

**ATTACHMENT B
EXHIBIT B
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The following additional special conditions also apply to this contract for insurance.

SECTION 1. Cancellation / Nonrenewal.

All cancellations or non-renewals must be calculated on a pro-rata basis and must adhere to the requirements of Florida law. For the purpose of this clause, pro-rata means, in the case of cancellation of an insurance policy, the return of the Premium for the unexpired term of the policy, without penalty for interim cancellation. The Department reserves the right to cancel the Insurance Policy at any time by providing written notice to the Broker at least 30 (thirty) days prior to the effective date of cancellation. Such cancellation request will be mailed to the Broker's Contract Manager Cancellation notices from the Insurer will be as provided for in the Insurance Policy and must be mailed to the Department's Contract Manager.

SECTION 2. Premiums.

All premiums are to be fixed for the full policy term. Rate or premium de-escalation is permissible at any time during the Contract term. The Broker must return any overpayment to the Department or Customer within 40 calendar days after discovery by the Broker or its independent auditor, or notification by the Department or Customer of the overpayment.

SECTION 3. Premium Invoicing.

In addition to the requirements of Special Contract Conditions section 3.3, Payment Invoicing, the following applies.

- a) Premiums will be invoiced annually at Policy Inception for each Named Insured, and as additions and deletions to the policy dictate.
- b) Invoices are to be issued in the name of each Named Insured, c/o State of Florida - Department of Management Services. Invoices must include an invoice number, the insurance company name, the insurance policy number, effective dates of coverage, a description of the coverage, payment due date, and a remittance address. Invoices must contain detail sufficient for an audit and contain the Broker's Federal Employer Identification Number.
- c) All invoices must be provided in writing to the Named Insured and to the Department's Contract Manager. Payment by the Named Insured will be made in accordance with section 215.422, Florida Statutes. The Department may assist the Broker in securing these payments to the best of its ability.

SECTION 4. Transaction Free Exempt.

In addition to the requirements of Special Contract Conditions section, 3.7, Transaction Fees, the Broker' must pay the Transaction Fees unless the transaction is considered exempt per Rule 60A-1.031 Florida Administrative Code.

SECTION 5. Policy Administration.

The Broker must aid in the fulfillment of all obligations to the Department and its Named Insureds as provided for under the policy that results from this ITB, hereby incorporated by reference. The Broker will, at a minimum: communicate with the Insurer on all changes to the policy requested by the Department; provide endorsements for changes to the policy schedule; forward premium payments to the Insurer, as appropriate; and assist in the filing of claims and claim settlement refunds. Any failure by the Broker to provide policy administration to the Department will constitute a breach of contract.

SECTION 6. Claims Settlement.

Claims must be submitted by the Named Insured to the Broker as outlined in the Insurance Policy that results from this contract. The Department must be notified in writing at the time the claim is filed by the Broker or Underwriter of all Claims submitted during the policy period by any Named Insured. The Broker must coordinate with the Named Insured filing the Claim on any details required by the Broker to ensure proper settlement.

The Broker is to track all claims submitted and identify which Named Insured filed the claim. Any settlement checks must be issued in the name of the Named Insured that filed the Claim, c/o State of Florida - Department of Management Services. Settlement checks must include: policy name and number; the Named Insured who filed the claim; date of loss; total claim filed, deductible, check number and check amount. Whenever possible, a letter on appropriate letterhead from the Broker or Underwriter should accompany the claim settlement check.

The Broker will provide Claim settlement checks directly to the Named Insured filing the claim, and the Broker will provide a copy of the settlement check to the Department's Contract Manager.

SECTION 7. Loss Reporting.

The Broker must submit a Claim and loss summary report annually to the Department's Contract Manager. The Department reserves the right to request loss runs at any time during the policy period.

SECTION 8. Broker License.

The Broker, for the duration of the Contract term, must hold current and valid Florida resident or non-resident insurance licenses in the appropriate line of business for the insurance coverage provided under the Contract.

SECTION 9. Underwriting Information.

The Underwriter is not obligated to provide coverage for a risk determined to be inappropriate for the coverage described in this Contract.

The Department, Broker, or Underwriter have the right to refuse coverage to any State University System (SUS) eligible user as described by Section 1000.21(6), Florida Statutes, with adverse loss histories, or those requesting coverage after having secured private coverage of a similar nature and requesting to join or rejoin the policy after an absence of coverage under an insurance policy procured by the Department.

SECTION 10. Additions/Deletions.

The Department reserves the right to request additions to or deletion from existing coverages or exposures stated in the Insurance Policy on behalf of the Named Insured when deemed to be in the State's best interest.

Additions in coverage or exposure must be consistent with current Contract Insurance Policy rates, terms, and conditions. However, the insurer is not required to accept the state's addition if it can document that such addition results in an exposure change warranting a change in current Contract Insurance Policy rates, conditions, or terms. The Broker and Underwriter have 30 days from receipt of the Department's request to accept or reject a new Named Insured to the State policy and receipt of all previous and current coverage information, including loss history.

Upon acceptance by the Contactor and Underwriter, the Broker will invoice the Named Insured as indicated above.

The Broker or Underwriter will provide premium refund checks to the Named Insured, as appropriate, when changes are made to individual Named Insureds schedules. Refund checks may be provided directly to the Named Insured. The Broker will provide a copy of all refund checks to the Department's Contract Manager for the contract file.

SECTION 11. Independent Broker.

The Broker and its employees, agents, representatives, and subcontractors are not employees or agents of the Department and are not entitled to the benefits of State of Florida employees. The Department will not be bound by any acts or conduct of the Broker or its employees, agents, representatives, or subcontractors. The Broker agrees to include this provision in all of its subcontracts under the Contract.

SECTION 12. Insurer Serviceability.

The Broker will notify the Department's Contract Manager of any concerns regarding the ability to provide ongoing services, Claims settlement, or any diminished actions including, but not limited to, the reduction in the financial rating of the insurer providing coverage subsequent to contract award. Failure to notify the Department of concerns may, at the Department's option result in termination of the Insurance Policy.

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