



FLORIDA LEAGUE OF CITIES

Insurance ABCs - Back to Basics!

Agenda

- ▶ What is Insurance?
- ▶ The History of Insurance
- ▶ Key Insurance Terms and Definitions
- ▶ The Parts of an Insurance Policy
 - ▶ Declarations
 - ▶ Conditions of Coverage
 - ▶ Insurance Schedule
 - ▶ Definitions
 - ▶ Exclusions
 - ▶ Endorsements



▶ Types of Insurance

▶ Property

- ▶ Real & Personal Property
- ▶ Auto Physical Damage
- ▶ Inland Marine

▶ Liability

- ▶ General
- ▶ Auto
- ▶ Errors & Omissions
- ▶ Directors & Officers
- ▶ Employment Practices
- ▶ Police
- ▶ Cyber

▶ Workers Compensation



What is Insurance?



▶ What is Insurance?

- ▶ Insurance is a contract between you and an insurance company.
- ▶ You as the insured pay a premium to the insurance company to assume certain risks on your behalf.
- ▶ The insurance policy assists the organization in mitigating the total risk exposure of a loss to something more manageable.



The History of Insurance

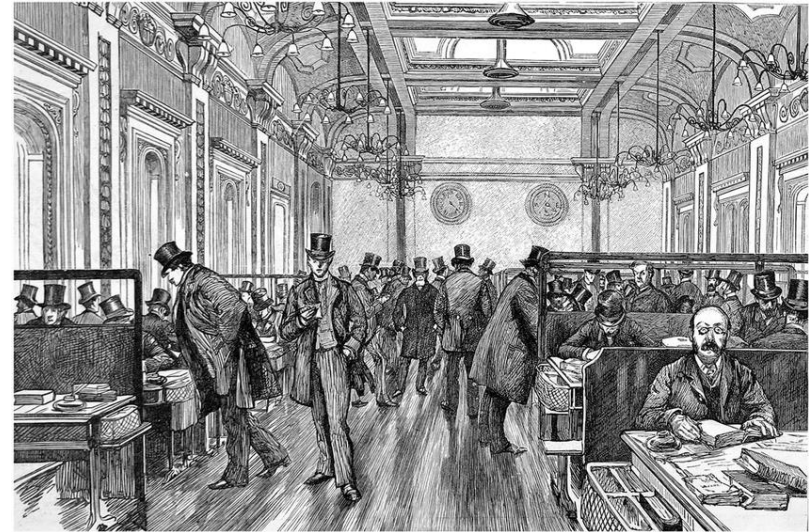
The History of Insurance

- ▶ Code of Hammurabi (1755-1750 BCE)
 - ▶ The Code describes a form of bottomry, where a ship's cargo could be pledged in exchange for a loan. Repayment of the loan was contingent upon a successful voyage. If the ship was lost at sea, the debtor did not have to repay the loan.
- ▶ Medieval Guilds (500-1500 CE)
 - ▶ Dues paid into the guild would be pooled and paid out if a guild was robbed or damaged. If a guild master was suddenly disabled or killed, the guild would support the surviving family.



The History of Insurance

- ▶ Lloyd's of London (late 1600s CE)
 - ▶ Birthplace of modern-day underwriting.
 - ▶ Coffeehouses operated as the unofficial stock exchange for the British Empire.
 - ▶ Edward Lloyd's coffee shop was the primary meeting place for merchants, ship owners, and others seeking insurance.
 - ▶ In exchange for funding merchant voyages, venture capitalists were guaranteed a portion of returns from traded goods. Manifests were examined by Lloyd's underwriters to provide security for the funding through insurance.



The History of Insurance

- ▶ Piracy and the Birth of Workers Compensation (1700s).
 - ▶ Bartholomew Roberts, better known as “Black Bart,” created first Pirate Code.
 - ▶ According to the Pirate Code, “recompense and reward each one ought to have that is either wounded or maimed in his body, suffering the loss of any limb, by that voyage.”
 - ▶ Pirates were compensated for their injuries, and also received lifetime employment on the ship.
 - ▶ Injured crew members were allowed to remain on board and offered less strenuous duty.



Key Insurance Terms and Definitions

Key Insurance Terms & Definitions



▶ Insurance Policy

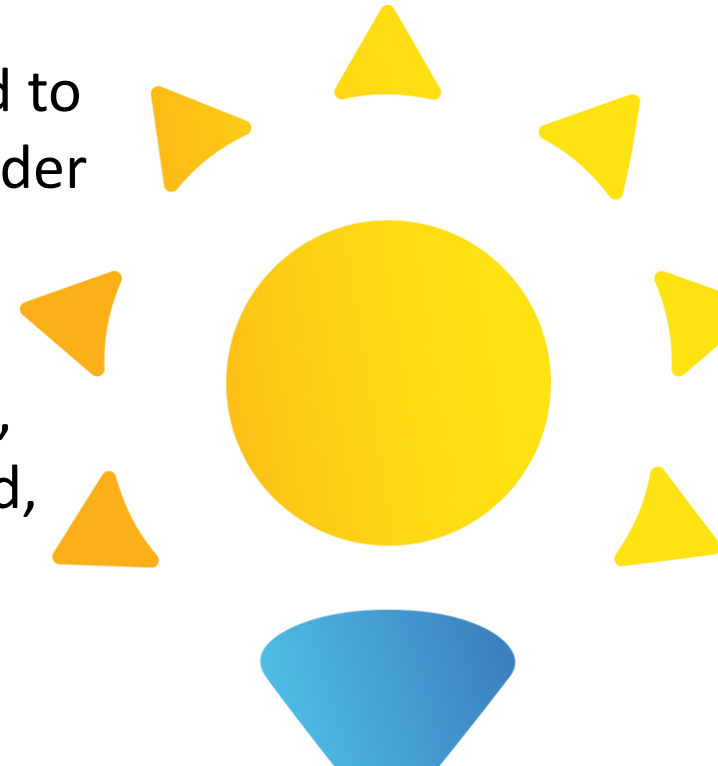
- ▶ The document detailing the terms and conditions of an insurance contract between the insured and insurer.

▶ Policy Conditions

- ▶ Provisions in an insurance policy that require the insured to comply with certain requirements to obtain coverage under the policy.

▶ Declarations

- ▶ A summary of coverage, which provides key information, including name of insured, description of item(s) covered, policy limits, and deductibles.



Key Insurance Terms & Definitions

▶ Exclusion

- ▶ A provision within an insurance policy that eliminates coverage for certain acts, property, types of damage, or locations.

▶ Endorsements

- ▶ An amendment to an existing insurance contract that changes the terms of the original policy.

▶ Reservation of Rights

- ▶ A letter provided by the insurer to the insured indicating that a claim may not be covered under the policy.



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The Parts of an Insurance Policy

Parts of an Insurance Policy

- ▶ Declarations
 - ▶ Summarizes Key Information
 - ▶ Who's the insured?
 - ▶ What coverage exists?
 - ▶ What premium was paid?

FLORIDA MUNICIPAL INSURANCE TRUST PROPERTY, ALLIED LINES AND CRIME DECLARATIONS				
I. DESIGNATED MEMBER			Agreement No.: FMIT # [REDACTED]	
II. GOVERNMENT DESCRIPTION				
III. COVERAGE PERIOD				
From October 1, 2023 to October 1, 2024 12:01 A.M. Standard Time at the address of the Designated Member.				
	Premium Basis	Deductible/Type	Limit	Net Premium
IV. Property and Allied Coverages				
Real Property*		\$500	\$47,017,259	Included
Personal Property		\$500	\$1,555,500	Included
Named Storm Coverage and Percentage Deductible				
		Refer to Named Storm Coverage and Percentage Deductible Endorsement		
Coinsurance:	Agreed Amount			
Valuation Basis:	Replacement Cost			
Blanket**:	Yes			
Inflation Guard:	No			
Non-scheduled PITO Sub-Limit*			\$490,000	Included
Time Element				
Business Income	Per Extension	\$0		Included
Extra Expense	Per Extension	\$0		Included
Inland Marine	Valuation Basis: Per Schedule	Per Schedule	\$4,624,340	Included
	Blanket: Yes			Included
Valuable Papers	Per Extension	\$0		Included
Accounts Receivable	Per Extension	\$0		Included
Crime				
Inside The Premises:				
Theft of Money and Securities		\$500	\$100,000	Included
Outside The Premises:		\$500	\$100,000	Included
Bond				
Faithful Performance Blanket Bond		\$500	\$100,000	Included
Employee Theft - Per Loss Coverage		\$500	\$100,000	Included

Parts of an Insurance Policy

- ▶ Conditions of Coverage
 - ▶ Outlines Members and Insurer's responsibilities under the Contract
 - ▶ Member's Duties after Loss:

D. Members' duties after loss:

1. give the Trust prompt written notice of any accident, occurrence or potential claim along with all relevant information concerning the claim. The Member shall have a continuing duty to provide to the Trust all relevant information promptly as the Member becomes aware of such information; and
2. cooperate fully with the Trust in defense or settlement of claims or opposition to claims bills, and in the enforcement of any right of contribution or indemnity; and
3. forward to the Trust every notice, demand, summons or other process served upon the Member relating to any occurrence, and take no further action concerning the occurrence without the approval of the Trust or the servicing agent; and
4. take reasonable steps to prevent additional or cumulative bodily injury, personal injury or property damage from or arising out of the same or similar conditions or circumstances; and
5. not engage in settlement negotiations as to any claim or suit, and the Trust shall have no obligation to pay the amount of any settlement negotiated or agreed upon by a Member without prior written approval by the Trust or the servicing agent; and
6. agree to take all reasonable actions, where appropriate, which shall facilitate settlement of claims; and
7. agree to responsible counsel selected by the Trust to defend the claim and agree not to use the City Attorney or any other in-house or contract attorney used ordinarily by the Designated Member as general counsel to its operations to defend said action, unless otherwise provided in this Trust Agreement; and
8. keep all bills, receipts and related documents that establish the amount of loss; and
9. furnish a complete inventory of the lost, damaged and destroyed property, showing in detail the quantity and amount of loss claimed under the valuation provision of the Coverage Agreement; and
10. promptly separate the damaged property from the undamaged property, and keep it in the best possible order for examination; and
11. take all reasonable steps to protect the covered property from further damage; and
12. give notice of such loss to the proper authorities if the loss may be due to a violation of the law; and
13. refrain from any intentional efforts (whether by statements, actions or agreements) that: (1) harm, undermine, injure or conflict with the known legal strategy put forth by the Trust; (2) that are against the Member's self-interest or the interest of the Trust; (3) that are contrary to the Member's pecuniary or proprietary interest, or that of the Trust; or (4) that tend to subject the Member or the Trust to liability or expand existing liability;

Parts of an Insurance Policy

- ▶ Insurance Schedule
 - ▶ Shows total insured value of each item on schedule.
 - ▶ Shows deductibles.

Property Schedule
 [REDACTED], FMIT # [REDACTED]
 October 1, 2023 - October 1, 2024

Location #	Address	Occupancy	Construction Type		
Loc	Bld	Cause of Loss - Building	Limit		
		Cause of Loss - Personal Property	Limit		
001	001	[REDACTED] NE 1st Street [REDACTED], FL	Courthouse	Masonry Non-Combustible	
		Special Form	\$5,924,100	Special Form	\$397,800
001	002	[REDACTED] NE 1st Street [REDACTED], FL	Generator: 90 KW: Natural Gas: Generac	Non-Combustible	
		Special Form	\$54,000	Special Form	\$0
003	001	[REDACTED] NE 1st Street [REDACTED], FL	Building Department Office	Joisted Masonry	
		Special Form	\$536,500	Special Form	\$34,400
004	001	[REDACTED] SE Central Avenue [REDACTED], FL	Hamilton County Health Department	Joisted Masonry	
		Special Form	\$2,047,500	Special Form	\$149,400
004	002	[REDACTED] SE Central Avenue [REDACTED], FL	Generator: 80 KW: Natural Gas: Caterpillar	Non-Combustible	
		Special Form	\$48,000	Special Form	\$0
005	002	[REDACTED] Hatley Street E [REDACTED], FL	Office of Elections "Old Jasper High School"	Masonry Non-Combustible	
		Special Form	\$231,250	Special Form	\$25,600
006	001	[REDACTED] NW 5th Avenue [REDACTED], FL	Doctors Clinic	Joisted Masonry	

Parts of an Insurance Policy

▶ Definitions

- ▶ Defines what Key Terms mean in the Contract.
- ▶ Rule of Thumb: If **bolded** or Capitalized, there's probably a definition.
- ▶ Definitions in the contract may differ from the Legal definition (i.e. occurrence vs. FS 768.28).

DEFINITIONS

The following definitions apply throughout this Coverage Agreement unless modified or excluded:

- A. **Advertising Injury**, means injury arising out of an offense committed during the Coverage Agreement period occurring in the course of the Designated Member's advertising activities if such injury arises out of libel, slander, defamation, violation of right of privacy, oral or written publication of material, misappropriation of advertising ideas or style of doing business, or infringement of copyright, title, or slogan.
- B. **Agreement Territory**, means the United States of America, its territories and possessions, Puerto Rico and Canada.
- C. **Automobile**, means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. However, "automobile" does not include "mobile equipment" and does not include any vehicle designed for travel on public roads that is operating through use of autonomous technology without a licensed driver in position to provide active control.

Parts of an Insurance Policy

▶ Exclusions

- ▶ Eliminates coverage for certain acts, property, types of damage, locations.
- ▶ Common exclusions include pollution, acts of war, intentional acts, flooding.

- R. to any liability arising in whole, or in part out of:
1. any act or omission of a Member committed while acting outside the course and scope of his employment, or committed in bad faith with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety or property;
 2. any Member obtaining remuneration or financial gain to which the Member was not legally entitled;
 3. the willful violation of any federal, state or local law, ordinance or regulation committed by or with the knowledge or consent of any Member; or
 4. violation of public trust;
- QQ. to any alleged violation of public records laws or public meetings laws contained in Chapter 119, Florida Statutes or Chapter 286, Florida Statutes, respectively, as both may be amended from time to time.

Parts of an Insurance Policy

- ▶ Endorsements
 - ▶ Changes the Insurance Contract.
 - ▶ Adds and/or removes or changes coverage.
 - ▶ If coverage for a certain type of claim is excluded, that claim may be covered under an endorsement.

THIS ENDORSEMENT CHANGES THE AGREEMENT. PLEASE READ IT CAREFULLY

LAW ENFORCEMENT LIABILITY ENDORSEMENT

It is agreed the Designated Member's coverage provided by Coverage Agreement to which this endorsement is attached is amended by the following additional terms and conditions. Unless otherwise specified herein, all terms used in this endorsement shall have the meaning set forth in the Coverage Agreement. In the event of a conflict between any of the terms or conditions of the Coverage Agreement and this endorsement, this endorsement will control how coverage shall be applied. All references to "you" or "your(s)," shall mean the Designated Member, and all references to the "Trust," "we," or "our" shall refer to the Florida Municipal Insurance Trust.

I. COVERAGE

The COVERAGE Section of the Coverage Agreement is amended to provide the Trust will pay all sums which a Member becomes legally obligated to pay as Damages because of:

Bodily Injury
Personal Injury
Advertising Injury or
Civil Rights Liability

Claims if caused by an Occurrence arising in the course of your Law Enforcement Activities during the coverage period of this Coverage Agreement.

Types of Insurance

Types of Property Insurance

▶ Real & Personal Property

- ▶ Real Property = the structure.

- ▶ Personal Property = the contents.

- ▶ Contents & Structures are generally insured separately under a commercial property policy.

▶ Specific vs. Blanket Policy

- ▶ Specific = Insured asset has a Specified Value.

- ▶ May have a coinsurance condition.

- ▶ Extremely important to have accurate values (insured responsibility).

- ▶ Blanket = Insured assets have an agreed-upon value across the entire schedule.

- ▶ If there's a shortfall in value for one asset, the blanket covers it.

- ▶ No coinsurance condition.



Types of Property Insurance

- ▶ Real & Personal Property
 - ▶ Basic vs. Special Cause of Loss Form
 - ▶ Basic = “Covered if listed, otherwise excluded.”
 - ▶ Special = “Covered unless otherwise excluded.”
 - ▶ Special COL is broader coverage.



Types of Property Insurance

▶ Auto Physical Damage

- ▶ Covers 1st party damages to scheduled vehicles.
- ▶ Comprehensive vs. Collision Coverage.
 - ▶ Comprehensive: Any cause of loss except the vehicle's collision with another object or its overturn.
 - ▶ Collision: Any cause of loss caused by the vehicle's collision with another object or its overturn.



Types of Property Insurance

▶ Inland Marine

- ▶ Covers material, products or equipment that moves or is transportable.
- ▶ Typically includes “mobile equipment.”
 - ▶ Portable Generators
 - ▶ AEDs
 - ▶ Handheld Radios
 - ▶ Heavy Equipment



Types of Liability Insurance

▶ General Liability

- ▶ Protects you from “general” claims involving bodily injury and/or property damage.
- ▶ Premise Liability claims
 - ▶ Slip/Trip & Fall
 - ▶ Negligent Maintenance
 - ▶ Failure to Maintain/Inspect
- ▶ 3rd Party Property Damage Claims
 - ▶ Sewer Backups
 - ▶ Mower Debris
 - ▶ Potholes



Types of Liability Insurance

- ▶ Auto Liability
 - ▶ Protects you from auto claims involving bodily injury and/or property damage.
- ▶ Personal Injury Protection
 - ▶ No Fault and Compulsory coverage.
 - ▶ Generally doesn't apply to 1st party in commercial applications due to Workers Compensation.
 - ▶ Often will apply to other party if no PIP afforded elsewhere.



Types of Liability Insurance

- ▶ Uninsured/Underinsured Motorist
 - ▶ Provides coverage to those injured in an auto accident where the at-fault party has no insurance or inadequate insurance.
 - ▶ Can apply in 1st party application.
 - ▶ Requires Opt-Out Signature.
 - ▶ Can be stacked or unstacked.



Types of Liability Insurance

▶ Errors & Omissions

- ▶ Provides coverage against claims resulting from a professional's errors and omissions in rendering professional services.
- ▶ Includes malpractice.
- ▶ Land Use and Constitutional violations generally will fall under this line of coverage.



Types of Liability Insurance

- ▶ Directors & Officers Liability
 - ▶ Also known as “Public Officials” liability.
 - ▶ Protects public officials named in their individual capacity from claims related to misuse of funds, misrepresentations, breaches of fiduciary duty, non-compliance, etc...



Types of Liability Insurance

▶ Employment Practices Liability

- ▶ Protects businesses from liability for alleged wrongful employment acts.
- ▶ Equal Employment Opportunity Commission (EEOC)
 - ▶ Discrimination
 - ▶ Retaliation
- ▶ Florida Commission on Human Relations (FCHR)
 - ▶ Discrimination
 - ▶ Retaliation
 - ▶ Whistleblower Retaliation

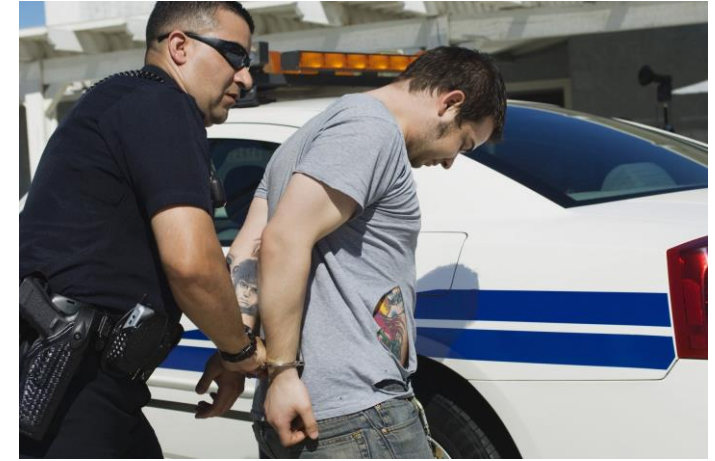
Coverages provided under EPLI



Types of Liability Insurance

▶ Police Liability

- ▶ Protects municipalities from liability arising out of law enforcement operations.
 - ▶ Claims for Wrongful Arrest
 - ▶ Intentional Torts (Battery, Malicious Prosecution).
 - ▶ Civil Rights Claims for 4th, 5th, 8th, 14th Amendment Violations.
- ▶ Generally excludes property damage resulting from Law Enforcement Operations.



Types of Liability Insurance

▶ Cyber Liability

- ▶ Protects businesses from cyber threats or breaches involving computer systems and data.
 - ▶ Ransomware.
 - ▶ Fraudulent instruction.
 - ▶ Exposure of personally identifiable information (PII).
- ▶ Can include breach response coverage, which hires attorneys and firms to notify compromised individuals.
- ▶ Often excludes hardware.



Workers Compensation

- ▶ Medical
 - ▶ Pays for medical bills for employees injured on the job.
- ▶ Lost Time
 - ▶ Pays indemnity payments equal to 2/3 of pay to an injured worker that is unable to work due to a compensable injury.
- ▶ Workers Compensation is exclusive remedy for liability claims...
 - ▶ 99% of claimants receiving workers compensation benefits cannot make a liability claim against their employer for their injury.



Questions?
