



ATTACHMENT "C"

Florida League of Cities, Inc.

125 East Colonial Drive, Orlando, FL 32801
407-425-9142, Toll Free: 1-800-445-6248/Fax: 407-425-9378
www.flcities.com



**City of Cutler Bay
RFP #15-10
Property, Liability and Casualty
Insurance**

**Represented by:
Jim McGinn
Account Executive**

COPY 2 OF 3



July 17, 2015

Ms. Jacqueline Wilson
Interim Town Clerk
Town of Cutler Bay
10720 Caribbean Blvd., Suite 105
Cutler Bay, FL 33189

RE: RFP #15-10 - Property, Liability & Casualty Insurance

Dear Ms. Wilson:

We appreciate the opportunity to present you with our proposal for your Insurance Program. As always, we welcome the opportunity to meet with you at any time to discuss this matter.

The Florida League of Cities Insurance Program was established in 1977 to provide an affordable insurance alternative for the governmental entities of Florida. Over the years, the Florida Municipal Insurance Trust (FMIT) has evolved into one of the largest public entity programs in the United States and is recognized for its outstanding service and broad coverage forms.

The FMIT, governed by a board of elected officials, is a non-assessable, non-profit, tax-exempt risk sharing pool. Each year these elected officials approve an actuarially recommended premium structure based on loss experience. The FMIT has superior financial strength presently highlighted by \$475 million in assets, \$205 million in surplus and over 600 members. With over 100 insurance professionals serving the FMIT, we have the resources and the product offering necessary to design a risk management solution to fit the unique coverage issues facing your Town.

When examining other insurance markets, it will become obvious that our self-insured group concept is a most attractive insurance alternative. To be certain, the FMIT is highly qualified to meet all your risk management needs. Our expertise in the areas of public entity coverages, coupled with our outstanding claims, risk control, and a nationally recognized fraud (SIU) department translates to considerable service and savings.

Thank you for your time and consideration. We look forward to the chance to meet with you sometime in the near future.

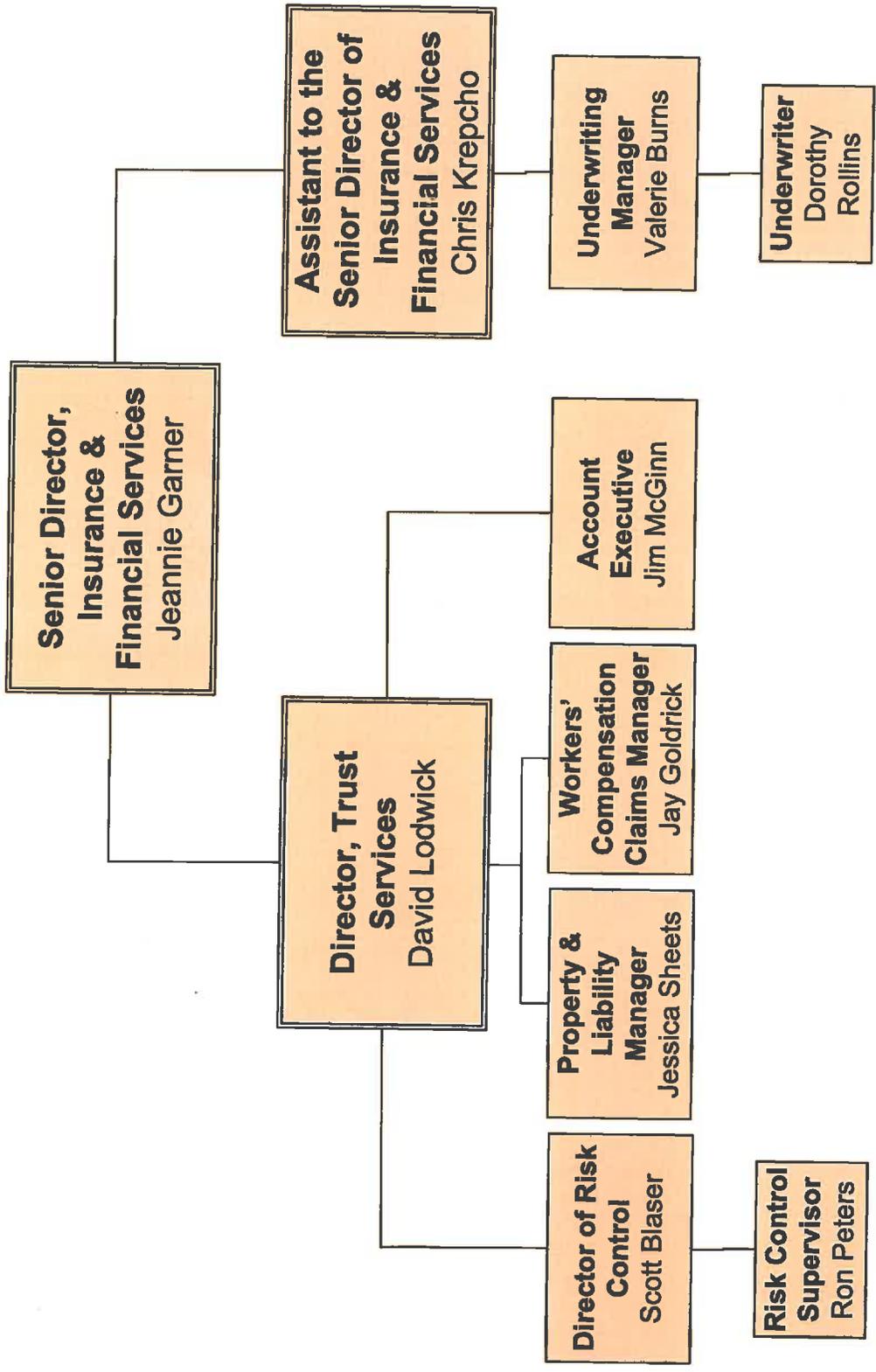
Sincerely,

Jim McGinn, CPCU, RMPE
Account Executive
125 E. Colonial Drive
Orlando, FL 32801
954-610-5153



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All staff available to assist members as needed.



Qualifications

The Florida League of Cities* (FLC), headquartered in Tallahassee, is the administrator of **The Florida Municipal Insurance Trust (FMIT)** and is the state association for cities, towns and villages of Florida and was created to meet and serve the needs of municipal governments.

The League's purpose is to focus on those legislative issues most likely to affect daily municipal governance and local decision making. The Municipal Home Rule Powers Act and the Florida Constitution provide that cities in Florida have the authority to govern themselves locally, independent of state control.

Preserving Home Rule, educating citizens on this valuable right, and maintaining a focus on those issues that directly affect self-governance, service delivery and the quality of life of each municipality are essential goals of the Florida League of Cities.

The League established its first insurance program in 1977 to provide Workers' Compensation coverage and services to governmental entities. Early success of the Workers' Compensation program soon led to the establishment of trusts for the Liability, Property and Health lines of coverage. This firmly established the League as the recognized leader of such services in the state of Florida.

In 1987, the FLC opened its Public Risk Services office to administer the programs in-house. Subsequently, the insurance programs were consolidated under the name the Florida Municipal Insurance Trust (FMIT).

The FMIT, governed by elected officials, is a non-assessable, non-profit, tax-exempt risk sharing pool. The Trust currently provides insurance services for **over 600 public entities in Florida**, of which 250+ are municipalities. The Trust maintains superior financial stability, presently highlighted by **\$475 million in assets** and **\$205 million in surplus**. We currently insure **approximately \$9.2 billion in total insured values**. The League administers every facet of the FMIT's operations from claims handling to rate development; and as such, has produced unparalleled claims paying ability and equity returns for its membership.

When examining other insurance markets, it will become obvious that our self-insured group concept is a most attractive insurance alternative. To be certain, the FMIT is highly qualified to meet all your risk management needs. Our expertise in the areas of public entity coverages, coupled with our outstanding claims, risk control, and a nationally recognized fraud (SIU) department translates to considerable service and savings.



Insurance and Financial Services

As Administrator for the Florida Municipal Insurance Trust, the League has a longstanding commitment to superiority for its membership.

- **Trust Services** – Licensed league account executives are readily available to review, advise and place coverages.
- **Risk Control** – A full range of programs are offered to promote safe work environments and loss prevention including Drug-Free Workplace, Employment Practices and Return to Work Policies.
- **Risk Management** – Educational seminars and publications are provided to assist membership in managing risk through the SHIELD program. Classes are available online or on-site.
- **Claims Management** – Total in-house adjusting for workers' compensation and liability claims are provided by municipal claims specialist. Claims can be reported online, by phone, e-mail or fax.
- **SimpliCity/Synergy** – An innovative and comprehensive online software application that provides members who insure property through the trust a resource to use to help minimize risk, better prepare for disasters, and reduce overall recovery costs.
- **Underwriting and Policy Services** – Customized program and placement capabilities are offered to address the changing needs and exposures of public entities. Policy pricing, processing and issuance are handled on a territorial team approach.
- **Special Investigation Unit (SIU)** - Pursues and otherwise minimizes fraudulent and similar insurance acts.

FMIT Property Reinsurance Structure - Without FMIT Participations Noted

Master, Non-Coastal Property Tower

\$150M								
\$15M	Pool 1	Pool 2	Pool 3	Pool 4	Pool 5	Pool 6	Pool 7	Pool 8
\$3M	SIR							
Per Occurrence / Per Pool Deductibles								

Coastal Wind Only	\$50M
SIR	\$3M
Per Occurrence Deductible	

Market	A. M. Best Rating
ACE Westchester	A++ XV
ACE Bermuda	A++ XV
American Standard	A XV
Aspen	A XV
Allied World Assurance Co	A XV
Axis Ins Co	A+ XV
Catlin Ins. Co. Ltd	A XV
CV Starr (Federal Ins Co / Scor Reinsurance Co)	A++ XV / A XV
Endurance	A XV
Essex	A XIV
Facultative Resources (Berkley Ins Co / Hannover Rueck SE)	A+ XV / A+ XV
Hiscox	A XI
Houston Casualty Co.	A+ XIV
Ironshore	A XIV
Lexington	A XV
Lloyds of London	A XV
Qatar Ins. Co.	A XIV
RSUI	A+ XIII
Steadfast	A+ XV
Swiss Re	A+ XV
Tokio Millennium	A++ XIII

KEY STAFF BIOGRAPHIES



Mrs. Jeannie Garner
Senior Director of Insurance and Financial Services

Mrs. Garner is the Director of Insurance and Financial Services at the Florida League of Cities, where she has been since 1994. Jeannie has served as the Executive Director for Florida Government Finance Officers Association (FGFOA) since 2001. She oversees all aspects of the administration, including reporting to the Board of Directors. The department provides insurance and financial services for local governments in Florida. As Director, Jeannie is responsible for the overall management, supervision and administration of these services - Florida Municipal Insurance Trust; Florida Municipal Construction Insurance Trust; Florida Municipal Investment Trust; Florida Municipal Pension Trust Fund and the Florida Municipal Loan Council. These were created to provide cities with cost-effective and quality services specifically designed for them. Jeannie is also a former chair for the NLC Public Finance Consortium. A native of Birmingham, Alabama, she graduated with a bachelor of science in finance from Troy State University.



Mr. David Lodwick, CIC, CRM
Director of Trust Services

Mr. Lodwick is responsible for leading the Trust Services efforts of Insurance and Financial Services operations for the Florida League of Cities. David joined the FLC on March 1, 2011. David served as a City Councilman for the Village of Royal Palm Beach from 1993-1998 and as Mayor from 1998-2010. During that time he also served seven years on the FMIT Board (2 as Chair) and also served on the FMIvT Board. He served locally on the MPO for Palm Beach County and is the former Chairman of Consumer Credit Counseling of the Palm Beach and Treasure Coast for over a decade. David is a Commercial Insurance Agent with specialty in Risk Management. He is a graduate of Ohio State University with a degree in Chemical Engineering and also holds the Certified Insurance Counselor and Certified Risk Manager designations.



Mr. Chris Krepcho
Assistant to the Senior Director

Mr. Krepcho is responsible for assisting the Senior Director in providing managerial oversight for the Department of Insurance & Financial Services, and currently manages the Underwriting and Finance operations for the Department of Insurance Services. Prior to joining FLC in November 2013, Chris was a Director with KPMG's State & Local Government Advisory Services practice where he gained over eight (8) years of experience serving all levels of government – federal, state and local. While at KPMG, Chris' primary focus was state and local government clientele in the states of Florida and Georgia, including current members of the FMIT. Chris is a Project Management Professional and a Certified Internal Auditor. He graduated *cum laude* from the University of Florida with a bachelor's degree in Business Finance. Chris is an active member of the Florida Government Finance Officers Association and an active participant in the National League of Cities Risk Information Sharing Consortium. Chris also holds the 2-20 General Lines (Property & Casualty) license.

KEY STAFF BIOGRAPHIES



Mr. Scott Blaser, CSP
Director Risk Control

Mr. Blaser is the Director, Risk Control Services, Florida League of Cities, Inc. Executive Director, Florida Municipal Association for Safety & Health. National-ly Board Certified Safety Professional. Over 30 years of Safety and Health experience in the private and public sector. Bachelor of Science, Industrial Technology – Safety Studies, University of New York at Buffalo. Florida General Lines Insurance Broker License. Former Officer and current Professional Member, American Society of Safety Engineers. Technical Committee Member, National Fire Protection Association. Occupational Safety and Health Administration 10 and 30 hour Trainer. Member National Safety Council. Instructor & Disaster Responder, American Red Cross. Nationally Certified Playground Inspector. Technical Advisor and Member, Central Florida Public Risk Management Association. Certified Food Safety Manager.



Mr. Jay R. Goldrick, CWC, CWCL, RMPE
Workers' Compensation Claims Manager

Mr. Goldrick is responsible for Workers' Compensation claims oversight of FLOC and is a Board Certified Workers' Compensation Professional with experience since 1992 in Safety, Risk Control, and Claims management. He has a Bachelors degree in Finance from Florida State University and additional course work towards his Masters in Business Administration. He was a commissioned officer in the U.S. Air Force, reaching the rank of Captain and earned his flight wings by graduating third in his class from flight school. He distinguished himself by being assigned to the flight crew of the commander of the U.S. Central Command prior to Desert Shield and Desert Storm. For five years he was the Risk Manager for the City of Orlando. He has an all-lines adjuster license and is a former Board member of the Central Florida RIMS Association.



Ms. Jessica A. Sheets, AIC, CPCU, API
Property & Liability Claims Manager

Ms. Sheets is the Property & Liability Claims Manager for the Florida League of Cities. She is responsible for administering the Property & Liability department, which handles claims for the various governmental entities throughout Florida. Prior to coming to the League, Jessica worked for Safeco Insurance Company, A Member of Liberty Mutual Group for 17 years in a variety of capacities, the most recent being a Litigation/Large Loss Claims Team Manager for Safeco Personal Insurance. She graduated with a Bachelor's Degree in Political Science from the State University of New York at Brockport in 1993 and has completed various advanced claims/insurance related coursework including the Associate In Claims (AIC) designation, the Chartered Property Casualty Underwriter (CPCU) designation and the Associate In Personal Insurance (API) designation.

KEY STAFF BIOGRAPHIES



Mr. Jim McGinn, RMPE
Account Executive

Mr. McGinn is an account executive for the Department of Insurance and Financial Services of the Florida League of Cities. Mr. McGinn comes from Coopersburg, Pennsylvania. He is a 1992 graduate of King's College in Wilkes-Barre, PA with a Bachelors Degree in Accounting. An avid sports enthusiast, Jim played football for King's College, and also played rugby for a club sport. Prior to joining the Florida League of Cities in October 2005, Jim worked for Penn Miller Insurance Company for eight years in the capacity of a marketing representative as well as a commercial lines underwriter. In addition, Mr. McGinn earned his CPCU designation in August 2004. He currently holds the State of Florida insurance licenses for General Lines.



Mr. Ron Peters
Risk Control Consultant

Mr. Peters handles Risk Control operations for the southernmost area of Florida and any operations that require a Construction Safety expertise. He has a great talent for finding the areas of improvement and using his consultation skills to work with all participants to find cost effective resolutions. His experience includes heading up the safety and health operations at two construction companies, providing safety and health training for both non-construction and construction operations, and providing consultative services on ways of improving risk conditions. Also, he has experience as a company owner and operator, a videographer/editor, and did a tour of duty with the United States Air Force. He is certified in CPR/AED/FA, OSHA OTI, DDC-4, Coaching The Experienced Driver 3, MOT Basic Flagger Operation, CPSI and MSB property valuation services.



Mrs. Dorothy Rollins
Underwriter

Mrs. Rollins is responsible for overseeing the quotes, new business, endorsements, renewals and audit processes of the South Team for the Florida League of Cities. Dorothy joined the Florida League of Cities in July of 2006 from CNA Insurance Company where she was responsible for maintaining risk management and special policies. Dorothy has been in the commercial insurance industry since 1999. Dorothy earned her Bachelor's Degree in Management from Myers University and her Masters Degree in Business Administration from the University of Phoenix. She is always looking to increase her knowledge of insurance by taking classes offered by the Insurance Institute of America where she has earned the Associates in General Insurance (AINS) designation and received a certificate for Risk Management for Public Entities (RMPE).



Services

You are protected by our financial strength when times are bad. And we are the only insurer to pay you back when times are good. In the past eight years, we have returned more than \$65 million in unused premiums to our insured members. This ethic serve you in two ways: You can take comfort in knowing the FMIT manages premiums to ensure stability in the event of a truly catastrophic loss, yet we return any additional premium to you. You might say we've got your back—and we pay you back.

The FMIT, governed by elected officials, is a non-assessable, non-profit, tax-exempt risk sharing pool. The Trust currently provides insurance services for **over 600 public entities in Florida**, of which 250+ are municipalities. The Trust maintains superior financial stability, presently highlighted by **\$475 million in assets** and **\$205 million in surplus**. We currently insure **approximately \$9.2 billion in total insured values**.

Claims can be reported online, by email, fax or phone. Response time of claims handlers is 48 hours. Our exclusive simpliCity software is a property claim management system with a partner that is fully integrated with our property claims department and allows property claims to be handled more quickly and payments expedited to our members.

Turnkey recovery is an asset to our member cities by assisting with the oversight and management of the actual recovery period following a loss—this allows the claim to process more quickly, allows transparency and access to Staff for all the invoices, data, adjuster notes, etc. and even allows for the FMIT to directly pay vendors on behalf of the City (if desired). This improves cash flow following a loss.



References

City of Aventura

General Liability, Auto Liability, Auto Physical Damage, Property & Workers' Compensation
Premium \$1,136,694

Brian K. Raducci, CPA, Finance Director

305-466-8922

braducci@cityofaventura.com

City of Wilton Manors

General Liability, Auto Liability, Auto Physical Damage, Property & Workers' Compensation
Premium \$422,109

Dio Sanchez, Human Resources Director

954-390-2126

dsanchez@wiltonmanors.com

City of Sunrise

General Liability, Auto Liability, Auto Physical Damage, Property & Workers' Compensation
Premium \$3,175,922

Bill Mason, CPCU, Risk Manager

954-572-2496

bmason@cityofsunrise.org

Village of Palmetto Bay

General Liability, Auto Liability, Auto Physical Damage, Property & Workers' Compensation
Premium \$323,979

Desmond Chim, CPA, Finance Director

305-259-1268

dchin@palmettobay-fl.gov

Village of Pinecrest

General Liability, Auto Liability, Auto Physical Damage, Property & Workers' Compensation
Premium \$640,391

Gary S. Clinton, CPA, CPFO, Finance Director

305-234-2121

Clinton@pinecrest-fl.gov



Administrative Actions

The Florida League of Cities and the Florida Municipal Insurance Trust have never had any administrative actions against them by the Florida Office of Insurance Regulations or any other regulatory agency.



**THE FLORIDA MUNICIPAL
INSURANCE TRUST**
Announces the
SHIELD ACADEMY

The newly created **SHIELD ACADEMY** offers Florida Municipal Insurance Trust (FMIT) members with a one-stop shop for accessing the many courses offered by the FMIT.

In addition to onsite training available at your location or the League's Orlando office, the FMIT has 45 new online training courses. They cover the following areas:

- CUSTOMER SERVICE
- HUMAN RESOURCES
- LAW ENFORCEMENT
- MANAGEMENT
- SAFETY & ENVIRONMENTAL

The online classes can be taken at any time. They can be completed in about 30 minutes, and a test is given at the end. Reports are available to track class activity.

Best of all, there is no additional charge for FMIT members to access this valuable educational tool.

For more information, email **Apryl Morrison** or call her at **1-(800) 445-6248**.





FMIT

Employment Practices Law Assistance

The **Florida Municipal Insurance Trust** announces its new partnership with **Littler Mendelson**, the largest law firm in the United States specializing in human resources/employment practices law. Littler lawyers practice and have experience in more than 36 areas of employment and labor law.

At no additional charge, members can sign up for this service online at www.eplassist.com or by phone toll-free at **1-(888) 244-3844**. Littler Mendelson is available to assist 24 hours per day, seven days a week.

**For more information,
contact Jim McGinn
at (954) 610-5153 or
jmcginn@flcities.com.**

<http://insurance.flcities.com/>

Features Include:

- ▶ **Legal Opinions**
- ▶ **Webinars**
- ▶ **Legal Updates**
- ▶ **Legal Summaries**
- ▶ **Sample Forms**
- ▶ **Employee Handbooks**

Answers received will be actual legal opinions. There are many free training opportunities, and the website includes an enormous amount of relevant information, which is updated regularly.



Littler
Employment & Labor Law Solutions Worldwide™

WORKERS' COMPENSATION • LIABILITY • PROPERTY • AUTO • PUBLIC OFFICIALS LIABILITY
LAW ENFORCEMENT PROFESSIONAL LIABILITY • HEALTH • CYBER COVERAGE • DISASTER RECOVERY SERVICES



LIABILITY INSURANCE:

FMIT Your Current Insurer

Aggregate Limits— The Liability, Automotive and Errors and Omissions coverages with FMIT **DO NOT have Aggregate Limitations on coverage.** Other programs limit **their** maximum exposure by placing a limit on **your** coverage. This could leave the City without coverage and the carrier no longer would have a Duty to Defend a suit.

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Defense costs—Public Officials - within the Public Officials Coverages and the Employment Practices Coverages are paid **in addition to** the limits of liability with FMIT.

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Defense costs - Liability - Defense costs under Liability coverages (General Liability, Automobile Liability, Public Officials Liability, Employment Practices Liability and Law Enforcement Liability) are **NOT** charged to the member as part of the deductible (if a deductible option is chosen).

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Bert Harris/Inverse Condemnation - The FMIT offers **\$300,000** of coverage (including defense and/or damages, including inverse condemnation and Bert Harris Act claims). Most other programs offer defense coverage only or exclude this coverage entirely.

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EPL Assist – Full online suite of HR support coupled with live support from a Florida based HR legal team at no cost to our insureds.

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No Fault Sewer Backup Coverage – The FMIT will cover an annual aggregate of \$100,000.

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Ethics Defense – The FMIT will cover 50% of the defense costs (up to \$25,000 per occurrence or \$100,000 annual aggregate) for an ethics and/or sunshine law subject to complaints against a Public Officer.

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Cyber Liability - Cyber coverage is now included with an aggregate limit of \$250,000. Coverages include Data Breach, Notification Costs, Information Security Liability, Extortion and Privacy Liability.

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ADDITIONAL SERVICES:

	FMIT	Your Current Insurer
<p>Risk Control Representatives - The FMIT provides a staff of 8 full time personnel for Risk Control assistance. The FMIT utilizes a targeted risk control approach to eliminate risks and improve overall safety.</p>		
<p>Safety Grants – Your City will be eligible for up to \$6,000 per year in matching Safety grants from the FMIT. We invest in your safety.</p>		
<p>Online Training – the FMIT offers customized online training for your staff to reduce travel costs and improve safety.</p>		
<p>Special Investigations Unit – The FMIT takes fraud seriously and provides an SIU unit that has been recognized by the Governor of Florida for its effectiveness in reducing fraud and saving our members \$6.8 million.</p>		
<p>Fraud Reward – The FMIT offers a \$5,000 reward for information leading to the arrest and conviction in fraudulent claims activity.</p>		
<p>Risk Control Safety Training Programs – Monthly education sessions held in the Orlando offices and regionally as requested by groups of members.</p>		
<p>Safety & Health Video Library – A comprehensive list of safety videos is available free to our members.</p>		



APPENDIX A

ACKNOWLEDGEMENT, WARRANTY AND ACCEPTANCE

A. Proposer warrants that it is willing and able to comply with all applicable State of Florida laws, rules and regulations.

B. Proposer warrants that it has read, understands and is willing to comply with all of the requirements of the RFP and the addendum/ addenda.

C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Council.

D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

E. CONTINGENCY FEE AND CODE OF ETHICS WARRANTY:

Proposer warrants that neither it, nor any principal, employee, agent, representative or family member has promised to pay, and Proposer has not, and will not pay a fee, the amount of which is contingent upon the Town of Cutler Bay awarding the contract. Proposer warrants that neither it, nor any principal, employee, agent, representative has procured, or attempted to procure, this contract in violation of any of the provisions of the Miami-Dade County Conflict of Interest and Code of Ethics Ordinances. Further, Proposer acknowledges that a violation of this warranty will result in the termination of the contract and forfeiture of funds paid, or to be paid, to the Proposer, if the Proposer is chosen for performance of the contract.

Signature of Official: _____

James D. McGinn

Name (typed): Jim McGinn

Title: Account Executive

Proposer: Florida Municipal Insurance Trust

Date: July 15, 2015



APPENDIX B

NON-COLLUSIVE AFFIDAVIT

State of Florida

SS:

County of Orange

Jim McGinn being first duly sworn, deposes and says

that:

(1) He/she is the, (Owner, Partner, Officer, Representative or Agent) of:

Florida Municipal Insurance Trust the Proposer that has submitted the attached proposal;

(2) He/she is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;

(3) Such proposal is genuine and is not a collusive or a sham proposal;

(4) Neither the said Proposer nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Proposer or any person to submit a collusive or sham response in connection with the work for which the attached proposal has been submitted, or to refrain from responding in connection with such work, or have in any manner, directly or indirectly, sought by agreement or collusion, communication, or conference with any Proposer or person to fix the proposal submitted or to secure through any collusion, conspiracy, connivance, or unlawful agreement, any advantage against the Town of Cutler Bay, or any person interested in the proposed work required.

Signed, sealed and delivered

In the presence of

[Signature]

By: *[Signature]*

Jim McGinn
(Printed Name)
Account Executive
(Title)



ACKNOWLEDGMENT

State of Florida

County of Orange

On this 15th day of July, 2015, before me, the undersigned

Notary Public of the State of Florida personally appeared Jim McGinn

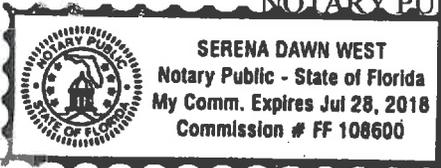
and whose name(s) is/are subscribed to the within instrument, and he/she/they acknowledge that he/she/they executed it.

WITNESS my hand and official seal

[Signature] 7-15-15

NOTARY PUBLIC, STATE OF FLORIDA

NOTARY PUBLIC SEAL OF OFFICE:



(Name of Notary Public: Print, Stamp or Type as commissioned.)

- Personally known to me, or
- Produced Identification:

(Type of Identification Produced)

- Did take an oath. or
- Did not take an oath.



APPENDIX C

**SWORN STATEMENT PURSUANT TO
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 OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to the TOWN OF CUTLER BAY, FLORIDA

By Jim McGinn

For Florida Municipal Insurance Trust

Whose business address is: 125 E. Colonial Drive, Orlando, FL 320801

And (if applicable) its Federal Employer Identification Number (FEIN) is: 59-6001124

If the entity has no FEIN, include the Social Security Number of the individual signing this

Sworn statement - S.S. # _____

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 any agency or political subdivision of any other State or of the United States, including, but not limited to, any proposal or contract for goods or services to be provided to any public entity or an agency or any political subdivision of any other state or of the United 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 an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

- A. A predecessor or successor of a person convicted of a public entity crime; or
- B. 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 officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima 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 preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws or any state or of the United States with the legal power to enter into a binding contract and which proposes or applies to propose 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 any entity.

Signed, sealed and delivered

In the presence:

David Morrison

By: *James J. McGinn*

Jim McGinn

(Printed Name)

Account Executive
(Title)



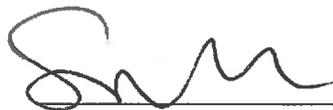
ACKNOWLEDGMENT

State of Florida

County of Orange

On this 15th day of July, 2015, before me, the undersigned Notary Public Of the State of Florida personally appeared Jim McGinn and whose name(s) is/are subscribed to the within instrument, and he/she/they acknowledge that he/she/they executed it.

WITNESS my hand and official seal

 7-15-15
NOTARY PUBLIC, STATE OF FLORIDA



NOTARY PUBLIC
SEAL OF OFFICE:

(Name of Notary Public: Print, Stamp or Type as Commissioned.)

- Personally known to me; or
- Produced identification:

(Type of Identification Produced)

- Did take an oath. or
- Did not take an oath.

**TOWN OF CUTLER BAY
RFP #15-10, PROPERTY, LIABILITY & CASUALTY INSURANCE
PREMIUM PROPOSAL SHEET
PAGE 1 OF 2**

MANDATORY - Proposer shall attach to this Premium Proposal Sheet(s), in a "Declaration Page" type format, a detailed itemization of the coverage(s) provided for each line of insurance quoted above as well as the associated policy limits of the itemized coverage(s).

COVERAGE TYPE	POLICY LIMITS AND COVERAGE	PROPOSED ANNUAL PREMIUM
AUTO	*	<u>\$12,236</u>
PROPERTY	*	<u>\$130,559</u>
GENERAL LIABILITY	*	<u>\$76,277</u>
WORKERS COMPENSATION	*	<u>\$28,777</u>
FLOOD	Renewal premiums determined by the insurer	
STORAGE TANK LIABILITY	Renewal premiums determined by the insurer	
TOTAL PREMIUMS QUOTED		<u>\$247,849</u>
Total commissions/fees included in quoted premiums		<u>\$0</u>

* - **Please refer to Section 2.2 of the RFP.** If the premium quote listed above is for a policy limit and/or coverage type that deviates in any manner from a policy limit and/or coverage type included in the Town's current policies, except for changes specifically called for in Section 2.2 of the RFP, such deviation shall be itemized in the appropriate section of Page 2 of this Premium Proposal Sheet.

By: _____

James J. McHenry
Authorized Representative

Date: 7-15-2015

**TOWN OF CUTLER BAY
RFP #15-10, PROPERTY, LIABILITY & CASUALTY INSURANCE
PREMIUM PROPOSAL SHEET
PAGE 2 OF 2**

Attach additional sheets if necessary. All additional sheets must be signed and dated by an authorized representative.

QUOTED POLICY DEVIATIONS FROM CURRENT TOWN POLICIES:

The policies proposed above differ from the Town's current policies as stated below (if they do not deviate, so state):

No deviations

ALTERNATIVE COVERAGES TO CONSIDER

The following alternatives to the proposed coverages are offered for Town consideration (including the +/- premium impact from the premium quoted) if none, so state.

Return of Premium upon renewal will be \$22,903.
That would make the final premium \$224,946.
Please see attached proposal for further back up.

By: _____

James J. McHenry
Authorized Representative

Date: _____

7-15-2015



FLORIDA MUNICIPAL INSURANCE TRUST

COVERAGE PROPOSAL

FOR

TOWN OF CUTLER BAY

PROPOSED EFFECTIVE DATE: OCTOBER 1, 2015

ADMINISTERED AND PREPARED BY:

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

OF THE

FLORIDA LEAGUE OF CITIES, INC.

P.O. BOX 530065

ORLANDO, FL 32853-0065

"The Florida Municipal Insurance Trust Promise"

The FMIT will endeavor to match any competitor's pricing for similar exposures, coverages, terms and conditions contingent on the ability of the competitor to verify that their rates are established by an independent actuary and that their reinsurance structure is currently in place. The competitor's reinsurer(s) must have an AM Best rating of an A or better, as the FMIT prides itself on not only the financial solvency of the Trust itself but also the reinsurance partners we choose to do business with.

A specimen agreement is attached. This proposal contains a brief, general description of coverages. It is not intended to describe or cover all the terms, limits, conditions and exclusions of the agreement.

The FMIT agreement language will supersede any differences between the agreement and this proposal summary.



FLORIDA MUNICIPAL INSURANCE TRUST
 Proposal for 2015-2016

Town of Cutler Bay

PROPERTY COVERAGE

Limit

Blanket Real & Personal Property

\$20,157,542

Note: The FMIT will conduct an Asset Valuation for the Town at no charge.

Electronic Data Processing:

- Equipment: Included in Contents
- Software: Included in Contents
- Equipment Breakdown: Included in Contents

Coinsurance:

Agreed Amount

Valuation Basis:

Replacement Cost

Coverage Form:

Special

Deductibles:

\$1,000 Per Occurrence - Real & Personal Property, Other Property

Named Storm Deductible is 5% of the scheduled Building, Personal Property, Other Property (including property in the open) and Business Income. The percentages are calculated using the Schedule of Values on file with FMIT. The Named Storm deductible is calculated separately and applied individually to each Building, Personal Property, Other Property and Business Income per occurrence. The minimum deductible is 5% of the scheduled value or the stated Property deductible, whichever is greater.

Business Income waiting period is 72 hours.

Note: Values rate at 100% of Total Insured Values.

PROPERTY COVERAGE EXTENSIONS:

➤ Excess Flood Coverage	\$4,500,000
o Flood Zones A & V deductible is excess of NFIP (\$500,000 per building)	
o Other Flood Zones - \$100,000 deductible per occurrence	
➤ Terrorism	\$5,000,000
➤ Unintentional Errors & Omissions	\$250,000
➤ Newly Acquired or Constructed Property	\$2,000,000
➤ Newly Acquired Business Personal Property	\$500,000
➤ Business Income	\$500,000
➤ Extra Expense	\$1,000,000
➤ Valuable Papers & Records	\$500,000
➤ Signs - Not attached to Buildings	\$25,000
o Vehicular damage to signs	\$10,000 Maximum
➤ Accounts Receivable	\$500,000
➤ Police Dogs & Horses	
o Death in line of duty	\$15,000
o Annual Maximum	\$30,000
➤ Electronic Data Processing Equipment (Software)	\$250,000
➤ Antiques & Objects of Art	
o Per Item	\$15,000
o Annual Maximum	\$250,000
➤ Off Premises Power Failure	\$100,000
➤ Pollutant Clean Up & Removal	\$100,000
➤ Fungus Clean Up & Removal	\$25,000
➤ Personal Property Off Premises	\$250,000
➤ Personal Property of Others	\$50,000
➤ Preservation of Property	\$100,000
➤ Service Interruption Coverage	\$100,000
➤ Property In Transit	\$250,000
➤ Recertification of Equipment/Fire Extinguisher Recharge	\$250/Day
➤ Debris Removal	25% of Loss
➤ Building Ordinance Coverage, Including Demolition	25% of Loss
➤ Property in the Open	\$25,000 Per Location/\$100,000 Aggregate
➤ Leasehold interest	\$100,000
➤ Arson Reward	\$5,000

INLAND MARINE COVERAGE:

SCHEDULED INLAND MARINE EQUIPMENT - Items over \$15,000 Limit: **\$36,016**

Deductible: \$500 Items valued \$15,001 - \$50,000
Items \$50,000 - \$100,000 have minimum of \$1,000 deductible
Items greater than \$100,000 have minimum of \$2,000 deductible or 2% of the
item's scheduled limit, whichever is greater.

(Note: All Watercraft must be scheduled.)

Coverage Basis: Actual Cash Value

INLAND MARINE COVERAGE EXTENSIONS:

➤ Rental Reimbursement for Contractor's Equipment for Covered Loss	\$5,000
➤ Limited Contractor's Equipment Replacement Cost	\$250,000
➤ Installation Floater - Member's Building Materials	\$100,000

EQUIPMENT BREAKDOWN COVERAGE

Subject to any applicable limits on the Property, Allied Lines and Crime Declarations, the Equipment Breakdown Limit is the most we will pay for loss or damage arising from any "one accident."

These coverages apply to all locations covered on the policy, unless otherwise specified.

I. Coverages	Limits
Equipment Breakdown	Subject to the Real and Personal Property Limit described in proposal or \$50,000,000, whichever is less.
Business Income	Subject to the Business Income Limit described in proposal.
Extra Expense	Subject to the Extra Expense Limit described in proposal.
Expediting Expense	\$1,000,000
Hazardous Substances	\$500,000
Spoilage	\$500,000
Data Restoration	\$500,000
"Fungus," Wet Rot, Dry Rot And Bacteria	\$25,000
Service Interruption*	Subject to Business Income, Extra Expense, and Spoilage Limits
Water Damage	Included In Property Coverage.
II. Deductibles	
Direct Coverages	Subject to the Real and Personal Property deductible described in proposal.
Indirect Coverages	Subject to the Time Element deductible described in proposal.

III. Other Conditions

*Unless the interruption exceeds 24 hours, we will not pay for any loss under Service Interruption.

"Covered equipment" does not include "electrical generating equipment"; however, this exclusion does not apply to emergency generators.

GENERAL LIABILITY COVERAGE

Comprehensive General Liability

Limits

Limit Per Occurrence:	\$1,000,000
Annual Aggregate:	Unlimited
Deductible:	\$0

**Public Officials E & O / Employment
Practices Liability**

Limits

Limit Per Occurrence:	\$1,000,000
Annual Aggregate:	Unlimited
Deductible:	\$0

Important Note: The deletion of any of the above coverages does not automatically reduce the premium. These premiums are based on all of the above coverages. Any deletions of coverage will alter the experience modification factor originally used and may result in a higher premium.

ADDITIONAL BENEFITS:

- Defense Costs paid in addition to policy limits
- Premises Operations
- Products/Completed Operations
- Contractual Liability (Designated Contracts Only)
- Owners & Contractors' Protective Liability
- Personal Injury Liability
- Host Liquor Liability
- Incidental Medical Malpractice Liability
- Watercraft Liability
- Fire Legal Liability - Maximum \$500,000 in any one Trust Year
- Broad Form Property Damage - Maximum \$500,000 in any one Trust Year
- Advertising Injury Liability
- Skate Facility Liability
- Employment Practices Liability
- Employee Benefits Program Administration Liability
- Extra Contractual Legal Expense - \$100,000 Aggregate Limit
 - (EEOC, Florida Commission on Human Relations, Ethics)
- No-fault Sewer Backup Expense - \$100,000 Aggregate Limit
- Crisis Intervention
- HR Helpline - Full Legal Support and Online Services
- Herbicide/Pesticide Spraying
 - Limit is the General Liability limit or \$1,000,000 aggregate per fund year, whichever is the lesser amount.
- Bert Harris Act/Inverse Condemnation - \$300,000 Limit Per Occurrence/Aggregate. Limit includes Defense Costs.
 - Deductible is \$5,000 or the policy deductible, whichever is greater.
- Cyber Coverages including Privacy, Network Security and Data Breach - \$250,000 Annual Aggregate. Claims Made.
- Cyber Risk Management Tools Web Site.

AUTOMOBILE COVERAGE

Limits

Comprehensive Automobile Liability	\$1,000,000
Deductible:	\$0
Personal Injury Protection	\$10,000
Deductible:	\$0

Automobile Physical Damage

Comprehensive Coverage	\$250 Deductible
Collision Coverage	\$500 Deductible

Coverage Includes:

- Hired & Non-Owned Liability
- Rental Reimbursement - scheduled vehicles
- Lease Differential - scheduled vehicles
- Limited Replacement Cost - owned private passenger vehicles, SUVs, Pickup Trucks
- Member's Personal Effects

Note: For Members that choose a deductible - Members are **only** responsible for the deductible if a judgment or settlement occurs. Legal expenses are outside the deductible and paid solely by the Trust for General Liability and / or Automobile Liability.

CRIME & BOND COVERAGE

Limits

Crime Coverage:

Money - Loss Inside	\$100,000
Deductible:	\$0
Robbery or Safe Burglary of Other Property	\$100,000
Deductible:	\$0
Outside the Premises	\$100,000
Deductible:	\$0
Computer and Funds Transfer Fraud	\$500,000
Deductible:	\$0
Forgery or Alteration	\$500,000
Deductible:	\$0
Money Orders and Counterfeit Money	\$500,000
Deductible:	\$0

WORKERS' COMPENSATION PAYROLLS

Workers' Compensation	Limit
Employers Liability	Statutory
	\$1,000,000 / \$1,000,000 / \$1,000,000

<u>CODE</u>	<u>DESCRIPTION</u>	<u>PAYROLL</u>
5509	STREET OR ROAD MAINTENANCE	140,000
8810	CLERICAL	1,000,000
9015	BUILDINGS - OPERATION BY OWNER	60,000
9102	PARK NOC	775,000
9410	MUNICIPAL, TOWNSHIP, COUNTY EMPLOYEES NOC	475,000
TOTAL PAYROLL		\$2,450,000

Deductible:		\$0
Experience Modification Factor:	10/1/2014	0.68
Safety Credit:		No
Drug Free Credit:		No

The Workers' Compensation premium is subject to adjustment when the October 1, 2015 experience modification is received.
 Premium calculation includes 5% Drugfree Credit and 2% Safety Credit - Requires receipt of approved applications.

PREMIUM SUMMARY

Coverage Line	Annual Premium
Blanket Real & Personal Property	\$130,559
Inland Marine	INCLUDED
Equipment Breakdown Coverage	INCLUDED
Crime & Bond Coverage	INCLUDED
General Liability Coverage	\$34,632
Public Officials E&O / Employment Practices Liability	\$41,645
Automobile Coverage	\$12,236
Workers' Compensation Coverage	\$28,777

Total FMIT Premium	\$247,849
---------------------------	------------------

GRAND TOTAL PREMIUM	\$247,849
RETURN OF PREMIUM	<u>22,903</u>
REDUCED GRAND TOTAL PREMIUM	\$224,946

The FMIT Board of Trustees has approved a \$6,000,000 return of premium for members that had property coverage in the 2013-2014 Fund Year. The directive of the Board was to return property premium on the renewing members for 2015-2016 that participated in the Trust's property program in 2013-2014. Based on the property premiums paid in 2013-2014 the City of can expect \$22,903 in return premium should they elect to renew coverage for the 2015-2016 policy year.

Note: Coverage summaries provided herein are intended as an outline of coverage only and are necessarily brief. In the event of loss, all terms, conditions, and exclusions of actual Agreement and/or Policies will apply.

INTEREST FREE INSTALLMENT PLAN

<u>First Installment</u>	<u>Second Installment</u>	<u>Third Installment</u>	<u>Fourth Installment</u>
25% minimum due	25% minimum due	25% minimum due	25% minimum due
October 1, 2015	January 1, 2016	April 1, 2016	July 1, 2016

Payment will be forwarded to the Florida League of Cities in Tallahassee

DEDUCTIBLE / LIMIT OPTIONS

	<i>Annual Premium</i>	<i>Check Option</i>
		<i>Accepted Rejected</i>
<i>Inland Marine</i>		
Option 1 - Scheduled Equipment (No Blanket)	\$560	0 0
Option 2 - Blanket Inland Marine (No Scheduled Equipment)	\$4,442	0 0
<i>Crime</i>		
Option 1 - Finance Director Bond \$1,000,000 Limit	\$2,768	0 0
* Employee Theft - Per Loss \$1,000,000 Limit	\$564	0 0
* Faithful Performance - Per Loss \$1,000,000 Limit	\$1,887	0 0
<i>*(Note: Employee Theft and Faithful Performance cannot be purchased separately)</i>		
<i>General Liability</i>		
Option 1 - \$1,000,000 Limit	\$76,277	0 0
Option 2 - \$2,000,000 Limit	\$84,412	0 0
<i>Automobile Liability</i>		
Option 1 - \$1,000,000 Limit	\$7,078	0 0
Option 2 - \$2,000,000 Limit	\$8,250	0 0

**PETROLEUM STORAGE TANK LIABILITY, CORRECTIVE ACTION AND
CLEAN-UP COSTS COVERAGE**

POLICY PREMIUM PAID AND EFFECTIVE FOR THE 2015-2016 TERM

NAME: Town of Cutler Bay

INSURER: Commerce and Industry Insurance Company

POLICY PERIOD: 5/4/2015 – 5/4/2016

LIMIT OF LIABILITY: \$1,000,000 / \$2,000,000

DEDUCTIBLE: \$5,000

PREMIUM: \$605.00

No midterm credit for tank upgrade or removal.

THIS POLICY IS WRITTEN ON A CLAIMS MADE FORMAT. PRIOR ACTS COVERAGE IS NOT OFFERED.

The coverage available through Commerce and Industry Insurance Company will be for liability for bodily injury and property damage to third-parties and corrective action as a result of an incident of inland contamination as defined by Florida Statute. Coverage will be for scheduled tanks at scheduled sites only. This policy is subject to a retroactive date which bars coverage for conditions existing prior to the inception of the policy.

PRIMARY FLOOD

REFERENCE ATTACHED DECLARATIONS PAGES

2015/2016 RENEWAL PREMIUMS WILL BE DETERMINED BY THE PRIMARY FLOOD INSURER

NAME: Town of Cutler Bay

INSURER: Wright National Flood Insurance Company

POLICY PERIOD: Reference attached declarations pages

PROPERTY LOCATION: Reference attached declarations pages

BUILDING LIMIT: Reference attached declarations pages

BUILDING DEDUCTIBLE: Reference attached declarations pages

CONTENTS LIMIT: Reference attached declarations pages

CONTENTS DEDUCTIBLE: Reference attached declarations pages

PREMIUM: Reference attached declarations pages
Premiums are determined by the insurer



MacNeill Group
 P.O. Box 33003
 St. Petersburg, FL 33733-8003
 Customer Service: 1-800-432-3072 X 2011
 Claims: 1-800-725-9472

FFL 99.001 0314
 7063420
 7/31/14

FLOOD DECLARATIONS PAGE
NEW BUSINESS

2000 11523 FLD RGLR

Policy Number	NFIP Policy Number	Product Type: Standard Policy
09 1151136555 00	AB00070918	General Property Form

Policy Period	Date of Issue	Agent Code	Prior Policy Number
From: 9/24/14 To: 9/24/15 12:01 am Standard Time	07/31/2014	7063420	09 OT42670339 99

Insured

TOWN OF CUTLERBAY
 10720 CARIBBEAN BLVD STE 105
 CUTLER BAY FL 33189-1257

FLORIDA LEAGUE OF CITIES INC
 PO BOX 530065
 ORLANDO FL 32853-0065

Property Location (if other than above)

10100 SW 200TH ST OFC REC, CUTLER BAY FL 33157

Address may have been changed in accordance with USPS standards.

Park Office and Rec Bldg

Rating Information

Building Occupancy: Non-Residential	Community Name: MIAMI-DADE COUNTY
Primary Residence: N	Community #: 120635
Number of Floors: One Floor	Map Panel/Suffix: 0268 J
Building Indicator: Non-Elevated	Community Rating: 05 / 25%
Basement/Enclosure/Crawlspace:	Program Status: Regular
No Basement	Grandfathered: No
Condo Type: N/A	Flood Risk/Rated Zone: AE
	Prior WYO Policy Number: AB00070918

Coverage

Coverage	Deductible	Premium
BUILDING	\$500,000	\$7,713.00
CONTENTS	\$40,000	\$772.00

ANNUAL SUBTOTAL: \$8,485.00

DEDUCTIBLE DISCOUNT/SURCHARGE: \$0.00

ICC PREMIUM: \$55.00

COMMUNITY RATING DISCOUNT: \$2,135.00

SUB-TOTAL: \$6,405.00

RESERVE FUND ASSESSMENT: \$320.00

PROBATION SURCHARGE: \$0.00

FEDERAL POLICY SERVICE FEE: \$44.00

TOTAL OF PREMIUMS AND FEES: \$6,769.00

Premium Paid by: Insured

Special Provisions:

Pre-FIRM Subsidized

This policy covers only one building. If you have more than one building on your property, please make sure they are all covered. See III Property Covered within your Flood policy for the NFIP definition of "building" or contact your agent, broker, or insurance company. Coverage Limitations may apply. Please refer to your Flood Insurance Policy Form for details.

Forms and Endorsements:

WFL 99.415 0414 0614 FFL 99.310 1012 1010 WFL 99.116 0614 0614

This policy is issued by

Wright National Flood Insurance Company A stock company

Copy Sent To: As indicated on back or additional pages, if any.

[Signature]
 H. Neil Donally, President

706342009115113655514212

0000A

Agent



MacNeill Group
 P.O. Box 33003
 St. Petersburg, FL 33733-8003
 Customer Service: 1-800-432-3072 X 2011
 Claims: 1-800-725-9472

FFL 99.001 0314
 7063420
 7/31/14

FLOOD DECLARATIONS PAGE
NEW BUSINESS

2000 11523 FLD PREF

Policy Number	NFIP Policy Number	Product Type: Preferred Risk Policy
09 1151136558 00	AB00103362	General Property Form

Policy Period	Date of Issue	Agent Code	Prior Policy Number
From: 9/24/14 To: 9/24/15 12:01 am Standard Time	07/31/2014	7063420	09 OT42670341 99

Insured

TOWN OF CUTLERBAY
 10720 CARIBBEAN BLVD STE 105
 CUTLER BAY FL 33189-1257

FLORIDA LEAGUE OF CITIES INC
 PO BOX 530065
 ORLANDO FL 32853-0065

Property Location (if other than above)

10720 CARIBBEAN BLVD, TOWN HALL, CUTLER BAY FL 33189

Address may have been changed in accordance with USPS standards.

Rating Information

Building Occupancy: Non-Residential	Community Name: MIAMI-DADE COUNTY
Primary Residence: N	Community #: 120635 Map Panel/Suffix: 0356 J
Number of Floors: 3 or more	Community Rating:
Building Indicator: Non-Elevated	Program Status: Regular Grandfathered: No
Basement/Enclosure/Crawlspace:	Flood Risk/Rated Zone: X
No Basement	Prior WYO Policy Number: AB00103362
Condo Type: N/A	

Coverage	Deductible	Premium
BUILDING	\$100,000	\$989.00
CONTENTS	\$100,000	\$0.00
	ANNUAL SUBTOTAL:	\$989.00
	DEDUCTIBLE DISCOUNT/SURCHARGE:	\$0.00
	ICC PREMIUM:	\$5.00
	COMMUNITY RATING DISCOUNT:	\$0.00
	SUB-TOTAL:	\$994.00
	PROBATION SURCHARGE:	\$0.00
	FEDERAL POLICY SERVICE FEE:	\$22.00
	TOTAL OF PREMIUMS AND FEES:	\$1,016.00

THIS IS NOT A BILL

DEAR MORTGAGEE

The Reform Act of 1994 requires you to notify the WYO company for this policy within 60 days of any changes in the servicer of this loan.

The above message applies only when there is a mortgage on the insured location.

Premium Paid by: **Insured**

Special Provisions:

This policy covers only one building. If you have more than one building on your property, please make sure they are all covered. See III. Property Covered within your Flood policy for the NFIP definition of "building" or contact your agent, broker, or insurance company. Coverage Limitations may apply. Please refer to your Flood Insurance Policy Form for details.

Forms and Endorsements:

WFL 99.415 0414 0614 FFL 99.310 1012 1010 WFL 99.116 0614 0614

This policy is issued by

Wright National Flood Insurance Company A stock company

Copy Sent To: As indicated on back or additional pages, if any.

H. West, General, President

706342009115113655814212

00000

Agent



Financial Statement

September 2014

**Florida League of Cities, Inc., administrator for
the Florida Municipal Insurance Trust**

125 East Colonial Drive

Orlando, FL 32801

Toll Free: (800) 445-6248

Fax: (407) 425-9378

www.flcities.com/insurance

FLORIDA MUNICIPAL INSURANCE TRUST

FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**Florida Municipal Insurance Trust
Financial Statements
September 30, 2014**

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SHORSTEIN & SHORSTEIN, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

8265 BAYBERRY ROAD

JACKSONVILLE, FLORIDA 32256

JACK F. SHORSTEIN, C.P.A., J.D. (1929-2014)
SAMUEL R. SHORSTEIN, C.P.A.
MARK J. SHORSTEIN, C.P.A.
MICHAEL K. PARRISH, C.P.A.
BARBARA J. HOUSTON, C.P.A.
JOAN B. MOELL, C.P.A.
O.J. YOUNG
MARGARET R. CONOVER, C.P.A.
MELISSA R. STEPHENS, C.P.A.
JEFFREY C. PHILLIPS, C.P.A.
PHILLIP H. CAMPBELL, C.P.A.
WALTER L. HUNTER, C.P.A.

TELEPHONE
(904) 739-1311
FACSIMILE
(904) 739-2069
WWW.SHORSTEINCPA.COM

February 27, 2015

Independent Auditor's Report

To the Board of Trustees of the
Florida Municipal Insurance Trust:

We have audited the accompanying financial statements of the Florida Municipal Insurance Trust as of and for the year ended September 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's 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 entity'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 entity'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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Municipal Insurance Trust, as of September 30, 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 and Schedules 1 and 2 on pages 22-24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules 1 and 2 are presented to supplement the basic financial statements and were derived from and relate 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. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements for each of the nine years in the period ended September 30, 2013 (none of which are presented herein); and we expressed unqualified opinions on those basic financial statements. In our opinion, the information set forth in the required supplementary information for each of the ten years in the period ended September 30, 2014 appearing in Schedules 1 and 2 is fairly stated in all material respects in relation to the financial statements as a whole.

Shorstein + Shorstein, P.A.

**Florida Municipal Insurance Trust
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2014**

The following discussion and analysis will provide an overview of the financial activities of the Florida Municipal Insurance Trust (the Trust) for the fiscal year ended September 30, 2014. Please read this in addition to the financial statements, notes to the financial statements, and other supplementary information provided herein.

Financial Highlights

- Assets exceeded Trust liabilities at September 30, 2014 by \$205.1 million. Of this amount, \$1 million is being held as collateral for a surety bond that has been issued to the Florida Municipal Loan Council and is considered restricted. The Trust's governing Board of Trustees determines if, how much, and when fund equity distributions are to be made, based on the Trust's long-term financial needs.
- Net position decreased \$6.0 million in 2013-2014 mainly due to: (1) an increase in administrative and other expenses, (2) an increase in liability for claims and claim expenses, and (3) \$7 million in dividends to members.
- As of September 30, 2014, the Trust had approximately \$441.2 million in investments, primarily in the various portfolios of the Florida Municipal Investment Trust (FMIVT), an external investment pool, as allowed under the Trust's investment policy. Income derived from these investments is used to fund incentive credits and offset certain administrative expenses.

Basic Financial Statements

The Trust is an independent reporting entity accounted for as an enterprise fund in accordance with U.S. generally accepted accounting principles for governments as established by the Governmental Accounting Standards Board (GASB). These governmental accounting rules require the Trust to prepare a series of financial statements. The Statement of Net Position provides information about the assets and liabilities at a specific point in time, in this case, September 30, 2014. The Statement of Revenues, Expenses, and Changes in Net Position provides information about revenues (additions to net position) and expenses (deductions from net position) recorded during the entire fiscal period from October 2013 through September 2014. The Trust uses the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Notes to the financial statements. The footnotes provide additional information essential to the understanding of the financial statements.

Supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information regarding the Trust's ten-year claims development history. Setting member premium rates today to cover the assumed risk of possible future loss occurrences is largely guided by claims development. Analysis of trends in claims development indicates whether losses are increasing, decreasing or static.

**Florida Municipal Insurance Trust
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2014**

Income and expenses. The majority of the Trust's operating income and expenses are contained within a relatively small number of accounts. Following is a brief description of those accounts.

Premium income. The Trust provides insurance to members in much the same way as insurance companies provide insurance protection for customers. Coverages are rated for each individual member based on established rates, adjusted by experience modifiers and discounts to reflect the actual loss experience of the member. The experience modifier is based on prior experience adjusted by certain factors. Member premium rating is accomplished by the Trust's Administrator Underwriting Department, which has assigned each member to one of its staff underwriters.

Investment income. The Trust has a highly diversified investment portfolio. The target allocations established under the Trust's investment policy are 20% equity and 80% fixed income. The Trust's investments are managed primarily through the equity and bond portfolios of the FMIVT. The Trust complies with the provisions of GASB Statement 31 by including in investment income the change in fair value of its investments.

Claim payments and reserves. The Trust pays for covered losses experienced by its members as well as related claims expenses. The Florida League of Cities, Inc. (League) has a contractual agreement with the Trust to function as its administrator. All liability, property and worker's compensation claims are processed and managed in-house by the administrator. Health claims are processed by UnitedHealthcare Insurance Company. Outside claims adjusters, attorneys, medical experts, and other professionals are contracted on an as-needed basis. Between the time a claim is reported and the time it is resolved, reserves are established for the estimated amount that will have to be paid at some future date to settle the loss. Reserves are also established for claims that have occurred but are not yet known to the Trust. This recognizes losses in the current year for claims that will be paid in future periods. This process allows a matching of current year premiums with estimated total losses that will be incurred as the result of current fiscal year coverages.

Administrative expenses and contract service fees. In providing coverage and other member services, the Trust incurs administrative expenses and contract service fees with both the administrator and outside vendors. All of these expenses are budgeted and monitored on a monthly basis for compliance with budgetary limits. The administrator assesses their fees based on member premiums and number of claims handled.

**Florida Municipal Insurance Trust
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2014**

Comparative Financial Information

**Table 1
Net Position**

<u>Current Assets</u>	<u>2013-2014</u>	<u>2012-2013</u>	<u>Difference</u>	<u>% Change</u>
Cash and Investments	\$ 454,500,000	\$ 444,600,000	\$ 9,900,000	2.2%
Receivables	5,600,000	7,100,000	(1,500,000)	-21.1%
Prepaid Expenses	9,900,000	11,000,000	(1,100,000)	-10.0%
Total Current Assets	<u>470,000,000</u>	<u>462,700,000</u>	<u>7,300,000</u>	1.6%
<u>Noncurrent Assets</u>				
Receivables	3,800,000	2,000,000	1,800,000	90.0%
Investments Restricted	1,000,000	1,000,000	-	0.0%
Deposits	300,000	300,000	-	0.0%
Total Noncurrent Assets	<u>5,100,000</u>	<u>3,300,000</u>	<u>1,800,000</u>	54.5%
Total Assets	<u>475,100,000</u>	<u>466,000,000</u>	<u>9,100,000</u>	2.0%
<u>Current Liabilities</u>				
Liability for Claims and Claim Expenses	63,100,000	56,900,000	6,200,000	10.9%
Dividend Payable	7,000,000	8,000,000	(1,000,000)	-12.5%
Premiums Collected in Advance	12,500,000	11,600,000	900,000	7.8%
Accounts Payable and Accrued Expenses	3,400,000	2,300,000	1,100,000	47.8%
Total Current Liabilities	<u>86,000,000</u>	<u>78,800,000</u>	<u>7,200,000</u>	9.1%
<u>Noncurrent Liabilities</u>				
Liability for Claims and Claim Expenses	184,000,000	176,100,000	7,900,000	4.5%
Total Liabilities	<u>270,000,000</u>	<u>254,900,000</u>	<u>15,100,000</u>	5.9%
<u>Net Position</u>				
Restricted	1,000,000	1,000,000	-	0.0%
Unrestricted	204,100,000	210,100,000	(6,000,000)	-2.9%
Total Net Position	<u>\$ 205,100,000</u>	<u>\$ 211,100,000</u>	<u>\$ (6,000,000)</u>	-2.8%

**Florida Municipal Insurance Trust
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2014**

**Table 2
Statements of Revenues, Expenses and
Changes in Net Position**

<u>Operating Revenues</u>	<u>2013-2014</u>	<u>2012-2013</u>	<u>Difference</u>	<u>% Change</u>
Premium Income	\$ 112,800,000	\$ 98,500,000	\$ 14,300,000	14.5%
Other Income	500,000	700,000	(200,000)	-28.6%
Total Operating Revenues	<u>113,300,000</u>	<u>99,200,000</u>	<u>14,100,000</u>	14.2%
<u>Operating Expenses</u>				
Claims and Claim Expenses	102,000,000	92,000,000	10,000,000	10.9%
Administrative and Other Expenses	30,000,000	24,600,000	5,400,000	22.0%
Dividend Expense	7,000,000	8,000,000	(1,000,000)	-12.5%
Total Operating Expenses	<u>139,000,000</u>	<u>124,600,000</u>	<u>14,400,000</u>	11.6%
 <u>Operating Loss</u>	 <u>(25,700,000)</u>	 <u>(25,400,000)</u>	 <u>(300,000)</u>	 1.2%
<u>Nonoperating Revenues</u>				
Investment Income	19,700,000	20,200,000	(500,000)	-2.5%
 <u>Change in Net Position</u>	 <u>(6,000,000)</u>	 <u>(5,200,000)</u>	 <u>(800,000)</u>	 15.4%
 <u>Net Position, Beginning of Year</u>	 <u>211,100,000</u>	 <u>216,300,000</u>	 <u>(5,200,000)</u>	 -2.4%
 <u>Net Position, End of Year</u>	 <u>\$ 205,100,000</u>	 <u>\$ 211,100,000</u>	 <u>\$ (6,000,000)</u>	 -2.8%

**Florida Municipal Insurance Trust
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2014**

Some of the more important fund transactions during 2013-2014 were:

- The Trust earned \$19.7 million in investment income during the fiscal year, resulting in a return on invested assets (excluding cash) of 4.62%. The allocation to fixed-income portfolios helped to provide investment income of \$8.4 million during the year, while allocation to equities produced returns of \$11.3 million.
- The overall claims and claims expense is \$102 million for 2013-2014, which is a 10.9% increase from 2012-2013 claims and claims expense of \$92 million. The overall increase in claims expense was largely the result of: (1) an increase of FY 2013-2014 premiums, (2) deterioration in prior years' workers' compensation claim development, and (3) property losses incurred in 2013-2014.
- For the fiscal year ended September 30, 2014, the Trust had reported earned premium of \$112.8 million compared to \$98.5 million in the previous year, a 14.5% increase. The primary reason for the year-over-year increase resulted from net business growth as well as moderate rate increases for some coverage lines.

Capital Asset and Long-Term Debt Activity

The Trust has no capital assets or long-term debt.

Economic Factors

United States Economy

Overall, the U.S. economy continues to recover from the 2007-2009 Great Recession, and growth (as measured by change in Gross Domestic Product, or GDP) continued to prove strong in 2014. Real GDP growth averaged +2.4% in 2014 and was positive for three of the four quarters in 2014, with the first quarter down -2.1% due to harsh wintery conditions impacting major economic growth geographies in the U.S. For the third quarter, real GDP rose to an 11-year high of +5%.

Furthermore, U.S. job growth continued to climb in 2014 – yet another strong indicator of the state of the U.S. economy. In 2013, job growth averaged 199,000 jobs per month compared to 260,000 jobs per month in 2014 – a 31% increase. The 2014 fourth quarter job market finished strong with an average monthly job increase of 324,000 jobs per month.

State of Florida Economy

Within the state of Florida, population growth is a key contributor to economic prosperity, fueling both employment and income growth. As of the 2010 Census, Florida's population of 18.8 million made it the fourth most populous state, behind California (37.3 million), Texas (25.1 million) and New York (19.4 million). The U.S. Census Bureau estimates that Florida added over one million residents from April 1, 2010 to July 1, 2014 – which is a rate three times higher than New York State. Florida's population surpassed New York's in late 2014, according to the U.S. Census Bureau.

Florida's job market, as measured by unemployment statistics, also improved in 2014. From a 10-year record high of 11.4% in the first quarter of 2010, Florida's unemployment rate fell to under 6% in the fourth quarter of 2014. The trending of Florida's unemployment rate is consistent with the U.S. trends overall.

**Florida Municipal Insurance Trust
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2014**

Economic Factors (Continued)

Local Government Economy

Florida cities and other local governments in the aggregate are seeing an increasing property tax base, which makes up the majority of municipal government revenues. Similar to 2013, taxable values continued to increase in 2014. Consumer confidence also appears to be on the rise, as sales tax revenues are growing and, as a result, state shared revenues are increasing.

As the economy continues its recessionary rebound and property values continue to increase, local governments are facing difficult decisions to improve their financial positions. Has the economy rebounded enough to begin to realize property tax revenue increases, or are political pressures too great to enact such tax increases too soon after the financial collapse? Many governments are beginning to see financial promise in the near future, but have adapted well to the concept of "doing more with less." As the economic state of local governments continues to improve in 2015, there should be more financial flexibility – allowing governments to select partnering vendors based on "best value" as opposed to "lowest cost."

Insurance Markets

After almost three consecutive years of premium increases in most primary commercial insurance market segments, rates have showed trends of flattening. Fewer catastrophes and a strengthening economy have created a stable environment for property & casualty insurers, keeping prices for most lines of insurance low to flat. In 2014, year-over-year price increases regressed to four percent. Underwriting scrutiny, which drives rate amplification, becomes less of a focus with lucrative investment markets coupled with increased insurable exposures and abundant policyholder surplus to fulfill the demand.

The 2014 property insurance market was arguably the softest market of the century, with early indications of remaining soft in 2015 due to supply and demand factors. Capital markets have continued to infiltrate the marketplace, creating excess capacity, while policyholder surplus is at an all-time record high – allowing insurers to write additional premium. An epic supply uptick compares to a modest demand increase, primarily stimulated by insurable exposure growth resulting from the recovering economy. The result – continued pressures to keep prices down.

Liability insurance markets softened a bit in 2014, as rate increases continue to flatten from recent years. However, high severity claims not subject to State of Florida sovereign immunity still remain a concern in the municipal liability insurance market, such as employment practices and law enforcement liability claims. In the liability market, new coverages like cyber are growing rapidly as organizations rely more and more on technology for their everyday operations. Errors & omissions (E&O) coverages lead the industry in terms of rising costs, driven by issues including lawsuits against public boards of directors and management.

The workers' compensation market leveled off in 2014, with early signs of softening in 2015. While long-tailed and presumption claims remain a concern in the municipal insurance marketplace, claim frequency appears to have declined as the economy rebounds. It's somewhat a myth in the insurance industry that customers are always looking for large-scale declines in their renewals. Most educated customers know that rates that plummet will eventually rise again. Most customers seek stability, and many have achieved this goal in the 2015 insurance marketplace.

**Florida Municipal Insurance Trust
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2014**

Economic Factors (Continued)

How does FMIT compare to the broader market?

Putting aside our “public-entity-unique” law enforcement and public officials liability coverages, FMIT is less price sensitive to market swings – less of an increase during hard markets and less of a decrease in softer cycles. FMIT’s consistent and stable approach to pricing has proven successful for more than 35 years, and we experienced yet another productive membership renewal cycle for the policy year 2014-15. As always, the Trust continues to explore all avenues to reduce costs while maintaining a conservative investment philosophy and prudent underwriting standards – a “win-win” for FMIT and its valued members.

Requests for Information

This financial report is designed to provide a general overview of the Trust's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Florida League of Cities, Senior Director of Insurance and Financial Services, P.O. Box 538135, Orlando, FL 32853.

Florida Municipal Insurance Trust
***STATEMENT OF NET POSITION**
September 30, 2014

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 14,358,354	
Investments	440,181,264	
Premiums Receivable	532,795	
Reinsurance Recoveries Receivable, Net	3,660,461	
Receivable from Florida Special Disability Trust Fund	497,726	
Receivable for Members' Deductibles	915,219	
Prepaid Reinsurance	9,507,979	
Prepaid Expenses - Other	366,723	
Total Current Assets		\$470,020,521

Noncurrent Assets

Reinsurance Recoveries Receivable, Net	3,690,132	
Investments - Restricted	1,045,000	
Deposits	340,043	
Total Noncurrent Assets		5,075,175
Total Assets		475,095,696

* The accompanying notes are an integral part of these financial statements.

Florida Municipal Insurance Trust
***STATEMENT OF NET POSITION**
September 30, 2014

LIABILITIES

Current Liabilities

Liability for Claims and Claim Expenses	\$ 63,135,451	
Dividend Payable	7,032,403	
Premiums Collected in Advance	12,450,352	
Accounts Payable	2,799,019	
Accrued Expenses:		
Administrative, Service, and Sponsorship Fees	590,419	
Total Current Liabilities		\$ 86,007,644

Noncurrent Liabilities

Liability for Claims and Claim Expenses		183,999,000
Total Liabilities		270,006,644

NET POSITION

Net Position

Restricted for Surety Bond Collateral	1,045,000	
Unrestricted	204,044,052	
Total Net Position		\$205,089,052

* The accompanying notes are an integral part of these financial statements.

Florida Municipal Insurance Trust
***STATEMENT OF REVENUES, EXPENSES AND**
CHANGES IN NET POSITION
For the Year Ended September 30, 2014

<u>Operating Revenues</u>	
Premium Income	\$112,835,653
Other Income	<u>509,922</u>
Total Operating Revenues	<u>113,345,575</u>
<u>Operating Expenses</u>	
Claims and Claim Expenses	101,983,850
Administrative and Service Fees	19,059,688
Dividend Expense	7,000,000
Assessments - Florida Department of Labor and Employment Security	1,059,972
Sponsorship Fee	3,521,351
Fraud Unit Expense	2,111,369
Other Expenses	<u>4,394,127</u>
Total Operating Expenses	<u>139,130,357</u>
<u>Operating Loss</u>	(25,784,782)
<u>Nonoperating Revenues</u>	
Investment Income	<u>19,736,931</u>
Change in Net Position	<u>(6,047,851)</u>
<u>Net Position, Beginning of Year</u>	<u>211,136,903</u>
<u>Net Position, End of Year</u>	<u><u>\$205,089,052</u></u>

* The accompanying notes are an integral part of these financial statements.

Florida Municipal Insurance Trust
***STATEMENT OF CASH FLOWS**
For the Year Ended September 30, 2014

<u>Cash Flows from Operating Activities</u>	
Cash Received from Members for Premiums	\$ 141,706,004
Reinsurance Recoveries	10,632,180
Florida Special Disability Trust Fund Collections	627,410
Cash Received for Commissions	411,531
Cash Payments for Claims	(99,094,218)
Cash Payments for Dividends	(7,967,597)
Cash Payments to Suppliers for Goods and Services	(55,064,994)
Cash Payments to Florida Special Disability Trust Fund	<u>(1,082,374)</u>
Net Cash Used by Operating Activities	<u>(9,832,058)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Cash and Investments	15,108
Proceeds from Sale of Investments	31,092,157
Purchase of Investments	<u>(24,000,000)</u>
Net Cash Provided by Investing Activities	<u>7,107,265</u>
<u>Net Decrease in Cash and Cash Equivalents</u>	(2,724,793)
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>17,083,147</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 14,358,354</u>

* The accompanying notes are an integral part of these financial statements.

Florida Municipal Insurance Trust
***STATEMENT OF CASH FLOWS**
For the Year Ended September 30, 2014

Reconciliation of Operating Loss to Net Cash

Used by Operating Activities

Operating Loss	\$ (25,784,782)
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Change in Assets and Liabilities

Increase in Premiums Receivable	(289,340)
Decrease in Reinsurance Recoveries Receivable	339,041
Decrease in Receivable from Florida Special Disability Trust Fund	56,077
Increase in Receivable for Members' Deductibles	(407,994)
Increase in Prepaid Expenses - Other	(129,431)
Decrease in Prepaid Reinsurance	1,220,999
Increase in Liability for Claims and Claim Expenses	14,162,099
Increase in Premiums Collected in Advance	890,756
Increase in Accounts Payable	789,204
Decrease in Dividend Payable	(967,597)
Increase in Accrued Expenses	288,910
	288,910

Net Cash Used by Operating Activities

\$ (9,832,058)

Supplemental Schedule of Noncash Transactions

The increase in the fair value of investments was \$19,721,823.

* The accompanying notes are an integral part of these financial statements.

Florida Municipal Insurance Trust
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 1 - Organization and Significant Accounting Policies

- A. **Organization and Purpose** - The Florida Municipal Insurance Trust (the Trust) is a self-insurance program established to provide certain liability, property, casualty, health, and other coverages to participating units of local government in Florida, pursuant to various provisions of Florida Statutes.

Trust underwriting and rate-setting policies have been established after consulting with an independent actuary. The Trust is non-assessable. Trust members at year-end included 271 cities, 25 county subdivisions and 297 special districts, all located within Florida.

- B. **Reporting Entity and Basis of Accounting** - The Trust is an independent reporting entity accounted for as an enterprise fund in accordance with accounting principles generally accepted in the United States of America for governments as established by the Governmental Accounting Standards Board (GASB). The Trust uses the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.
- C. The Trust is exempt from income taxes under the provisions of Section 115 of the Internal Revenue Code.
- D. The Trust considers all unrestricted highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.
- E. Investments are reported at fair value in accordance with GASB Statement 31.
- F. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.
- G. The Trust uses the allowance method to account for uncollectible receivables. The allowance is based on management's estimate of possible bad debts. The allowance for doubtful accounts is \$500,000 at September 30, 2014. There were no bad debt write-offs during the year.
- H. The Trust considers all revenues from premium and commission income that comprise the Trust's core business activities to be operating revenues. All expenses are considered to be operating expenses. Investment income is considered to be nonoperating revenue.

Florida Municipal Insurance Trust
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents include interest-bearing demand deposits in the amount of \$13,864,836 and short-term investments in the amount of \$493,518.

Short-term investments of approximately \$493,500 were invested in the Local Government Surplus Funds Trust Fund (Florida Prime) with an average maturity of 39 days. The fund is rated AAA by Standard & Poor's.

Florida Statutes require that all qualified public depositories holding public funds collateralize deposits in excess of Federal Deposit Insurance Corporation insurance with the State Treasurer. Since the Trust uses only qualified public depositories, all demand deposits are fully insured or collateralized.

Note 3 - Investments and Investment Income

The Board of Trustees has an investment policy authorizing investments in a variety of fixed-income and equity instruments. Among the types of instruments the Trust is authorized to invest in are: certain mortgage loans, common stocks, convertible preferred stocks or bonds, repurchase agreements, commingled governmental trusts, no-load investment funds, no-load mutual funds, obligations of the United States of America, its agencies and instrumentalities, securities of state, municipal and county governments or their public agencies, corporate debt obligations, asset-backed securities and money market instruments and/or funds.

The investment policy specifies limitations as to credit quality, maturity, and issuer on fixed-income instruments, and places limits on the percentage of large-cap stock, small-cap stock, and foreign investment exposure.

The Florida Municipal Investment Trust (FMIvT) is a governmental external investment pool open to eligible units of local governments to invest in one or more investment portfolios under the direction and daily supervision of an investment advisor. FMIvT is not subject to SEC or other regulatory oversight. The fair value of the positions in the FMIvT funds and portfolios are the same as the value of the fund and portfolio shares.

FMIvT is governed by a Board of Trustees consisting of the President (or his appointee) and Second Vice President of the Florida League of Cities, Inc. (League), two representatives of the Trust, and up to three additional appointed members who are elected officials of the governmental entities who actively participate in FMIvT. The League serves as Administrator, Investment Manager and Secretary-Treasurer for FMIvT.

Florida Municipal Insurance Trust
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 3 - Investments and Investment Income (Continued)

The Trust's investments consisted of the following at September 30, 2014:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (In Years)</u>
First American Prime Obligations Fund	\$ 1,045,000	0.11
Bond Funds		
FMLvT 1-3 Year High Quality Bond Fund	66,498,786	1.47
FMLvT Intermediate High Quality Bond Fund	158,336,655	3.58
FMLvT Broad Market High Quality Bond Fund	69,434,572	4.77
FMLvT Expanded High Yield Bond Fund	49,186,166	3.61
Equity Funds		
FMLvT High Quality Growth Portfolio	10,223,748	
FMLvT Russell 1000 Enhanced Index Portfolio	29,260,696	
FMLvT Diversified Small to Mid Cap Equity Portfolio	24,166,544	
FMLvT International Equity Portfolio	22,915,269	
FMLvT Large Cap Diversified Value Portfolio	10,158,828	
Total Investments	<u>\$ 441,226,264</u>	

Interest Rate Risk: As a means of limiting its exposure to fair value losses from rising interest rates, the Trust's investment policy employs portfolio diversification, controlled duration strategies, and maturity durations as the primary methods of controlling risk. In addition, the policy establishes a minimum investment of \$1,000,000 in liquid investments having a maturity of 90 days or less. Investments may include mortgage and mortgage-backed securities having an average weighted useful life of less than ten years. The Trust's investment policy does not limit the duration of other bonds or governmental investment trusts.

Credit Risk: The Trust's investment policy is to apply the prudent-person rule. The investment portfolio shall be designed to attain a market rate of return throughout financial and economic cycles, taking into account the Trust's investment risk constraints as discussed in the investment policy. The Trust's credit quality policy does not limit its investments in U.S. government agency obligations or bond funds. The FMLvT Intermediate High Quality Bond Fund and 1-3 Year High Quality Bond Fund are rated AAA by Fitch Ratings. The FMLvT Broad Market High Quality Bond Fund is rated AA by Fitch Ratings. The FMLvT Expanded High Yield Bond Fund is not rated by any nationally recognized statistical rating agency at this time.

The net increase in fair value includes both realized gains and losses and the change in unrealized gains and losses during each fiscal year.

As further described at Note 14, investments in the amount of \$1,045,000 are held by U.S. Bank as collateral under a surety bond issued to the Florida Municipal Loan Council (FMLC) which is restricted.

Florida Municipal Insurance Trust
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 4 - Premium Income

Premium income for the current policy year is based on management's estimates and will be adjusted upon completion of all premium audits. Premiums receivable represents primarily the estimated post year-end premium adjustments. Premium income is reported net of ceded excess reinsurance premiums and incentive credits.

Premium Income	\$ 156,311,630
Ceded Excess Reinsurance Premiums	(28,328,318)
Incentive Credits	<u>(15,147,659)</u>
Net Premium Income	<u>\$ 112,835,653</u>

The Trustees established an incentive plan to provide for premium reductions to members based on each member's past experience in the Trust and other criteria.

Note 5 - State of Florida Special Disability Trust Fund

The state of Florida operates the Special Disability Trust Fund (SDTF) which reimburses Florida employers and carriers for certain workers' compensation benefits paid for claims incurred prior to January 1, 1998. The SDTF is funded with assessments paid to the Florida Department of Financial Services by insurers and self-insurers providing workers' compensation coverage in Florida. The Trust does not report as liabilities claims that have been accepted for reimbursement by the SDTF. In the event the SDTF does not meet its obligations, the Trust would be liable for such amounts.

Note 6 - Excess Reinsurance

The Trust uses reinsurance agreements to reduce its exposure to large losses on all types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Trust as direct insurer of the risks reinsured. The Trust does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. The amount deducted from claims liabilities as of September 30, 2014 for reinsurance was approximately \$85,000,000. In the event that any of the reinsuring companies do not meet their obligations under existing reinsurance agreements, the Trust would be liable for such amounts.

Reinsurance recoveries receivable represents recoverable amounts for claims paid on or before September 30, 2014, net of an allowance for bad debt in the amount of \$500,000.

Prepaid reinsurance consists of the unexpired premiums for property risk excess and catastrophe policies expiring March 31, 2015 and April 30, 2015.

Florida Municipal Insurance Trust
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 7 - Deposits

The Trust is a pool member of the NLC Mutual Company, a mutual property/casualty insurance company providing one or more layers of reinsurance coverage to state municipal league sponsored risk-sharing pools. A capital contribution of \$340,043 is recorded as a deposit. The capital contribution is non-transferable, and the right to withdraw capital is suspended by the By-Laws to four or more years after the election to withdraw is first made.

Note 8 - Claims and Claim Expenses

The provision for claims and claim expenses includes paid and unpaid claims and expenses associated with settling claims, including legal fees. The liability for claims and claim expenses is based on claims adjusters' evaluations of individual claims, management's evaluation, and an actuarial review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The liability represents the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined.

Members may choose to retain a level of risk by adding deductible provisions to their policies. The receivable for members' deductibles represents the members' retained portion of the claims paid on or before September 30, 2014.

The following represents changes in the liability during the past two years:

	<u>Year Ended September 30,</u>	
	2014	2013
<u>Liability for Claims and Claim Expenses -</u>		
<u>Beginning of Year</u>	\$ 232,972,352	\$ 214,265,121
<u>Claims and Claim Expenses</u>		
Provision for Insured Events of the Current Year	103,146,800	83,426,055
Increase (Decrease) in Provision for Insured Events of Prior Years	(1,162,950)	8,569,196
Total Claims and Claim Expenses	101,983,850	91,995,251
<u>Payments</u>		
Claims and Claim Expenses Attributable to Insured Events of the Current Year	43,970,020	29,363,399
Claims and Claim Expenses Attributable to Insured Events of Prior Years	43,851,731	43,924,621
Total Payments	87,821,751	73,288,020
<u>Liability for Claims and Claim Expenses -</u>		
<u>End of Year</u>	\$ 247,134,451	\$ 232,972,352

Florida Municipal Insurance Trust
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 9 - Hurricane Claims

As indicated in Note 8, any adjustments resulting from the settlement of losses will be reflected in the Trust's earnings at the time the adjustments are determined. One area of such potential future adjustments arises from a Department of Homeland Security, Office of Inspector General (OIG) report of December 18, 2014. The report identified inadequacies in the Federal Emergency Management Agency's (FEMA's) handling of disaster relief paid to FMIT members in relation to property spanning 2003 to 2006 coverage years. The OIG report is intended to evaluate FEMA and not any specific insurance carrier(s) in the state of Florida. The FMIT was neither a named party within the report nor on OIG's report distribution list. On January 22, 2015, FEMA's state counterpart, Florida Department of Emergency Management (DEM), issued a response disagreeing with many aspects of the report, stating OIG greatly exaggerated its figures and extrapolations for FEMA inadequacies. DEM concluded FEMA is ultimately time-barred from reviewing its previously decided matters. FMIT management, through its own evaluation of affected members, the review of the OIG report and discussions with DEM, believes this matter will not have a material adverse effect on the financial position of the Trust.

Note 10 - Premiums Collected in Advance

Premiums collected in advance represents premiums collected prior to October 1, 2014 but allocable to the year ending September 30, 2015.

Note 11 - Administrative and Service Fees

Administrative and service fees are paid to the League for claims administration and other administrative services pursuant to one-year agreements. In addition, the League was paid \$500,000 for reinsurance management services, which are included in other expenses. A number of members of the Trust's Board of Trustees are also members of the League's Board of Directors.

Administrative fees in the amount of \$1,803,135 were paid to United Healthcare for HMO health claims administration.

Note 12 - Sponsorship Fee

The Trust paid the League a sponsorship fee for sponsoring and promoting the Trust.

Note 13 - Fraud Unit Expense

The Trust has contracted with the League to operate a special investigative unit to pursue and minimize fraudulent insurance acts committed against the Trust.

Note 14 - Surety Bond

The Trust has issued a surety bond to FMLC, guaranteeing payment of principal and interest on the Revenue Bonds, Series 2000A, in the amount of \$1,045,000, maturing between 2014 and 2024. The surety bond is collateralized by investments held in trust by U.S. Bank in the amount of the guarantee.

The League serves as Administrator for FMLC.

Florida Municipal Insurance Trust
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 15 - Policyholder Dividend

Dividend payable represents distributions to be made to Trust members who had property insurance coverage with the Trust in the year ended September 30, 2014 and have continued property insurance coverage with the Trust in the year ending September 30, 2015.

Florida Municipal Insurance Trust
REQUIRED SUPPLEMENTARY INFORMATION
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
September 30, 2014

Schedule 1

The Governmental Accounting Standards Board requires public entity risk pools to present claims development information for the last ten years. The information on the next page illustrates how the Trust's premium (net of reinsurance), investment and other income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses of the Trust as of the end of each of the last ten years.

The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's gross premium, investment and other income, premium ceded to reinsurers, and net earned premium, investment and other income. Pursuant to GASB Statement 34, earned income is reported net of incentive credits.
2. This line shows each fiscal year's other operating costs not allocable to individual claims.
3. This line shows the Trust's gross incurred claims and allocated claim adjustment expense, claims assumed by reinsurers and net incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. This section of 10 rows shows the cumulative net amounts paid as of the end of successive years for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of 10 rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
7. This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

Florida Municipal Insurance Trust
 REQUIRED SUPPLEMENTARY INFORMATION
 TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
 September 30, 2014

Schedule 1

	Fiscal and Policy Year Ended September 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1. Premium, Investment, and Other Income										
Earned	\$ 111,445,669	120,049,673	170,724,469	115,064,295	149,137,015	148,803,659	127,594,104	145,760,678	146,252,570	161,410,824
Ceded	16,570,242	24,775,670	30,982,592	25,628,965	22,342,082	24,268,423	25,782,855	27,001,949	26,844,208	28,328,318
Net Earned	\$ 94,875,427	95,274,003	139,741,887	89,435,330	126,794,933	124,535,236	101,811,249	118,758,729	119,408,362	133,082,506
2. Unallocated Expenses	\$ 17,251,054	18,664,061	23,420,399	32,347,911	30,354,937	33,990,242	30,854,415	30,850,883	32,624,056	37,146,507
3. Estimated Incurred Claims and Expense, End of Policy Year										
Incurred	\$ 76,993,810	100,408,429	69,140,508	72,277,906	88,102,988	87,423,463	83,003,559	85,213,519	87,755,306	110,926,268
Ceded	7,057,090	9,680,239	4,360,629	6,048,604	4,930,628	5,459,561	4,613,672	9,099,935	4,329,251	7,779,468
Net Incurred	\$ 71,936,720	90,728,190	64,779,879	66,229,302	83,172,360	81,966,822	78,389,887	76,113,584	83,426,055	103,146,800
4. Claims Paid (Cumulative), Net of Reinsurance, as of:										
End of policy year	\$ 17,714,934	36,997,027	19,768,895	23,218,662	33,280,225	32,325,712	30,548,804	25,493,067	29,363,399	43,970,020
One year later	25,699,495	47,404,310	29,425,857	32,354,744	45,934,258	46,986,126	45,409,619	38,325,105	42,034,053	
Two years later	31,455,428	53,576,190	35,673,543	37,989,827	54,944,420	55,472,666	51,894,852	46,243,759		
Three years later	35,451,023	59,418,885	40,011,368	42,093,775	60,508,054	62,930,378	56,851,126			
Four years later	40,949,335	62,283,002	44,048,021	46,580,156	65,329,164	67,839,629				
Five years later	44,484,223	65,842,525	46,833,722	49,036,263	68,934,026					
Six years later	47,785,305	68,670,746	49,113,006	50,744,064						
Seven years later	48,838,068	70,648,866	50,826,932							
Eight years later	49,341,203	72,055,306								
Nine years later	49,699,409									
5. Reestimated Ceded Claims and Expense	\$ 7,768,139	13,108,359	4,245,161	6,602,089	4,207,628	5,393,788	4,657,814	20,323,406	3,983,933	7,779,468
6. Reestimated Incurred Claims and Expense:										
End of policy year	\$ 71,936,720	90,728,190	64,779,879	66,229,302	83,172,360	81,966,822	78,389,887	76,113,584	83,426,055	103,146,800
One year later	58,047,688	77,882,433	56,999,197	61,239,576	82,675,996	83,792,387	79,834,431	75,348,084	80,283,931	
Two years later	52,156,792	73,478,489	54,481,995	61,511,376	84,226,146	85,900,075	78,693,706	78,047,595		
Three years later	49,797,441	74,797,693	55,187,914	59,889,132	83,516,772	88,509,543	78,388,010			
Four years later	51,851,947	76,711,366	56,526,150	59,277,529	85,534,784	87,578,226				
Five years later	52,151,721	76,765,906	56,608,627	60,535,000	85,210,072					
Six years later	54,239,423	78,161,312	57,635,779	59,402,597						
Seven years later	54,110,803	79,880,219								
Eight years later	54,330,464	79,076,562								
Nine years later	53,505,118									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	\$ (18,431,602)	(11,651,608)	(5,615,373)	(6,826,705)	2,037,712	5,611,404	(1,877)	1,934,011	(3,142,124)	-0-

Florida Municipal Insurance Trust
REQUIRED SUPPLEMENTARY INFORMATION
CLAIMS LIABILITY BY TYPE OF CONTRACT
September 30, 2014

Schedule 2

The schedule below presents the changes in the claims liabilities for the past two years for the Trust's four types of contracts.

	Total Liability Year Ended September 30, 2014	Property Year Ended September 30, 2014	Workers' Compensation Year Ended September 30, 2014	Health Year Ended September 30, 2014
Liability for Claims and Claim Expenses, Beginning of Year	\$ 91,273,639	85,456,133	139,108,297	1,763,884
Claims and Claim Expenses:				
Provision for Insured Events of the Current Year	28,711,435	10,200,000	33,058,601	31,176,764
Increase (Decrease) in Provision for Insured Events of Prior Years	(3,707,846)	(32,692)	2,558,105	(413,209)
Total Claims and Claim Expenses	\$ 25,003,589	10,600,000	35,616,706	30,763,555
Payments:				
Claims and Claim Expenses Attributable to Insured Events of the Current Year	\$ 1,034,017	1,050,372	8,086,388	8,157,476
Claims and Claim Expenses Attributable to Insured Events of Prior Years	23,561,373	(1,308,935)	20,248,618	1,350,675
Total Payments	\$ 24,595,390	21,381,418	28,335,006	29,855,734
Liability for Claims and Claim Expenses, End of Year	\$ 91,681,838	91,273,639	146,389,997	2,671,705
		2,506,215	125,011,812	1,287,961
		3,100,000	33,523,143	19,571,296
		(399,000)	9,137,327	(136,439)
		2,701,000	42,660,470	19,434,857
		6,344,556	8,086,388	28,505,059
		(1,308,935)	20,248,618	1,151,522
		5,035,621	28,335,006	18,958,934
		6,390,911	139,108,297	1,763,884