



Insurance Proposal for

Webb County

10/1/2021 - 10/1/2022

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 ADVANTAGE[®]

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Service Team

Team Leader

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

Senior Account Manager

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

Account Service Representative

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

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

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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.

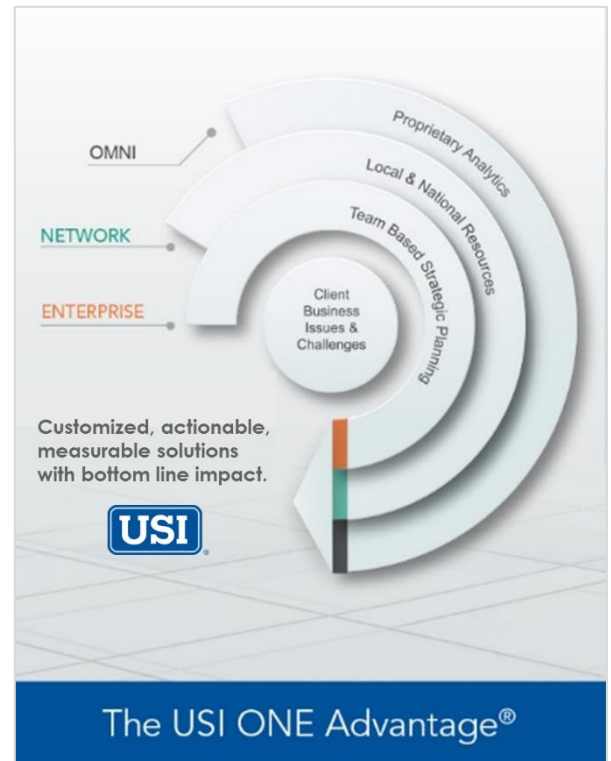
Network – USI’s Local and National Resources

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	20-21 Premiums	21-22 Premiums
Property	\$223,090	\$236,924
Risk Engineering Service Fee	\$18,180	\$18,447
TX Volunteer Fire Dept Fee	\$96.05	\$100
Total excluding Federal TRIA	\$241,366.05	\$255,471
TRIA (optional- Terror & Sabotage purchased in lieu of Federal TRIA)	\$2,242	\$2,223
Total:	\$243,608.05	\$257,694
Boiler & Machinery	Included Above	Included Above
Terrorism and Sabotage Property Damage	\$14,180	\$14,180
Active Shooter & Malicious Attack	\$10,478	\$10,475
Surplus lines tax	\$1,195.82	\$1,195.77
Stamping fee	\$36.98	\$18.49
Total:	\$25,888.80	\$25,869.26
Aviation (Operational Coverage)	\$14,743	\$16,884
War/TRIA Liability	\$799	\$875
Total:	15,542	\$17,759
Inland Marine- Contractor's Eq.	\$35,486	\$29,769
Public Official's Liability	\$47,473	\$65,772
Surplus lines tax	\$2,302.44	\$3,189.94
Stamping fee	\$71.21	\$49.33
Total:	\$49,846.65	\$69,011.27
Law Enforcement Liability	\$58,936	\$67,621
Surplus lines tax	\$2,858.40	\$3,279.62
Stamping fee	88.40	\$50.72
Total:	\$61,882.80	\$70,951.34
Educators Legal Liability & Employment Practices Liability	\$3,521	\$3,697
Surplus lines tax	\$170.77	\$179.30
Stamping fee	\$5.28	\$2.77
Policy fee	\$150	\$150.00
Total:	\$3,847.05	\$4,029.07
Crime	\$6,000	\$6,003
Cyber	\$16,950 (\$5M Limit)	\$45,405.14 (\$2.5M Limit)
Excess Cyber (\$2.5M Limit)	Not Applicable	Pending
Commercial General Liability	\$71,798	\$74,731
TRIA (optional- Historically not purchased)	\$2,872	\$671
Total:	\$74,670	\$75,402
Commercial Automobile	\$151,063	\$187,453
Excess Workers Compensation Minimum & Deposit Premium	\$129,696	\$136,794
Commercial Excess Liability	\$57,974	\$68,325
TRIA (Optional-Historically not purchased)	\$2,319	\$2,050
Total:	\$60,293	\$70,375
Total Premium less Property/GL & Excess TRIA	\$867,340.35	\$991,571.08

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

Option for Grounded Coverage Only- Helicopter only covered for HULL COVERAGE; physical loss or damage to aircraft caused by accident, **but only while aircraft is NOT in flight.**

Liability/Bodily Injury to passengers and Medical Payments- **EXCLUDED**

(Coverages would need to be added once qualified pilot is hired and reported to Chubb)

Optional estimated premium- \$5,500

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Premium Overview – Payment Options

<u>Option</u>	<u>Amount</u>
I. Payment in full	\$991,571.08

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.
14241 Dallas Parkway, Ste. 700
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

Insurance Company: Zurich American Insurance Company (Admitted)
A.M. Best rated A+ XV

Policy Term: 10/12/2021 to 10/1/2022

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 covered locations.**

Total Insured Value: 165,000,000

Replacement Cost	Cost to replace damaged property with like kind and quality, without deduction for depreciation.
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Coverage Description	Limit
Property Damage	\$160,000,000
Time Element -But not to exceed \$5,000,000 Extra Expense, \$4,500,000 Gross Earnings, \$100,000 Leasehold Interest	\$9,600,000
Accounts Receivable	\$1,000,000
Computer Systems Damage – In Annual Aggregate	\$5,000,000
Contingent Time Element- But not to exceed \$100,000 per Direct Dependent Time Element Location, NCP-Earth movement, Flood, Named Store or Volcanic Eruption; NCP per Indirect Dependent Time Element; \$100,000 limit per Attraction Property	\$100,000
Cyber Event in the Annual Aggregate	\$100,000
Debris Removal	\$10,000,000
Decontamination Costs	\$250,000
Errors and Omissions	\$5,000,000
Expediting Costs	\$250,000
Fine Arts	\$100,000
Fire Department Service Charge	\$100,000
Increased Cost of Construction	\$10,000,000
Land and Water Contamination cleanup, removal, disposal	\$250,000
Land Improvements	\$50,000
Miscellaneous personal property	\$100,000
Miscellaneous unnamed location	\$250,000
Off Premises Service interruption	\$1,000,000
Professional Fees	\$100,000
Tenants Prohibited Access in the annual aggregate	\$100,000
Transit	\$100,000
Valuable Papers and Records	\$5,000,000

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Coverage Description	Limit
New construction and additions	\$5,000,000
Off Premises Storage for Property Under Construction	\$100,000
Equipment Breakdown not to exceed: \$250,000 for Ammonia Contamination; \$250,000 for Spoilage	\$100,000,000
Earth Movement- \$5,000,000- Newly Acquired Locations, \$1,000,000- Miscellaneous Unnamed Locations	\$10,000,000
Flood in the annual aggregate - \$5,000,000 SFHA; \$10,000,000 MFHA; \$5,000,000 Newly Acquired Locations, \$1,000,000 Miscellaneous Unnamed Locations	\$10,000,000
Named Storm in the annual aggregate	\$165,000,000
Hail and Windstorm Other than Named Storm Annual Aggregate	\$165,000,000
Gross Earnings	12 Months
Ingress/Egress 30-day period for property within 1 mile, but not to exceed	\$1,000,000
Gross Earnings- Water Plant/Office 386 Ranch Rd. 7150G, Laredo, TX	\$20,000
Gross Earnings-Jail 1000 Washing St. Laredo, TX	\$4,480,000

Time Specifications	Limit
Earth Movement Occurrence	168 hours
Named Storm Occurrence	72 hours
Cancellation for non-payment of premium	10 days
Cancellation for any other reason	45 days
Off Premises Service Interruption of Property Damage & Time Element Coverage each location	24 hours
Computer System Damage Coverage	48 hours
Tenants Prohibited Access Coverage each location	48 hours
Cyber Event	48 hours

Deductibles
\$50,000 Combined Property Damage and Time Element Per Occurrence All Perils EXCEPT
\$50,000 Earthquake - Combined Property Damage and Time Element Per Occurrence
\$50,000 Flood - Combined Property Damage and Time Element Per Occurrence except as follows: Special Flood Hazard Area- \$500,000 Combined Property Damage and Time Element Per Occurrence; Moderate Flood Hazard Area-\$100,000 Combined Property Damage and Time Element Per Occurrence
\$250,000 Named Storm - Combined Property Damage and Time Element Per Occurrence
\$10,000 Equipment Breakdown - Combined Property Damage and Time Element Per Occurrence
\$100,000 Water or Liquid Damage - Combined Property Damage and Time Element Per Location
\$250,000 Wind or Hail -Combined Property Damage and Time Element Per Occurrence

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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: please discuss with USI

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:	Chubb- Westchester Fire Insurance Company – Admitted A.M. Best rating: A ++
Policy term:	October 1, 2021 to October 1, 2022
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
Physical damage insured value:	\$ 250,000
Deductibles:	\$ 1,000 Not in motion \$ 7,500 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

Conditions/Endorsements:

Policy form: AC 101 (07/07) & AC 102 (11/98) which includes, inter alia, the following exclusion clauses: War and Other Perils Exclusion Clause
Noise, Pollution and other Perils Exclusion Clause
The policy is also subject to the following:

AC 103	11/98	Pilots who may fly the aircraft - As Specified in the "Pilots" Section of this Quote.
AC 108	11/98	Additional Insured Endorsement
AC 109	11/98	Non-Owned Aircraft Liability Endorsement: Included, max seating including crew- twenty
AC 110	11/98	War, Hi-jacking and Other Perils Exclusion Clause (Aviation).
AC 112	02/08	Extended Coverage - War, Hi-Jacking and Other Perils Endorsement (Aviation
AC 1200	02/05	Governmental Entity Limited Enhanced Coverage Endorsement <i>Temporary Replacement Component Part Expense:</i> \$50,000 <i>Maximum Daily Expense Limit:</i> \$3,000 <i>Per Incident of Damage to the Aircraft Limit:</i> \$180,000 <i>Spare Parts-Amount of Insurance Any One Location or Sending:</i> \$1,000,000 <i>Spare Parts-Deductible Amount Each and Every Loss:</i> \$2,500 <i>Personal Injury Annual Aggregate Limit:</i> \$10,000,000
AC 159	11/98	Nuclear Risk Exclusion Clause
AC 160	11/98	Aircraft Additional Equipment <i>Additional Premium: \$1,134</i> <i>Equipment:</i> <i>(1) Garmin GPS 530 (Amount of Insurance: \$6,000)</i> <i>(2) Garmin audio panel SL40 (Amount of Insurance: \$1,500)</i> <i>(3) Garmin GTX327 Transponder (Amount of Insurance: \$350)</i> <i>(4) Fargo auxiliary fuel tank (Amount of Insurance: \$4,500)</i> <i>(5) FLIR ultra 7000 camera (Amount of Insurance: \$10,000)</i> <i>(6) Nightsun search light (Amount of Insurance: \$6,000)</i> <i>Total Amount of Insurance: \$28,350</i> <i>Deductible: \$1,000</i>
AC 161	11/98	Date Recognition Exclusion Endorsement
AC 162	11/98	Date Recognition Limited Coverage Endorsement
AC 165	01/15	Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
AC 167	02/08	Extended Coverage - War, Physical Damage Coverage Endorsement (Aircraft Physical Damage Coverage

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AC 170	01/15	Limited Terrorism Coverage Endorsement
AC 174	02/05	Unearned Premium Insurance Endorsement <i>Additional Premium: \$Included</i>
AC 185	02/05	Emergency Landing Endorsement
AC 195	02/05	Cancellation Notification Change Endorsement <i>90 days NOC but 10 days NOC if we cancel because the premium is not paid</i>
AC-TX	11/99	Cancellation Notification - Texas
ALL-21101	11/06	Trade or Economic Sanctions Endorsement
ALL-4Y30F	06/15	Texas Notice -Information and Complaints
IL P 001	01/04	U.S. Treasury Departments' Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
TR-19604e	08/20	Notice of Terrorism Insurance Coverage

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Inland Marine- Contractors Equipment

Named insured:	Webb County	
Insurance carrier:	XL Specialty Insurance Company— Admitted	
Premium:	\$24,000 Contractors Equipment \$5,769 Electronic Data Processing	
Rates:	\$595 TRIA (not historically purchased) (\$0.525/\$100 for Scheduled Equipment) (\$1.00/\$100 for Leased & Rented Contractor's Equipment)	
<hr/>		
Coverage:	Scheduled Equipment— Per Schedule on File with carrier 9/3/21	
Policy form:	Inland Marine Form	
Perils covered:	Risk of direct physical loss, subject to named policy terms, conditions, and exclusions [including mechanical breakdown, excluding earthquake and flood].	
Limits:	\$ 4,380,986	Scheduled Equipment
	\$ 5,000	Unscheduled Tools & Equipment (\$1,000 per item)
	\$ 500,000	Borrowed, Leased or Rented Equipment from Others (\$500,000 per item)
	\$ 10,000	Newly Acquired Covered Property that supports your business.
	\$ 10,000	Rental Expense (72-Hour Waiting Period)
	\$ 10,000	Reimbursement for Returning Stolen Property*
	\$ 300,000	Loaned, Leased, or Rented to Others
	\$ Included	Preservation of Property
	\$ 25,000	Pollutant Cleanup and Removal*
	25% of covered loss, plus additional \$10,000	Debris Removal
	\$ 350,000	Newly Acquired Contractor's Equipment- Per Item
	\$ 5,000	Unscheduled Tools and Equipment
	\$ 5,000	Loss Adjustment Expenses
Total insured value:	\$ 4,380,986	Per Schedule on file with carrier
Coinsurance:	0%	
	*Limit applies to sum of all covered losses in each separate policy year specified in this quotation	
Deductibles:	\$2,500	Except
	\$1,000	Unscheduled Tools and Equipment- Radios & Segway; except
	\$5,000	Items valued over \$250,000 all other
Valuation:	Contractor's Equipment- ACV Covered Property Leased/Rented from others: Legal Liability, But no more than Replacement Cost. Replacement Cost: 10 years (But this limitation will not apply to Covered Property Leased or Rented from Others).	
<hr/>		
Reporting Period:	Annually	

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Electronic Data Processing Equipment:	\$2,007,429 \$100,000 \$100,000	Hardware Media Programs and Applications
Location: Per Schedule	\$ Included in Software \$ 200,000	Data Records Proprietary Programs Income Coverage
Coverage Extensions:	\$ 10,000 \$ Covered 365 Days \$ 2,500 \$ 2,500 \$ Covered	Additional Debris Removal Expense Electrical & Power Supply Disturbance Emergency Removal Emergency Removal Expense Fraud and Deceit Mechanical Breakdown Coverage
Supplemental Coverages:	\$ 500,000 \$ 250,000 \$ 250,000 \$ 500,000 \$ 5,000 \$ 10,000 \$ 100,000 \$ Coverage Provided \$ 50,000 \$ 25,000	Acquired Locations Earthquake Flood Newly Purchased/Leased Hardware Off-Site Computers Pollutant Cleanup & Removal Property in Transit Sewer Backup Software Storage Telecommunications Equipment
Valuation:	Replacement Cost	
Coinsurance:	0%	
Deductibles:	\$5,000 All Covered Perils except; \$25,000 Flood \$25,000 Earthquake \$5,000 Mechanical Breakdown, Electrical Disturbance and Power Supply Disturbance.	
Income Coverage: Supplemental Income:	\$ Covered \$ Covered \$ Covered \$ Excluded \$ Not Covered 120 Hours	Earnings and Extra Expense Earthquake Flood Overhead Transmission Lines Sewer Backup Income Coverage Waiting Period
Coverage forms and Endorsements:		
Contractor's Equipment		
HCM 000 0319	Contractor's Equipment Coverage Solutions Declarations	
HCM 050 0319	Contractor's Equipment Coverage Solutions	
CM 00 01 09 04	Commercial Inland Marine Conditions	
CM 01 12 09 13	Texas Changes	
IL 00 17 11 98	Common Policy Conditions	
IL 01 71 09 07	Texas Changes – Loss Payment	
IL 02 88 09 07	Texas Changes – Cancellation And Nonrenewal	
IL 09 52 01 15	Cap On Losses From Certified Acts Of Terrorism	

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Other Marine Forms:

IM 7205 01 12	Electronic Data Processing Schedule of Coverages Scheduled Limits
IM 7206 01 12	Computer Coverage Schedule of Coverages
IM 7239 01 12	Earthquake, Flood, And Sewer Backup Schedule
IM 7902 01 12	Loss Payable Schedule
XSM 400 0721	Coverage Conditions Endorsement
CL 0100 03 99	Common Policy Conditions
CL 0273 05 14	Amendatory Endorsement Texas
CL 0600 01 15	Certified Terrorism Loss
CL 0700 10 06	Virus Or Bacteria Exclusion
IM 2089 03 19	Amendatory Endorsement Texas
IM 7200 10 02	Electronic Data Processing - Equipment Coverage Part Scheduled Limits
IM 7215 09 03	Electronic Data Processing - Income Coverage Part
IM 7238 10 02	Earthquake, Flood, And Sewer Backup Endorsement
IM 7854 04 04	Loss Payable Options
IM 7855 02 09	Replacement Cost Endorsement
IM 7857 07 08	Earthquake And Flood Coverage Endorsement

Multiple Coverage

IL MP 9104 0915 XLS	In Witness - XL Specialty Insurance Company
IXV 517 0321	Communicable Disease Exclusion Endorsement
HVI S01 0921	Notice To Policyholders - Claims Contacts
HAI 001 0120	Commercial Lines Policy Common Policy Declarations

Special Conditions:

If we do not receive a broker issued policy (when applicable) within 90 days of the effective date of the bound policy, in order to comply with timeliness and contract certainty standards set forth by state statutes, we will issue an insurance policy for our share using our standard coverage form. We will not rescind this policy if we receive the broker policy after this 90 day period.

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Crime

Named insured: Webb County

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

Policy term: 10/1/2021 to 10/1/2022

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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Cyber Liability

Named Insured: Webb County

Insurance Carrier: Measured Insurance / Certain Underwriters at Lloyd’s of London (Non-Admitted)

Coverage: Pays for **third party** financial losses exceeding the retention which the Insured becomes legally obligated to pay as a result of a claim first made and reported during the policy period arising out of:

- Privacy liability (arising from theft or disclosure of Personally Identifiable or Corporate Information)
- Network security (Responds to a privacy/security breach caused by unauthorized access/use of computer systems, transmission of malicious code, denial of service attacks).
- Media Liability (coverage may be limited to electronic content or content on a website or to address social media exposures).
- Regulatory action* (sub-limit may apply) (for violation of privacy statute or regulation; may also include coverage for regulatory fines and penalties).

Coverage may be available for certain **first party** expenses that may be incurred as a result of a data breach.

Policy Form: Claims made and reported

Schedule of Proposed Insurance:

Aggregate Policy Limit of Liability: \$2,500,000 each **Policy Period** for all payments under all Coverages Combined.

	Coverages	Purchased	Each Claim/Event Limit of Liability	Aggregate Limit of Liability	Self-Insured Retention/Waiting Period (Each Claim, Regulatory Proceeding, GDPR Proceeding, PCI Demand, or Event)	Retroactive Date
A.	THIRD PARTY LIABILITY COVERAGES					
1.	Privacy and Cyber Security Disruption	Yes	\$2,500,000	\$2,500,000	\$100,000	Full Prior Acts Covered
2.	Digital Multimedia Disruption	Yes	\$1,000,000	\$1,000,000	\$100,000	Full Prior Acts Covered
3.	Regulatory Disruption	Yes	\$1,000,000	\$1,000,000	\$100,000	Full Prior Acts Covered
B.	FIRST PARTY COVERAGES					
1.	Ransom Disruption	Yes	\$2,500,000	\$2,500,000	\$100,000	
2.	I.T. System Disruption	Yes	\$2,500,000	\$2,500,000	\$100,000	
3.	Business Income Disruption	Yes	\$2,500,000	\$2,500,000	\$100,000	
3.	Financial Fraud Disruption		-0-	-0-		
4.	Customer Disruption	Yes	\$1,000,000	\$1,000,000	\$100,000	
5.	Brand Disruption	Yes	\$100,000	\$100,000		

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Forms and Endorsements:				
CyberGuard Coverage Part				CY 03 01
Service of Suit Endorsement				CY 06 01
Exclude Biological & Chemical Materials Endorsement				CY 06 05
Exclude Solarwinds Endorsement				CY 06 07
Policy Premium:				
	\$45,405.14 (including TX SL Fees, Taxes and TRIA)			

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Terrorism and Sabotage

Named insured: Webb County
 Insurance carrier: Lloyd's of London — Non-admitted
 Policy term: 10/1/2021 to 10/1/2022

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: \$1,000,000 Per Occurrence / \$1,000,000 Annual Aggregate

Annual Premium: \$ 4,722 (includes TX Surplus Lines Taxes & Fees)

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 for Business Income

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: 10/1/2021 to 10/1/2022

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 — Admitted
Policy term: 10/1/2021 to 10/1/2022

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,
10a & 10b

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.
- 10a. ACV for scheduled vehicles (Leased, Building Maintenance, Grant Funded, Community Action Agency, Head Start, JJAEP & Trailers
- 10b. Agreed Replacement Value for 2010 Pierce Contender Pumper - \$255,000 VIN # 3633 & 2010 Ford F-550 2D Skeeter - \$85,000 VIN #2779

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 - Admitted
Policy term:	10/1/2021 to 10/1/2022
Premium:	\$ 136,794
Deposit Premium:	\$ 136,794

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: \$750,000 Per Occurrence for Police/Firefighters/Pilots
\$750,000 Per Employee for Aircraft
\$500,000 Per Occurrence for All Other Employees

Rating Information: \$71,657,468 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		\$71,657,468
Self- Insured Retention	Police	\$750,000
Self-Insured Retention	Firefighters	\$750,000
Self-Insured Retention	Aircraft	\$750,000
Self-Insured Retention	All other employees	\$500,000
Premium Rate Per \$100 Payroll	Per \$100 Payroll	\$0.1909

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 - Admitted
Policy term: 10/1/2021 to 10/1/2022
Premium: \$68,325

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: Safety 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

Optional SIR for Public Official/Law Enforcement Liability- \$200,000

Annual Premium: \$62,364

Excess TRIA: \$1,871 (Optional- Historically not purchased)

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: 10/1/2021 to 10/1/2022
Premium: \$69,011.27 (includes SLT/ Fees)

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

Optional SIR: \$200,000
Premium: \$56,800.10
(Includes Texas SLT/Fees)

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:	10/1/2021 to 10/1/2022
Premium:	\$70,951.34 (includes TX Surplus lines Tax, Stamping fee, and Policy fee)
Coverage:	Errors and omissions coverage for law enforcement operations
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:	<ul style="list-style-type: none">• Mandatory state forms• Non-stacking of limits endorsement• Punitive damages where allowed by Texas law
Exclusionary endorsements:	Per policy

Optional SIR: \$200,000
Premium: \$59,668.75
(Includes SLT/Fees)

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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Educators Legal & Employment Practices Liability

Named insured: Webb County

Insurance carrier: QBE Specialty Insurance Company: Non-Admitted

Policy term: 10/1/2021 to 10/1/2022

Premium: \$4,031.85 (includes TX Surplus lines Tax, Stamping fee, and Policy fee)

Coverage: Educator Legal Liability claims made against administrators, employees and staff of schools.
EPLI Defense costs and damages related to various employment-related claims.

Policy form: Claims Made

Retro Active Date: Full Prior Acts

Limits: \$ 1,000,000 Annual aggregate
\$ 1,000,000 Each occurrence limit

Retention: \$ 25,000 Each Wrongful Act (Including Loss Adjustment Expenses)

- Terms and conditions:**
- Completed, signed, and dated PRU-TX Application
 - Surplus Lines Acknowledgement form.

- Exclusionary endorsements:**
- Trade or Economic Sanctions Endorsement (QBIL-0285 (08-14))
 - Nuclear Energy Exclusion (QBPE-2009 (01-16))
 - 25% Minimum Earned Premium Endorsement (QBPE-2000 (01-16))
 - Sexual Abuse Exclusion (QBPE-2016 (01-16))
 - Service of Process Endorsement (IL-2002 (07-21))
 - Any Notices or Disclosures required by the state regulatory agency.

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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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.
- 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.

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Client Authorization to Bind Coverage

TO: USI Southwest, Inc.
14241 Dallas Parkway, Ste. 700
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 (9/13/2021), we have decided to accept your proposal as presented.
 - After careful review of your proposal effective (9/13/2021), we have decided to accept your proposal with the following changes:
-
-

Policy delivery (please check all that apply):

- Electronically via email
- 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:

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.

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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 Southwest, Inc.
14241 Dallas Parkway, Ste. 700
Dallas, TX 75254
Direct: 972.737.6200
Fax: 610.537.2046



Notice of Surplus Lines Placement

September 10, 2021

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

Dear Webb County,

We have offered you insurance coverage with QBE Specialty, 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

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