

Neel John

From: Tony.Papa@HRH.com
Sent: Monday, August 20, 2007 4:41 PM
To: Neel John
Cc: dlacamera@wgmills.com; mleake@wgmills.com; Carol McManus@HRH.com
Subject: Riverview High School - Builder's Risk Insurance
Attachments: Traveler.pdf; Hartford.pdf

Dear John:

This is to document our conversation today concerning Riverview High School, Builder's Risk Insurance.

Briefly, we are all keenly aware of the property insurance market woes which extend to the Builder's Risk Line of Insurance. At present, there are four "Standard" markets writing significant Builder's Risk Coverages in the State of Florida, Zurich, Hartford, Travelers and CNA. CNA will not undertake new coverages unless there are additional supporting lines of business already written with CNA. Issues concerning capacity and Reinsurance have made prices significantly increase over the last several years and limited availability of coverage for locations near coastal waters.

As we discussed, we have completed a very thorough marketing effort related to the Builder's Risk Insurance for Riverview High School. We submitted for quoting to the following insurance carriers:

- Zurich (Assurance Company of America) - Underwriter Rodney Hicks - 904-224-8658
- Hartford Fire Insurance Company - Underwriter Mary Dingman - 407-562-3339
- Travelers Insurance Company - Underwriter Mike Bagnall - 813-890-4041

In addition, we submitted to numerous Excess and Surplus Lines markets through our Builder's Risk Specialists as follows:

- Wood Special Risk Brokers of Florida - Underwriter Scott Griffin - 813-936-6001

You have received our preliminary indication dated August 3, 2007. As you will note, the best option with wind coverage is the Zurich indication. To date, I have not received the formal proposal from Zurich which will provide the final premiums. The underwriter has verbally indicated that the total premium pursuant to the indication as previously referenced will decrease slightly to approximately \$598,834, plus assessments. It is my understanding that the assessment must be paid even if the purchaser is a public body. The assessment should approximate an additional 5% or \$29,942. The assessments are 1% of the policy premium for the Florida Hurricane Catastrophe Fund (FHCF) and 2% per year for the Florida Insurance Guarantee Association (FIGA). I have asked the carriers to quantify these assessments for further discussion and adjustment to your favor if possible. The deductibles per occurrence are anticipated to be 5% for the Perils of Wind and Hail; \$10,000 All Other Covered Perils; \$100,000 Minimum Deductible for Water Damage and Earth Movement.

I have not received a revised indication for the lower wind sublimits that we discussed this morning.

Attached you will find the correspondence from Travelers indicating they could not provide wind coverage. Also, attached you will find correspondence from Hartford indicating they can not provide wind coverage. I have not addressed quotes from Wood Special Risk Brokers of Florida, as they are not competitive.

Should you need further assistance, please feel free to contact me.

8/21/2007

Tony Papa
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Sarasota, FL 34240
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Papa, Tony

From: McManus, Carol
Sent: Monday, August 20, 2007 4:27 PM
To: Papa, Tony
Subject: FW: W G Mills, Inc. - Riverview High School
Attachments: IH095406 doc; WGMillsRiverviewHS doc

From: Dingman, Mary (Comm Lines, Orlando/RO) [mailto:mdingman@thehartford.com]
Sent: Wednesday, July 25, 2007 11:09 AM
To: McManus, Carol
Subject: RE: W.G. Mills, Inc. - Riverview High School

Carol,

Quote attached. The only option I could provide a quote for is excluding the perils of wind and hail because the location is inland less than two miles. The Hartford's Soft Costs coverage form does not include insurance premiums, therefore, this limit is not included in the quote. Hartford Steam Boiler has not provide an Equipment Breakdown quote yet, but I didn't want to hold up the quote any longer. I will forward the Equipment Breakdown quote once I receive it. Please let me know if you have any questions.

Regards,
Mary

Mary E. Dingman
Executive Commercial Marine Specialist
The Hartford
P. O. Box 958462
Lake Mary, FL 32795-8462
Direct: 407-562-3339
Toll Free: 800-824-1732 ext. 23339
Cellular: 407-463-4301
Facsimile: 407-562-3372

From: McManus, Carol [mailto:Carol.McManus@hrh.com]
Sent: Wednesday, July 18, 2007 10:16 AM
To: Dingman, Mary (Comm Lines, Orlando/RO)
Cc: Papa, Tony
Subject: W.G. Mills, Inc. - Riverview High School

Attached you will find data for a Builder's Risk Quote for W G Mills, Inc

The intent of the School Board of Sarasota County, as they are the ultimate buyer, is to minimize the cost of Builder's Risk. We are all aware of the complexities of the property insurance market and therefore are requesting quotes as outlined below:

8/20/2007

- \$83,000,000 AOP with full \$83,000,000 Wind Coverage
- \$83,000,000 AOP with \$40,000,000 Wind Coverage
- \$83,000,000 AOP with \$50,000,000 Wind Coverage
- \$83,000,000 AOP with No Wind Coverage
- Coverage by Phases if dollar savings can be realized

The various phases of the job are as follows:

<u>Building</u>	<u>Commencement</u>	<u>Completion w/Commissioning</u>
Gym & Auditorium	10-12-07	7-20-09
Classroom, Admin, Chiller	12-12-07	8-25-09
Cafeteria/Media	2-6-08	10-9-09
Renovated Buildings	10-12-09	5-20-10

The vertical construction will be split into 3 separate contracts with the following estimated budgets:

Gym & Auditorium	\$19,380,000
Classroom, Admin, Chiller	\$42,834,000
Café/Media/Renovations	\$17,687,000

Term of construction for the primary campus will be 24 months from 10/12/07 to 10/12/09. There will be an additional renovation of approximately \$2,000,000 that will begin 10/12/09 and complete 5/20/10. Should this term complicate the Builder's Risk quotes, extending longer than 24 months, we would gladly consider a separate policy at a later date for this small renovation. The estimated budgets as noted above include this renovation.

The questionnaires show a One Hour Fire Rating; therefore, we have reclassified the construction type to category 5, Modified Fire Resistive

Soft cost breakdown will follow.

Budgets are being determined now and the quotes are needed as soon as possible Mills and the School Board will make a final decision within the next 30 days.

Thank you

Carol McManus for Tony Papa
 HRH of Southwest Florida
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Papa, Tony

From: McManus, Carol
Sent: Monday, August 20, 2007 3:57 PM
To: Papa, Tony
Subject: W.G. Mills, Inc - Riverview High School
Importance: High
Attachments: Master builders risk.pdf, master schedule and 2-3 wind loads pdf, HRH Soft Cost Info pdf

From: Gerberick, D K [mailto:KGERBERI@travelers.com]
Sent: Monday, August 20, 2007 3:43 PM
To: McManus, Carol
Cc: Morris, Laurie A
Subject: FW: W.G. Mills, Inc. - Riverview High School
Importance: High

Carol,

I pulled this project up for review on Goggle Maps and find the location is less than 5 miles to tidal waters in Sarasota County. Our wind strategies call for no new business for fixed property exposure this close to water in coastal counties.

It is my wish that you have success with your marketing endeavors for this risk. If you have questions, please let me know.

Karen Gerberick

Account Executive
Travelers Inland Marine Department
7870 Woodland Center Blvd
Tampa, FL 33614
P.O. Box 31967
Tampa, FL 33631-3967
ph: (813) 890-4125 or (800) 285-9721
fax: (866) 558-8768
e mail kgerberi@Travelers.com

Click here to see what Benefits are available to your agency from Travelers

From: Morris, Laurie A
Sent: Monday, August 20, 2007 3:32 PM
To: Gerberick, D K
Subject: FW: W.G. Mills, Inc. - Riverview High School
Importance: High

Karen,

Could you please take care of this.

8/20/2007

Thanks,

Laurie Morris
Travelers
Inland Marine Account Manager
Tampa, FL
PH: 813-890-4042
FAX: 813-890-4127

From: Carol.McManus@hrh.com [mailto:Carol.McManus@hrh.com]
Sent: Monday, August 20, 2007 3:30 PM
To: Morris,Laurie A
Cc: Tony.Papa@HRH.com
Subject: W.G. Mills, Inc. - Riverview High School
Importance: High

Mike has told us verbally that he would not be able to quote this project with wind. Please provide us with a written declination that we can present to the owner. We need this by end of day! Thanks!

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From: McManus, Carol
Sent: Monday, July 23, 2007 4:25 PM
To: 'Bagnall,Michael J'
Cc: 'Morris,Laurie A'; Papa, Tony
Subject: W.G. Mills, Inc. - Riverview High School

To supplement our previous submission, attached is the breakdown of soft costs for the above-referenced project. We will need to add the premium for the builder's risk insurance to this figure. Thank you.

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8/20/2007