



Brown & Brown of Florida, Inc.
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Attachment # 6
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September 2, 2010

Ms. Karen Harrell
Risk Manager
Leon County
Board of County Commissioners
301 South Monroe Street
Tallahassee, Fl. 32301

Dear Karen,

I have received the attached letter and am working with Leon County's current property insurance carrier (PGIT) on a response.

The letter states, "*Regarding property insurance; if Leon County had continued with the Florida Municipal Trust (FMIT) for FY2009/2010, Leon County (according to FMIT) would have received a \$228,000 return on premium next fiscal year*". I have reviewed all of the documents submitted by FMIT in response to RFQ BC-06-30-09-34 (2009 Qualifications for Insurance Broker Services) and find no mention of the \$228,000.00 "return on premium" referenced in the letter. I find no evidence that any such program was offered to Leon County as part of the FMIT responses.

The letter also states, "*Leon County is interested in knowing if Brown and Brown wants to make a proposal that would match or exceed the FMIT program in terms of rebate*". We requested, and received, the documents submitted by FMIT for the FY2010/2011 Insurance Bid and once again, there is no mention of any "return on premium" program offered to Leon County. It would appear that Leon County is asking us to respond to an FMIT return premium program for which no quote, proposal, or contractual language exist. Furthermore, there is no way for us to know what we are to match as nothing related to this FMIT program has ever been submitted as part of the FY2009/2010 OR FY2010/2011 bid process.

Brown & Brown of Florida and PGIT appreciate our relationship with Leon County and it is our goal to respond to this request in a manner that is beneficial to the County. In order to do so we require the following information:

1. Can you provide the language from the FMIT quotation for FY2009/2010 that describes the \$228,000 "return on premium" that is referenced in the letter, how it was to have been calculated, and formally offers this premium return to Leon County as part of their property insurance program?

2. Please provide the FMIT quotation for FY 2010/2011 that outlines the current "return on premium" program, how it is calculated, and any endorsement, policy, or contractual language that describes the terms and conditions that must be met for this premium return to be paid.
3. As you are aware, sealed bids for property insurance were due no later than 2:00pm on July 22, 2010 for FY 2010/2011. The documents from that bid show Brown & Brown / PGIT as the low bidder, by \$33,381.00, on the property insurance. Has FMIT been given the opportunity to provide a second bid? If so, please provide the revised premium offering from FMIT.

The answers to the questions above will give us the opportunity to best address your concerns. Thank you and I look forward to your reply.

Kindest regards,



Steve Farmer
Sr. Vice President

Note: This letter is being distributed via e-mail and regular mail.

Alan Rosenzweig - Revised Quote

Attachment # 6
Page 3 of 4

From: "Steve Farmer" <SFarmer@BBDAYTONA.com>
To: "Alan Rosenzweig" <RosenzweigA@leoncountyfl.gov>, "Karen Harrell" <HARRELLK@leoncountyfl.gov>
Date: 9/7/2010 10:01 AM
Subject: Revised Quote

Alan and Karen,

We have discussed the FMIT quotation with PGIT and they have provided two revised quote options for Leon County to consider:

1. **\$605,000 for the 10/1/2010-2011 policy period.** Same terms and conditions as originally provided within the 7/22 sealed bid response
2. **A two year policy from 10/1/2010 to 9/30/2012 with two annual payments of \$597,500.** This quote covers two (2) annual twelve month periods, from 10/1/2010 to 10/1/2011 and from 10/1/2011 to 10/1/2012. Rates for the period of 10/1/2011 to 10/1/2012 will be identical to those for the period commencing 10/1/2010, subject to the following:
 - If PGIT's cost of securing excess insurance decreases by more than 10% on any line of coverage, PGIT will reduce rates on that line of coverage for the period of 10/1/2010 to 10/1/2011. **This could result in a lower premium in year two.**
 - If PGIT's cost of securing excess insurance increases by more than 20% on any lines of coverage, PGIT will increase rates on that line of coverage for the period 10/1/2011 to 10/1/2012. **If this provision is triggered, Leon County will have the option to decline renewal of the program in year two without penalty.**

While PGIT would like to respond to the FMIT "return of premium" program they are simply unable to do so as you have not provided any written documentation of the terms and conditions of the program. PGIT believes in offering their members the most competitive premiums upfront and have consistently provided Leon County with the lowest cost option for property insurance. Their quotation does not require a three year commitment, it offers a two year rate guarantee (if option 2 is selected), and the savings are not tied to hurricane or claims activity that may or may not affect Leon County and of which you have not control.

We believe that PGIT offers the best option for Leon County and its taxpayers. It provides premium savings now, the savings are guaranteed, and they are not dependent on outside factors that Leon County has no control of. We appreciate the opportunity to provide you with these quotations and look forward to working with you this year.

Steve Farmer

Vice President
 Brown & Brown of Florida, Inc.
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Alan Rosenzweig - Insurance Quotation - Property

From: "Steve Farmer" <SFarmer@BBDAYTONA.com>
To: "Alan Rosenzweig" <RosenzweigA@leoncountyfl.gov>, "Karen Harrell" <HARRELLK@leoncountyfl.gov>
Date: 9/7/2010 2:45 PM
Subject: Insurance Quotation - Property
CC: <LongV@leoncountyfl.gov>, <AlamP@leoncountyfl.gov>

Alan and Karen,

This morning I sent you the revised quotation from PGIT for the 10/1/2010 to 10/1/2011 property insurance renewal. In addition to being the low priced Carrier (with excellent terms, conditions, and stability) there are some other factors that you should consider as you make your decision. They are as follows:

1. PGIT has consistently been the low priced carrier for property insurance. Their direct involvement has resulted in an \$815,871.00 premium savings to Leon County over the past three years.
2. In 2009/2010, at no cost to Leon County, PGIT provided appraisal service for all locations on the Leon County property schedule. The appraisals provided much needed information on building valuation and will confirm buildings are insured to replacement cost value. By providing this service at no cost, PGIT saved Leon County thousands of dollars.
3. Leon County's relationship with both Brown & Brown and PGIT led to a \$22,924 Fireman's Fund grant awarded in September of 2009. This grant allowed the Leon County Fire Department to purchase much needed communications equipment for the Volunteer Fire Department.
4. PGIT has provided a quote for the Casualty insurance for the 2010-2011 renewal that is \$297,688 less than the FMIT quotation for the same lines of coverage.

PGIT has consistently been the low bidder on Property and Casualty insurance for Leon County since 2002. They have proven their commitment to Leon County over the years and provide a program that is strong in terms, conditions, and claims handling. We look forward to your decision and are hopeful Leon County will choose to continue the relationship with PGIT for Property and Casualty insurance coverage.

Steve Farmer

Vice President
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