

SPONSOR OF THE  
FLORIDA MUNICIPAL  
INSURANCE TRUST

## 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 Deltona Request for Proposals #1003 Property & Casualty Insurance

**Represented by:**  
**John Ligon, Account Executive**

**ELECTRONIC COPY**



Florida League of Cities, Inc., Department of Insurance and Financial Services  
125 East Colonial Drive, Orlando, FL 32801  
Main: 407-425-9142 Toll Free: 1-800-445-6248 Fax: 407-425-9378  
www.flcities.com/Insurance

May 6, 2013

Ms. Kate Krauss, CPPO, CPPB, SPSM  
Purchasing Manager  
City of Deltona  
2345 Providence Blvd  
Deltona, FL 32725

RE: RFP #13008 For Property & Casualty Insurance

Dear Ms. Krauss:

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 has evolved into one of the largest public entities programs in the United States and is recognized for its outstanding service and broad coverage forms.

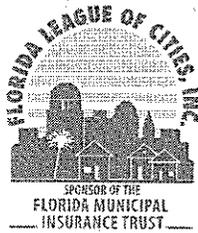
The Trust, governed by a board of elected officials, is a non-assessable, non-profit, tax-exempt risk sharing pool. It has superior financial strength presently highlighted by \$434 million in assets, \$210 million in surplus and nearly 600 members. With over 100 insurance professionals serving the FMIT, we have the resources and the product offering necessary to design a risk management solution to fit the unique coverage issues facing your City.

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, loss 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,

John Ligon, Account Executive  
386.479.3129  
jligon@flcities.com

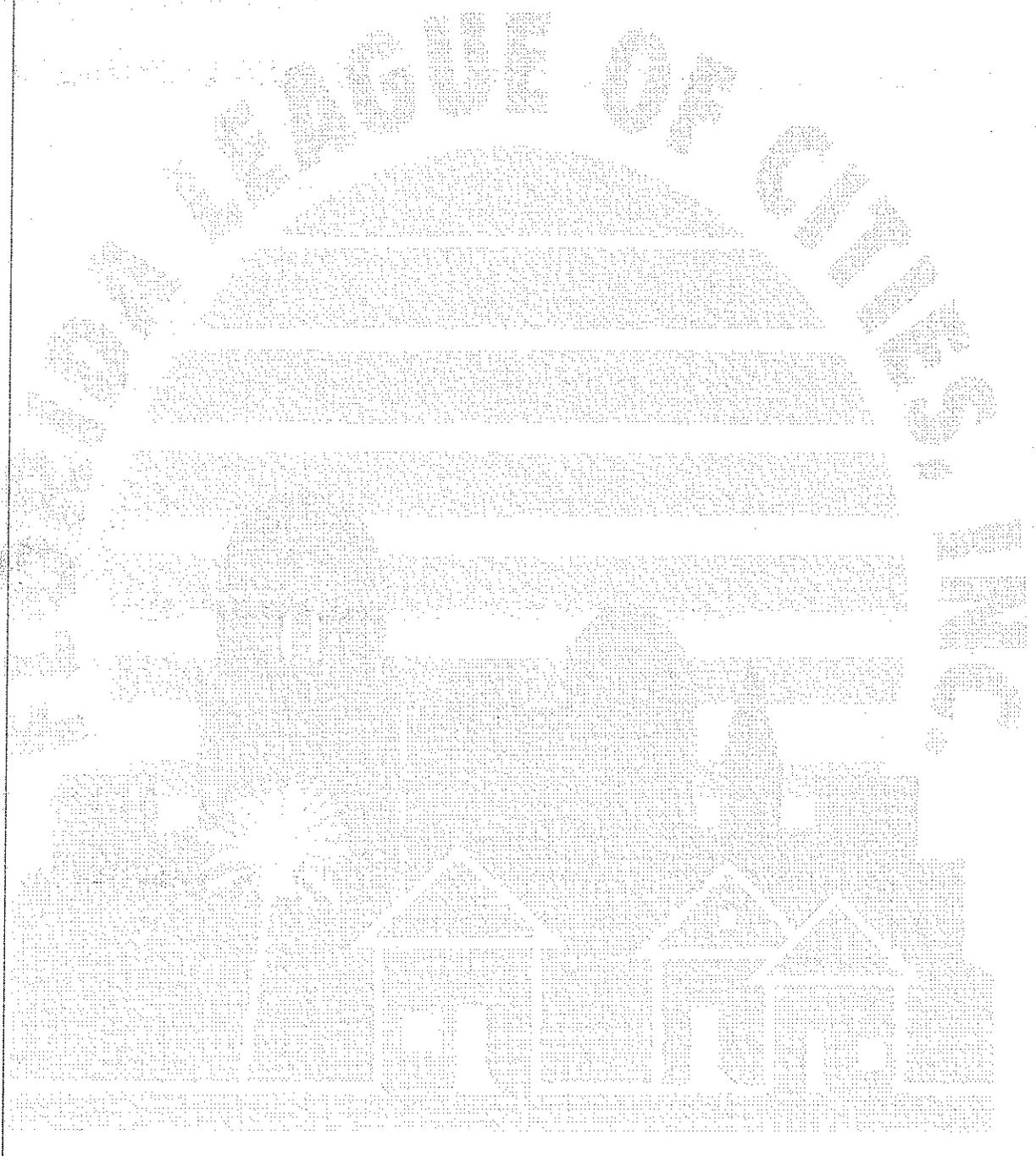


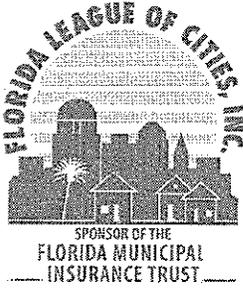
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# TAB 1





FLORIDA MUNICIPAL INSURANCE TRUST

COVERAGE PROPOSAL

FOR

## CITY DELTONA

PROPOSED EFFECTIVE DATE: October 1, 2013

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 Guarantee"**

*The FMIT will 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 must have an AM Best rating of an A X or better.*

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.**



Department of Insurance  
and Financial Services

## FLORIDA MUNICIPAL INSURANCE TRUST Proposal for 2013-2014

### City of Deltona

#### PROPERTY COVERAGE

Limit

**Blanket Real & Personal Property**

\$52,877,223

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

#### Electronic Data Processing:

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

Coinsurance: Agreed Amount

Values: 100%

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 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. The minimum deductible is 5% of the scheduled value or the stated policy deductible, whichever is greater.

Business Income deductible is 72 hours

**PROPERTY COVERAGE EXTENSIONS:**

➤ Excess Flood Coverage	\$4,500,000
o Flood Zones A & V deductible is excess of NFIP	
o Other Flood Zones - \$100,000 deductible	
➤ Terrorism	\$5,000,000
➤ Unintentional Errors & Omissions	
➤ 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	\$5,000
o Annual Maximum	\$25,000
➤ 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
➤ Fire Extinguisher Recharge	
➤ Debris Removal	25% of Loss
➤ Building Ordinance Coverage, Including Demolition	25% of Loss
➤ Miscellaneous Unscheduled Fixtures	\$25,000/\$100,000
➤ Leasehold interest	\$100,000
➤ Arson Reward	\$5,000
➤ Recertification of Equipment	\$250/Day

**INLAND MARINE COVERAGE:**

SCHEDULED INLAND MARINE EQUIPMENT - Items over \$15,000 Limit: \$1,163,264

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.

BLANKET INLAND MARINE EQUIPMENT - Items \$15,000 or Less Limit: \$1,000,000

Deductible: \$500

Blanket Inland Marine coverage is defined as: Coverage for all unscheduled Inland Marine equipment, Emergency Portable Equipment and Communications Equipment valued at \$15,000 or less is subject to \$500 deductible (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

## GENERAL LIABILITY COVERAGE

Comprehensive General Liability	Limits
Limit Per Occurrence:	\$2,000,000
Annual Aggregate:	Unlimited
Deductible:	\$0

Public Officials E & O / Employment Practices Liability	Limits
Limit Per Occurrence:	\$2,000,000
Annual Aggregate:	Unlimited
Deductible:	\$0

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.

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 - (Requires Completed Application.)
- Employment Practices Liability
- Employee Benefits Program Administration Liability
- Extra Contractual Legal Expense - \$100,000 Limit
  - (EEOC, Florida Commission on Human Relations, Ethics, Sunshine Law)
- No-fault Sewer Backup Expense - \$100,000 Limit
- Crisis Intervention
- HR Helpline - Full Legal Support and Online Services
- Bert Harris Act/Inverse Condemnation - \$300,000 Limit. (Higher limits are available.)
- Cyber Coverages including Privacy, Network Security and Data Breach - \$250,000 Annual Aggregate.

## AUTOMOBILE COVERAGE

### Limits

Comprehensive Automobile Liability	\$2,000,000
Deductible:	\$0
Personal Injury Protection	\$10,000
Deductible:	\$0
Automobile Physical Damage	
Comprehensive Coverage	\$0 Deductible
Collision Coverage	\$100 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**

Employee Theft - Per Loss	\$1,000,000
Deductible:	\$1,000
Faithful Performance - Per Loss	\$1,000,000
Deductible:	\$1,000
Finance Director	\$1,000,000
	\$1,000
Crime:	
Money - Loss Inside	\$1,000,000
Deductible:	\$5,000
Outside the Premises	\$1,000,000
Deductible:	\$5,000
Computer Fraud	\$1,000,000
Deductible:	\$5,000
Forgery or Alteration	\$1,000,000
Deductible:	\$5,000
Funds Transfer	\$1,000,000
Deductible:	\$5,000
Money Orders and Counterfeit Money	\$1,000,000
Deductible:	\$5,000

**WORKERS' COMPENSATION PAYROLLS**

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

CODE	DESCRIPTION	PAYROLL
0251	IRRIGATION	514,000
5509	STREET OR ROAD MAINTENANCE	744,000
7520	WATERWORKS OPERATION	902,000
7580	SEWAGE DISPOSAL PLANT OPERATION	390,000
7704	FIREFIGHTERS	4,155,000
8380	AUTOMOBILE SERVICE OR REPAIR	150,000
8742	SALESPERSONS, COLLECTORS, MESSENGERS	427,000
8810	CLERICAL	2,882,000
8831	HOSPITAL OR VETERINARY	415,000
9015	BUILDINGS - OPERATION BY OWNER	46,500
9102	PARK NOC	659,000
9410	MUNICIPAL, TOWNSHIP, COUNTY EMPLOYEES NOC	1,746,000
	<b>TOTAL PAYROLL</b>	<b>\$13,030,500</b>

Deductible: \$0

Experience Modification Factor: 10/1/2012 1 18

Safety Credit: Yes

Drug Free Credit: Yes

The Workers' Compensation premium is subject to adjustment when the October 1, 2013 experience modification is received.

Premium calculation includes 5% Drugfree Credit and 2% Safety Credit - Requires receipt of approved applications

**PREMIUM SUMMARY**

<b>Coverage Line</b>	<b>Annual Premium</b>
Blanket Real & Personal Property	\$259,681
Inland Marine	INCLUDED
Equipment Breakdown Coverage	INCLUDED
Crime & Bond Coverage	INCLUDED
General Liability Coverage	\$103,376
Public Officials E&O / Employment Practices Liability	\$84,538
Automobile Coverage	\$66,894
Workers' Compensation Coverage	\$418,308

**IMPORTANT NOTE:**

THE FMIT PREMIUMS INCLUDE A MULTI-LINE CREDIT BY COVERAGE BASED ON ACCEPTANCE OF ALL COVERAGES QUOTED. IF ONLY SELECTED COVERAGES ARE ACCEPTED, THE PREMIUM IS SUBJECT TO CHANGE.

NOTE: PROPERTY COVERAGES ARE NOT OFFERED ON A STAND ALONE BASIS.

**Total FMIT Premium**

**\$932,797**

THE FOLLOWING COVERAGE(S) ARE BILLED SEPARATELY ON AN ANNUAL BASIS AND WILL NOT BE INCLUDED IN THE  
QUARTERLY INSTALLMENT INVOICE FOR THE FMIT:

Petroleum Storage Tank Liability:

**PREMIUM TO BE DETERMINED**

**GRAND TOTAL PREMIUM**

**\$932,797**

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, 2013	January 1, 2014	April 1, 2014	July 1, 2014

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

OPTIONAL PRIOR ACTS COVERAGE

	<u>DEDUCTIBLE</u>	<u>LIMIT</u>	<u>NET PREMIUM</u>
Public Officials E & O Prior Acts Coverage			
Retroactive Date: October 1, 2009	*	\$1,000,000	\$33,598

**Note: This premium is in addition to the Total FMIT Premium shown.  
Prior Acts**

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Coverage for prior acts is retroactively extended for claims that occurred but were not reported to the designated member or to the Florida Municipal Insurance Trust until the effective date of coverage, whether or not reported to the prior insurer. No coverage will be provided for any occurrence that may cause a potential claim that the insured was aware of prior to the effective date of this endorsement and which was not reported to the prior insurer.

The Prior Acts Coverage will be cancelled automatically if the member's liability coverage is cancelled or not continuously renewed for each coverage through and including as many years as Prior Acts Coverage is provided by the Retroactive Date described.

\* The deductible is \$10,000 or the policy deductible, whichever is greater.

Claims arising out of Prior Acts coverage are not included in the StopLoss Amount

**DEDUCTIBLE / LIMIT OPTIONS**

	<i>LIMIT</i>	<i>DEDUCTIBLE</i>	<i>PREMIUM</i>
<b>Property - Real and Personal Property</b>	\$52,877,223	\$1,000	\$228,745
	\$52,877,223	\$10,000	\$219,481
	\$52,877,223	\$25,000	\$211,959
	\$52,877,223	\$50,000	\$205,683
<b>Inland Marine</b>	\$1,163,264	\$500	\$24,516
	\$1,163,264	\$1,000	\$23,973
<b>Bond</b>	\$1,000,000	\$500	\$5,203
	\$1,000,000	\$1,000	\$5,124
<b>Crime</b>	\$1,000,000	\$5,000	\$1,296

**Optional coverage for Piers, Wharfs and Docks: Windstorm, Hail, Flood and Storm Surge**

*Deductible: 5% of Total Insured Value subject to a minimum of \$10,000.00 or the deductible amount described on Property, Allied Lines and Crime Declaration, whichever is greater in any one occurrence.*

	<i>PREMIUM</i>
<b>Location: 034-003 201 Howland Boulevard - Pavilion and Fishing Dock</b>	\$1,039
<b>Location 075-001 Lakeshore Boulevard - Lake Monroe Boat Ramp</b>	\$13,260

<b>General Liability and Errors &amp; Omissions</b>	<b>\$2,000,000 Combined Single Limit</b>	<i>Deductible</i>	<i>Premium</i>
StopLoss Amount:	\$0	\$0	\$187,914
StopLoss Amount:	\$228,174	\$10,000	\$180,079
StopLoss Amount:	\$228,174	\$25,000	\$172,388
StopLoss Amount:	\$228,174	\$50,000	\$163,682

<b>Automobile Liability</b>	<b>\$2,000,000 Combined Single Limit</b>	<i>Deductible</i>	<i>Premium</i>
StopLoss Amount:	\$0	\$0	\$53,024
StopLoss Amount:	\$30,000	\$10,000	\$46,754
StopLoss Amount:	\$75,000	\$25,000	\$42,781
StopLoss Amount:	\$150,000	\$50,000	\$40,196

<b>Automobile Physical Damage</b>	<i>Deductible</i>	<i>Premium</i>
Comprehensive and Collision	\$0 / \$100	\$13,870
Comprehensive and Collision	\$500	\$13,250
Comprehensive and Collision	\$1,000	\$12,527

Note: \$0 Deductible is not available for Collision

<b>Workers' Compensation</b>		<i>Deductible</i>	<i>Premium</i>
StopLoss Amount:	N/A	\$0	\$418,308
StopLoss Amount:	\$220,867	\$10,000	\$359,963
StopLoss Amount:	\$221,433	\$25,000	\$318,999
StopLoss Amount:	\$222,003	\$50,000	\$277,619

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

**\*\*QUOTE CAN BE CONSIDERED WITH A COMPLETED, SIGNED AND DATED AGENT OF  
RECORD / BROKER OF RECORD LETTER ON MUNICIPALITY LETTERHEAD.  
CONSIDERATION WILL NEED TO BE APPROVED BY THE STORAGE TANK LIABILITY  
INSURANCE CARRIER.\*\***

NAME: City of Deltona

INSURER: Commerce and Industry Insurance Company

POLICY PERIOD: 12/23/2013 – 12/23/2014

LIMIT OF LIABILITY: To Be Determined

DEDUCTIBLE: To Be Determined

PREMIUM: To Be Determined

To Be Determined (Additional premium for Terrorism Risk Insurance  
Act)

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.





**LIABILITY INSURANCE:**

Aggregate Limits— The Liability and Automobile 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.

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

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).

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

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

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

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

FMIT	Your Current Insurer
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	



**ADDITIONAL SERVICES:**

Loss Control Representatives - The FMIT provides a staff of **9 full time personnel** for Loss Control assistance. The FMIT utilizes a targeted risk control approach to eliminate risks and improve overall safety.

Safety Grants - Your City will be eligible for up to **\$5,000 per year** in matching Safety grants from the FMIT. We invest in your safety.

Online Training - the FMIT offers customized online training for your staff to reduce travel costs and improve safety.

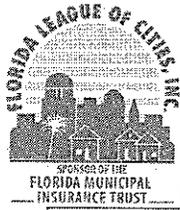
Special Investigations Unit - The FMIT takes fraud seriously and provides an SIU unit that has been recognized by the Governor of Florida for its effectiveness in reducing fraud and saving our members \$6.2 million.

Fraud Reward - The FMIT offers a \$5,000 reward for information leading to the arrest and conviction in fraudulent claims activity.

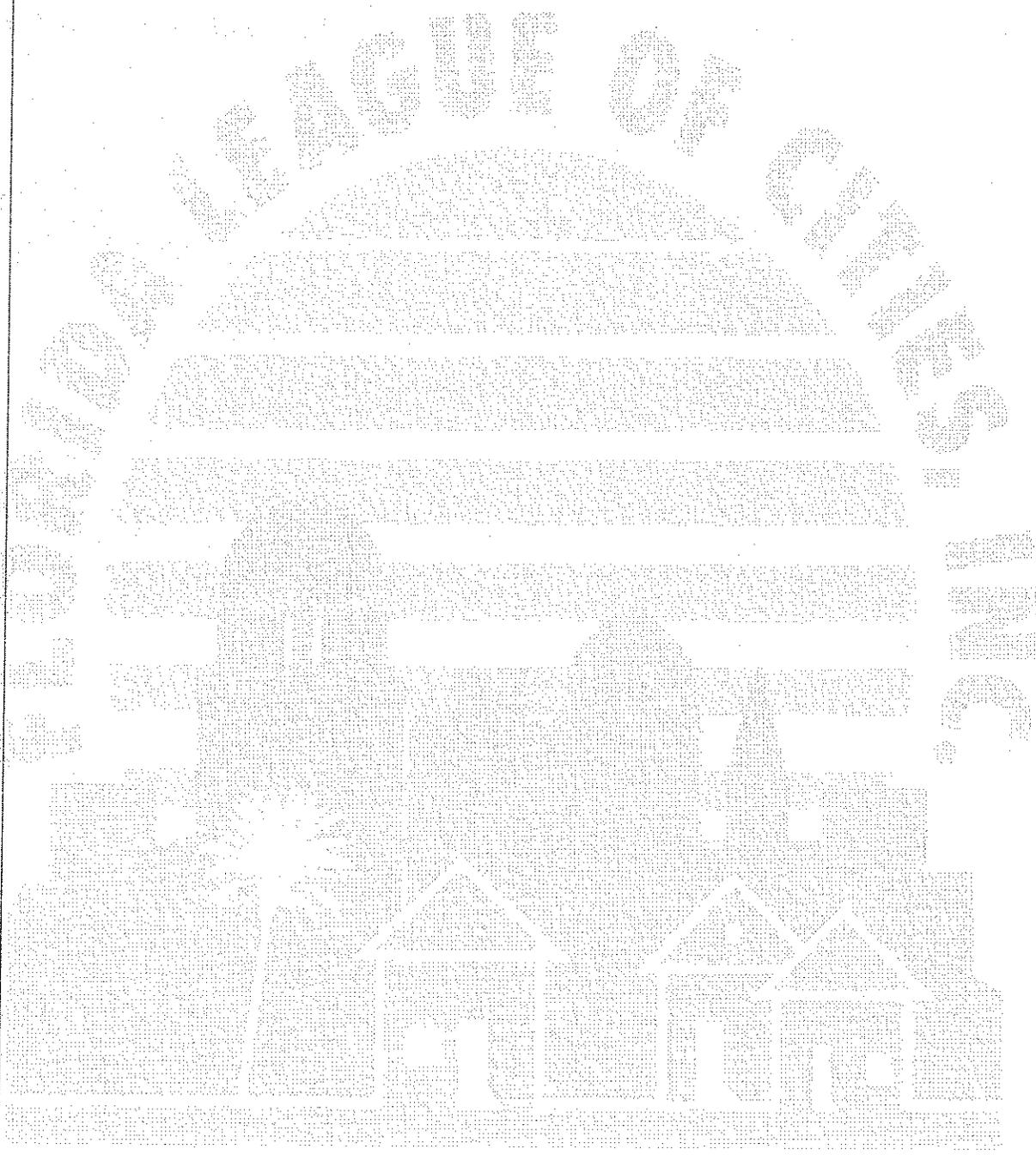
Risk Control Safety Training Programs - Monthly education sessions held in the Orlando offices and regionally as requested by groups of members.

Safety & Health Video Library - A comprehensive list of safety videos is available free to our members.

	FMIT	Your Current Insurer
Loss Control Representatives - The FMIT provides a staff of <b>9 full time personnel</b> for Loss Control assistance. The FMIT utilizes a targeted risk control approach to eliminate risks and improve overall safety.	✓	
Safety Grants - Your City will be eligible for up to <b>\$5,000 per year</b> in matching Safety grants from the FMIT. We invest in your safety.	✓	
Online Training - the FMIT offers customized online training for your staff to reduce travel costs and improve safety.	✓	
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 \$6.2 million.	✓	
Fraud Reward - The FMIT offers a \$5,000 reward for information leading to the arrest and conviction in fraudulent claims activity.	✓	
Risk Control Safety Training Programs - Monthly education sessions held in the Orlando offices and regionally as requested by groups of members.	✓	
Safety & Health Video Library - A comprehensive list of safety videos is available free to our members.	✓	



## TAB 2



**CITY OF DELTONA**  
**BIDDER INFORMATION FORM**

The information below is required to complete your bid packet. Type or print only.

Company Name: Florida League of Cities, Inc.

Address: 125 E Colonial Drive, Orlando, FL 32801

City: Orlando

State: Florida

Zip Code: 32801

Phone Number: 386-479-3129

Fax Number: 407-425-9378

Project Contact: John Ligon

e-mail address: jligon@flcities.com

**Remittance (Payment) Mailing Information**

Address: PO Box 175

City: Tallahassee State: Florida Zip Code: 32302

Phone Number: 386-479-3129

Fax Number: 407-425-9378

Project Contact: John Ligon

e-mail address: jligon@flcities.com

Federal Tax ID No.: 59-6001124

Tax ID Type:  Federal Tax ID  Social Security Number

***This Form Must Be Completed and Returned with your Submittal.***

# Qualifications Summary

## QUALIFICATIONS SUMMARY

### CITY OF DELTONA REQUEST FOR PROPOSAL PROPERTY AND CASUALTY INSURANCE PROGRAM

1. Agent/Broker Name: Florida League of Cities, Inc.
2. Agency or Firm Name: Florida Municipal Insurance Trust
3. Address: 125 E Colonial Drive, Orlando, FL 32801
4. Telephone: 386-479-3129
5. Fax: 407-425-9378 Email Address: jligon@flcities.com
6. Number of Years in Business: Over 90 years
7. Number of Public Entities Serviced: Over 550
8. Number of Municipalities Serviced in Florida: Over 300
9. What is your Florida Premium volume? Nearly \$100 Million
10. Do you have experience in placing property coverage for similar sized entities? If yes, please list the name(s) of the entities.  
City of Sanford, City of Port Orange, City of Altamonte Springs, City of Casselberry, City of Winter Springs
11. List key personnel who will be assigned to the City's account, including name, licenses held and years of experience in servicing public entity accounts. Attach an additional sheet if necessary.  
John Ligon, Medley Johnson, Wayne Anderson - See additional information under Tab C
12. List the name(s) of any officer, director, agent or other key personnel who is an official or employee of the City. Not Applicable
13. List any information pertinent to the selection of your submitted proposal. Be sure to include service, experience or qualifications which may give you an advantage over other proposers.  
See "Advantages" included with the FLC Proposal under Tab A.

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14. **Explain your ability to access, utilize and leverage the property insurance market.**

The FMIT is the oldest and largest municipal pool in the State of Florida. We are the coverage choice for 2 out of 3 municipalities. We have effectively partnered with multiple re-insurers to consistently provide the best coverage options and pricing through various insurance market cycles.

15. **List any exclusive access you may have to including specialized markets, programs or trusts and explain the advantages of their program(s).**

ACE (USA) is our exclusive re-insurer for Liability and Employment Practices Liability coverages. As a market leader in their industry and an exclusive partner of the FMIT we have jointly sponsored the FMIT HR Helpline as a free additional service to our clients.

16. **Additional Comments:**

See attached comments.

## REFERENCES

Provide specific references for at least five (5) customers (preferably public entities), including customers served by the firm's nearest office to the City. They should be of similar sizes, complexity and magnitude to the City. Additional references may be provided by attachment.

Proposer: Florida League of Cities, Inc

1. Organization: \_\_\_\_\_ City of Port Orange  
Address: \_\_\_\_\_ 1000 City Center Circle, Port Orange, FL 32129  
Contact, phone number: \_\_\_\_\_ Jamie Miller, 683-506-5500  
Insurance/Services provided: \_\_\_\_\_ General Liability, Auto, Property and Workers' Compensation
2. Organization: \_\_\_\_\_ City of Sanford  
Address: \_\_\_\_\_ 300 North Park Avenue, Sanford, FL 32772  
Contact, phone number: \_\_\_\_\_ Fred Fosson, 407-688-5025  
Insurance/Services provided: \_\_\_\_\_ General Liability, Auto, Property and Workers' Compensation
3. Organization: \_\_\_\_\_ City of Altamonte Springs  
Address: \_\_\_\_\_ 225 Newburyport Avenue, Altamonte Springs, FL 32701  
Contact, phone number: \_\_\_\_\_ Darla Litton, 407-571-8068  
Insurance/Services provided: \_\_\_\_\_ General Liability, Auto, Property and Workers' Compensation
4. Organization: \_\_\_\_\_ City of Casselberry  
Address: \_\_\_\_\_ 95 Triplet Lake Drive, Casselberry, FL 32707  
Contact, phone number: \_\_\_\_\_ Sharon Gordon, 407-262-7000 x1113  
Insurance/Services provided: \_\_\_\_\_ General Liability
5. Organization: \_\_\_\_\_ City of Winter Springs  
Address: \_\_\_\_\_ 1126 East State Road 434, Winter Springs, FL 32708  
Contact, phone number: \_\_\_\_\_ Shawn Boyle, 407-327-5951  
Insurance/Services provided: \_\_\_\_\_ General Liability, Auto, Property, Health and Workers' Compensation

RESPONSE FORM

RESPOND TO: CITY OF DELTONA

Kate Krauss, Purchasing Manager  
Deltona City Hall  
2345 Providence Blvd.  
Deltona, FL 32725

I acknowledge receipt of Addenda No (s) All City schedules and Employee Concentration Information

I have included

- Response Form X \_\_\_\_\_
- Lobbying and Conflict of Interest Clause X \_\_\_\_\_
- Non-Collusion Affidavit X \_\_\_\_\_
- Drug-Free Workplace Form X \_\_\_\_\_
- Public Entity Crime Statement X \_\_\_\_\_

I have included a current copy of the professional licenses as noted in the RFP document.

**Check mark items above, as reminder that they are included)**

Mailing Address: PO Box 1757 Telephone: 386-479-3129  
Tallahassee, FL 32302 Fax: 407-425-9378  
 Date: 5/6/13

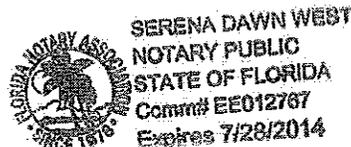
Signed *David Lodwick*  
David Lodwick  
Director of Trust Services

Witness: *Cynthia...*

STATE OF: Florida  
 COUNTY OF: Orange

Subscribed and sworn to (or affirmed) before me on 5-6-13  
 (date) by David Lodwick (name of affiant). He/She is personally  
known to me or has produced \_\_\_\_\_ (type of identification) as  
 identification

*Serena Dawn West*  
 NOTARY PUBLIC  
 My Commission Expires: 7-28-14



LOBBYING AND CONFLICT OF INTEREST CLAUSE

ETHICS CLAUSE

Florida League of Cities, Inc.

(Company)

"...warrants that he/it has not employed, retained or otherwise had act on his/her behalf any former City officer or employee in violation of Section \_\_\_\_\_ of Ordinance No \_\_\_\_\_ or any City officer or employee in violation of Section \_\_\_ of Ordinance No \_\_\_\_\_. For breach or violation of this provision the City may, in its discretion, terminate this Agreement without liability and may also, in its discretion, deduct from the Agreement or purchase price, or otherwise recover, the full amount of any fee, commission, percentage, gift, or consideration paid to the former City officer or employee "

*David Lodwick*

(Signature)

5-6-13

(Date)

STATE OF: Florida

COUNTY OF: Orange

Subscribed and sworn to (or affirmed) before me on 5-6-13

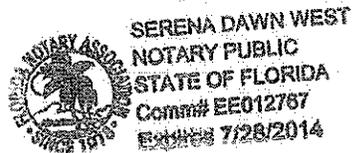
(date) by David Lodwick (name of affiant) He/She is personally known to me or

has produced \_\_\_\_\_ (type of identification) as identification.

*Serena Dawn West*

NOTARY PUBLIC

My Commission Expires: 7-28-14



NON-COLLUSION AFFIDAVIT

I, David Lodwick of the Florida League of Cities, Inc. according to law on my oath, and under penalty of perjury, depose and say that

- 1 I am David Lodwick of the firm of Florida League of Cities, Inc. the bidder making the Proposal for the project described in the Request for Proposals for City of Deltona and that I executed the said proposal with full authority to do so;
- 2 The prices in this bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;
- 3 Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the bidder and will not knowingly be disclosed by the bidder prior to bid opening, directly or indirectly, to any other bidder or to any competitor;
- 4 No attempt has been made or will be made by the bidder to induce any other person, partnership or corporation to submit, or not to submit, a bid for the purpose of restricting competition; and
- 5 The statements contained in this affidavit are true and correct, and made with full knowledge that the City of Deltona relies upon the truth of the statements contained in this affidavit in awarding contracts for said project.

David Lodwick  
(Signature)

5-6-13  
Date:

STATE OF: Florida

COUNTY OF: Orange

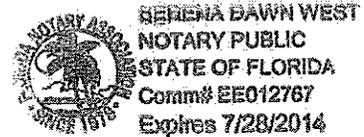
Subscribed and sworn to (or affirmed) before me on 5-6-13

(date) by David Lodwick (name of affiant) He/She is personally known

to me or has produced \_\_\_\_\_ (type of identification) as identification

[Signature]  
NOTARY PUBLIC

My Commission Expires: 7-28-14



DRUG-FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287 087 hereby certifies that:

Florida League of Cities, Inc.  
(Name of Business)

- 1 Publishes a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition
- 2 Informs employees about the dangers of drug abuse in the workplace, the business' policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations
- 3 Gives each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1)
- 4 In the statement specified in subsection (1), notifies the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 (Florida Statutes) or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5 Imposes a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, or any employee who is so convicted
- 6 Makes a good faith effort to continue to maintain a drug-free workplace through implementation of this section

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements

David Ledwick  
(Signature)

5-6-13  
Date:

STATE OF: Florida

COUNTY OF: Orange

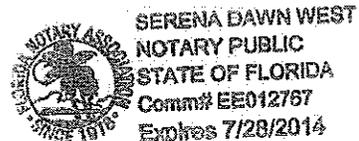
Subscribed and sworn to (or affirmed) before me on 5-6-13 (date) by

David Ledwick (name of affiant) He/She is personally known to me or

has produced \_\_\_\_\_ (type of identification) as identification

[Signature]  
NOTARY PUBLIC

My Commission Expires: 7-28-14



PUBLIC ENTITY CRIME STATEMENT

"A person or affiliate who has been placed on the convicted vendor list following a conviction for public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or CONTRACTOR under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list."

I have read the above and state that neither Florida League of Cities, Inc. nor any Affiliate has been placed on the convicted vendor list within the last 36 months.

David Ladwick  
(Signature)

5-6-13  
Date

STATE OF: Florida

COUNTY OF: Orange

Subscribed and sworn to (or affirmed) before me on 5-6-13

(date) by David Ladwick (name of affiant) He/She is personally known to me or has produced \_\_\_\_\_ (type of identification) as identification.

[Signature]  
NOTARY PUBLIC

My Commission Expires: 7-28-14



SERENA DAWN WEST  
NOTARY PUBLIC  
STATE OF FLORIDA  
Comm# EE012767  
Expires 7/28/2014

## **16. Additional Comments and answers to questions in section 7 of RFP:**

### **7.12 A duty to defend arrangement is mandatory.**

The Florida Municipal Insurance Trust (FMIT) coverage form specifically addresses the duty to defend. Please refer to FMIT CA 1012, Page 2 of 17 under DEFENSE AND SETTLEMENT.

The FMIT Deductible does not apply to defense costs under the General Liability, Automobile Liability or the Public Officials' (E&O) coverage forms.

In addition, the defense costs are outside of the limit of liability purchased for each of the General Liability, Automobile Liability or the Public Officials' (E&O) coverage forms.

A copy of defense attorneys is attached.

### **7.13 Disaster Mitigation and recovery/claims management.**

The FMIT began this program 5 years ago. We have an exclusive partnership in Florida with Synergy Recovery services for our property insurance program. This program now includes:

- Complete asset identification and valuation including GIS data information
- The simplicity software is fully integrated with our property claims department and allows property claims to be handled more quickly and payment expedited to our members.
- Online management of the asset/insurance schedule in real time.
- Claims adjudication is performed by FMIT staff and claims are paid by the FMIT.
- Claims software is proprietary and utilizes the same real time asset information.
- Claims software is transparent – the City will have the ability to monitor, read adjustor notes and see all scope of work documents/invoices.
- TurnKey Recovery allows the City to pre-register existing vendors and utilizing this program will allow the FMIT to process payments (after deductible) direct to the vendor and improve cash flow
- All software has been written to greatly improve the FEMA documentation and reporting requirements in a large event.

There is no cost to our property insurance members for these services.

### **7.14 Claims Retention.**

The FMIT functions as an insurance company and retains a significant level of risk in each program. The Property, Liability and Workers Compensation programs are serviced by claims adjusters in our Orlando office.

The Florida League of Cities is and administrator for the FMIT.

FLC employees adjudicate and pay the claims from the Orlando office.

The FMIT does purchase re-insurance above specific retention levels and a copy of our re-insurance program is available for the City's review.

#### **7.15 Grant Programs.**

For members with Liability and Workers Compensation coverages in the FMIT there is a matching Safety Grant program in place. This allows a member to get 50% matching grant funds (up to \$5,000 in grants available annually). The FMIT has awarded over \$500,000 in Safety Grants to our members.

#### **7.16**

Loss Control services are directly provided by FLC staff. The Director of Risk Control is Scott Blaser. He is based in the Orlando office and is an employee. The Risk Control specialist that would be assigned to the City of Deltona is Ken Blaser. He is also an FLC employee and works the Central Florida region. The Risk Control department has 7 field representatives and 2 clerical staff that are full time employees.

Underwriting is performed in our Orlando office. The Account Executive that will service the City of Deltona is John Ligon and he is a full time employee. John is also a resident of Deltona. The underwriting staff are housed in the Orlando office and are FLC employees.

#### **Claims Administration:**

Workers Compensation adjusters and managed care nursing staff (case managers) are full time employees of the company and are located in the Orlando office.

Liability and property claims adjusters are also in the Orlando office and are full time employees. On certain cases the staff adjuster may utilize an Independent Field Adjustor to assist – those persons are under contract for services and are not direct employees.

#### **7.17 Return of Premium.**

The property insurance program has a Return of Premium program. This program began 5 years ago and the FMIT has returned \$44,000,000 to our renewing members over that time.

The 2012-21013 return was \$8,000,000 and represented 23% of the premiums paid for the property insurance policy from 2010-2011.

The Board instituted this program in 2008 and has consistently returned funds in each of the past 5 years. It is the goal of the FMIT to provide a very competitive cost for property insurance.

initially, but to also be able to share excess premiums whenever possible on this program (particularly in years without storm or significant claims activity)

The City of Altamonte Springs is similar in size to the City of Deltona and over the past five years, the City of Altamonte Springs has received \$389,395 in return of premium. Darla Litton at the City of Altamonte Springs would be happy to talk to you more about that. Her number is 407-571-8068.

### **7.18 Occurrence Policies**

The General Liability policy and Public Officials (E&O) coverage forms are written on an occurrence basis. The FMIT does not even offer a claims made form at this time.

The Florida League of Cities has built the FMIT to be both an insurance carrier and asset to our Member Cities:

- The FMIT is your insurance carrier - we actually adjust and pay the claims. Other pools and Trusts rely on their reinsurers to actually adjust the claims and pay bills. Over our 36 years we have become the largest insurer of municipalities in the State of Florida.
- 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. Examples within the last year include losses at Lafayette County (total fire loss), extensive water damage loss at Space Florida and tornado damage at Marianna. All claims were expedited and recoveries completed to the Member's satisfaction.
- The FMIT workers compensation adjusters carry a case load that is approximately 20% lower than industry standards in order to allow for more personalized attention to your most important claims.
- The FMIT legal department has developed an aggressive defense strategy to develop the reputation that our Cities are not easy legal targets in suits. We aggressively defend our Members. Again, we are actually the insurance carrier and do not have to rely upon the decision of re-insurers in the handling of your liability claims.
- The FMIT also provides a full service HR Helpline - this is both an online assistance tool for HR related information and provides direct access for your key staff to receive additional HR Legal support and guidance. This is provided at no cost to the Member.
- The FMIT is member owned - we are governed by 15 elected officials from our insured municipalities and they are the appeals board for any decision the City needs to question.

In summary - you do business with people that know you by name

# FLC AUTHORIZED LIABILITY DEFENSE ATTORNEYS

**BROWN, GARGANESE, WEISS & D'AGRESTA, P.A. (conflict)**

P.O. Box 2873  
Orlando, FL 32802-2873  
111 No. Orange Ave., Suite2000  
Orlando, FL 32801  
Phone: (407) 425-9566  
Fax: (407) 425-9596

[agarnanese@orlandolaw.net](mailto:agarnanese@orlandolaw.net)  
[jweiss@orlandolaw.net](mailto:jweiss@orlandolaw.net)  
Tax ID #: 59-3372519

Anthony Garganese  
Jeffrey Weiss

**Counties Served:**

Brevard	Seminole	Orange
Lake	St. Lucie	Osceola
Sumter	Volusia	Polk
Indian River		

City Attorneys/primary for the following members only:

1. City of Cocoa
2. City of Winter Springs
3. City of Casselberry
4. City of Palm Coast

**CONNERLY, BOWMAN & DYKES (conflict)**

P.O. Box 6944  
Destin, FL 32550  
4481 Legendary Drive, Suite 200  
Destin, FL 32541  
Phone: (850) 837-5118  
Fax: (850) 424-7000

[bbowman@emeraldcoastLawyers.com](mailto:bbowman@emeraldcoastLawyers.com)  
Tax ID#: 26-1149709

J Bruce Bowman

**Counties Served:**

Bay	Calhoun	Dixie
Franklin	Wakulla	Gadsden
Gilchrist	Hamilton	Jackson
Jefferson	Leon	Liberty
Lafayette	Madison	Taylor
Suwannee	Washington	

**COPPINS, MONROE, ADKINS (primary) & DINCMAN, P.A.**

P.O. Drawer 14447  
Tallahassee, FL 32317  
1319 Thomaswood Road  
Tallahassee, FL 32308  
Phone: (850) 422-2420  
Fax: (850) 422-2730

[gadkins@coppinsmonroe.com](mailto:gadkins@coppinsmonroe.com)  
[hdinceman@coppinsmonroe.com](mailto:hdinceman@coppinsmonroe.com)  
Tax ID#: 59-3122671

Gwen Adkins  
Holly Dincman

**Counties Served:**

Calhoun	Dixie	Franklin	Wakulla
Gadsden	Gilchrist	Hamilton	Jackson
Jefferson	Leon	Liberty	Lafayette
Madison	Taylor	Suwannee	
Washington		Bay	

**DEAN, RINGERS, MORGAN & LAWTON, P.A. (primary)**

P.O. Box 2928  
Orlando, FL 32802  
201 East Pine Street, Suite 1200  
Orlando, FL 32802  
Phone: (407) 422-4310  
Fax: (407) 648-0233

[wlawton@drmi-law.com](mailto:wlawton@drmi-law.com)  
Tax ID #: 59-1788062

William E. Lawton  
F. Scott Pendley  
Joseph R. Flood, Jr.  
S. Renee Stephens,  
Lamar Oxford  
Douglas Noah  
G. Clay Morris  
John Connor

**Counties Served:**

Brevard	Seminole	Orange
Lake	St. Lucie	Osceola
Volusia	Indian River	
Polk	Sumter	

**DENNIS, JACKSON, MARTIN  
& FONTELA, P.A. (conflict)**  
1591 Summit Lake Dr. Suite 200  
Tallahassee, FL 32317  
Phone: (850) 422-3345  
Fax: (850) 422-1325

[craig@dmf-law.com](mailto:craig@dmf-law.com)  
Tax ID#: 59-3131982

Craig A Dennis  
Peter Martin

**Counties Served:**  
Bay Calhoun Dixie Franklin  
Wakulla Gadsden Gilchrist Hamilton  
Jackson Jefferson Leon  
Liberty Lafayette Madison  
Taylor Suwannee Washington

**FRAZER, HUBBARD, BRANDT, TRASK  
& YACAVONE, P.A. (primary)**  
595 Main Street  
Dunedin, FL 34698-4998  
Phone: (727) 733-0494  
Fax: 727-734-9581  
Cell: 727-480-5356

[yacavone@fhbtv.com](mailto:yacavone@fhbtv.com)  
Tax ID#: 59-3642714

James (Jim) L. Yacavone, III

**Counties Served:**  
Pasco Polk  
Pinellas Hillsborough

**GREGORY W. HOOTMAN, P.A.**  
Attorney at Law (primary)  
P.O. Box 1778  
Sarasota, FL 34230  
Phone: (941) 952-1035  
Fax: (941) 953-2314

E-mail: [ghootman@greghootman.com](mailto:ghootman@greghootman.com)  
Tax ID #: 65-0597513

Gregory W. Hootman

**Counties Served:**  
Charlotte Lee  
Collier Hendry  
Highlands Hardy  
Desoto Manatee Sarasota

**JOHNSON, ANSELMO,  
MURDOCH, BURKE, PIPER  
& HOCHMAN, P.A. (primary)**  
2455 East Sunrise Blvd., Suite 1000  
Ft. Lauderdale, FL 33304  
Phone: (954) 463-0100  
Fax: (954) 463-2444

E-mail: "last name"@JAMBG.com  
Tax ID #: 65-0220140

E. Bruce Johnson  
Michael Burke  
Michael Piper  
Alexander, Scott  
Jeffrey L. Hochman  
Chris Sterns  
Hudson Gill

**Counties Served:**  
Broward Monroe Martin  
Glades Palm Beach Dade

**LEWIS, STROUD & DEUTSCH, P.L. (conflict)**  
One Lincoln Place  
Boca Raton, Florida 33431  
1900 Glades Road, Suite 251  
Phone: (561) 826-2800  
Fax: (561) 826-2828

[hlewis@lsdlaw.net](mailto:hlewis@lsdlaw.net)  
Tax ID#: 20-3385521

Harriet Lewis  
Stephanie Deutsch

**Counties Served:**  
Broward Monroe Martin 1900  
Palm Beach Dade Glades  
Glades Road, Suite 251

**MARKS GRAY, P.A. (primary)**

P.O. Box 447  
Jacksonville, FL 32201  
1200 Riverplace Blvd. Suite 800  
Jacksonville, FL 32207  
Phone: (904) 398-0900  
Fax: (904) 399-8440

[serdelyi@marksgray.com](mailto:serdelyi@marksgray.com)  
Tax ID#: 59-1514046

Susan Erdelyi  
Johnny Sarber

**Counties Served:**  
Baker Bradford Clay  
Duval Flagler Nassau  
Putnam Union St Johns

**MEIER, BONNER, MUSZYNSKI,  
DOYLE, O'DELL, & HARVEY, P.A. (conflict)**  
260 Wekiva Springs Rd, Suite 2000  
Longwood, Fl. 32779-3699  
Phone: (407) 872-7774  
Fax: (407) 872-7997

[reb@firialteam.com](mailto:reb@firialteam.com)  
Tax ID #: 59-3457102

Robert E Bonner  
George Meier

**Counties Served:**  
Brevard Seminole Orange  
Lake St Lucie Sumter  
Volusia Polk  
Indian River Osceola

**LAW OFFICES OF (conflict)  
OSCAR E. MARRERO, P.A.**  
Douglas Centre, PH-4  
2600 Douglas Road  
Coral Gables, FL 33134  
Phone: (305) 446-5528  
Fax: (305) 446-0995

[osm@marrerolegal.com](mailto:osm@marrerolegal.com)  
Tax ID #: 03-0486999

Oscar E. Marrero

**Counties Served:**  
Broward Monroe Martin  
Glades Palm Beach Dade

**ROGERS, TOWERS, BAILEY,  
JONES & GAY, P.A. (conflict)**  
1301 Riverplace Blvd.  
Suite 1500  
Jacksonville, FL 32207  
Phone: (904) 398-3911  
Fax: (904) 396-0663

[glunny@rtlaw.com](mailto:glunny@rtlaw.com)  
Tax ID #: 59-1638577

Greg Lunny

**Counties Served:**  
Baker Bradford Clay  
Duval Flagler Nassau  
Putnam Union St. Johns

**THIS FIRM WILL HANDLE THE CITY OF PALM BAY ACCOUNT ONLY**

**RYANLAW, P.A.  
ATTORNEYS AND COUNSELORS**  
870 Clark Street, Suite 1000  
Oviedo, Fl. 32765  
Phone: (407) 359-0403  
Fax: (407) 359-0416

[ryan@ryan-law.com](mailto:ryan@ryan-law.com)  
Tax ID# 26-2866477

Rory C. Ryan  
Cynthia Brennan Ryan

**SCARRITT LAW GROUP, P.A. (conflict)**  
1405 West Swann Avenue  
Tampa, Fl. 33606  
Phone: (813) 813-258-2300  
Fax: 813-258-3242  
(primary for City of Plant City only)

[tps@scarrittlaw.com](mailto:tps@scarrittlaw.com)  
Tax ID #: 59-3715954

Thomas P Scarritt, Jr  
John Dingfelder

**Counties Served:**  
Pasco Polk  
Pinellas Hillsborough

**WILLIAM J. PEBBLES**  
P.O. Box 10930  
Tallahassee, FL 32302  
310 W College Avenue  
Tallahassee, FL 32301  
Phone: (850) 681-7383  
Fax: (850) 681-7271  
(Claims Bill)

[bill@billpebbles.com](mailto:bill@billpebbles.com)  
Tax ID #: 59-3294098

William J. Peebles



JOHN PRESTON LIGON

Life & Health  
Gen. Lines (Prop. & Cas. Ins.)

A155595

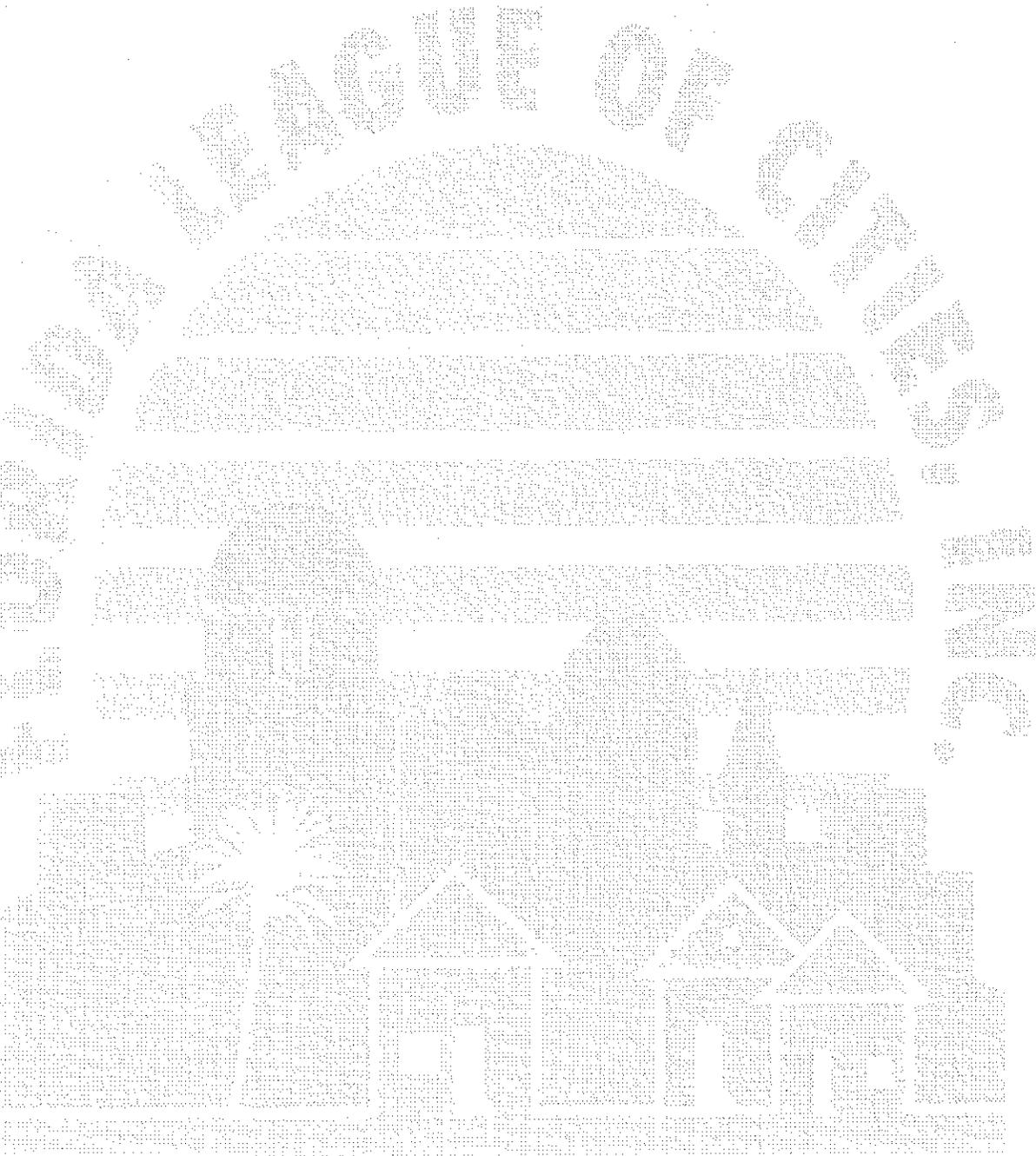
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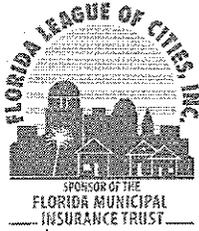
*John Preston Ligon*

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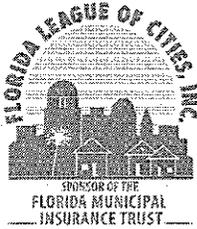




**Florida League of Cities, Inc.  
Florida Municipal Insurance Trust**

**SUMMARY OF QUALIFICATIONS AND EXCLUSIVE  
MEMBER ONLY BENEFITS**

<b>History &amp; Strength of the FMIT</b>	<b>Page 2</b>
<b>Insurance and Financial Services</b>	<b>Page 3</b>
<b>Risk Control Services</b>	<b>Page 4</b>
<b>Business Recovery Services</b>	<b>Page 5</b>
<b>Special Investigation Services</b>	<b>Page 6</b>
<b>HR Risk Management Helpline</b>	<b>Page 7</b>
<b>Directory of Services</b>	<b>Page 8</b>
<b>Key Staff Biographies</b>	<b>Page 9</b>



## HISTORY & STRENGTH OF THE FLORIDA MUNICIPAL INSURANCE TRUST

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.

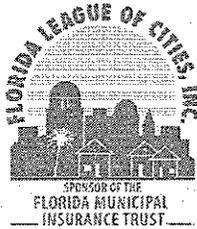
The League's purpose is to focus on those legislative issues most likely to affect daily municipal governance and local decision making. The Municipal Home Rule Powers Act and the Florida Constitution provide that cities in Florida have the authority to govern themselves locally, independent of state 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 \$434 million in assets and \$210 million in surplus. We currently insure over \$7.5 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.

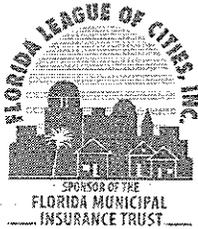


## Insurance and Financial Services

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

- **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.
- **Claims Management** – Total in-house adjusting for workers' compensation and liability claims are provided by municipal claims specialist.
- **Member 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 such as the quarterly, "TRUST REPORTER", are provided to assist membership in managing risk.
- **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.
- **Special Investigation Unit (SIU)** - Pursues and otherwise minimizes fraudulent and similar insurance acts.

*\* The following disclosure is made in accordance with Florida law: The Florida League of Cities serves solely as the sponsor and administrator of the self-insurance programs provided by the Florida Municipal Insurance Trust. The Florida Municipal Insurance Trust exists as an independently governed, separate legal entity under Florida law.*



## RISK CONTROL SERVICES



Zero Accident! A lofty goal we admit, but without aiming for the bulls eye how can you expect to hit the target. Risk Control Services is set up to assist your own Safety & Health or Risk Management departments or those employees assigned as the safety coordinator in reducing or eliminating your exposures to loss thereby reducing or eliminating your accidents.

We have a number of services we provide to reach this goal:

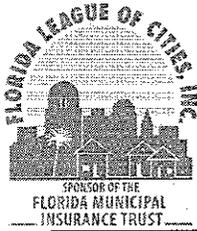
- Matching Safety Grant funds—provides up to \$5,000 per year to your Town in matching grants to improve safety. Only four simple questions to answer to qualify and a committee of your peers decide who is approved!
- Field surveys
- Technical field and office assistance
- Customized safety program development and implementation
- Training and educational seminars & workshops
- Comprehensive safety & health video/dvd library
- Poster and video development capabilities
- Quarterly Magazine
- Website with online training
- Tailored Loss Analysis and Loss Runs
- Targeted service for high loss frequency and severity

National Safety Council states:

“Experience has proved that the most effective way to reduce accidents is to concentrate on one phase of the accident problem at a time rather than attempting to stop all accidents at once.”

### Your Risk Control Team

- ◆ Scott J. Blaser, CSP  
Risk Control Director
- ◆ Rudy Miranda, ALCM  
Risk Control Supervisor
- ◆ Dennis D. Hagler  
Risk Control Consultant
- ◆ Kenneth J. Blaser  
Risk Control Consultant
- ◆ Wayne Anderson  
Risk Control Consultant
- ◆ Ronald E. Peters  
Risk Control Consultant
- ◆ Robert Hees  
Risk Control Consultant
- ◆ Apryl Cordell, CPS,  
RMPE Risk  
Control Administration
- ◆ Anita Wick, RMPE  
Risk Control Administration



## Exclusive FMIT Member Programs

**Under the Direction of FLC's Insurance & Financial Services, FMIT Members Benefit from Response & Recovery Programs provided by Synergy.**

### TURNKEY RECOVERY

In an effort to improve the mitigation process and significantly reduce the financial impact a loss can have on one's ability to recover, FMIT *TurnKey Recovery*<sup>SM</sup> managed by Synergy is offered to Members through the FMIT's Department of Insurance and Financial Services. All recovery services are authorized by the PRS as part of a covered FMIT Claim. Project costs are approved and paid to certified vendors directly by Synergy or the FMIT in order to reduce Member's out-of-pocket costs. FMIT *TurnKey Recovery*<sup>SM</sup> helps to minimize the financial exposure that SOV Claims can have on Members net cash-flow by eliminating the recovery cost burden and the reimbursement process. Additionally, FMIT *TurnKey Recovery*<sup>SM</sup> significantly reduces overall recovery costs by leveraging pre-certified vendors, preferred pricing agreements, negotiated general conditions and reduced layering of contractor overhead & profits. Ask your FLC Account Executive for more details.

### SIMPLICITY<sup>SM</sup> SOFTWARE APPLICATION

*simpliCity*<sup>SM</sup> is the exclusive software solution developed and licensed to the FMIT for use by its Members who insure their property assets through the Trust. FMIT Members often face unique challenges when maintaining accurate schedule of values, tracking assets, overseeing projects, managing certified vendors and documenting the property claims process. *simpliCity*<sup>SM</sup> was developed for FMIT Members as a single solution to address these needs, minimize insurable risk, and ensure timely & cost-effective recovery. Additionally, *simpliCity*<sup>SM</sup> provides the FMIT an opportunity to support Member's desire to improve overall risk management and gain greater visibility of their property & assets.

### FMIT-ALERT NOTIFICATION

Both prior to and after an event impacts a geographical area, *FMITAlert*<sup>SM</sup> provides critical information to support Member's needs. Using various platforms to deliver content via SMS, Email, Cellular & RDS/FM technology, *FMITAlert*<sup>SM</sup> keeps Member's in touch and aware.

### MANAGED MUNICIPALITY ASSET PROGRAM (MMAP)

MMAP is a two-tiered program bringing together assets from both the public and private sectors for use by FMIT Members during response and recovery initiatives. More importantly, MMAP ensures that all participating members are fully reimbursed in a timely manner under rental agreements according to either FEMA &/or FMIT Insurance rates. Additionally, in tough economic times, MMAP provides an opportunity for municipalities to realize a return on fixed assets/equipment by contributing to on-demand, state-wide rental/leasing programs to both the public and private sectors. MMAP is accessed through the *simpliCity*<sup>SM</sup> software application.

### FMIT UNIVERSITY TRAINING PROGRAM

At ER<sup>2</sup> University<sup>TM</sup>, FMIT Members participate in quarterly symposiums designed to educate and better prepare their ability to withstand events that could affect their daily operations. Bringing together industry leaders, Members will benefit from lessons learned in the field of business continuity planning, risk management, first response, public assistance and disaster recovery. Schedule of course curriculum can be found on Member's dashboard located in the *simpliCity*<sup>SM</sup> software application.



## SPECIAL INVESTIGATION UNIT (SIU)

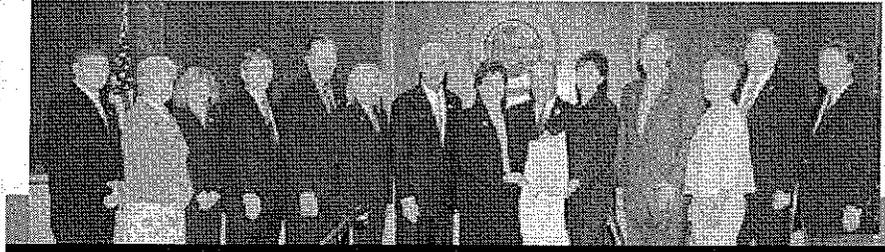
Insurance fraud significantly contributes to increases in insurance costs. Agencies that must pay for fraudulent insurance claims also have higher rates and less money for other expenditures. To reduce the cost and amount of fraud to the Florida Municipal Insurance Trust (FMIT) members, the Special Investigation Unit was created in 1999. The Unit's purpose is to pursue and otherwise minimize fraudulent and similar insurance acts. Using the latest technology and practices when investigating claims, the Unit's efforts have resulted in criminal prosecutions, termination of benefits, reduced settlement amounts and even modified physician and judge's orders.

The FMIT's Special Investigation Unit has three full-time investigators that investigate suspected fraud. This unit has been instrumental in referring claims for felony prosecution and securing millions of dollars in court ordered restitution.

The SIU gathers information of possible fraudulent insurance acts, potential abuses or non-existent injuries. Suspected fraud is reported to the Florida Department of Financial Services, division of Insurance Fraud.

### FRAUD IS NOT A VICTIMLESS CRIME

*Florida Gov. Charlie Crist and the Florida Cabinet present a resolution in the Special Investigation Unit*



*In March 2009, Florida's Governor and Cabinet presented the SIU with a Resolution recognizing it for its 10<sup>th</sup> anniversary in identifying, investigating and reporting suspected insurance fraud and abuse for investigation and prosecution. The referrals have resulted in millions of dollars in savings, and in court ordered restitutions, for FMIT members.*

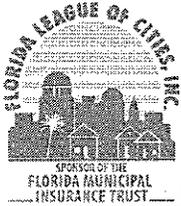
### Successes To-Date

**Estimated Cost Savings: \$6.2 Million**  
**Restitution ordered: \$1.9 Million**  
**Arrests: 57 and counting...**

#### **\$5,000 Reward**

For information on how to report suspected insurance fraud, call 1-888-447-5877. For more information on the Florida Municipal Insurance Trust, call 1-888-447-5877.

**If you suspect fraudulent insurance activity, call 1-(888) 447-5877**



## HR Risk Management HELPLINE...Employment Law advice is just a click away!

FMIT members face changing employment laws and ongoing employee issues. Employment practices risk management questions about federal and state regulations, hiring, termination, exempt/non-exempt, layoffs, wage/hour, Family and Medical Leave Act (FMLA) are among some of today's top human resource issues.

HELPLINE attorneys are from a national law firm and provide advice and counsel to thousands of government employers across the U.S. HELPLINE clients range in size from small municipalities with under ten employees to large government organizations with in-house legal resources and human resource departments.

### How does HELPLINE work?

Employers are provided:

- Toll-free and online access to attorneys from a national law firm. Documented responses to their specific employment law/HR questions are returned no later than the end of the next business day.
- Access to an online destination which includes valuable HR resources, news, model handbook policies, and more... including online unlawful harassment training.

*Members can ask risk management questions as often as they have them!*

What kind of questions can an employer ask?

HELPLINE attorneys respond to over 50 different employment law/HR issues.

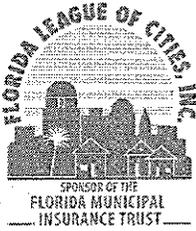
Questions include:

- I need to fire an employee, what do I do?
- Do we need to comply with FMLA?
- Is my employee considered exempt or non-exempt? And, do I have to pay overtime?
- We are going through a layoff, could you provide me with some guidance?

HELPLINE serves FMIT Members of all sizes...

- Employee issues pressure members financial budgets if not handled properly!
- Larger members with HR departments and in-house general counsel are looking for second opinions on their many daily challenges.





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## **Directory of Services**

### **Insurance and Financial Services**

125 East Colonial Drive  
P.O. Box 530065  
Orlando, FL 32853-0065  
Fax: 407-425-9378  
Phone: 407-425-9142 or 1-800-445-6248

### **Property and Liability Claims**

P.O. Box 538135  
Orlando, FL 32853-8135  
Fax: 407-425-9378  
Phone: 407-425-9142 or 1-800-445-6248

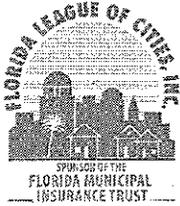
### **Special Investigation Unit (SIU)**

#### **Florida League of Cities, Inc., Tallahassee Office**

P.O. Box 1757  
Tallahassee, FL 32302-1757  
Fax: 850-222-3806  
Phone: 1-800-222-9684 or 1-800-342-8112

### **Workers' Compensation Claims**

P.O. Box 538135  
Orlando, FL 32853-8135  
Fax: 407-425-9378  
Phone: 407-425-9142 or 1-800-756-3042



## KEY STAFF BIOGRAPHIES

### **Mrs. Jeannie Garner** **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. Donald Lund, CPCU, ARM-P, CPA** **Associate Director of Insurance Services**

Mr. Lund is the Associate Director of Insurance Services for the Florida League of Cities. Donald has been employed by the League since April 2000. He is responsible for overseeing the underwriting, finance and claims functions of the Florida Municipal Insurance Trust. Prior to coming to the Florida League of Cities, he worked as the Director of Accounting for a Florida based workers' compensation self-insurance fund. Donald has experience since 1993 in property and casualty insurance. He has a Masters Degree in Risk Management from Florida State University. He also has Bachelors of Science degrees in both Accounting and Finance from Florida State University and is a Certified Public Accountant. Additionally Donald holds seven professional designations: Chartered Property and Casualty Underwriter (CPCU), Associate in Risk Management, (ARM-P), Associate in Reinsurance (ARe), Associate in Surplus Lines Insurance (ASLI), Associate in Premium Auditing (APA), Associate in Insurance Services (AIS) and Construction Risk and Insurance Specialist (CRIS). He is also a member of the Florida Institute of Certified Public Accountants and the CPCU Society.

### **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.



## 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. Nationally Board Certified Safety Professional. 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, 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 and is a candidate for an ARM designation. 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**

Jessica 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. John Ligon, RMPE** **Account Executive – East Territory**

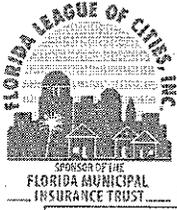
Mr. Ligon is an account executive for the Trust Services Department of the Florida League of Cities, Inc. John attended the University of Central Florida in Orlando and graduated with a Bachelor of Science Degree in Business Administration in 1983. He has worked with the League's insurance programs since 1984 and joined the Florida League of Cities in 1997 as an account executive for the East Territory. John currently holds a risk manager of public entities certification as well as insurance licenses for general lines and life and health insurance.

### **Ms. Nancy Tinn** **Senior Underwriter**

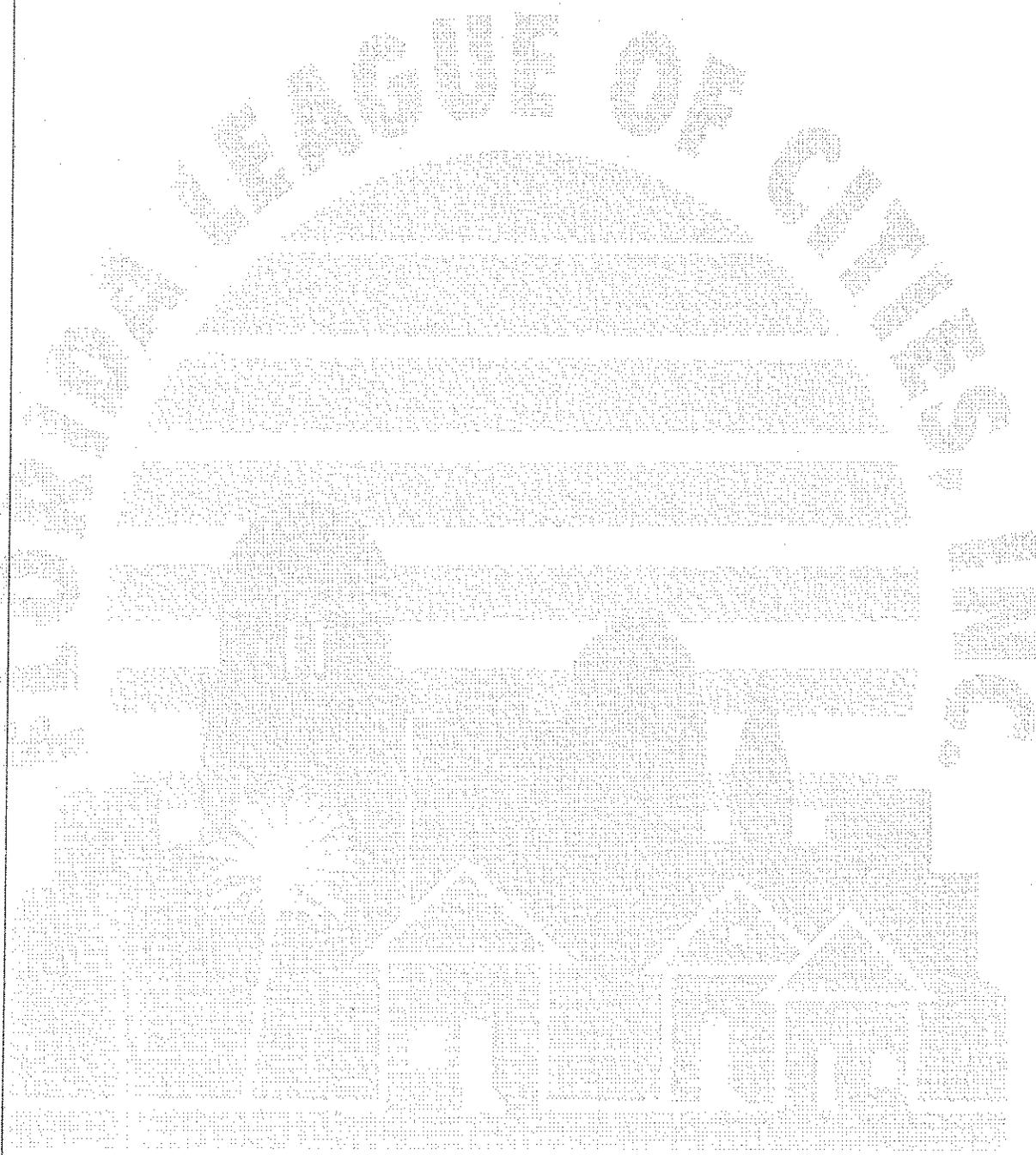
Ms. Johnson is responsible for overseeing the quotes, new business, endorsements, renewals and audit processes of the East Team for the Florida League of Cities, Inc. Medley joined the Florida League of Cities in January of 2011 from CNA Insurance Company where she was responsible for verifying business operations for small business insured's and determining eligibility for coverage. She has more than ten years of property and casualty insurance experience. Medley earned a Bachelor of Science degree in Business Economics with a Minor in Business Administration from Florida A&M University and she earned a Masters of Business Administration degree from the University of Phoenix.

### **Mr. Wayne Anderson, RMPE, ARM** **Risk Control Representative**

Mr. Anderson is a risk control representative with the Department of Insurance and Financial Services of the Florida League of Cities. A graduate of Tennessee Tech University, he was the placekicker for the football team and was voted First Team All Conference three out of his four years. He was named Most Valuable Player his senior year by his teammates and was awarded First Team All American Honors chosen by the Coaches Association of America. Wayne holds a BS degree in Health and Safety Management. Wayne started his safety career working as Occupational Safety Manager for the Broward Chapter for the National Safety Council in Ft. Lauderdale, FL. Wayne has worked as a safety consultant for several organizations such as Summit, and Zurich American before coming to the League. He currently holds an ARM and RMPE designation.



# TAB 4



**ITEMIZED LOCATION EXAMPLE**

ITEM		VALUES
1	Administration Building - 255 Enterprise Road	
	Building Coverage	\$1,212,540
	Contents	\$575,888
2	Parts/Supply Warehouse - 255 Enterprise Road	
	Building Coverage	\$251,930
	Contents	\$141,500
3	Storage Pavilion #3 - 255 Enterprise Road	\$47,900
4	Storage Pavilion #2 - 255 Enterprise Road	\$21,400
5	Storage Pavilion #1 - 255 Enterprise Road	\$37,300
6	Chain Link Fence - 255 Enterprise Road	\$21,500
	<b>TOTAL VALUES AT LOCATION</b>	<b>\$2,309,958</b>

## EXAMPLE LOCATION WITH FMIT

ITEM		VALUES	FMIT 5% DEDUCTIBLE
1	Administration Building - 255 Enterprise Road		
	Building Coverage	\$1,212,540	\$60,627
	Contents	\$575,888	\$28,794
2	Parts/Supply Warehouse - 255 Enterprise Road		
	Building Coverage	\$251,930	\$12,597
	Contents	\$141,500	\$7,075
3	Storage Pavilion #3 - 255 Enterprise Road	\$47,900	\$2,395
4	Storage Pavilion #2 - 255 Enterprise Road	\$21,400	\$1,070
5	Storage Pavilion #1 - 255 Enterprise Road	\$37,300	\$1,865
6	Chain Link Fence - 255 Enterprise Road	\$21,500	\$1,075
	<b>TOTAL VALUES AT LOCATION:</b>	<b>\$2,309,958</b>	

**EXAMPLE LOCATION - COMPETITOR**

ITEM	VALUES	COMPETITOR'S 5% DEDUCTIBLE
1	Administration Building - 255 Enterprise Road	
	Building Coverage	\$1,212,540
	Contents	\$575,888
2	Parts/Supply Warehouse - 255 Enterprise Road	
	Building Coverage	\$251,930
	Contents	\$141,500
3	Storage Pavilion #3 - 255 Enterprise Road	\$47,900
4	Storage Pavilion #2 - 255 Enterprise Road	\$21,400
5	Storage Pavilion #1 - 255 Enterprise Road	\$37,300
6	Chain Link Fence - 255 Enterprise Road	\$21,500
	<b>TOTAL VALUES AT LOCATION</b>	<b>\$2,309,958</b>
		<b>\$115,498</b>

## CLAIM EXAMPLE

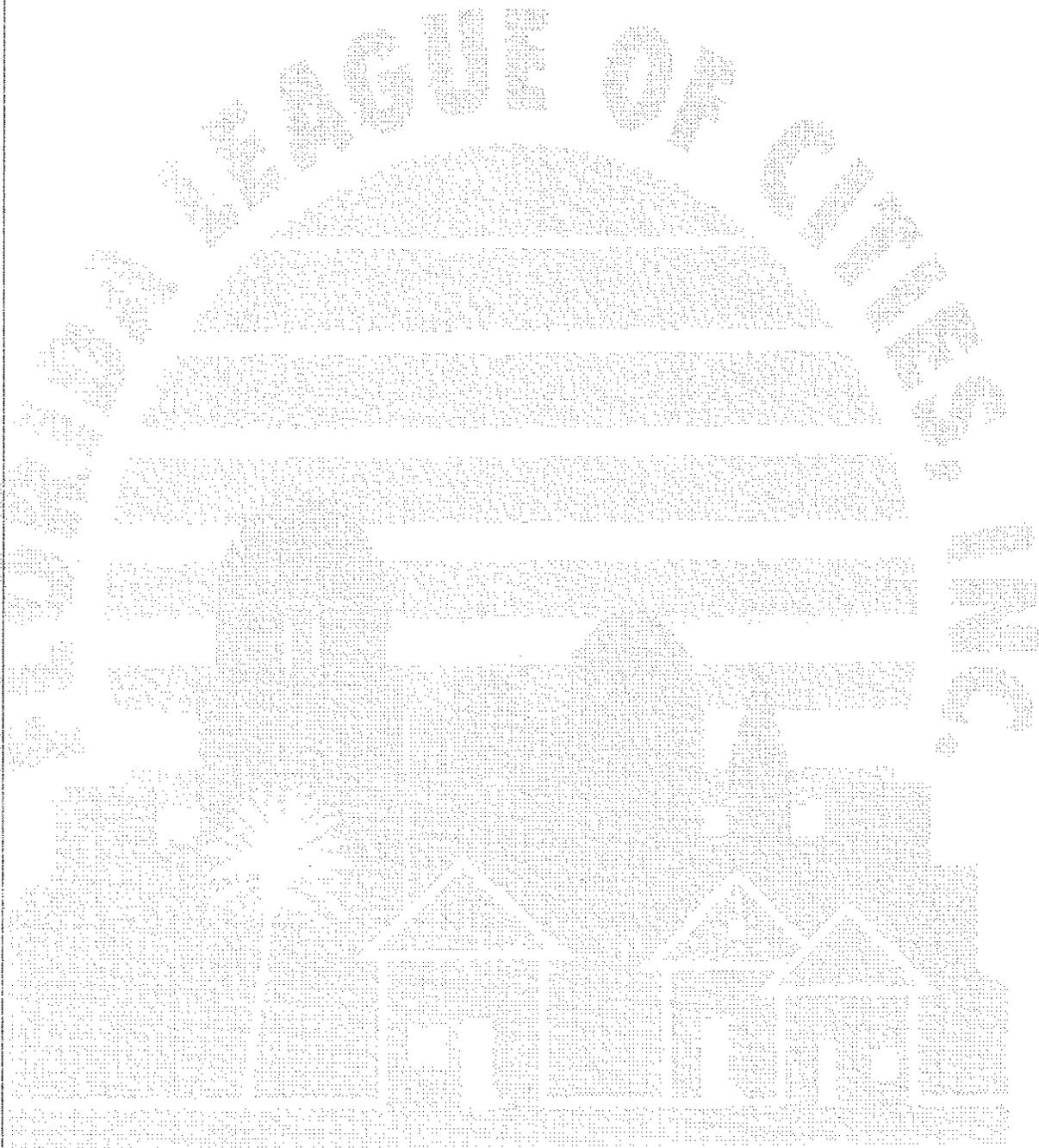
NAMED STORM DESTROYS THE  
STORAGE PAVILION #3 AND #1 AND CHAIN LINK FENCE

COMPETITOR COVERS:	FMIT COVERS:
STORAGE PAVILION #3	STORAGE PAVILION #3 (Deductible of \$2,395)
\$47,900	\$47,900
STORAGE PAVILION #1	STORAGE PAVILION #1 (Deductible of \$1,865)
\$37,300	\$37,300
CHAIN LINK FENCE	CHAIN LINK FENCE (Deductible of \$1,075)
\$21,500	\$21,500
TOTAL DAMAGE:	TOTAL DAMAGE:
\$106,700	\$106,700
DEDUCTIBLE:	DEDUCTIBLE:
\$115,498	\$5,335
NET PAYMENT TO YOU:	NET PAYMENT TO YOU:
\$0	\$ 101,365

**CHOOSE YOUR OWN DEDUCTIBLE - WHICH DO YOU PREFER?**



# TAB 5



# FLORIDA MUNICIPAL INSURANCE TRUST: PART OF THE FLC FAMILY

**Your**

**Resource**

**Your**

**Advocate**

**Your**

**Partner**

Cities are the heart of Florida. Each of our cities is a unique place where its citizens decide what they value and how they want to live.

With revenues down and pressures from state government high, there's never been a more challenging time to lead our cities.

That's where your choice of a trusted partner makes the difference.



## **We Know Cities/Local Government**

FMIT is part of the Florida League of Cities family. We deeply understand what it takes to make municipal government work, and we exist to serve your needs. We are governed by city/local government officials themselves – the very ones we insure – so our interests are your interests.

## **Here Today. Here Tomorrow.**

Insurance only has value if it's there for you when you need it. FMIT is capitalized for a 1 in 250 year event the level of protection recommended by Standard & Poors. In Florida's increasingly unstable insurance market, FMIT stands as a fortress for cities against uncertainty and catastrophic loss. As the oldest and largest municipal insurance pool in Florida and one of the nation's largest, FMIT is the protection of choice for 2 out of every 3 Florida cities.

## **You Profit from our Stability**

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 five years, we have returned more than \$44 million in unused premiums to our insured members. This ethic serves you in two ways: You can take comfort in knowing that 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.

## **Personal Service from People You Know**

When you need us, we become an extension of your own staff. We know our insured members by name. If you suffer a loss, a member of the Florida League of Cities family will handle your claim and work with you to minimize disruption and aggravation. FMIT will pay your claim directly, saving you countless phone calls to multiple nameless adjusters and carriers who don't know you.

## **Keeping Your Costs Down**

Insurance fraud is all too common and expensive to your bottom line. One in four workers compensation claims, one in three bodily injury claims and one in 10 property and casualty claims are fraudulent, costing each Florida family about \$1,400 a year in additional premiums.

That's why FMIT created our special investigation unit to reduce the frequency and cost of fraud to our members. Since 1999, our fraud investigations have produced \$5.9 million in cost savings and more than \$1.9 million in restitution for our members, earning us recognition from the Florida Governor and Cabinet and reducing the impact of fraud on you.

## **How We're Different: Exclusive Member-Only Benefits**

### **Investing in Your Safety.**

Our Workplace Safety Grant program offers free money for you. Our matching grants of up to \$5,000 help our members pay for projects that make their workplaces safer. Since 2005, we have given out 188 grants totaling nearly \$500,000 for continuing education classes, personal protective equipment, hepatitis A & B immunizations, work zone safety signs, police accreditation program fees, sidewalk repairs and lifeguard training. Anything that reduces or eliminates potential losses or injuries may qualify.

### **Simplified Pre-Disaster Planning.**

What if you could document all your city assets on a single simple Web site? What if you could produce insurance-ready and FEMA-ready reports at the touch of a button? What if all your preferred local vendors were pre-approved and ready for direct payment in the event of a disaster. Our unique SimpliCity program does all that for you and more – and it's available exclusively for FMIT members.

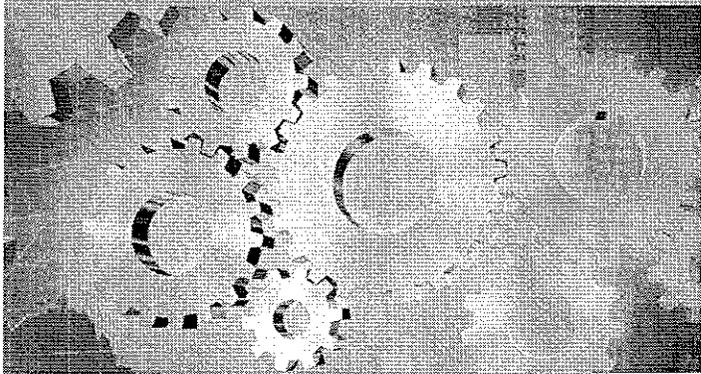
### **TurnKey Disaster Recovery.**

FMIT's TurnKey Recovery program lets you track your recovery online in real time and minimize out-of-pocket impacts. This exclusive member-only benefit reduces a claims impact on your net cash flow by eliminating the recovery cost burden and the reimbursement process. We will pay your preferred pre-approved local vendors directly. Adjuster notes, construction and repair progress and photos for all losses are online and updated in real time, allowing you continuous access to your city's recovery status.

### **HR Helpline.**

Our exclusive HR Helpline delivers online tools for HR professionals allowing your city to generate customized employment manuals and employee handbooks, and benefit from online assistance, networking opportunities and an extensive bank of employee relations research. This service also extends access to free legal counsel for pre-termination and other HR issues.





Your  
**Resource.**

Your  
**Advocate.**

Your  
**Partner.**



Business  
Solutions  
Strategies  
Growth

**T**he **Florida Municipal Insurance Trust (FMIT)** announces a **Return of Premium** for the fifth consecutive year!

Celebrating its 35th anniversary, the Florida Municipal Insurance Trust continues to partner with its loyal members by giving back!

Beginning in December, FMIT members renewing property coverage in 2012-2013 will receive a combined \$8 million refund approved by the Trust's Board of Directors. **This marks the fifth consecutive year and a total of \$44 million returned to members.**

Florida Municipal Insurance Trust members are owners of the Trust. This refund is an example of owners assessing the strength of their program and making decisions to benefit all members. With assets totaling more than \$434 million, members can be confident that the FMIT is stable and prudently managed.

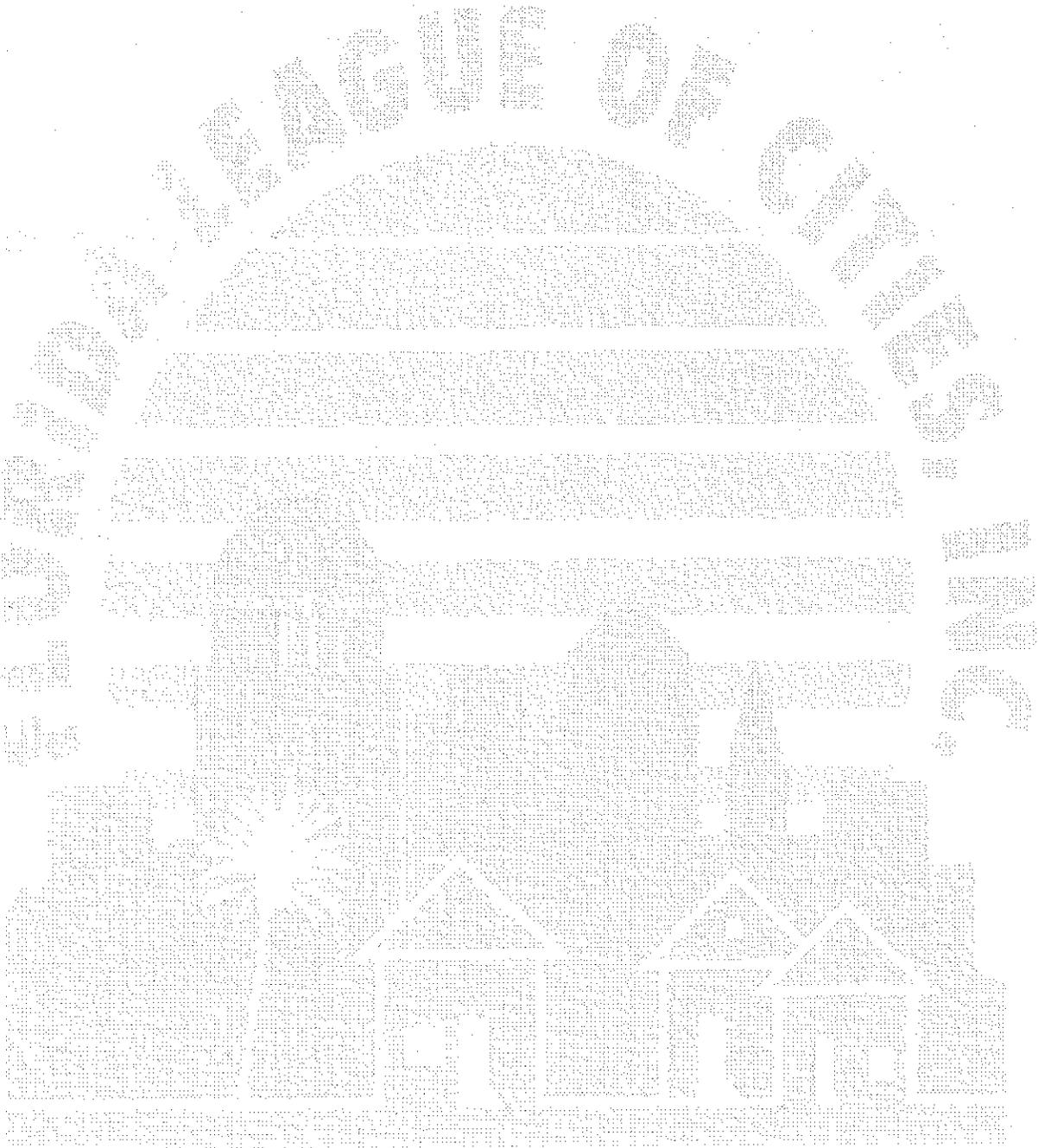
The FMIT Board of Trustees and the Florida League of Cities wants to thank all members of the FMIT for their continued membership.



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



# TAB 6



FLORIDA MUNICIPAL INSURANCE TRUST  
MEMBERS QUARTERLY REPORT - LIABILITY/PROPERTY

CLAIMS ACTIVITY FOR OCTOBER 1, 1979 - JANUARY 31, 2011  
AS OF JANUARY 31, 2011

FILE NUMBER	LOSS DATE	RECEIVED	OPEN/CLOSED	O/S RESERVES	PAID TO DATE	RECOVERIES	TOTAL INCURRED
VA2009064122	10/17/2009	10/19/2009	CLOSED	20091123091400			
CLAIM CODE:	305418	I/V SIDESWIPED O/V					
PRIMARY CLAIMANT:	SARAH	RECHER					
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			0.00	0.00	0.00	0.00
	PROPERTY DAMAGE			0.00	0.00	0.00	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			0.00	0.00	0.00	0.00
VA2009064505	12/1/2009	12/8/2009	CLOSED	20100113153100			
CLAIM CODE:	307624	I/V HIT O/V AT FIRE SCENE					
PRIMARY CLAIMANT:							
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			0.00	0.00	0.00	0.00
	PROPERTY DAMAGE			0.00	2,050.19	2,050.19	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			0.00	2,050.19	2,050.19	0.00
VA2009064536	11/19/2009	12/9/2009	CLOSED	20091209151000			
CLAIM CODE:	307004	IV DOOR HIT O/V					
PRIMARY CLAIMANT:	PATRICIA	FFURD					
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			0.00	0.00	0.00	0.00
	PROPERTY DAMAGE			0.00	0.00	0.00	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			0.00	0.00	0.00	0.00

FLORIDA MUNICIPAL INSURANCE TRUST  
MEMBERS QUARTERLY REPORT - LIABILITY/PROPERTY

CLAIMS ACTIVITY FOR OCTOBER 1, 1979 - JANUARY 31, 2011  
AS OF JANUARY 31, 2011

FILE NUMBER	LOSS DATE	RECEIVED	OPEN/CLOSED	O/S RESERVES	PAID TO DATE	RECOVERIES	TOTAL INCURRED
VA2009064788	11/1/2009	1/20/2010	CLOSED	20100121115800			
CLAIM CODE:	305414	I/V HIT HYDRANT					
PRIMARY CLAIMANT:							
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			0.00	508.00	0.00	508.00
	PROPERTY DAMAGE			0.00	0.00	0.00	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			0.00	508.00	0.00	508.00
VA2010064978	2/7/2010	2/9/2010	CLOSED	20100209113900			
CLAIM CODE:	305418	SUSPECT VEHICLE HIT IV					
PRIMARY CLAIMANT: GERALD WILLIAMS, JR.							
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			0.00	0.00	0.00	0.00
	PROPERTY DAMAGE			0.00	0.00	0.00	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			0.00	0.00	0.00	0.00
VA2010065122	1/27/2010	2/24/2010	CLOSED	20100316094200			
CLAIM CODE:	307613	O/V SIDESWIPE I/V					
PRIMARY CLAIMANT: SEMINOLE COUNTY							
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			0.00	0.00	0.00	0.00
	PROPERTY DAMAGE			0.00	0.00	0.00	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			0.00	0.00	0.00	0.00

FLORIDA MUNICIPAL INSURANCE TRUST  
MEMBERS QUARTERLY REPORT - LIABILITY/PROPERTY

CLAIMS ACTIVITY FOR OCTOBER 1, 1979 - JANUARY 31, 2011  
AS OF JANUARY 31, 2011

FILE NUMBER	LOSS DATE	RECEIVED	OPEN/CLOSED	O/S RESERVES	PAID TO DATE	RECOVERIES	TOTAL INCURRED
VA2010065526	2/25/2010		4/2/2010	CLOSED			
CLAIM CODE:	305404	I/V BACKED INTO POLE		20100405171600			
PRIMARY CLAIMANT:							
		REAL AND PERSONAL PROPERTY		0.00	0.00	0.00	0.00
		AUTO PHYSICAL DAMAGE		0.00	0.00	0.00	0.00
		PROPERTY DAMAGE		0.00	0.00	0.00	0.00
		INJURY		0.00	0.00	0.00	0.00
		EXPENSE/LEGAL		0.00	0.00	0.00	0.00
		TOTAL FOR CLAIM		0.00	0.00	0.00	0.00
VA2010066154	6/2/2010		6/10/2010	CLOSED			
CLAIM CODE:	305404	I/V BACKED INTO FENCE.		20100714154900			
PRIMARY CLAIMANT:							
		REAL AND PERSONAL PROPERTY		0.00	0.00	0.00	0.00
		AUTO PHYSICAL DAMAGE		0.00	0.00	0.00	0.00
		PROPERTY DAMAGE		0.00	935.00	935.00	0.00
		INJURY		0.00	0.00	0.00	0.00
		EXPENSE/LEGAL		0.00	0.00	0.00	0.00
		TOTAL FOR CLAIM		0.00	935.00	935.00	0.00
VA2010066249	5/30/2010		6/22/2010	OPEN			
CLAIM CODE:	307614	ALLEGED FIRE TRUCK DAMAGE TO DRIVEWAY					
PRIMARY CLAIMANT:							
		REAL AND PERSONAL PROPERTY		0.00	0.00	0.00	0.00
		AUTO PHYSICAL DAMAGE		0.00	0.00	0.00	0.00
		PROPERTY DAMAGE		1,000.00	0.00	0.00	1,000.00
		INJURY		0.00	0.00	0.00	0.00
		EXPENSE/LEGAL		0.00	325.35	0.00	325.35
		TOTAL FOR CLAIM		1,000.00	325.35	0.00	1,325.35

FLORIDA MUNICIPAL INSURANCE TRUST  
MEMBERS QUARTERLY REPORT - LIABILITY/PROPERTY

CLAIMS ACTIVITY FOR OCTOBER 1, 1979 - JANUARY 31, 2011  
AS OF JANUARY 31, 2011

FILE NUMBER	LOSS DATE	RECEIVED	OPEN/CLOSED	O/S RESERVES	PAID TO DATE	RECOVERIES	TOTAL INCURRED
VA2010066840	8/11/2010	8/24/2010	CLOSED	20101021173300			
CLAIM CODE:	305418	OV CHANGED LANES INTO IV					
PRIMARY CLAIMANT:	DIANA	STERLING					
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			0.00	1,827.50	0.00	0.00
	PROPERTY DAMAGE			0.00	0.00	1,827.50	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			0.00	1,827.50	0.00	0.00
VA2010066961	8/25/2010	9/7/2010	CLOSED	20101007112200			
CLAIM CODE:	305424	OV BACKED INTO IV					
PRIMARY CLAIMANT:	KAREN	RANSOM					
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			0.00	1,914.00	0.00	0.00
	PROPERTY DAMAGE			0.00	0.00	1,914.00	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			0.00	1,914.00	0.00	0.00
VA2010067204	9/28/2010	10/5/2010	OPEN				
CLAIM CODE:	305403	OVI REARENDED OV2 HITTING IV					
PRIMARY CLAIMANT:	CLARENCE	SICHLER					
	REAL AND PERSONAL PROPERTY			0.00	0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE			902.00	730.50	0.00	1,632.50
	PROPERTY DAMAGE			0.00	0.00	0.00	0.00
	INJURY			0.00	0.00	0.00	0.00
	EXPENSE/LEGAL			0.00	0.00	0.00	0.00
	TOTAL FOR CLAIM			902.00	730.50	0.00	1,632.50

FLORIDA MUNICIPAL INSURANCE TRUST  
MEMBERS QUARTERLY REPORT - LIABILITY/PROPERTY

CLAIMS ACTIVITY FOR OCTOBER 1, 1979 - JANUARY 31, 2011  
AS OF JANUARY 31, 2011

FILE NUMBER	LOSS DATE	RECEIVED	OPEN/CLOSED	O/S RESERVES	PAID TO DATE	RECOVERIES	TOTAL INCURRED
VA2010067743	9/11/2010	12/21/2010	OPEN				
CLAIM CODE:	317600	ARCING DAMAGE TO FIRE TRUCK ELECTRICAL					
PRIMARY CLAIMANT:							
	REAL AND PERSONAL PROPERTY			0.00		0.00	
	AUTO PHYSICAL DAMAGE			18,000.00		0.00	18,000.00
	PROPERTY DAMAGE			0.00		0.00	
	INJURY			0.00		0.00	
	EXPENSE/LEGAL			500.00		0.00	500.00
	TOTAL FOR CLAIM			18,500.00		0.00	18,500.00

Claims Activity For 10/01/2009 - 09/30/2010

Premium: 431,890.00 Number of Claims: 33 Total Incurred: 97,265.97 Loss Ratio: 0.23

Claims For Fund Year: 2010

CLAIM CODE:	LOSS DATE	RECEIVED	OPEN/CLOSED	O/S RESERVES	PAID TO DATE	RECOVERIES	TOTAL INCURRED
GC2010067381	10/15/2010	10/28/2010	CLOSED				
CLAIM CODE:	408006	TRUCK DAMAGE TO HYDRANT					
PRIMARY CLAIMANT:							
	REAL AND PERSONAL PROPERTY			0.00		0.00	
	AUTO PHYSICAL DAMAGE			0.00		0.00	
	PROPERTY DAMAGE			0.00		0.00	
	INJURY			0.00		0.00	
	EXPENSE/LEGAL			0.00		0.00	
	TOTAL FOR CLAIM			0.00		0.00	0.00

\*CITY OF CASSELBERRY

CLAIM CODE:	LOSS DATE	RECEIVED	OPEN/CLOSED	O/S RESERVES	PAID TO DATE	RECOVERIES	TOTAL INCURRED
GC2010067978	11/6/2010	1/28/2011	OPEN				
CLAIM CODE:	101015	TRIP AND FALL					
PRIMARY CLAIMANT:							
	REAL AND PERSONAL PROPERTY			0.00		0.00	
	AUTO PHYSICAL DAMAGE			0.00		0.00	
	PROPERTY DAMAGE			0.00		0.00	
	INJURY			10,000.00		0.00	10,000.00
	EXPENSE/LEGAL			1,500.00		0.00	1,500.00
	TOTAL FOR CLAIM			11,500.00		0.00	11,500.00

ANA KALLERGIS

FLORIDA MUNICIPAL INSURANCE TRUST  
MEMBERS QUARTERLY REPORT - LIABILITY/PROPERTY

CLAIMS ACTIVITY FOR OCTOBER 1, 1979 - JANUARY 31, 2011  
AS OF JANUARY 31, 2011

FILE NUMBER	LOSS DATE	RECEIVED	OPEN/CLOSED	O/S RESERVES	PAID TO DATE	RECOVERIES	TOTAL INCURRED
VA2010067563	11/4/2010		11/30/2010	OPEN			
CLAIM CODE:	305415	MEMBER DRIVER CROSSED CENTER LINE HITTING OV					
PRIMARY CLAIMANT:	ELIZABETH	KARNES					
	REAL AND PERSONAL PROPERTY	0.00			0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE	15,000.00			0.00	0.00	15,000.00
	PROPERTY DAMAGE	20,000.00			0.00	0.00	20,000.00
	INJURY	25,000.00			0.00	0.00	25,000.00
	EXPENSE/LEGAL	2,500.00			0.00	0.00	2,500.00
	TOTAL FOR CLAIM	62,500.00			0.00	0.00	62,500.00
VA2010067860	12/24/2010		1/11/2011	CLOSED	20110128152400		
CLAIM CODE:	305425	SUSPECT VEHICLE RAMMED IV					
PRIMARY CLAIMANT:							
	REAL AND PERSONAL PROPERTY	0.00			0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE	0.00			3,204.56	0.00	3,204.56
	PROPERTY DAMAGE	0.00			0.00	0.00	0.00
	INJURY	0.00			0.00	0.00	0.00
	EXPENSE/LEGAL	0.00			0.00	0.00	0.00
	TOTAL FOR CLAIM	0.00			3,204.56	0.00	3,204.56
VA2010067885	11/4/2010		1/13/2011	OPEN			
CLAIM CODE:	305404	IV BACKED INTO POST					
PRIMARY CLAIMANT:							
	REAL AND PERSONAL PROPERTY	0.00			0.00	0.00	0.00
	AUTO PHYSICAL DAMAGE	1,531.60			468.40	0.00	2,000.00
	PROPERTY DAMAGE	0.00			0.00	0.00	0.00
	INJURY	0.00			0.00	0.00	0.00
	EXPENSE/LEGAL	0.00			0.00	0.00	0.00
	TOTAL FOR CLAIM	1,531.60			468.40	0.00	2,000.00

Claims Activity For 10/01/2010 - 09/30/2011

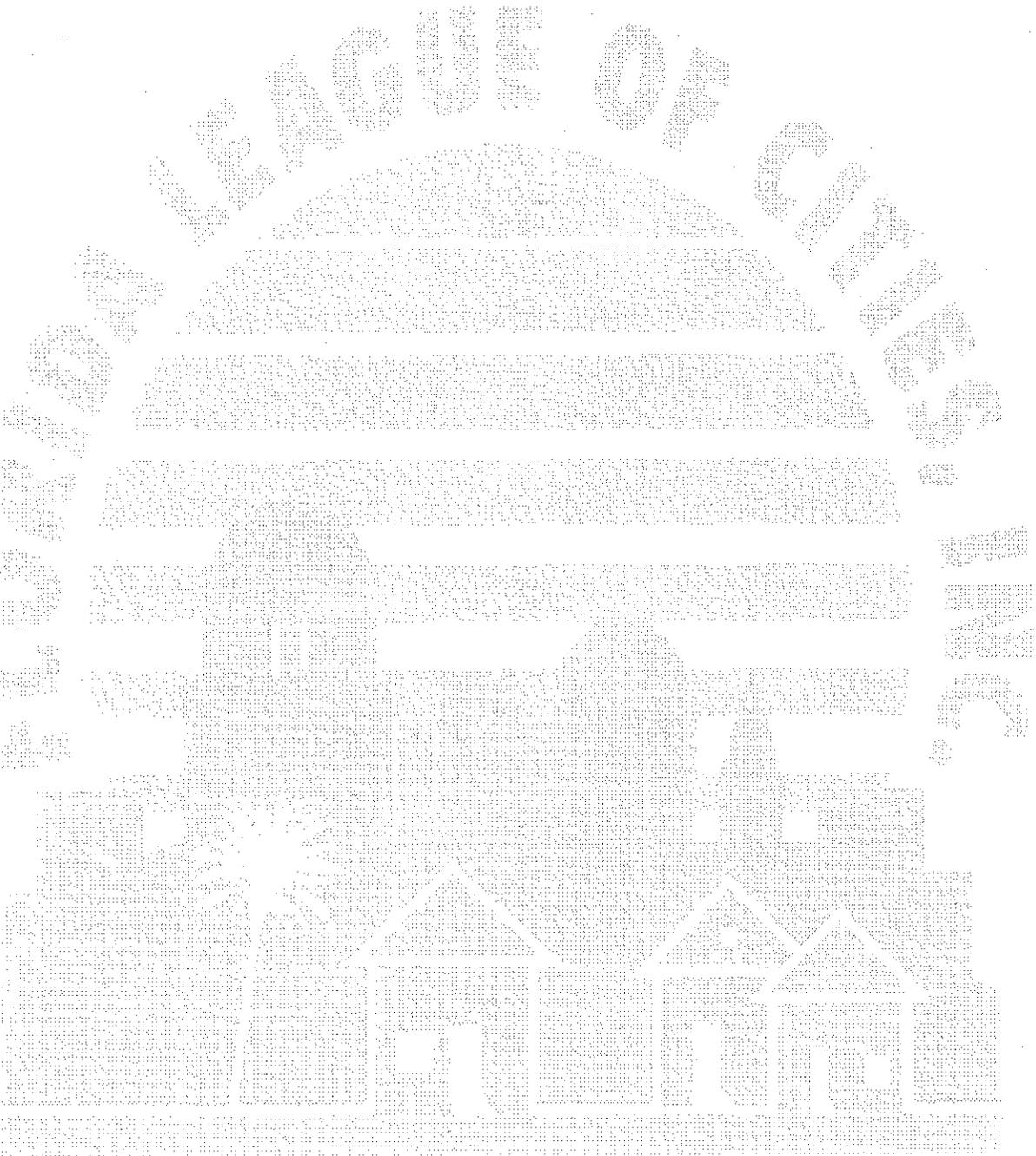
Premium: 139,857.40 Number of Claims: 5 Total Incurred:

79,204.56 Loss Ratio:

0.57



# TAB 7



**FLORIDA MUNICIPAL INSURANCE TRUST**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012**

**Florida Municipal Insurance Trust  
Financial Statements  
September 30, 2012**

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March 4, 2013

Independent Auditors' Report

To the Trustees of the Florida  
Municipal Insurance Trust:

We have audited the accompanying balance sheet of the Florida Municipal Insurance Trust as of September 30, 2012, and the related statements of revenues, expenses and changes in fund equity and cash flows for the year then ended. These financial statements are the responsibility of the Trust's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8 and Schedules 1 and 2 on pages 19-21 be presented to supplement the basic financial statements. Such information, although not 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, 2011 (none of which are presented herein); and we expressed unqualified opinions on those basic financial statements. In our report dated March 12, 2012, we expressed an unqualified opinion on the financial statements for the year ended September 30, 2011. In our opinion, the information set forth in the required supplementary information for each of the ten years in the period ended September 30, 2012 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, 2012**

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, 2012. 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, 2012 by \$216.3 million. Of this amount, \$1.05 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.
- Fund equity increased \$5.5 million in 2011-2012 in part due to an improved investment environment.
- The Trust invests more than \$410 million, 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. Given the nature of the Trust's operations and the integral part investment income plays in those operations, it would be inappropriate for the Trust to exclude investment income from operating activities.

**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 Balance Sheet provides information about the assets and liabilities at a specific point in time, in this case, September 30, 2012. The Statement of Revenues, Expenses, and Changes in Fund Equity provides information about revenues (additions to fund equity) and expenses (deductions from fund equity) recorded during the entire fiscal period from October 2011 through September 2012. 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, 2012**

**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 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 claims are processed and managed in-house by the administrator. 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, 2012**

**Comparative Financial Information**

**Table 1  
Balance Sheets**

<b><u>Assets</u></b>	<b><u>2011-2012</u></b>	<b><u>2010-2011</u></b>
Cash and Investments	\$ 436,400,000	\$ 416,400,000
Receivables	7,500,000	5,900,000
Prepaid Expenses	9,500,000	11,900,000
Deposits	300,000	300,000
	<hr/>	<hr/>
Total Assets	<b><u>\$ 453,700,000</u></b>	<b><u>\$ 434,500,000</u></b>
<b><u>Liabilities</u></b>		
Liability for Claims and Claim Expenses	\$ 214,300,000	\$ 202,800,000
Dividend Payable	8,000,000	8,000,000
Premiums Collected in Advance	12,200,000	11,300,000
Accounts Payable and Accrued Expenses	2,900,000	1,600,000
	<hr/>	<hr/>
Total Liabilities	237,400,000	223,700,000
<b><u>Equity</u></b>		
Fund Equity	<u>216,300,000</u>	<u>210,800,000</u>
	<hr/>	<hr/>
Total Liabilities and Fund Equity	<b><u>\$ 453,700,000</u></b>	<b><u>\$ 434,500,000</u></b>

**Florida Municipal Insurance Trust  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended September 30, 2012**

**Table 2  
Statements of Revenues, Expenses and  
Changes in Fund Equity**

<u>Revenues</u>	<u>2011-2012</u>	<u>2010-2011</u>
Premium Income	\$ 83,800,000	\$ 90,700,000
Investment Income	34,300,000	10,700,000
Other Income	700,000	400,000
	<u>118,800,000</u>	<u>101,800,000</u>
<u>Expenses</u>		
Claims and Claim Expenses	82,400,000	85,500,000
Administrative and Other Expenses	22,900,000	22,800,000
Dividend Expense	8,000,000	8,000,000
	<u>113,300,000</u>	<u>116,300,000</u>
<b><u>Operating Income (Loss)</u></b>	5,500,000	(14,500,000)
<b><u>Fund Equity, Beginning of Year</u></b>	<u>210,800,000</u>	<u>225,300,000</u>
<b><u>Fund Equity, End of Year</u></b>	<u>\$ 216,300,000</u>	<u>\$ 210,800,000</u>

**Florida Municipal Insurance Trust  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended September 30, 2012**

Some of the more important fund transactions during 2011-2012 are:

- The Trust earned \$34.2 million in investment income during the fiscal year, resulting in a return on invested assets (excluding cash) of 8.66%. The allocation to fixed income helped provide investment income of \$15.1 million during the year, while allocation to equities produced returns of \$19.1 million.
- The overall claims expense is \$82.4 million for 2011-2012, which is down from \$85.5 million in 2010-2011. The overall decrease in claims expense was largely the result of a decrease in health claims expense.
- For the fiscal year ended September 30, 2012, the Trust had reported earned premium of \$83.8 million compared to \$90.7 million in the previous year. The primary reason for the year-over-year decrease was a continued soft market, which resulted in rate decreases across several lines of coverage and made it difficult to offset premium decreases with net new business.

**Capital Asset and Long-Term Debt Activity**

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

**Economic Factors**

The U.S. economic activity gained momentum early in 2012 following real GDP growth of 4.1% in the fourth quarter of 2011. The pace of growth slowed over the next two quarters and grew at a rate of 3.1% in the third quarter ending September 2012, more than double the 1.3% rate of the previous quarter. Treasury yields reached record lows in July 2012 with the 10-Year Treasury at 1.39%. In September, the Federal Reserve announced that it will keep interest rates near zero and launched an open-ended quantitative easing program, QE3, to purchase \$40 billion of agency mortgage-backed securities every month. The global economy continued to lose momentum as the Euro region fell into a technical recession and China's economic growth slowed.

Population growth and tourism have historically been the mainstays of the Florida economy. Population growth is beginning to show signs of strengthening with forecasts of 1.2% growth on average through 2015. Florida is on track to reach a population of 20 million by 2016, which would make it the third most populous state. Florida's housing market appears to be improving as a result, and tourism appears to be on pace to at least match 2011 figures.

Unemployment continues to be the biggest hindrance to the improvement in the Florida economy. Based on the U.S. and Florida Economic Outlook 2013 prepared by Professor Rodney L. Clouser of the University of Florida, the unemployment rate dropped from 10.7% in August of 2011 to 8.7% in September of 2012, but it is still higher than the national rate of 7.8%. This may seem like good progress, but economists have stated that approximately 75% of the drop in the unemployment rate can be attributed to workers leaving the work force.

As has been the case in recent years, to meet the challenges of declining tax revenues, local governments, such as cities and counties, are faced with either raising tax rates to meet service demands or cutting expenses and service levels. Many governments have been forced to reduce expenses and use cash reserves to balance their budgets. While the economy seems to have some signs of recovery, local governments tend to lag behind the mainstream. This may equate to members to continue looking for all opportunities to cut costs in the 2013-2014 year, therefore chasing the lowest cost options.

**Florida Municipal Insurance Trust**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**For the Year Ended September 30, 2012**

**Economic Factors** (Continued)

In regards to property losses, while global economic losses were close to average in 2012, insured losses last year were 36% higher than the 10-year average (\$72 billion vs. \$53 billion) because the two most costly events of the year occurred in the U.S., which has higher-than-average insurance penetration. The two major U.S. natural peril events, Hurricane Sandy and a year-long drought, accounted for two-thirds of all 2012 insurance losses globally and nearly half of all economic losses for the year. However, in 2012, overall insured losses were significantly lower than the record 2011 insured losses of \$133 billion.

Global property losses can affect Florida catastrophic property pricing. While it is too early after Hurricane Sandy to know exactly how it will affect the pricing of the FMIT property program, it is not expected have a significant impact. However, due to the low interest rate environment and low underwriting margins, the overall property/casualty insurance market is expected to begin to show some evidence of slight hardening.

The Trust continues to explore all avenues to reduce costs while maintaining a conservative investment philosophy and prudent underwriting standards.

**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, Director of Insurance and Financial Services, P.O. Box 538135, Orlando, FL 32853.

**Florida Municipal Insurance Trust**  
**\*BALANCE SHEET**  
**September 30, 2012**

**ASSETS**

Cash and Cash Equivalents	\$ 22,808,450
Investments	413,549,589
Premiums Receivable	20,860
Reinsurance Recoveries Receivable	5,536,171
Receivable from Florida Special Disability Trust Fund	660,136
Receivable for Members' Deductibles	1,232,016
Prepaid Reinsurance	9,345,233
Prepaid Expenses - Other	257,767
Deposits	<u>340,043</u>
Total Assets	<u><u>\$453,750,265</u></u>

**LIABILITIES AND FUND EQUITY**

**Liabilities**

Liability for Claims and Claim Expenses	\$214,265,121
Dividend Payable	8,000,000
Premiums Collected in Advance	12,249,275
Accounts Payable	2,563,962
Accrued Expenses:	
Administrative, Service, and Sponsorship Fees	<u>324,059</u>
Total Liabilities	237,402,417

**Fund Equity**

Restricted	\$ 1,045,000
Unrestricted	<u>215,302,848</u>
Total Fund Equity	<u>216,347,848</u>
Total Liabilities and Fund Equity	<u><u>\$453,750,265</u></u>

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

**Florida Municipal Insurance Trust**  
**\*STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND EQUITY**  
**For the Year Ended September 30, 2012**

<b><u>Operating Revenues</u></b>	
Premium Income	\$ 83,791,301
Investment Income	34,278,968
Other Income	<u>688,460</u>
Total Operating Revenues	<u>118,758,729</u>
<b><u>Operating Expenses</u></b>	
Claims and Claim Expenses	82,371,037
Administrative and Service Fees	13,643,476
Dividend Expense	8,000,000
Assessments - Florida Department of Labor and Employment Security	824,773
Sponsorship Fee	2,669,210
Fraud Unit Expense	2,108,110
Other Expenses	<u>3,605,313</u>
Total Operating Expenses	<u>113,221,919</u>
<b><u>Operating Income</u></b>	5,536,810
<b><u>Fund Equity, Beginning of Year</u></b>	<u>210,811,038</u>
<b><u>Fund Equity, End of Year</u></b>	<u>\$216,347,848</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, 2012**

<b><u>Cash Flows from Operating Activities</u></b>	
Cash Received from Members for Premiums	\$ 112,778,285
Reinsurance Recoveries	8,309,901
Florida Special Disability Trust Fund Collections	826,951
Cash Received for Commissions	725,142
Cash Payments for Claims	(82,632,720)
Cash Payments for Dividends	(8,000,000)
Cash Payments to Suppliers for Goods and Services	(45,509,677)
Cash Payments to Florida Special Disability Trust Fund	<u>(819,453)</u>
Net Cash Used by Operating Activities	<u>(14,321,571)</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest on Cash and Investments	26,679
Proceeds from Sale of Investments	32,543,304
Purchase of Investments	<u>(13,500,000)</u>
Net Cash Provided by Investing Activities	<u>19,069,983</u>
<b><u>Net Increase in Cash and Cash Equivalents</u></b>	<b>4,748,412</b>
<b><u>Cash and Cash Equivalents, Beginning of Year</u></b>	<b><u>18,060,038</u></b>
<b><u>Cash and Cash Equivalents, End of Year</u></b>	<b><u>\$ 22,808,450</u></b>

\* 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, 2012

**Reconciliation of Operating Income to Net Cash**

**Used by Operating Activities**

Operating Income	\$ 5,536,810
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**Adjustments to Reconcile Operating Income to Net**

**Cash Used by Operating Activities**

Investment Income	(34,278,968)
-------------------	--------------

**Change in Assets and Liabilities**

Decrease in Premiums Receivable	992,713
Increase in Reinsurance Recoveries Receivable	(3,377,929)
Decrease in Receivable from Florida Special Disability Trust Fund	217,284
Decrease in Receivable for Members' Deductibles	608,575
Increase in Prepaid Expenses - Other	(2,129)
Decrease in Prepaid Reinsurance	2,284,565
Increase in Liability for Claims and Claim Expenses	11,427,238
Increase in Premiums Collected in Advance	992,322
Increase in Accounts Payable	1,349,841
Decrease in Accrued Expenses	(71,893)

**Net Cash Used by Operating Activities**

**\$ (14,321,571)**

**Supplemental Schedule of Noncash Transactions**

The increase in the fair value of investments was \$34,252,289.

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

**Florida Municipal Insurance Trust**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**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 261 cities, 27 county subdivisions and 281 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. In accordance with GASB Statement 20, the Trust has elected to apply only those applicable Financial Accounting Standards Board pronouncements issued on or before November 30, 1989.
- 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, 2012. There were no bad debt write-offs during the year.
- H. The Trust considers all revenues from premium, investment, and commission income that comprise the Trust's core business activities to be operating revenues. All expenses are considered to be operating expenses.

**Florida Municipal Insurance Trust**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 2 - Cash and Cash Equivalents**

Cash and cash equivalents include interest-bearing demand deposits in the amount of \$22,071,925 and short-term investments in the amount of \$736,525.

Short-term investments of \$445,784 were invested in the Goldman Sachs Financial Square Prime Obligations Fund with an average maturity of 29 days, and short-term investments of \$290,741 were invested in the Local Government Surplus Funds Trust Fund (Florida Prime) with an average maturity of 39 days. The Goldman Sachs Financial Square Prime Obligations Fund is rated Aaa by Moody's. Florida Prime 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 for both the Trust and FMIvT.

**Florida Municipal Insurance Trust**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 3 - Investments and Investment Income** (Continued)

The Trust's investments consisted of the following at September 30, 2012:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (In Years)</u>
GS FIN SQ PRIME OBL SEL Money Market Fund	\$ 1,045,000	0.08
Bond Funds		
FMIvT 1-3 Year High Quality Bond Fund	63,343,468	1.64
FMIvT Intermediate High Quality Bond Fund	148,843,391	3.16
FMIvT Broad Market High Quality Bond Fund	64,133,900	4.66
FMIvT Expanded High Yield Bond Fund	43,952,746	3.61
SBA Fund B Surplus Funds Trust Fund	191,033	4.08
Equity Funds		
FMIvT High Quality Growth Portfolio	9,212,740	
FMIvT Russell 1000 Enhanced Index Portfolio	27,747,887	
FMIvT Diversified Small to Mid Cap Equity Portfolio	22,624,641	
FMIvT International Equity Portfolio	23,214,397	
FMIvT Large Cap Diversified Value Portfolio	<u>9,240,386</u>	
Total Investments	<u>\$ 413,549,589</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 FMIvT Intermediate High Quality Bond Fund and 1-3 Year High Quality Bond Fund are rated AAA by Fitch Ratings. The FMIvT Broad Market High Quality Bond Fund is rated AA by Fitch Ratings. Neither the FMIvT Expanded High Yield Bond Fund nor Fund B is rated by any nationally recognized statistical rating agency at this time.

As further described at Note 13, investments in the amount of \$1,045,000 are held by Deutsche 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, 2012**

**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	\$ 122,637,851
Ceded Excess Reinsurance Premiums	(27,001,949)
Incentive Credits	<u>(11,844,601)</u>
Net Premium Income	<u>\$ 83,791,301</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. As of September 30, 2012, the Trust was due \$660,136 from the SDTF for previously paid workers' compensation benefits eligible for reimbursement.

**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, 2012 for reinsurance was approximately \$77,000,000. 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, 2012, of which approximately \$175,000 is expected to be collected after one year.

Prepaid reinsurance consists of the unexpired premiums for property risk excess and catastrophe policies expiring March 31, 2013.

**Florida Municipal Insurance Trust**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 7 - Deposits**

The Trust is a pool member of the NLC Mutual Company, a public entity risk pool providing one or more layers of reinsurance coverage to political subdivisions of state governments. 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, 2012, of which approximately \$25,000 is expected to be collected after one year.

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

	<u>Year Ended September 30,</u>	
	2012	2011
<b><u>Liability for Claims and Claim Expenses -</u></b>		
<b><u>Beginning of Year</u></b>	<b>\$ 202,837,883</b>	<b>\$ 191,759,073</b>
<b><u>Claims and Claim Expenses</u></b>		
Provision for Insured Events of the Current Year	76,113,584	78,389,887
Increase in Provision for Insured Events of Prior Years	6,257,453	7,079,353
Total Claims and Claim Expenses	82,371,037	85,459,240
<b><u>Payments</u></b>		
Claims and Claim Expenses Attributable to Insured Events of the Current Year	25,493,067	30,549,804
Claims and Claim Expenses Attributable to Insured Events of Prior Years	45,450,732	43,840,626
Total Payments	70,943,799	74,390,430
<b><u>Liability for Claims and Claim Expenses -</u></b>		
<b><u>End of Year</u></b>	<b>\$ 214,265,121</b>	<b>\$ 202,837,883</b>

**Florida Municipal Insurance Trust**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 9 - Premiums Collected in Advance**

Premiums collected in advance represents premiums collected prior to October 1, 2012 but allocable to the year ending September 30, 2013.

**Note 10 - 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 \$315,000 for reinsurance management services and \$36,600 for additional claim administrative services, which are included in other expenses, and \$1,147,250 for managed care fees, which is included in claims 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 \$1,778,002 were paid to United Healthcare for HMO health claims administration.

**Note 11 - Sponsorship Fee**

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

**Note 12 - 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 13 - 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 2013 and 2024. The surety bond is collateralized by investments held in trust by Deutsche Bank in the amount of the guarantee.

The League serves as Administrator for both the Trust and FMLC.

**Note 14 - 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, 2012 and have continued property insurance coverage with the Trust in the year ending September 30, 2013.

**Florida Municipal Insurance Trust**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**TEN-YEAR CLAIMS DEVELOPMENT INFORMATION**  
**September 30, 2012**

**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, effective for years ending on or after September 30, 2003, 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, 2012

Schedule 1

	Fiscal and Policy Year Ended September 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
i. Premium, Investment, and Other Income										
Earned	\$ 98,218,594	\$ 98,423,122	\$ 111,445,669	\$ 120,049,673	\$ 170,724,469	\$ 115,064,295	\$ 149,137,015	\$ 148,803,859	\$ 127,594,104	\$ 145,760,678
Ceded	12,541,071	13,546,256	16,570,242	24,775,670	30,982,582	25,628,985	22,342,082	24,268,423	25,782,855	27,001,949
Net Earned	\$ 85,677,523	\$ 84,876,866	\$ 94,875,427	\$ 95,274,003	\$ 139,741,887	\$ 89,435,310	\$ 126,794,933	\$ 124,535,436	\$ 101,811,249	\$ 118,758,729
2. Unallocated Expenses	\$ 16,073,527	\$ 15,734,363	\$ 17,251,054	\$ 18,684,081	\$ 23,420,399	\$ 32,347,911	\$ 30,354,937	\$ 33,890,242	\$ 30,854,415	\$ 30,860,883
3. Estimated Incurred Claims and Expense, End of Policy Year										
Incurred	\$ 72,418,866	\$ 101,580,066	\$ 78,993,810	\$ 100,408,429	\$ 69,140,508	\$ 72,277,906	\$ 88,102,988	\$ 87,423,483	\$ 83,003,559	\$ 85,213,519
Ceded	4,691,567	10,086,054	7,057,080	9,680,239	4,360,629	6,048,604	4,930,628	5,456,661	4,613,672	9,099,935
Net Incurred	\$ 67,727,299	\$ 91,494,012	\$ 71,936,720	\$ 90,728,190	\$ 64,779,879	\$ 66,229,302	\$ 83,172,360	\$ 81,966,822	\$ 78,389,887	\$ 76,113,584
4. Claims Paid (Cumulative), Net of Reinsurance, as of:										
End of policy year	\$ 17,306,647	\$ 15,688,656	\$ 17,714,934	\$ 36,987,027	\$ 19,768,835	\$ 23,218,862	\$ 33,280,225	\$ 32,325,712	\$ 30,549,804	\$ 25,483,067
One year later	25,880,042	40,950,472	25,699,495	47,404,310	29,425,857	32,354,744	45,934,258	46,986,126	45,409,619	
Two years later	31,812,804	46,979,589	31,455,428	53,576,190	35,673,543	37,989,827	54,944,420	55,472,566		
Three years later	36,419,351	50,846,057	35,451,023	59,418,885	40,011,388	42,093,775	60,508,054			
Four years later	40,667,699	53,061,393	40,949,335	62,283,002	44,048,021	46,560,156				
Five years later	43,999,237	55,126,104	44,484,223	65,842,525	46,833,722					
Six years later	45,843,947	55,667,267	47,785,305	68,670,746						
Seven years later	47,339,979	55,535,609	48,838,068							
Eight years later	47,938,032	56,477,063								
Nine years later	48,211,337									
5. Reestimated Ceded Claims and Expense	\$ 7,504,900	\$ 11,209,357	\$ 7,950,139	\$ 11,197,905	\$ 2,522,161	\$ 6,718,089	\$ 4,115,628	\$ 7,128,788	\$ 4,879,794	\$ 9,099,935
6. Reestimated Incurred Claims and Expense:										
End of policy year	\$ 67,727,299	\$ 91,494,012	\$ 71,936,720	\$ 90,728,190	\$ 64,779,879	\$ 66,229,302	\$ 83,172,360	\$ 81,966,822	\$ 78,389,887	\$ 76,113,584
One year later	60,388,955	82,552,406	58,047,688	77,982,433	56,999,197	61,239,576	82,675,996	83,792,387	79,834,431	
Two years later	54,013,662	67,405,513	52,158,792	73,478,489	54,481,995	61,511,376	84,226,146	85,900,075		
Three years later	50,764,557	63,157,390	49,797,441	74,797,683	55,187,914	59,889,132				
Four years later	51,163,375	60,747,237	51,851,847	76,711,366	56,526,150	59,277,529				
Five years later	49,925,092	59,511,225	52,151,721	76,765,906						
Six years later	51,766,734	58,846,708	54,239,423							
Seven years later	52,456,164	58,084,327								
Eight years later	52,749,626	59,284,583								
Nine years later	52,703,161									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	\$ (15,024,138)	\$ (32,209,429)	\$ (17,825,917)	\$ (12,566,878)	\$ (8,171,252)	\$ (6,951,773)	\$ 344,412	\$ 3,933,253	\$ 1,444,544	\$ -0-

Florida Municipal Insurance Trust  
 REQUIRED SUPPLEMENTARY INFORMATION  
 CLAIMS LIABILITY BY TYPE OF CONTRACT  
 September 30, 2012

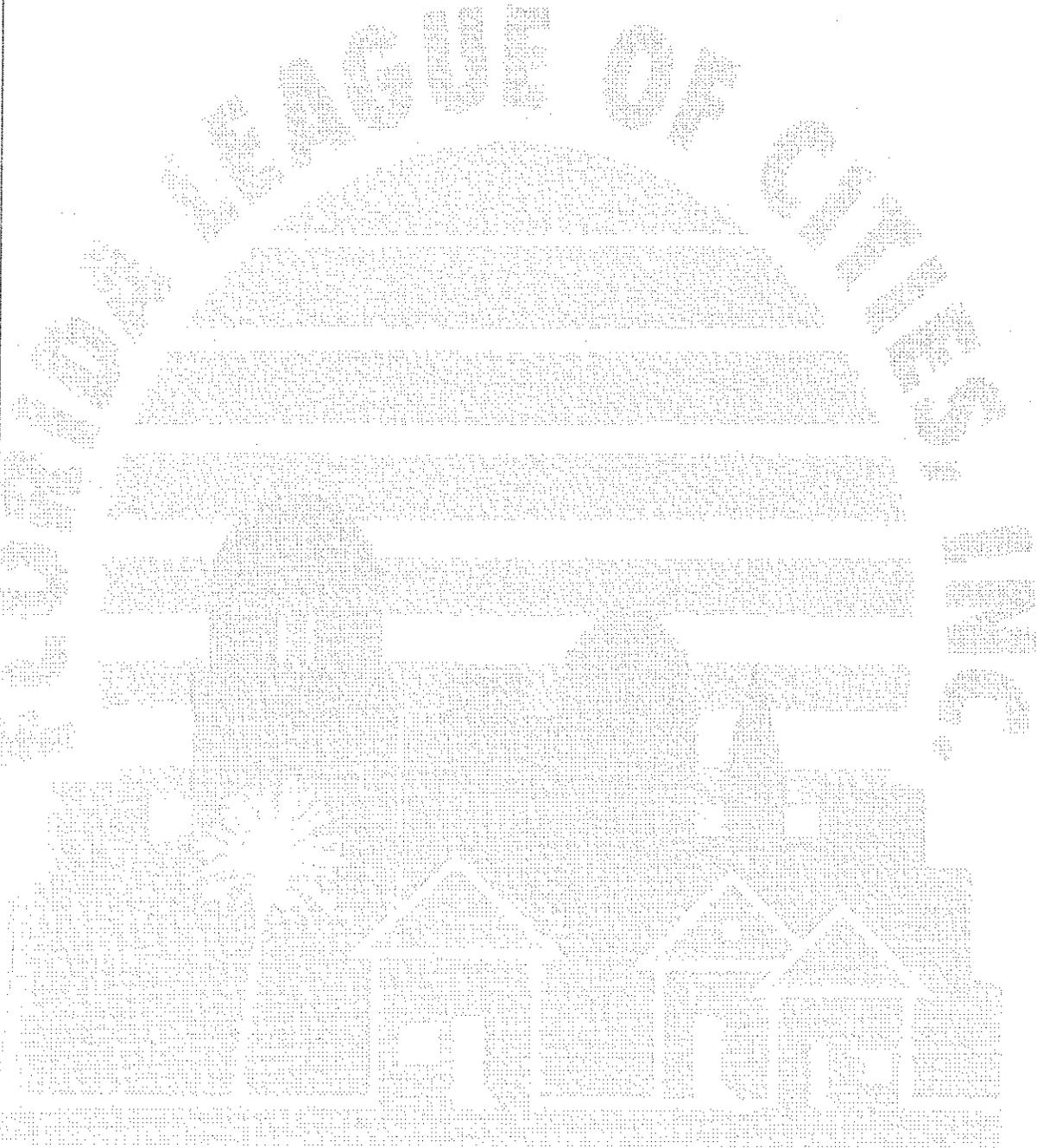
Schedule 2

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

	Tort Liability		Property		Workers' Compensation		Health	
	Year Ended September 30, 2012	Year Ended September 30, 2011	Year Ended September 30, 2012	Year Ended September 30, 2011	Year Ended September 30, 2012	Year Ended September 30, 2011	Year Ended September 30, 2012	Year Ended September 30, 2011
Liability for Claims and Claim Expenses, Beginning of Year	\$ 74,991,427	69,722,772	2,228,162	1,296,318	123,362,890	118,279,713	2,255,404	2,460,270
Claims and Claim Expenses:								
Provision for Insured Events of the Current Year	\$ 26,073,128	24,442,341	4,000,000	4,400,000	29,979,479	28,303,700	16,060,977	21,243,846
Increase (Decrease) in Provision for Insured Events of Prior Years	6,056,279	2,501,556	1,215,000	283,000	(829,849)	4,436,558	(183,977)	(141,761)
Total Claims and Claim Expenses	\$ 32,129,407	26,943,897	5,215,000	4,683,000	29,149,630	32,740,258	15,877,000	21,102,085
Payments:								
Claims and Claim Expenses Attributable to Insured Events of the Current Year	\$ 1,411,819	1,724,683	1,963,524	2,364,058	7,344,708	7,472,621	14,773,016	18,988,442
Claims and Claim Expenses Attributable to Insured Events of Prior Years	20,282,882	19,950,559	2,970,423	1,387,098	20,156,000	20,184,460	2,071,427	2,318,509
Total Payments	\$ 21,664,701	21,675,242	4,933,947	3,751,156	27,500,708	27,657,081	16,844,443	21,306,951
Liability for Claims and Claim Expenses, End of Year	\$ 85,456,133	74,991,427	2,509,215	2,228,162	125,011,812	123,362,890	1,287,961	2,255,404



# TAB 8





Florida League of Cities, Inc., Department of Insurance and Financial Services  
125 East Colonial Drive, Orlando, FL 32801  
Main: 407-0425-9142 Toll Free: 1-800-445-6248 Fax: 407-425-9378  
[www.flcities.com/insurance](http://www.flcities.com/insurance)

## **SPECIMEN AGREEMENT IS A SEPARATE ATTACHMENT**

The Specimen Agreement for the Florida Municipal Trust Programs is a very extensive document. We have included only one copy of the Specimen Agreement as a separate attachment along with our RFP submission package.

If you feel that you would like more copies, please contact your Account Executive, John Ligon at 386-479-3129.