

*Insurance Proposal*  
*Prepared for*

*Fort Bend Flood Control WSC*





***Welcome!***

Thank you for choosing us for your insurance needs. Finding the right people for the right job can be difficult, especially when dealing with insurance.

The following material is designed to give you some "Peace of Mind" about this insurance program designed specifically for you.

Please contact us at 281-342-6837 with any questions, comments or concerns:

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Anco-McDonald Waterworks Insurance Services • 611 B Morton • Richmond, Texas 77469  
PH (281) 342-6837 (MUDS) • Fax: (281) 341-6837 (MUDS)

# ***Plan Coverages***

## ***Property***

- Coverage based on replacement cost evaluation
- Coverage written on "blanket" rather than "specific" basis

## ***Boiler & Machinery***

- Coverage based on repair or replacement valuation

## ***Comprehensive General Liability***

- Duty to defend
- Defense is in addition to the policy limit
- Sewer Back-Up coverage provided by specific endorsement

## ***Umbrella***

- Increased limits are available as an alternative to the District which desires higher limits for General Liability and Business Auto Liability

## ***Pollution Liability***

- Legal liability protection for environmental damage and bodily injury
- Clean-Up costs for third party owned premises
- Both gradual and sudden occurrences are covered
- Occurrence coverage form
- Defense is in addition to the policy limit
- No exclusion for punitive damages

## ***Directors & Officers Liability***

- Duty to defend
- Pay on behalf in lieu of reimbursement coverage form
- Defense is in addition to the policy limit (Includes Breach of Contract)
- No Aggregate limit
- No deductible or retention
- Full prior acts coverage back to the creation of the District
- Definition of claim includes coverage for declaratory and injunctive relief suits
- No failure to supply exclusion
- Employment Related Practices included
- Coverage included for libel, slander, defamation of character

## ***About Anco McDonald Waterworks***

Dan McDonald is a native Texan with deep roots in the Houston, Richmond, and Rosenberg communities. After graduating from Texas A&M University in 1986, Dan returned to Richmond to join the Wessendorff Insurance Agency as an Agent. In 2001 he recognized the need for specialized services and coverages for Municipal Utility Districts and made that arena his focus. Within five years the industry response resulted in the creation of Anco McDonald Waterworks Insurance Agency; an independent insurance agency dedicated to serving MUDs and related companies.

Because relationships have always been the foundation of Dan's success and core values, he is proud to continue to be part of the Anco Insurance family. This relationship provides the agency with the flexibility to be customer focused, while also enabling it to connect with the largest, most stable and innovative insurance markets doing business in Texas.

Founded over 130 years ago, Anco Insurance employs over 125 associates in 10 locations across the state, and regularly ranks among leading insurance industry publications as one of the Top 100 Independent Insurance Agencies in the United States providing Peace of Mind to more than 40,000 customers across Texas.



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**Fort Bend Flood Control WSC**

**TYPE OF POLICY:** **COMMERCIAL GENERAL LIABILITY AND  
HIRED CAR & NON OWNERSHIP  
AUTOMOBILE LIABILITY**

**PROPOSED EFFECTIVE DATE:** **02/12/11**

**COVERAGE:**

- Bodily Injury and Property Damage
- Full Sewer Backup Coverage
- Punitive Damages Not Excluded
- Host Liquor Liability
- Terrorism Not Excluded
- No Mold Exclusion
- No Assault & Battery Exclusion
- Duty to Defend
- Defense Cost Outside the Limit
- Coverage in U.S. Only

**LIMITS OF LIABILITY:**

- \$1,000,000 Each Occurrence
- \$3,000,000 General Aggregate
- \$1,000,000 Personal/Advertising Injury
- \$3,000,000 Product Liability
- \$ 100,000 Fire Legal Liability
- \$1,000,000 Hired Car and Non Ownership Auto Liability

**POLICY TERM:** **One Year**

**PREMIUM:** **\$1,185**

**COMPANY:** **Mid-Continent Casualty Company  
Best Rating: A VIII**

**DOES THE DISTRICT HAVE AN INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT?**  
**YES/NO:** **N**

**IF YES, PLEASE SEND A COPY.**

**NUMBER OF PEACE OFFICERS:** **N**

**THE DISTRICT WILL NEED LAW ENFORCEMENT LIABILITY & PEACE OFFICERS BOND  
SEE SUMMARY PAGE FOR ADDITIONAL PREMIUM.**

**DOES THE DISTRICT OWN ANY ROADS YES/NO:** **N**

**ACCEPTED BY:** *Pat Russell* **DATE:** **1/26/11**

**REJECTED BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
**SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS**

## COMMERCIAL GENERAL LIABILITY

This policy is an agreement to pay damages for which the insured is legally obligated because of bodily injury or property damage and to defend any suit brought against the insured on account of bodily injury or property damage.

The policy will insure the District, any executive officers or directors thereof, and employees while acting within the scope of their duties as it applies to the following coverage's.

### COVERAGES

**PREMISES-OPERATIONS:** District's liability exposure is primarily from the existence of its' facilities or any other District property.

**PRODUCTS:** Products and/or completed operations coverage for waterworks and sewage disposal plant operations are included in the premises-operations coverage.

**CONTRACTORS LIABILITY:** Protects the District against claims arising out of operations performed on behalf of the District by independent contractors. Every independent contractor employed by the District should furnish a certificate of their liability insurance to the District.

**BLANKET CONTRACTUAL:** Protects against claims arising out of the named insured assuming liability of others under a written contract.

**PERSONAL INJURY:** Protects against claims arising out of one or more of the following offenses committed in the conduct of the named insured's business: False arrest, libel and slander, wrongful entry or eviction and other similar offenses including invasion of the right of private occupancy and defamation or violation of right of privacy.

**HIRED AND NON-OWNED AUTOMOBILES:** Covers liability for claims arising out of non-owned automobiles and hired automobiles being used on behalf of the District.

## Fort Bend Flood Control WSC

**TYPE OF POLICY:** **POLLUTION LIABILITY**

**PROPOSED EFFECTIVE DATE:** 02/12/11

**COVERAGE:**

- Occurrence Form
- Legal Liability to Others-Bodily Injury and Property Damage and Clean Up Costs
- Compensatory Damages
- Defense Cost Outside the Limit
- Punitive/Exemplary Damages Not Excluded
- Terrorism Not Excluded
- Mold Not Excluded

**EXCLUSIONS:**

- Statutory Fines or Penalties Unless Direct Result of Pollution Incident as Defined by the Policy
- Disposal of Sludge at Landfill Site

**LIMIT OF LIABILITY:** \$1,000,000 each occurrence  
\$3,000,000 aggregate

**DEDUCTIBLE:** \$5,000 Per Claim for Clean Up Costs

**POLICY TERM:** One Year

**PREMIUM: \$750**

**COMPANY:** Mid-Continent Casualty Company  
Best Rating: A VIII

ACCEPTED BY: J. Russell DATE: 1/26/11

REJECTED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

**SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS**

## Fort Bend Flood Control WSC

<b>TYPE OF POLICY:</b>	<b>DIRECTORS AND OFFICERS LIABILITY</b>
<b>PROPOSED EFFECTIVE DATE:</b>	02/12/11
<b>COVERAGE:</b>	<ul style="list-style-type: none"><li>•Claims-Made Coverage Form</li><li>•Duty to Defend</li><li>•Pay on Behalf in lieu of Reimbursement Coverage Form</li><li>•Full Prior Acts</li><li>•Defense Cost Outside the Limit</li><li>•Defense for Alleged Breach of Contract</li><li>•Claim includes any Judicial or Administrative Proceedings</li><li>•Employment Related Practices coverage for the District Included</li><li>•Coverage extended to include Director's Spouse</li><li>•Terrorism Not Excluded</li><li>•Punitive Damages Not Excluded</li></ul>
<b>LIMIT OF LIABILITY:</b>	\$2,000,000 Per Claim No Aggregate Limit
<b>DEDUCTIBLE:</b>	None
<b>POLICY TERM:</b>	One Year
<b>PREMIUM:</b>	\$2,500
<b>COMPANY:</b>	Mid-Continent Casualty Company Best Rating: A VIII

### OPTIONAL LIMITS

	Limit	Premium
<u>          </u>	\$1,000,000	\$1,500
<u>  X      </u>	\$2,000,000	\$2,500
<u>          </u>	\$3,000,000	\$3,500
<u>          </u>	\$4,000,000	\$4,500
<u>          </u>	\$5,000,000	\$5,500

ACCEPTED BY: [Signature] DATE: 1/28/11  
REJECTED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS



## Fort Bend Flood Control WSC

**TYPE OF POLICY:** UMBRELLA

**PROPOSED EFFECTIVE DATE:** 02/12/11

**COVERAGE:** Limit of Coverage over General Liability, Automobile Liability, Pollution and Employers Liability (If Applicable)  
•Terrorism Not Excluded  
•Punitive Damages Not Excluded  
•Defense Cost Outside the Limit

**UNDERLYING REQUIREMENTS:** \$1,000,000 General Liability  
\$1,000,000 Pollution Liability  
\$1,000,000 Automobile Liability  
\$1,000,000 Employers Liability

**EXCLUSIONS:** •Employee Benefits Liability  
•Directors and Officers Liability

**LIMIT OF LIABILITY:** \$1,000,000

**RETENTION:** \$10,000

**POLICY TERM:** One Year

**PREMIUM:** \$900

**COMPANY:** Mid-Continent Casualty Company  
Best Rating: A VIII

### OPTIONAL LIMITS

	Limit	Premium
<u>X</u>	\$ 1,000,000	\$ 900
_____	\$ 2,000,000	\$1,800
_____	\$ 3,000,000	\$2,700
_____	\$ 4,000,000	\$3,600
_____	\$ 5,000,000	\$4,500

ACCEPTED BY: *[Signature]*

DATE: 1/26/11

REJECTED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

## Fort Bend Flood Control WSC

**TYPE OF POLICY:** PUBLIC EMPLOYEE BLANKET CRIME  
(Includes Attorney, Operator, Bookkeeper, Engineer and Delinquent Tax Attorney)

**ANNIVERSARY OF CURRENT POLICY:** 02/12/11

**COVERAGE:** Loss caused to the District through failure of any employee/consultant to perform faithfully their duties or to account properly for all monies and property received by virtue of their position or employment. Limit applies per employee/consultant up to \$100,000. If the bond amount is over \$100,000, each employee/consultant is covered up to \$100,000 and the excess amount is provided on a per loss basis rather than each basis.

•Terrorism Not Excluded

**LIMIT:** \$25,000

**DEDUCTIBLE:** \$0

**TERM:** One Year

**PREMIUM:** \$176

**COMPANY:** Hartford Fire Insurance Company  
Best Rating: XV

### OPTIONAL LIMITS

	Limit	Premium
_____	\$ 10,000	\$120
<u>  X  </u>	\$ 25,000	\$176
_____	\$ 50,000	\$221
_____	\$ 100,000	\$342
_____	\$ 250,000	\$472
_____	\$ 500,000	\$565
_____	\$1,000,000	Quote available with application

ACCEPTED BY: [Signature] DATE: 1/26/11

REJECTED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

## Fort Bend Flood Control WSC

**TYPE OF BOND:****DIRECTORS POSITION SCHEDULE BOND****ANNIVERSARY OF CURRENT BOND:**

02/12/11

**COVERAGE:**

Provides coverage for loss caused to the District through the failure of Directors to perform faithfully their duties or to account properly for all monies and property received by virtue of their position as Director.

•Terrorism Not Excluded

**BOND TERM:**

One Year

**BOND LIMIT:**

\$10,000 Per Director ( 5 )  
\$50,000 Aggregate

**PREMIUM:**

\$174

**COMPANY:**

Hartford Casualty Company  
Best Rating A+ XV

ACCEPTED BY: *Lu Russell*DATE: 1/26/11REJECTED BY:                     DATE:           **SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS**

## Fort Bend Flood Control WSC

<b>TYPE OF POLICY:</b>	<b>WORKERS COMPENSATION</b>
<b>PROPOSED EFFECTIVE DATE:</b>	02/12/11
<b>COVERAGES:</b>	<ul style="list-style-type: none"><li>•Coverage A in the policy provides statutory coverage in which the insurance company agrees to assume the liability imposed upon an insured by the applicable Workers Compensation law or laws.</li><li>•Coverage B for Employers Liability in this policy protects an insured against liability imposed by law for injury to employees in the course of employment.</li><li>•Terrorism Not Excluded</li><li>•Subject to policy terms, conditions and exclusions.</li></ul>
<b>LIMIT OF LIABILITY:</b>	<p>Employers Liability</p> <p>\$1,000,000 Each Accident Bodily Injury by Accident</p> <p>\$1,000,000 Each Employee Bodily Injury by Disease</p> <p>\$1,000,000 Policy Limit Bodily Injury by Disease</p>
<b>POLICY TERM:</b>	One Year
<b>PREMIUM:</b>	\$511 (5 Directors) Estimated Annual Premium Not Subject to Audit
<b>COMPANY:</b>	Service Lloyds Insurance Company Best Rating: A- VII

# Fort Bend Flood Control WSC

## \*\*OPTIONAL COVERAGE\*\*

TYPE OF POLICY: BUSINESS TRAVEL COVERAGE

PROPOSED EFFECTIVE DATE: 02/12/11

COVERAGE: 24 Hour Coverage while traveling on district business  
Accidental Death & Dismemberment  
Paralysis Benefits  
Coma Benefits  
Bereavement and Trauma Counseling Benefit  
Emergency Evacuation/Family Travel Benefits  
Rehabilitation Benefit  
Repatriation Benefit  
Seat Belt and Air Bag Benefit  
Age reduction for over 80

LIMITS: \$ 250,000 Each Director  
\$ 80,000 Each Spouse  
\$ 25,000 Each Child  
\$5,000,000 Aggregate Limit

PREMIUM: \$350

COMPANY: AIG Life Insurance Company  
Best Rating: A+XV

## \*\*OPTIONAL COVERAGE\*\*

Date \_\_\_\_\_

Accepted By \_\_\_\_\_  
(Signature of District's Authorized Representative) (Title)

Rejected By \_\_\_\_\_  
(Signature of District's Authorized Representative) (Title)

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

ACCEPTED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

REJECTED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

# FORT BEND FLOOD CONTROL WSC

PROPOSED EFFECTIVE DATE: 02/12/11

## PREMIUM SUMMARY

COVERAGE	RENEWAL PREMIUM	LAST YEAR'S PREMIUM
GENERAL LIABILITY/HIRED & NON-OWNED AUTO	1,185.00	1,185.00
POLLUTION LIABILITY	750.00	750.00
DIRECTORS AND OFFICERS	2,500.00	2,500.00
UMBRELLA LIABILITY	900.00	900.00
PUBLIC EMPLOYEE BLANKET CRIME	176.00	176.00
DIRECTOR'S BOND	174.00	174.00
WORKERS COMPENSATION & EMPLOYERS LIABILITY	511.00	511.00
<b>TOTAL PREMIUM</b>	<b>\$6,196.00</b>	<b>\$6,196.00</b>

Anco McDonald has been your insurance consultant since 02/12/01. We thank you for your business. The Engineer report is attached. The proposal does not include premiums for property and boiler & machinery as the district does not currently own any facilities to be insured. Thank you

### \*\*\* OPTIONAL NEW COVERAGE(S) \*\*\*

OPTIONAL NEW COVERAGE	PREMIUM	ACCEPTED YES/NO
BUSINESS TRAVEL ACCIDENT	350.00	
LAW ENFORCEMENT LIABILITY - \$1,000,000 LIMIT	1,000.00	NO
PEACE OFFICERS BOND # OF PEACE OFFICERS	50.00 Each	NONE
<b>TOTAL PREMIUM FOR ACCEPTED OPTIONAL COVERAGE</b>		

PLEASE REPORT ALL NEW FACILITIES OR PROPERTIES IMMEDIATELY TO ANCO-MCDONALD.

PAYMENT IS DUE WITHIN 30 DAYS OF THE EFFECTIVE DATE TO AVOID CANCELLATION.

ACCEPTED BY: Don L. Russell

PRINTED NAME & TITLE: Don L. Russell, President, Board of Directors

DATE: 1/26/11

FEDERAL TAX ID #: 74-6001969

WEB ADDRESS IF ANY: \_\_\_\_\_

Premiums quoted are valid for 30 days from proposed effective date.

All descriptions of proposed coverage's provided herein are intended as an outline of coverage and are necessarily brief. For specific wording concerning insuring agreements, definitions, conditions, terms and exclusions not listed, please read each policy carefully. Please contact our office if there are any questions.

**Anco-McDonald  
Waterworks Insurance Services**

DATE: 11-30-10  
ENGINEER: LJA Engineering  
ATTN: Omar Escobar  
FAX: oescobar@ljaengineering.com

611-B Morlon Street Voice: 281-633-3210  
Richmond, TX 77469 Fax: 281-341-6837  
Email: bschmidt.ansumil@insurmail.net  
Bonnie Schmidt

**RE: Fort Bend Flood Control WSC; Engineer Report of Values (ERV)**

We have been requested to submit an insurance proposal for the above referenced District. Please review the questions below and indicate the type and quantity of any facilities pertinent to The District.

Indicate how many of the following the district owns. If none, so indicate.

Swimming Pools	<u>None</u>	Detention Ponds	<u>None</u>
Parks	<u>None</u>	Lakes	<u>None</u>
Lessors Risk (Sq/Ft)	<u>None</u>	Rental Property (Locations)	<u>None</u>
Interconnect Meters	<u>None</u>	Interconnect Solar Panels	<u>None</u>
Does the district have water wells? If so, number of submersible pumps? <u>None</u>			

Please complete the following information for all insured facilities.

**\*\*\*PLEASE NOTE: INSURANCE POLICY IS BASED ON REPLACEMENT COST VALUATION\*\*\***

Property Type/Full Address Include City and Zip Code	Replacement Value	Month/Year Built	Flood Zone (i.e. X, A,)
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\$ \_\_\_\_\_

**TOTAL REPLACEMENT COST:** \$ \_\_\_\_\_

Thanks for providing this information to our office. Please call if you should have any questions, or comments concerning this document. Please return upon completion by fax to (281) 341-6837.

**SIGN HERE:**

X [Signature] Mark Escobar \_\_\_\_\_  
Acknowledged By: (Signature) Print Name Date

In the event of a claim, if the values are not updated The District could suffer a financial loss. Please note the Engineer or General Manager's signature approving these values.