ADDENDUM NO. 2

REQUEST FOR QUALIFICATIONS (RFQ) 004-LL10 FOR PROPERTY & CASUALTY INSURANCE BROKER SERVICES FOR THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
September 22, 2010

PURPOSE OF ADDENDUM

This Addendum has been prepared to respond to requests for information.

ACKNOWLEDGMENT OF ADDENDUM TO RFP

As required in the RFP, proposers are reminded that they should either acknowledge receipt of this addendum on their proposal, or attach this addendum to their proposal. In order to acknowledge receipt of this addendum on their proposal, proposers should properly complete Proposal Forms.

STATUS OF ADDENDUM

To date, this is the second (2nd) addendum that has been issued for Request for Qualifications 004-LL10, Property & Casualty Insurance Broker Services.

ADDITIONAL INFORMATION REQUESTED

The following is provided in response to proposers' specific requests for additional information:

1. Q: Please advise how long the current broker has had the Board's account.

   A: Arthur J. Gallagher Risk Management Services has been providing brokerage services to the District on various coverage lines since the 1980s.

2. Q: Please provide copies of the policies (except property), property schedules/statement of values and loss information for the last 5 years of all related lines of coverage?

   A: Please see attached property schedule and loss information. Property loss information is summarized in question #16 below. Policies will be provided to broker awarded contract.

3. Q: Please describe the Police Professional Exposure. For example, are these resource officers, which are armed and sworn police officers? Are they under the direct supervision and employed by the school district? If there is a contractual relationship, please provide a copy of the contract.

A: M-DCPS has its own separate law enforcement department, the Miami Dade Schools Police Department. Police officers are sworn officers, are armed and are employees of M-DCPS. The Miami Dade Schools Police Department has about 155 sworn officers.

4. Q: Please confirm if the Loss Control Representative is required to be permanently located on-site at the School District.

A: It is anticipated that the Loss Control Representative will be permanently located at the School District.

5. Q: We have several contractual deviations. Please confirm that these deviations can be favorably considered or discussed. We are always open to discussions for negotiation and to provide explanations for our deviations. Please keep in mind that as a publicly traded company, a plethora of documents related to the company's integrity practices and financial wherewithal are easily available. Will consideration be provided for the following contractual amendments?

   a. We are unable to furnish a copy of the actual additional insured endorsement; however, we can provide the certificate of insurance verifying requirements for additional insured.

   b. We are unable to furnish a copy of the actual endorsements providing that the required notice of cancellation will be provided. Our certificate of insurance will indicate that we will endeavor to meet these notice requirements.

   c. We are unable to provide certified copies of the policies providing coverage of the contract, but we are able to provide certificates of insurance.

   d. Under "Qualification of Broker's Insurers" it states all insurers should be A- or better with a Financial Size of VII or better. We are able to meet the requirement for A- or better and the financial size currently, however, we prefer not to be restricted in the category of Financial Size.

   e. Although we subscribe to an appropriate and comprehensive risk and insurance management program, unfortunately, we will not disclose any deductibles on our insurance program.

   f. Our attorney has requested the following modification of 4.6.1 (Hold Harmless/Indemnification):

   HOLD HARMLESS/INDEMNIFICATION
   BROKER agrees to indemnify, hold harmless and defend MDCPS, its members, officials, officers or employees from any and all claims, judgments, costs, and expenses including, but not limited to, reasonable attorney's fees, reasonable investigative and discovery costs, court costs and all other sums which MDCPS, its members,

officials, officers or employees may pay or become obligated to pay on account of any, all and every claim or demand, or assertion of liability, or any claim or action founded thereon, arising or alleged to have arisen out of the rendition or failure to render services by BROKER under this Agreement , its agents, servants or employees; the equipment of BROKER, its agents, servants or employees while such equipment is on premises owned or controlled by MDCPS; or the negligence or other culpability of BROKER or the negligence or other culpability of BROKER's agents when acting within the scope of their employment, whether such claims, judgments, costs and expenses be for damages, damage to property including MDCPS's property, and injury or death of any person whether employed by BROKER, M-DCPS or otherwise.

A: Contract Deviations will be considered. Please detail all required deviations in your proposal.

6. Q: In section III – Page 4 of the bid specs, it indicates that Contingent Commissions are not allowed by respondent or its affiliates. Please define affiliates.

A: For the purposes of this RFQ, an "affiliate" would be considered to be any entity that shares with the proposer a common parent entity that retains controlling interest in both the proposer and the entity in question. In addition, "affiliate" would also include any entity in which the proposer has any ownership interest, whether majority or minority, or any entity that has any ownership interest in the proposer, whether majority or minority.

7: Q: Has the School District received a written confirmation from the Office of Insurance Regulation that the property program is considered reasonable?

A: This has been requested for the current coverage year. Confirmation has been received for each of the previous years since 1992.

8. Q: Per RFQ #004-LL10, Exhibit C, Attachment B, Page 15 of 16, the Board advised the maximum commissions brokers and wholesalers can take on placing the Board's property and casualty insurance coverages. Please confirm the commissions that are currently taken by the Board's current broker, Arthur J. Gallagher, and respective wholesalers for all lines of coverages referenced in Exhibit D, Schedule of Insurance.

A: See attached.

9. Q: Per RFQ #004-LL10, Section I – Page 2, please provide an explanation for the $7,700,000 of coverage self-insured by the Board in the 3rd excess layer of the property program structure.

A: Please see Addendum #1.

10. Q: Please provide a copy of the Board's current property schedule which shows location addresses, zip codes, number of buildings per location, insurable value by locations/buildings. (Ref. Florida Statute §119)

A: See attached.

11. Q: Per RFQ #004-LL10, Section II – Page 4, we acknowledge receipt of sample contract. At this time, we request a complete/executed copy of current contract. (Ref. Florida Statute §119)

A: There is no current broker contract.

12. Q: Are there any other services provided by your current insurance broker whereby they are compensated in addition to their commission, such as actuarial services, loss control services, appraisal services? If so, what is the respective compensation to current broker subsidiary(ies)?

A: The current broker does not receive any additional compensation.

13. Q: Section III – Page 1 of the RFQ #004-LL10 document states that the selected broker will begin work on the Excess Property Renewal of May 1, 2011 and then handle all renewals that fall afterwards. The Board's Auto policy with Hartford expires on March 10, 2011; please confirm if this will be renewed by the current broker, or if the awarded broker would handle the renewal effective March 10th.

A: It is anticipated that the Hartford Automobile policy will be renewed by the broker awarded the contract.

14. Q: Whomever is the selected broker, other than AJG, what is the timeline for broker of record letters to be executed?

A: A timeline for broker of record letters has not been determined.

15. Q: Per the RFQ #004-LL10 document, six pages of the Board's Swiss Re Insurance policy were provided in the RFQ issuance. Please provide us with a full copy of this policy.

A: Please see attached.

16. Q: Please provide hard copy 5 year loss runs for excess property. (Should we be awarded your business, we will then ask for remaining lines of coverage hard copy loss runs.)

A: "Hard Copy" loss runs for property are not available. Paid losses are as follows:

Date of Loss:	***10/24/2005***
Description:	***Hurricane Wilma***
Amount of Loss:	***$4,337,818.14***
Status:	***Closed***
Amount Paid:	***$1,999,205.83***

Date of Loss:	***1/25/2008***
Description:	***Fire – Contractor working on roof & caused fire***
Amount of Loss:	***$315,167.97 (paid by contractor)***
Status	***Closed***
Amount Paid:	***$22,365.79 (expense only)***