



Insurance Proposal for

Webb County

10/1/2019 - 10/1/2020

Presented by:

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Products and services are offered through USI Southwest, Inc. a wholly owned subsidiary of USI Insurance Services, LLC.

THE USI  ONE ADVANTAGESM

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Service Team

Sales Executive

Manages your overall account and brings all of USI's resources together for your benefit.

Account Executive

Responsible for completing all technical transactions regarding the delivery and maintenance of insurance and underwriting services.

Account Manager

Primary contact for day-to-day service. Handles questions you may have, monitors your account, processes endorsement requests and invoices.

Claims

Advocates on claims to troubleshoot servicing issues, answers questions about the claims process and assist with optimizing claims outcomes.

Risk Control

Conducts site inspections, provides loss control insights, and acts as your advocate in relation to carrier loss control representatives.

Certificates of insurance

Other telephone numbers

Office hours

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8 a.m. – 5 p.m. Central Time M - F

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General Provisions

Please read this document carefully and advise if any provisions contained herein are unclear or incorrect, and advise your USI. (“USI Insurance Services”) team immediately if any coverage is not reflected correctly or if any risks or potential risks have not been identified.

This document states the A. M. Best Company rating for each listed insurance company. Ratings are based on overall performance and financial strength. Performance ratings range from a low of “C-” to the highest rating assigned, “A++.” Some insurance companies are subject to “Not-Assigned” categories. Financial size categories range from “I” (up to \$1,000,000 in surplus) to “XV” (\$2,000,000,000 or more in surplus).

Admitted insurance companies afford certain regulatory protection not extended to non-admitted insurance companies. For example, your state’s Insurance Guarantee Association does not offer its loss protection to non-admitted insurance companies in the event of insolvency.

When, in USI’s judgment, it is necessary or beneficial to do so, we will utilize the services of other intermediaries, sometimes referred to as Wholesalers or Managing General Agents (MGA’s), to assist in accessing coverage for insureds or prospects. Such wholesale intermediaries may or may not be affiliated with USI and would be compensated by the insurance company out of insured-paid premiums.

In some instances, insurance coverage placements made by USI require the payment of state surplus lines tax and fees, in addition to the insurance premium itself. USI will attempt to identify any such applicable tax and fees in advance of requesting coverage bound. In all instances, however, payment of any surplus lines tax and fees is the sole responsibility of the insured.

In evaluating your exposure to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, such as your beginning new operation, hiring employees in new states, buying additional property, etc., please let us know so proper coverage(s) can be discussed.

Higher limits may be available. Please contact us if you would like a quote for higher limits.

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Who We Are

USI is a leading local, national and global insurance brokerage and consulting firm delivering property and casualty, employee benefits, personal risk, program and retirement solutions to large risk management clients, middle market companies, smaller firms and individuals. Headquartered in Valhalla, New York, USI connects together over 6,000 industry leading professionals across more than 150 offices. USI has become a premier insurance brokerage and consulting firm approaching \$2 billion in revenue by leveraging the USI ONE Advantage®, an interactive platform that integrates proprietary and innovative client solutions, networked local resources and expertise, and enterprise-wide collaboration to deliver customized results with positive, bottom line impact. USI attracts best-in-class industry talent with a long history of deep and continuing investment in our local communities. For more information, visit usi.com.

USI products and services include:

- **Commercial Property & Casualty:** including workers' compensation, property coverage, general liability, auto liability, umbrella/excess, management professional services (MPS), cyber risk, environmental, product liability, international, claims and risk control, and more.
- **Employee Benefits:** including underwriting and analytics, HR services, population health management, compliance/healthcare reform, healthcare cost management, pharmacy benefit consulting, ancillary benefit consulting.
- **Personal Risk:** including property, homeowners, farm and ranch, automobile, umbrella, recreational, workers' compensation for household staff, directors & officers/executive risk, and such specialized products as family office group excess, kidnap and ransom, identity theft and private collections.
- **Retirement Consulting:** including defined benefit, defined contribution, investment advisory, health and welfare administration, regulatory and compliance, employee communications and church plan solutions.
- **Affinity Programs:** providing a single source of comprehensive insurance and financial services products, member service and advocacy, persona-based strategic marketing, risk management and financial wellness tools for associations, affinity groups and select industries.

While USI is a full-service brokerage operation, we have developed specialty operations within each region based upon local niche demographics.

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The USI ONE Advantage®

What truly distinguishes USI as a leading middle market insurance brokerage and consulting firm is the USI ONE Advantage, a game-changing value proposition that delivers clients a robust set of risk management and benefit solutions and exclusive resources with financial impact. USI ONE® represents **Omni, Network, Enterprise**—the three key elements that create the USI ONE Advantage and set us apart from the competition.

Omni Knowledge Engine™ – USI's Proprietary Analytics

Omni, which means “all,” is USI's one-of-a-kind solutions platform—real time, interactive, dynamic and evolving, and customized for each client. Built in-house by USI subject matter experts, Omni captures the experience of more than 150,000 clients, more than 6,000 professionals and over 100 years of business activity through our acquired agencies into targeted, actionable solutions.

Network – USI's Local and National Resources

USI has made a very large investment in local resources and technical expertise, with more than 4,400 professionals networked nationally to build strong vertical capabilities and integrated account teams. Our local and regional experts ensure account team availability, hands-on service, and ongoing diligent follow-through so we can deliver on the solutions we customize for our clients.

Enterprise – USI's Team Based Strategic Planning

USI's enterprise planning is a disciplined, focused, analysis centered on our client's issues and challenges. Highly consultative meetings integrate USI's Omni analytics with our broad resource network to build a risk management strategy aligned with client business needs. Our enterprise process is a proven method for identifying, quantifying and minimizing client risk exposures.

The USI ONE Advantage—our **Omni** knowledge engine, with our **Network** of local and national resources, delivered to our clients through our **Enterprise** planning process gives USI fundamentally different solutions, the resources to deliver, and a process to bring superior results to our clients.



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Property and Casualty Resources*

Employment Law Online Services

Credible, convenient, and quick advice — documented advice is available online and toll-free from experienced employment law attorneys. Receive documented, confidential answers to your specific human resources/employment law questions no later than the end of the next business day.

USI Connect

USI clients have an all access pass to valuable safety resources on demand 24/7. Breaking legislative updates, external benchmarking through the on-line forum, access to thousands of compliance, risk management, safety and worker's compensation resources which are relevant to you. USI Connect offers a resource link library to access dozens of risk management resources. Our value-added tool through USI Connect is the premier resource for environmental, health, and safety solutions.

Workers' compensation experience modification management

To help our clients reduce costs, USI may utilize a variety of tools to analyze the current workers comp mod and project changes in mod based on a variety of factors. This opens our clients' eyes to the impact of the workers' compensation mod. Seeing the cost drivers and trends allows for the creation of money saving strategies.

Risk management

Insurance premiums represent only one component within your Total Cost of Risk. The risks that you retain in the form of deductibles or retentions represent significant opportunities for risk control and expense management.

USI will tailor a service plan to meet your needs. The following is a sample of additional services that we provide.

- Risk control and engineering
 - Risk evaluation and assessment
 - Environmental, health, and safety training advisors
 - Consulting on property protection and engineering
 - Regulatory review and compliance services
 - Fleets and transportation risk
- Financial analytics
 - Loss forecast and accrual analysis
 - Risk retention analysis
 - Program comparison and cash flow modeling
 - Cost of risk allocation
 - Risk bearing capacity analysis
 - Benchmarking
- Claims consulting and solutions
 - Claims program best practices
 - Claims services administrator marketing and selection
 - Claims services provider auditing and quality measurement
 - Claims program analytics and metrics

**Some services require additional fees and may be offered directly through third-party providers.*

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A Note About “Claims Made” Policies

Some of the quotes provided in this proposal **may be** offered on a Claims Made or a Claims Made and Reported basis. A brief description of Claims Made and Claims Made and Reported forms is included below for your reference.

Claims Made

1. Under a **claims-made** form, the policy that is in effect at the time that a claim is made against you is the policy that will respond to that claim, regardless of when the wrongful act occurred (subject to any retroactive date). This differs from an **occurrence** form, which responds to claims resulting from accidents, incidents or injuries occurring while the policy was in effect, regardless of when a claim for damages is brought.
2. If your policy has a **retroactive date**, the wrongful act must have occurred after the retroactive date in order for the policy to respond to a claim.
3. You may have the right to purchase an extended reporting period (ERP) endorsement if the policy is cancelled or not renewed. This endorsement will provide a period of time to continue to report claims that arise resulting from wrongful acts that occurred after any retroactive date and before the end of your policy period. The ERP (often called “tail” coverage) must be requested within a specific time frame and the additional premium, which typically is required prior to the tail period begins, is fully earned.

Claims Made and Reported

A type of claims made policy in which a claim must be both made against the insured and reported to the insurer during the policy period for coverage to apply. *

**Source: IRMI Glossary of Insurance and Risk Management Terms.*

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Premium Overview

Coverage	18-19 Premiums	19-20 Premiums
Property Certified Terrorism (Federal TRIPRA)	\$219,791.00*	\$237,534.00 <u>\$1,376.00</u>
Total	\$219,791.00	\$238,910.00
*Includes Federal Terrorism (TRIPRA)	No Auto CAT	No Auto CAT
Boiler and Machinery	Included Above	Included Above
Terrorism and Sabotage Property Damage	\$15,000.00	\$14,330.00
Surplus lines tax	\$727.50	\$676.58
Stamping Fee	\$22.50	\$20.93
Total	\$15,750.00	\$15,027.51
Active Shooter & Malicious Attack (\$1,000,000 Option)	\$17,500.00	\$4,500.00
Surplus lines tax	\$848.75	\$218.25
Stamping fee	\$26.25	\$6.75
Total	\$18,375.00	\$4,725.00
Aviation	\$16,295.00	\$17,076.00
Public Official's Liability	\$35,978.00	\$41,333.00
Surplus lines tax	\$1,744.93	\$2,004.65
Stamping fee	\$53.97	\$62.00
Total	\$37,776.90	\$43,399.65
Law Enforcement Liability	\$58,880.00	\$58,936.00
Surplus lines tax	\$2,855.68	\$2,858.40
Stamping fee	\$88.32	\$88.40
Total	\$61,824.00	\$61,882.80
Crime	\$5,063.00	\$5,063.00
Commercial General Liability	\$68,349.00	\$62,512.00
Commercial Automobile	\$68,648.00	\$79,203.00
Excess Workers Compensation Minimum & Deposit Premium	\$115,334.00	\$115,281.00
Commercial Excess Liability	\$49,705	\$51,290
Total Premium	\$658,535.90	\$689,644.96
Total Premium with Active Shooter	\$676,910.90	\$694,369.96

Please note these totals are all excluding terrorism with the exception of the property and boiler & machinery.

Optional Automobile Physical Damage for Vehicles 5 years old & newer plus higher valued units = \$77,269 **Additional Premium**

Automobile Liability with revised Grant & Leased Vehicle Schedule = \$57,379 **(All Vehicles)**

Automobile Physical Damage with revised Grant & Leased Vehicle Schedule = \$21,824 **(Grant & Leased Units Only)**

\$5,000 Deductible applies to Comprehensive & Collision claims on a per vehicle basis.

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Premium Overview – Payment Options

<u>Option</u>	<u>Amount</u>
I. Payment in full	Payment in full or premium financing is available

As a course of business, USI is required to pay premiums to insurers on a monthly basis. In return, we appreciate timely payments by our clients. Outstanding balances over 30 days may be subject to cancellation.

Note: Payment calculations may vary slightly upon policy issuance.

Direct bill and premium finance notification

If coverage is issued on a direct bill basis, i.e. billed to you directly by your insurance company, or if you select to have your premium financed through a premium finance company, please note the following information.

If your premium payment does not reach the carrier by the due date, they may send out a notice of late payment, or intent to cancel. Copies of these notices may not be received by USI until after the policy has been cancelled. In the event that you receive such a notice, please contact our office immediately.

Payment Information

Payment address:

USI Southwest Inc.
P.O. Box 61187
Virginia Beach, VA 23466

Mailing and parcel delivery:

USI Southwest Inc.
5151 Belt Line Rd., Suite 200
Dallas, TX 75254

Premium due:

Policy effective date or invoicing date – whichever is later. Prompt payment is required. If you'd like more information on payment options, please contact your sales executive.

Wiring instructions:

If you wish to wire your payment, please contact your service team member for wiring instructions.

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Named Insureds

Note: Any entity not named as an insured may not be covered under this proposal. This includes partnerships, joint ventures, and newly formed entities of any type.

Named insured	Applicable policies
Webb County	All policies

Only the Named Insureds shown above are included in this proposal. If any Named Insureds are not shown above and should be included for coverage, please notify us immediately.

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Commercial Property

Named insured: Webb County
Insurance carriers: Liberty Mutual – Admitted
Policy term: 10/1/2019 to 10/1/2020

Coverage: Property insurance covers your interest against direct physical loss or damage by covered perils to named property that you own or are required to insure.
See attached schedule for locations to be covered.

Policy form: Special Form

Perils covered: Perils here. Risk of direct physical loss, subject to named policy terms, conditions and exclusions. (excluding mechanical breakdown, including earthquake and flood)

Limit:

\$	110,518,472	Blanket Real Property*
\$	58,409,177	Blanket Personal Property*
\$	4,500,000	Blanket Loss of Business Income*
\$	4,985,000	Real Property- Vacant Grocery Store
\$	250,000	Blanket Extra Expense*

*Limit includes Equipment Breakdown

Deductibles:

- Policy deductible: \$50,000
- Equipment Breakdown: Policy deductible applies
- Earth Movement: \$50,000
- Flood – Group 1&2: \$100,000
- Flood – Group 3: \$1,000,000
- Interruption of Services
Equipment Breakdown: 24 hours
All other coverages: 24 hours
- Loss of business income, Extra expense & perishable goods: \$10,000
- Mobile equipment or tools: \$5,000
Newly acquired: \$5,000
Leased or rented: \$5,000
Valued less than \$250,000: \$2,500
Valued equal to or greater than \$250,000: \$5,000
- Wind Associated with Named Storm
Second tier wind counties & parishes and additional first tier wind Counties & parishes & additional first tier wind counties & independent Cities: \$50,000
First tier wind counties & parishes & Harris County, TX: 2% subject to \$100,000 minimum
Florida, Hawaiian Islands & Puerto Rico: 5% of \$250,000 minimum
New York counties of Suffolk & Nassau: \$100,000

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Sublimits:	\$	250,000	Interruption of Services Coverage Extension
			<u>Mobile Equipment or Tools</u>
	\$	1,000,000	Any 1 item ; new acquired or tools you own
	\$	1,000,000	Any 1 item; mobile equipment or tools leased/rented by you
	\$	5,000,000	Aggregate; any one occurrence
Extensions of Coverage:	\$	100,000	Accounts receivable
	\$	25,000	Arson reward
	\$	25,000	Computer virus & denial of access
	\$	250,000	Debris removal expense; except \$25,000 for expenses to remove from a covered location, windblown debris of property not covered by the policy
	\$	25,000	Deferred payments
		Included	Duty to defend
		60 days	Extended period of restoration
		Included	Fire department charges
		100,000	Fine arts
		LOL	Fungus cleanup expense, except \$250,000 for the costs & expenses if fungus results from a covered loss due to a peril insured against other than fire or lightning
	\$	250,000	Installation of PP or PP of others
	\$	25,000	Lock & key replacement
		Included	Personal property of employees
	\$	100,000	Plants, trees or shrubs
			<u>Pollution cleanup expense</u>
		LOL	Covered property at covered location; specified peril
	\$	25,000	Covered property at covered location; other than specified peril
	\$	25,000	From land, soil, surface or ground water upon , within beneath or comprising a covered location; or for testing performed in the course of extracting the pollutants from covered locations if pollutions results from a peril insured against
	\$	25,000	Professional Fees
		90 days	Removal
			<u>Equipment Breakdown</u>
	\$	100,000	Expediting expenses
	\$	100,000	Hazardous substance
	\$	100,000	Perishable goods
	\$	100,000	Data restoration
		Included	Water damage coverage
		Included	CFC refrigerants
			<u>Natural Catastrophes: See exclusions below</u>
	\$	10,000,000	Per occurrence
	\$	10,000,000	Annual aggregate

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		Flood – Group 1
\$	10,000,000	Per occurrence
\$	10,000,000	Annual aggregate
		Flood – Group 2
\$	2,500,000	Per occurrence
\$	2,500,000	Annual aggregate
		Flood – Group 3
\$	1,000,000	Per occurrence
\$	1,000,000	Annual aggregate

Coinsurance: NIL

Valuation: Replacement Cost

- Exclusions:**
- Payroll expense limitation or exclusion: Excluded
 - Automobile catastrophic physical damage coverage
 - Natural catastrophes; Earth movement (course of construction, errors & omissions, interruption of services coverage ext., miscellaneous locations, states excluded: Alaska, California, Hawaii, Nevada, Puerto Rico., Area: New Madrid or Puget Sound
 - Terrorism
 - Exclusions per policy

A signed Statement of Values is required for Agreed Amount to apply or as required by the Insurance Company.

Key Endorsements, Limitations, Warranties and Exclusions include, but are not limited to, the following:

Building Vacancy Provision - Coverage may be restricted or excluded for any Building found to be vacant for a minimum of 30 consecutive days or longer subject to all other policy terms and conditions. If any of your covered buildings meet this description **at any time during the policy period**, please contact us so we can assist you in maintaining appropriate coverage.

Protective Safeguard Endorsement - Failure to maintain the protective safeguards in good working order or failure to notify the insurer of even a temporary impairment in protection suspends coverage until the protection is restored.

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Aircraft hull and liability

Named insured:	Webb County
Insurance carrier:	National Union Fire Insurance Company of Pittsburgh, PA — Admitted A.M. Best rating: A XV as of 2018
Policy term:	October 1, 2019 to October 1, 2020
Coverage:	We will pay claims, for those sums that you become legally obligated to pay as damages, for bodily injury and property damage, resulting from the ownership, maintenance or use of the aircraft
Your Business:	Government and Sheriff Department
Aircraft Location:	Laredo International Airport (LRD)
Aircraft covered:	1968 OH-6A Hughes, N62628 Seating: 4
Limits of liability:	\$ 10,000,000 Combined bodily injury and property damage including passengers \$ 10,000 Medical payments, each person \$ 100,000 Voluntary settlement, each passenger – including crew \$ 400,000 Voluntary settlement, each occurrence
Physical damage insured value:	\$ 250,000
Deductibles:	\$ NIL Not in motion \$ NIL In motion/Ingestion
Cancellation notice:	90 days except 10 days for non-pay, subject to war provisions
Pilots:	Any pilot as approved by the Named Insured's Chief Pilot or his/her designee.
War risk liability/physical damage endorsement:	Included
TRIA endorsement:	Included

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Aircraft hull and liability

Endorsements:

CAV347	01/05	Pilot Warranty Endorsement - As Specified in the "Pilots" Section of this Quote.
CAV122	01/05	Purpose of Use Endorsement - ANY USE AS REQUIRED BY THE NAMED INSURED
CAV1015	04/08	Disappearance Endorsement - Not reported for twenty (20) days after commencing a flight.
CAV1120	08/08	Cancellation Amendment Endorsement - Notification must be made within 10 days before the effective date of cancellation if cancelled for non- payment of premium. Notification must be made within 90 days before the effective date of cancellation if cancelled for any other reason.
CAV834	05/08	Knowledge of Occurrence and Failure to Report Endorsement
UE2001A	11/05	Date Recognition Limited Coverage Clause
UE52E	01/05	Extended Coverage Endorsement (Aviation Liabilities)
CAV456	01/05	War, Hi-Jacking, Extortion and Other Perils Extended Coverage
125595	03/17	Federal Share of Compensation Under TRIA and Cap on Losses Endorsement
UE857	01/15	Exclusion Deletion Endorsement Physical Damage Coverage (TRIA)
CAV16	01/05	Automatic Attachment Endorsement for Newly Acquired Aircraft Max Seats: 6 - Maximum Aircraft Value: \$250,000 any one Aircraft
CAV26	05/13	Broad Coverage Endorsement: Airworthiness Certificate Amendment Automatic Insurance for Hull Increase: 50% of the insured value subject to a maximum insured amount of \$375,000, whichever is less. Baggage Coverage: \$10,000 each passenger, any one Occurrence. Hangar Contents: \$250,000 each Occurrence Amended Premises Definition Emergency or Unexpected Landing Expenses: Not to exceed 25% of the aircraft insured value. Substitute Aircraft Rental: \$5,000 each day/aircraft, \$450,000 each occurrence/aircraft after 0 days from the date of the occurrence for a Maximum of 90 days. Temporary Replacement Parts: \$250,000 each loss, after 0 days from the date of Occurrence. Hangar Keepers Liability: \$1,000,000 each aircraft, \$1,000,000 each Occurrence Host Liquor Liability: \$10,000,000 aggregate. Mobile Equipment: \$10,000,000 each Occurrence. Spare Parts Coverage: \$1,000,000 each Occurrence; deductible of \$2,500 each loss Policy Territory is amended to: Worldwide Premises Medical Payments: \$10,000 each person. Sale of Aircraft: \$10,000,000 each occurrence and aggregate Search and Rescue Expenses: \$250,000 each occurrence for each foaming \$250,000 any one occurrence for Search and Rescue Trip Interruption: \$1,000 per passenger, \$2,000 each occurrence Unearned Premium Insurance: Applicable to Physical Damage Premium Only

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- CAV98 04/08 Non-Owned Aircraft: Liability Endorsement
 Limited to:
 (C) Any Fixed Wing or Rotor Wing Land Aircraft bearing a "Standard" category Airworthiness Certificate having no more than 20 total seats and having a certificated gross weight not in excess of 12,500 pounds.
- CAV100 03/09 Property Damage Liability to Non-Owned Aircraft Limited to:
 (C) Any Fixed Wing or Rotor Wing Land Aircraft bearing a 'Standard' category Airworthiness Certificate having no more than 20 total seats and having a certificated gross weight not in excess of 12,500 pounds. Limited to \$1,000,000 each Occurrence, and subject to a deductible of nil.
- CAV108 01/05 Personal Injury Extension \$10,000,000 any one offense and in the annual aggregate
- CAV75 10/08 Passenger Voluntary Settlements
 \$100,000 each occurrence, each crew member passenger in an owned aircraft
 \$100,000 each occurrence, each non-crew member passenger in an owned aircraft
 \$100,000 each occurrence, each crew member passenger in a non-owned aircraft
 \$100,000 each occurrence, each non-crew member passenger in a non-owned aircraft
 \$400,000 each occurrence for all non-owned aircraft crew members and non-crew member passengers combined
 Weekly Limit \$1,000 each passenger; Maximum Indemnity Period 52 consecutive Weeks
- CAV1006 05/08 Good Experience Return (Excluding War Premium)
 15% of the following: 70% of the earned premium

Mandatory Endorsements and Notices:

- | | | |
|----------|-------|---------------------------------------------------------------------|
| CAV04 | 01/05 | Declarations |
| CAV01-NU | 01/05 | Aviation Policy Provisions |
| CAV1350 | 06/12 | Aviation Policy Amendatory Endorsement |
| 74802 | 07/11 | Texas Amendatory Endorsement Cancellation and Nonrenewal |
| UE1276 | 06/10 | Form Schedule |
| UE882 | 01/05 | Asbestos Exclusion Endorsement |
| UE38B | 01/05 | Nuclear Risks Exclusion Clause AVN38B |
| UE46B | 01/05 | Noise and Pollution and Other Perils Exclusion Clause AVN46B |
| UE2000A | 01/05 | Date Recognition Exclusion Clause AVN2000A |
| UE48B | 01/05 | War, Hi-jacking And Other Perils Exclusion Clause (Aviation) AVN48B |
| UE1066 | 01/15 | Terrorism Exclusion - Certified Acts |
| UE1437 | 06/14 | Sanctions and Embargo Clause – AVN111 |
| 94396 | 05/15 | Texas Notice |
| 91222 | 09/16 | Policyholder Notice |
| UE1499 | 12/15 | Policyholder Notice U.S. Charter and Corporate Flights to Cuba |
| UE86 | 09/07 | Mexico Warning |

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Crime

Named insured: Webb County

Insurance carrier: Travelers Casualty & Surety Company of America — Admitted

Policy term: 10/1/2019 to 10/1/2020

Coverage: Covers money, securities, or other tangible property belonging to you or for which you are legally liable. In the event of a loss, the burden of proof rests with you.

Limits:

<u>Crime Coverage</u>	<u>Single Loss Limit</u>	<u>Single Loss Retention</u>
Fidelity		
Employee Theft	\$1,000,000	\$10,000
Forgery or Alteration	\$200,000	\$1,000
On Premises	\$150,000	\$2,500
In Transit	\$150,000	\$2,500
Money Orders and Counterfeit Money	\$150,000	\$2,500
Computer Crime		
Computer Fraud	\$150,000	\$2,500
Computer Program & Electronic Data Restoration Expense	\$100,000	\$1,000
Funds Transfer Fraud	\$150,000	\$2,500
Personal Accounts Protection		
Forgery or Alteration	\$150,000	\$2,500
Identity Fraud Expense Reimbursement	\$ 25,000	\$ 0
Claim Expense	\$ 15,000	\$ 0
Social Engineering	\$100,000	\$5,000

Insured’s Premises Covered Worldwide

Terms and conditions: • Per policy

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Terrorism and Sabotage

Named insured: Webb County
 Insurance carrier: Lloyd's of London — Non-admitted
 Policy term: 10/1/2019 to 10/1/2020

Coverage: For the purpose of this Insurance, an act of sabotage means a subversive act or series of such acts committed for political, religious, or ideological purposes including the intention to influence any government &/or to put the public in fear for such purposes.

Limits

\$100,000,000	Per Occurrence
\$100,000,000	Aggregate
\$166,049,875	Total Insured Value
	Sublimits
\$4,500,000	Business Interruption
\$1,000,000	Civil or Military Authority; 30 days / 1 mi
\$250,000	Debris Removal Expenses
\$1,000,000	Demolition & Increased Cost of Construction
\$250,000	Errors and Omissions
\$1,000,000	Electronic data Processing Media
\$0	Extended Period of Indemnity; 180 days
\$250,000	Fine Art
\$1,000,000	Ingress/Egress – 30 days; 1 mile
\$250,000	Preservation of Property
\$250,000	Professional Fees
\$250,000	Relocation Expense
\$1,000,000	Service Interruption – 30 days; 1 mile
\$250,000	Transit
\$250,000	Valuable Papers
\$250,000	Accounts Receivable
\$500,000	Asbestos
\$1,000,000	Automatic Coverage – 30 days
\$250,000	Commission, Profits, & Royalties
\$0	Contingent BI – Named Suppliers / Customers
\$0	Contingent BI – Unnamed Suppliers / Customers
\$250,000	Delay in Startup Costs
\$10,000	Fire Protective Systems
\$250,000	Green Building Additional Expense
\$250,000	Key & Lock Expense
\$10,000	Landscaping
\$0	Leasehold Interest
\$0	Loss of Attraction – 0 days
\$1,000,000	Miscellaneous Unnamed Locations – 30 days
\$1,000,000	Newly Acquired Locations – 90 days
\$1,000,000	Property in Course of Construction
\$4,500,000	Rental Income
\$250,000	Soft Costs

Deductible 10,000 per event - No Waiting Period

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Terrorism and Sabotage Continued

Optional Coverage

Active Shooter and Malicious Attack:

Limits: \$1M Occurrence / \$1M Annual Aggregate:
Annual Premium: \$ 4,500 premium + fees and taxes

Total Insured Value: \$166,049,875

Sublimits:	\$ 250,000	Additional Security Measures
	\$ 250,000	Counseling
	\$ 250,000	Public Relations Costs
	\$ 250,000	Misc. Crisis Management Expenses

Deductibles:	\$ NIL
	\$ 0 Hours Waiting Period

Terms and Conditions:

- Submitting to examination & interrogation under oath by our representative and giving us a signed statement of your answers
- Attending hearings, depositions, and trials as requested
- Assisting in securing and giving evidence & obtaining the attendance of witnesses
- Providing written statements to our representative & meeting with such representative for the purpose of investigation &/or defense
- Providing all documents & information we may reasonably request, including authorizing us to obtain records; and
- Pursuing your right to recovery from others
- You warrant that all representation made & all materials submitted by you or on your behalf in connection with the application for this policy are true, accurate and not misleading, and agree they were relied on by us and were material to our decision to issue this policy to you. If we learn any of the representations or materials were untrue, inaccurate, or misleading in any material respect, we are entitled to threat this policy as if it had never existed.

Exclusions: Per Policy

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Commercial General Liability

Named insured: Webb County
Insurance carrier: Safety National Casualty Corporation
Policy term: 10/1/2019 to 10/1/2020

Coverage: Your legal liability to members of the public for claims arising from your premises, operations, products, or completed operations.

Limits of liability:

\$	4,000,000	General aggregate limit (other than products/completed operations)
\$	4,000,000	Products/completed operations aggregate limit
\$	2,000,000	Personal and advertising injury limit
\$	2,000,000	Each occurrence limit
\$	500,000	Damage to premises rented to you (any one premises)

Coverage form: Occurrence

Self-insured retention: Bodily injury Property damage Combined BI/PD
\$ 100,000 Each occurrence – ALAE within retention paid by insured

Employee Benefits Liability:

\$	2,000,000	Each employee
\$	4,000,000	Aggregate

Retroactive date: 10/01/1989

Deductible: \$ 100,000 Per occurrence

Coverage form: Claims made and reported

Terms and conditions:

- TRIA Acceptance or Rejection
- Designated additional Insured
-

Exclusionary endorsements:

- Total pollution exclusion with hostile fire exception
- Nuclear energy liability exclusion
- Fungi or bacteria exclusion
- Silica exclusion
- Asbestos exclusion
- Lead exclusion
- Employment related practices exclusion
- Law enforcement exclusion
- ERISA exclusion
- Failure to supply exclusion
- Injury to volunteer firefighter's exclusion
- Access or disclosure of confidential or personal information and data-related liability exclusion
- Coverage C – Medical payments exclusion

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Commercial Automobile

Named insured: Webb County
Insurance carrier: Safety National Casualty Corporation – Non-admitted
Policy term: 10/1/2019 to 10/1/2020

Coverage: Automobile bodily injury and property damage liability, subject to terms, conditions, and limitations of the policy.

Policy form: Commercial automobile, truckers, garage

Liability

Limits:

\$	2,000,000	Combined single limit
\$	Included	Non-owned automobile liability
\$	Included	Hired automobile liability
\$	100,000	Uninsured/underinsured motorists – Non-stacked limits
\$	Not applicable	Personal injury protection
\$	Rejected	Medical payments

Self- Insured Retention Bodily injury Property damage Combined BI/PD
\$100,000 Each Occurrence- ALAE within retention paid by Insured

Physical damage

Deductibles:

\$	5,000 ACV	Comprehensive Scheduled Units Only
\$	5,000 ACV	Collision Scheduled Units Only

Coverage symbols: Liability - 1
UM / UIM - 2
Collision/Comp – 7,8

Automobile Schedule: Per schedule on file with carrier

Auto Physical Damage is quoted for Leased & Grant units only

Terms and conditions:

- Broad Form Named Insured
- UM/UIM, PIP &/or Med Pay Selection / Rejection

Exclusionary endorsements:

- Exclusion of federal employees using autos in government business
- Emergency services – Volunteer firefighters' and workers injuries excluded
- Silica exclusion
- Nuclear energy liability exclusion

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Commercial Automobile – Description of Covered Auto Symbols

Symbol description

1. **Any auto.**
2. **Owned auto only.** Only those autos you own (and for liability coverage, any trailers you don't own while attached to power units you own). This includes those autos you acquire ownership of after the policy begins.
3. **Owned private passenger autos only.** Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.
4. **Owned autos other than private passenger autos only.** Only those autos you own that are not of the private passenger type (and for liability coverage, any trailers you don't own while attached to power units you own). This includes those autos not of the private passenger type you acquire ownership of after the policy begins.
5. **Owned autos subject to no-fault.** Only those autos you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those autos you acquire ownership of after the policy begins, provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6. **Owned autos subject to a compulsory uninsured motorist law.** Only those autos you own that, because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject uninsured motorist coverage. This includes those autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorist requirement.
7. **Specifically described autos.** Only those autos described in Item Three of the Declarations for which a premium charge is shown (and for liability coverage, any trailers you don't own while attached to any power units described in Item Three).
8. **Hired autos only.** Only those autos you lease, hire, rent, or borrow. This does not include any auto you lease, hire, rent, or borrow from any of your employees or partners or members of their households.
9. **Non-owned autos only.** Only those autos you do not own, lease, hire, or borrow that are used in connection with your business. This includes autos owned by your employees or partners or members of their households but only while used in your business or your personal affairs.

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Workers' Compensation and Employer's Liability

Named insured: Webb County
Insurance carrier: Safety National Casualty Corporation
Policy term: 10/1/2019 to 10/1/2020

Workers' compensation coverage: State law requires most employers to provide workers' compensation insurance for employees. Benefits are paid to employees who suffer work-related injury. Lost wage benefits may be paid in addition to medical expenses, which can include permanent disability or disfigurement.

Employer's liability coverage: Protects your business in the event you are sued by an employee or his/her family as a result of a work-related injury.

States covered:

- A. Part One of the policy applies to the workers' compensation law of the states listed in the attached schedule.
- B. Other states insurance as provided by part three of the policy applies to the following states:

Workers' compensation Limits: Texas Statutory

Employer's liability Limits:

\$	2,000,000	Bodily injury by accident—each accident
\$	2,000,000	Bodily injury by disease—each employee
\$	2,000,000	Bodily injury by disease—policy limit

Self-Insured Retentions: \$600,000 Per Occurrence for Police/Firefighters/Pilots
\$500,000 Per Occurrence for All Other Employees

Rating Information: \$66,559,408 Estimated Annual Payroll

Audit: Auditable

Monopolistic state caution: If any employees are domiciled in North Dakota, Ohio, Washington, or Wyoming, workers' compensation coverage must be purchased from the State Fund. Employer's liability coverage must also be purchased separately and added to either this policy or your general liability policy.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Schedule:

Contract Terms		
Payroll		\$66,559,408
Self- Insured Retention	Police	\$600,000
Self-Insured Retention	Firefighters	\$600,000
Self-Insured Retention	All other employees	\$500,000
Premium Rate Per \$100 Payroll	Per \$100 Payroll	\$0.1732

Note:

Workers' compensation laws provide that the prime contractor is responsible for compensation to the employees of uninsured subcontractors. In determining workers' compensation premiums, you will be charged a premium for coverage for employees of subcontractors unless the subcontractors have furnished you with satisfactory evidence of such insurance. For your protection, you should obtain certificates of insurance from all subcontractors.

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Commercial Excess Liability

Named insured: Webb County
Insurance carrier: Safety National Casualty Corporation
Policy term: 10/1/2019 to 10/1/2020

Coverage: Excess Liability
Policy form: Occurrence
Limits of liability: \$ 3,000,000 Each occurrence limit
\$ 3,000,000 General aggregate limit

Underlying limits of liability

General liability: State National Casualty Corp. / Safety Specialty Insurance Co.
Limits: \$ 2M / 4M General liability
\$ 2M Automobile Liability - CSL
\$ 2M / 2M Public Officials Liability
\$ 2M / 2M Law enforcement Liability
2M / 2M / 2M Employers Liability

Terms and conditions:

- All underlying coverages must be bound through Safety National Casualty Corporation or Safety Specialty Insurance Company
- TRIA

Exclusionary endorsements:

- All underlying exclusions
- Failure to supply
- Sexual abuse or molestation

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Public Officials & Employment Practices Liability

Named insured: Webb County
Insurance carrier: Safety Specialty Insurance Company Non- Admitted
Policy term: 10/1/2019 to 10/1/2020

Coverage: POL - Liability coverage for the errors and omissions of public officials.
EPL – Liability covering wrongful acts arising from the employment process.

Policy form: POL / EPL – Claims Made

Limits: \$ 2,000,000 Aggregate limit of liability
\$ 2,000,000 Each wrongful act

Retention: \$ 100,000 Each wrongful act (including ALAE)

Retroactive date: October 1, 1989

Terms and conditions:

- Per policy

Endorsements:

- Mandatory state forms
- Non-stacking of limits endorsement
- Punitive damages where allowed by Texas law

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

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Law Enforcement Liability

Named insured: Webb County
Insurance carrier: Safety Specialty Insurance Company Non-Admitted
Policy term: 10/1/2019 to 10/1/2020

Coverage: Errors and omissions coverage for police departments.

Policy form: Occurrence

Limits: \$ 2,000,000 Annual aggregate
\$ 2,000,000 Each occurrence limit

Retention: \$ 100,000 Each occurrence (including ALAE)

Terms and conditions:

- Mandatory state forms
- Non-stacking of limits endorsement
- Punitive damages where allowed by Texas law

Exclusionary endorsements: Per policy

Excluded coverage or other coverages sought may be available.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations, exclusions and sub-limits that will govern in the event of a loss.

Attachments

1. Coverages to consider
2. Client authorization to bind coverage
3. Insurance company financial information
4. USI disclosures
5. When to notify USI
6. Notice of surplus lines placement

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Coverage Definitions

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention.

Specifically, we ask that you review the following items:

- Higher limits:** In today's litigious society, many businesses have found it necessary to increase the limits of liability to ensure they are adequate to protect their assets in the event of a loss. Higher limits of liability may be available. Please carefully review the limits to ensure your level of comfort with the limits.
- Contingent business interruption:** Protection against loss of earnings during the time required to rebuild or repair property damaged or destroyed by an insured peril at a supplier's location or other key location which your operations are dependent upon.
- Kidnap, ransom and extortion, including dependent child coverage:** This provides coverage for kidnappings and other events through a combination of financial indemnification and expert crisis management. A basic policy can cover items such as ransom payment, loss of income, interest on bank loans, etc. This insurance provides assistance to the family and business with regard to independent investigations, negotiations, arrangement, and delivery of funds.
- Flood:** Covers direct physical loss caused by excess of water on land that is normally dry. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:
- Overflow of inland or tidal waters;
 - Unusual and rapid accumulation or runoff of surface waters from any source;
 - Mudflow; or
 - Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.
- Cyber liability/ network security:**
- Inadvertent transmission of a computer virus, Trojan horse, key logger, etc.
 - Sending an email that crashes another party's network
 - Failure to prevent unauthorized access to computer systems by a third party or an unauthorized employee
 - Disclosure of or misuse of confidential information
 - Allegations of infringement of copyright, trademark, trade name, title, or slogan
 - Allegations of defamation as a result of emails, web content, blog, or forum postings
- Privacy liability:** Covers liability of the company arising out of the unintentional and unauthorized disclosure or loss of non-public personal information or confidential corporation information in any format. This provides protection against a violation of any privacy regulations including the HITECH Act, HIPAA, GLBA, and Massachusetts 201 CMR 17 or the failure to comply with the company's own privacy policies.
- Internet liability:** Damages arising when your internet service provider goes down or is hacked.
- Web content liability:** Damages and defense costs arising from claims of libel, copyright or trademark infringement, or defamation; damages to a website by a hacker or disgruntled employee

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Electronic communications: Damages and defense costs arising as a result of electronic communications, such as breach of confidence or infringement of any right to privacy, intellectual property rights, or any statutory duty (Example: some states now require notification to those affected by a loss of private information and provision of credit monitoring services at your cost).

Intangible assets: Damages to code, data, etc.

Network extortion threat and reward payments: Reimburses the company for any extortion expense and reward paid by the company as a direct result of network extortion threat.

Pollution legal liability: This coverage helps mitigate the environmental risks that come with owning or operating a commercial real estate facility or site. We can design a policy to provide coverage for pre-existing unknown conditions, new conditions, on-site and off-site third party coverage for cleanup costs, bodily injury, and property damage.

Fiduciary: The Employee Retirement Income Security Act of 1974 imposes personal liability on Fiduciaries of employee welfare plans for acts of mismanagement or errors in judgment. This policy will pay on your behalf all sums you become legally obligated to pay as a result of any Wrongful Act. Wrongful Act means a breach of fiduciary duty, including negligence, by you in the discharge of duties as respects Trusts or Employee Benefit Plans.

Foreign package: Provides coverage for occurrences and suits brought in foreign countries, whereas, most domestic policies only cover suits brought in the U.S. Provides foreign GL, auto, voluntary workers' compensation and employer's liability, travel accident and sickness.

Foreign workers' compensation provides coverage for endemic disease such as malaria or avian flu.

Emergencies while traveling, such as security evacuation.

Client Authorization to Bind Coverage

TO: USI Southwest, Inc.
5151 Belt Line Rd., Suite 200
Dallas, TX 75254

RE: Insurance Proposal

This proposal contains proprietary confidential information concerning USI Insurance Services (“USI”) and our Clients. It may not be distributed or reproduced without the express prior written consent of USI. No disclosure concerning this proposal shall be made without the express prior written consent of USI.

The intent of this proposal is to provide a highlight of the coverage offered in our insurance program and is not meant to be all-inclusive. Read your actual policy(ies) for complete details including terms, conditions, limitations, and exclusions.

Exposure information, including but not limited to property values, auto schedules, payroll, and revenues, used in the proposal were those presented by you and should be carefully reviewed and/or appraised for adequacy.

I hereby acknowledge that, upon the renewal of the coverage described herein, unless I otherwise direct USI or USI otherwise notifies me, USI intends to renew my coverage with the insurer that, at the time of such renewal, underwrites my coverage and thus USI will not solicit any quotes or proposals from insurers on my behalf in connection with such renewal.

I have read and understand the terms and conditions of this proposal and the compensation USI may receive in connection with USI’s services described in this proposal. All questions and concerns I had regarding any of the terms outlined above have been discussed and addressed with USI.

Please check one:

- After careful review of your proposal effective (9/13/2019), we have decided to accept your proposal as presented.
 - After careful review of your proposal effective (9/13/2019), we have decided to accept your proposal with the following changes:
-
-

Policy delivery (please check all that apply):

- Electronically via email
- Electronically posted on CyberSure
- Other _____

Please have binders and your invoice prepared for the agreed-upon coverage.

Client signature

Name

Date

Company

Title

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Insurance Company Financial Information

USI's objective is to place Clients risks with insurers that are financially sound. In assessing the financial strength of insurers, USI relies upon statutory financial statements as well as the opinions and assessments of recognized rating agencies and other carrier review companies. USI authorizes insurers that it believes, at the time of placement, have the financial ability to fulfill their claim payment obligations to our clients. USI is not a guarantor of the solvency of insurers with which its brokers place business. However, our goal is to use reasonable measures to do business with financially healthy insurers. Our recommendations are based on financial and other relevant information that is available at the time of placement.

The A.M. Best rating for the insurance companies represented in this proposal are as follows:

Name	A.M. Best rating	Effective date
Lloyds of London	A XV	07/02/2018
Travelers Casualty & Surety Company of America	A++	10/05/2017
Safety Specialty Insurance Company	A+ XV	09/15/2017
Safety National Casualty Corporation	A+ XV	09/15/2017
First Specialty Insurance Company	A+ XV	12/07/2017
National Union Fire Ins. Co. of Pittsburgh PA	A XV	6/20/2018
Liberty Mutual	A XV	5/16/2018

Financial strength ratings

A.M. Best rating	S&P rating	Rating agency assessment
A++, A+	AAA	Superior
A, A-	AAA, AA, AA-	Excellent
B++, B+	A+, A, A-	Good
B, B-	BBB+, BBB, BBB-	Fair, vulnerable to adverse conditions
C++, C+	BB+, BB, BB-	Marginal, financial security may be adequate
C, C-	B+, B, B-	Weak, vulnerable
D, E, F	CCC, CC, C	Poor, extremely vulnerable or failed

Financial size ratings

A.M. Best also assigns categories to insurance companies to indicate levels of statutory surplus and related funds.

A.M. Best financial size category	Adjusted policyholder surplus (in millions)	A.M. Best financial size category	Adjusted policyholder surplus (in millions)
I	Less than \$1	IX	\$250 - \$500
II	\$1- \$2	X	\$500 - \$750
III	\$2 - 5	XI	\$750 - \$1,000
IV	\$5 - \$10	XII	\$1,000 - \$1,250
V	\$10 - \$25	XIII	\$1,250 - \$1,500
VI	\$25 - \$50	XIV	\$1,500 - \$2,000
VII	\$50 - \$100	XV	Above \$2,000
VIII	\$100 - \$250		

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USI Disclosures

Surplus Lines DISCLOSURE: Insurance is issued pursuant to the Surplus Lines Laws. Persons insured by Surplus Lines Carriers do not have the protection of the Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer. Surplus Lines policies that are subject to audit provide for additional premium charges but may not allow for return premium.

Information Concerning Our Fees: As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. Our compensation for placement of insurance coverage, unless otherwise specifically negotiated and agreed to with our client, is customarily based on commission calculated as a percentage of the premium collected by the insurer and is paid to us by the insurer. We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. You may obtain information about the nature and source of such compensation expected to be received by us, and, if applicable, compensation expected to be received on any alternative quotes pertinent to your placement upon your request.

This proposal is merely a descriptive summary of coverage provided by the insurance companies being proposed and should be used for reference purposes only. This is a quotation of coverage only. It is not a binder. This proposal does not amend or alter the insurance contract. Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.

When to Notify USI

It is important that you advise USI of any material changes in your operations which may have a bearing on your insurance program. Your insurers have evaluated and accepted the risks on the basis of the information given. Any variation of these details could lead to complication in the event of a loss.

These changes may include, but are not limited to:

- Changes of personnel affecting responsibility for insurance decisions.
- Personnel traveling overseas/on temporary assignment overseas/working on military bases.
- Acquisition or creation of new companies or subsidiaries and/or mergers in which you are involved or any legal change in the corporate structure.
- Purchase, sale, lease, construction, or occupancy of new premises; real estate alteration, vacating the premises, or temporary unoccupancy; extension or demolition of existing premises. This applies for both domestic and foreign locations.
- Increase in values of building, business personal property, or inventory for both scheduled and unnamed locations.
- Removal of business personal property or stock to new or temporary locations.
- Addition of new locations, equipment, or vehicles, whether hired, purchased, leased, or borrowed.
- Changes in processes, occupancy, products, revenue, sales, or business operations.
- Addition, alteration, or temporary disconnection of fire or burglary protection systems.
- Use of owned or non-owned aircraft or watercraft.
- Major changes in value or nature of goods being shipped.
- Employment of personnel in states in which you were previously not doing business.
- Election or appointment of a new C.E.O. or C.O.O. or change in control of either the Board of Directors or the stock ownership of the company.
- Changes in ERISA Plan Assets.
- Any written contracts executed with contractor, subcontractors, suppliers, or others.

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USI Insurance Services National, Inc
5151 Belt Line Rd., Suite 200
Dallas, TX 75254
Direct: 972.737.6200
Fax: 610.537.2046



Notice of Surplus Lines Placement

September 10, 2019

Webb County
1110 Washington Street, Ste. 204
Laredo, TX 78040

Dear Webb County,

We have offered you insurance coverage with First Specialty Ins. Co., Independent Specialty Ins. Co., Interstate Fire & Casualty Co., Certain Underwriters at Lloyds (Lloyds of London), and Safety Specialty Ins. Co. These insurance carriers are surplus lines insurance companies and they do meet the financial strength requirements that we usually require of insurers with whom we place our customer's risks.

We exercise caution in placing insurance with a surplus lines insurer, because in the event this insurer becomes insolvent, the provisions of the state insurance guaranty associations **will not** apply. The state insurance guaranty associations provide for the payment of certain covered claims (up to a certain dollar amount) when a carrier becomes insolvent, but this protection is **not** available for surplus lines insurers.

All carriers are rated A or better by A.M. Best, an independent insurer-rating organization that evaluates the financial strength of insurers. Insurers are not required to obtain a rating, and ratings are not a guarantee of an insurer's financial status. Some insurers who became insolvent have previously had high ratings; however, ratings are a tool that helps us make an objective evaluation of an insurer.

We want you to have this information so you can make an informed decision about whether to have your insurance placed with carriers named above. If you should have any questions regarding these surplus lines placement, please contact me directly.

Thank you for your careful consideration of this matter.

Very truly yours,

Robert S. Bookhammer III
Senior Vice President
National Public Entity Specialist

This proposal is merely a descriptive summary of coverage provided by the insurance companies being proposed and should be used for reference purposes only. This is a quotation of coverage only. It is not a binder. This proposal does not amend or alter the insurance contract. Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.