

**CONTINUING PROFESSIONAL SERVICES CONTRACT
CONTRACT NO. 0114-0840**

THE PARTIES TO THIS CONTRACT are the City of Daytona Beach, a Florida municipal corporation (the "CITY"), and Brown & Brown of Florida, Inc., a Florida corporation ("BROKER").

In consideration of the mutual covenants herein contained, the Parties agree as follows:

Section 1. Scope of Services. BROKER will provide professional property and casualty insurance brokerage services to the CITY from time to time at the direction of the CITY during the Term of this Contract. Exhibit A, attached hereto and incorporated herein by reference, provides a detailed description of the range of services that may be provided under this Contract.

Section 2. Services Must be Authorized in Writing. This Contract, in and of itself, does not require the BROKER to perform any services or CITY to provide payment for services rendered by the BROKER. No services will be provided under this Contract, and no payment obligation will arise for performance of services, except when specifically authorized by CITY purchase order issued in accordance with the CITY's procurement policies. No purchase order issued may alter the terms and conditions of this Contract. In case of a conflict with a purchase order this Contract will govern.

The purchase order will set forth a specific amount for payment, consistent with the requirements of this Contract. Payment will be established as a not-to-exceed amount or fixed fee. In either instance the purchase order will include sufficient documentation to describe the basis on which payment has been calculated. The fees charged will be consistent with the fixed fee schedule attached hereto and incorporated herein as Exhibit B, except when the City specifically approves otherwise for a specific purchase order. Only the City Commission, or for purchase orders funded by redevelopment trust funds, the Community Redevelopment Agency governing board, is authorized to approve purchase orders that are based on a modified fee schedule.

The purchase order may provide more detailed parameters for the services to be provided, such as deliverables, deadlines, etc, consistent with the provisions of this Contract.

No claim for services furnished by the BROKER not specifically provided for herein will be honored by the CITY.

Section 3. Fee Schedule; Limitation on Fees, Procedure.

(a) Subject to the limitations provided below, BROKER will be paid for services rendered in accordance with the Fee Schedule set forth in Exhibit B.

(b) The Fees set forth in the Fee Schedule will be subject to the following adjustments:

- (1) The amount due the BROKER for professional fees and all other costs pursuant to the terms of this Contract will not exceed the fixed dollar fee of \$52,000 annually, plus any commission earned on flood insurance placed on behalf of the City through the National Flood Insurance Program, for the Services rendered during the initial term of this Agreement provided the BROKER has submitted at least the required proposals for the services outlined in EXHIBIT A. The BROKER agrees that the obligation of the City to pay for services rendered will be reduced by 33% if the BROKER provides only proposals for two out of the three coverage types outlined in EXHIBIT A to the CITY. The BROKER agrees that the obligation of the City to pay services rendered will be reduced by 66% if the BROKER provides only proposals to the CITY for one out of the three types of coverages outlined in EXHIBIT A. These restrictions may be waived by the CITY for extraordinary circumstances, which are beyond the control of the BROKER, and the BROKER brings in declination letters from producers that he/she has approached.
- (2) There will be no reimbursement of BROKER for any out of pocket expenses or travel expenses whatsoever, unless specifically agreed to be the CITY when ordering services.

If BROKER is being compensated based upon a fixed dollar amount or fixed percentage fee, meaning that this Contract specifies BROKER compensation and states anywhere in this Contract that additional compensation will not be paid to BROKER or any other party, then additional compensation to BROKER or any other party, including wholesale brokers or third party intermediaries, is strictly prohibited. Likewise, if this Contract sets compensation based upon a fixed dollar amount or fixed percentage fee, and the Contract specifies that additional compensation shall be credited to the City, any additional compensation to any party, including brokers, wholesale brokers, or third part intermediaries, must be promptly returned to the City. If this Contract is not based upon such fixed fee terms, no owner or affiliated party, including brokers, wholesale brokers or third party intermediaries, may accept any type of compensation without full disclosure by the Broker to the City of the dollar amount or the percentage of compensation prior to binding the City's coverage.

(c) The Fees and other compensation to be paid to BROKER hereunder are exclusive of all federal, state, and local sales, use, excise, receipts, gross income, and other similar taxes and governmental charges and fees. The CITY will be responsible for paying all such taxes, charges, or fees for such services, now imposed or hereafter imposed during the term of the resulting Agreement, will be in addition to the compensation.

Section 4. Billing and Payment Procedure. In addition to requirements for payment established by applicable federal, state, or local law including the City Code, or the Exhibits, payment terms and conditions are as follows:

(a) No payment will be due for services performed until BROKER submits a proper invoice. BROKER must separately invoice the CITY for each purchase order.

(b) In order to be considered to be proper, the invoice must include all information that the CITY may need to verify the accuracy of the invoice and the amount of payment due based on the specific requirements of this Contract, such as where payment is not due until deliverables are provided, or reimbursement of expenses is contingent upon proof of same.

(c) The CITY will within 30 days after receipt of an invoice notify the BROKER that the invoice is improper, or pay BROKER the amount due.

Section 5. Standard of Performance. BROKER's services will at a minimum meet the level of care and skill ordinarily used by members of BROKER's profession performing the type of services provided herein within the State of Florida.

Section 6. Relationship between Parties. This Contract does not create an employee-employer relationship between the CITY and BROKER. BROKER is an independent contractor of the CITY and will be in control of the means and the method in which the requested work is performed. As an independent contractor, BROKER will be solely responsible for payment of all federal, state, and local income tax, and self-employment taxes, arising from this Contract; and BROKER agrees to indemnify and hold harmless the CITY from any obligations relating to such taxes. The CITY will not make deductions from payments due for such taxes, or for social security, unemployment insurance, worker's compensation, or other employment or payroll taxes.

Section 7. Documents and Records.

(a) All reports, estimates, logs, original drawings, and other materials furnished, prepared or executed by BROKER during the term of and in accordance with the provisions of this Contract will be the property of the CITY and delivered to the CITY upon demand or, if no demand has previously been made, upon completion of the particular task for which such materials were prepared, executed, or otherwise required.

(b) To the extent required by law, BROKER will comply with the Florida Statutes Section 119.0701, include where applicable the following requirements:

- (1) To keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform the service provided herein.
- (2) To provide the public with access to public records on the same terms and conditions that the CITY would provide the records and at a cost that does not exceed the cost provided in Ch. 119, Florida Statutes, or as otherwise provided by law.
- (3) To ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- (4) To meet all requirements for retaining public records and transfer, at no cost, to the CITY all public records in possession of BROKER upon termination of this Contract for any reason, and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. When such records are stored electronically, BROKER will provide the CITY all records stored electronically in a format that is compatible with the CITY's information technology systems.

Section 8. Effective Date and Term. The Effective Date of this Contract is the last signature date set forth below (the "Effective Date"). The Term of this Contract is three years commencing on the Effective Date. The CITY will have the option to renew this Contract for an additional three year term, by providing BROKER written notice at least 60 days before the end of the current Term.

Any purchase order entered into prior to expiration or termination of the Term will remain valid.

Section 9. Termination of Agreement

(a) Either Party may terminate this Contract for convenience by providing the other Party 60 days' notice.

(b) The City may terminate this Contract based upon BROKER's material breach, if BROKER fails to remedy such breach within 10 days after CITY provides BROKER written notice of the breach, specifying the breach. This Contract will terminate automatically and without need for additional notice if BROKER fails to remedy the material breach within this 10 day period.

(c) Whenever this Contract is terminated as provided above, BROKER will immediately discontinue all services affected, unless the CITY directs otherwise, and deliver to the CITY all policies, contract documents, data, reports, estimates,

summaries, and any and all such other information and services of whatever type or nature as may have been accumulated by BROKER in performing this Contract, whether completed or in process.

(d) If the termination is for the CITY's convenience, BROKER will be paid compensation for services performed to the date of termination.

(e) If the termination is due to the BROKER's material breach, the CITY reserves all rights and remedies it may have under law due to such breach.

(f) If after notice of termination for the BROKER's material breach it is determined by the CITY or by a court of law that the BROKER had not materially breached this Contract, or that the CITY's notice for termination upon such breach was insufficient, the termination will be conclusively deemed to have been effected for the CITY's convenience. In such event, adjustment in payment to BROKER will be made as provided in subsection (d) of this Section.

(g) The rights and remedies of CITY provided for in this Section are in addition and supplemental to any and all other rights and remedies provided by law or under this Contract.

Section 10. Suspension of Services. If the notice of default issued by the CITY pursuant to the preceding Section so directs, BROKER will suspend services immediately upon receipt thereof, other than the work required to remedy the material breach.

Section 11. Indemnification. BROKER will indemnify and hold harmless the CITY, including the CITY's officers, employees, and agents, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the BROKER's negligent acts or omissions, or reckless or intentionally wrongful conduct in the performance of this Contract. For purposes of this Section, the term, "BROKER," includes BROKER's officers, employees, and agents, including subcontractors and other persons employed or used by BROKER.

Section 12. Insurance. BROKER will provide and maintain at BROKER's own expense, insurance of the kinds of coverage and in the amounts set forth in this Section. All such insurance will be primary and non-contributory with the CITY's own insurance. In the event any request for the performance of services presents exposures to the CITY not covered by the requirements set forth below, the CITY reserves the right to add insurance requirements that will cover such an exposure.

(a) Coverage and Amounts.

(1) Workers Compensation Insurance as required by Florida Statutes, Chapter 440, Workers' Compensation Insurance, for all employees of BROKER, employed at the site of the service or in any way connected with the work, which is the subject of this service. The insurance required by this provision will comply fully with the Florida Workers' Compensation Law and include Employers' Liability Insurance with limits of not less than \$500,000 per occurrence. Any associated or subsidiary company involved in the service must be named in the Workers' Compensation coverage.

(2) Liability Insurance, including (i) **Commercial General Liability coverage** for operations, independent contractors, products-completed operations, broad form property damage, and personal injury on an "occurrence" basis insuring BROKER and any other interests, including but not limited to any associated or subsidiary companies involved in the work; and (ii) **Automobile Liability Insurance**, which will insure claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle used by the BROKER in the performance of this Contract.

The limit of liability for each policy will be a combined single limit for bodily injury and property damage of no less than \$1,000,000 per occurrence. If insurance is provided with a general aggregate, then the aggregate will be in an amount of no less than \$1,000,000. The Risk Manager for the CITY may authorize lower liability limits for the automobile policy only, at the Risk Manager's sole discretion.

(3) Professional Liability Insurance, insuring BROKER and other interests, including, but not limited to, any associated or subsidiary companies involved in the work, for errors or omissions in the performance of professional services to be rendered pursuant to this Contract. The limit of liability will be no less than \$5,000,000.

Professional Liability coverage will be provided on an Occurrence Form or a Claims Made Form with a retroactive date no later than the Effective Date and with a three year reporting tail beyond the annual expiration date of the policy.

(b) Proof of Insurance. BROKER will furnish proof of insurance acceptable to the CITY prior to or at the time of execution of this Contract. BROKER will not commence work until all proof of all required insurance has been filed with and approved by the CITY. BROKER will furnish such proof in the form of certificates of insurance which will clearly outline all hazards covered as itemized above, the amounts of insurance applicable to each hazard, and the expiration dates.

If requested by the CITY, BROKER will furnish copies of the insurance contracts to support the certificates of insurance and the copies of said insurance must be acceptable to the CITY.

(c) Cancellation; Replacement Required. BROKER will file replacement certificates 30 days prior to expiration or termination of the required insurance occurring prior to the acceptance of the work by the CITY. If a required policy is canceled without

BROKER's prior knowledge BROKER will immediately notify the CITY immediately upon becoming aware that a required insurance coverage has been canceled for any reason, and promptly replace the canceled policy. The CITY expressly reserves the right or replace the canceled policy at BROKER'S expense if BROKER fails to do so.

(d) Termination of Insurance. BROKER may not cancel the insurance required by this Contract until the work is completed, accepted by the CITY and BROKER has received written notification from the Risk Management Division of the CITY that BROKER may cancel the insurance required by this Contract and the date upon which the insurance may be canceled. The Risk Management Division of the CITY will provide such written notification at the request of BROKER if the request is made no earlier than two weeks before the work is to be completed.

(e) Liabilities Unaffected. BROKER's liabilities under this Contract will survive and not be terminated, reduced or otherwise limited by any expiration or termination of insurance coverages. Similarly, BROKER's liabilities under this Contract will not be limited by the existence of any exclusions or limitations in insurance coverages, or by BROKER's failure to obtain insurance coverage.

BROKER will not be relieved from responsibility to provide required insurance by any failure of the CITY to demand such coverage, or by CITY's approval of a policy submitted by BROKER that does not meet the requirements of this Contract.

Section 13. Notices. Unless otherwise expressly agreed herein, all notices, requests, and demands to or upon the Parties will be delivered by hand, delivered by a courier service, provided to a nationally recognized delivery service for overnight delivery, or by U.S. mail, postage prepaid by registered or certified mail, return receipt requested, to the addresses set forth herein:

To the CITY:
Mark Jones
Risk Manager
City of Daytona Beach
301 S. Ridgewood Ave
Daytona Beach, FL 32115

To BROKER:
Bobbi Barlow
Vice President
Brown & Brown of FL, Inc.
220 S. Ridgewood Ave
Daytona Beach, FL 32115

Either Party may change the name or address for receipt of that Party's notices, by providing the other Party written notice in the manner described above.

Section 14. Personnel. BROKER represents that BROKER has or will secure at BROKER's own expense, all personnel required in performing the services under this Contract. Such personnel will not be employees of or have any contractual relationship with the CITY.

All personnel engaged in the work will be fully qualified and will be authorized under state and local law to perform such services.

Section 15. CITY's Responsibilities. The CITY agrees to make available for review and use by the BROKER, reports, studies, and data relating to the services required. The CITY will establish a project manager to meet periodically with the BROKER to facilitate coordination and ensure expeditious review of work product.

Section 16. Limitation on Waivers. Neither the CITY's review, approval, or acceptance of, or payment for, any of the services provided by BROKER, will be construed to operate as a waiver of the CITY's rights under this Contract. BROKER will be and always remain liable to the CITY in accordance with applicable law for any and all damages to the CITY caused by the BROKER's negligent or wrongful provision of any of the services furnished under this Contract.

Failure of the CITY to exercise any right or option arising out of a breach of this Contract will not be deemed a waiver of any right or option with respect to any subsequent or different breach, or the continuance of any existing breach. Furthermore, the failure of the CITY at any time to insist upon strict performance of any condition, promise, agreement or understanding set forth herein will not be construed as a waiver or relinquishment of the CITY's right to insist upon strict performance of the same condition, promise, agreement or understanding at a future time.

Section 17. Dispute Resolution. If a dispute exists concerning this Contract, the Parties agree to use the following procedure prior to pursuing any other judicial remedies.

(a) Negotiations. A Party will request in writing that a meeting be held between representatives of each Party within 14 calendar days of the request or such later date that the Parties may agree to. Each Party will attend and will include, at a minimum, a senior level decision maker (an owner, officer, or employee of each organization) empowered to negotiate on behalf of their organization. The purpose of this meeting is to negotiate in the matters constituting the dispute in good faith. The Parties may mutually agree in writing to waive this step and proceed directly to mediation as described below.

(b) Non-Binding Mediation. Mediation is a forum in which an impartial person, the mediator, facilitates communication between parties to promote reconciliation, settlement, or understanding among them. Within 30 days after the mediation procedure described in Subsection (a) proves unsuccessful or the Parties mutually waive the subsection (a) procedure, the Parties will submit to a non-binding mediation. The mediation, at a minimum, will provide for (i) conducting an on-site investigation, if appropriate, by the mediator for fact gathering purposes, (ii) a meeting of all Parties for the exchange of points of view and (iii) separate meetings between the mediator and each Party to the dispute for the formulation of resolution alternatives. The Parties will select a mediator trained in mediation skills and certified to mediate by the Florida Bar, to assist with resolution of the dispute. The Parties will act in good faith in the selection of the mediator and give consideration to qualified individuals nominated to act as

mediator. Nothing in this Contract prevents the Parties from relying on the skills of a person who also is trained in the subject matter of the dispute or a contract interpretation expert. Each Party will attend will include, at a minimum, a senior level decision maker (an owner, officer, or employee of each organization) empowered to negotiate on behalf of their organization.

If the Parties fail to reach a resolution of the dispute through mediation, then the Parties are released to pursue any judicial remedies available to them.

Section 18. General Terms and Conditions.

(a) Amendments. Except as otherwise provided herein, no change or modification of this Contract will be valid unless the same is in writing and signed by both Parties.

(b) Assignments and Subcontracting. No assignment or subcontracting will be permitted without the CITY's written approval.

(c) Compliance with Laws and Regulations. In providing all services pursuant to this Contract, BROKER will abide by all statutes, ordinances, rules, and regulations pertaining to, or regulating the provisions of, such services including those now in effect and hereafter adopted. Any violation of said statutes, ordinances, rules, or regulations will constitute a material breach of this Contract and will entitle the CITY to terminate this Contract immediately upon delivery of written notice of termination to the BROKER.

(d) Truth in Negotiations Certificate. BROKER hereby certifies that the wages and other factual unit costs supporting the compensation herein are accurate, complete, and current at the time of this Contract.

(e) No Third Party Beneficiaries. There are no third party beneficiaries of BROKER's services under this Contract.

(f) Contingency Fee. BROKER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for BROKER, to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for BROKER, any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(g) Nondiscrimination. BROKER will not discriminate against any employee or applicant for employment because of race, color, sex, or national origin. BROKER will take affirmative action to ensure that applicants are employed and the employees are treated during employment without regard to their sex, race, creed, color, or national origin. Further, BROKER agrees to comply with all local, state and federal laws and ordinances regarding discrimination in employment against any individual on the basis of race, color, religion, sex, national origin, physical or mental impairment, or age. In

particular, BROKER agrees to comply with the provisions of Title 7 of the Civil Rights Act of 1964, as amended, and applicable executive orders including, but not limited to, Executive Order No. 11246.

(h) Principles in Construing Contract. This Contract will be governed by and construed in accordance with the laws of the State of Florida. Captions and paragraph headings used herein are for convenience only, are not a part of this Contract and will not be deemed to limit or alter any provisions hereof or to be relevant in construing this Contract. The use of any gender herein will be deemed to be or include the other genders, and the use of the singular herein will be deemed to be or include the plural (and vice versa), wherever appropriate.

(i) Venue. The exclusive venue for any litigation arising out of this Contract will be Volusia County, Florida if in state court, or the U.S. District Court, Middle District of Florida if in federal court.

(j) Litigation Costs. Except where specifically provided herein, in case of litigation between the Parties concerning this Contract, each party will bear all of its litigation costs, including attorney's fees.

(k) Force Majeure. A force majeure event is an act of God or of the public enemy, riots, civil commotion, war, acts of government or government immobility (whether federal, state, or local) fire, flood, epidemic, quarantine restriction, strike, freight embargo, or unusually severe weather; provided, however, that no event or occurrence will be deemed to be a force majeure event unless the failure to perform is beyond the control and without any fault or negligence of the Party charged with performing or that Party's officers, employees, or agents. Whenever this Contract imposes a deadline for performing upon a Party, the deadline will be extended by one day for each day that a Force Majeure event prevents the Party from performing; provided, however, that the Party charged with performing and claiming delay due to a Force Majeure event will promptly notify the other Party of the Event and will use its best efforts to minimize any resulting delay.

(l) Jury Trial Waived. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS CONTRACT, OR ANY DEALINGS BETWEEN THE PARTIES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY DISPUTES BETWEEN THE PARTIES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS.

(m) Authority to Bind BROKER. The undersigned representative of BROKER represents and warrants that he or she is fully authorized to bind BROKER to the terms and conditions of this Contract.

(n) Incorporation of RFP and Proposal. The CITY's Request for Proposals # 0114-0804 and the BROKER's responsive proposal are incorporated herein by reference as Composite Exhibit C. This Exhibit is not attached but will remain on file in the Office of the City Clerk. In case of conflicts between the RFP and Proposal, the RFP will govern. In case of conflicts between Composite Exhibit C and other provisions of this Contract, including Exhibits A and B, this Contract will govern.

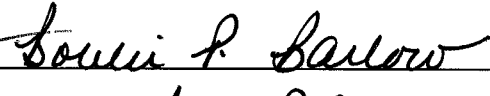
(o) Integration. This Contract represents the entire agreement of the parties with respect to the subject matter hereof. No representations, warranties, inducements or oral agreements have been made by either Party except as expressly set forth herein, or in other contemporaneous written agreements.


IN WITNESS WHEREOF, the Parties through their undersigned representatives have caused this Agreement to be executed in duplicate original on the dates referenced below.

The City of Daytona Beach

Brown & Brown of Florida, Inc.

By: 
Derrick Henry, Mayor

By: 
Printed Name: BOBBI P. BARLOW

Attest: 
~~Jennifer L. Thomas, City Clerk~~

Title: Vice President

Letitia Lamagna, Acting City Clerk

Date: 4/23/14

Date: May 21, 2014

Approved as to legal form by:

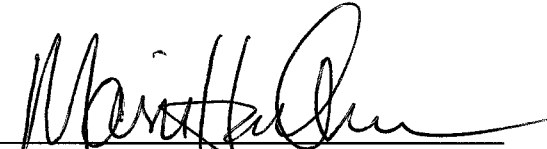
By: 
Marie Hartman, City Attorney

EXHIBIT A

SCOPE OF SERVICES

Design a property and excess casualty risk financing program for the City which will streamline risk-financing applications as much as possible, and utilize cost-effective self-insured retentions, insurance deductibles, and other risk financing techniques. The City's major property and casualty risk exposure categories are:

- Commercial property insurance including difference in conditions coverage for City properties with a total insurable value of \$295,000,000. The City also has a boilers and machinery insurance policy with a \$100,000,000 limit of liability.
- The City has excess liability policies in the amount of \$2,500,000 per occurrence and \$5,000,000 annual aggregate with various self-insured retentions for commercial general liability, commercial automobile, errors and omissions liability, and police professional liability. The City also has an excess workers' compensation policy with statutory coverage and \$5,000,000 in employer's liability coverage.
- The City maintains other miscellaneous property and casualty policies including but not limited to inland marine insurance, flood insurance, crime/employee dishonesty insurance, and special events liability insurance with various deductibles and limits of coverage.

The selected broker(s) must be able to provide insurance placement and related risk management consulting services to the City for property and casualty Insurance.

The services shall include the following:

A. Insurance Placement and Marketing Services

1. Maintain contact with insurance markets which are interested, available, and qualified to provide products and services to the City and identify opportunities to improve the products or services or reduce costs.
2. Provide the City with a schedule and timetable for broker activities.
3. Prepare underwriting submissions to risk financing organizations and provide a copy of its submission(s) to the City. The City will assist the broker by issuing general specifications, and by gathering and preparing information for the broker; however the ultimate responsibility for preparation of underwriting submissions and all related expenses will be borne by the broker.
4. Provide a strategy for market coverages. Provide a prioritized list of risk financing organizations to be approached on behalf of the City, and a statement

of why this market is able to meet the City's needs. Include an evaluation of the financial stability of the proposed insurer to assume the financial risk that is proposed to be undertaken.

5. Negotiate coverages, policy language, services, limits, retentions, and price on behalf of the City with the proposed insurer. Provide expertise in negotiations with insurers to obtain acceptable policy terms and conditions and in the preparation of manuscript forms and endorsements.
6. Comply with the City's procurement codes and procedures for obtaining insurance coverages.
7. Begin renewal activities for all insurance coverage in future years a minimum of 60 days before anniversary dates by requesting current underwriting data from the City. Receive insurance proposals and perform analyses to determine which proposals offer the best combination of cost, services, and coverage, at least 30 days prior to the expiration of the policy.

B. Policy Review and Coverage Verification

1. Ensure that all insurance policies provided by insurers conform to the requested coverage and these policies are provided to the City within 45 days after inception of coverage.
2. Maintain a monthly status report, available to the City, identifying all outstanding insurance issues and provide a time line for resolving these outstanding issues. Issue insurance binders to the City prior to inception of any insurance coverage and until policy is issued.
3. Review and evaluate new and renewal policies endorsements or related documents affecting coverage, services, or cost.
4. Continuously monitor the financial condition of insurers providing insurance coverage to the City, including their ability to pay claims promptly and advise the City whenever any insurer is downgraded by any rating agency.
5. Prepare analysis and recommendations of coverage being offered, including financial strength of insurer, limits, retentions, coverages, exclusions, and pricing.
6. Verify all policy terms, conditions, and premium calculations before delivering policies and/or endorsements to the City.
7. Verify all requested changes and premium changes, including any subsequent audits.

C. Loss Prevention

Represent the position of the City concerning recommendations made by insurance companies and, if requested, conduct research to develop documentation to support the City's position. Consult with the City staff as appropriate.

D. Claims Settlement

1. Assist with claim documentation process and coverage interpretation to ensure the City receives maximum loss recoveries in a timely manner.
2. Assist the City in obtaining all payments, including partial payments, for losses from insurance companies.
3. Assist in resolving insurance coverage disputes with insurance companies.

E. Risk Management Consulting

1. Assist the City in preparing annual exposure updates to ensure compliance with terms and conditions of the various insurance coverages.
2. Monitor and evaluate the City's loss exposures for any operational changes that may have a significant impact on its risk management program.
3. Serve as a resource to the City for information on coverage issues, policy interpretation, claim issues, potential exposures, and other issues.

The Broker must be available at all times upon reasonable requests to meet with the City Commission, City Manager, Finance Director, staff, and other City consultants in order to fulfill the Broker's responsibilities.

Broker Compensation

Brown & Brown of Florida, Inc. is currently providing broker services to the City on a contract that began 6/21/2008 and expires 6/21/2014. In the current contract, we earned \$40,000 as the annual fee for providing certain specific lines of coverage as defined by the contract.

The contract allows us to earn commission on coverages outside its scope which included flood insurance, crime insurance, general liability on the water bottling plant, railroad protective coverage, and general liability and property coverage on the Main Street Pier. The total commission generated by these policies in the last twelve months was \$22,446.

Brown & Brown of Florida, Inc. values our relationship with the City of Daytona Beach and recognizes the City's needs to control costs. We propose no increase in the total revenue earned by our firm.

The commission earned on the direct billed National Flood Insurance policies is paid automatically to the agency by the carrier and generated \$10,386 in the last twelve months. We cannot write this coverage "net of commission".

Therefore, in light of the accounting issues involved, we propose that our annual fee be \$52,000 (to be invoiced quarterly at \$13,000 for installments billed 6/21, 9/21, 12/21 and 3/21 annually) and that the contract state that flood commissions are outside the agreement and can be earned by our office. The commission to Brown & Brown of Florida Inc. would then be a total of \$62,386 which is just slightly under the expiring commission.

The \$52,000 fee would be broken out in three components:

- Commercial Property 60%
- Excess Casualty 30%
- All Other Lines of Coverage 10%