



Insurance Proposal for

Truckee Meadows Fire Protection District

Property, Earthquake DIC, Inland Marine, General Liability, Employee Benefit Liability, Public Entity Management Liability, Public Entity Employment-Related Practices Liability, Auto Liability, Auto Physical Damage, Umbrella, Workers Compensation, Pollution and Kidnap & Ransom

Policy Term: July 1, 2018 to July 1, 2019

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Revised: May 29, 2018

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

This is a coverage summary, not a legal contract. This summary is provided to assist in your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage. Higher limits and additional coverage may be available. Please contact us if you are interested in additional quotes

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Named Insureds

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

- **Truckee Meadows Fire Protection District**

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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Premium Summary/Comparison

Coverage	Carrier	2017/18 Expiring Premiums	2018/19 Renewal Premiums
Property	Travelers	\$65,693	\$88,060
Inland Marine	Travelers	\$4,167	\$4,169
Excess Earthquake	Houston Casualty* Excess Limit:	\$11,117.30 \$10M Excess	\$16,364.25 \$15M Excess
Property Subtotal		\$80,977.30	\$105,767.17
General Liability	Travelers	\$20,318	\$30,604
Employee Benefits Liability	Travelers	\$381	\$381
Auto Liability**	Travelers	\$101,281	\$130,529
Auto Physical Damage	Travelers	\$47,255	\$58,820
Management Liability	Travelers	\$12,050	\$12,050
Employment Practices	Travelers	\$14,585	\$21,092
Excess/Umbrella	Travelers	\$21,477	\$28,527
Casualty Subtotal		\$217,347	\$282,003
Crime	Travelers	\$2,477	\$2,665
Pollution Liability	Great American E&S* Premium Term:	\$30,549.72 (1-year premium)	\$49,193.53 (3-year premium)
Network Security	National Union Fire Ins. Co.	\$11,361	\$11,189
Workers' Comp**	Travelers	\$823,733	\$680,646
Kidnap/Ransom/Extortion	Great American	-	\$3,325 (3-year premium)
Total Renewal Premium		\$1,166,455.02	\$1,137,614.78
Premium Variance			(\$28,830.24)
Percentage Change			(2.47%)

* Non-Admitted, Surplus Lines Carrier. Includes Nevada Surplus Lines Taxes (3.5%) and Fees (0.04%)

** Estimated premium, subject to audit based on actual exposures at policy expiration.

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Premium Summary (Additional Quote Options)

Options to increase excess earthquake limits

Coverage	Carrier	Description	2017/18 Expiring Premiums	2018/19 Renewal Premiums
Excess Earthquake	Houston Casualty*	\$10M xs \$5M	\$11,117.30	\$13,538.17
Excess Earthquake	Houston Casualty*	\$15M xs \$5M	-	\$16,364.25
Excess Earthquake	Houston Casualty*	\$20M xs \$5M	-	\$21,559.25

Alternate crime quote from Great American

Coverage	Carrier	Description	2017/18 Expiring Premiums	2018/19 Renewal Premiums
Crime	Great American	See proposal	-	\$2,191.00

Options to purchase multi-year pollution policy

Coverage	Carrier	Description	2017/18 Expiring Premiums	2018/19 Renewal Premiums
Pollution Liability	Great American E&S*	1 Year	\$30,549.72	\$28,391.71
Pollution	Great American E&S	2 Years	-	\$39,354.20
Pollution	Great American E&S	3 Years	-	\$49,193.53

Options to purchase kidnap, ransom & extortion with assault threat coverage

Coverage	Carrier	Description	2017/18 Expiring Premiums	2018/19 Renewal Premiums
Kidnap, Ransom, & Extortion	Great American	Annual Policy	-	\$1,279
Kidnap, Ransom, & Extortion	Great American	3-Year Policy		\$3,325

* Non-Admitted, Surplus Lines Carrier. Includes Nevada Surplus Lines Taxes (3.5%) and Fees (0.04%)

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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 Insurance 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 Insurance Services
P.O. Box 53553
Phoenix, AZ 85072

Mailing and parcel delivery: USI Insurance Services
5355 Kietzke Lane, Suite 101
Reno, NV 89511

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

Premium due: Policy Effective Date or Invoicing Date – whichever is later.
Prompt payment is required. If you would like more information on payment options, please contact your sales executive.

Notes:

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. As a course of business, USI Insurance 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.

Payment calculations may vary slightly upon policy issuance.

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Subjectivities

The proposed coverage is subject to the following:

- **Travelers (General Subjectivity)**

The estimated premium shown in the Premium Schedule and Quote Options, if any, may differ from actual premiums shown on the policies and installment bills due to installment charges, estimated taxes and surcharges, as well as rounding. Estimated taxes and surcharges may differ depending on selection of Quote Options, if any.

- **Houston Casualty (Excess Earthquake DIC)**

- ✓ All fees are fully earned and non-refundable
- ✓ 25% Minimum Earned Premium
- ✓ Subject to maintenance of All Risk Underlyer
- ✓ Mid-Term cancellations requested by the insured will be calculated with short-rate penalty
- ✓ New locations added or existing locations deleted mid-term will be subject to risk modeling and additional or returned premium will be calculated per the modeling results, not necessarily the account rate
- ✓ Quote cannot be bound without Company's consent
- ✓ Statement of Values Clause (Company Form)
- ✓ Excess Liability and Participation Clause (Company Form)
- ✓ Drop Down Clause for our interests, perils, and locations only (Company Form)
- ✓ Debris Removal Clause (Company Form)

- **Great American (Crime)**

- ✓ Signed & Dated Great American Governmental Application & FIT Supplemental

- **Great American E&S (Pollution)**

- ✓ Copies of your last two (2) years of financial statements and/or 10k reports
- ✓ Signed/dated Terrorism Disclosure Notice. Please note, Biological Terrorism coverage applies only if Terrorism coverage is purchased.
- ✓ 25% Minimum Earned Premium

- **Travelers (Network Security)**

- ✓ Completed Systems Failure/OSP supplemental

- **Great American (Kidnap & Ransom)**

- ✓ Signed and dated application within 30 days of the effective date

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Location Schedule

1	1	Headquarters Building	1001 E. Ninth Street, Reno, NV 89520
2	2	Fire Station 13	10575 Silver Lake, Reno, NV 89506
2	3	Generator – 30 KW	10575 Silver Lake, Reno, NV 89506
3	4	Fire Station 14	12300 Old Virginia Road, Reno, NV 89511
4	5	Fire Station 15	110 Quartz Lane, Sun Valley, NV 89433
4	6	Generator Building	110 Quartz Lane, Sun Valley, NV 89433
5	7	Fire Station 16	1240 E. Lake Blvd., Washoe Valley, NV 89701
5	8	Generator – 75 KW	1240 E. Lake Blvd., Washoe Valley, NV 89701
6	9	Fire Station 17	500 Rockwell Blvd., Sparks, NV 89441
7	10	Fire Station 18	3680 Diamond Peak Dr., Cold Springs, NV 89508
7	11	Generator Building	3680 Diamond Peak Dr., Cold Springs, NV 89508
8	12	Fire Station 30	3905 Old Hwy 395, Washoe Valley, NV 89704
8	13	Mechanics Shop	3905 Old Hwy 395, Washoe Valley, NV 89704
8	14	Well Building	3905 Old Hwy 395, Washoe Valley, NV 89704
8	15	Generator – 60 KW	3905 Old Hwy 395, Washoe Valley, NV 89704
9	16	Fire Station 35	10201 W. Fourth Street, Reno, NV 89523
10	17	Fire Station 26	13500 Thomas Creek Road, Reno, NV 89511
10	18	Generator – 40 KW	13500 Thomas Creek Road, Reno, NV 89511
11	19	Fire Station 226	3255 W. Hidden Valley Drive, Reno, NV 89502
11	20	Fire Station 226 – Engine	3255 W. Hidden Valley Drive, Reno, NV 89502
12	21	Fire Station 39	4000 Joy Lake Road, Reno, NV 89511
12	22	Generator – 60 KW	4000 Joy Lake Road, Reno, NV 89511
13	23	Fire Station 220	3045 White Lake Pkwy, Cold Springs, NV 89508
14	24	Fire Station 221	11525 Red Rock Road, Reno, NV 89508
15	25	Fire Station 223	130 Nectar Street, Reno, NV 89506
16	26	Fire Station 225	400 Stampmill, Wadsworth, NV 89442
17	27	Fire Station 227	3740 Esmeralda Drive Washoe Valley, NV 89704
18	28	Fire Station 229	6015 Ironwood Road, Reno, NV 895910
19	30	Fire Station 301	345 Bellevue Road, Reno, NV 89511
20	31	Fire Station 331	11005 Longview Lane, Reno, NV 89506
21	32	Office Storage Building	11005 Longview Lane, Reno, NV 89506
22	33	Station 351	165 Bridge St., Verdi, NV 89439
23	34	Fire Station 382	16133 Mt. Ranch Road, Reno, NV 89511
24	35	Logistics Warehouse	1315 Greg Street, Suite 105, Sparks, NV 89431
25	36	Fire Station 14	470 Foothill Road, Reno, NV 89502

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Property Coverage (Travelers)

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.**

Coverage 2018/19	Values	Limits	Deductibles
Policy Limit (Buildings) & Contents	\$28,329,164	\$28,329,164	\$2,500
Earthquake Aggregate Sub-Limit	\$28,329,164	\$5,000,000	\$100,000
Flood Aggregate Sub-Limit	\$28,329,164	\$10,000,000	\$25,000
Location Aggregate Flood Sub-Limit: - FS #14 – 12300 Old Virginia Rd. - FS #382 – 16133 Mt Ranch Rd.	\$1,180,700	\$5,000,000	\$50,000
Location Aggregate Flood Sub-Limit: - FS #16 – 1240 E. Lake Blvd - FS #17 – 500 Rockwell Blvd - FS #18 - 3680 Diamond Peak Dr. - FS #223 - 130 Nectar Street - FS #229 – 6015 Ironwood Road - Logistics Warehouse – 1315 Greg St. - FS #14 –470 Foothill Road	\$7,505,657	\$1,000,000	\$250,000 \$100,000 \$250,000 \$250,000 \$100,000 \$100,000 \$250,000
Location Aggregate Flood Sub-Limit: - FS #226 - 3255 W. Hidden Vlly - FS #301 - 345 Bellevue Road	\$825,040	\$500,000	\$250,000 \$250,000
Equipment Breakdown – Per Occurrence		\$22,879,807	\$2,500
Business Income & Extra Expense		\$1,000,000	72 hours
Scheduled Mobile Equipment	\$334,435	\$334,435	\$2,500
Other Scheduled Property	\$640,529	\$640,529	\$2,500

General Terms & Conditions	Travelers 2018/2019
Policy Form	Travelers Deluxe Property Coverage Form
Perils covered	Risks of direct physical loss or damage to Covered Property caused by or resulting from a Covered Loss.
Coinsurance	N/A (Blanket Coverages)
Valuation	Replacement Cost
Business Income (Rental Value)	Included
Business Income (Ordinary Payroll)	Included

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Property disclaimer: Your property carrier will provide building, business personal property, business income and extra expense coverage subject to policy conditions and exclusions. It is your responsibility to notify USI's personnel, in writing, if these limits are not adequate to rebuild and/or replace, in today's dollars, your current building and contents.

“Replacement cost” does not mean replace at any cost.

Property Additional Coverage	Travelers 2018/2019
Accounts Receivable (at all described premises)	\$1,000,000
Appurtenant Buildings and Structures	\$100,000
Building Ordinance or Law Coverage	\$1,000,000
Claim Data Expense	\$25,000
Debris Removal (additional amount)	\$250,000
Deferred Payments	\$25,000
Demolition Costs	Included
Duplicate Electronic Data Processing Data and Media	\$100,000
Electronic Data Processing Data & Media	Included
Employee Tools (any one item)	\$2,500
Employee Tools (any one occurrence)	\$250,000
Expediting Expenses	\$25,000
Extra Expense	\$25,000
Fine Arts (at all described premises)	\$100,000
Fine Arts (in transit)	\$25,000
Fire Department Service Charge	Included
Fire Protective Equipment Discharge	Included
Fungus, Wet Rot or Dry Rot (Limited Coverage)	\$25,000
Green Building Alternatives – Increased Costs	1%, maximum \$100,000 each building
Loss of Master Key	\$25,000
Newly Acquired or Constructed Property	\$2,000,000 buildings \$1,000,000 contents
Non-Owned Detached Trailers	\$25,000
Outdoor Property	\$50,000
Outdoor Property (any one tree, shrub or plant)	\$2,500
Outside Signs (at all described premises)	\$250,000

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Property Additional Coverage	Travelers 2018/2019
Outside Signs (at all undescribed premises)	\$5,000
Personal Effects	\$50,000
Personal Property At Premises Outside of the Coverage Territory	\$50,000
Personal Property in Transit	\$50,000
Personal Property In Transit Outside of the Coverage Territory	\$25,000
Pollutant Cleanup and Removal – Annual Aggregate	\$250,000
Preservation of Property (direct loss or damage to moved property)	Included
Preservation of Property (expenses to move and temporarily store property)	\$250,000
Property in the Course of Construction	\$2,000,000 buildings \$1,000,000 contents
Reward Coverage	25% of covered loss up to \$25,000
Stored Water	\$100,000
Theft Damage to Rented Property	Included
Undamaged Parts of Stock in Process	\$50,000
Valuable Papers and Records – Cost of Research (at all described premises)	\$1,000,000
Valuable Papers and Records – Cost of Research (in transit or undescribed premises)	\$100,000
Water or Other Substance Loss – Tear Out and Replacement Expense	Included

***Included means included in applicable Covered Property Limit of Insurance**

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Business Income Additional Coverage	Travelers 2018/2019
Business Income (Dependent Property)	\$250,000
Civil Authority	30 days, 100 miles
Claim Data Expense	\$25,000
Contract Penalties	\$25,000
Extended Business Income	180 days
Fungus, Wet Rot or Dry Rot – Amended Period of Restoration Coverage Period	30 days
Green Building Alternatives – Increased Period of Restoration Coverage Period	30 days
Ingress or Egress	\$25,000, 1 mile
Newly Acquired Locations	\$500,000
Ordinance or Law – Increased Period of Restoration	\$250,000
Pollutant Cleanup and Removal – Annual Aggregate	\$25,000
Transit Business Income	\$25,000
Undescribed Premises	\$25,000

Additional Coverage	Travelers 2018/2019
Equipment Breakdown - Ammonia Contamination	\$250,000
Equipment Breakdown - Hazardous Substance	\$250,000
Equipment Breakdown - Spoilage	\$250,000
Sewer or Drain Backup Amendment DX T4 45	\$100,000
Spoilage Coverage Extension XS T3 15	\$100,000
Utilities Services – Direct Damage	\$10,000
Coverage is provided for water supply, communication supply, power supply.	
Coverage for overhead transmission lines is excluded.	

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Inland Marine (Equipment/Other Property) - Travelers

Contractors Equipment	Travelers - 2018/2019
Scheduled Contractors Equipment Limit	\$178,435
Unlisted items limit of insurance	\$100,000
Unlisted items, not to exceed per item	\$5,000 per item
Leased or Rented Items	\$100,0000 per item
Newly Acquired Contractors Equipment	\$25,0000
Replacement Items – Rental Cost	\$5,000
Loss to any one Replacement Item	\$100,000 per item
Flood Limit of Insurance	\$500,000 (annual aggregate)
Earth Movement Limit of Insurance	\$500,000 (annual aggregate)

FD #	Year	Make	Model	Description	VIN Number	Plate	Value
FD0501	2017	VERMEER	BC1500	CHIPPER	1VR2181V6H1008334	TBD	\$60,000
FD5060	2007	MOORBARK	TWISTER	CHIPPER	4S8SZ161X7W070952	N/A	\$26,435
FD5083	1995	BOBCAT	T300	BOBCAT SKID LOADER	3532016980	N/A	\$50,000
FD0238	1996	YALE	U1263 FORKLIFT	FORKLIFT	GLP050TFNUAE084	N/A	\$20,000
N/A	2008	GENERATOR	SERIAL # P0810210009 - ATTACHED TO FD519 FLATBED TRAILER				\$22,000
							\$178,435

Other Scheduled Property	Travelers - 2018/2019
Other Scheduled Property	\$777,628

FD #	Year	Make	Model	Description	VIN Number	Plate	Value
FD0503	2017	AIRBURNERS INC	T24 BURN BOSS	BURN BOX	T24FDN17721	EX73292	\$24,980
FD5056	2007	POLARIS	RANGER 4x4	UTV	4XARH68A874111115	N/A	\$9,000
N/A	2017	LUCAS	CHEST COMPRESSION YSTEM (12 TO INCLUDE SPARE)				\$180,452
N/A	2017	ZOLL - X SERIES	DEFIBRILLATORS				\$438,687
N/A	2017	N/A	INFLATEBLE FIRE SAFETY COURSE				\$11,390
FD5067	2008	POLARIS	RANGER 6x6	UTV	4XARF68A784398325	N/A	\$12,000
FD5084	1987	SHORELINE	BOAT TRAILER (t	BOAT - RESCUE	1YR001820HG000586	N/A	\$10,000
FD0508	2018	MUD BUDDY	BT-1751SWV4	BOAT - SHALLOW WATER RESCUE	XCL05316G718	TBD	\$18,119
FD0504	2017	FIREVENT	TREILER	FIRE VENT TRAINING PROP	1F9F1UB20H1402056	EX74448	\$73,000
							\$777,628

Deductibles	Travelers - 2018/2019
Contractors Equipment & Scheduled Property	\$1,000

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Guidelines for Newly Acquired Mobile Equipment and Other Property

Newly Acquired "Contractors Equipment"

Automatic coverage is provided for newly acquired items up to 90 days.

Newly acquired items must be reported within 90 days from the date of acquisition.

The most the insurance company will pay for newly acquired equipment is **\$250,000**.

Please report any new equipment valued at \$25,000 or more immediately upon acquisition.

Newly Acquired "Scheduled Property"

Automatic coverage for newly acquired property of the type already covered by this policy

Newly acquired items must be reported within 90 days from the date acquired.

The most the insurance company will pay in any one loss or damage for newly acquired property is **\$25,000**

Please report any new property valued at \$25,000 or more immediately upon acquisition.

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Valuation of Mobile Equipment and Scheduled Property

b. "Contractors Equipment"

For **Scheduled (Listed) and Unscheduled (Unlisted) Items**, the value will be the least of the following:

- (a) the actual cash value of that property*;
- (b) the cost of reasonably restoring that property to its condition immediately before loss or damage; or
- (c) The cost of replacing that property with substantially identical property.

** In the event of partial loss or damage, not exceeding 20% of the applicable limit of insurance, no depreciation will be applied in the settlement of the claim.*

For **Leased or Rented Items**, the value will be the amount of your legal liability, not to exceed the replacement cost.

a. "Scheduled Property"

For **covered property that you own**, the value will be the least of the following:

- (a) the actual cash value of that property*;
- (b) the cost of reasonably restoring that property to its condition immediately before loss or damage; or
- (c) The cost of replacing that property with substantially identical property.

The value of covered property for which you are legally liable will be the amount of your legal liability, not to exceed

the replacement cost.

** In the event of partial loss or damage, not exceeding 20% of the applicable limit of insurance, no depreciation will be applied in the settlement of the claim.*

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Excess Earthquake (Houston Casualty)

The following options would provide additional limits excess of coverage quoted by Travelers.

Insured Name: Truckee Meadows Fire Protection District

Carrier: Houston Casualty Company

Total Insured Values: \$29,329,164

Excess Earthquake Options	Option #1 \$10,000,000 (Current Limit)	Option #2 \$15,000,000	Option #3 \$20,000,000
Travelers Limit of Insurance	\$5,000,000	\$5,000,000	\$5,000,000
Houston Casualty Excess Limit	\$10,000,000 xs \$5,000,000	\$15,000,000 xs \$5,000,000	\$20,000,000 xs \$5,000,000
Annual Premium	\$12,280.00	\$15,000.00	\$20,000.00
Carrier Policy Fee	\$200.00	\$200.00	\$200.00
Wholesale Broker Fee	\$550.00	\$550.00	\$550.00
Surplus Lines Tax	\$456.05	\$551.25	\$726.25
Surplus Lines Stamping Fee	\$52.12	\$63.00	\$83.00
Total Annual Cost	\$13,538.17	\$16,364.25	\$21,559.25

Minimum Earned Premium: 25%

Locations Covered: Per SOV on file with Company received on 04/16/2018

Covered Perils: Excess Earthquake & Earthquake Sprinkler Leakage Only

Covered Property: Building, BPP, BI/EE

Valuation: Replacement Cost/ALS Time Element

Deductibles: EQ/EQSL: \$100,000 per occ.
FL: Excluded
AOP: N/A

Policy Forms: Company Excess Follow Form (subject to review and approval of form we are following)

Premium: \$12,280.00

TRIA: Excluded

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Exclusions: All Risk Perils (including windstorm, Earth Movement, Theft, Asbestos, Contamination, Mold, Pollution, Flood, Boiler & Machinery, Computer Related/Data Corruption Loss, Terrorism (Including TRIA), Ensuing Loss, Building Ordinance/ICC/Demo.

Conditions:

- Subject to maintenance of All Risk Underlying
- Mid-Term cancellations requested by the insured will be calculated with short-rate Penalty
- New Locations added or existing locations deleted mid-term will be subject to remodeling and additional or returned premium will be calculated per the modeling results, not necessarily the account rate
- Quote cannot be bound without Company's consent
- Statement of Values Clause (Company Form)
- Excess Limit of Liability and Participation Clause (Company Form)
- Drop Down Clause for our interests, perils, and locations only (Company Form)
- Debris Removal Clause (Company Form)

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General Liability (Travelers)

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

Coverage	Travelers 2018/2019
Each Occurrence	\$1,000,000
Personal and Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Damage to Premises Rented to You Limit (Any One Premises)	\$1,000,000
Medical Expenses	\$5,000
Abuse or Molestation (Each Offense Limit)	\$1,000,000
Abuse or Molestation (Aggregate Limit)	\$1,000,000
Failure to Supply Sublimit (Each Occurrence)	Excluded
Sewage Backup Sublimit (Each Occurrence)	Excluded

Deductibles	Travelers 2018/2019
Each Occurrence	N/A

Coverage Form and Defense Expenses	2018/2019
Coverage Form	Occurrence Form
Defense Expenses	Outside Limits of Liability

The carrier's right and duty to defend ends when they have used up the applicable limit of insurance.

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General Liability

This coverage is designed to cover the premises and operations exposures of the Named Insureds. It covers amounts any insured is legally required to pay as damages for covered injury or damage that results from an occurrence, including:

- Reasonable Force Property Damage – Exception to Expected Or Intended Injury Exclusion
- Non-Owned Watercraft 50 feet long or less
- Owned Watercraft Less Than 25 Feet – Exception to Aircraft, Auto or Watercraft Exclusion
- Damage to Premises Rented to You – Exception to Damage To Property Exclusion;
- Good Samaritan Services Coverage
- Unintentional Omission will not prejudice rights under insurance
- Aircraft Chartered with Pilot – Exception to Aircraft, Auto OR Watercraft Exclusion
- Increased Supplementary Payments For Bail Bonds
- Contractual Liability – Railroads
- Knowledge and Notice of Occurrence or Offense
- Blanket Additional Insureds (when required by written contract or agreement)
- Blanket Waiver of Subrogation (when required by written contract or agreement)

Pollution Coverage – Broadening endorsement includes coverage for bodily injury and property damage arising out of certain discharges or releases of pollutants caused by:

- Pesticide, herbicide, fungicide or fertilizer application
- Chlorine, sodium, hypochlorite or any other chemical used in sewage treatment, water purification or swimming pool maintenance
- Use of substances in providing or training for fire-fighting or emergency response services

Who Is an Insured

- Public Entity
- Elected or Appointed Officials
- Board Members
- Employees and Volunteer Workers
- Owners, Managers and Lessors of Premises
- Lessors of Equipment
- Watercraft Users

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General Liability

The following additional coverage endorsements are included:

- Public Entities “Xtend” Endorsement
- Mobile Equipment Redefined - Public Entities
- Amendment Of Coverage B - Personal And Advertising Injury Liability
- Amendment - Pollution Exclusion
- Cap On Losses From Certified Acts Of Terrorism
- Amendment Of Common Policy Conditions - Prohibited Coverage – Unlicensed Insurance And Trade Or Economic Sanctions
- Amendment Of Bodily Injury Definition
- Amendment Of Property Damage Definition
- Amendment - Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit
- Amendment - Other Insurance Condition And Meaning Of Other Insurance, Other Insurer, And Insurer
- Amendment Of Contractual Liability Exclusion - Exception For Damages Assumed
- In An Insured Contract Applies Only To Named Insured
- Amendment Of Supplementary Payments - Taxed Costs And Appeal Bonds
- Professional Health Care & Social Services Liability Coverage – **(EMTs)**
- Limited Abuse Or Molestation Liability Coverage
- Unmanned Aircraft Exclusion With Exceptions for Designated Aircraft and Certain Advertising Injury **(2017 DJI Phantom 4)**

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General Liability

The following additional exclusions apply (including but not limited to)

- Access or Disclosure of Confidential or Personal Information
- Asbestos
- Consumer Financial Protection Laws Exclusion
- Discrimination
- Employees and Volunteer Workers as Insured for Certain Bodily Injury, Personal Injury and Property Damage
- Employers Liability Exclusion Amendment
- Employment-Related Practices Exclusion
- Failure to Supply – Total Exclusion (gas, oil, water, electricity, steam or biofuel)
- Fungi or Bacteria
- **Injury to Volunteer Firefighters**
- Law Enforcement Activities or Operations
- Lead
- Medical Payments Exclusion
- Professional Health Care Services – Public Entities
- Public Use of Private Property
- Public Use of Private Property
- Unsolicited Communications
- War

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Employee Benefit Plan Liability (Travelers)

Coverage	Limits of Insurance 2018/2019
Each Employee Limit	\$1,000,000
Aggregate Limit	\$3,000,000

Retained Limits	Retention Amount 2018/2019
Each Employee Retention – Loss & Loss Expense	\$1,000

Coverage Form and Defense Expenses	2018/2019
Coverage Form	Claims Made
Retroactive Date	07/01/2003
Defense Expenses	Inside Limits of Liability*

The carrier's right and duty to defend ends when they have used up the applicable limit of insurance.

This coverage is designed to cover liability arising out of a wrongful act committed in the administration of certain types of employee benefit plans. Administration includes advice, interpretation and calculation of benefits, except as excluded. Coverage does not apply if the entity knew of a wrongful act prior to the effective date of this policy and could have been reasonably foreseen that it would result in a suit or claim against the entity.

Who is an Insured

- Public Entity
- Employees

Claims Made Coverage:

Employee Benefits Liability is written on a **Claims Made** coverage form. In order to trigger coverage, a claim must first be made against the insured(s) during the policy period or the Extended Reporting Period, if purchased, and the act(s) which lead to the claim must have occurred on or after the Retroactive Date. Furthermore, such claims must also be reported by the insured to the insurer during the policy period or Extended Reporting period as soon as practicable for coverage to apply. Please be aware that late reporting could result in a disclaimer of coverage from the insurer.

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Public Entity Management Liability (Travelers)

This coverage is designed to cover damages any insured is legally required to pay for covered loss that is caused by a wrongful act committed while conducting duties by or on behalf of a public entity or its boards. Wrongful act is defined as any act, error or omission.

Coverage	Limits of Insurance 2018/2019
Aggregate Limit	\$1,000,000
Each Wrongful Act Limit	\$1,000,000
Retained Limits	Retention Amount 2018/2019
Each Wrongful Act Deductible – Damages and Defense Expenses	\$5,000
Coverage Form and Defense Expenses	2018/2019
Coverage Form	Claims Made
Retroactive Date	7/1/2003
Defense Expenses	Outside Limits of Liability*
Amendments	2018/2019
Cap On Losses From Certified Acts Of Terrorism	
Amendment Of Network And Information Security Wrongful Act Definition	
Amendment Of Common Policy Conditions – Prohibited Coverage-Unlicensed Insurance And Trace Or Economic Sanctions	
Limited Special Expenses Coverage – Key Employees	
Limited Special Expenses Aggregate Limit – Key Employees	\$50,000
Limited Special Expenses Participation Percentage – Key Employees	10%
Defense Expenses Reimbursement For Injunctive Relief Suits	
Defense Expenses Reimbursement Limit – Aggregate	\$50,000
Defense Expenses Reimbursement Limit – Each Wrongful Act	\$50,000
Injunctive Relief Each Wrongful Act Participation Amount	10%

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Public Entity Management Liability

Who is An Insured:

- Public Entity
- Boards and Board Members
- Elected and Appointed Officials, Executive Officers and Directors
- Employees (including employees of the entity's board)
- Legal Representatives
- Volunteer Workers

Exclusions

- Airport
- Health Care Facilities: Clinics
- Health Care Facilities: Hospital
- Health Care Facilities: Blood Banks
- Health Care Facilities: Nursing Homes
- Health Care Facilities: Rehabilitation Facilities
- Port Authorities
- Transit Authorities
- Gas Utilities
- Electric Utilities
- Housing Authorities
- Schools or School Districts
- Joint Powers Authority

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Public Entity Management Liability

- Pay on behalf of basis (Deductible Options Only)
- Duty to defend claims and suits even if allegations are groundless, false, or fraudulent (Deductible Options only)
- Professional health care services and law enforcement activities or operations exclusions apply.
- Coverage for insured persons appointed at the named insured's request to serve on outside tax-exempt entity.
- Coverage for "your boards" operating under your jurisdiction and part of total operating budget
- Coverage extends to employed: lawyers, architects, engineers, accountants and other professional "employees" while performing duties related to the conduct of your business (Professional Health Care Services Exclusion and certain other exclusions apply).
- Coverage applies to zoning disputes that seek damages, provided that such claims do not amount to a "taking or controlling of private property for public use or benefit, including the diminution in value for such property".
- Breach of Contract Exclusion does not apply to loss arising out of the breach of a mutual aid agreement
- Definition of "suit" includes arbitration/alternative disputes resolution proceeding seeking money damages.
- Coverage for Limited Special Expense Reimbursement – Key Employees. (Available premium change required for endorsement).
- Defense outside limits.
- Defense obligation for allegations of criminal, dishonest, fraudulent, or malicious wrongful acts or knowing violations of rights or law is provided until it has been admitted or determined in a legal proceeding that such wrongful act or knowing violation was committed by that insured or with consent or knowledge of that insured.
- Contractual Liability Exclusion does not apply to loss for which insured would have liability for damages even without the contract.
- Limits not reduced by payment of deductible or self-insured retention.

This Coverage Summary is merely a descriptive summary of coverage provided by the insurance contracts and should be used for reference purposes only. It neither amends nor alters the insurance contract(s). Specific questions on all policy terms and conditions should be referred to your USI Insurance representative, and the policy itself should be reviewed.

Employment-Related Practices Liability (Travelers)

This coverage is designed to cover damages any insured is legally required to pay for covered employment loss caused by a wrongful employment practices offense

Wrongful employment practices offense is defined to include discrimination; wrongful termination; harassment; retaliatory action; wrongful discipline; wrongful hiring, supervision, demotion or failure to promote and employment-related misrepresentation, defamation, libel, slander, disparagement and invasion of privacy.

Coverage	Limits of Insurance 2018/2019
Each Wrongful Employment Practice Offense Limit	\$1,000,000
Aggregate Limit	\$1,000,000

Retained Limits	Retention Amount 2018/2019
Each Wrongful Employment Practice Offense – Damages and Defense Expenses	\$5,000

Coverage Form and Defense Expenses	2018/2019
Coverage Form	Claims Made
Retroactive Date	7/1/2003
Defense Expenses	Inside Limits of Liability

Payment of “defense expenses” will reduce the available limits of insurance.

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Employment-Related Practices Liability

Who is an Insured:

- Public Entity
- Employees (including employees of the entity's boards)
- Boards and Board Members
- Legal Representatives
- Elected and Appointed Officials, Executive Officers & Directors
- Volunteer Workers

Employment-Related Practices Liability

- Pay on behalf of basis (Deductible Options Only)
- Duty to defend claims and suits even if allegations are groundless, false, or fraudulent (Deductible Options Only).
- Broad Definition Wrongful Employment Practice Offense.
- Duty to defend suits that are governmental administrative hearings seeking injunctive relief, such as EEOC proceedings.
- Defense expenses are payable within the limits of insurance. Damages include attorneys' fees of the person making or bringing the claim or suit if the insured is legally required to pay them under the law which was violated.
- Breach of Contract Exclusion applies only to written contracts (not verbal).
- Damages include Back/Front Pay if awarded
- Third Party Sexual Harassment coverage available (Additional premium charge required for endorsement).
- Risk Control Services
 - 1) RMPlus – Free of charge; includes sample handbook, policies, email links to relevant articles;
 - 2) 800 Legal Hotline – Free of charge to ask EP-Related questions from expert attorneys around the country;
 - 3) LocalGovU-Hundreds of online courses tailored to public entities that Travelers policyholders may purchase at discounted rates; Insureds ability to track and report employee scores back to policyholder for HR record-keeping purposes.
- Defense obligation for criminal, dishonest, fraudulent or malicious wrongful employment practice offense's or knowing violations of rights or laws provided until it has been admitted or determined in a legal proceeding that such wrongful employment practice offense was committed by that insured or with consent or knowledge of that insured.
- Contractual Liability Exclusion does not apply to employment loss if insured would have liability for damages even without the contract.
- Limits not reduced by payment of deductible or self-insured retention.

This Coverage Summary is merely a descriptive summary of coverage provided by the insurance contracts and should be used for reference purposes only. It neither amends nor alters the insurance contract(s). Specific questions on all policy terms and conditions should be referred to your USI Insurance representative, and the policy itself should be reviewed.

Automobile Liability (Travelers)

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

Liability Coverage

Coverage	Covered Autos	Limits of Insurance
Combined Single Limit	Any Auto	\$1,000,000
Non-Owned Automobile Liability	Included	\$1,000,000
Hired Automobile Liability	Included	\$1,000,000
Uninsured/Underinsured Motorists Liability	Scheduled Autos	\$1,000,000
Medical Payments	Scheduled Autos	\$5,000

Number of autos, excluding trailers: 111

Number of trailers: 14

This coverage is designed to cover amounts any insured is legally required to pay as damages for covered bodily injury and property damage that results from the ownership, maintenance, use, loading or unloading of a covered auto and is caused by an accident. In addition, coverage is provided for covered pollution costs or expenses that result from accident, which also causes bodily injury or property damage.

Fleet Changes During Policy Term:

Liability and physical damage coverage for scheduled vehicles with reported values is provided automatically for vehicles acquired during the policy term.

At the end of the policy term, the underwriter will request an updated vehicle and will calculate any additional or return premium due based on an average of the difference between the vehicle count from the beginning of the policy term and the vehicle count at the end of the policy term.

For liability coverage, if the quote was based on 114 vehicles (excluding trailers from the list) and the final count was 120, Travelers would charge an additional premium based on an average vehicle count of 117 to reflect added and deleted vehicles.

For physical damage coverage, if the quote was based on \$33,345,000 in values and the final value was \$35,012,250, Travelers would charge additional premium based on the average between these two values to reflect added and deleted vehicles.

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Automobile Liability

Who is an Insured for Auto Liability:

- Public Entity
- Board Members
- Owner of a Commandeered Auto
- Elected and Appointed Officials
- Volunteer or Employee Firefighters

Additional Terms:

- Bail Bonds - \$3,000
- Insureds Expenses - \$500 a day
- Transit Rodeo
- Expected or Intended Injury if protecting a person or property
- Blanket Waiver of Subrogation
- Unintentional Errors or Omissions

The following endorsements apply (including but not limited to)

- Professional Services Not Covered
- Amendment of Bodily Injury Definition
- Professional Services not covered
- Emergency Vehicles – Volunteer Firefighters' & Workers' Injuries Excluded
- Public Entity Auto Extension
- Amendment of Employee Definition
- Amendment of common policy conditions – prohibited coverage – Unlicensed Insurance and Trade or Economic Sanctions

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Automobile Physical Damage (Travelers)

Physical Damage Coverage

Coverage	Covered Autos	Deductible
Comprehensive Coverage (Agreed Value)	Scheduled Autos	\$5,000
Collision Coverage (Agreed Value)	Scheduled Autos	\$5,000

Additional Terms:

- Airbags - \$1,000
- Personal Property - \$400
- Customized Equipment for Emergency Vehicles and Public Transportation Autos
- Transportation Expenses - \$50 A Day/\$1,500 Maximum
- Freezing of Fire Truck Equipment
- Waiver of Deductible – Repaired Glass Only
- Hired Auto Physical Damage – Loss of Use \$65 A Day/\$750 Maximum
- Public Entity Auto Extension
- Hired Auto Physical Damage – Loss of Use –Comprehensive/Collision-(Deductible: \$1,000/\$1,000)

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Automobile Composite Rate Application

1. Automobile Liability is rated on a “per unit” and the Automobile Physical Damage is rated on the basis of the original cost new of the autos. **The composite rates reflect premium charges for any applicable miscellaneous auto coverages, with the exception of Garagekeepers Legal Liability.**
2. The composite rates for Automobile Liability and Physical Damage are the rates applicable at the inception of the policy. Based on the information provided for this proposal and as of the date of this proposal, these rates are as follows:

Liability	Comprehensive	Collision
\$1,176	\$0.084	\$0.1

3. The premium charged at inception in the estimated annual premium based on the number of the units and total original cost new for all covered autos on file with the company at inception. The insured is to submit a current schedule of owned automobiles as of the expiration of the policy and the total earned premium will be computed on the basis of the average net change in units and their corresponding original cost new for the policy term.
4. All autos added will carry the same liability limits and Physical Damage deductibles issued at policy inception for autos of the same type.
5. Any new auto requiring valuation other than actual cash value must be reported within 30 days of acquisition. These autos will be added to the policy automobile schedule mid-term and a final premium will be determined at the policy expiration.

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Umbrella/Excess Liability (Travelers)

Coverage	Limits of Insurance 2018/2019
Bodily Injury & Property Damage (any one occurrence)	\$10,000,000
Personal and Advertising Injury (each person or organization)	\$10,000,000
Products/Completed Operations Aggregate Limit	\$10,000,000
General Aggregate Limit	\$10,000,000
Specialty Coverage Aggregate Limit (Management Liability, Employment Practices Liability)	\$10,000,000

Retained Limits	Retention Amount 2018/2019
Retained Limit (any one occurrence or offense)	\$10,000

The insurance company has the right and duty to defend any suit for damages which are payable under Coverages A or B (including damages wholly or partly within the retained limit) but which are not payable by a policy of underlying insurance; or any other available insurance, because 1) such damages are not covered; or 2) the underlying insurance has been exhausted by the payment of claims.

Coverage Form and Defense Expenses	2018/2019
Coverage Form	Occurrence & Claims Made
Retroactive Date	Subject to Underlying Insurance
Defense Expenses	Subject to Underlying Insurance

* The carrier's right and duty to defend ends when they have used up the applicable limit of insurance.

This coverage is designed to provide excess limits above primary coverage for bodily injury, property damage, personal and advertising injury that results from a catastrophic event. "Drop Down" coverage responds to a reduction in the available primary insurance limit as a result of an impaired each event limit and replaces the primary insurance should the underlying total limit be exhausted. Coverage is on a **broader than primary** basis.

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Umbrella/Excess Liability:

Underlying Insurance	Subject to:
General Liability	General Aggregate
Employee Benefits Liability	General Aggregate
Automobile Liability	General Aggregate
Management Liability (Specialty Coverage)	Specialty Coverage Aggregate
Employment-Related Practices Liability (Specialty Coverage)	Specialty Coverage Aggregate
Employers Liability	\$1,000,000 Underlying Limits

General Aggregate Limit applies to:

- Products/Completed Operations Aggregate Limit
- Personal and Advertising Injury Any One Person or Organization Limit
- Each Occurrence Limit

Specialty Coverage Aggregate Limit applies to:

- Each Wrongful Act Limit Public Entity Management Liability
- Each Wrongful Act Employment Practice Offense Limit Public Entity Employment-Related Practices Liability.

The following **Endorsements** apply (including but not limited to)

- Amendment of Conditions and Coverage for Financial Interest in Foreign Insured Organizations – Umbrella
- Amendment of Bodily Injury Definition
- Amendment of Defense of Claims or Suits – Reasonable Expenses incurred by the insured at our request
- Amendment of Who is an Insured – Insureds added when qualifying under scheduled underlying insurance without written contract and limitations added for Limited Liability Companies and for your Employees
- Amendment of Property Damage Definition
- Amendment – Other Insurance Condition and Meaning of Other Insurance and Other Insurer
- Amendment of Defense of Claims or Suits – Taxed Costs
- Amendment – Meaning of You and Your and meaning of Employee
- Amendment of Damage to your Work Exclusion
- Amendment of Maintenance of Underlying Insurance Condition
- Waiver of our Right to Recover from Others
- Reasonable Force – Bodily Injury or Property Damage

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- Amendment of Duties in the Event of Occurrence or Offense, Claim or Suit and Representation Conditions – Public Entities, Indian Tribes or Colleges and Schools
- Crisis Management Services Expenses
- Amendment of Coverage B – Personal & Advertising Injury
- Amendment of Who is an Insured – Your executive officers, employees, directors or stockholders are insureds only when qualifying under scheduled underlying insurance.
- Cap on Losses from Certified Acts of Terrorism
- Limited Abuse or Molestation Liability Coverage
- Professionals Health Care and Social Services Liability Coverage – Designated Professionals **(EMTS)**

The following **Exclusions** apply (including but not limited to)

- Asbestos
- Fungi or Bacteria Exclusion
- War Exclusion
- Amendment of Contractual Liability Exclusion
- Amendment of Watercraft or Aircraft Exclusion
- Amendment of Damage to Property Exclusion
- Public Use of Private Property Exclusion
- Professional Health Care Services Exclusion – Limited Following Form Public Entities
- Injury to Volunteer Firefighters Exclusion – Limited following form.
- Unsolicited Communications
- Discrimination
- **Abuse or Molestation**
- Amendment Pollution Exclusion
- Exclusion – Violation of Consumer Financial Protection Laws
- Exclusion – Access or Disclosure of Confidential or Personal Information
- Lead Exclusion
- Total Exclusion – Failure to Supply
- Exclusion – Nuclear Energy Liability
- Pollution Exclusion – Pollution Related to Autos

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Workers' Compensation (Travelers)

Coverage	Limits of Insurance 2018/2019
Workers' Compensation	Statutory
Employer's Liability – Bodily Injury By Accident (Each Accident)	1,000,000
Employer's Liability - Bodily Injury By Disease (Policy Limit)	\$1,000,000
Employer's Liability - Bodily Injury By Disease (Each Employee)	\$1,000,000

Workers' Compensation and Employers Liability Insurance Policy WC 00 00 00 (C)

Policy Declarations

Workers Compensation Information Page – Except New Jersey WC 00 00 01 (A)
Item 1. Named Insured as per Schedule
Item 3.A. State(s) of: NV
Item 3.C. State(s) of: AL ARAZ CA CO CTDC DE FL GA HI IA
ID IL IN KS KY LA MA MD ME MI MNMOMS MT
NC NE NH NJ NM NY OK OR PA RI SC SD TN TX
UT VA VT WI WV

Amendments:

- **Voluntary Compensation and Employers Liability Coverage**
Any State in item 3.A. or 3.C. except CA, NJ and WI WC 00 03 11 (A)
- **Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement**
Countrywide except FL, ND, OH, PR, VI, WA, WY WC 00 04 22 (B)
- **Catastrophe (other than Certified Acts of Terrorism)**
Countrywide except AK, FL, MA, MI, MN, MO, ND, NM, OH, PR, TX
WC 00 04 21 (D)
VA, VI, WA, WY

The experience rating modification factor applied to this policy may change. We will apply any change in accordance with our manual rules and state law. A change in your experience rating modification may increase or decrease your premium.

NOTE – TERRORISM PREMIUM CHARGES ARE SUBJECT TO CHANGE AT ANY TIME BASED ON STATE REGULATORY ACTION.

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Terms and Conditions (including but not limited to):

- Voluntary Compensation and Employers Liability (adds coverage for volunteers)
- Waiver of Subrogation (as required by written contract)
- Communicable Disease Endorsement
 - \$3,000,000 Workers Compensation Limit
 - \$2,000,000 Employer's Liability Limit
- Deletion of Late Reporting and Independent Contractor Penalty Clause
- Definition of Payroll Pertaining to Volunteer Workers (deemed payroll for volunteers)
- Aircraft Coverage Exclusion Endorsement
- Notice of Cancellation: 60 days

Workers Compensation Rating Information:

Classification	Rated Payroll	Rate/\$100	Premiums
8810 Clerical Office Employees	\$684,600	\$.044	\$3,012
7710 Firefighters & Drivers	\$3,996,000	\$12.96	\$517,882
9410 Municipal Employees NOC	\$446,400	\$3.59	\$16,026
7711 Firefighters, Clerical & Sales (Volunteers)	\$1,464,000	\$2.1	\$30,744
Total Rated Payroll	\$6,591,000		\$567,664

Additional Premium Charges	2018/19
<i>Employer's Liability Increased Limits</i>	\$6,244
<i>Experience Modification Factor (1.0)</i>	\$0.00 (Nil)
<i>Scheduled Debit</i>	\$143,477
Premium Discount	(\$43,043)
Expense Constant	\$240
Terrorism Premium	\$4,614
Catastrophe Premium	\$1,450
Total Estimated Premium	\$680,646

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Crime (Travelers)

Coverage	Limits (per occurrence)	Deductibles (per occurrence)
Employee Theft	\$1,000,000	\$25,000
Forgery or Alteration	\$1,000,000	\$25,000
Inside the Premises	\$1,000,000	\$25,000
Outside the Premises	\$1,000,000	\$25,000
In Transit	\$1,000,000	\$25,000
Money Orders and Counterfeit Paper Currency	\$1,000,000	\$25,000
Computer Fraud	\$1,000,000	\$25,000
Funds Transfer Fraud	\$1,000,000	\$25,000
Fraudulently Induced Transfers	\$250,000	\$50,000
Claims Expense	\$5,000	\$0

POLICY FORMS APPLICABLE TO QUOTE OPTION # 2:

CRI-2001-0109 Crime Declarations Page
CRI-3001-0109 Crime Policy Form

ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 2:

ACF-7006-0511 Removal of Short-Rate Cancellation Endorsement
CRI-19072-0315 Global Coverage Compliance Endorsement – Adding Financial Interest Coverage and Sanctions Condition and Amending Territory Condition
CRI-19085-0516 Social Engineering Fraud Insuring Agreement Endorsement
CRI-19097-0517 Replace Exclusion BB. Endorsement
CRI-19101-1117 Amendatory Endorsement for Certain ERISA Considerations
CRI-5029-0613 Nevada Cancellation or Termination Endorsement
CRI-7125-0109 Government Entity Crime Endorsement

This quote is contingent on the acceptable underwriting review of the following information prior to the quote expiration date.

- 1 Regarding funds transfer controls: Are all funds transfer requests that are made by a client confirmed with a direct call to the client using a telephone number provided before the payment request?

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Crime (Great American)

Coverage	Limits (per occurrence)	Deductibles (per occurrence)
Employee Theft	\$1,000,000	\$25,000
Forgery or Alteration	\$1,000,000	\$25,000
Inside the Premises	\$1,000,000	\$25,000
Outside the Premises	\$1,000,000	\$25,000
In Transit	\$1,000,000	\$25,000
Money Orders and Counterfeit Paper Currency	\$1,000,000	\$25,000
Computer Fraud	\$1,000,000	\$25,000
Funds Transfer Fraud	\$1,000,000	\$25,000
Fraudulently Induced Transfers	\$250,000	\$50,000
Claims Expense	\$5,000	\$0

Crime Forms and Endorsements (including but not limited to):

FORM #	DESCRIPTION
790FIC	Great American Insurance Fidelity & Crime Policy Cover
SDM683	Important Notice Fidelity Crime Division Claims
SP0002	Crime Protection Policy For Public Entities
IL8801	BusinessPRO Forms And Endorsements Schedule
SE0041	Include Coverage For Funds Transfer Fraud
SE0167	Include Coverage For Fraudulently Induced Transfers
SE0015	Include Volunteer Workers As Employees
SE0096	Nevada Changes-Cancellation And Nonrenewal
SE0161	Amend Confidential Information And Data Breach Costs Exclusions
SA7092	Expense Coverage Claims Expense Limit: 5,000
SA7152	Virtual Or On-Line Peer To Peer Mediums Of Exchange Exclusion
IL7324	Economic And Trade Sanctions Clause
IL7268	In Witness Clause

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SEQ FORM # DESCRIPTION

Pollution Liability Coverage (Great American)

Pollution Liability	Great American 2018/2019
Limits of Insurance	
A. Pollution Legal Liability	\$2,000,000
B. On-Site and Off-Site Clean-Up Costs	\$2,000,000
C. Contracting Services Pollution Liability	\$2,000,000
D. Non-Owned Disposal Site	\$2,000,000
E. In-Bound and Out-Bound Contingent Transportation	\$2,000,000
F. On-Site Clean-Up Costs for Biological Hazards	\$2,000,000
G. Business Interruption or Contingent Business Interruption	\$2,000,000
Deductibles	
Each Incident Deductible	\$25,000
Non-Owned Disposal Site	\$10,000
In-Bound and Out-Bound Contingent Transportation	\$10,000
On-Site Clean-up Costs for Biological Hazards	\$2,500
Business Interruption Deductible	3 Days
Claims-Made Retroactive Date	
Retroactive Exclusion Date	7/1/2016
Coverage Highlights	
Third Party Claims for Bodily Injury, Property Damage or Remediation Expense	Included
First Party Remediation Expense	Included
Emergency Response Expense	Included
Business Interruption	Included

Policy Aggregate Limit of Liability \$4,000,000

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Pollution Endorsements & Exclusions

PRE 39 12 (Ed. 05 13) – Choice of Law and Jurisdiction and Venue Conditions Deletion

PRE 32 04 (Ed. 05 13) – Definition of Insured Amendatory Endorsement – “Additional Insured” Status for Unrelated Entities when Required by Written Contract

PRE 31 57 (Ed. 05 13) – Coverage E – Transportation Coverage Including Transportation by the Insured

PRE 34 45 (Ed. 10 15) – Asbestos and Lead-Based Paint Exclusions Amendments – Coverage A and Coverage B for Inadvertent Disturbances

PRE 30 20 (Ed. 05 13) – Additional Limit for Legal Expense

PRE 34 19 (Ed. 05 15) - Terrorism Coverage Endorsement

PRE 32 39 (Ed. 05 13) – Biological Terrorism Coverage

PRE 34 21 (Ed. 01 15) – Exclusion of Terrorism Coverage

PRE MANUS (05 17) – Public Relations Expenses Endorsement with Reporting of Emergency Response Costs

PRE 36 16 (Ed. 05 13) – Covered Locations

Any Applicable State Endorsements or Notices.

Exclusions in the quotation include, but are not limited to, the terms and conditions outlined above. Please refer to the policy contract for specifics. Any other coverage extensions, deletions, or changes requested in the submission are hereby rejected.

Great American quote subject to:

- 2-years of TMFPD financial statements
- Signed/dated terrorism disclosure notice.

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Network Security - Elements of Coverage

Security & Privacy Liability:	Provides coverage for liability arising from the insured's failure to protect confidential information in any format including the unauthorized release or loss of personally identifiable, protected health or third-party corporate confidential information. Coverage is expanded to include liability arising from the failure to prevent the Insured's computer system from an attack. This includes unauthorized access to or use of a computer system, failure to prevent the transmission of malicious code or failure to prevent a denial of service attack. Coverage includes damages assessed or agreed via settlement as well as legal defense expenses incurred.
Media Liability:	Provides coverage for legal liability arising from the insured's dissemination of media content (online and offline.) Coverage is provided for defense and indemnity for claims alleging infringement of intellectual property (with the exception of trade secret and patent) and personal injury perils.
Regulatory Acts Coverage:	Provides coverage for legal expenses and fines and penalties, where insurable by law, incurred to respond to a request for information, civil investigative demand or civil proceeding commenced by service of complaint or similar proceeding brought by or on behalf of the FTC, FCC or any other federal, state, local or foreign governmental entity in its regulatory capacity arising from an actual or alleged privacy event.
Privacy Notification Costs:	Provides coverage for costs incurred by the Insured as a result of a potential breach or affirmed breach including breach legal costs, forensics, notification mailings to affected persons, call center support, credit monitoring services, identity theft protection services, identity restoration services, public relations expenses and other related services.
Cyber Extortion:	Reimbursement for costs incurred by the insured associated with responding to and/or mitigating an extortion attempt involving the insured's network or data. Coverage includes forensic expenses and any ransom paid in order to comply with the extortion demand.
Network Interruption:	Provides coverage for loss of income and <i>extra expenses</i> directly caused by covered network security event as defined. Time period retention applies either in lieu of or in addition to the policy retention. <i>Dependent business interruption</i> provides coverage for the insured's loss of income arising directly from a covered Network Security Event by an entity that is not a part of the Insured Organization but which provides necessary products and services to the Insured Organization pursuant to a written contract.
System Failure:	Provides coverage for loss of income arising from any unplanned outage of your network (barring exclusions – rolling blackout, intentionally caused loss at outsourced provider, etc.) of the system. The trigger is no longer limited to a failure of the insured's computer's security. It can be something as simple as the IT department doing a software upgrade that knocks out the network. We have seen cases where it takes the company a day or two to figure out what went wrong and restore everything.

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Data Recovery Costs:

Reimburses the insured for costs incurred to hire outside data restoration experts to assist in replacing, recreating or restoring data that is lost, corrupted or damaged due to a covered Network Security Event as defined in each carrier's insurance policy

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Network Security Comparison of Terms and Conditions

	AIG 2017-18	AIG 2018-19
Policy Aggregate Limit	\$2,000,000	\$2,000,000
Limits by Coverage Part		
<u>Third Party Coverages:</u>		
Security & Privacy Liability	\$2,000,000	\$2,000,000
Media Liability	\$2,000,000	\$2,000,000
Regulatory Proceeding	\$2,000,000	\$2,000,000
Payments Cards Liabilities & Costs	\$2,000,000	\$2,000,000
<u>First Party Coverages:</u>		
Reputation Guard	Not included	\$50,000
Event Management:	\$2,000,000	\$2,000,000
Business Interruption Loss		
- Security Breach	\$2,000,000	\$2,000,000
- System Failure	\$2,000,000	\$2,000,000
Dependent Business Loss		
- Security Breach – IT Provider	\$2,000,000	\$2,000,000
- System Failure – IT Provider	\$2,000,000	\$2,000,000
- Security Breach – Other outsource provider	\$500,000	\$500,000
- System Failure – Other outsource provider	\$500,000	\$500,000
Network Extortion	\$2,000,000	\$2,000,000
Data Restoration Expense	\$2,000,000	\$2,000,000
Retentions		
Each Claim or Event except:	\$10,000	\$10,000
Cyber Crime Endorsement	N/A	\$25,000
Reputation Guard	\$0	\$0
Business Interruption – waiting period	12 hours	12 hours
Premium		
Annual premium	\$11,361	\$11,189

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Network Security and Privacy Coverage

Named insured:	Truckee Meadows Fire Protection District
Insurance carrier:	National Union Fire Insurance Company of Pittsburgh, Pa (AIG) — Admitted A.M. Best rating: A XV as of 2017
Policy number:	Renewal of policy # 01-608-20-93
Policy term:	7/1/2018 to 7/1/2019
Premium:	\$11,189

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 (arising from creation or dissemination of media material to the public) • Regulatory action (for violation of a privacy statute or regulation; includes coverage for regulatory fines and penalties if insurable) Coverage is also provided for certain first party expenses that may be incurred as a result of a data breach.		
Policy form:	Claims made and reported – Liability coverages Occurrence/Discovery – First Party coverages		
Limits:	\$	2,000,000	Security & Privacy Liability (Liability)
	\$	2,000,000	Regulatory Proceeding (Liability)
	\$	2,000,000	Payments Cards Liabilities & Costs (Liability)
	\$	2,000,000	Media Content Insurance (Liability)
	\$	2,000,000	Event Management (First Party)

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Limits (continued)	\$	2,000,000	Network Interruption (First Party)
	\$	2,000,000	Cyber Extortion Loss (First Party)
	\$	50,000	Reputation Guard
	\$	2,000,000	Maximum policy aggregate
Retention:	\$	10,000	Each liability claim
	\$	0	Reputation Guard
		12 hours	Business Interruption/Dependent Business Interruption Waiting Period
Retroactive date:	Full prior acts		
Continuity date:	7/1/2017		
Extended reporting period:	<u>Automatic:</u> 60 days		
	<u>Optional:</u>		
	1 year for 100% of full annual premium		
	2 years for 175% of full annual premium		
	3 years for 200% of full annual premium		
Terms and conditions:	• Claims made and reported policy • Insurer duty to defend • Defense inside		

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Forms and endorsements:

SRP General Terms and Conditions (Countrywide)
SRP Reputation Guard Coverage Section
Cyber Extortion Coverage Section
Event Management Coverage Section
Security and Privacy Coverage Section
Network Interruption Coverage Section
Media Content Coverage Section (Claims Made)
Bitcoin Ransom Coverage Endorsement
Cancellation Amendatory (Return Pro Rata)
Conduct Exclusion Amendatory Endorsement
Confidential Information and Regulatory Action Definitions Amended (GDPR)
Control Group Definition Amendatory Endorsement (Amending List of Officers; Non-Administrative Personnel): CEO, CFO, CIO, CTO, Risk Manager, GC, Chief Information Technology Officer, Chief Information Security Officer
Criminal Reward Coverage Extension
CyberEdge Loss Prevention Services
Cyberterrorism Coverage Endorsement
Economic Sanctions Endorsement
E-Discovery Consultant Services Coverage Endorsement
First Response Coverage Endorsement (Choice of Scheduled Advisors No Retention Applicable)

- First Response Sublimit: \$250,000
- First Response Advisors (Legal): Mullen Coughlin
- First Response Advisors (IT): Blue Team/K2 Intelligence OR Navigant
- First Response Advisors (PR): Levick Communications

Loss Definition Amended Endorsement
Notice of Claim Provision Amendatory Endorsement (Sixty Day Post Policy Reporting Period)
Panel Counsel Endorsement (For Use with First Response Coverage Endorsement)
Reputation-based Income Loss Coverage Endorsement

- Sublimit: \$1m
- Waiting Period: 2 Weeks
- Max Period of Indemnity: 6 Months

Retention Amendatory Endorsement
Security Failure Definition Amendatory Endorsement (Physical Theft of Hardware)
State Amendatory Inconsistent Endorsement
Subsidiary Threshold Amendatory Endorsement (15% threshold)

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System Failure Coverage Endorsement (IT Providers)

- System Failure Sublimit: \$2m
- IT Provider Security Failure Sublimit: \$2m
- Outsourced Provider Security Failure Sublimit: \$500,000
- IT Provider System Failure Sublimit: \$2m
- Outsourced Provider System Failure Sublimit: \$500,000

Systems Failure Waiting Hours: 12 Hours

Wrongful Collection Coverage Endorsement

Federal Share of Compensation Under TRIA And Cap on Losses

Endorsement

Forms Index Endorsement

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.

Subjectivities:

1. Completed Systems Failure/OSP supplemental

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Kidnap & Ransom (Great American)

Named Insureds

Truckee Meadows Fire Protection District
All Directors, Officers and Employees, Leased or Temporary Employees, Volunteers, Students, Interns and persons specifically retained to negotiate or deliver ransom

Insured Losses

Ransom	\$1,000,000	Per Insured Event
Transit: <i>as described in 2.2</i>	\$1,000,000	Per Insured Event
Security Consultant Fees and Expenses: <i>As described in 2.3</i>	Unlimited	Per Insured Event
Additional Expenses: <i>as described in 2.4</i>	\$1,000,000	Per Insured Event
Legal Liability: <i>as described in 2.5</i>	\$1,000,000	Per Insured Event
Personal Accident Losses: <i>as described in 2.6</i>		
Capital Sum Insured	\$250,000	Per Insured Event
	\$1,000,000	Each Insured Event Aggregate

Benefits Per Insured Person

Percentage of Capital Sum Insured

Death	100%
Loss of Limb/Sight	100%
Permanent Total Disablement	100%
Loss of Extremity	50%

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SEQ	Form #	Description
1	790FIC	Great American Insurance Fidelity & Crime Policy Cover
2	CR7935	Great American Kidnap, Ransom & Extortion Policy Declaration Page
3	CR7813	Great American Kidnap, Ransom & Extortion Policy
4	IL0952	Cap On Losses From Certified Acts of Terrorism
5	CR8801	Forms and Endorsement Schedule
6	CR7865	Threat Response Expense Endorsement
7	CR7870	Assault Expense Endorsement
8	CR7873	Express Kidnap Endorsement
9	CR7876	Alternate Loss of Earnings
10	CR7879	Travel Security Evacuation Endorsement
11	CR7880	Disappearance Investigation and Expense Endorsement
12	CR7881	Hostage Crisis Endorsement
13	CR7943	Broad Named Insured
14	IL7347	Disclosure Pursuant to Terrorism Risk Insurance Act
15	IL7268	In Witness Clause

CR7876	Alternate Loss of Earnings		
	Limits of Liability	\$1,000,000	Per Insured Event
	Indemnity Period	120 Days	
	Waiting Period	6 Hours	
CR7870	Assault Expense		
	Insured Losses <i>as described in 2.3</i>	\$500,000	Per Insured Event
	and relevant expenses <i>as described in 2.4</i>		
	Personal Accident Losses <i>as described in 2.6</i>	\$100,000	Per Insured Event
		\$500,000	Each Insured Event Aggregate
CR7880	Disappearance Investigation and Expense		
	Limits of Liability	\$150,000	Per Insured Event
	Indemnity Period	90 Days	
	Waiting Period	48 Hours	
CR7873	Express Kidnap		
	Limits of Liability	\$150,00	Per Insured Event
	Personal Accident Losses <i>as described in 2.6</i>	\$250,000	Per Insured Event
		\$1,000,000	Each Insured Event Aggregate
CR7881	Hostage Crisis		
	Limits of Liability	\$1,000,000	Per Insured Event
	Legal Liability Expenses <i>as described in 2.5</i>	\$1,000,000	Per Insured Event

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	Per Accident Losses <i>as described in 2.6</i>	\$250,000	Per Insured Event
		\$1,000,000	Each Insured Event Aggregate
CR7865	Threat Response Expense		
	Limits of Liability	\$150,000	Per Insured Event
	Indemnity Period	90 Days	
CR7879	Travel Security Evacuation		
	Limits of Liability	\$150,000	Per Insured Event
	but not exceeding:		
	Repatriation Costs	\$5,000	Per Insured Event
	Personal Effects	\$5,000	Per Insured Event
Named Excluded Countries: None			

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Attachments

1. Coverage to consider
2. Client authorization to bind coverage
3. Evaluating financial strength and capacity of insurance markets
4. Insurance company financial information
5. USI Disclosures
6. When to notify USI Insurance Services
7. Terrorism Risk and Insurance Act 2015 (TRIA) coverage options
8. Notice of surplus lines placement
9. General Provisions
10. Who We Are
11. The USI ONE Advantage
12. Property and Casualty Resources
13. "Claims Made" Coverage
14. Cybersure Quick Reference Guide

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Coverage to Consider

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.

Employment practices liability:

The relationship between the employer and employee has become increasingly complex, and this has given rise to new insurance coverages to protect the employer. These coverages include wrongful termination, sexual harassment, and other coverages. It is important that you understand your exposures to loss in these critical areas.

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.

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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

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.

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Client Authorization to Bind Coverage

TO: USI Insurance Services
5355 Kietzke Lane, Suite 101
Reno, NV, 89511

RE: Truckee Meadows Fire Protection District Insurance Proposal for 07/01/2018~07/01/2019

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

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. Please 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 Insurance or USI Insurance Services otherwise notifies me, USI Insurance Services intends to renew my coverage with the insurer that, at the time of such renewal, underwrites my coverage and thus USI Insurance Services 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 Insurance Services may receive in connection with USI Insurance'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 Insurance Services.

Please check one:

- ☐ After careful review of your proposal dated **May 29, 2018** we have decided to accept your proposal as presented.
- ☐ After careful review of your proposal dated **May 29, 2018**, we have decided to accept your proposal with the following changes:

Policy delivery (please select your preferred option)

- ☐ Electronically via email
- ☐ Electronically posted on CyberSure
- ☐ Paper copy in 3-ring binder
- ☐ Via CD

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

May 29, 2018

Customer Signature

Name

Date

Company

Title

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Evaluating Financial Strength and Capacity of Insurance Markets

USI Insurance Services' objective is to place Clients risks with insurers that are financially sound. In assessing the financial strength of insurers, USI Insurance Services relies upon statutory financial statements as well as the opinions and assessments of recognized rating agencies and other carrier review companies. USI Insurance Services authorizes insurers that it believes, at the time of placement, have the financial ability to fulfill their claim payment obligations to our clients. USI Insurance Services 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.

USI Insurance Services has appointed a group of experienced insurance professionals to serve on a Market Security Committee. This Committee is responsible for establishing and utilizing guidelines for the selection of insurers and supporting employees in their efforts to utilize financially sound insurers. In assessing the financial strength of insurers, the Committee relies upon the opinions and assessments of recognized rating agencies and other carrier review companies.

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Insurance Company Financial Information

Objective assessments help insurance buyers make informed decisions

As your insurance broker, one of our objectives is to provide you with information and assessments published by rating agencies on the financial stability of the insurers currently underwriting your coverage's, or of those insurers we recommend you consider.

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

Insurance Carrier	A.M. Best Rating	Financial Rating
Travelers Insurance (Various Companies)	A++ (Superior)	XV
Houston Casualty Company	A++ (Superior)	XV
Great American E & S Insurance Company	A+ (Superior)	XIV
Great American Insurance Company	A+ (Superior)	XIV
National Union Fire Insurance Company of Pittsburgh	A (Excellent)	XV

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

Direct Bill DISCLOSURE: The Insurance Company operates independently for the financing of your insurance premium. Your agreement to finance this premium is directly with the insurance company and not USI Insurance Services.

If payment is not received by the due date, the insurance company could cancel your insurance policy(s) for non-payment of premium. The insurance company has the right to honor the cancellation date and **NOT** offer reinstatement or rewrite the insurance coverage.

We are not in a position to make monthly reminders or verify that your payment was received. Please take the necessary action to avoid possible cancellation of your insurance policy(s) which you are paying directly to the insurance company.

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.

Reviewing Client Contracts DISCLOSURE: As a service to our clients, upon their request, USI will review those portions of your contract regarding the insurance and indemnity requirements as they relate to your insurance program and provide comments and/or recommendations based upon such review. This service should not be taken as legal advice and it does not replace the need for review by the insured's own legal counsel.

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When to Notify USI Insurance Services

It is important that you advise USI Insurance Services 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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Terrorism Risk and Insurance Act 2015 (TRIA) coverage options

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least 5 million dollars and must have been committed by an individual or individuals, as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. This will decrease to 80% by 2020.

The Terrorism Risk Insurance Act, as amended in 2007, 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. If insured losses are less than \$27.5 billion (\$37.5 billion by 2020), the government is required to recoup 140% of government outlays. There are instances in which the level of loss would not require the government to recoup outlays, but it would retain the authority to do so.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism. The policy's other provisions will still apply to such an act.

See the section of this notice titled **Selection or rejection of terrorism insurance coverage**. If you choose to accept this offer of coverage, your premium will include the additional premium for terrorism as stated in this disclosure

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

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Notice of Surplus Lines Placement

USI Insurance Services.
5355 Kietzke Lane, Suite 101
Reno, NV 89511
Office: (775) 335-2120
Fax: (610) 537-2335



May 29, 2018

Truckee Meadows Fire Protection District
1001 East Ninth Street
Reno, NV 89512

Dear Doreen,

We have offered you insurance coverage with **Houston Casualty Company** for your Excess Earthquake and **Great American E & S Insurance Company** for your Pollution Liability. We want you to know that these are surplus lines insurers, and that it does 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 insurers, 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.

Houston Casualty Company is rated A++ and Great American E & S Insurance Company is rated A+ by A.M. Best, Company is rated 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 Houston Casualty Company and Great American E & S Insurance Company. If you should have any questions regarding these surplus lines placements, please contact me directly.

Thank you for your careful consideration of this matter.

Very truly yours,

Brandon Lewis, CPCU, ARM
Vice President, USI Insurance Services

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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.

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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.

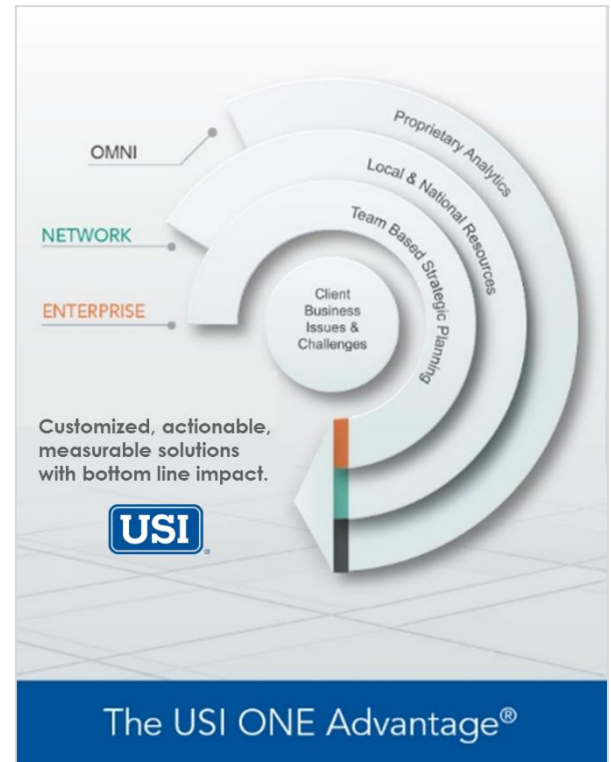
Network – USI's Local and National Resources

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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CyberSure® Quick Reference Guide

Property and Casualty

CyberSure® web-based customer service and support available 24/7/365.

Your business never stops. Why not partner with the broker that never closes?

Plus “answers”:
Online training solutions and disaster recovery planning available at a modest fee.

*CyberSure® is available at **no cost** to you. Take advantage of this time-saving tool. Contact your account team today and request a CyberSure® login!*

Available for property and casualty clients:

E-services

Certificate management

Issue your own certificates in the same amount of time it takes to submit a request to your broker. Store copies online and “go green.”

Claims management

Report claims and monitor history.

Fleet management

Manage changes to your fleet of autos.

Policy requests and changes

Add, change, or delete locations, equipment, and other exposures.

My account team

A customized directory of all those who support your risk management and insurance program.

My documents

Collaborate with your account team via convenient and secure upload and download of documents.

Resources

Loss prevention

Your Safety Committee’s one-stop shop for loss prevention resources.

Risk management “toolbox”

Articles, checklists, and other resources customized for a wide array of industries.

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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.

Summit Trainingweb

As a component of our risk control support, our clients have access to over 150 online safety courses. Our value-added tool through Summit Training Source is the premier resource for environmental, health, and safety training 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
- 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
- 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

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

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“Claims Made” Coverage Notice

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.

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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