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Commercial Insurance Proposal



Brown & Brown Insurance Services of CA, Inc. • 2401 E. Katella Ave., Suite 550, Anaheim, CA 92806 • (800) 228-7975

Insurance Proposal Submitted For: City of Milpitas



Excess Workers' Compensation Insurance Proposal

Policy Term:

07/01/2015 - 07/01/2016

Submitted by:

Mike Bush
Senior Vice President



This proposal is for illustration purposes only. Please refer to the policy for actual terms/conditions.
Coverage cannot be considered bound until a binder has been received.

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Thank you for inviting us to develop and present a Risk Solution Program to you. We welcome the opportunity to become involved with your company. We have worked to identify your needs and concerns, and to develop a program for your insurance. Brown & Brown, Inc. is the seventh largest independent agency organization nationally.¹ The company provides a variety of insurance products and services to corporate, institutional, professional and individual clients. Headquartered in Daytona Beach and Tampa, Florida, Brown & Brown is publicly traded on the New York Stock Exchange (BRO) and has been included in Forbes' list of the "200 Best Small Companies in America". The company handles clients' premiums in excess of \$10 Billion annually and has approximately 6,500 employees.

While size is not the sole criteria for choosing an insurance agent, it does enable us to offer our clients clout in the marketplace and unmatched service capability.

Please feel free to visit our website at www.bbinsurance.com.

This brief description of insurance coverage is being provided as an accommodation only and is not intended to cover or describe all policy terms. In the event of difference, the policy will prevail. For more complete information on the scope and limits of coverage please refer to the policy document.

¹ As listed in Business Insurance magazine, July 18, 2011 edition





Account Service Team

No matter how comprehensive or price competitive your insurance program is, it is still people who must service it to insure that coverage will respond when needed.

Mike Bush

Account Executive

Phone: (714)221-1853
Fax: (714) 221-4196
mbush@bbsocal.com

Mike Bush is responsible for overseeing all aspects of your program.

Peggy Coleman

Account Manager

Phone: (714)221-1883
Fax: (714) 221-4196
pcoleman@bbsocal.com

Peggy Coleman will assist with the daily servicing of your account, including endorsements, certificate requests, client services, program design, accounting, quality assurance and market relationships.

Judith Villalobos

Account Manager

Phone: (714)221-1828
Fax: (714) 221-4128
jvillalobos@bbsocal.com

Feel free to contact anyone on this list if you have questions or concerns regarding your insurance policy.





IMPORTANT NOTICE DISCLAIMER

Disclaimer: This proposal presented is based upon the exposures to loss made known to the agency. Any changes in these exposures (i.e. new operations, new products, additional state of hire, etc.) need to be promptly reported to our agency in order that proper coverage(s) may be put in place.

The proposal contains only a general description of the coverage(s) and does not constitute a policy / contract. This brief description of insurance coverage is being provided as an accommodation only and is not intended to cover or describe all policy terms. For more complete information on the scope and limits of coverage, please refer to the policy document.

The proposal includes, but is not limited to, the terms, exclusions and conditions listed. For complete policy information, including exclusions, limitations and conditions, refer to the policy document.

Non-Admitted Carrier

Taxes: \$N/A _____

Fees: \$N/A _____

Minimum Earned Premium: N/A %

**Higher Limits may be available upon request ▼ Premiums may be subject to audit
Premiums include Terrorism Coverage**

Please read your policy for specific details.





A.M. Best Rating of Proposed Carriers

Policy Type	Carrier	Rating
Workers Compensation	Safety National Casualty Corporation	A+; XIII

The information obtained from A.M. Best's Rating is not in any way a warranty or guaranty by Brown & Brown, Inc. of the financial stability of the insurer and this information is current only as of the date of publication.

General Rating:

These rating classifications reflect BEST's opinion of the relative position of each company in comparison with others, based upon averages within the Property-Casualty insurance industry. They are reflective of overall company services and standing within the industry.

A++, A+	Superior	B++, B+	Good	C++, C+	Marginal
A, A-	Excellent	B, B-	Fair	C, C-	Weak

Financial Size Category:

The financial Size Category is an indication of the size of an Insurer and is based on reported Policyholders' surplus plus conditional or Technical Reserve Funds, such as mandatory securities valuation reserve, other investment and operating contingency funds and/or miscellaneous voluntary reserves in liabilities.

Financial Size Category (in Thousands)	
Class I	Up to \$1,000
Class II	\$1,000 to \$2,000
Class III	\$2,000 to \$5,000
Class IV	\$5,000 to \$10,000
Class V	\$10,000 to \$25,000
Class VI	\$25,000 to \$50,000
Class VII	\$50,000 to \$100,000
Class VIII	\$100,000 to \$250,000
Class IX	\$250,000 to \$500,000
Class X	\$500,000 to \$750,000
Class XI	\$750,000 to \$1,000,000
Class XII	\$1,000,000 to \$1,250,000
Class XIII	\$1,250,000 to \$1,500,000
Class XIV	\$1,500,000 to \$1,750,000
Class XV	\$1,750,000 to \$2,000,000

This information has been provided to you so that consideration is given to the financial condition of our proposed carriers. The financial information disclosed is the most recent available to Brown & Brown Insurance Services of CA, Inc. Brown & Brown does not guarantee financial condition of the insurers listed above.





Claims Reporting Guidelines

Make Brown & Brown, Inc. aware of any and all incidents *immediately* after they occur, whether it be an auto accident, a theft, slip & fall, even a minor incident that appears will have no future activity. Do not wait for a police report.

Gather as much concrete information as possible. For example, police reports, company incident reports, conversation logs, medicals and pictures - anything that may assist in the handling of your claim. Send this information either by mail, e-mail or fax to:

Brown & Brown Insurance Services of CA, Inc.
2401 E. Katella., Suite 550,
Anaheim, CA 92806
(714)221-1883
(714) 221-4196 fax
pcoleman@bbsocal.com

If you have any questions or incur any problems, please call our office and we will be glad to assist in any way we can.





What is an Audit?

Policies which use fluctuating values as the exposure basis, i.e.: payroll or sales are subject to an audit. The company may visit your business to examine your records or ask you to complete a voluntary "mail in" audit. If at the time of the audit your exposures are different from what you estimated at the time your policy was written, you will receive a return premium credit or an additional premium billing.

If you subcontract any work, it is essential that the subcontractor provide you with a Certificate of Insurance indicating that insurance coverage is in place for General Liability, Workers Compensation, and Automobile Liability. If at the time of audit you do not have evidence of insurance from your subcontractors, you will be charged an additional premium for the payroll of the subcontractor on your policies. We recommend you require subcontractors to carry insurance via a contract.

Audits that generate an additional premium are due upon receipt. It is important that you review audits as soon as you receive them and advise us of any discrepancies in the exposures immediately so that we may inform the insurance carrier. If payment of the audit is not received by the insurance company on a timely basis, your coverage may be canceled and could adversely affect the future placement of insurance coverage.

We recommend that you review the actual exposures as compared to your estimated exposures quarterly and advise us of any significant variance.





Important Information

Compensation: In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date the premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

Questions and Information Requests: Should you have any questions, or require additional information, please contact this office at 1-800-228-7975 or, if you prefer, submit your question or request online at www.bbsocal.com

This proposal contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations, and conditions, refer to the policy document. This proposal is based upon the exposures to loss made known to the Agency. Any changes in these exposures (i.e., new operations, new products, additional states of hire, etc.) need to be promptly reported to us in order that proper coverage(s) may be put into place.



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Wholesale Broker/Managing General Agent:

Loveland & Smart

This intermediary is is not owned in whole or part by Brown & Brown, Inc., the parent company of Brown & Brown Insurance Services of California, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting, loss control, risk placement, coverage review, claims coordination with insurance company; and policy issuance. Compensation paid for those services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment. The Fee, if any, for the Wholesale Insurance Broker's/Managing General Agent's services above is \$0.00.



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Named Insureds

The following are named insureds on your policies:

City of Milpitas

(Discuss any other names as part of Named Insured)

Please verify the accuracy of each name on this list and update if needed.





Workers Compensation CITY OF MILPITAS

EXCESS WORKERS' COMPENSATION

7-1-15 to 7-1-16

	Renewal 2014 / 2015	Current 2015 / 2016
COMPANY:	Safety National Casualty Corporation	Safety National Casualty Corporation
2014 BEST'S RATING:	A+: XII; Admitted	A+: XIII; Admitted
LIMIT:	\$20,000,000 WC \$1,000,000 EL Per Occurrence/Aggregate	\$20,000,000 WC \$1,000,000 EL Per Occurrence/Aggregate
SELF-INSURED RETENTION (SIR):	\$750,000 \$1,000,000 Police and Fire	\$750,000 \$1,000,000 Police and Fire
PAYROLL:	\$35,689,916	\$37,325,242 (4.58% Increase)
RATE:	.3555	.3555
DEPOSIT PREMIUM:	\$126,878	*\$132,691
MINIMUM PREMIUM	\$114,190	*\$119,422

***Note: No State of California Insurance Guarantee Association (CIGA) surcharge will apply for 2015/2016.**



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NOTES / OPTIONS:

1. The following options are presented for your consideration:

A. See Additional Market Options

2. Using this year's payroll (\$37,325,242) and last year's rates (.3555), the premium would have been \$132,691. This year's rate and this year's payroll produces a premium of \$132,691 (for a \$20,000,000 Limit) (The payroll increase (City) of 4.58% accounts for the premium increase of approximately \$5,813.

3. The California Excess Workers' Compensation marketplace, is not showing the increases in rate which have been seen in 2014/2015 & prior for primary workers compensation.

4. Your rates for the current and past 12 years have been as follows:

2015/2016	.3555	\$20,000,000 Limit (0% Rate Increase)
2014 / 2015	.3555	\$20,000,000 Limit
2013 / 2014	.33858	\$20,000,000 Limit
2012 / 2013	.2954	\$20,000,000 Limit
2011 / 2012	.2710	\$20,000,000 Limit
2010 / 2011	.2710	\$20,000,000 Limit
2009 / 2010	.2710	\$20,000,000 Limit
2008 / 2009	.2960	\$20,000,000 Limit
2007 / 2008	.3939	\$5,000,000 Limit
2006 / 2007	.4113	\$5,000,000 Limit
2005 / 2006	.4244	\$1,000,000 Limit
2004 / 2005	.4610	\$1,000,000 Limit
2003 / 2004	.4424	\$1,000,000 Limit

6. The above deposit premiums are subject to an annual audit to determine the final premium.



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PREMIUM SUMMARY

Name: City of Milpitas

Excess Workers' Compensation

See attached Market Options

Premium includes Terrorism

PREMIUM PAYMENT OPTIONS

Pay in Full





Brown & Brown Insurance Services of California Spectrum Service

Brown & Brown Insurance Services of California is happy to offer all clients a full suite of service not only for your business but also for your personal insurance needs. Spectrum Service provides protection in the following areas:

Yes <input type="checkbox"/>	Employee Benefits Medical, dental, vision, life and disability for your employees	No <input type="checkbox"/>
Yes <input type="checkbox"/>	Personal Homeowners, auto, collectibles and more	No <input type="checkbox"/>
Yes <input type="checkbox"/>	Contingency Planning Life/Disability/Long Term Care	No <input type="checkbox"/>
Yes <input type="checkbox"/>	Business Perpetuation Buy-Sell/Key Man	No <input type="checkbox"/>
Yes <input type="checkbox"/>	Financial Planning Estate/Asset Protection • Retirement/Investment Planning	No <input type="checkbox"/>

