

AON

City of Hollywood

**Property / Boiler &
Machinery / Terrorism
Renewal Proposal**

**Presentation: November 8th,
2023**

Renewal: December 15th, 2023



Hollywood CITY OF
FLORIDA

Agenda

- Executive Summary
- Marketing Results
 - Municipal 2023 Renewal Program
 - Utilities 2023 Renewal Program
 - Parametric
 - Coverage Nonconcurrences
- Premium Comparison
- Appendix
 - Insured's Acknowledgement and Instruction to Bind
 - Modeling Results (Municipal & Utilities)
 - Details of Coverage
 - Compensation for the Value We Deliver
 - General Data Protection Regulation (GDPR)

This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in the Commercial Risk Solutions U.S. Business Terms.
Commercial Risk Solutions |
Aon Risk Services Inc. of Florida | License No.L039889
Form Edition Date: June 1, 2021 | Proprietary & Confidential

Executive Summary

Aon is pleased to provide our renewal proposal for the City of Hollywood’s Property, Boiler & Machinery, and Terrorism insurance programs, effective December 15th, 2023.

Within our renewal strategy plan, provided to your team in September, we recommended that the City of Hollywood budget a 15-35% rate increase for the Municipal program and 15-35% rate increase for the Utilities program. The 2023 renewal was faced with a still difficult marketplace, but some new capacity offerings that were not previously witness on last year’s renewal. City of Hollywood’s diligent valuation efforts, plentiful asset information, and clean loss history positively contributed to our renewal efforts. The City of Hollywood’s total combined Property, Boiler & Machinery, and Terrorism insurance program is quoted at \$3,566,728 (exclusive of taxes and fees). The City of Hollywood’s total insurable values increased 3.94%, so the year-over-year rate per \$100 of value is an increase of 15.45%.

The City of Hollywood is an extremely valued client of Aon and we thank you for your continued trust in us.

Program	<u>Combined Municipal & Utilities</u>	
	2022-2023	2023-2024
Policy Year		
Total Insurable Property Values	\$675,248,538	\$701,850,246
Total Premium	\$2,972,306	\$3,566,728
Program Rate per \$100 of Values	0.4402	0.5082
Percent of Rate Change (Year-over-Year)		15.45%



Marketing Results

Renewal Strategy Objectives	Activities & Achievements
Focus to maintain existing terms and conditions	<ul style="list-style-type: none"> Engaged Aon Global Broking Centers in London and Bermuda plus Aon Reinsurance and preferred wholesale brokers at AmWINS Maintained Aon Manuscript policy on Municipal and Utilities program with few changes. <i>Please refer to “Details of Coverage” section in the Appendix</i>
Approach non-incumbent markets with aggressive rates and terms/conditions	<ul style="list-style-type: none"> Negotiated with markets to keep the Municipal program deductible and sub-limits per expiring Option to reduce Boiler & Machinery pricing with a move to Liberty Mutual Several incumbents and new markets unsuccessfully attempted to increase the All-Other-Peril (AOP) deductible and/or alter various other deductibles Utilities program stabilized with renewal of expiring terms by Starr Tech. Will continue to explore the market for a future partner as the property market improves
Provide additional options for Named Windstorm coverage for both programs	<ul style="list-style-type: none"> Named Windstorm market has experienced extreme fluctuations since the end of 2022 Estimated additional Named Windstorm pricing options provided



Municipal 2023-2024 Renewal Program

Catastrophe Windstorm Modeling Results (United States Hurricane + Storm Surge)

- Insured Loss Estimate based on a 1 in 250-year event is \$27.9M

Renewal Premium

- Municipal property insurance renewal premium (including terrorism and boiler & machinery) is \$1,926,398

Option to Change Named Windstorm Limits

- Increase Named Windstorm limit from \$20M to \$30M – *estimated additional premium is \$450,000*

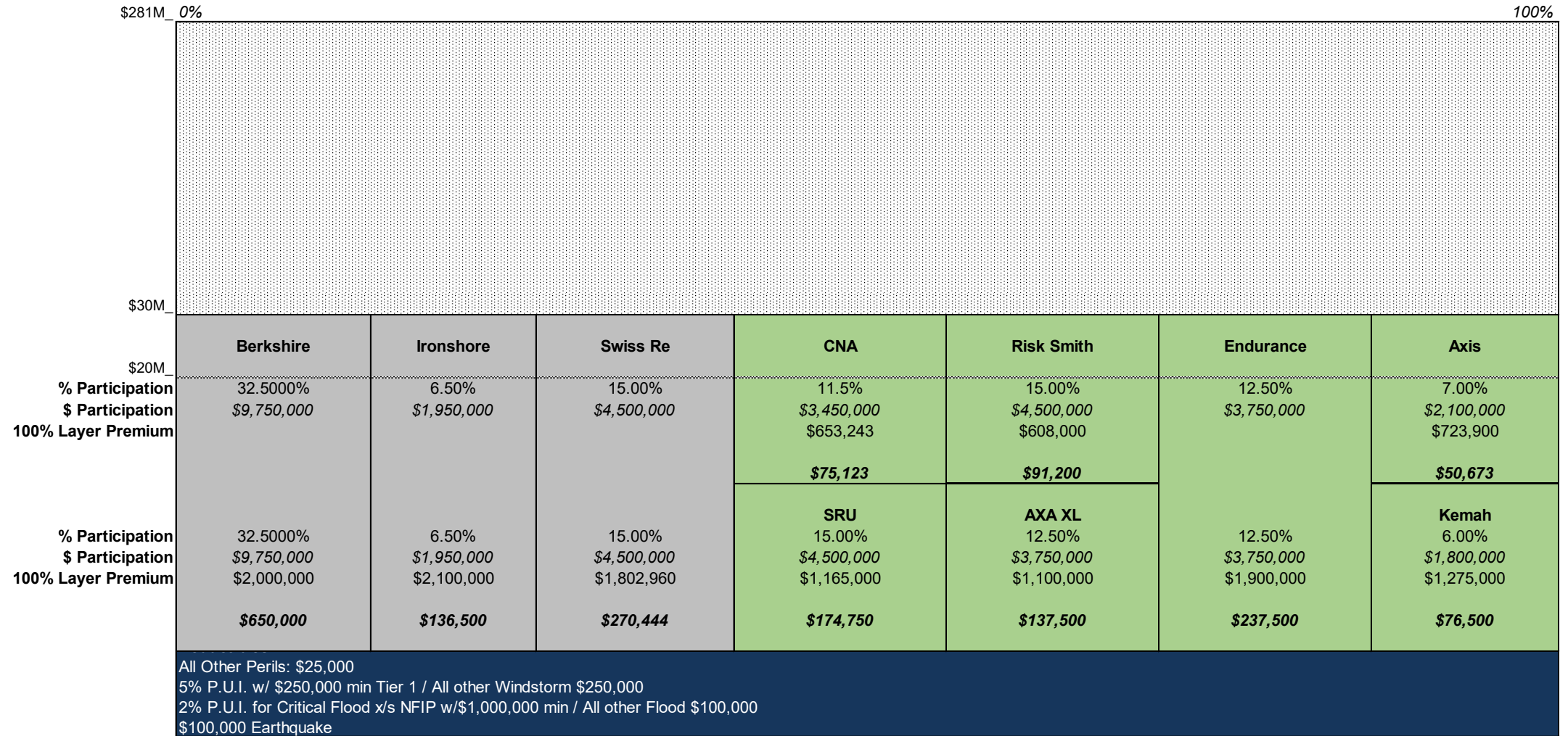
Marketing

- Explored different structure options for Property program, but keeping the current structure was the most advantageous for the program
 - Endurance and AXA XL reduced their capacity offering – a result of further attempts to optimize company portfolios
 - Moved to replace their capacity
- Able to spark some competition amongst bad actors with new markets offering capacity (Axis, Westfield, Rivington, RiskSmith, Aon Reinsurance, etc.)
- Marketed Boiler & Machinery program due to building age endorsement that would negatively impact program

Marketing Results – 12/15/2023 Municipal Property Schematic

Option #1 (Recommended) \$20M Named Windstorm Limit

Limits:



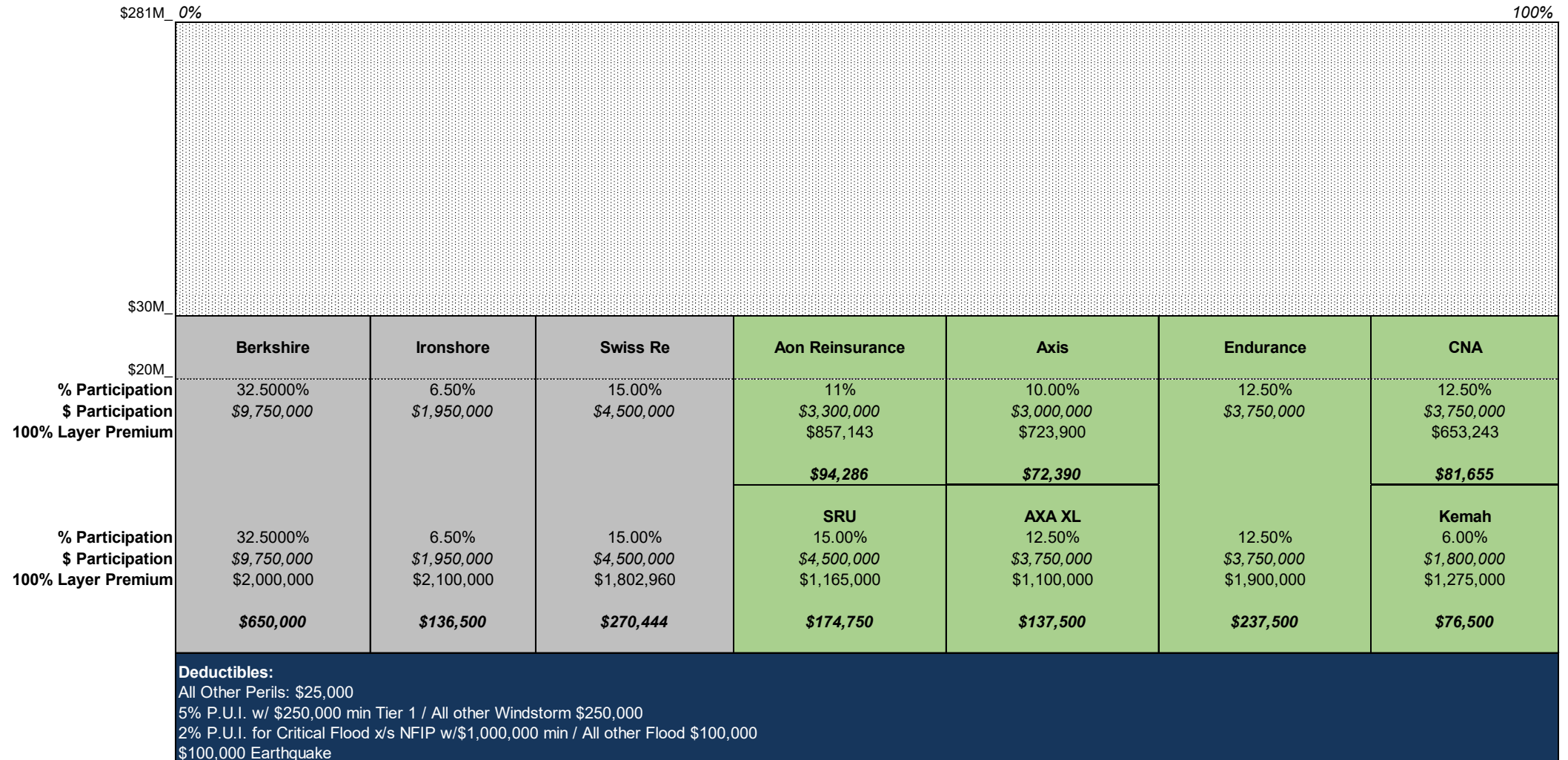
Municipal Property Premium = \$1,900,190 (exclusive of taxes/fees)

Key:
AmWINS Wholesale
Direct

Marketing Results – 12/15/2023 Municipal Property Schematic

Option #2 \$20M Named Windstorm Limit

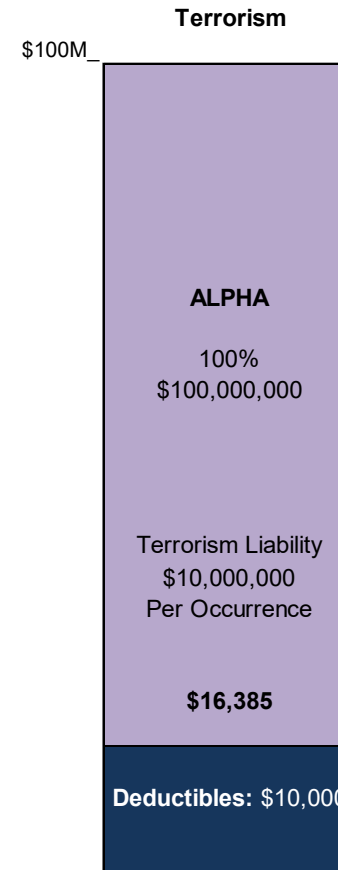
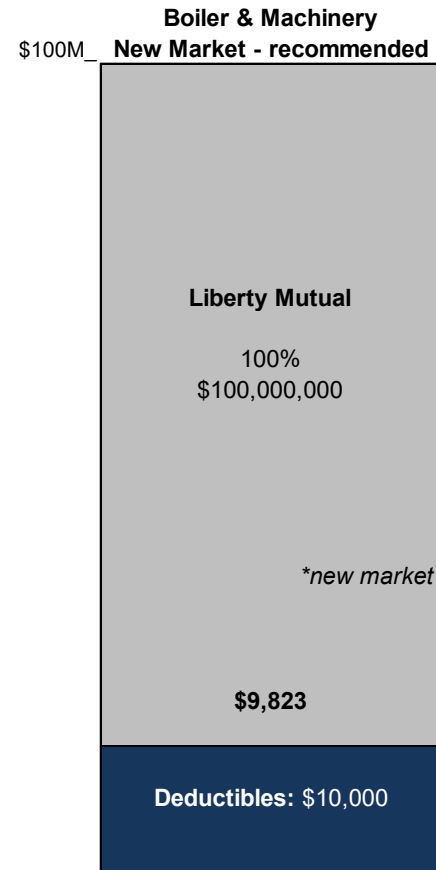
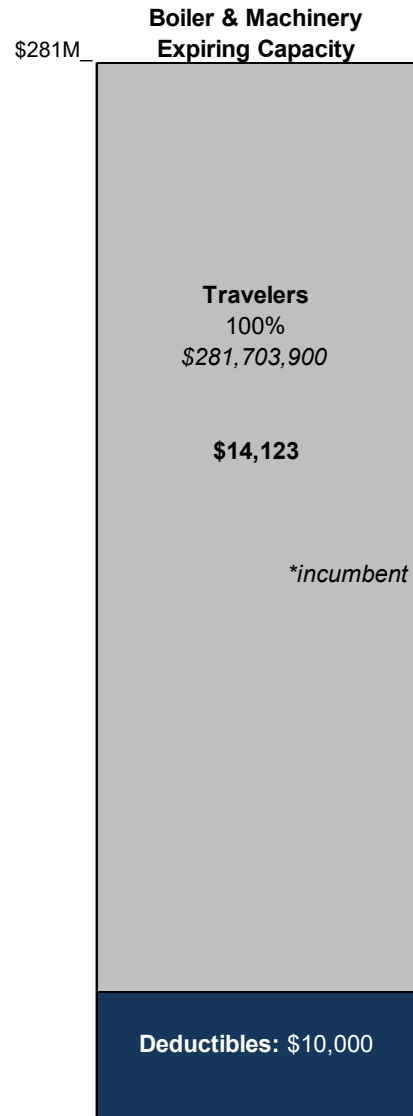
Limits:



Municipal Property Premium = \$1,931,525 (exclusive of taxes/fees)

Key:
AmWINS Wholesale
Direct

Marketing Results – 12/15/2023 Boiler & Machinery and Terrorism Property Schematics



Key:
Direct Markets
Aon London Markets



Details of Coverage – Boiler & Machinery Program

	<u>Travelers</u>	<u>Liberty</u>
Total Limit per Breakdown	\$281,703,900	\$100,000,000
Property Damage	\$281,703,900	\$100,000,000
Business Income	\$25,000	\$25,000
Extra Expense	Included in BI	\$5,000,000
Spoilage Damage	\$1,500,000	\$2,000,000
Interruption - Spoilage	4 hours	4 hours
Utility Interruption - Time Element Extension	\$5,000,000	\$10,000,000
Civil Authority	100 miles / 3 weeks	100 miles / 4 weeks
Dependent Property	\$5,000,000	
Electronic Data or Media	\$5,000,000	\$5,000,000
Error in Description (E&O)		\$5,000,000
Expediting Expense	\$5,000,000	\$10,000,000
Extended Period of Restoration	365 days	
"Fungus," Wet Rot, and Dry Rot	\$100,000 / 60 days	\$100,000 / 60 days
Green Enhancements	5% / \$1M / 30 days	\$500,000 / 30 days
Newly Acquired Locations	Included in Total Limit / 365 days	Included in Total Limit / 365 days
Construction Coverage	\$5,000,000	
Hazardous Substance Limitation	\$5,000,000	\$10,000,000
Refrigerant/Ammonia Contamination Limitation	Included in \$1.5M Spoilage limit	\$2,000,000
Water Damage Limitation	\$5,000,000	\$10,000,000
Contingent Business Income/Extra Expense		\$10,000,000
<u>Deductible</u>		
Combined Deductible	N/A	N/A
Property Damage	\$10,000	\$10,000
Business Income	24 hours	24 hours
Extra Expense	Included in BI deductible	Included in BI deductible
Spoilage Damage	10% of loss/\$5,000 minimum	10% of loss/\$5,000 minimum
Utility Interruption - Time Element	24 hours	24 hours
Dependent Property	24 hours	24 hours
Refrigerant Contamination	10% of loss/\$5,000 minimum	10% of loss/\$5,000 minimum

Utilities 2023-2024 Renewal Program

Catastrophe Windstorm Modeling Results (United States Hurricane Excluding Storm Surge)

- Insured Loss Estimate based on a 1 in 250-year event is \$49.97M

Renewal Premium

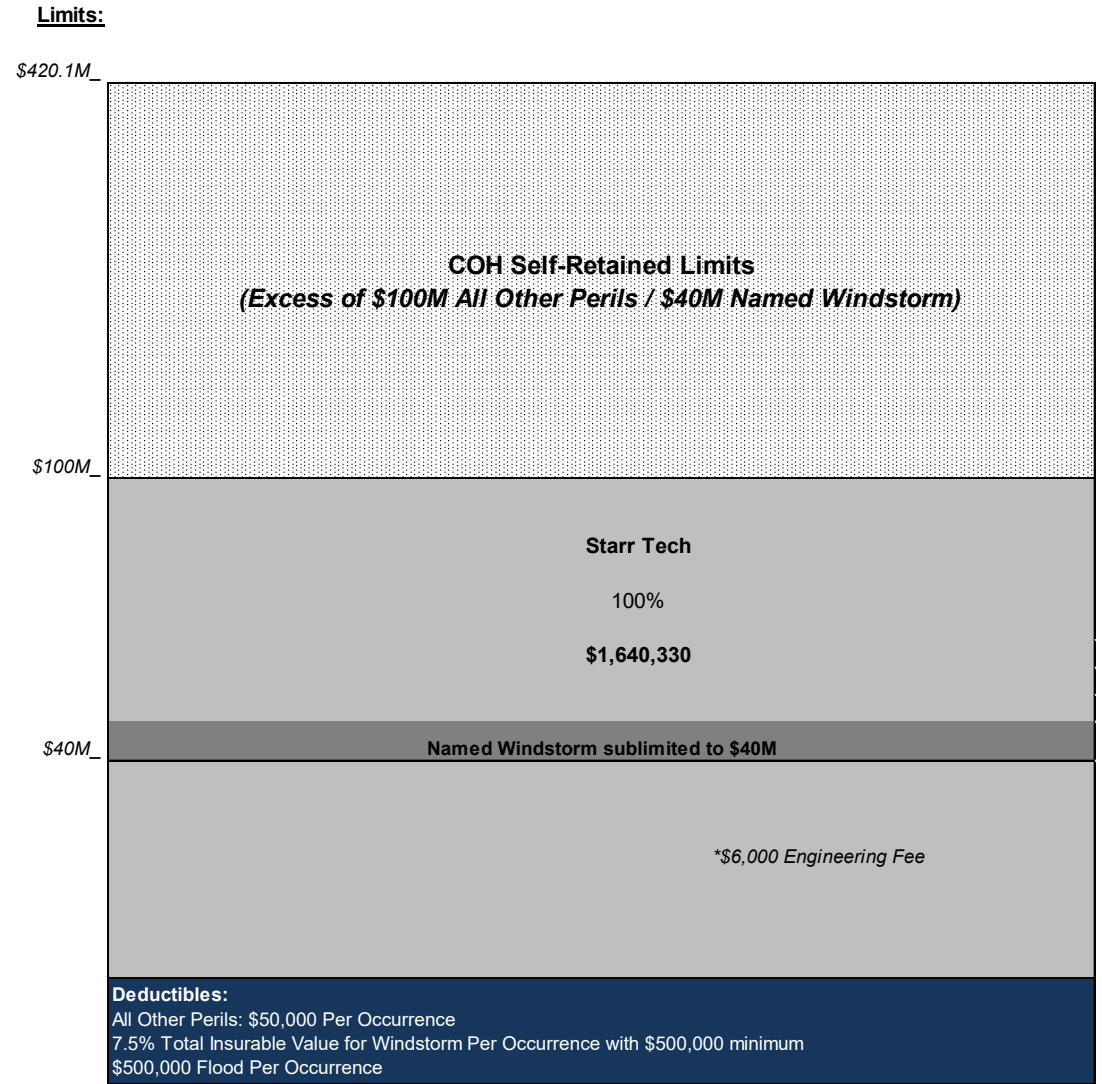
- Utilities property insurance renewal premium at \$30M Named Windstorm is \$1,300,000
- Additional standalone Named Windstorm (\$10M xs \$30M) is \$340,330
- **Total Utilities premium is \$1,640,330**

Marketing

- Starr Tech (incumbent) maintained all expiring limits at renewal and only sought a 12% rate increase in a still difficult marketplace
- AXA XL (standalone Named Windstorm incumbent) further reduced participation of \$10M standalone coverage from 40% to 25%
- Sought alternatives for Utilities program and standalone Named Windstorm:
 1. London, Bermuda, Aon Reinsurance, Direct and Wholesale marketplaces
 2. Multiple markets participating to fill capacity for standalone Named Windstorm (new line from Axis)
 3. Aegis and Allianz expressed potential interest in Utilities program

Marketing Results – 12/15/2023 Utilities Property Schematic

\$40M Named Windstorm Limit



Key:
Wholesale
Direct

Total Utilities Property Premium = \$1,640,330 (exclusive of taxes/fees)



Parametric

- **Parametric is the broadest form of risk capital** per dollar of premium: parametric insures all economic loss, whereas traditional insurance covers insurable interest
 - Because of this, it makes comparison with traditional property insurance difficult
- The City of Hollywood has two programs covering a parametric peril, named windstorm (hurricane)
 - Municipal \$20 million / Utilities \$40 million
 - These limits are excess of large retentions (deductibles) and should be viewed as a cost for the named event
- **Parametric has no retentions/deductibles**, the only similar attribute is attachment of coverage
 - **The attachment point is when the parametric coverage begins paying (i.e. Category 2, 3, etc.);** so, if a parametric bought at a Category 3 attachment is chosen, Category 1 and 2 storms are retained, and this would be the closest comparison to a traditional insurance retention
- Example: Consider the potential deductible for the Utility insurance program for Named Windstorm is estimated at \$40 million; although this is not a perfect comparison, the corresponding parametric attachment might be close to a Category 3-4 storm that might cause such damages
 - **A parametric attaching at such a storm severity would be between 8-10 percent rate online (premium-to-limit), or \$3.2 million- \$4 million for a \$40 million limit,** well above the assumed cost under the traditional program(s).
 - This is considered normal because the **parametric is much broader and effective by having no exclusions** (it even covers non-physical damage business interruption/extra expense) and pays usually within 3-7 days after being triggered

Details of Coverage

Nonconcurrences *(differences between 2022 & 2023 policy forms – further outlined in quotes, not a substitution for formal quotes/binders/policies)*

<u>Municipal</u>	<u>Utilities</u>	<u>Boiler & Machinery</u>	<u>Terrorism</u>
<ul style="list-style-type: none"> ➤ Swiss Re: Flood and Named Windstorm definition amended – claims team has reviewed, and we have reapproached Swiss Re with a proposed amendment ➤ Ironshore – Vacancy endorsement (agreed to remove) 	<p>N/A</p>	<ul style="list-style-type: none"> ➤ Travelers – ‘Predetermined Actual Cash Value’ endorsement for locations over 25 years old added ➤ New market quoted broader terms and conditions – coverage comparison provided 	<p>N/A</p>

Marketing Results – Year-Over-Year Premium Comparison (Option #1 - Recommended)

City of Hollywood's 2023-2024 Municipal Program at \$20M Named Windstorm			
	2022-2023	2023-2024	Percent of Change
Total Insurable Value	269,500,438	281,678,900	4.52%
Property Premium (includes \$1,500 inspection fee / exclusive of additional taxes)	\$1,551,727	\$1,900,190	22.46%
Property Premium Rate (per \$100 of value)	\$0.5758	\$0.6746	17.16%
Boiler & Machinery Premium (exclusive of taxes & fees)	\$12,414	\$9,823	-20.87%
Boiler & Machinery Rate (per \$100 of value)	\$0.0046	\$0.0035	-24.29%
Terrorism Premium (exclusive of taxes & fees)	\$14,728	\$16,385	11.25%
Terrorism Premium Rate (per \$100 of value)	\$0.0022	\$0.0023	7.03%
Grand Total Premium (excl. taxes & fees)	\$1,578,869	\$1,926,398	22.01%
Variance over Expiry	-	\$347,529	
Total Blended Rate (per \$100 of value)	\$0.5859	\$0.6839	16.74%

Marketing Results – Year-Over-Year Premium Comparison (Option #2)

City of Hollywood's 2023-2024 Municipal Program at \$20M Named Windstorm			
	2022-2023	2023-2024	Percent of Change
Total Insurable Value	269,500,438	281,678,900	4.52%
Property Premium (includes \$1,500 inspection fee / exclusive of additional taxes)	\$1,551,727	\$1,931,525	24.48%
Property Premium Rate (per \$100 of value)	\$0.5758	\$0.6857	19.09%
Boiler & Machinery Premium (exclusive of taxes & fees)	\$12,414	\$9,823	-20.87%
Boiler & Machinery Rate (per \$100 of value)	\$0.0046	\$0.0035	-24.29%
Terrorism Premium (exclusive of taxes & fees)	\$14,728	\$16,385	11.25%
Terrorism Premium Rate (per \$100 of value)	\$0.0022	\$0.0023	7.03%
Grand Total Premium (excl. taxes & fees)	\$1,578,869	\$1,957,733	24.00%
Variance over Expiry	-	\$378,864	
Total Blended Rate (per \$100 of value)	\$0.5859	\$0.6950	18.63%

Marketing Results – Year-Over-Year Premium Summary Comparison

City of Hollywood's 2023-2024 Utilities Program at \$40M Named Windstorm			
	2022-2023	2023-2024	Percent of Change
Total Insurable Value	405,748,100	420,171,346	3.55%
Property Premium (exclusive of taxes & fees)	\$1,121,437	\$1,300,000	15.92%
Property Premium Rate (per \$100 of value)	\$0.2764	\$0.3094	11.94%
Additional \$10M in NWS	\$272,000	\$340,330	
Overall Property Premium (exclusive of taxes & fees)	\$1,393,437	\$1,640,330	
Property Premium Rate (per \$100 of value)	\$0.3434	\$0.3904	13.68%

Marketing Results – Year-Over-Year Premium Summary Comparison

Option #1

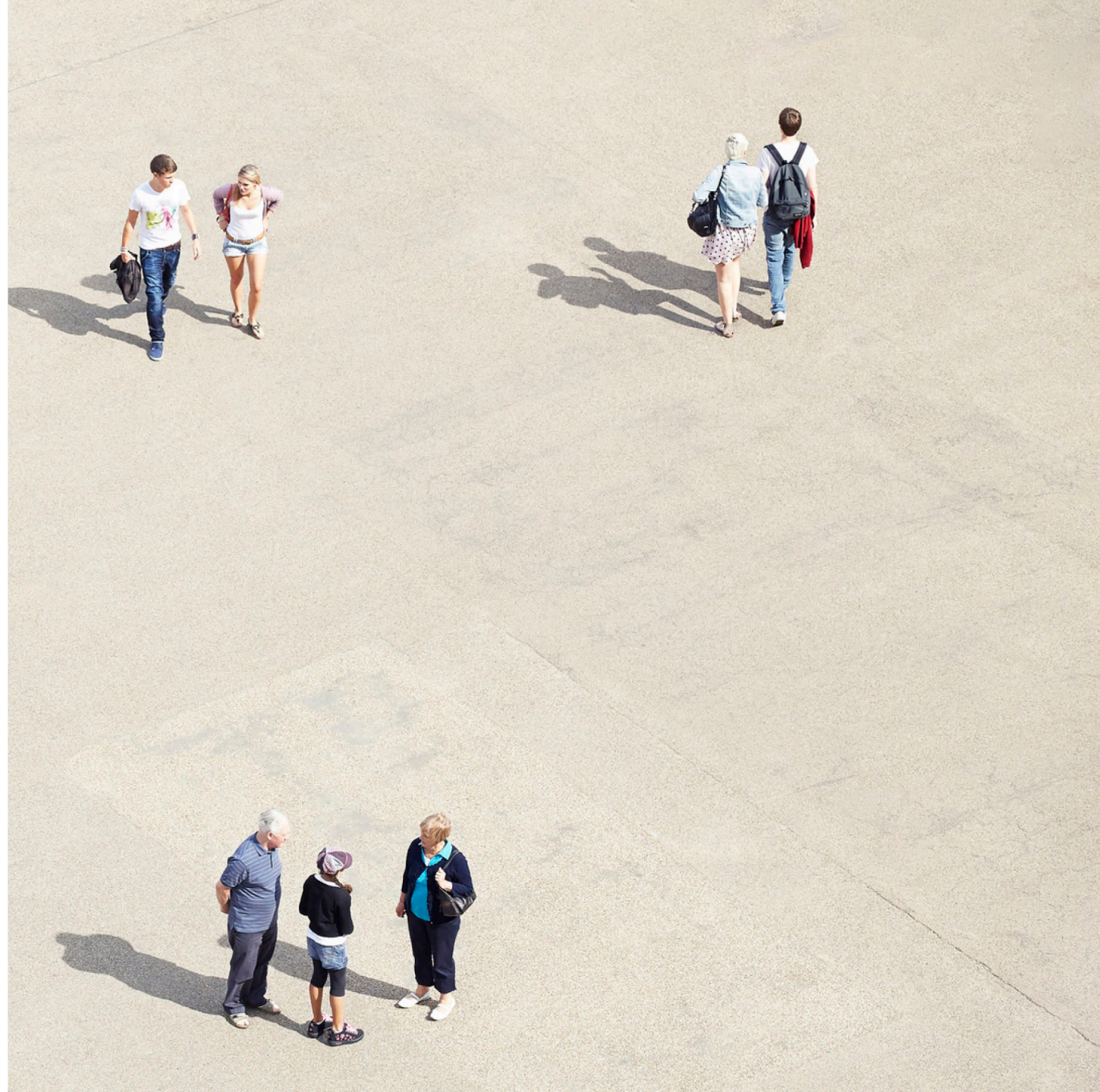
Program	<u>Combined Municipal & Utilities</u>	
Policy Year	2022-2023	2023-2024
Total Insurable Property Values	\$675,248,538	\$701,850,246
Total Premium	\$2,972,306	\$3,566,728
Program Rate per \$100 of Values	0.4402	0.5082
Percent of Rate Change (Year-over-Year)		15.45%

Option #2

Program	<u>Combined Municipal & Utilities</u>	
Policy Year	2022-2023	2023-2024
Total Insurable Property Values	\$675,248,538	\$701,850,246
Total Premium	\$2,972,306	\$3,598,063
Program Rate per \$100 of Values	0.4402	0.5127
Percent of Rate Change (Year-over-Year)		16.46%

Appendix

- **Insured's Acknowledgement & Instruction to Bind**
- **Modeling Results (Municipal & Utilities)**
- **Details of Coverage**
- **Compensation for the Value We Deliver**
- **General Data Protection Regulation (GDPR)**



Insured's Acknowledgement and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated 11/8/2023 for Commercial Property, Terrorism and Equipment Breakdown and provided in the Compensation for the Value We Deliver disclosure. We hereby instruct Aon Risk Services, Inc. of Florida ("Aon", "Commercial Risk Solutions") to bind the below insurance program(s) selected by Us and understand that Our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal, including the Commercial Risk Solutions U.S. Business Terms and the General Data Protection Regulation (GDPR).

We consent to the procedure whereby Aon will place or renew additional Flood, OCP and or miscellaneous surety bonds policies we are likely to need in the twelve months following this program inception with the insurer we have selected. We understand that Aon will advise us of any variances in premium rates, coverages, terms or conditions applicable to specific [projects; locations] prior to binding them for our approval.

Aon offers Data and Analytics tools that provide You access to reports and analytics including those related to insurers' capabilities, benchmarking and program design. To receive and access Aon's Data and Analytics tools and information over the course of the service period herein, Aon assesses a Data and Analytics charge, separate from any premiums due and calculated based on an amount of \$500 calculated per policy up to a maximum annually of \$20,000 where legally permitted to do so. This fee is fully earned upon invoicing. Aon's Data and Analytics tools contain no recommendations, suggestions or advice about the suitability of an insurer's products or services for You or Your organization's needs, and does not take into account individual circumstances. Before acting on the information contained within these tools, You should evaluate Your individual needs and/or those of Your organization and assess Your objectives and situation, and if necessary, seek appropriate advice, including from Your Aon broker. You acknowledge that the Data and Analytics charge is not a requirement of nor is it a condition to receiving Aon's brokerage services or to the purchase of insurance policies and is in addition to any other compensation earned by Aon hereunder.

Municipal Program:

- Purchase program at \$20M Named Windstorm Limit for \$1,900,190 Annual Premium

 Initial to Accept

Utilities Program:

- Purchase program at \$40M Named Windstorm Limit for \$1,640,330 Annual Premium

 Initial to Accept

Boiler & Machinery Program

- Purchase program at \$281,703,900 Limit for \$9,823 Annual Premium

 Initial to Accept

Terrorism Program

- Purchase program at \$100M Terrorism & Sabotage / \$10M Liability Limit for \$16,385 Annual Premium

 Initial to Accept



Date: _____

On behalf of City of Hollywood _____

Modeling Results – Municipal Program

United States Hurricane + 100% Storm Surge

The 100, 250 and 500 return periods are commonly used to determine appropriate limits. Risk appetite, model uncertainty, the affordability of coverage and other relevant factors should also be considered when making limit buying decisions. Using the 1 in 250 aggregate exceedance probability as an example, loss exceedance probabilities are interpreted as follows: there is 0.40% chance that aggregate insured losses in a given year will be at least \$27,903,341, with corresponding average annual loss of \$594,153.

Aggregate Exceedance Probability					Insured Loss						
Critical Probability	Return Period	Ground Up Loss	Client Loss	Insurable Loss	\$10M xs \$0M	\$10M xs \$10M	\$10M xs \$20M	\$10M xs \$30M	\$160M xs \$40M	Insured Loss	Retained Loss
0.02%	5,000	116,109,509	13,320,237	103,171,418	16,008,403	10,304,049	10,004,003	9,999,969	63,171,578	103,171,410	13,320,462
0.10%	1,000	71,294,920	12,043,047	59,703,455	11,746,603	9,999,951	9,999,938	9,962,781	19,741,017	59,703,455	12,043,047
0.20%	500	54,441,032	10,905,806	43,593,034	10,217,596	9,999,870	9,904,886	8,123,452	5,564,959	43,593,034	10,905,807
0.40%	250	37,054,939	9,471,223	27,903,874	9,999,932	9,692,726	5,743,027	1,410,690	685,454	27,903,341	9,471,223
0.50%	200	30,426,160	8,843,595	22,021,013	9,999,920	8,245,655	2,479,387	673,897	343,964	22,021,013	8,843,595
1.00%	100	18,853,211	6,582,380	12,462,326	9,165,362	2,039,998	594,474	229,693	47,009	12,462,326	6,582,380
2.00%	50	10,360,436	4,167,947	6,186,481	5,112,461	688,694	316,132	75,743	12,981	6,186,481	4,167,983
4.00%	25	4,706,266	1,940,366	2,748,406	2,217,405	365,405	146,950	15,176	3,248	2,748,406	1,940,366

Occurrence Exceedance Probability					Insured Loss						
Critical Probability	Return Period	Ground Up Loss	Client Loss	Insurable Loss	\$10M xs \$0M	\$10M xs \$10M	\$10M xs \$20M	\$10M xs \$30M	\$160M xs \$40M	Insured Loss	Retained Loss
0.02%	5,000	116,109,509	12,938,091	103,171,418	9,999,958	9,999,958	9,999,958	9,999,958	63,171,578	103,171,410	12,938,098
0.10%	1,000	71,294,920	11,609,719	59,703,455	9,999,938	9,999,938	9,999,779	9,962,781	19,741,017	59,703,455	11,609,719
0.20%	500	54,441,032	10,396,528	43,593,034	9,999,930	9,999,805	9,904,886	8,123,452	5,564,959	43,593,034	10,396,528
0.40%	250	36,274,104	8,979,518	27,586,496	9,999,788	9,692,587	5,743,027	1,410,690	685,454	27,582,552	8,979,518
0.50%	200	29,725,725	8,246,252	21,683,337	9,994,430	8,237,822	2,438,500	659,962	324,629	21,683,337	8,246,252
1.00%	100	18,243,402	6,165,935	11,857,896	8,969,229	2,039,998	552,358	228,379	46,600	11,843,465	6,165,935
2.00%	50	9,759,115	3,973,791	5,719,020	4,710,576	647,989	311,112	75,058	12,780	5,719,020	3,973,791
4.00%	25	4,534,277	1,886,634	2,654,281	2,140,888	360,429	142,989	14,888	3,199	2,654,281	1,886,634

Average Annual Loss (AAL)	860,348	266,183	594,165	343,658	106,196	57,959	32,279	54,061	594,153	266,195
Standard Deviation (SD)	4,790,269	1,135,611	3,773,104	1,340,967	782,503	596,729	475,989	1,364,844	3,773,072	1,135,665
Coefficient Variation (CV)	5.57	4.27	6.35	3.90	7.37	10.30	14.75	25.25	6.35	4.27

Please review modeling disclaimer.

Number of Locations: 117
 Building: 247,396,400 Contents: 34,282,500
 Business Interruption: - Total Insured: 281,678,900

Deductible: 5% per unit subject to an occurrence minimum of \$250,000.
 Limit: \$200,000,000 per occurrence.



Modeling Results – Utilities Program

United States Hurricane Excluding Storm Surge

The 100, 250 and 500 return periods are commonly used to determine appropriate limits. Risk appetite, model uncertainty, the affordability of coverage and other relevant factors should also be considered when making limit buying decisions. Using the 1 in 250 aggregate exceedance probability as an example, loss exceedance probabilities are interpreted as follows: there is 0.40% chance that aggregate insured losses in a given year will be at least \$49,967,460, with corresponding average annual loss of \$979,531.

Aggregate Exceedance Probability					Insured Loss						
Critical Probability	Return Period	Ground Up Loss	Client Loss	Insurable Loss	\$30M xs \$0M	\$10M xs \$30M	\$10M xs \$40M	\$50M xs \$50M	\$50M xs \$100M	Insured Loss	Retained Loss
0.02%	5,000	211,153,876	37,668,436	180,148,955	37,069,951	10,049,350	10,012,586	49,999,424	48,225,872	148,225,174	62,928,702
0.10%	1,000	145,426,985	30,389,425	112,326,955	30,163,081	9,999,956	9,999,954	46,044,805	12,977,657	111,794,408	34,107,410
0.20%	500	111,668,365	29,494,402	82,537,993	29,999,852	9,999,740	9,984,384	30,503,020	2,022,752	82,509,699	29,692,738
0.40%	250	79,615,436	27,017,607	49,967,571	29,989,038	8,366,663	4,857,912	3,741,641	44,674	49,967,460	27,018,279
0.50%	200	64,765,833	25,390,482	39,885,004	29,549,714	5,534,434	2,204,529	1,735,981	19,427	39,884,922	25,390,558
1.00%	100	40,315,847	19,812,204	20,769,242	19,250,608	714,633	429,995	333,154	1,330	20,769,241	19,812,205
2.00%	50	21,122,424	13,036,600	8,168,318	7,621,599	333,830	181,394	59,270	133	8,168,317	13,036,600
4.00%	25	10,180,105	6,288,482	3,850,671	3,576,001	204,622	57,673	14,077	23	3,850,671	6,288,482

Occurrence Exceedance Probability					Insured Loss						
Critical Probability	Return Period	Ground Up Loss	Client Loss	Insurable Loss	\$30M xs \$0M	\$10M xs \$30M	\$10M xs \$40M	\$50M xs \$50M	\$50M xs \$100M	Insured Loss	Retained Loss
0.02%	5,000	211,153,876	31,004,921	180,148,955	29,999,927	9,999,976	9,999,976	49,999,424	48,225,872	148,225,174	62,928,702
0.10%	1,000	139,699,318	29,798,226	109,605,100	29,999,853	9,999,951	9,999,938	46,044,805	12,977,657	109,022,198	30,428,517
0.20%	500	111,668,365	28,437,272	82,537,993	29,999,815	9,999,740	9,984,384	30,503,020	2,022,752	82,509,699	28,455,935
0.40%	250	73,026,338	25,930,822	46,868,657	29,868,178	8,353,249	4,856,741	3,741,619	44,674	46,868,474	25,930,932
0.50%	200	62,305,798	24,280,566	37,834,125	28,851,200	5,232,747	2,027,134	1,676,433	18,318	37,834,061	24,280,576
1.00%	100	38,933,978	18,995,004	19,813,780	18,378,028	646,453	413,474	333,154	1,330	19,813,780	18,995,025
2.00%	50	20,630,666	12,912,965	7,895,009	7,347,701	319,475	176,211	56,818	132	7,894,873	12,912,965
4.00%	25	9,867,974	6,135,792	3,647,210	3,410,371	199,666	57,455	13,883	23	3,647,210	6,135,792

Average Annual Loss (AAL)	1,765,328	775,136	990,191	695,522	73,126	49,903	124,531	36,450	979,531	785,797
Standard Deviation (SD)	9,608,430	3,339,850	6,732,310	3,127,624	679,884	599,527	2,119,169	1,018,127	6,474,416	3,487,296
Coefficient Variation (CV)	5.44	4.31	6.80	4.50	9.30	12.01	17.02	27.93	6.61	4.44

Please review modeling disclaimer.

Number of Locations:	93		
Building:	287,195,300	Contents:	130,375,900
Business Interruption:	2,600,000	Total Insured:	420,171,200

Deductible: 7.5% per location subject to an occurrence minimum of \$500,000.
Limit: \$150,000,000 per occurrence.



Details of Coverage – Municipal Program

<i>*This is not a substitution for binders/policies. Please refer to individual carrier forms for full terms & conditions</i>	22-23 Expiring	23-24 Renewal
Limits:		
Policy Limit	\$30,000,000	\$30,000,000
Earth Movement	\$5,000,000	\$5,000,000
Flood	\$5,000,000	\$5,000,000
Named Windstorm	\$20,000,000	\$20,000,000
Land and Water Clean Up Expense	\$1,000,000	\$1,000,000
Accounts Receivable	\$1,000,000	\$1,000,000
Civil or Military Authority	\$500,000	\$500,000
Contingent Time Element (excluding Attraction Property)	\$1,000,000	\$1,000,000
Decontamination Costs	\$1,000,000 *per occurrence & annual agg. (SRU only)	\$1,000,000 *per occurrence & annual agg. (SRU only)
Debris Removal	\$5,000,000	\$5,000,000
Interest of the Insured's customers in property sold	No Coverage	No Coverage
Demolition and Increased Cost of Construction - G.1	\$10,000,000	\$10,000,000
Demolition and Increased Cost of Construction - G.2	\$5,000,000	\$5,000,000
Demolition and Increased Cost of Construction - G.3	\$5,000,000	\$5,000,000
Demolition and Increased Cost of Construction - G.4	\$500,000	\$500,000
Electronic Data Processing Media Costs of Reproduction	\$2,000,000	\$2,000,000
Expediting Expense	\$1,000,000	\$1,000,000
Fine Arts & General Books	\$1,000,000 *\$100K per item (Berkshire only)	\$1,000,000 *\$100K per item (Berkshire only)
Fines & Penalties	\$500,000	\$500,000
Fire Brigade Charges & Fire Extinguishing Materials & Expenses	\$500,000	\$500,000
Impounded Water	\$500,000	\$500,000
Ingress / Egress	\$500,000	\$500,000
Land Improvements	\$1,000,000	\$1,000,000
Mold/Fungus Exclusion	\$250,000	\$250,000
Off Premises Storage for Property under Construction	Included	Included
Outdoor Property	\$1,000,000 (\$25K per tree/shrub)	\$1,000,000 (\$25K per tree/shrub)
Property in the Open	\$5,000,000	\$5,000,000
Pair & Set	\$1,000,000	\$1,000,000
Spoilage/Perishable Goods	No Coverage	No Coverage
Piers & Docks	No Coverage	No Coverage
Property While in the Course of Construction	\$5,000,000 *AXA XL added wording: contractors must be licensed & insured	\$5,000,000 *AXA XL added wording: contractors must be licensed & insured



Details of Coverage – Municipal Program continued

	22-23 Expiring	23-24 Renewal
Property and Preservation of Property	Included	Included
Professional Fees	\$100,000	\$100,000
Research Animals	\$500,000	\$500,000
		*No coverage provided (SRU only)
Research & Development	\$500,000	\$500,000
Service Interruption / Off Premises Power	\$500,000	\$500,000
Soft Costs	\$1,000,000	\$1,000,000
Transit	\$100,000	\$100,000
Valuable Papers an Records	\$1,000,000	\$1,000,000
Vehicles licensed for highway use	\$1,000,000	\$1,000,000
Watercraft	No Coverage	No Coverage
Waterway Access	No Coverage	No Coverage
Gross Earnings and Gross Profit, Rental Value and Rental Income	\$2,000,000	\$2,000,000
	*Berkshire \$1M per expiring	*Berkshire \$1M per expiring
Extra Expense	\$2,500,000	\$2,500,000
Automatic Coverage	\$5,000,000	\$5,000,000
Errors & Omissions	\$500,000	\$500,000
Miscellaneous Unnamed Locations	\$5,000,000	\$5,000,000
Personal property of officers and employees	\$500,000	\$500,000
Consequential Loss		\$1,000,000 (SRU only)
Distance Limitations		
Civil or Military Authority	5 Miles	5 Miles
Ingress / Egress	5 Miles	5 Miles
Time Limits		
Civil or Military Authority	30 Days	30 Days
Ingress / Egress	30 Days	30 Days
Loss of Profits Indemnity Period	365 Days	365 Days
Ordinary Payroll	No Coverage	No Coverage
Impounded Water	30 Consecutive Days	30 Consecutive Days
Extended Period of Liability	180 Days	180 Days
Automatic Coverage	90 Days	90 Days
Waiting Period		
Service Interruption	24 Hours	24 Hours

Details of Coverage – Municipal Program continued

Boiler & Machinery Limits	22-23 Expiring	23-24 Renewal
Total Limit per Breakdown	\$214,907,314	\$269,525,438
Property Damage	Included	Included
Business Income	\$25,000	\$25,000
Extra Expense	Included in Business Income Sub-limit	Included in Business Income Sub-limit
Spoilage Damage	\$1,500,000	\$1,500,000
Utility / Service Interruption	\$5,000,000	\$5,000,000
Civil Authority	Covered	Covered
Total Limit per Breakdown	\$5,000,000	\$5,000,000
Property Damage	\$5,000,000	\$5,000,000
Business Income	\$5,000,000	\$5,000,000
Extra Expense	\$100,000 / 60 days	\$100,000 / 60 days
Spoilage Damage	\$5,000,000	\$5,000,000
Utility / Service Interruption	Included in Spoilage Damage Sub-limit	Included in Spoilage Damage Sub-limit
Civil Authority	\$5,000,000	\$5,000,000
Deductibles		
AOP	\$25,000,000	\$25,000,000
Flood	\$100,000	\$100,000
Special Flood	2% Per Unit of Insurance / minimum \$1M per occurrence	2% Per Unit of Insurance / minimum \$1M per occurrence
Earthquake	\$100,000 per occurrence	\$100,000 per occurrence
Named Windstorm	\$250,000	\$250,000
NWS - Tier 1	5% Per Unit of Insurance / minimum \$250K	5% Per Unit of Insurance / minimum \$250K
Boiler & Machinery	\$10,000 PD / 24 hrs Business Interruption / 24 hrs Utility Interruption & Dependent Properties / 10% of loss, min of \$5K for Spoilage Damage & 10% of loss, min of \$5K for Refrigerant Contamination	\$10,000 PD / 24 hrs Business Interruption / 24 hrs Utility Interruption & Dependent Properties / 10% of loss, min of \$5K for Spoilage Damage & 10% of loss, min of \$5K for Refrigerant Contamination
Storm Surge		
	Named Windstorm	Named Windstorm
Minimum Earned Premium		
	Various	Various
Cancellation		
	90 days except 10 days for non-payment of premium	90 days except 10 days for non-payment of premium
Valuation		
	Replacement Cost as regards real & personal property And as further described in the Policy Form	Replacement Cost as regards real & personal property And as further described in the Policy Form



Details of Coverage – Municipal Program continued

Territory	22-23 Expiring	23-24 Renewal
	This Policy covers Insured Locations in the United States of America, its Territories and Canada.	This Policy covers Insured Locations in the United States of America, its Territories and Canada. *Berkshire: No coverage in Puerto Rico or Virgin Islands
Forms / Endorsements		
U.S. Foreign Account Tax Compliance Act ("FACTA")	Included	Included
Office of Foreign Assets Control (OFAC) Disclosure Notice	Included	Included
Terrorism Exclusion	Coverage excluded with endorsement	Coverage excluded with endorsement
Florida Changes - Legal Action Against Us	Included	Included
Communicable Disease Exclusion	Included	Included
Florida Changes - Cancellation and Nonrenewal	Included	Included
Named Windsotorm Definition	Included	Included
Trade or Economic Sanctions Endorsement	Included	Included
Electronic Data Exclusion	Included	Included
War Risk and Terrorism Exclusion	Included	Included
Violation of US Laws or Sanctions Endorsement	Included	Included
Pollution, Contamination, Debris Removal Exclusion Endorsement	Included	Included
Biological or Chemical Substances Exclusion Endorsement	Included	Included
Notice of Loss	Included	Included
Service of Suit Endorsement	Included	Included
Cap on Losses from Certified Acts of Terrorism	Included	Included
Pre-existing Damages Exclusion	Included	Included
Asbestos Exclusion	Included	Included
Special CAT Earned Premium Provision	Various markets	Various markets
Liberalization Clause Removed	Various markets	Various markets
Marijuana Exclusion	Various markets	Various markets
Microorganism Exclusion	Various markets	Various markets
Several Liability Clause		
And as further described in market Policy Forms		

Details of Coverage – Utilities Program

<i>*This is not a substitution for binders/policies. Please refer to individual carrier forms for full terms & conditions</i>	2022-2023 Starr Tech Form	2023-2024 Starr Tech Form
Named Insured Wording	City of Hollywood	City of Hollywood
Policy Term	12/15/2022-23	12/15/2023-24
Mailing Address	2600 Hollywood Boulevard, Ste B Hollywood, FL 33022	2600 Hollywood Boulevard, Ste B Hollywood, FL 33022
Territory	The United States of America, its territories and possessions, Puerto Rico, and Canada	The United States of America, its territories and possessions, Puerto Rico, and Canada
Program Limit (per occurrence)	\$100,000,000	\$100,000,000
Total Insurable Values	\$405,748,100	\$420,171,346
PROPERTY & TIME ELEMENT INSURED	Expiring	Renewal
Real and Personal Property	Included	Included
Business Interruption	\$100,000	\$100,000
Extended Period of Liability	180 Days	180 Days
Extra Expense	\$2,500,000	\$2,500,000
Property in the Course of Construction	silent	silent
Ordinary Payroll	silent	silent
Rental Value and Rental Income	silent	silent
Contingent Time Element	silent	silent
Attraction Property	silent	silent
Expediting Expenses	\$100,000	\$100,000
Fine Arts	Not Covered	Not Covered
ADDITIONAL COVERAGES	Expiring	Renewal
Automatic Coverage/Newly Acquired Property	\$5,000,000 / 90 Days Reporting	\$5,000,000 / 90 Days Reporting
Accounts Receivable	\$250,000	\$250,000
Brands and Labels	silent	silent
Commissions, Profits and Royalties	silent	silent
Computer Systems Damage	Not Covered	Not Covered
Debris Removal	\$5,000,000 or 25% of loss (whichever is greater)	\$5,000,000 or 25% of loss (whichever is greater)
Demolition and Increased Cost of Construction	\$2,000,000	\$2,000,000
Electronic Media and Data	Excluded	Excluded
Errors and Omissions	\$500,000	\$500,000
Exhibition, Exposition, Fair or Trade Show	Not Covered	Not Covered
Impounded Water (60 days)	Silent	Silent
Ingress/Egress	Silent	Silent



Details of Coverage – Utilities Program continued

Interruption by Civil or Military Authority	2 Consecutive Weeks	2 Consecutive Weeks
Fire Brigade Charge	\$50,000	\$50,000
Land Improvements	Not Covered	Not Covered
Land and Water Clean Up Expense	Silent	Silent
Miscellaneous Unnamed Locations	Included	Included
Mobile Equipment	\$500,000	\$500,000
Mold / Fungus Resultant Damage (annual aggregate)	Not Covered	Not Covered
Outdoor Property	Not Covered	Not Covered
Personal Property of Others	silent	silent
Personal Property at Unnamed Locations	\$1,000,000	\$1,000,000
Pollutant Clean Up and Removal (annual aggregate)	\$50,000	\$50,000
Professional Fees	Not Covered	Not Covered
Property in the Open	silent	silent
Protection and Preservation of Property	silent	silent
Radioactive Contamination	Not Covered	Not Covered
Research and Development	silent	silent
Service Interruption	\$100,000	\$100,000
Temporary Removal of Property	\$250,000	\$250,000
Transit	\$100,000	\$100,000
Valuable Papers and Records	\$250,000	\$250,000
EARTHQUAKE LIMITS	RENEWAL	RENEWAL
All Locations (annual aggregate), except:	\$25,000,000	\$25,000,000
California Earthquake	Not Covered	Not Covered
New Madrid (annual aggregate)	silent	silent
Pacific Northwest (annual aggregate)	silent	silent
Sinkhole	silent	silent
FLOOD LIMITS	RENEWAL	RENEWAL
All Locations (annual aggregate), except:	\$10,000,000	\$10,000,000
High Hazard Zones (annual aggregate)	Not Covered for Zones A & V	Not Covered for Zones A & V
NAMED WINDSTORM LIMITS	RENEWAL	RENEWAL
All Locations	\$30,000,000	\$30,000,000
Storm Surge	Included within Flood	Included within Flood



Details of Coverage – Utilities Program continued

BOILER AND MACHINERY LIMITS	RENEWAL	RENEWAL
Total Limit per Breakdown	\$25,000,000	\$25,000,000
Property Damage	Included	Included
Ammonia Contamination	\$100,000	\$100,000
Business Income	\$100,000	\$100,000
Consequential Damage	\$100,000	\$100,000
Extra Expense	\$2,500,000	\$2,500,000
Expediting Expense	\$100,000	\$100,000
Hazardous Substance Limitation	\$100,000	\$100,000
Water Damage Limitation	\$100,000	\$100,000
BASIS OF INDEMNITY	RENEWAL	RENEWAL
Real and personal property	Actual Cash Value	Actual Cash Value
Time element	Actual Loss Sustained	Actual Loss Sustained
Extended Period of Liability	180 Days	180 Days
Coinsurance	90%	90%
PROGRAM DEDUCTIBLES	RENEWAL	RENEWAL
All Risk Deductible	\$25,000	\$25,000
Flood Deductible	\$500,000	\$500,000
Earthquake Deductible	\$25,000	\$25,000
Named Windstorm Deductible	7.5% of TIV, subject to a \$500,000 minimum per occurrence	7.5% of TIV, subject to a \$500,000 minimum per occurrence
WAITING PERIODS	RENEWAL	RENEWAL
Business Interruption	120 Hours	120 Hours
Extra Expense	120 Hours	120 Hours
SPECIAL CONDITIONS	RENEWAL	RENEWAL
Cancellation Clause	30 Days Notice of Cancellation except 10 Days for non-payment of premium	30 Days Notice of Cancellation except 10 Days for non-payment of premium
Minimum Earned Premium	Various	Various
Loss Adjuster	Not designated	Not designated
CARRIER ENDORSEMENTS	RENEWAL	RENEWAL
U.S. Foreign Account Tax Compliance Act ("FATCA:)	Included	Included
Office of Foreign Assets Control (OFAC) Disclosure Notice	Included	Included
Terrorism Exclusion	Coverage excluded with endorsement	Coverage excluded with endorsement
Floida Changes - Legal Action Against Us	Included	Included
Floida Changes - Cancellation and Nonrenewal	Included	Included
Named Windstorm Definition	Included	Included
Exclusion of Loss due to virus, bacteria, or microorganism that induce physical distress, illness, or disease	Included	Included
Electronic Data / Media Exclusion	Included	Included
Trade or Economic Sanctions Endorsement	Included	Included
And as further described in Policy Form		

Compensation for the Value We Deliver

Aon is an insurance broker and, when serving as your retail insurance broker, in addition to or in lieu of compensation you may pay, Aon may earn compensation which relates in whole or in part to your insurance placement.

For policy level commissions, Aon endeavors to receive compensation using standard commission rates by line of business that we seek to achieve with insurers in advance of individual policy placements. We believe this creates a fairer marketplace among insurers and allows our insurers to focus on the client's needs and risk history, not on commission rate negotiation. In turn, because insurers will be evaluated on their capabilities, clients will be able to more easily compare quotes.

Aon's standard commission rates differ by line of business and, when placed in the U.S. market, are up to the following commission rates: Aviation, 17.5%; Casualty, 18.5%; Cyber, 17.5%; Energy, 20%; Entertainment, 20%; Environmental, 18%; Marine 20%; Med Mal/ Healthcare, 17.5%; Professional/ E&O, 17.5%; Property, 18%; Product Recall, 20%; Financial Lines, 18%; Healthcare, 20%; Surety, 35%; Terrorism, 25%; Trade Credit, 17.5%; and Workers Compensation, 15%. Where an Aon broker is placing a policy in the London or Bermuda market, Aon endeavors to earn 20% on those lines of business. Where Aon has created a facility with proprietary terms and conditions negotiated, the Aon standard commission rates range from 20% - 22.5%. Some lines of business are not conducive to standardization because they are subject to state filing regulations, state-specific rates and/or industry-specific rates. The standard commission rates we achieve do not include program business (e.g.: franchises, sponsored groups) or large deductible programs.

In addition, Aon provides certain administrative and other related placement services to markets. Compensation of up to 7.5% for these services may take the form of a national additional commission (NAC) or a subscription market brokerage (SMB). Collecting these commissions will not change the premium quoted.

Compensation paid to Aon may vary based upon a number of factors, including the insurance contract and the insurer you select, the volume of business and/or profitability of business we place with each insurer. Therefore, Aon may be considered to have an incentive to place insurance coverages with a particular insurance company. We strive for transparency with each Client and the final decision regarding coverage and market options is the Client's decision.

If you are interested in receiving Aon's standard commission grid and/or a Commission Disclosure Report identifying the individual commission rates on your placements or compensation expected to be received based in whole or in part on any alternative quotes, ask your Account Executive or write us at aon.us.broking@aon.com.



General Data Protection Regulation (GDPR)

1. Data Protection

For the purpose of this Section:

- a) **"Agreement Personal Data"** means any personal data (including sensitive or special categories of personal data including but not limited to data revealing medical conditions, criminal convictions or offences) that is processed under or in connection with the Services performed under this Agreement;
- b) **"Business Day"** means a day except Saturdays and Sundays and public holidays in United States;
- c) **"DP Laws"** means any applicable data protection laws relating to the protection of individuals with regards to the processing of personal data including (i) EU Data Protection Directive 95/46/EC (**"DP Directive"**) as implemented by EU member states; (ii) the General Data Protection Regulation (EU) 2016/679 (**"GDPR"**) from 25 May 2018; (iii) laws implemented by EU member states which contain derogations from, or exemptions or authorisations for the purposes of, the GDPR, or which are otherwise intended to supplement the GDPR, (iv) Directive 2002/58/EC (**"ePrivacy Directive"**) as implemented by EU member states (including Switzerland) or in the UK (as may be applicable), (v) any legislation that, replaces or converts into domestic law the GDPR and/or the ePrivacy Directive (as may be updated or replaced) or any other law relating to data protection, and/or (vi) any corresponding or equivalent national laws or regulations including any amendment, update, modification or re-enactment of such laws;
- d) **"EEA"** means the European Economic Area;
- e) **"Personal Data Breach"** means any accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to the Agreement Personal Data;
- f) **"Supervisory Authority"** means any local, national or multinational agency, department, official, parliament, public or statutory person or any government or professional body, regulatory or supervisory authority, board or other body responsible for administering DP Laws; and
- g) the terms **"controller"**, **"processor"**, **"data subject"**, **"personal data"**, **"processing"** and **"special categories of personal data"** shall all have the meanings given to those terms in under either the DP Directive, or the GDPR as applicable (and related terms such as **"process"** shall have corresponding meanings).

General Data Protection Regulation (GDPR)

Continued

Each of the parties is and will remain a separate and independent controller in respect of the Agreement Personal Data and shall independently determine the purposes and means of such processing. Each party warrants that it will observe all applicable requirements of DP Laws and these terms in relation to its processing of the Agreement Personal Data.

You acknowledge and understand that Aon gathers personal data from You for (i) the delivery of the Services; (ii) the management of Our relationship with You, including the marketing of products or services to You which may be of interest to You, invoicing, the settlement of disputes and associated business administration; and (iii) the development of Aon Group Members' products and services (for example conducting benchmarking, market research, data analysis), for the purposes of which Aon shall process aggregated, de-identified data, and shall not publish externally or otherwise disclose any information which derives from data originating from You which would identify an underlying data subject or You without Your prior consent. You acknowledge and understand that Aon shall act as a controller of any personal data which is processed pursuant to this Section and shall comply with DP Laws in respect of such processing.

You agree that the Agreement Personal Data provided or made available to Aon by You or on Your behalf can be used by the Aon Group Members (and Our and their service providers) for the purposes of the Services and in accordance with the terms of this Agreement and You confirm that You have (i) provided or shall provide a notice to all relevant data subjects (for example Your employees or insureds) which describes the disclosure of Agreement Personal Data to Aon for the purposes envisaged by the Agreement (further details of which are available on Aon's Website at <http://www.aon.com/about-aon/privacy.jsp>; (ii) obtained or shall obtain all consents from data subjects necessary for Aon to process the Agreement Personal Data for the purposes of performing the Services; (iii) complied and shall comply with the DP Laws and with guidance from all relevant Supervisory Authorities; and (iv) otherwise complied with and shall comply with all the relevant regulations and legislation.

Each of the parties will, on request, provide the other with reasonable assistance, information and cooperation, at its own expense, to ensure the other party's compliance with the respective obligations under DP Laws in relation to the Agreement Personal Data. If a data subject makes a written request to a party to exercise their rights in relation to the Agreement Personal Data that concerns processing in respect of which the other party is the controller, such party shall (i) forward the request to the other party promptly and in any event within five (5) Business Days from the date on which it received the request and (ii) upon the other party's reasonable written request, provide that other party with reasonable co-operation and assistance in relation to that request to enable the other to respond to such request and meet applicable deadlines under DP Laws.

If either party (the "Data Receiving Party") receives any complaint, notice or communication from a Supervisory Authority which relates directly or indirectly to the other party's (i) processing of the Agreement Personal Data; or (ii) a potential failure to comply with DP Laws, the Data Receiving Party shall, to the extent permitted by law, promptly forward the complaint, notice or communication to the other Party and provide the other Party with reasonable cooperation and assistance in relation to the same.



General Data Protection Regulation (GDPR) continued

Continued

Each party shall implement appropriate technical and organisational security measures in relation to the processing of the Agreement Personal Data by or on behalf of such party in the performance of this Agreement, which shall ensure a level of security appropriate to the risk including, as appropriate, (a) pseudonymisation and encryption; (b) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services; (c) the ability to restore the availability and access to the Agreement Personal Data in a timely manner in the event of a physical or technical incident; and (d) a process for regularly testing, assessing and evaluating the effectiveness of those measures.

If either party becomes aware of a Personal Data Breach involving Agreement Personal Data, it shall notify the other party without undue delay, and each party shall co-operate with the other, to the extent reasonably requested, in relation to any notifications to Supervisory Authorities or to data subjects which either party is required to make under DP Laws.

Due to the global nature of services provided by Aon and the Aon Group Members, Agreement Personal Data may be transmitted, used, stored and otherwise processed outside of the country in which it was submitted. The parties acknowledge that Aon may transfer and otherwise process or have transferred or otherwise processed Agreement Personal Data outside the EEA provided that such transfer is made in compliance with applicable DP Laws.

If We provide any additional services to You that require Us to process Agreement Personal Data as a processor on Your behalf, any additional terms relating to that processing and ensuring its compliance with DP Laws may be set out in a separate agreement.



About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance

© Aon plc 2021. All rights reserved.

www.aon.com

Contact

Brian Kuhlman

Senior Vice President

+813.431.8790

brian.kuhlman@aon.com

Loretta Williams

Account Specialist

+727.510.8024

loretta.williams@aon.com

Gregory Gatti

Managing Director

+917.514.0930

gregory.gatti@aon.com

Stephanie Candiano

Associate Broker

+786.495.3027

stephanie.candiano@aon.com