



Webb County

Proposal of Insurance

For

Premises Pollution Liability Portfolio



10100 Katy Freeway, Suite 400
Houston, Texas 77043
(800) 877-1449
(713) 877-8975
www.mcgriff.com

Effective:
October 1, 2021 to October 1, 2022

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Disclaimer

The following summary of coverages is to be used only as an overview of each policy written and in no way should it be used, nor is intended to be used, as a substitute for the original policy provisions. It has been prepared as a guideline for your reference only.

The policy/policies contain conditions, limitations and exclusions which may affect or limit coverage to be provided and should be reviewed by the insured to verify that coverage has been written as requested.

All of the information contained in this proposal is subject to the terms, conditions and limitations contained in the policies. Values are based on information provided by client.

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Compensation Statement

Our principal remuneration for the placement and service of your insurance policy(ies) will be by commission (a proportion of the premium paid that is allowed to us by the insurance company(ies)) and/or a mutually agreed fee.

You should be aware that we may receive additional income from the following sources:

- **Interest or Investment Income** earned on insurance premiums.
- **Expense Allowances or Reimbursements** from insurance companies and other vendors for (a) educational and professional development programs; (b) managing and administering certain binding authorities and other similar facilities, including claims which may arise; and (c) attendance at insurance company meetings and events; all of which we believe enable us to provide more efficient service and competitive terms to those clients for whom we consider the use of such facilities appropriate.
- **Tier II Commission** is exclusive to the placement of employee benefits insurance and is based on premium volume of new business and/or premium retention.
- **Contingent Commission** may be based on profitability, premium volume, premium retention, and/or growth. If any part of your account is on a fee basis, we will not accept contingent commissions related to your account.

If you have questions or desire additional information about remuneration and other income, please contact your Agent who will put you in touch with our Chief Risk Manager for assistance. If any part of your insurance program is placed through any Truist-owned companies (including retail insurance brokers McGriff Insurance Services, Inc.; wholesale insurance brokers CRC Insurance Services, Inc. and Crump Life Insurance Services, Inc.; managing general underwriter AmRisc, LLC; insurance premium finance company, Prime Rate Premium Finance Corporation, Inc. or affiliates; or MBT, Ltd.) disclosure of that income will also be included.



Common Terminology

Minimum and Deposit is the amount of premium due at inception. Although the policy is subject to audit, under no circumstances will the annual earned premium be less than the minimum premium. In other words, the policy may generate an additional premium or a return premium based on an audit, but the return premium will not reduce the required minimum deposit.

Minimum Earned Premium Endorsement can be attached to either a flat charge policy (one not subject to audit) or to an adjustable policy. In either case, this amount is the least amount of premium that will be retained by the carrier once the policy goes into effect. The amount retained will be the greater of the actual earned premium whether calculated on a pro-rata or short rate basis, or the minimum earned premium. Minimum earned premiums are based on a specific percent of the total premium or a designated amount, which will be reflected on the policy by endorsement.

Flat Cancellation means a policy will be cancelled without charge if cancelled within 30 days after issuance. Surplus lines carriers almost never allow flat cancellations. Once the policy is in effect, typically some percentage of the premium is required as a minimum earned premium.

Deductible is the portion of a covered loss that is not paid by the insurer. Most property insurance policies and some liability insurance policies contain a per-occurrence deductible provision that stipulates that the deductible amount specified in the policy declarations will be subtracted from each covered loss in determining the amount of the insured's loss recovery. In property insurance, the deductible is usually subtracted from the amount of the loss; in liability insurance, it is usually subtracted from the policy limit.

Self-Insured Retention (SIR) is a dollar amount specified in an insurance policy (usually a liability insurance policy) that must be paid by the insured before the insurance company will respond to a loss. SIRs typically apply to both the amount of the loss and related costs, e.g., defense costs, however, some apply only to amounts payable in damages, e.g., settlements, awards, and judgments.

A SIR differs from a true deductible in two important ways. First, a liability policy's limit is added on top of a SIR while the amount of the deductible is subtracted from the policy's limit. Second, as contrasted with the insurer's responsibility under a deductible, the insurer is not obligated to pay the SIR amount and then seek reimbursement from the insured; the insured pays the SIR directly to the claimant.



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Premises Pollution Liability Portfolio (Claims Made)

This policy includes an option to provide defined Terrorism coverage via a surcharge under the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA). PLEASE READ THE ATTACHED TERRORISM ENDORSEMENT(S). Questions relating to TRIPRA or available alternatives can be discussed with your Broker.

Policy Period:

October 1, 2021 to October 1, 2022

Policy Number:

PPI G2727156A 008

Named Insured:

Webb County

Address:

1110 Washington Street, Suite 204
Laredo, Texas 78041

**Covered Insured
Location Schedule:**

Underground Storage Tanks

7210 E. Saunders Laredo, Texas 78041 – Unleaded Gasoline
7210 E. Saunders Laredo, Texas 78041 – Diesel

Premises Pollution Liability

All locations listed on property schedule on file with insurer

Coverages:

- A. First Party Remediation Costs
- B. First Party Emergency Response
- C. Third Party Claims

Covered Tanks:

Underground Storage – Per Underground Storage Tank Schedule

Limits of Liability:

- \$ 3,000,000 Policy Aggregate All Pollution Conditions or Indoor Environmental Conditions
- \$ 1,000,000 Per Pollution Condition or Indoor Environmental Conditions
- \$ 1,000,000 **Storage Tanks** Per Underground Storage Tank Pollution Condition
- \$ 1,000,000 Aggregate Underground Storage Limit for all Loss from all Pollution Conditions
- \$ 2,000,000 Aggregate Defense Limit for all Pollution Conditions from all Storage Tanks
- \$ 3,000,000 Total Policy Aggregate Limit for all Pollution Conditions from all Storage Tanks



Retroactive Dates:

10/01/1998 Coverage A – First Party Remediation
 10/01/1998 Coverage B – Emergency Response
 10/01/1998 Coverage C – Third Party Claims

10/01/1998 Transportation
 10/01/1998 Covered Operations
 10/01/1998 Non-Owned Disposal Sites

Self-Insured Retention:

\$ 10,000 Per Pollution Condition or Indoor Environmental Condition
 \$ 25,000 Storage Tanks Deductible – Per Pollution Condition

Policy Form:

Claims Made / Premises Pollution Liability Portfolio Policy
PF-45006a (01/17)

Terms and Conditions:

As Per Policy form, including but not limited to:

- Premium is Twenty-Five Percent (25%) Minimum-Earned as of Inception of The Policy
- Asbestos and/or Lead-Based Paint Management Plan Exclusionary Endorsement PF-44896 (09/14)
- Business Interruption Coverage Limitations Endorsement PF-48796 (01/17)
- Communicable, Infectious or Contagious Diseases Exclusionary Endorsement PF-55008 (03/21)
- Covered Storage Tanks Schedule (Financial Responsibility) Endorsement PF-44916 (09/14)
- Financial Responsibility Coverage (Storage Tanks – Annual Programs Only) Endorsement PF-45038b (08/18)
 - \$25,000 Deductible – Per Pollution Condition
 - Excludes Punitive Damages
- Fluorinated Compounds Exclusionary Limitations Endorsement PF-44944 (09/14)
- Indoor Environmental Conditions Limitations Endorsement PF-44944 (09/14)
- Itemized Coverages Only Amendatory (Coverage C.) Endorsement - PF-45043a (01/17)
- Lead Exclusionary (Potable Water) Endorsement PF-47994 (07/16)
- Remediation Costs Exclusionary (Premises Pollution) Endorsement PF-48823 (01/17)
 - Any Landfills or Recycling Facilities that are now, or have been at any time, Leased, Owned or Operated by an “Insured”.
- Schedule of Covered Locations Endorsement PF-45025 (09/14)
- Scheduled Locations Coverage Only Endorsement PF-45062 (09/14)
- Service of Suit Endorsement SL-34255a (01/16)



- Trade or Economic Sanctions Endorsement ALL-21101 (11/06)
- Signatures LD-5S23k (03/21)
- Texas Surplus Lines Notification SL-17905 (04/09)
- Texas Notice – Information and Complaints ALL-4Y30g (05/20)
- Chubb Producer Compensation Practices and Policies ALL-20887a (03/16)
- U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) Advisory Notice to Policyholders ILP 001 01 04
- Policyholder Disclosure Notice of Terrorism Insurance Coverage TRIAa (08/20)

Subject To:

- Signed and dated attached TRIA disclosure form
- Most recent tank tightness test results
- Completion of a satisfactory Chubb engineering review to include updated pre-bind phone survey.
 - Contact information for Chubb engineering to conduct survey
- Receipt and satisfactory review of most recent tank integrity test results.

Estimated Annual Premium:

\$	21,337.00	Premium
\$	1,034.84	Texas Surplus Lines Taxes
\$	16.00	Texas Stamping Fee
\$	22,387.84	Total Premium
\$	1,069.00	Terrorism (Optional & Additional), Plus Tax and Fees
	25%	MINIMUM EARNED PREMIUM

Carrier:

Illinois Union Insurance Company
 A.M. Best Rating: A++ XV



POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury---in consultation with the Secretary of Homeland Security, and the Attorney General of the United States---to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in a damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the federal government under the act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

COVERAGE OF "ACTS OF TERRORISM" AS DEFINED BY THE REAUTHORIZATION ACT WILL BE PROVIDED FOR THE PERIOD FROM THE EFFECTIVE DATE OF YOUR NEW OR RENEWAL POLICY THROUGH THE EARLIER OF THE POLICY EXPIRATION DATE OR DECEMBER 31, 2027. EFFECTIVE DECEMBER 31, 2027 THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT EXPIRES.

Acceptance or Rejection of Terrorism Insurance Coverage

If you choose to purchase Terrorism Insurance Coverage, the portion of your premium that is attributable to coverage for acts of terrorism is 5%.

If you choose to reject Terrorism Insurance Coverage, you or your authorized representative may do so by signing and returning this notice where indicated below or otherwise notifying us prior to the inception or renewal date of the policy. Failure to do so prior to such date will be deemed purchase of Terrorism Insurance Coverage.

By Signing below, Terrorism Insurance Coverage is rejected.

Policyholder/Applicant/Authorized
Representative's Signature

Illinois Union Insurance Company
Insurance Company

Print Name

G2727156A 009
Policy Number

Date



Schedule of Underground Storage Tanks

Insured Facility Name and Address	Tank ID No.	Tank Size (Gal.)	Tank Type (UST or AST)	Retroactive Date
Webb County Road & Bridge Dept. 7210 E. Saunders Laredo, Texas 78041	001	20,000	UST	10/01/1998
Webb County Road & Bridge Dept. 7210 E. Saunders Laredo, Texas 78041	002	10,000	UST	10/01/1998



Service Team

Servicing Office Location

McGriff Insurance Services, Inc.
10100 Katy Freeway, Suite 400
Houston, Texas 77043
(800) 877-1449
(713) 877-8975
(713) 877-8974 fax
www.mcgriff.com

Service Team Contacts

Team Member	Contact Information
Joe Blasi <i>Executive Vice President</i>	Direct Number: (713) 940-6565 Cell Phone: (713) 213-9134 E-Mail: jblasi@mcgriff.com
Tracie Bigham <i>Marketing Account Executive</i>	Direct Number: (713) 273-2629 Cell Phone: (281) 851-5195 E-Mail: tbigham@mcgriff.com
Diana Smetters <i>Account Manager</i>	Direct Number: (713) 940-6596 E-Mail: dsmetters@mcgriff.com
David Petersen <i>Claim Service Representative</i>	Direct Number: (713) 402-1490 Cell Phone: (713) 213-9950 E-Mail: dpetersen@mcgriff.com



MCGRIFF INSURANCE SERVICES, INC. PROVIDER SECURITY STANDARDS

The following is a brief summary of the measures that we have taken as your broker to review and report to you objectively on the financial security of your insuring companies. Information is included on A.M. Best Company, our primary security rating source, and the internal policies and standards, which we have established to address this important issue for our customers.

McGriff Security Review:

McGriff Insurance Services, Inc. has established an internal "Security Review Group" composed of senior management representatives from the Finance, Marketing, Branch, Wholesale and Administrative Divisions of the company. This group's purpose is to develop and implement all procedures and standards for the financial security of all insurers, intermediaries and associations used by McGriff and its subsidiary companies.

This group meets periodically to review the current listing of all companies, intermediaries and associations, which are actively used by McGriff. It will also act on any pending requests received from throughout the company to have new Providers activated, and to deactivate any Providers that do not meet current McGriff standards.

McGriff Provider Classifications:

"Approved Provider" is any Provider whose A.M. Best's rating is A- or higher. The Best's rating of an "approved" Provider must be printed on all McGriff Confirmations of Coverage (Binders) and proposals delivered to clients or prospects.

"Exception Provider" is certain Providers with a rating lower than A-, including those companies "not rated by A.M. Best" which after review by the Security Review Group will be an approved security.

Any Provider approved by McGriff receiving an A.M. Best downgrade of rating will be posted on our website (www.mcgriff.com). A downgrade that results in an "Approved" Provider moving to a less than A- A.M. Best Rating will be communicated to you in writing.



A.M. Best Company

Ambest Road
Oldwick, New Jersey 08858

History:

A.M. Best Company was incorporated in 1899 as the first rating agency in the world to offer reliable information on the financial condition of U.S. insurance companies. The **Best's Rating Guide** was first published in 1900, and has since become a cornerstone of the security review process by continuously evaluating the financial integrity of over 4,100 insurance companies. In 1984, the first edition of the **Best's International Rating Guide** was published, reporting on the claims-paying ability of over 950 international insurers.

The information used by Best to rate insurance carriers is provided by the companies themselves as a part of their normal filings with the National Association of Insurance Commissioners, those states in which the company is licensed, the SEC and/or with its shareholders. Rating reviews are performed annually on each insurance company and on an interim basis as conditions dictate.

Best's Rating System:

The Best's rating system is designed to evaluate a wide range of objective and subjective factors that affect the overall performance of an insurance company (not applicable to associations or intermediaries). These factors deal with the company's financial strength, its operating performance and its ability to meet its financial obligations to policyholders, as follows:

- * Profitability
- * Quality of reinsurance program
- * Quality and diversification of assets
- * Adequacy of policy loss reserves
- * Capital structure
- * Spread of risk
- * Leverage/Capitalization
- * Liquidity
- * Adequacy of policyholder's surplus
- * Management experience and objectives

Best's Rating Symbols:

A typical Best's rating is composed of two parts. The "**Security**" portion provides an alphabetical indication of the quality of the security provided by a company to its policyholders. This rating is further defined in three categories, "Secure", "Vulnerable" or "Not Assigned". The "**Financial Size**" (FSC) portion of the Best's rating uses Roman numerals to rank companies based on the dollar amount of their policyholder's surplus and contingent reserve funds.

While comparative rankings for security or financial size by themselves may not adequately portray the complete financial health of a company, the combination of the two has proven to be reliable in predicting the ability of a company to meet its claims obligations in a timely manner,



both now and in the near future. The actual rating symbols used by Best and their meanings are:

“Secure” Ratings	A++ or A+	Superior
	A or A-	Excellent
	B++ or B+	Good
“Vulnerable” Ratings	B or B-	Fair
	C++ or C+	Marginal
	C or C-	Weak
	D	Poor
	E	Under Supervision
	F	In Liquidation
	S	Suspended

“NR” Not Rated Designation – Assigned to companies not rated by A.M. Best.

Financial Size Categories

I	Under \$1,000,000	VIII	100,000,000 - 250,000,000
II	1,000,000 - 2,000,000	IX	250,000,000 - 500,000,000
III	2,000,000 - 5,000,000	X	500,000,000 - 750,000,000
IV	5,000,000 - 10,000,000	XI	750,000,000 - 1,000,000,000
V	10,000,000 - 25,000,000	XII	1,000,000,000 - 1,250,000,000
VI	25,000,000 - 50,000,000	XIII	1,250,000,000 - 1,500,000,000
VII	50,000,000 - 100,000,000	XIV	1,500,000,000 - 2,000,000,000
		XV	Over \$2,000,000,000

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Illinois Union Insurance Company

AMB #: 003510 NAIC #: 27960 FEIN #: 362759195

Mailing Address

P.O. Box 1000
Philadelphia, Pennsylvania 19106
United States

Web: www.chubb.com
Phone: 215-640-1000

Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.



AM Best Rating Unit: AMB #: 000012 - Chubb U.S. Group of Insurance Companies

Based on AM Best's analysis, 058303 - Chubb Limited is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. View a list of operating insurance entities in this structure.

Best's Credit Ratings

Financial Strength Rating [View Definition](#)

Rating: A++ (Superior)
Affiliation Code: g (Group)
Financial Size Category: XV (\$2 Billion or greater)
Outlook: Stable
Action: Affirmed
Effective Date: December 17, 2020
Initial Rating Date: June 30, 1979

Best's Credit Rating Analyst

Rating Office: A.M. Best Rating Services, Inc.
Associate Director : Gregory Dickerson
Senior Director: Michael J. Lagomarsino, CFA, FRM
Note: See the Disclosure information Form or Press Release below for the office and analyst at the time of the rating event.

Long-Term Issuer Credit Rating [View Definition](#)

Long-Term: aa+ (Superior)
Outlook: Stable
Action: Affirmed
Effective Date: December 17, 2020
Initial Rating Date: August 16, 2005