

## FMIT COVERAGE AGREEMENT CHANGES

2015 – 2016 Coverage Period

Proposed material changes to items that collectively encompass the FMIT Coverage Agreement for the upcoming coverage year are summarized below:

1. Member Application form will be amended and re-named FMIT Participation Agreement.
2. Trust Member Agreement (“FMIT TRAG”) form will be amended and re-named “Conditions of Coverage,” removing duplicate items already contained in the Interlocal Agreement and Declaration of Trust creating FMIT and limited to clarifications not otherwise spelled out in the governing documents.
3. Base Coverage Agreement (“FMIT CA”) changes will include:
  - a. Definitions section will be amended as follows:
    1. Definition of “Occurrence” is expanded to clearly define that repeated incidents that all arise from a common nucleus of facts or a single government decision or policy are one occurrence.
    2. Definition of “Aircraft” added to clarify that drone aircraft are to be excluded from general liability as well as property coverage forms.
  - b. Defense and Settlement provisions will be amended to include language taken from former FMIT TRAG document regarding the FMIT’s control of defense provided.
  - c. Exclusions section will be amended as follows:
    1. Exclusion “W.” related to water overflow damages or flood-related damages tied to storm water management facilities will be amended to clarify intent to exclude all but tort-related liability under any type of flood claim fact scenario.
    2. Exclusion “QQ.” added to clarify the intent to exclude claims or suits alleging Public Records Law or Sunshine Law violations.
4. Coverage Endorsement Changes Several FMIT coverage endorsements have been amended including:
  - a. Bert Harris Act and Inverse Condemnation will be amended in response to Florida legislative changes. All claim-related defense expenses are now included within the applicable limit of coverage. Coverage offered will be limited to \$300,000 (standard coverage inclusion), and no longer offer \$500,000 or \$1Million limits, unless grandfathered under existing coverage agreements in effect for the expiring coverage year.
  - b. Errors and Omissions Liability amended E&O exclusions to also exclude coverage for non-compensatory damages under any state or federal civil rights, RICO or anti-

discrimination laws, and to also exclude claims seeking reimbursement of fines, assessments, taxes, service charges, or fees a member may have levied or collected unlawfully.

5. Base Property Coverage (“FMIT PROP 03”) FMIT property Coverage Extensions amended as follows:
  - a. Unintentional Errors and Omissions extension “S.” provision will be removed.
  - b. Non-scheduled fixture items at scheduled locations extension “V.” will be re-named “Property in the Open,” and defined “property in the open”. Changed to a simple \$1,000 per-occurrence deductible. Coverage is increased to \$25,000 per location with an annual aggregate limit of \$100,000.
6. Named-Storm Property Coverage Deductibles form will be amended to simplify application of named storm deductibles. The Coastal definitions have been deleted.
7. FMIT Excess Flood Coverage is amended to provide flood loss claims to will be adjusted based on replacement value instead of actual cash value less depreciation.
8. FMIT Terrorism Coverage form provided as an endorsement to workers’ compensation coverage will be amended to incorporate standard policy language from NCCI following this year’s renewal of the Terrorism Risk Insurance Act by Congress.