

CECIL W. POWELL
&
COMPANY

Insurance, International Financial Planning and Surety



®
Knowledge and Wisdom

(904) 353-3181

219 N. Newnan Street
Jacksonville, FL 32202

INSURANCE
PROPOSAL

PREPARED FOR:

**Jacksonville Police
& Fire Pension Fund**

Presented by:

Russell D. Grice
Senior Account Executive
Rgrice@cwpowellins.com

Tracy K. Kunz, CISR, CWCS
Account Manager
Tkunz@cwpowellins.com

January 29, 2016

This presentation is designed to give you an overview of the insurance coverages we recommend for your company. It is meant only as a general understanding of your insurance needs and should not be construed as a legal interpretation of the insurance policies that will be written for you. Please refer to your specific insurance contracts for details on coverages, conditions and exclusions.

Fiduciary Liability

Company Name: Markel American Insurance Company
 AM Best Rating: A XV
 Policy Term: TBD – 1 Year Policy Term

Coverage Detail

Coverage	Amount
Limit of Liability for all Loss (Aggregate)	\$ 1,000,000
Voluntary Compliance Program Expenditure Sublimit: Aggregate Limit of Liability for all Voluntary Compliance Program Expenditures (including within and not in addition to the maximum Aggregate Limit of Liability set forth in Item 04(a) of the Policy Certificate	\$ 200,000
Self-Insured Retention – Each Claim	\$ 10,000

Coverage Extensions

- Claims Made Policy
- Claims Expenses Inclusive

Policy Endorsements

- TRIA (06/15) Cap on Losses From Certified Acts of Terrorism
- GOV-FL (06/15) Florida Amendatory Endorsement
- GOV-AE (06/15) Amendatory Endorsement – NCPERS
- GOV-043 (06/15) Specific Matter Exclusion: Curtis Lee or Curtis W. Lee v. Board of Trustees, Jacksonville Police & Fire Pension Fund

Trustees and other fiduciaries of multiemployer and public benefit funds face significant personal liability in their daily duties. For over twenty-five years, fiduciaries have relied on Ullico Casualty Group Inc. because we understand how to protect them. Our Fiduciary Liability experts update our insurance coverages as liabilities evolve and know how to resolve fiduciary claims to protect the personal assets of our policyholders.

Coverage highlights include:

- A "duty to defend" policy form with the policyholder's right to select counsel because we recognize the importance of allowing our insureds to work with their own defense attorneys
- Broad definition of "Insured"
- Broad definition of "Wrongful Act"
- Coverage for Fiduciary Exposures
- Broad range of voluntary compliance program coverage
- Coverage for ERISA, PPA, HIPAA and PPACA penalties and trustee surcharges

Fiduciary Liability

Policy Definitions

Wrongful Act means any actual or alleged:

1. Breach of the responsibilities, obligations or duties imposed upon Insureds by an Employee Benefit Law; or
2. Negligent act, error or omission by any Insured in the Administration of any Plan.

Insured or Insureds means any:

1. Plan;
2. Natural person serving as past, present or future Trustee of a Trust or Plan;
3. Natural person serving as past, present or future employee of a Trust or Plan, while acting in his or her capacity as such; and
4. Other natural person or organization designated as an additional Insured by Endorsement to this policy.

Examples of Coverage Exclusions

A. The Insurer will not be liable for any Loss on account of any Claim against any Insured based upon, arising from, in consequence of, or in any way related to:

1. Any fact, circumstance or situation, which may reasonably be expected to result in a Claim, known by any Insured, at any time prior to the Prior & Pending Litigation Date shown in Item 06 of the Policy Certificate page. This exclusion shall not apply if the Prior and Pending Litigation Date is six or more years prior to the Effective Date of this policy.
2. Any Claim or Loss, against an Insured, if written notice of such has been given to any Insured, or previous carrier under any policy of a previous carrier, prior to the Effective Date of this policy.
3. Any deliberately dishonest, fraudulent or criminal act or omission or any intentional or willful violation of any statute or regulation by the Insured; provided, however, that this exclusion shall not apply to such Claim, or to the Insurer's obligation to pay Claim Expenses regarding such Claim, until an admission, plea agreement, judgment (including exhaustion of all appeals taken), or other final adjudication adverse to the Insured shall establish such act, omission or violation.

Any Insured having gained any profit, remuneration, or other advantage to which such Insured was not legally entitled, if an admission, plea agreement, judgment (including exhaustion of all appeals taken), or other final adjudication adverse to the Insured establishes the gaining of such a profit, remuneration or advantage.

B. The Insurer will not be liable for any Loss, other than Claim Expenses:

1. Based upon, arising from, in consequence of, or in any way related to any actual or alleged failure to fund a Plan in accordance with any applicable Employee Benefit Law or the Plan instrument, or for failure to collect contributions owed to a Plan; provided, that this exclusion will not apply to that portion of Loss payable solely as the personal obligation of a natural person Insured.
2. Which constitutes the return to any employer, public entities or governmental authorities of any contributions if such amounts are or could be chargeable to a Plan.
3. Which constitutes benefits due or to become due under the terms of any Plan, or which would be due if the Plan complied with all applicable Employee Benefit Laws. However, this Exclusion B.3 shall not apply to Loss to the extent that:
 - a. The Insured liable for such Loss is a natural person who has been adjudicated to be personally liable, and
 - b. Such Loss is based upon a covered Wrongful Act.
4. Which constitutes amounts attributable to a loss of the Plan or loss in the actual accounts of participants in a Plan because of an actual or alleged act, error, omission or breach of duty resulting in a change in value of investments held by that Plan.

Crime

Company Name: Great American Insurance Company
 AM Best Rating: A+ XIII
 Policy Term: TBD – 1 Year Policy Term

Coverage Detail

Description	Limit	Deductible
Employee Dishonesty	\$ 1,000,000	\$ 20,000
Forgery or Alteration	\$ 1,000,000	\$ 20,000
Inside Premises	\$ 1,000,000	\$ 20,000
Computer Fraud	\$ 1,000,000	\$ 20,000
Money Orders and Counterfeit Paper Currency	\$ 1,000,000	\$ 20,000
Funds Transfer Fraud	\$ 1,000,000	\$ 20,000
Outside the Premises	No Coverage	No Coverage

 #

Forms & Endorsements

Form	Name
SE041	Include coverage for funds transfer fraud
SE0080	Florida Change
SE0161	Amend Confidential Information and Data Breach Costs Exclusions
SA7150	Virtual or On-Line Peer to Peer Mediums of Exchange Exclusions

To Bind Coverage:

1. Signed Great American Application
2. Does Insured maintain custody of funds and / or issue disbursements to pension recipients? If not, who processes the payments payments. Need relevant details.

Premium Summary

Description Of Coverage	Premium
Fiduciary Liability	\$ 27,046.00
Crime	\$ 5,000.00
Premium Total	\$ 32,046.00

Optional \$ 2,000,000 Fiduciary Liability Limit available for \$ 53,471.00

Negligent Entrustment

Negligent Entrustment is best defined as entrusting a vehicle to an individual without ensuring that the individual has a valid driver's license or allowing the person to drive a company vehicle despite the individual's past driving history, known or unknown.

An accident caused by an employee with an unfavorable driving history can jeopardize the financial stability of your company and your assets.

To cover your risk, check the driving record of every prospective employee as part of the hiring process and *before* you place anyone behind the wheel.

Also conduct an annual review of drivers' records because your business is only as safe as your drivers.



®
Knowledge and Wisdom

Cecil W. Powell & Company

**CECIL W. POWELL & COMPANY CAN HELP YOU WITH THIS IMPORTANT
PROCEDURE TO PROTECT YOUR COMPANY**

Security Breaches & Cyber Liability

Most business functions rely on computers and the Internet in some capacity. With the convenience of using computers comes many risks:

- viruses erasing your entire system
- hackers breaking into your system and altering files
- someone using your system to attack others
- someone using your financial information to make unauthorized purchases

With these risks associated with the convenience of using computers and storing customer data there are coverages available to help.

- Internet/Media Liability
- Security and Privacy Liability
- Identity Theft Insurance



®

Knowledge and Wisdom

Cecil W. Powell & Company

**CECIL W. POWELL & COMPANY CAN HELP YOU WITH THIS IMPORTANT
PROCEDURE TO PROTECT YOUR COMPANY**

Employment Practices Liability & Cyber Liability with Data Security- Application

Employment Practices Liability provides coverage for claims involving discrimination, wrongful termination and harassment.

Cyber Liability and Data Security provides coverage for data breach liability, data breach expense, website liability and identity theft expense.

Please complete the information below to obtain quick quotes for these two, separate products. A fully completed application, signed and dated by the applicant will be required to confirm quote.

Instant Quote Information:

1. Name of Applicant: _____	State _____
2. Nature of Business: _____	
3. Web address: _____	
4. Number of employees:	
a. Full time, including independent contractors & leased	_____
b. Part time, including temporary & seasonal	_____
5. Annual Receipts for the most recent 12-month period: _____	
Does your applicant, or a third party service provider on behalf of the applicant, store non-employee personal information? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If "Yes", # of records: _____	
If "Yes", do over 10% of these records contain medical or financial account information (other than credit card information) <input type="checkbox"/> Yes <input type="checkbox"/> No	

Coverage cannot be bound using this form. Premium, limits of liability, terms, conditions and eligibility for coverage may change based on any additional information provided in a full submission for any individual risk. Binding of any quote is subject to underwriter receipt, review and acceptance of completed, signed and dated applications for these products and any other required subjectivities.

ELIGIBLE CLASSES

Eligible classes for both the Cyber Liability* and Employment Practices Liability products included but not limited to:

Auto repair Advertising firm Architect Artisan contractor Beauty/barber/nail shop Bowling lane Camp Catering service Cemetery Claims Adjuster Consultant Convenience store Country club	Day care center Day spa E-commerce Engineer Fitness center Furniture rental Hotel/Motel Insurance agency Landscaper Maintenance Manufacturer (non-information technology) Nonprofit entity Permanent placement employment agency	Plumber Printer/Publisher Property manager Real estate agency Rental car agency Retail store Sales/Distributor Security guard firm Supermarket Transportation/Trucking Travel agency
---	--	--

Eligible classes for Cyber Liability* only (including but not limited to):

Bar/Tavern
 Entertainment industry
 Restaurant
 Telemarketing

*No medical or financial services companies. No companies with greater than \$10 Million in annual revenue.



Terms & Conditions

- I. All quotes provided are good faith estimates only and are based on information provided to us by the customer, and by the insurance companies quoting. All quotes are subject to underwriting rules and requirements, such as loss history, driver records, and loss control inspections. Various cancellation penalties and minimum earned premiums may apply.
- II. Your policy may contain auditable exposures whereby the final premium is determined by multiplying "the rate" times "the exposure", such as payroll, sales, cost, etc., or under which vehicles and their weights, operation territory, and radius of operation are subject to verification and rate adjustment. Any additional premiums resulting from said audit calculations are due when billed. Failure to pay audit premiums within 30 days subjects all current term policies to cancellation, with any return premiums applied to outstanding audit balances. In addition, exposures requiring code changes will be governed by the rules of the Insurance Services Office and the National Council on Compensation Insurance.
- III. The insured expressly grants the agency the authority to cancel any or all policies in order to recover monies due because of non-payment of premium on any policy.
- IV. In the event legal proceedings are necessary to collect premiums due, the agency shall be entitled to collect reasonable attorney's fees.
- V. Unless a corporation has satisfied the credit approval process, the individual signing for the company hereby agrees to personally indemnify the agency for any non-payment by the corporate entity for which they sign.
- VI. Pollution and pollution cleanup are excluded or limited in most insurance policies.
- VII. In the event any policies have a tentative rate provided by the Insurance Services Office, the final rate is subject to inspection and promulgation by the Insurance Services Office.
- VIII. Liability under the Jones Act and/or the Longshoreman's and Harbor Worker's Act are not covered by most policies. We recommend consultation with an attorney to determine if you have any exposure under the above laws.
- IX. Many policies contain coinsurance penalties. The customer is responsible for purchasing adequate property limits that meet the required coinsurance percentage. We rely on the customer's assertion of property values and make no guarantee that property values are adequate. If there is any doubt regarding replacement cost, or appropriate insurable value, it is the customer's responsibility to obtain a professional appraisal.
- X. Flood coverage is excluded under most policies and must be purchased separately.
- XI. Coverage for liability arising from employment related practices, such as sexual harassment, discrimination, Americans with Disabilities Act violations, and ERISA, COBRA, or other legislative violations, is not provided by most general liability policies. Employment Practices Liability coverage is available for purchase separately.
- XII. Cecil W. Powell & Company does not guarantee the financial status or solvency of any insurance company, organization, or self-insurance fund. Many self-insurance funds are assessable and you should read their application carefully. We will provide any information that we have regarding ratings or financials upon request.
- XIII. It is imperative that all claims be reported promptly to the agency or the insurance company.
- XIV. The agency endeavors to explain coverages and available options but makes no claim or warranty that all possible coverages or options have been offered. It is the buyer's sole responsibility to judge the suitability of the insurance program for their purposes and to understand the limits, perils insured against, exclusions, and limitations of the policies they buy.
- XV. All coverages are afforded by a written binder or by a company issued policy. No coverage is in force until written confirmation is received from the agency or the insurance company. All additions, deletions, or other changes must be issued by the insurance company to be valid.
- XVI. The insurance policy is the contract between you and the insurance company. Read your policy and bring to your agent's attention any aspect that you do not understand, or any desired changes to limits or coverages.
- XVII. Some policies have territorial limits of which you should make yourself aware if you do business or have business travel outside the territorial limits of the United States.
- XVIII. Acceptance of this proposal by signature or by payment of premium constitutes acceptance of, understanding of, and agreement to these terms and conditions.

Recommended Coverage

- 401K Plans
- Accounts Receivable
- Automobile(Including Hired & Non-Owned)
- Aviation
- Boiler & Machinery
- Bonds
- Builder's Risk
- Building Ordinance or Law
- Business Income/Extra Expense
- Computers
- Contractor's Equipment
- Crime
- Cyber Liability
- Difference in Condition
- Director' & Officer's Liability
- Disability Income
- Earthquake
- Employee Benefits
- Employee Benefits Liability
- Employee Dishonesty
- Employment Related Practices Liability
- Errors & Omissions Liability
- Estate Planning
- Fiduciary Liability
- Flood
- Garage Liability
- Garagekeepers
- Glass
- Group Insurance
- Health
- Installation Floater
- International Exposures
- Kidnap and Ransom
- Life Insurance
- Liquor Liability
- Long Term Care
- Marine
- Mobile Equipment
- Off Premises Power Interruption
- Owners'/Contractors Protective
- PEO & Payroll Services
- Personal Auto & Home
- Pollution Liability
- Power Failure
- Professional Liability
- Property
- Rented Equipment
- Retirement Plans
- Signs
- Stop Gap Liability
- Surety Bonds
- Systems Breakdown
- Terrorism
- Tools & Equipment
- Transit or Transportation
- Umbrella
- Uninsured Motorist
- Valuable Papers and Records
- Watercraft Liability
- Windstorm & Hail
- Worker's Compensation

Proposal Acceptance

Named Insured: Jacksonville Police & Fire Pension Fund

We elect to accept this proposal and want the coverages bound "as is" OR with the changes that have been noted and initialed on this proposal along with the accompanying terms and conditions. We understand that this proposal includes only coverages for which we requested quotes, and that any optional coverages we wish to have quoted will be indicated below.

_____ \$ 1,000,000 Fiduciary Liability Limit

_____ \$ 2,000,000 Fiduciary Liability Limit

_____ Purchase Crime Coverage

_____ Decline Crime Coverage

Signature of Insured

Date

Account Executive

Date

