfolio

The following disclosures have been prepared relative to the equity securities included in the equities portfolios of the Trust. While equity securities have a greater volatility than debt securities, the Trust attempts to mitigate the risk assumed by this asset allocation by investing in a well diversified mix of equity securities.

The equity portfolio is limited to publically traded U.S. common or preferred equity securities listed on major U.S. exchanges, American Depository Receipts of foreign corporations traded on major U.S. exchanges, open ended mutual funds that have a three year track record and a market value of at least $250 million, exchange traded funds and money market funds.

Since the Trust allocates a maximum of 20% (plus or minus five percent) of its investment portfolio to equities and holds approximately sixty equity securities with weightings of up to three percent of the equity securities portfolio, the Trust limits its exposure to the volatility of any individual equity security.

The cost and estimated fair value of equity securities as of September 30, 2016 and 2015 are shown below:

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016</th>
<th></th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated</td>
<td>Gross</td>
<td>Gross</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
<td>Fair Value</td>
<td>Unrealized Gains</td>
</tr>
<tr>
<td>Equity securities</td>
<td>$ 32,993,225</td>
<td>$ 36,822,770</td>
<td>$ 4,489,949</td>
</tr>
<tr>
<td></td>
<td>$ 28,662,191</td>
<td>$ 30,443,815</td>
<td>$ 3,239,438</td>
</tr>
</tbody>
</table>

Foreign Currency Risk

All securities purchased by the Trust must be denominated in U. S. dollars. The Trust has no exposure to foreign currency risk.
NOTE 4 - PREMIUMS RECEIVABLE/OVERPAYMENT BY MEMBERS

Premiums receivable consist primarily of billed installments of policies written as well as additional premium amounts determined due to the Trust as a result of payroll audits. Based upon an analysis of past due receivables, it is management’s opinion that no allowance for uncollectible accounts is necessary.

NOTE 5 - EXCESS INSURANCE RECOVERABLES ON PAID AND UNPAID LOSSES

The Trust purchased specific excess insurance to protect against large individual losses. This insurance indemnifies the Trust when paid losses on an individual occurrence exceed the retention level specified in the appropriate contract. The limits and retentions vary by line of business and by policy year.

There are excess insurance recoverables on paid losses of approximately $3,602,000 and $4,062,000 as of September 30, 2016 and 2015, respectively. The largest amount due from a single carrier at September 30, 2016 and 2015 is approximately $1,640,000 and $1,500,000, respectively.

There are excess insurance recoverables on unpaid losses of approximately $78,822,000 (discounted) and $78,882,000 (discounted) as of September 30, 2016 and 2015, respectively. The amounts due were owed by the four carriers at both September 30, 2016 and 2015, respectively.

The failure of the excess insurers to honor their obligations could result in losses to the Trust. The Trust evaluates the financial condition of its excess insurers to minimize its exposure to significant losses from excess insurer insolvency. To the extent that excess insurance coverage of the Trust is deemed to be excess insurance under applicable Florida Statutes, any recoverables from an insolvent carrier would likely be paid by the applicable state operated guaranty fund.

The effects of reinsurance on premiums written and earned are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended September 30, 2016</th>
<th></th>
<th>Year Ended September 30, 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Earned</td>
<td>Written</td>
<td>Earned</td>
<td>Written</td>
</tr>
<tr>
<td>Direct</td>
<td>$96,719,649</td>
<td>$96,749,426</td>
<td>$92,916,474</td>
<td>$92,425,932</td>
</tr>
<tr>
<td>Ceded</td>
<td>30,909,700</td>
<td>27,273,655</td>
<td>33,124,606</td>
<td>33,107,579</td>
</tr>
<tr>
<td>Net</td>
<td>$127,629,349</td>
<td>$124,023,081</td>
<td>$126,041,080</td>
<td>$125,533,511</td>
</tr>
</tbody>
</table>
NOTE 6 - PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of the following at September 30:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess premiums</td>
<td>$11,613,569</td>
<td>$15,257,042</td>
</tr>
<tr>
<td>Administrative fees</td>
<td>1,127,939</td>
<td>1,156,003</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$12,741,508</strong></td>
<td><strong>$16,413,045</strong></td>
</tr>
</tbody>
</table>

These items will be charged to expenses during the succeeding year.

NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

The reserves for unpaid losses and loss adjustment expenses are based upon evaluations of the Trust’s losses as prepared by the Trust’s independent actuary. These evaluations are significant estimates which are subject to change. The change can be material in relation to the financial statements taken as a whole. These evaluations include an estimated provision for incurred but not reported losses (IBNR) as well as reported losses. The IBNR provision totals approximately $72,944,000 and $59,200,000 as of September 30, 2016 and 2015, respectively.

The reserve for unpaid losses and loss adjustment expenses has been discounted for the time value of money. These reserves have been discounted over the estimated payout period of the losses based upon data provided by the independent actuary and utilizing an interest rate of 2.0% as of September 30, 2016 and 2015, which represents the anticipated investment earnings while the losses are being paid out. The discount totals approximately $7,905,000 and $5,925,000 at September 30, 2016 and 2015, respectively.

Any change in the estimate of ultimate incurred losses and loss adjustment expenses as compared to the prior year will result in an increase (favorable development) or decrease (unfavorable development) in the current year’s net income. During the years ended September 30, 2016 and 2015, the Trust experienced an increase and a decrease in previous year’s estimates of ultimate incurred losses and loss adjustment expenses attributable to prior years which have been recorded as an increase and a decrease to losses and loss adjustment expenses in the respective years.
NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES - CONTINUED

The schedule below presents the changes in claims liabilities for the past two years of the Trust.

<table>
<thead>
<tr>
<th>September 30,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Unpaid losses and loss adjustment expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>at the beginning of the year</td>
<td>$85,677,499</td>
<td>$70,502,000</td>
</tr>
<tr>
<td>Incurred losses and losses adjustment expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for insured events of the current fiscal year</td>
<td>54,288,564</td>
<td>44,513,302</td>
</tr>
<tr>
<td>Provision for insured events of prior fiscal years</td>
<td>219,194</td>
<td>(1,149,673)</td>
</tr>
<tr>
<td>Total incurred losses and loss adjustment expenses</td>
<td>54,507,758</td>
<td>43,363,629</td>
</tr>
<tr>
<td>Payments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses and loss adjustment expenses attributable to insured events of the current fiscal year</td>
<td>11,351,283</td>
<td>8,876,651</td>
</tr>
<tr>
<td>Losses and loss adjustment expenses attributable to insured events of prior fiscal years</td>
<td>23,381,310</td>
<td>19,311,479</td>
</tr>
<tr>
<td>Total payments</td>
<td>34,732,593</td>
<td>28,188,130</td>
</tr>
<tr>
<td>Unpaid losses and loss adjustment expenses at the end of the year</td>
<td>$105,452,664</td>
<td>$85,677,499</td>
</tr>
</tbody>
</table>
NOTE 7 - LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES - CONTINUED

As noted in Note 1 and Note 5, the Trust has purchased specific excess insurance to protect itself against large losses. The incurred losses of the Trust are net of the effects of recoveries recognized under the excess insurance contracts referred to above. During the years ended September 30, 2016 and 2015, the Trust experienced an increase in the anticipated recoveries recognized from these contracts which has been recorded as a decrease to losses and loss adjustments expenses in the respective years.

The unpaid loss and loss adjustment expenses as of September 30, 2016 will be paid over many years due to the types of coverage’s written by the Trust. The exact timing of payment of these payments is unknown and subject to many variables, however the net amount estimated to be paid during 2017 is approximately $30.9 million, consistent with the $34.7 million paid in the prior year.

NOTE 8 - CONTINGENCIES

The Trust has contingencies related to claims services and other contingencies at September 30, 2016 and 2015.

A. Claims Services

Preferred Governmental Claim Services (herein after referred to as PGCS) is responsible for providing adjusting services for claims arising during the term of the contract. This includes adjusting services applicable to claims incurred in prior years provided that the contract is still in effect. In the event that the Trust becomes insolvent, PGCS would be required to provide claims adjusting services with respect to all open claims files until such files are closed.

However, in the event that the contract is terminated or not renewed, PGCS has no further obligation to adjust these claims beyond the contract period. Accordingly, the Trust would be liable for costs of adjusting the claims during the runoff period.

The amount of the obligation would be dependent upon a number of factors, including but not limited to the number of open claims upon termination, the severity of open claims, the laws in effect at the time of contract termination, as well as any subsequent changes to the law and the date of contract termination.

As the contract with PGCS has not been terminated as of September 30, 2016 or 2015 and due to the number of variables discussed above, it is not possible to determine the amount of this liability, if any. Accordingly, the accompanying financial statements make no provision for any such costs.
NOTE 8 - CONTINGENCIES - CONTINUED

B. Other

Various lawsuits against the Trust have arisen in the course of the Trust’s business. Contingent liabilities arising from litigation and other matters, not previously detailed, are not considered material in relation to the financial position of the Trust.

NOTE 9 - ADMINISTRATIVE SERVICES AND CLAIM SERVICES AND CERTAIN BROKER AND AGENT COMMISSIONS

The Trust contracts with Public Risk Underwriters (PRU) to provide certain administrative services to the Trust. The Trust incurred expenses under the above referenced contract of approximately $9,898,000 and $9,537,000 for the years ended September 30, 2016 and 2015, respectively, of which approximately $1,128,000 and $1,156,000 were prepaid as of September 30, 2016 and 2015, respectively.

The Trust also contracts with Preferred Governmental Claim Solutions (PGCS), an affiliate of PRU, to provide claims adjustment services. The Trust incurred expenses under the above referenced contract of approximately $3,962,000 and $3,728,000 for the years ended September 30, 2016 and 2015, respectively, of which approximately $361,000 and $446,000 is payable as of September 30, 2016 and 2015, respectively.

In conjunction with adjusting claims, PGCS utilizes affiliates for certain claims procedures. These amounts are included in the claims expense in the accompanying financial statements. The Trust incurred expenses for these services of approximately $1,773,000 and $1,458,000 for the years ended September 30, 2016 and 2015.

There are various insurance agents that are affiliated with PRU that produce business for the Trust. The Trust incurred commission expenses with these agents of approximately $5,043,000 and $4,955,000 for the years ended September 30, 2016 and 2015, respectively. Substantially all of the amounts referenced above were paid as of September 30, 2016 and 2015, respectively.

The Trust utilizes certain affiliates of PRU to place excess contracts and other insurance products purchased by the Trust. These affiliates receive a commission for the placement of the coverage. The commission attributable to these contracts totaled approximately $2,493,000 and $2,744,000 for the years ended September 30, 2016 and 2015, respectively. These commissions are included as part of the cost of excess insurance in the accompanying financial statements.
NOTE 10 - CONCENTRATIONS

The Trust writes select lines of insurance coverage for public entities within the State of Florida only. Approximately 21% of the 400 members represented 58% of member premium for the year ended September 30, 2016 and 13% of the 350 members represented 41% of member premium for the year ended September 30, 2015.

The Trust maintains cash in demand deposit accounts with federally insured banks that are also designated by the State of Florida as qualified public depositories. At times, the balances in these accounts may be in excess of federally insured limits and benefit from the collateral protection afforded by Chapter 280 of the Florida statutes.

The Fund’s investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the fund.

NOTE 11 - ACCOUNTS PAYABLE AND OTHER LIABILITIES

Trust members with a self-insured retention pay for losses and these losses are reimbursed by the Trust. These reimbursements are made by the Trust once all required support is received. As of September 30, 2016 and 2015, the amount payable to members for these payments was approximately $-0- and $1,820,000, respectively. These amounts are included in accounts payable and other liabilities.

NOTE 12 - RISK MANAGEMENT

The Trust is exposed to various risks of loss. The Trust participates in the property liability and workers compensation pools offered by the Trust and carries other commercial insurance.

NOTE 13 - SUBSEQUENT EVENTS

Management considered subsequent events through January 23, 2017, the date the financial statements were available to be issued.
REQUIRED SUPPLEMENTARY INFORMATION
INDEPENDENT AUDITORS’ REPORT ON SUPPLEMENTAL INFORMATION

Board of Trustees
Preferred Governmental Insurance Trust

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Reconciliation of Claims Liabilities by Line of Business and the Comparative Schedule of Claims Development and Earned Assessments are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

January 23, 2017
Reconciliation of Claims Liabilities by Line of Business

The schedule below presents the changes in claims liabilities for the past two years by major line of businesses (in thousands).

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Year Ended 9/30/2016</th>
<th>Year Ended 9/30/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Workers Comp</td>
<td>Other Property &amp; Casualty</td>
</tr>
<tr>
<td>Unpaid losses and loss adjustment expenses at the beginning of the year</td>
<td>$34,095</td>
<td>$51,582</td>
</tr>
<tr>
<td>Incurred losses and loss adjustment expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for insured events of the current fiscal year</td>
<td>30,289</td>
<td>24,000</td>
</tr>
<tr>
<td>Provision for insured events of prior fiscal years</td>
<td>(2,630)</td>
<td>2,849</td>
</tr>
<tr>
<td>Total incurred losses and loss adjustment expenses</td>
<td>27,659</td>
<td>26,849</td>
</tr>
<tr>
<td>Payments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses and loss adjustment expenses attributable to insured events of the current fiscal year</td>
<td>5,567</td>
<td>5,784</td>
</tr>
<tr>
<td>Losses and loss adjustment expenses attributable to insured events of prior fiscal years</td>
<td>9,639</td>
<td>13,742</td>
</tr>
<tr>
<td>Total payments</td>
<td>15,206</td>
<td>19,526</td>
</tr>
<tr>
<td>Unpaid losses and loss adjustment expenses at the end of the year</td>
<td>$46,548</td>
<td>$58,905</td>
</tr>
</tbody>
</table>
### COMPARATIVE SCHEDULE OF CLAIMS DEVELOPMENT AND EARNED ASSESSMENTS

**For the Period October 1, 2006 through September 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earned</strong></td>
<td>$96,719,649</td>
<td>92,916,474</td>
<td>92,197,372</td>
<td>$87,701,784</td>
<td>$88,231,625</td>
<td>$87,299,705</td>
<td>$ 81,794,374</td>
<td>$93,637,322</td>
<td>$109,676,431</td>
<td>$108,548,839</td>
</tr>
<tr>
<td><strong>Ceded</strong></td>
<td>(30,909,700)</td>
<td>(33,124,606)</td>
<td>(38,869,012)</td>
<td>(44,940,383)</td>
<td>(45,306,504)</td>
<td>(37,970,228)</td>
<td>(36,926,617)</td>
<td>(44,171,860)</td>
<td>(42,983,626)</td>
<td></td>
</tr>
<tr>
<td><strong>Net earned</strong></td>
<td>65,809,949</td>
<td>59,791,868</td>
<td>53,328,360</td>
<td>42,761,401</td>
<td>42,925,121</td>
<td>45,734,034</td>
<td>43,824,146</td>
<td>56,710,705</td>
<td>65,504,571</td>
<td>65,565,213</td>
</tr>
<tr>
<td><strong>Net investment income</strong></td>
<td>4,070,878</td>
<td>5,527,402</td>
<td>4,378,529</td>
<td>3,178,293</td>
<td>3,416,155</td>
<td>3,933,269</td>
<td>3,520,422</td>
<td>3,367,572</td>
<td>4,232,628</td>
<td>4,310,898</td>
</tr>
<tr>
<td><strong>Unallocated expenses</strong></td>
<td>21,755,655</td>
<td>20,845,434</td>
<td>20,584,448</td>
<td>20,904,884</td>
<td>21,211,849</td>
<td>20,712,210</td>
<td>19,625,149</td>
<td>22,072,593</td>
<td>24,032,508</td>
<td>26,291,905</td>
</tr>
</tbody>
</table>

#### Estimated incurred losses and expenses, end of policy year (1):

| **Incurred**                       | 37,593,464 | 47,484,855 | 44,299,013 | 50,364,530 | 48,245,026 | 55,233,820 | 47,003,739 | 47,325,568 | 49,601,169 | 52,702,217 |
| **Net incurred**                    | 54,288,564  | 44,513,301 | 36,675,193 | 29,240,233 | 30,638,734 | 32,219,497 | 34,155,162 | 35,144,882 | 38,113,566 |

| **Paid (cumulative) as of:**       |          |          |          |          |          |          |          |          |          |          |
| **End of policy year**             | 11,351,283 | 8,876,651 | 6,873,787 | 7,506,242 | 7,059,976 | 7,210,710 | 5,896,796 | 6,343,321 | 5,906,899 | 8,241,359 |
| **One year later**                 | 19,914,172 | 16,125,646 | 14,706,425 | 13,535,656 | 15,820,204 | 13,001,877 | 12,828,940 | 13,738,936 | 15,077,474 |
| **Two years later**                | 20,865,478 | 18,582,949 | 16,837,776 | 15,697,802 | 15,033,640 | 15,697,732 | 17,201,184 | 17,730,760 |
| **Three years later**              | 21,759,787 | 19,318,694 | 22,593,493 | 16,270,880 | 17,606,992 | 19,371,635 | 15,077,474 | 15,963,609 |
| **Four years later**               | 21,000,705 | 24,045,724 | 17,062,578 | 18,487,765 | 20,910,183 | 21,067,254 |
| **Five years later**               | 26,924,561 | 17,751,010 | 19,033,165 | 21,523,963 | 21,711,052 |
| **Six years later**                | 18,504,089 | 19,397,759 | 21,926,311 |
| **Seven years later**              | 19,812,541 | 22,281,269 |
| **Eight years later**              | 22,034,607 | 22,509,549 |
| **Nine years later**               | 22,661,366 |

| **Re-estimated net incurred losses:** (1) | 54,288,564 | 44,513,301 | 36,675,193 | 29,240,233 | 30,638,734 | 32,219,497 | 34,155,162 | 35,144,882 | 38,113,566 |
| **End of policy year**              | 54,288,564 | 44,513,301 | 36,675,193 | 29,240,233 | 30,638,734 | 32,219,497 | 34,155,162 | 35,144,882 | 38,113,566 |
| **One year later**                  | 46,463,847 | 39,799,393 | 28,504,518 | 28,005,958 | 30,249,675 | 26,508,001 | 28,303,595 | 31,818,646 | 33,726,611 |
| **Two years later**                 | 39,114,278 | 27,488,221 | 25,707,277 | 29,297,909 | 22,523,669 | 24,984,531 | 28,830,230 | 28,144,837 |
| **Three years later**               | 27,108,260 | 25,060,452 | 28,332,831 | 20,723,373 | 22,723,474 | 26,799,763 | 26,630,079 |
| **Four years later**                | 25,059,799 | 27,592,857 | 20,206,002 | 21,902,413 | 24,924,772 | 25,531,501 |
| **Five years later**                | 29,018,236 | 19,842,013 | 21,595,305 | 24,097,101 | 24,301,057 |
| **Six years later**                 | 19,898,990 | 21,054,071 | 23,761,136 |
| **Seven years later**               | 21,106,221 | 23,647,219 |
| **Eight years later**               | 23,647,689 | 23,562,312 |
| **Nine years later**                | 23,410,091 |

| **Increase (decrease) in estimated incurred losses and expenses from end of policy** | 1,950,546 | 2,439,085 | 2,131,973 | (5,578,935) | (7,199,261) | (12,320,633) | (13,048,941) | (11,497,193) | (14,703,475) |

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*Notes:
(1) Re-estimated ceded losses and expenses are based on current year’s incurred losses and expenses.

Preferred Governmental Insurance Trust*