

Risk Management Summary

Prepared for:

Fort Bend County Toll Road Authority

Reviewed Policy Period

07/21/10

To

07/21/11

Presented by:

H A R C O
Insurance Services
Established 1969

This risk management summary is intended to provide a brief overview/explanation of coverage.

Prepared by: Bill Walker ARM, Senior Consultant - HARCO Insurance Services
Jerry Lavey ARM, Senior Consultant - HARCO Insurance Services
Carolyn Demel, Sr. Account Manager - HARCO Insurance Services

Dated: May 13, 2010

HARCO INSURANCE SERVICES

HARCO Insurance Services was established over 40 years ago and currently serves the insurance needs for over 4,000 individuals and 4,200 businesses throughout Houston and surrounding communities. In addition, our Public Entity Consulting Program offers risk management and consulting services for public entities, their Board of Directors and Legal Representatives.

HARCO is committed to providing excellence in all that we do in order to establish a firm relationship of mutual trust and service with each of our clients.

YOUR HARCO SERVICE TEAM

Gerald M. Lavey, ARM - Senior Consultant

Jerry Lavey has over 30 years experience in the risk management and insurance industry. A past Division President for a national brokerage firm, he has served as a Director for the Texas State Office of Risk Management and is past Chairman of the organization. Jerry attained his Associate in Risk Management in 1994. He is past President of Harris County Municipal Utility Authority No. 153 and Director on the Atascocita Joint Operations Board. He currently serves as a Director for Harris County MUD 290. He also has served as President of the Humble ISD Educational Foundation Board.

William L. Walker, ARM - Senior Consultant

Bill Walker has over 30 years experience in the insurance industry. A former Vice President of a national brokerage that specialized in Public Entity Risk Pools, he has been responsible for account and risk management on many public entities. Bill attained his Associate in Risk Management designation in 1982 and is a licensed Risk Manager with the State of Texas. Bill is currently a Director of Harris County Municipal Utility Authority No. 151.

Carolyn Demel, ACSR - Consultant Assistant/Public Entity Sr. Account Manager

Carolyn Demel serves as the internal contact for our public entity accounts. She maintains communications with the underwriters at TML IRP and other insurance providers. Carolyn assists with the preparation of underwriting documents, proposals, comparisons and assists with many other needs of the Authority, Legal Assistants or our Consultants.

Josh Hargrave, CIC - President

Josh Hargrave has over 25 years experience in the insurance and risk management area. He currently serves as Director for the Independent Insurance Agents of Houston, serves on Legislative Committee for the Independent Insurance Agents of Texas as well as serving on various insurance company advisory committees. Josh attained the Certified Insurance Counselor designation in 1985.

Gerri Rougeau, CIC - Vice President

Gerri Rougeau has over 40 years experience in the insurance and risk management area. She is Past President of the Independent Insurance Agents of Houston and currently serves on various insurance company advisory committees. Gerri attained the Certified Insurance Counselor designation in 1974.

**HARCO has a team concept with over 35 professionals on staff
providing the highest standards of service to the clients we serve**

Fort Bend County Toll Road Authority

SUMMARY

<u>COVERAGE</u>	<u>2010 - 2011 RENEWING</u>	<u>2009 - 2010 EXPIRING</u>
Property	\$ 52,298	\$ 58,631
Limits	\$ 49,460,000 / \$25,000 Deductible	\$ 49,920,000 / \$25,000 Deductible
Flood/Quake	\$ 49,460,000 / \$25,000 Deductible	\$ 49,920,000 / \$25,000 Deductible
Terrorism	\$ 10,000,000	\$ 10,000,000
Loss Revenue	\$ 4,000,000	\$ 4,000,000
Equipment Breakdown	Included	Included
Limits	\$ 100,000 / \$1000 Deductible	\$ 100,000 / \$1000 Deductible
Properties Consulting & Servicing Fee	\$ 6,600	\$ 6,600
General Liability	\$ 12,945	\$ 15,915
Limits	\$ 10,000,000 / No Deductible	\$ 10,000,000 / No Deductible
Law Enforcement Liability	\$ 1,393	\$ 1,393
Limits	\$ 3,000,000 / \$1000 Deductible	\$ 3,000,000 / \$1000 Deductible
Pollution Liability	Included in General Liability	Included in General Liability
Limits	\$ 2,000,000 / No Deductible	\$ 2,000,000 / No Deductible
Auto Liability	\$ 71	\$ 71
Limits	\$ 2,000,000 / No Deductible	\$ 2,000,000 / No Deductible
Liabilities Consulting & Servicing Fee	\$ 5,800	\$ 5,800
 <u>ANNUAL COST:</u>	 <u>\$ 79,106</u>	 <u>\$ 88,409</u>

EQUITY RETURNS or REDUCTIONS ISSUED to AUTHORITY BY TML IRP:

2007- 08	\$ 1,058
2008- 09	\$ 1,792
2009- 10	\$ 3,324
2009- 10	\$ 4,852 - This was a Property Rate Reduction payment from TML IRP
TOTAL	\$11,026 - TOTAL SAVINGS TO AUTHORITY'S INSURANCE EXPENSES

ACCEPTED: _____

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DATE: _____

Fort Bend County Toll Road Authority

HARCO Insurance Services

10777 Northwest Freeway, Suite # 800

Houston, TX. 77092-7339

Tel: (713) 681-2500

Fax: (713) 684-1600

Consulting Fee Agreement

The purpose of this Disclosure Statement Agreement is to acknowledge that we may perform the following services in your behalf and you agree to pay the amount indicated as compensation for the additional services provided.

Description of Services

- Consultants do not act as an appointed agency on behalf of TML IRP, nor do the Consultants receive commissions from TML IRP. Consultants operate independently of TML.
- Consulting / Review – advise regarding placement of insurance program with TML IRP
- Communicate with TML IRP to obtain insurance proposal or renewal declarations.
- Consultants attend board meetings as requested by the Authority.
- Communicate with other Authority consultants as it may pertain to insurance matters
- Delivery fees
- Consultant granted authority to commit the member and approve the limits, deductibles, and indicated changes as reported by the Authority's consultants/representatives to reflect the updated exposures. The Authority understands they may not have coverage for unreported operations or exposures.
- Claims, potential claims or lawsuits may be submitted directly to our office. We will initiate the claims process with TML IRP and/or other carriers. Upon request, we will assist the Authority with claim(s).
- Consultant may be granted authority to sign claim proof of loss form on behalf of the Authority.
- Consultant may recommend specific loss prevention risk management options.

Consulting Fee \$12,400

FORT BEND COUNTY TOLL ROAD AUTHORITY agrees to pay the fee specified above to HARCO Insurance Services.

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Fort Bend County Toll Road Authority

AUTHORITY: FORT BEND COUNTY TOLL ROAD AUTHORITY

REGARDING NEWLY ACQUIRED FACILITIES OR PROPERTIES

In addition to the limit of liability, this coverage covers up to an additional \$1,000,000 or the LIMIT of coverage set forth in the policy declarations, whichever is less, for newly acquired or constructed property and property in the course of construction, alteration or repair, provided, however, that the member reports the value of such property to TML IRP when the property values accumulated during the policy term equal or exceed this additional limit. This coverage does not cover property in the course of construction, alteration, or repair, unless the Member reports such property to TML IRP prior to a loss and pays an appropriate contribution. Mobile equipment that is acquired during the policy term shall only be covered up to its Actual Cash value if it is not reported to TML IRP within 30 days of acquisition. Nothing in this newly acquired property provision shall create coverage for property which is excluded from coverage under the policy terms.

TO PROTECT THE AUTHORITY'S INTERESTS,
PLEASE IMMEDIATELY REPORT ALL NEW FACILITIES OR PROPERTIES

Please note: There is no Property damage or Equipment breakdown coverage provided by TML IRP for the items listed below if they are not specifically reported & listed on the Authority's schedule/s. We request that you thoroughly review your property schedule for accuracy before signing this acknowledgement page. If the Authority has any other exposures that need to be discussed and/or added to the policy schedule, please notify HARCO immediately.

Swimming Pools	Underground Sprinklers	Outdoor Scoreboards	Dams & Bridges
Tennis Courts	Roadways & Overpasses	Sidewalks	Fire Hydrants
Tunnels	Traffic Lights & Signs	Freestanding Signs	Mobile Equipment
Fine Arts	Detention Ponds	Water Wells	Playground/Recreational Equip.
Freestanding Fences**	Building or Office Contents	Antennas	

**Fences that surround locations scheduled on the real & personal property schedule are not considered 'freestanding fences' and coverage is provided by the policy.

The following items are covered by endorsement at all locations shown on the property schedule listed on this summary if the value for such item(s) has been included in the total values for the respective facility:

*Water Tanks & Towers *Storage Buildings *Underground Mains, Piping, Wiring

If the Authority owns these types of properties at locations not listed on the schedule, they should be reported to us immediately so they can be added to the policy.

ACKNOWLEDGED



DATE 6/16/10

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REAL & PERSONAL PROPERTY

PROPERTY COVERED:

Per Property Schedule as reported by Authority's Engineer
And/or other Authority Consultants

COVERAGE:

Special Blanket Coverage Form Designed for Public Entities:

- \$49,460,000 Real & Personal
- Included Flood & Earthquake
- Included Windstorm / Hail
- Included Theft
- Included Vandalism
- \$10,000,000 Terrorism
- Included Sewer Backup each Scheduled Premises
- Included Demolition / Rebuild / Increased cost
of construction due to Law or Ordinance
- Included Communications Equipment
- Included Computer Equipment
- \$ 1,000,000 Newly Acquired Property
- \$ 1,000,000 Property in Transit
- \$ 20,000 Pollutant Cleanup each Scheduled Premises
- \$ 10,000 EDP Equipment
- \$ 10,000 Valuable Papers & Records, EDP Media
- \$ 10,000 Accounts Receivables
- \$ 5,000 Directors/Employees Personal Property
- \$ 5,000 Leasehold Interest
- Architectural / Engineering Fees Incurred Due to a Loss
- See Property Coverage Features for Additional Coverages & Sublimits
As per Policy terms and conditions

COINSURANCE:

NONE

DEDUCTIBLES:

\$25,000- Per Occurrence For Covered Perils Including Wind / Hail
\$25,000- Per Occurrence For Flood / Earthquake

**LOSS OF REVENUE, EXTRA
EXPENSE, & RENTS:**

\$ 4,000,000

**TO PROTECT THE AUTHORITY'S INTERESTS, PLEASE IMMEDIATELY REPORT
ALL NEW FACILITIES OR PROPERTIES**

PROPERTY SCHEDULE

Member: Fort Bend County Toll Road Authority

Member ID: 6623

Coverage Period: 07/21/2010 to 07/21/2011 Shown As of 07/21/2010



Your Real & Personal Property Coverage and associated contribution and limit are based on the the following schedule. Where a "0" or no value is shown, no coverage is provided. The values shown are the estimated Replacement Cost or Actual Cash Value (RC or ACV) unless otherwise noted and endorsed. Any changes or corrections may require adjustment to the contribution. Improvements and betterments to locations you lease from others are included with the contents value. Your elected Coverage Extension limits are shown on a separate schedule.

ID	Address or Site Secondary ID	Year Built	Occupancy Department	Bldg Value Valuation Basis	Contents Value Valuation Basis
1	Lake Olympia Northbound	2006	Toll Plaza Structure/Antennas/Ce	780,000	0
			Transit	RC	
3	Lake Olympia Northbound	2006	Electrical/Mechanical Trailer	350,000	0
			Transit	RC	
4	Lake Olympia Southbound	2006	Toll Plaza Structure/Antennas/Ce	700,000	0
			Transit	RC	
6	Lake Olympia Southbound	2006	Electrical/Mechanical Trailer	350,000	0
			Transit	RC	
7	McHard Road Northbound	2006	Toll Plaza Structure/Antennas/Ce	700,000	0
			Transit	RC	
9	McHard Road Northbound	2006	Electrical/Mechanical Trailer	350,000	0
			Transit	RC	
10	McHard Road Southbound	2006	Toll Plaza Structure/Antennas/Ce	700,000	0
			Transit	RC	
12	McHard Road Southbound	2006	Electrical/Mechanical Trailer	350,000	0
			Transit	RC	
13	Main Lane Plaza	2006	Toll Plaza Structure/Antennas/Ce	1,900,000	0
			Transit	RC	
18	Main Lane Plaza	2006	Electrical/Mechanical Trailer	750,000	0
			Transit	RC	
19	Main Lane Plaza	2006	Electrical/Mechanical Trailer	750,000	0
			Transit	RC	
22	Westpark Tollway	2006	Building w/ Equipment	210,000	0
			Transit	RC	
23	Westpark Tollway	2006	Building w/ Equipment	210,000	0
			Transit	RC	
24	Westpark Tollway	2006	Toll Location	325,000	0
			Transit	RC	
25	Westpark Tollway	2006	Toll Location	325,000	0
			Transit	RC	
26	Westpark Tollway	2006	Toll Location	325,000	0
			Transit	RC	
27	Westpark Tollway	2006	Toll Location	325,000	0
			Transit	RC	

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Fort Bend County Toll Road Authority

PROPERTY SCHEDULE

ID	Secondary ID	Year Built	Occupancy Department	Bidg Value Valuation Basis	Contents Value Valuation Basis
28	East Plaza-Eastbound	2006	Toll Gentries/Antennas/Cameras	435,000	0
			Transit	RC	
29	East Plaza-Westbound	2006	Toll Gentries/Antennas/Cameras	435,000	0
			Transit	RC	
30	East Plaza-Westbound	2006	Electrical/Equipment Building	100,000	0
			Transit	RC	
31	West Plaza-Eastbound	2006	Toll Gentries/Antennas/Cameras	435,000	0
			Transit	RC	
32	West Plaza-Westbound	2006	Toll Gentries/Antennas/Cameras	435,000	0
			Transit	RC	
33	West Plaza-Westbound	2006	Electrical/Equipment Building	100,000	0
			Transit	RC	
34	FM 1464	0	Bridge	6,500,000	0
			Transit	RC	
35	Long Point Slough Tributary	0	Bridge	400,000	0
			Transit	RC	
36	Long Point Slough	0	Bridge	400,000	0
			Transit	RC	
37	Grand Mission Blvd	0	Bridge	2,500,000	0
			Transit	RC	
38	Mason Rd	0	Bridge	2,500,000	0
			Transit	RC	
39	Peek Rd	0	Bridge	2,500,000	0
			Transit	RC	
40	SH 99 (Eastbound)	0	Bridge	1,800,000	0
			Transit	RC	
41	SH 99 (Westbound)	0	Bridge	1,800,000	0
			Transit	RC	
42	SH 99 Direct Connector (South to East)	0	Bridge	9,000,000	0
			Transit	RC	
43	Bridge north of Independence	0	Bridge	400,000	0
			Transit	RC	
44	Bridge over American Canal	0	Bridge	400,000	0
			Transit	RC	
45	Independence overpass	0	Bridge	2,500,000	0
			Transit	RC	
46	Fondren overpass	0	Bridge	2,500,000	0
			Transit	RC	
47	McHard Rd overpass	0	Bridge	2,500,000	0
			Transit	RC	
ID	Address or Site Secondary ID	Year Built	Occupancy Department	Bldg Value Valuation Basis	Contents Value Valuation Basis
48	Lake Olympia overpass	0	Bridge	2,500,000	0
			Transit	RC	
Coverage: Real & Personal Property		Total Items:	39	49,460,000	0

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EQUIPMENT BREAKDOWN

INSURER: Texas Municipal League IRP

PROPERTY COVERED: Per Property Schedule as reported by Authority's Engineer
And/or other Authority Consultants

COVERAGE: **Comprehensive Coverage -**

- Boiler, Fired and Unfired Vessels, Refrigeration & Air Conditioning systems, Piping & its Accessory Equipment, Any Mechanical or Electrical Machine or Apparatus Used for the Generation, Transmission or Utilization of Mechanical or Electrical Power.
- Sudden and Accidental Breakdown of Objects including Pumps, Motors and Electrical Equipment
- Mechanical Failure
- Electrical Surges, Injuries or Disturbances
- Production Equipment
- Subject to Coverage Terms, Conditions and Exclusions

VALUATION: Repair or Replacement

COINSURANCE: NONE

DEDUCTIBLE: \$1,000

LIMITS PER ACCIDENT: \$ 100,000

PREMIUM: INCLUDED - NO ADDITIONAL PREMIUM

GENERAL LIABILITY

COVERAGE:

- **Occurrence Form** – Coverage Applies to Events that Occur During the Coverage Period, Regardless of WHEN the Claim Is Reported
- **Defense Costs Outside Policy Limit** – Defense will not erode Policy limit
- **Pay On Behalf**
- **Sewer Back-Up Liability**
Gradual or Sudden Release of Chlorine or Chloramines and/or products contained in products sold or distributed by the Authority
- **Cyber Liability** –
 1. Breach of Confidence of any right to privacy
 2. Violation of a state or federal statute protecting confidential information
 3. Defamation resulting from emails or internet use
 4. Failure to provide authorized users with access
 5. Theft of credit card numbers in the Authority's possession
- **Personal Injury** – False Arrest, Detention, Imprisonment, Malicious Prosecution, Wrongful Entry, Eviction or other Invasion, Libel, Slander, Other Defamatory or Disparaging Material, Publication or Utterance in Violation of an Individuals' Right of Privacy, False, Erroneous, or Improper Service of Civil Papers, Assault and Battery
- **Bodily Injury**
- **Property Damage**
- **Advertising Injury**
- **Failure to Supply**
- **Any Wrongful Act** – Actual or Alleged Error, Misstatement, Misleading Statement, Act or Omission, Neglect or Breach of Duty Including Misfeasance, Malfeasance, or Nonfeasance
- **Contractual, Operations, Premises, Products**
- See Liability Coverage Features for Additional Coverages & Sublimits
- Per Policy Terms and Conditions

DEDUCTIBLE:

NONE

LIMITS & PREMIUM:

\$ 12,945 \$ 10,000,000 / \$10,000,000 Aggregate

LAW ENFORCEMENT LIABILITY

INSURER: TML Intergovernmental Risk Pool

COVERAGE:

- Occurrence Coverage Form
- Pay On Behalf
- Bodily Injury arising from Authority's law enforcement activities
- Property Damage arising from Authority's law enforcement activities
- Advertising Injury arising from Authority's law enforcement activities
- Personal Injury arising from Authority's law enforcement activities
- Defense Costs Outside the policy limits – Defense will not erode Policy Limit
- Bodily Injury from Rendering or Failure to Render incidental medical services or First Aid at the Scene of an Accident (Including Transportation)
- Alleged Use of Excessive Force
- High Speed Pursuit included if there is no contact with claimant's vehicle
- Coverage for Intentional Acts included
- Damage to Seized or Impounded Property
- Jails
- Coverage Actual or Alleged Violations of Civil Rights
- Mutual Aid Agreements included
- Covered Parties: Any duly Elected/Appointed Official or Member of a governing body of a Public Entity while acting within the scope of his/her law enforcement duties; AND Any employee of the Authority or authorized Volunteer, but only while carrying out their duties related to the Authority's law enforcement activities
- Per terms and conditions in coverage document

DEDUCTIBLE: \$1,000

PREMIUM: \$ 1,393 \$ 3,000,000 / \$ 6,000,000 Aggregate

AUTOMOBILE

HIRED & NON OWNED LIABILITY

INSURER: Texas Municipal League IRP

COVERAGE: Bodily Injury and Property Damage;
Hired / Non Owned

Hired - An automobile not owned by the Authority which is used by contract by or on behalf of, or lent to, the Authority. But does not include automobiles owned by/registered in the name of an Officer, Director, Elected or Appointed Official, or any member of a board or commission of the Authority, Or An Employee or Agent of the Authority who is granted an operating allowance of any sort for the use of such automobile

Non Owned - An automobile which is neither an owned automobile nor a hired automobile of the Authority.

LIMIT: \$ 2,000,000
Combined Single Limit Bodily Injury / Property Damage

COVERAGE TERM: One year

POLLUTION LIABILITY

COVERAGE:

- Occurrence Form
- *Defense Costs Outside The Limit – Defense will not erode limit
- *Pay On Behalf Of
- Sudden and Accidental
- Blanket Contractual Liability
- Legal Liability to Others
- Pollutants and Results in Environmental Damage
- Punitive/Exemplary Damages Not Excluded
- Subject to Coverage Terms, Conditions and Exclusions

EXCLUSIONS:

- Statutory Fines or Penalties Unless Direct Result of Pollution Incident as Defined by the policy

LIMITS OF LIABILITY:

\$2,000,000 for pollution caused by other than chlorine or Chloramines or "products", that are limited to sudden and accidental events resulting in injury or damage that occurs within 45 days of the event.

Note: The Authority's Full General Liability Limit provides Coverage (with no deductible) for either gradual or sudden releases of the following:

1. Chlorine or Chloramines used for water;
2. Pollutants contained in products sold or distributed

DEDUCTIBLE:

NONE

COVERAGE TERM:

One Year

PREMIUM:

INCLUDED - NO ADDITIONAL PREMIUM

DIRECTORS/OFFICERS LIABILITY

**THE AUTHORITY DOES NOT HAVE THIS
COVERAGE THROUGH HARCO INSURANCE SERVICES.**

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WORKERS' COMPENSATION

**THE AUTHORITY DOES NOT HAVE THIS
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CONSULTANTS' FIDELITY

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DIRECTORS' BOND

**THE AUTHORITY DOES NOT HAVE THIS
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TRAVEL ACCIDENT BENEFITS
For Elected/Appointed Officials of the Authority

**THE AUTHORITY DOES NOT HAVE THIS
COVERAGE THROUGH HARCO INSURANCE SERVICES.**

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INSURANCE PROGRAM FEATURES

COVERAGE FEATURES

DEFINITIONS OF TERMS

PROGRAM FEATURES

HARCO is recommending to your Authority a program that combines *broad coverage, competitive pricing, and additional services.*

These TML IRP coverages and services may include any of the following:

- Terrorism coverage automatically provided for property damage exposure.
Many programs do not automatically provide this coverage.
- Up to \$10,000,000 General Liability limits – Occurrence basis
- Up to \$10,000,000 Public Officials' Liability – Occurrence basis
- Up to \$10,000,000 Law Enforcement Liability – Occurrence basis
- Up to \$20,000,000 Airport Liability – Occurrence basis
- \$2,000,000 Auto Liability limits – Occurrence basis
- Auto Physical Damage for reported and scheduled Authority owned vehicles
- \$2,000,000 Pollution Liability coverage – Occurrence basis
- Workers' Compensation coverage available for Elected/Appointed Officials and/or Employees
- Loss Control / Safety Inspections

Before making a decision on your insurance program this year we feel you should understand how these services can improve the coverage for your Authority, and for yourselves as Public Officials.

Please review the next few pages of this summary that will better explain the significant and important coverage and service benefits of the program we recommend.

PROPERTY COVERAGE FEATURES

The Texas Municipal League Intergovernmental Risk Pool's property coverage includes the following features at no additional cost:

1. Coinsurance Provision	None
2. Pollution Dmg to Scheduled Prop Caused by Covered Peril	Included in the Blanket Limit
3. Pollution Clean up at Scheduled Premises	\$20,000 each Premises
4. Accounts Receivable	\$10,000 *
5. Valuable Papers/EDP Media	\$10,000 *
6. Loss Of Revenue/Extra Expense/Rental Income	\$25,000 *
7. Personal Effects of Employees/Volunteers	\$5,000 *
8. Debris Removal	Included in the Blanket Limit
9. Demolition of undamaged portions of covered structures	Included in the Blanket Limit
10. Boiler & Machinery	Included
11. Increased cost of construction due to Building Ordinances	Included in the Blanket Limit
12. Loss to undamaged portion of a covered structure	Included in the Blanket Limit
13. Newly acquired or constructed structures	Automatic \$1,000,000 or the Blanket Limit, whichever is less - No Time Limitation
14. Property in Transit	\$1,000,000
15. Property Off Premises	Included in the Blanket Limit
16. Sewer Backup at Scheduled Premises	Included in the Blanket Limit
17. Communications Equipment	Included in the Blanket Limit
18. Computer Equipment	Included in the Blanket Limit
19. Electrical Damage - EDP equipment	Included in the Blanket Limit
20. Glass Breakage	Included in the Blanket Limit
21. Glass Display or Trophy Cases	Included in the Blanket Limit
22. Ground Maintenance Equipment	Included in the Blanket Limit
23. Fine Arts	Included in the Blanket Limit / <u>Must Be Reported</u>
24. Fire Brigade Charges	Included
25. Fire Department Service Charge	Included
26. Fire Equipment Recharge	Included
27. Commandeered boats	Included in Mobile Equipment
28. Outdoor Property - Trees, Plants, Shrubs	\$250 each / \$10,000 per occurrence *
29. Outdoor Property - Detached Signs, Fences, Antennas	Included in the Blanket Limit / <u>Must Be Reported</u>
30. Temporary repairs after a loss to prevent further damage	Included in the Blanket Limit
31. Inventory costs related to a loss	Included
32. Portable equipment	Included in the Blanket Limit
33. Property of Others	Included in the Blanket Limit
34. Premises Boundary	None
35. Spoilage	Included in the Blanket Limit
36. Off Premises Utility Failure	Included in the Blanket Limit
37. Lock replacement after a loss	Included in the Blanket Limit
38. Changes in temperature/humidity	Included in the Blanket Limit
39. Architectural/Engineering fees incurred as a result of a loss	Included
40. Underground Sprinkler Systems	Included in the Blanket Limit / <u>Must Be Reported</u>

* These are the basic limits provided at no cost to the Member. Additional limits are available and if Authority requests such additional limits, they will be included in summary.

LIABILITY COVERAGE FEATURES

The Texas Municipal League Intergovernmental Risk Pool's liability coverage includes the following features:

All Liability Coverages

- | | |
|---|---|
| 1. "Occurrence" rather than "Claims-Made" | All liability coverages including Public Officials' and Law Enforcement Liability |
| 2. Punitive and Exemplary Damages | Not Excluded (unless assumed by contract) |
| 3. Year 2000 Claims | A loss that is otherwise covered will not be excluded because it is related to a Y2K computer or Embedded chip failure. |
| 4. Defense Costs | Included in addition to COVERAGE Terms |
| 5. Pay On Behalf Of | Included |

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Public Officials Liability

- | | |
|---|--|
| 1. Coverage for Employment-Related Matters including Discrimination, Wrongful Termination, Failure to Hire or Promote and Sexual Harassment or Misconduct | Included |
| 2. Criminal Defense Reimbursement | \$10,000 (if found not guilty) |
| 3. Back Wages | 50% up to \$25,000 |
| 4. Claims filed with EEOC and Texas Commission | Included in the definition of "Suit" |
| 5. Prior Acts—Extended Coverage to Creation of Authority | Included |
| 6. Coverage for Members of Boards or Commissions including Airport and Utility Boards Coverage for Attorneys, Architects, Engineers, and Accountants | Included while acting as public officials or employees of the Member |
| 7. Land Use/Zoning | Included when damages are sought |
| 8. Mental Anguish | Included when sought in connection with an alleged civil rights violation |
| 9. Coverage for Actual or Alleged Civil Rights Violations | Included |
| 10. Whistleblowers and Workers' Compensation Retaliation | Included |
| 11. Pollution Coverage | Broad coverage for damages or injuries that occur within 45 days of a sudden and accidental pollution incident. No time limitation for damage or injury resulting from the Member's products (such as water) or chlorine usage and coverage extends to gradual & sudden events |
| 12. Failure to Supply | Included |
| 13. Fireworks Displays | Included |
| 14. Watercraft Liability | Included |
| 15. Fire Legal Liability | Included up to full Limits of Liability |
| 16. Incidental Medical Malpractice | Included |
| 17. Emergency Medical Services (EMTs and Paramedics) | Included |
| 18. Special Events | Included |

LIABILITY COVERAGE FEATURES

Automobile Hired/Non Owned Liability

- | | |
|--|---|
| 1. Medical Payments | \$25,000 for vehicles with design capacity of 8 passengers or less. |
| 2. Vehicles Added During the Year | Automatic coverage at no additional charge |
| 3. Deductible Reimbursement for Volunteers | Up to \$500 for damage to vehicles owned by volunteer firefighters or emergency medical personnel when damage occurs during emergency response on behalf of the Member. |
| 4. High Speed Pursuit | Included if there is physical contact between the Member's vehicle and the claimant's vehicle. |

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Law Enforcement Liability

- | | |
|---|---|
| 1. Coverage for Alleged Use of Excessive Force | Included |
| 2. Moonlighting | Included for the Member and Officers acting in their capacity as Law Enforcement Officers |
| 3. High Speed Pursuit | Included if there is no contact between the Member's vehicle and the Claimant's vehicle |
| 4. Coverage of Intentional Acts | Included |
| 5. Damage to Seized or Impounded Property | Included |
| 6. Jails | Included |
| 7. Actual or Alleged Violations of Civil Rights | Included |
| 8. Mutual Aid Agreements | Included |

DEFINITIONS OF TERMS

ADVERTISING INJURY

Injury arising out of an offense occurring in the course of the Authority's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition or infringement of copyright, title or slogan.

AGGREGATE

This is the maximum amount that could be paid for all damages arising out of one or more accidents or occurrences that occurred during the policy period.

BODILY INJURY

Bodily injury, sickness or disease sustained by any person, including death at any time resulting therefrom.

HIRED / NON OWNED AUTOMOBILE

Hired - An automobile not owned by the Member but is used on behalf of, or lent to the Authority.

Non Owned - An automobile which is neither owned nor a hired automobile of the Authority.

LAW ENFORCEMENT ACTIVITIES

The actions and functions that required or within the defined scope of duties for a Authority's Law Enforcement Agency which include, but are not limited to, actions towards the prevention and control of crime.

OCCURRENCE

Means each accident or event, including continuous or repeated exposure to conditions, which results in bodily injury, advertising injury, personal injury, or property damage neither expected nor intended from the Standpoint of the insured.

OCCURRENCE FORM

This form pays for the legal liability incurred by the insured for damages that occur during the policy period, no matter when the accident or occurrence becomes evident to the insurer as a "claim" against the insured. This may result in the insurer being responsible for providing coverage for occurrences reported long after the policy period expires.

PERSONAL INJURY

Injury arising out of one or more of the following offenses: False arrest, detention or imprisonment, malicious prosecution, wrongful entry, eviction or other invasion of the right of private occupancy, the publication or Utterance of a libel, slander or other defamatory or disparaging material, or publication or utterance in violation of an individual's right of privacy, false, erroneous or improper service of civil papers or assault and battery.

PROPERTY DAMAGE

Physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting there from; or Loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by an occurrence.

TERRORISM

The use of violence and threats to intimidate or coerce for political ends and/or purposes. Includes any use of violence or threats for the purpose of putting the public or any section of the public in fear.