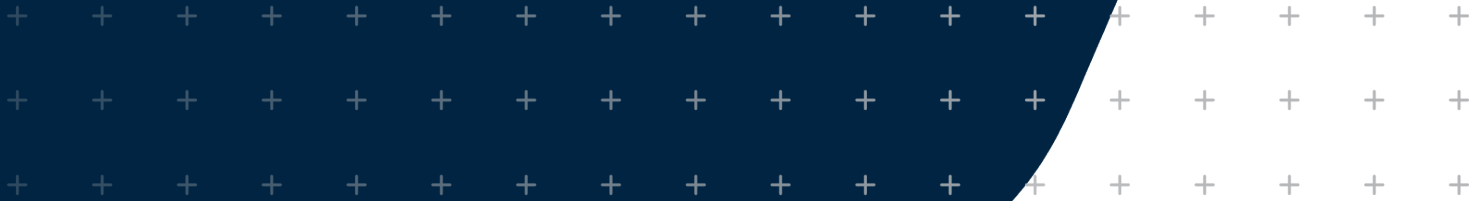




INSURANCE PROPOSAL
**TOPEKA METROPOLITAN
TRANSIT AUTHORITY**

December 18, 2023





ABOUT IMA

IMA Financial Group, Inc. (IMA) is one of the largest and fastest growing privately held insurance brokerage firms in the United States.

Our performance and customer loyalty speaks volumes of IMA's commitment to protecting assets and making a difference. In fact, over the past five years IMA has doubled our revenue while retaining our customers.



BUSINESS STRENGTH

Over \$640 Million in Revenue



CARRIER RELATIONSHIPS

Over \$8 Billion in Premium Placed Annually



EMPLOYEE-OWNED

2,000+ Owners Focused on Clients' Success



IMA FOUNDATION

Community Focused



CLIENT FOCUSED

96% Client Retention Rate



GLOBAL REACH

Clients in all 50 States + Over 100 Countries

YOUR IMA TEAM

More Than Just Insurance.

Building, Developing & Maintaining **Relationships.**

Protecting Assets Is What We Do,

Making A Difference Is Who We Are.



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EXECUTIVE SUMMARY

Overall State of the Market: Property and Casualty premiums increased for the 24th consecutive quarter as of Q3 in 2023, with an average increase of roughly 8%. Property specifically continues to have the highest reported increase due to natural catastrophe losses as well as rising property values. On the Casualty side, the cost of litigation is driving a higher severity of a claim when they occur, which has led to continued increases.

Given the strong relationship with carriers, we did not market this year. All renewal quotes remain with the Incumbent carriers as they offered very favorable terms. With this year's increased exposures, IMA was able to secure a fairly flat renewal, with overall premium being up only 1%.

ONEBEACON (INTACT)

Property and Inland Marine

- + The property market continues to see change with large catastrophic losses and inflation causing higher costs of construction. Carriers are having to adjust both valuations and rates across the board in order to recoup some losses.
- + Intact and Topeka Metro have a long-standing relationship which has resulted in fair renewals over the years. This year's rate remained flat which resulted in the only increase in premium coming from higher values.
- + Intact noted that they would likely want to step away if/when the EV buses are stationed at your facility, as there is a large fire risk involved with those batteries.
- + We have approached Travelers about this opportunity, and they showed interest in the property and inland marine should Intact step away, just at a higher premium and larger deductibles. Formal pricing to come.

TRAVELERS

General Liability

- + There was a 6% rate increase applied on this line, all driven by market factors such as severity of claims and increased cost of litigation. Average general liability increases are between 5-10% across industries.

Auto

- + Auto coverage continues to be a difficult line of coverage for Insurers due to high loss ratios. Travelers came in with a 22% increase in rate while also increasing the deductibles. IMA continues to push to lower this but it's unlikely that Travelers will adjust. When looking at your risk, their bigger concern is not with the frequency of losses but rather the severity if one occurs.

EXECUTIVE SUMMARY (CONTINUED)

Workers Compensation

- + This coverage continues to have a positive return for Travelers. Topeka Metro's EMOD was lowered from .92 to .88 as losses from prior years continue to drop off.
- + Total payroll increased by 10% but we saw a decrease in rate. This resulted in a 1% decrease in premium.

Law Enforcement Liability

- + The number of officers did not change and rate went down, resulting in a slight decrease on this coverage. As we noted last year, this line of coverage must meet a minimum premium with the carrier.

Crime

- + Coming off a two-year policy, Travelers renewed this line with the same terms. There was a favorable rate decrease which resulted in a 10% decrease in premium. This will be good through the 2025 term.

Cyber

- + The cyber market continues to see improvement each year. Your policy with At-Bay qualified for an auto renewal quote which came in flat. The only increase is due to a small fee for an enhanced security feature. They performed a scan on your network and provided some feedback, which we will provide separate to this document.

Management Liability

- + Even with a small increase in revenue there was a 5% decrease in premium on this line. Travelers continues to write this with the same terms and conditions.

IMA FEE

The fee this year is \$19,000 per the agreement signed in 2022. There is a copy included on page 9.

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PREMIUM & RATE COMPARISON

EXPOSURE

| COVERAGE | RATING BASIS | 2023-24 | 2024-25 | VARIANCE |
|---------------------------------|-----------------------------|---------------|---------------|------------|
| Property | Per \$100 in Values | \$ 12,596,265 | \$ 13,324,431 | 6% |
| Inland Marine | Per \$100 in Values | \$ 16,836,535 | \$ 18,429,634 | 9% |
| General Liability (incl EBL) | Square-Footage | 40,000 | 40,000 | 0% |
| Automobile | Count | 12 | 12 | 0% |
| Workers Compensation | Per \$100 Payroll | \$ 3,525,736 | \$ 3,865,236 | 10% |
| Law Enforcement Legal Liability | Number of Officers | 2 | 2 | 0% |
| Management Liability, EPL | Revenue | \$ 10,803,459 | \$ 11,192,392 | 4% |
| Crime | Employees w access to funds | 10 | 10 | 0% |
| Cyber Liability | Revenue | \$ 10,803,459 | \$ 11,192,392 | 4% |

AVERAGE RATES

| AVERAGE RATES | RATING BASIS | 2023-24 | 2024-25 | VARIANCE |
|--------------------------------|-----------------------------|---------|---------|-------------|
| Property | Per \$100 in Values | 0.246 | 0.246 | 0% |
| Inland Marine | Per \$100 in Values | 4.27 | 4.32 | 1% |
| General Liability (incl EBL) | Square-Footage | 155.90 | 164.63 | 6% |
| Automobile | Count | 1,498 | 1,829 | 22% |
| Workers Compensation | Per \$100 Payroll | 2.74 | 2.72 | -1% |
| Experience Modification Factor | | 0.92 | 0.88 | |
| Management Liability, EPL | Revenue | 0.12 | 0.11 | -5% |
| Crime | Employees w access to funds | 436.80 | 395.20 | -10% |
| Cyber Liability | Revenue | 0.037 | 0.036 | -3% |

PREMIUM

| PREMIUM | 2023-24 | ADJUSTED PREMIUM
(RENEWAL EXPOSURE AT
EXPIRING RATE) | 2024-25 | VARIANCE |
|---------------------------------|----------------------|--|----------------------|-------------|
| Property | \$ 31,047.00 | \$ 32,841.77 | \$ 32,828.00 | 0% |
| Inland Marine | \$ 71,849.00 | \$ 78,647.46 | \$ 79,603.00 | 1% |
| General Liability (incl EBL) | \$ 6,236.00 | \$ 6,236.00 | \$ 6,585.00 | 6% |
| Automobile | \$ 17,971.00 | \$ 17,971.00 | \$ 21,949.00 | 22% |
| Workers Compensation | \$ 96,525.00 | \$ 105,819.58 | \$ 105,134.00 | -1% |
| Law Enforcement Legal Liability | \$ 3,252.00 | \$ 3,252.00 | \$ 3,100.00 | -5% |
| SL taxes, fees | \$ 560.82 | \$ 451.10 | \$ 448.35 | |
| Management Liability, EPL | \$ 12,715.00 | \$ 13,172.75 | \$ 12,498.00 | -5% |
| Crime | \$ 4,368.00 | \$ 4,368.00 | \$ 3,952.00 | -10% |
| Cyber Liability | \$ 3,984.00 | \$ 4,127.43 | \$ 3,984.00 | -3% |
| SL taxes, fees | \$ 345.04 | \$ 247.65 | \$ 379.52 | |
| Fee Agreement | \$ 18,000.00 | \$ 19,000.00 | \$ 19,000.00 | |
| TOTAL PREMIUM | \$ 266,852.86 | \$ 286,134.73 | \$ 289,460.87 | 1% |

+ Commissions collected are estimated to be \$1,952 which will be deducted from the 2024 Fee

POLICY DIGEST

| COVERAGE TYPE | CARRIER | POLICY NUMBER | POLICY TERM | COVERAGES | | RETENTIONS | | PREMIUM |
|-----------------------|-----------------------------|---------------|---------------------|--|---------------|---|-----------------------------------|----------------------|
| Property | OneBeacon | TBD | 1/1/2024 - 1/1/2025 | Total Insurable Values | \$ 13,324,431 | | | \$ 32,828 |
| | | | | Business Income & Extra Expense | \$ 250,000 | Basic Deductible | \$ 10,000 | |
| | | | | Flood | \$ 1,000,000 | Flood Deductible | \$ 100,000 | |
| | | | | Earthquake Limit | Not Included | Bus Stop Deductible | \$500 Per Location / \$10,000 Max | |
| Inland Marine | OneBeacon | TBD | 1/1/2024 - 1/1/2025 | Total Schedule Equipment Limit | \$ 18,429,634 | Basic Deductible | \$ 15,000 | \$ 79,603 |
| | | | | Flood Limit | \$ 7,143,011 | Flood Deductible | \$ 100,000 | |
| | | | | Earthquake Limit | Included | Phys. Damage Deductible (Buses in Motion) | Less Than \$250,000 is \$25,000 | |
| | | | | | | Phys. Damage Deductible (Buses in Motion) | More Than \$250,000 is \$50,000 | |
| General Liability | Travelers | 660-9B177360 | 1/1/2024 - 1/1/2025 | Each Occurrence | \$ 1,000,000 | Per Injury | NIL | \$ 6,585 |
| | | | | Personal & Advertising Injury | \$ 1,000,000 | | | |
| | | | | Damage to Rented Premises | \$ 300,000 | | | |
| | | | | Medical Expense | \$ 5,000 | | | |
| | | | | General Aggregate | \$ 2,000,000 | | | |
| | | | | Products/Completed Operations | \$ 2,000,000 | | | |
| | | | | Employee Benefits Each Occurrence | \$ 1,000,000 | Deductible | \$ 1,000 | |
| | | | | Employee Benefits Aggregate | \$ 3,000,000 | | | |
| Auto Liability | Travelers | BA-9B222058 | 1/1/2024 - 1/1/2025 | Per Occurrence | \$ 1,000,000 | Comprehensive | \$ 2,000 | \$ 21,949 |
| | | | | Symbols – | | Collision | \$ 2,500 | |
| | | | | Liability | 7,8,9 | | | |
| | | | | Physical Damage | 7 | | | |
| Workers' Compensation | Travelers | UB-9J64759A | 1/1/2024 - 1/1/2025 | Work Comp | Statutory | Deductible | \$ 5,000 | \$ 105,134 |
| | | | | EL, accident | \$ 1,000,000 | | KS | |
| | | | | EL, Disease, each employee | \$ 1,000,000 | | | |
| | | | | EL, Disease, aggregate | \$ 1,000,000 | | | |
| Law Enforcement Legal | Indian Harbor Insurance Co. | TBD | 1/1/2024 - 1/1/2025 | Max Limit of Liability – Each Occurrence | \$ 1,000,000 | Retention | \$ 10,000 | \$ 3,100 |
| | | | | Max Aggregate Limit of Liability | \$ 2,000,000 | | | |
| Management Liability | Travelers | ZLP-14T63447 | 1/1/2024 - 1/1/2025 | Public Entity Management Liability | | Public Entity Mgmt. Liability | \$ 10,000 | \$ 12,498 |
| | | | | Each Wrongful Act Limit | \$ 1,000,000 | | | |
| | | | | Aggregate Limit | \$ 1,000,000 | | | |
| | | | | Retroactive Date | 1/1/2016 | | | |
| | | | | Employment Related Practices Liability | | Each Wrongful EPL (Damage & Expense) | \$ 15,000 | |
| | | | | Each Wrongful Employment Practices Offense Limit | \$ 1,000,000 | | | |
| | | | | Aggregate Limit | \$ 1,000,000 | | | |
| | | | | Retroactive Date | 3/3/2011 | | | |
| Crime | Travelers | TBD | 1/1/2024 - 1/1/2026 | Computer Fraud | \$ 50,000 | Deductible | \$ 1,000 | \$ 3,952 |
| | | | | Funds Transfer Fraud | \$ 50,000 | | | |
| | | | | Forgery or Alteration | \$ 50,000 | | | |
| | | | | Money Orders & Counterfeit Money | \$ 50,000 | | | |
| Cyber | At-Bay | TBD | 1/1/2024 - 1/1/2025 | Each Claim or Event | \$ 1,000,000 | Retention | \$ 5,000 | \$ 3,984 |
| | | | | Aggregate Limit | \$ 1,000,000 | | | |
| TOTALS | | | | | | | | \$ 269,633.00 |



PROPERTY SCHEDULE

| Location Number | Building Number | Location Address | Building Description | Building Amount | BI Amount | BPP Amount | Total Insured Value |
|-----------------|-----------------|-------------------------|----------------------|---------------------|------------------|--------------------|---------------------|
| 1 | 4 | 201 North Kansas Avenue | Gasoline Tanks/Pumps | \$80,000 | Included | \$75,000 | \$155,000 |
| 1 | 3 | 201 North Kansas Avenue | Storage | \$25,000 | Included | \$25,000 | \$50,000 |
| 1 | 2 | 201 North Kansas Avenue | Storage | \$40,000 | Included | \$40,000 | \$80,000 |
| 1 | 1 | 201 North Kansas Avenue | Office/Bus Storage | \$3,980,866 | \$250,000 | \$1,030,000 | \$5,260,866 |
| 2 | 1 | 200 NW Crane Street | Maintenance Building | \$2,248,565 | Included | \$1,250,000 | \$3,498,565 |
| 3 | 1 | 820 Quincy | Bus Terminal | \$3,780,000 | | \$500,000 | \$4,280,000 |
| | | | | \$10,154,431 | \$250,000 | \$2,920,000 | \$13,324,431 |

AUTO SCHEDULE

| Year | Make | Model | VIN | Comprehensive Deductible | Collision Deductible |
|------|-----------|-----------------|-------------------|--------------------------|----------------------|
| 2005 | Ford | F450 | 1FDXF47Y85KB85646 | \$2,000 | \$2,500 |
| 2011 | Chevrolet | Impala | 2G1WF3EK4B1214831 | \$2,000 | \$2,500 |
| 2011 | Chevrolet | Suburban | 1GN5C5E02BR25409 | \$2,000 | \$2,500 |
| 2005 | Chevy | Silverado | 1GCEC19Z25Z297201 | \$2,000 | \$2,500 |
| 2006 | Chevy | Silverado 1500 | 1GCEC14XX6Z300630 | \$2,000 | \$2,500 |
| 2019 | Chevrolet | Equinox | 3GNAXSEV8KS587857 | \$2,000 | \$2,500 |
| 2019 | Chevrolet | Equinox | 3GNAXSEV2KS589149 | \$2,000 | \$2,500 |
| 2019 | Ford | Transit | NM0LS7E28K1417869 | \$2,000 | \$2,500 |
| 2019 | Ford | F150 | 1FTEX1CP4KKD76028 | \$2,000 | \$2,500 |
| 2019 | Ford | Super Duty | 1FT7X2B60K5007996 | \$2,000 | \$2,500 |
| 2019 | Ram | ProMaster Cargo | 3C6TRVAG7KE539034 | \$2,000 | \$2,500 |
| 2019 | Ram | ProMaster Cargo | 3C6TRVAG0KE539036 | \$2,000 | \$2,500 |

BUSES & EQUIPMENT SCHEDULE

| Topeka Metropolitan Transit Authority
Revenue Vehicles - Mileage and Replacement Cost
January 1, 2024 - January 1, 2025 | | | | |
|---|----------------------------|-------------------|------------------|------------------|
| Vehicle Number | Vehicle Type | Vehicle ID | Odometer Reading | Replacement Cost |
| Fixed Route Buses | | | | |
| 366 | 2011 Gillig 35' | 15GGB2712B1180249 | 441,979 | \$633,858 |
| 367 | 2011 Gillig 35' | 15GGB2719B1180250 | 430,697 | \$633,858 |
| 368 | 2011 Gillig 35' | 15GGB2710B1180251 | 437,881 | \$633,858 |
| 369 | 2011 Gillig 35' | 15GGB2712B1180252 | 418,128 | \$633,858 |
| 370 | 2011 Gillig 35' | 15GGB2714B1180253 | 427,641 | \$633,858 |
| 372 | 2011 Gillig 35' | 15GGB2718B1180255 | 420,876 | \$633,858 |
| 373 | 2011 Gillig 35' | 15GGB271XB1180256 | 433,070 | \$633,858 |
| 375 | 2011 Gillig 35' | 15GGB2713B1180258 | 435,540 | \$633,858 |
| 376 | 2011 Gillig 35' | 15GGB2715B1180259 | 437,085 | \$633,858 |
| 377 | 2011 Gillig 35' | 15GGB2711B1180260 | 417,124 | \$633,858 |
| 379 | 2011 Gillig 35' | 15GGB2715B1180262 | 444,247 | \$633,858 |
| 380 | 2011 Gillig 35' | 15GGB2717B1180263 | 430,800 | \$633,858 |
| 381 | 2011 Gillig 35' | 15GGB2719B1180264 | 440,645 | \$633,858 |
| 382 | 2014 Gillig 35' | 15GGB2715E1184266 | 312,212 | \$633,858 |
| 383 | 2014 Gillig 35' | 15GGB2715E1184267 | 319,485 | \$633,858 |
| 384 | 2014 Gillig 35' | 15GGB2715E1184268 | 293,843 | \$633,858 |
| 385 | 2014 Gillig 35' | 15GGB2715E1184269 | 317,722 | \$633,858 |
| 386 | 2014 Gillig 35' | 15GGB2715E1184270 | 324,938 | \$633,858 |
| 387 | 2014 Gillig 35' | 15GGB2715E1184271 | 317,058 | \$633,858 |
| 388 | 2014 Gillig 35' | 15GGB2715E1184272 | 326,266 | \$633,858 |
| 389 | 2014 Gillig 35' | 15GGB2715E1184273 | 328,967 | \$633,858 |
| 390 | 2014 Gillig 35' | 15GGB2715E1184274 | 327,995 | \$633,858 |
| 391 | 2014 Gillig 35' | 15GGB2715E1184275 | 316,601 | \$633,858 |
| 392 | 2023 Gillig G27B | 15GGB2718P3198587 | 6,474 | \$633,858 |
| 393 | 2023 Gillig G27B | 15GGB271XP3198588 | 5,968 | \$633,858 |
| 394 | 2023 Gillig G27B | 15GGB2711P3198589 | 6,191 | \$633,858 |
| Paratransit Buses - Active Fleet | | | | |
| 241 | 2013 Glaval Cutaway | 1FDXE4FS8DDA30955 | 164,607 | \$150,000 |
| 242 | 2013 Glaval Cutaway | 1FDXE4FSXDDA30956 | 171,416 | \$150,000 |
| 243 | 2013 Glaval Cutaway | 1FDXE4FS1DDA30957 | 163,204 | \$150,000 |
| 244 | 2013 Glaval Cutaway | 1FDXE4FS3DDA30958 | 169,220 | \$150,000 |
| 246 | 2013 Glaval Cutaway | 1FDXE4FS1DDA30960 | 172,655 | \$150,000 |
| 247 | 2013 Glaval Cutaway | 1FDXE4FS3DDA30961 | 176,898 | \$150,000 |
| 249 | 2013 Glaval Cutaway | 1FDXE4FS6DDA36138 | 171,028 | \$150,000 |
| 251 | Independence | 1FDEU6PG9LKB55117 | 26,260 | \$150,000 |
| 252 | Independence | 1FDEU6PG9LKB55120 | 26,687 | \$150,000 |
| 253 | Independence | 1FDEU6PG0LKB55119 | 25,953 | \$150,000 |
| 254 | Independence | 1FDEU6PG0LKB55118 | 25,686 | \$150,000 |
| 255 | Independence | 1FDEU6PG0LKB55121 | 22,468 | \$150,000 |
| Paratransit Buses - Contingency Fleet | | | | |
| Equipment | | | | |
| 510 | 2003 Tennant 6400 Sweeper | 6400-3428 | | \$40,000 |
| 513 | 2011 Doosan Forklift | G30P-5DF | | \$55,090 |
| 514 | 2022 S76 Skid Steer Loader | B4CD21143 | | \$54,236 |

| | | |
|-----------------------------|-------------------|---------------------|
| Total Active Fixed | 8,813,242 | \$16,480,308 |
| Total Active Paratr. | 1,316,082 | \$1,800,000 |
| Total Active Fleet | 10,129,324 | \$18,280,308 |
| Total Contingency | | |
| Total Equipment | | \$149,326 |
| Grand Total | 10,129,324 | \$18,429,634 |

IMA FEE AGREEMENT

Schedule B – Compensation for Services

1. Client shall pay to IMA as compensation for the Services provided by IMA to Client for the annual period described above the sum of \$95,000.00. Such annual fee shall be due and payable annually commencing 04/01/2022 per the following schedule:

| | |
|-------------|----------|
| 4/1/2022-23 | \$17,000 |
| 4/1/2023-24 | \$18,000 |
| 4/1/2024-25 | \$19,000 |
| 4/1/2025-26 | \$20,000 |
| 4/1/2026-27 | \$21,000 |

Said fee is deemed fully earned upon execution of this Agreement and Client agrees that such fee is for fees in lieu of commissions for the services described in Schedule A. Client further acknowledges and agrees that because such fee is in lieu of any commission Client will be paying a premium amount on the Schedule A insurance policies on a net of commission basis that takes into account that the insurance carrier is not paying a commission to IMA.

All efforts will be made to negotiate placements for the Schedule A insurance policies on a net of commission basis. If IMA is unable to negotiate placements on a net of commission basis, IMA will notify the Client and apply the amount of commission to the fee due hereunder to be set forth on the invoice statement.

2. Payment of all invoices submitted to the Client will be made pursuant to the invoice due date. In the event Client does not remit timely payment, IMA reserves the right to terminate this Agreement. Upon such termination, all further obligations of IMA are terminated automatically, and this Agreement is void and has no further force or effect.
3. It is understood that other benefit management or insurance services may be undertaken by IMA from time to time by mutual agreement of the parties. The parties agree to amend this Agreement as necessary to describe the additional services and compensation payable to IMA for such services.

There are numerous factors contributing to our success, some of which we believe include:

EXPERIENCE

IMA has over 45 years of proven experience within the insurance brokerage industry.

EMPLOYEE OWNED

IMA is proud to be employee-owned.

MARKET CLOUT

IMA places over \$8 billion in insurance premiums annually.

REACH

IMA has relationships with insurance carriers with extensive expertise.

CLIENT SERVICE

In today's turbulent insurance market, we believe that IMA provides the right products at a competitive price and with superior service.

CLAIMS

We are your advocate. Prompt reporting, early intervention, aggressive investigation, timely settlements and excellent communication are the foundation of our Claims Management philosophy.

RISK CONTROL

IMA's Risk Control Department is staffed with experienced professionals. From strategic planning to implementation, our Risk Control services are designed around your needs.

SPECIALTY PRACTICES

IMA's industry practices are the foundation of our growth and our knowledge in these unique market segments is unequaled amongst our peers.

“**PROTECTING ASSETS IS WHAT WE DO,
MAKING A DIFFERENCE
IS WHO WE ARE.**

- ROB COHEN, Chairman & CEO, IMA Financial Group



About IMA Financial Group

Based in North America, IMA Financial Group, Inc. is an integrated financial services company focused on protecting the assets of its widely varied client base through insurance, risk management, employee benefits, and wealth management solutions. As an employee-owned company, IMA's 2,000-plus associates are empowered to provide customized solutions for their clients' unique needs.

Please visit <http://imacorp.com/terms-service/> to review our full privacy and compensation disclosure statements.

