FINANCE DIVISION

Jacksonville

Where Florida Begins.

MEMORANDUM

DATE: **September 15, 2017**

TO: **Gregory Pease, Chairman**
Professional Services Evaluation Committee

FROM: **Ann Willis, Property and Casualty Administrator**
Twane Duckworth, Chief of Risk Management

Subject: **Arthur J. Gallagher Risk Management Services, Inc. – Contract Aviation Insurance P-47-15 – Contract 8518-04 Request for Amendment Two**

The current Contract No. 8518-04 Aviation Insurance allows for placement of Aviation Insurance coverages by Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher"), for a term of October 1, 2016 to September 30, 2017, with three (3) additional one year options remaining at terms mutually agreeable. The current maximum indebtedness is a not to exceed amount of $164,043.00 for all products and deliverables.

Risk Management is requesting to exercise one (1)of the three (3) remaining renewals for a policy term of October 1, 2017 to September 30, 2018 and to increase the maximum indebtedness by $79,935.00 for a not to exceed amount of $243,978.00 with all products and deliverables remaining the same.

The $79,935.00 represents no increase in rate but a decrease in premium over last policy term due to the decrease in number of aircraft.

All other terms and conditions, as previously amended, shall remain the same except for such changes as the Office of General Counsel may deem appropriate to ensure compliance with the City's ordinances, Procurement policies and procedures and applicable federal and state laws.

Attachments: Exhibit C

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117 W. Duval Street, Ste 335 | Jacksonville, FL 32202 | Phone: 904-630-1307 | Fax: 904-630-2100 | www.coj.net

QBE

QBE Commercial Aviation Proposal

Named Insured: CITY OF JACKSONVILLE
Location: 117 WEST DUVALL STREET SUITE 335, Jacksonville, FL 32202
Policy Term: 10/01/2017 to 10/01/2018
Airport Ident: CRG
Agency: ARTHUR J GALLAGHER RISK MGMT SVS INC

Quote #: 100004153
Agent: DOUGLAS D MEYER

AVIATION POLICY QBAV-AV1002

FAA #	Year	Use	M&M	Seats	Hull Value	Hull R/$100	Hull Premium	Liability Limit	Liability Premium	Total Annual Premium	Option War Risk and/or TRIA	
											War Hull Premium	War Liability Premium
317JP	2002	CO	BELL 206B	1+4	$879,000	1.28	$11,251	$20,000,000	$2,908	$14,159	Incl	Incl
314JP	2004		BELL 407	1+6	$2,274,856	.96	$21,839	$20,000,000	$4,302	$26,141	Incl	Incl
312JP	2004		BELL 206B	1+4	$1,489,876	1.06	$15,793	$20,000,000	$2,908	$18,701	Incl	Incl
311JP	1972		BELL OH-58A	1+3	$200,000	2.08	$4,160	$20,000,000	$2,181	$6,341	Incl	Incl
58160	1974		HUGHES 269C	1+1	$175,000	2.64	$4,620	$20,000,000	$2,185	$6,805	Incl	Incl
7511A	1994	CO	SCHWEIZER 269C	1+1	$225,000	2.49	$5,603	$20,000,000	$2,185	$7,788	Incl	Incl
Total fleet value and annual premium					$5,243,732		$63,266		$16,669	$79,935	$0	$0

Deductibles: SEFG | Rotor Wing - Nil/1% | SERG | 0 | MEP | 0

Aircraft Use: Al uses as required by the Named Insured.

Pilots: Any pilot as approved by the Named Insured.

Additional Coverage	Limit	Premium	Form No
Aircraft Medical Payments	$15,000	Included	QBAV-1002
Automatic Attachment Endorsement for Newly Acquired Aircraft	Policy Limit	Included	QBAV-2045
Aviation Date Recognition Endorsement with Limited Coverage Grant Aircraft Operators	Policy Limit	Included	QBAV-2048
Broad Coverage Endorsement	Per Endorsement	Included	QBAV-2053

Additional Coverage	Limit	Premium	Form No
Cargo Liability Endorsement (Form B)	Each Occurrence - Cargo Limit:$250,000 Each Claim - Deductible:Nil	Included	QBAV-2057
Hurricane Protection Coverage	$5,000	Included	QBAV-2153
Mechanic's Tools Endorsement	Each Occurrence - PD Limit: $25,000 Tools Deductible: Nil Each Employee - PD Limit: $25,000	Included	QBAV-2180
Multiple Year Policy Endorsement (Form B)	Per Endorsement	Included	QBAV-2191
Passenger Voluntary Settlements	Per Endorsement	Included	QBAV-2212
Personal Injury Extension	$20,000,000	Included	QBAV-2213
Special Equipment Endorsement -1	Description: Thermal Imaging Equipment Insured Value: 540,000 Deductibles: Nil	Included	QBAV-2268
Non-Owned Physical Damage $20,000,000 any one occurrence, subject to a deductible amount each occurrence of Nil	Fixed Wing or Rotor Wing Land Aircraft Total Seats:40	Included	QBAV-2202
Special Permit or Waiver Flights – reposition, ferry or test flights	Policy Limit	Included	QBAV-1002
Supplementary Payments - $5,000 per bail bond; $250 per day loss of earnings	Policy Limit	Included	QBAV-1002
Territory – US, Canada, Mexico, the Bahamas and Caribbean Islands and while enroute to these	Included	Included	QBAV-1002

Broad Coverage Endorsement – 1	Limit	Premium	Form No
Airworthiness Certificate	Per endorsement	Included	QBAV-2053
Automatic Insurance for Increased Insured Value	25% of insured amount $3,000,000 maximum insured value	Included	QBAV-2053
Baggage Hangars & Contents	$25,000 each passenger $2,000,000 each occurrence	Included	QBAV-2053
Definition of Premises	Per endorsement	Included	QBAV-2053
Emergency or Unexpected Landing Expense	25% of the insured value	Included	QBAV-2053

Broad Coverage Endorsement – 1	Limit	Premium	Form No
Extra Expense for Renting Substitute Aircraft	$0 each day, each aircraft $500,000 each occurrence, each aircraft 0 days min. days from occurrence 90 days max days from occurrence	Included	QBAV-2053
Extra Expense of Temporary Replacement Aircraft Parts	$500,000 each loss Does not apply to parts within 30 days days to repair or replacement	Included	QBAV-2053
Hangarkeepers Liability	$20,000,000 each aircraft $20,000,000 each occurrence Nil deductible	Included	QBAV-2053
Host Liquor Liability	$20,000,000 aggregate	Included	QBAV-2053
Mobile Equipment Liability	$20,000,000 each occurrence	Included	QBAV-2053
Physical Damage To Spare Engines, Parts, Avionics and Accessories	$500,000 each occurrence Nil deductible	Included	QBAV-2053
Policy Territory	Per endorsement	Included	QBAV-2053
Premises Medical Coverage	$15,000 each person	Included	QBAV-2053
Products Liability - Sale of Aircraft, Aircraft Parts, Food and Beverage	$20,000,000 each occurrence and aggregate	Included	QBAV-2053
Runway or Aircraft Foaming Search and Rescue Expense	$1,000,000 each occur $1,000,000 each occur	Included	QBAV-2053
Trip Interruption Expense	$10,000 each passenger N/A each occurrence	Included	QBAV-2053
Unearned Premium Insurance	Per endorsement	Included	QBAV-2053

Mandatory Forms	Premium	Form No
Asbestos Exclusion Endorsement	Included	QBAV-2044
Date Recognition Exclusion Endorsement	Included	QBAV-2070
Fungus Exclusion Endorsement	Included	QBAV-2139
Mexico Endorsement - Warning	Included	QBAV-2182
Noise and Pollution and Other Perils Exclusion Clause	Included	QBAV-2196
Radioactive Contamination, Chemical, Biological, Bio-chemical, & electromagnetic Weapons Exclusion	Included	QBAV-2249

Mandatory Forms	Premium	Form No
Policyholder Disclosure of Terrorism Insurance Coverage Notice	Included	QBAV-7000
Total Estimated Annual Premium	$79,935.00	
Commission	17.5%	

TRIA Included if War write back is purchased.

Applicable tax, if any, not included in the TAP.

Notes:

Renewal quote is as expiring including WAR and TRIA. All expiring endorsements will attach at renewal.

The above is not verbatim policy wording but does generally reflect the underwriter's intent.
All terms and conditions are subject to QBAV-AV1002.

Policy Payment Options

Full Pay

Underwriter: Vicki Hall
Email: Vicki.Hall@us.qbe.com
Phone: (770) 794-6418
Date: 09/15/2017

POLICY NUMBER: 100004153

QBAV-7000 (02-15)

POLICYHOLDER DISCLOSURE OF TERRORISM INSURANCE COVERAGE NOTICE

You are hereby notified that under the Terrorism Risk Insurance Act, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act.* The term "act of terrorism" means any act that is certified by the Secretary of the Treasury to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

You have a right to purchase insurance coverage for losses arising from terrorism, as defined in the Act. Unless you elect to purchase the coverage, we will attach exclusion for Acts of Terrorism, as defined in the Act, to your policy.

ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE

YOU HAVE Thirty (30) DAYS TO CONSIDER THIS OFFER OF COVERAGE FOR ACTS OF TERRORISM, AS DEFINED IN THE ACT. FAILURE TO RETURN THIS SIGNED FORM INDICATING AN ELECTION TO PURCHASE TERRORISM COVERAGE, AS DEFINED IN THE ACT WILL BE DEEMED YOUR REJECTION OF TERRORISM COVERAGE, AS DEFINED IN THE ACT.**Acceptance or Rejection of Terrorism Insurance Coverage**

☐	I hereby elect to purchase terrorism coverage for a prospective premium of $
☐	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism. coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

QBE INSURANCE CORPORATION
Insurance Company

Print Name

100004153
Policy Number

Date

This endorsement changes the policy to which it is attached and is effective on the date shown below.

Endorsement Effective: 10/01/2017 Policy No: 100004153 Endorsement No:000
Insured: CITY OF JACKSONVILLE
Insurance Company: QBE INSURANCE CORPORATION