

FLORIDA MUNICIPAL INSURANCE TRUST  
TWO YEAR PREMIUM GUARANTEE AGREEMENT

October 1, 1999 – September 30, 2001

THIS AGREEMENT, made and entered into this 1<sup>st</sup> day of October, 1999 by and between the Nassau County Board of County Commissioners (FMIT 913), (hereinafter referred to as the "Member") and the Florida Municipal Insurance Trust (hereinafter referred to as the "FMIT").

WHEREAS, the FMIT has determined it is in the best interest of the FMIT to offer the Member a Two Year Premium Guarantee Plan, and

WHEREAS, the Member has determined it is in the best interest of the Member to utilize the Two Year Premium Guarantee Plan.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and obligations herein contained which are given to and accepted by each party hereof to the other, the parties to this instrument covenant, stipulate and agree as follows:

1. As used herein, the following words and phrases shall have the following meanings:
  - a. "Coverage Period" means the period as shown on the Declarations of the FMIT Agreement.

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- b. "Premium Guarantee" means that the annual net premium billed the Member for the coverage period will not be subject to adjustment from exposure audit, change in experience modifications, annual rate review and rate change by the FMIT or to change in approved participation credits.
- c. "Gross Premium" means the annual gross premium as shown on the Declarations of the FMIT Agreement for the coverage period.
- d. "Participation Credit" means equity credits, dividends, incentive credits, premium credits, and any other participation credit approved by the FMIT, and is the annual credit shown on the Declarations of the FMIT Agreement for the coverage period.
- e. "Net Premium" means the annual net premium as shown on the Declarations of the FMIT Agreement for the coverage period.
- f. "Experience Modifications" mean the factors used by the FMIT in adjusting base gross premium due to a Member's loss experience for workers' compensation, general liability (including law enforcement and public officials errors and omissions), automobile liability and automobile physical damage.
- g. "Exposure Audit" means audits conducted by the FMIT to assure exposure information provided by the Member accurately reflects actual exposures

assumed by the FMIT, which audits can result in premium adjustments to the Member under the terms of the Indemnity Agreement.

- h. "Rates" mean the annual renewal rates approved by the FMIT for the FMIT's property and casualty coverages and used for calculation of the Member's gross premiums.
  - i. "Exposures" mean the basis on which the FMIT rates are applied to develop gross premiums including but not limited to payroll, job classifications, population, law enforcement officers, vehicles, real and personal properties, and other miscellaneous exposures.
  - j. "Indemnity Agreement" means the FMIT's Indemnity Agreement, the Participation Agreement entered into between the FMIT and the member, and any other agreement, certificate document, or other instrument executed by the Member and the FMIT.
2. Subject to the terms and conditions contained in this Agreement, the Member and the FMIT agree Member's Premium Guarantee during the coverage period shall be the net premium shown on the Declarations of the FMIT Agreement.
3. The Member agrees that it will assist the FMIT by timely providing the FMIT with updated information projecting the FMIT's exposure for the October 1, 1999 fiscal year

and with any other exposure information the FMIT in good faith believes might have a material impact on the exposures to be assumed by the FMIT over the coverage period.

4. The FMIT agrees that coverage provided herein will not be canceled or non-renewed by the FMIT during the coverage period except for non-payment of premium by the Member.
5. The member agrees that coverage accepted herein will not be canceled or non-renewed by the Member during the coverage period.
6. If, during the coverage period, the member cancels or non-renews the coverage or if coverage is canceled by the FMIT for non-payment of premium, the member shall be liable for liquidated damages for breach of this Agreement, calculated at ten percent (10%) of the net premium unearned by the FMIT for the coverage period, plus any additional premium that, but for this Agreement, would otherwise have been due and owing the FMIT as a result of exposure audits under the Indemnity Agreement. This provision for liquidated damages is agreed upon between the parties due to the inability of computing the loss of value to the FMIT of the unexpired portion of the Member's coverage period under this Agreement.
7. In the event the Member fails to pay monies due and owing hereunder, the FMIT shall be entitled to recover from the Member all costs and expenses incurred by the FMIT in collecting any such monies, including reasonable attorney's fees, costs, prejudgment interest, and any other reasonable and related expenses of collection.

8. In the event of conflict, the provisions of this Agreement shall prevail over any provisions contained in the Indemnity Agreement. Provisions of the Indemnity Agreement not in conflict with the provisions of this Agreement shall remain in full force and effect.

Board of County Commissioners  
Nassau County, Florida

11-15-99

Member Name

Date

[Signature]  
Elected Official or Other Official

Chairman

Title

Witness

FLORIDA MUNICIPAL INSURANCE  
TRUST

11/19/99  
Date

[Signature]  
Authorized Representative

Underwriting Manager  
Title

[Signature]  
Witness

Approved as to form by the  
Nassau County Attorney:

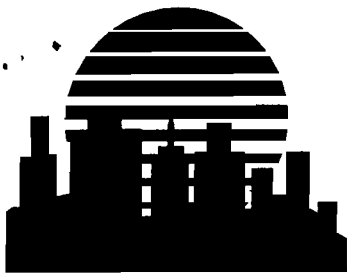
[Signature]  
MICHAEL S. MULLIN

ATTEST:

[Signature]  
J. M. "Chip" Oxley, Jr.  
Its: Ex-Officio Clerk

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# FLORIDA LEAGUE OF CITIES, INC.

PUBLIC RISK SERVICES

Administration/  
Marketing  
Fax 407-425-9378

Risk Control  
Fax 407-245-0915

Underwriting  
Property & Casualty  
Fax 407-317-7181  
Health  
Fax 407-999-5531

Post Office Box 530065  
135 East Colonial Drive  
Orlando, FL 32853-0065  
800-445-6248  
407-425-9142  
Suncom 344-0725

Health Claims  
Post Office Box 538140  
Orlando, FL 32853-8140  
800-756-3042  
407-245-0725  
Suncom 344-0725  
Fax 407-425-6439

Workers'  
Compensation Claims  
Post Office Box 538135  
Orlando, FL 32853-8135  
800-756-3042  
407-245-0725  
Suncom 344-0725  
Fax 407-245-0918

Property &  
Liability Claims  
Post Office Box 538135  
Orlando, FL 32853-8135  
800-756-3042  
407-245-0725  
Suncom 344-0725  
Claims  
Fax 407-425-9378  
Litigation  
Fax 407-317-7015

November 22, 1999

Ms. Sharon Machuga  
Risk Management Coordinator's Office  
Nassau County Board of County Commissioners  
3163 Bailey Road  
Fernandina Beach, FL 32034

Re: FMIT Two Year Premium Guarantee Agreement

Dear Ms. Machuga:

Enclosed please find one (1) fully executed agreement for our two year premium guarantee program. This signed agreement is for your file and the other one we have kept for our files.

We are pleased that you continue to support the Florida Municipal Insurance Trust and look forward to our valued relationship.

Please call me call if you have any questions.

Sincerely,

Byron Beard  
Underwriting Manager

BB/vmm

Enclosure

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