



Insurance | Risk Management | Consulting

2255 Glades Rd | Ste 200E  
Boca Raton, FL 33431  
US

(561)995-6805  
www.ajg.com

May 16, 2018

Mr. Horace McLarty  
City of Hollywood  
PO Box 229045  
Hollywood, FL 33022

Re: Renewal of Flood Policy  
Policy No.: 87059393732018  
Expiration Date: July 23<sup>rd</sup>, 2018

Dear Mr. McLarty,

The above reference flood policy will expire on July 23<sup>rd</sup> 2018. We have attached a copy of your flood renewal notice/invoice from Hartford Ins. Co. of the Midwest. Included in the premium is our commission of 15% that compensates us for the placement and servicing of your insurance program.

**Please return a copy of the invoice along with your check to Hartford Fire Ins. Co. with accordance with the billing options provided in the renewal quotation.**

Once coverage is bound, you may only cancel coverage in accordance with the applicable rules and regulations of NFIP. Minimum premium varies based on the flood zone, pre or post firm eligibility and will include all non-refundable NFIP fees and surcharges.

Gallagher is responsible for the placement of the Scheduled Flood policies in this quote letter. It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Any entity not named in this proposal, may not be an insured entity. This may include partnerships and joint ventures.

We are not aware of any changes in your exposure to loss, nor are we aware of any changes in your business operations that would necessitate additional coverage options. Please notify us immediately if you are planning any new business operations.

Claims handling instructions are provided for your convenience. Please review the following page and advise should you have any questions.

Please take a few moments to review your flood insurance schedule and should you find any corrections are needed, or if you have any questions, please contact me. I look forward to working with you in the coming year.

Best Regards,

Tara Morrone  
Client Service Manager

Enclosures





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## CLAIMS HANDLING INSTRUCTIONS

When do you report a claim?	Claims are to be reported IMMEDIATELY
Where do you report a claim?	Directly to Hartford Fire/Midwest Ins. Co.
How do you report a claim?	<p><u>Phone</u> 800.759-8656</p> <p><u>Fax</u> 866.528.3252</p> <p><u>Claims Mailing Address:</u>  PO Box 2057 Kalispell, MT 59903</p> <p><u>Claims Overnight Mailing Address:</u> ASP Flood Claims 260 Interstate North Circle East Claims, 8th Floor Atlanta, GA 30339</p>
If you experience any difficulty in reporting claims directly to carrier:	<p>Phone, fax or email to Arthur J. Gallagher RMS, Inc.</p> <p>Phone: 561.995.6706</p> <p>Fax: 561.995.6708</p> <p>Email: Kathy_Hill@ajg.com</p>



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## CARRIER RATINGS AND ADMITTED STATUS

Proposed Carriers	A.M. Best's Rating	Admitted/Non-Admitted
Hartford Fire Ins. Co. of the Midwest	A+XV	Admitted

If the above indicates coverage is placed with a non-admitted carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

The above A.M. Best Rating was verified on the date the proposal document was created.

### Guide to Best Ratings Rating Levels and Categories

Level	Category	Level	Category	Level	Category
A++, A+	Superior	B, B-	Fair	D	Poor
A, A-	Excellent	C++, C+	Marginal	E	Under Regulatory Supervision
B++, B+	Good	C, C-	Weak	F	In Liquidation
				S	Suspended

### Financial Size Categories

(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

FSC I		Up to	1,000	FSC IX	250,000	to	500,000
FSC II	1,000	to	2,000	FSC X	500,000	to	750,000
FSC III	2,000	to	5,000	FSC XI	750,000	to	1,000,000
FSC IV	5,000	to	10,000	FSC XII	1,000,000	to	1,250,000
FSC V	10,000	to	25,000	FSC XIII	1,250,000	to	1,500,000
FSC VI	25,000	to	50,000	FSC XIV	1,500,000	to	2,000,000
FSC VII	50,000	to	100,000	FSC XV	2,000,000	or more	
FSC VIII	100,000	to	250,000				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

Best's Credit Ratings reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of (Licensee's publication or service) or its recommendations, formulas, criteria or comparisons to any other ratings, rating scales or rating organizations which are published or referenced herein. A.M. Best is not responsible for transcription errors made in presenting Best's Credit Ratings. Best's Credit Ratings are proprietary and may not be reproduced or distributed without the express written permission of A.M. Best Company.

Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

## BEST'S FINANCIAL STRENGTH RATING GUIDE – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

### Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

\* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

### FSR Non-Rating Designations

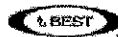
Designation Symbols	Designation Definitions
E	Status assigned to insurance companies that are publicly placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal ongoing insurance operations; an impaired insurer.
F	Status assigned to insurance companies that are publicly placed in liquidation by a court of law or by a forced liquidation; an impaired insurer.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AMBRS.

### Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance and business profile or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category for notches within a category, but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AMBRS) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AMBRS.

BCRs are distributed via the AMBRS website at [www.ambest.com](http://www.ambest.com). For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Understanding Best's Credit Ratings" available at no charge on the AMBRS website. BCRs are proprietary and may not be reproduced without permission.  
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Version 090116





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## Important Disclosures

The quotation(s) attached are an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

## Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional compensation if stipulated underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the particular insurance company and/or through the particular intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in certain commission rates. These additional commissions, commonly referred to as "supplemental commissions" are frequently known as of the effective date of the applicable insurance placement, but some insurance companies pay this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. **Note:** Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage placed through Gallagher.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.



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4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility is utilized in the placement of a client's account, the facility may earn and retain customary brokerage commission or fees for its work.
5. Gallagher assists its clients in procuring premium finance quotes and unless prohibited by law may earn compensation for this optional value-added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our clients. In order to achieve these goals, we gather and analyze data about our clients and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our clients. This data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please contact Gallagher via e-mail at [Compensation\\_Complaints@ajg.com](mailto:Compensation_Complaints@ajg.com) or by regular mail at:

AJG Chief Compliance Officer  
Arthur J. Gallagher & Co.  
2850 Golf Rd., 8<sup>th</sup> Floor  
Rolling Meadows, IL 60008

## July 2018-2019

**TOTAL:**

**Hartford Insurance Company of the Midwest**  
**FLOOD INSURANCE RENEWAL PREMIUM NOTICE**

IMPORTANT: THIS FLOOD INSURANCE POLICY WILL EXPIRE:

7/23/2018

**PAYOR NAME & MAILING ADDRESS**

CITY OF HOLLYWOOD  
 PO BOX 229045  
 HOLLYWOOD, FL 33022-9045

**PRODUCER NAME & MAILING ADDRESS**

PRODUCER#:08172-00015-000-00001  
 ARTHUR J GALLAGHER & COMPANY  
 8333 NW 53RD ST STE 600  
 MIAMI, FL 33166-4789  
 (305)592-6080

**INSURED NAME**

CITY OF HOLLYWOOD

**LOCATION OF INSURED PROPERTY**

5731 PEMBROKE RD  
 HOLLYWOOD, FL 33023-2337

BUILDING DESCRIPTION: Tenant - Gunzberger Day Care

If you are no longer responsible for the payment of the premium on this policy please notify your agent.

	COVERAGE	DEDUCTIBLE	PREMIUM OPTIONS
	BUILDING	BUILDING	
1. Option 1 includes a 10% increase in the amount of building coverage and a 5% increase in the amount of contents coverage.	\$500,000	\$1,250	
	CONTENTS	CONTENTS	1 \$908.00
	\$0	\$0	
	COVERAGE	DEDUCTIBLE	PREMIUM OPTIONS
	BUILDING	BUILDING	
2. Option 2 is the amount of insurance coverage currently in force.	\$500,000	\$1,250	
	CONTENTS	CONTENTS	2 \$908.00
	\$0	\$0	

Primary Residence: N NOTE: If payment is sent via Certified Mail, the postmark date is used as the premium receipt date, ensuring the earliest receipt date possible. Certified Mail can also be tracked at [www.usps.com](http://www.usps.com).

Effective April 1, 2016, policies currently receiving Pre-FIRM subsidized rates may not be eligible to maintain those rates when the policy payment is received more than 90 days after policy expiration.

HAB If paying by CHECK, please detach and return bottom remittance portion with your payment in the enclosed envelope.  
 Print Date: 5/16/2018

PLEASE DO NOT STAPLE

**INSURED NAME & MAILING ADDRESS**

CITY OF HOLLYWOOD  
 PO BOX 229045  
 HOLLYWOOD, FL 33022-9045

PRODUCER: 08172-00015-000-00001

POLICY NUMBER 87059393732017

Payment must be received by the due date to retain the Policy Effective Date

RENEWAL EFFECTIVE DATE: 7/23/2018  
 PAYMENT DUE BY: 7/23/2018

SELECT COVERAGE OPTION:

**CHECK PAYMENT COUPON ONLY**

(See reverse side for credit card payment option.)

☐ \$908 ☐ \$908

Make check payable to:  
 HARTFORD FIRE INSURANCE COMPANY

Please see the enclosed notice for important information  
 about your policy renewal.



HARTFORD FIRE INSURANCE COMPANY

PO Box 731178  
 Dallas, TX 75373-1178

870593937320171968211780000908000000908000