

HARCO

INSURANCE SERVICES

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Risk Management Summary Prepared For:

Fort Bend Grand Parkway Toll Road Authority

Reviewed Policy Period

06/16/12 To 06/16/13

Execution Copy

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

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

Dated: May 7, 2012

HARCO INSURANCE SERVICES

HARCO Insurance Services was established over 41 years ago and currently serves the insurance needs for over 8,000 individuals and 6,200 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 40 years experience in the risk management and insurance industry. A past Division President for a national brokerage firm, he 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, Past Director for Atascocita Joint Operations Board, Past President of the Humble ISD Educational Foundation Board. Jerry currently serves as a Director for Harris County MUD 290.

William L. Walker, ARM - Senior Consultant

Bill Walker has over 40 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 for Harris County Municipal Utility Authority No.151.

Carolyn Demel, ACSR - Consultant Assistant/Public Entity 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 30 years experience in the insurance and risk management area. He is a Past-Director for the Independent Insurance Agents of Houston, served on the 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

ANNUAL COST SUMMARY & COMPARISON

COVERAGE	2012 – 2013 HARCO / TML	2011 – 2012 HARCO / TML
Property	\$ 36,051	\$36,051
Limits	\$ 37,690,000 / \$25,000 Deductible	\$ 37,690,000 / \$25,000 Deductible
Flood/Quake	\$ 37,690,000 / \$25,000 Deductible	\$ 37,690,000 / \$25,000 Deductible
Terrorism	\$ 10,000,000	\$ 10,000,000
Loss Revenue	\$ 4,000,000	\$ 4,000,000
 Equipment Breakdown	 Included	 Included
Limits	\$ 250,000 / \$1,000 Deductible	\$ 250,000 / \$1,000 Deductible
 Properties Consulting & Servicing Fee	 \$ 4,560	 \$ 4,560
 General Liability	 \$ 888	 \$ 925
Limit	\$ 10,000,000 / No Deductible	\$ 10,000,000 / No Deductible
 Pollution Liability	 Included – No Additional Premium	 Included – No Additional Premium
Limit	\$ 2,000,000 / No Deductible	\$ 2,000,000 / No Deductible
 Auto Liability	 \$ 61	 \$ 61
Auto Hired/Non Owned	\$ 2,000,000 / No Deductible	\$ 2,000,000 / No Deductible
 Liabilities Consulting & Servicing Fee	 \$ 900	 \$ 900
 TOTAL ANNUAL COST:	 \$ 42,721	 \$ 42,759

OPTIONAL NEW COVERAGES:

Law Enforcement Liability	Accepted <input type="checkbox"/>	Declined <input checked="" type="checkbox"/>
Workers Compensation	Accepted <input checked="" type="checkbox"/>	Declined <input type="checkbox"/>

REVIEWED & ACCEPTED:



 Signature

DATE: 5/16/12

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**
- **Consultants do not 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.

Properties Consulting
& Servicing Fee * \$ 4,560

Liabilities Consulting &
Servicing Fee * \$ 900

Total Annual Consulting Fee \$ 5,460

* Note: Fees shown here are not in addition to the fees shown on the Premium Summary page.

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

REVIEWED & ACCEPTED:


Signature

DATE:

5/16/12

FORT BEND GRAND PARKWAY 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 unless they are specifically reported & listed on the Authority's schedule. Please thoroughly review your property schedule for accuracy before signing this acknowledgement page. If the Authority has any exposures that fall into these categories but are not shown on the property schedule herein, please contact 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	<u>WATER WELLS</u>	Playground/ Recreational Equip.
Freestanding Fences**	Building or Office Contents	Antennas	Elec. or Mech. In Ponds/Lakes

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

If the Authority owns these types of properties at locations not listed on the property schedule within this proposal, please report them to HARCO immediately so they can be added to the policy.

REVIEWED & ACCEPTED:


Signature

DATE: 5/16/12

REAL & PERSONAL PROPERTY

INSURER: Texas Municipal League IRP

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:**

- \$37,690,000 Real & Personal
- \$37,690,000 Flood & Earthquake
- \$37,690,000 Windstorm / Hail
- \$10,000,000 Terrorism
- \$ 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
- Included Architectural / Engineering Fees Incurred Due to a Loss
- Included Theft; Vandalism, Malicious Mischief
- Included Sewer Backup each Scheduled Premises
- Included Demolition / Rebuild / Increased cost of construction due to Law or Ordinance
- Included Communications Equipment
- Included Computer Equipment
- Please Review Property Coverage Documents for applicable Additional Coverages; Sublimits; Policy Terms; Conditions; Exclusions

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

REVIEWED & ACCEPTED:  DATE: 5/16/12
Signature

**REAL & PERSONAL PROPERTY
ALTERNATIVE DEDUCTIBLE OPTIONS**

Current Property, Flood/Quake Deductibles & Premiums

<u>Property</u>	Deductible	25,000	Premium	21,897
<u>Flood/Quake</u>	Deductible	25,000	Premium	<u>14,154</u>
			TOTAL	36,051

Alternative Property, Flood/Quake Deductibles & Premiums

<u>Real & Personal Property</u>	(Excluding Flood and Earthquake)				
	Deductibles	50,000	100,000	250,000	500,000
	Premiums	20,627	17,453	14,837	12,365
<u>Flood/Quake</u>	(Includes Real & Personal Property, Fine Arts, & Portable Equipment as scheduled)				
	Deductibles	50,000	100,000	250,000	
	Premiums	13,208	11,171	10,260	

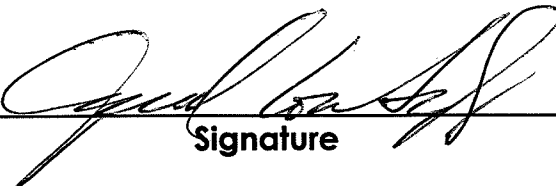
MAKE NO CHANGES AT THIS TIME: X

PLEASE MAKE THE FOLLOWING CHANGES:

Property Deductible: \$ _____

Flood/Quake Deductible: \$ _____

REVIEWED & ACCEPTED:


Signature

DATE: 5/16/12

PROPERTY SCHEDULE

Information Provided By Chad Essex

Your Real & Personal Property Coverage and associated contribution and limit are based on the values shown on 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			Jodie Stavinoha Bridge	24,000,000	
				RC	
2			Northbound Bridge	2,000,000	
				RC	
3			Southbound Bridge	2,000,000	
				RC	
4			Bullhead Slough Bridge	2,000,000	
				RC	
5			Prison Bridge/Owens Rd	3,500,000	
				RC	
6			Oyster Creek Bridge	2,500,000	
				RC	
7	New Territory Blvd		Signal	150,000	
				RC	
8	Sandhill Blvd		Signal	150,000	
				RC	
9	90A		Signal	150,000	
				RC	
10	Eastbound		Flasher	10,000	
				RC	
11	Westbound		Flasher	10,000	
				RC	
12	FM1464		Signal	150,000	
				RC	
13	West Airport		Flasher	150,000	
				RC	
14	Harlem Rd		Signal	150,000	
				RC	
15	Northbound		Flasher	10,000	
				RC	
16	Mason Rd		Signal	150,000	
				RC	
17	Northbound		Flasher	10,000	
				RC	
18	Northbound		Flasher	10,000	
				RC	
19	Southbound		Flasher	10,000	
				RC	

Continued next page.....

PROPERTY SCHEDULE

Information Provided By Chad Essex

ID	Address or Site Secondary ID	Year Built	Occupancy Department	Bldg Value Valuation Basis	Contents Value Valuation Basis
20	Southbound		Flasher	10,000	
				RC	
21	West Belfort		Signal	150,000	
				RC	
22	Bellaire Blvd		Signal	150,000	
				RC	
23	FM 1093		Illumination Lights	50,000	
				RC	
24	Northbound		Flasher	10,000	
				RC	
25	Southbound		Flasher	10,000	
				RC	
26	Southbound		4 single arms	180,000	
				RC	
27	Eastbound		Flasher	10,000	
				RC	
28	Westbound		Flasher	10,000	
				RC	
Coverage: Real & Personal Property		Total Items:	28	37,690,000	0

REVIEWED & ACCEPTED:


 Signature

DATE: 5/16/12

***“Named Storm” Endorsement EP371
Prohibition of Transfer of Interest
Approved by TML IRP Trustees on 10/01/11***

PROHIBITION OF TRANSFER OF INTEREST

This endorsement forms a part of the **Declarations** to which attached, effective on the inception date of the coverage unless otherwise stated herein, and modifies such coverage as is afforded by the provisions of the coverage shown below:

REAL AND PERSONAL PROPERTY COVERAGE

Member : Fort Bend Grand Parkway Toll Road Authority

Member ID : 6768

Effective Date : 06/16/12

The following conditions apply with respect to all loss or damage to covered property caused by a named storm as designated by the National Weather Service:

1. The Interlocal Agreement establishes the obligation of the Fund to pay to the **Member** whose property has been damaged the appropriate **actual cash value or replacement cost** of damaged property. The **Member** shall not transfer any interest in such losses or payments for such losses to any third party, including hedge funds, attorneys, banks, adjusters, or contractors. Such prohibition does not limit the **Member's** use of the loss payable to support contracts awarded to restore damaged property.
2. Any action by the **Member** which grants or attempts to grant to any third party an interest in or control over any claim or loss payable resulting from covered damage to real or personal property will cause the immediate suspension of any additional payment for such otherwise covered damages. Such payments shall not be reinitiated until evidence is provided to the Fund that such transfer or attempt to transfer an interest in or control over such loss to a third party has been terminated.

REVIEWED & ACKNOWLEDGED:


Signature

DATE: 5/16/12

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,
- Deep Well Pumps, Motors and Electrical Equipment
- Mechanical Failure
- Electrical Surges, Injuries or Disturbances
- Production Equipment
- Please Review Property Coverage Documents for applicable Additional Coverages; Sublimits; Policy Terms; Conditions; Exclusions

VALUATION: Repair or Replacement

COINSURANCE: NONE

DEDUCTIBLE: \$1,000

LIMITS PER ACCIDENT: \$ 250,000

PREMIUM: **INCLUDED - NO ADDITIONAL PREMIUM**

REVIEWED & ACCEPTED:



Signature

DATE: 5/16/12

GENERAL LIABILITY

INSURER: Texas Municipal League IRP

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**
- **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*

LIMIT: \$10,000,000

ANNUAL COST: \$888

AUTOMOBILE LIABILITY

HIRED & NON-OWNED

INSURER: Texas Municipal League IRP

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

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

Example

A Hired Auto exposure may occur when on occasion a Director might rent a vehicle, on behalf of the Authority, with which to conduct Authority business.

➔ **This coverage is secondary over any other coverage that would be collected upon in the event of a loss.**

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

Example

A common Non-Owned Auto exposure for the Authority may occur when a Authority representative (i.e. Officer, Director, Employee, Volunteer, Member of a Board or Commission etc.) is driving their "owned" personal vehicle while conducting Authority business.

➔ **This coverage is secondary over any other coverage that would be collected upon in the event of a loss.**

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

DEDUCTIBLE: NONE

ANNUAL COST: \$ 61

POLLUTION LIABILITY

COVERAGE:	<ul style="list-style-type: none">● 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:	<ul style="list-style-type: none">● Statutory Fines or Penalties Unless Direct Result of Pollution Incident as Defined by the policy
LIMITS OF LIABILITY:	<p>\$2,000,000 for pollution <u>caused by other than chlorine or Chloramines</u> or “products“, that are limited to sudden and accidental events resulting in injury or damage that occurs within 45 days of the event.</p> <p><u>Note:</u> The Authority’s Full General Liability Limit provides coverage (with no deductible) for either gradual or sudden release of pollutants contained in products sold or distributed</p>
DEDUCTIBLE:	NONE
COVERAGE TERM:	One Year
ANNUAL COST:	INCLUDED - NO ADDITIONAL PREMIUM

**LAW ENFORCEMENT LIABILITY
OPTIONAL NEW COVERAGE**

INSURER: TML Intergovernmental Risk Pool

COVERAGE:

- **Occurrence Coverage Form**
- **Duty to Defend**
- **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
- Per terms and conditions in coverage document

DEDUCTIBLE: \$1,000

LIMITS & PREMIUM: **PLEASE INITIAL NEXT TO SELECTED LIMIT:**

\$ 531	\$ 1,000,000 / \$ 2,000,000 Aggregate	_____
\$ 597	\$ 2,000,000 / \$ 4,000,000 Aggregate	_____
\$ 632	\$ 3,000,000 / \$ 6,000,000 Aggregate	_____
\$1,395	\$ 5,000,000 / \$10,000,000 Aggregate	_____
\$4,252	\$10,000,000/ \$10,000,000 Aggregate	_____

REVIEWED & ACCEPTED: _____ **DATE:** _____

Signature

**WORKERS' COMPENSATION
OPTIONAL NEW COVERAGE**

WHY HARCO RECOMMENDS THIS COVERAGE?

The Texas Municipal League Intergovernmental Risk Pool (the Pool) offers the option to extend workers' compensation coverage to individuals who serve the entity but who are not on a payroll and so do not meet the legal definition of "employee". **Included in this category are ELECTED AND APPOINTED OFFICIALS.**

The Authority may choose to extend Workers' Comp coverage to their volunteers in order to avoid a potentially significant liability exposure. If an individual volunteering for the Authority is injured and unable to work for some time and is not covered by Workers' Comp, he may sue the Authority in an attempt to recover the financial costs associated with his injury and loss of income.

EXAMPLES

Workers' Comp provides coverage for the Authority's Board of Directors when they are doing business, at any time, on behalf of the Authority....for example:

- To/From/At meetings**
- To/From/During facilities inspections**
- To/From/At the conferences**

Worker's Compensation has advantages that personal healthcare may not provide, such as:

- Full medical coverage with no out-of-pocket co-payment**
- No Coinsurance provisions**
- No imposed limits of liability**

COVERAGE:

Coverage For Elected / Appointed Officials / Volunteers

Statutory limit for Elected/Appointed Officials as authorized by Section 504.012 of the Texas Workers' Compensation Act

Coverage For Authority

Employers' Liability / \$1,000,000 to protect the Authority against Liability imposed by law for injury to Elected and/or Appointed Officials and/or Volunteers while working on behalf of the Authority.

RATING BASIS:

Estimated Annual Directors' Per Diems

ANNUAL PREMIUM:

\$ 76

REVIEWED & ACCEPTED:



Signature

DATE: 5/16/12

DIRECTORS / OFFICERS LIABILITY

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

REVIEWED & APPROVED:


Signature

DATE: 5/16/12

CONSULTANTS' FIDELITY

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

REVIEWED & APPROVED:



Signature

DATE: 5/16/12

DIRECTORS' BOND

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

REVIEWED & APPROVED: _____


Signature

DATE: 5/16/12

TRAVEL ACCIDENT BENEFITS
For Elected/Appointed Officials of the Authority

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

REVIEWED & APPROVED:


Signature

DATE: 5/16/12

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:

- Property, Equipment Breakdown, Mobile or Handheld Equipment, Flood, Windstorm, Earthquake, Hail, Theft, Vandalism. Terrorism coverage automatically provided for property damage exposure. Most insurance 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 \$2,000,000 Auto Hired/Non Owned Liability – Occurrence basis
- Auto Physical Damage for reported and scheduled Authority owned vehicles
- Up to \$2,000,000 Pollution Liability coverage – Occurrence basis
- Workers' Compensation coverage available for Elected/Appointed Officials, Employees, Volunteers
- Loss Control Inspections done by TML IRP

We believe you should thoroughly understand the most important differences between coverages with TML IRP and insurance policies offered by other companies. We offer additional information to show how these services can improve the coverages 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 (but is not limited to) at no additional cost:

1. Coinsurance Provision	None
2. Pollution Damage 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, but is not limited to, the following features:

All Liability Coverages

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. "Occurrence" rather than "Claims-Made" 2. Punitive and Exemplary Damages 3. Year 2000 Claims 4. Defense Costs 5. Pay On Behalf Of | <p>All liability coverages including Public Officials' and Law Enforcement Liability
 Not Excluded (unless assumed by contract)
 A loss that is otherwise covered will not be excluded because it is related to a Y2K computer or Embedded chip failure.
 Included in addition to COVERAGE Terms
 Included</p> |
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General Liability (includes but not limited to)

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| <ol style="list-style-type: none"> 1. Pollution Coverage 2. Failure to Supply 3. Fireworks Displays 4. Watercraft Liability 5. Fire Legal Liability 6. Incidental Medical Malpractice 7. Emergency Medical Services (EMTs and Paramedics) 8. Special Events | <p>Broad coverage for damages or injuries that
 i. 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
 Included
 Included
 Included
 Included up to full Limits of Liability
 Included
 Included
 Included</p> |
|---|--|

Public Officials Liability (includes but not limited to)

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| <ol style="list-style-type: none"> 1. Coverage for Employment-Related Matters including 2. Discrimination, Wrongful Termination, Failure to Hire or 3. Promote and Sexual Harassment or Misconduct 4. Criminal Defense Reimbursement 5. Back Wages 6. Claims filed with EEOC and Texas Commission 7. Prior Acts – Extended Coverage to Creation of Authority 8. Coverage for Members of Boards or Commissions 9. Including Airport and Utility Boards Coverage for Attorneys, 10. Architects, Engineers, and Accountants 11. Land Use/Zoning 12. Mental Anguish 13. Coverage for Actual or Alleged Civil Rights Violations 14. Whistleblower's and Workers' Compensation Retaliation | <p>Included
 \$10,000
 50% up to \$25,000
 Included in the definition of "Suit"
 Included
 Included while acting as public officials or employees of the Member
 Included when damages are sought
 Included when sought in connection with an alleged civil rights violation
 Included
 Included</p> |
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LIABILITY COVERAGE FEATURES

Automobile Liability (includes but not limited to)

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| 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 (includes but not limited to)

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| 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 there-from.

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.