



Fort Bend County Toll Road Authority

Risk Management Consulting Proposal

July 6, 2012

Submitted by:

**Cardinal Risk Management Alternatives, Inc.
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Introduction

We appreciate the opportunity to present our proposal to the Fort Bend County Toll Road Authority (FBCTRA) for our risk management assessment and consulting services.

Cardinal is prepared to provide the risk management expertise necessary to provide a review of your corporate insurance and risk management program. We understand our assignment is to evaluate, educate and recommend the optimum course of action and to provide advice and direction for your risk management function.

Our overall goal will be to assist FBCTRA by recommending methods to reduce program costs and maximize coverage without accepting undue additional risk.

Scope of Services

A. Cardinal will review your risk management and insurance program to determine:

- Are the business risks being recognized and appropriately handled by the risk management and insurance program?
- Are there any gaps or overlaps in the insurance coverages?
- Are the terms and conditions favorable to FBCTRA?
- Are deductible and self-retention levels optimized and appropriate?
- Are the internal premium and retention funding allocations effective and appropriate?
- Are there any non-insurance means of addressing the risks?
- Are unnecessary insurance coverages being purchased?
- Are the insurance provisions of your contracts with suppliers, sub-contractors, vendors and customers consistent and to FBCTRA's benefit?
- Are there other options for insurance and non-insurance means of risk transfer for FBCTRA's exposures?

- Have your direct and contingent exposures to Business Interruption and Extra Expense been recognized and addressed effectively?
 - Are the insurance costs incurred on your programs appropriate for the current insurance market, the risks posed by your operations, and your claims history?
 - Are the services and resources from your Insurance Agencies and Insurance Carriers being maximized?
 - Are claims handling instructions and procedures of FBCTRA, your agents, and insurers consistent and effective?
- B. Cardinal will prepare a report of our findings that will also recommend cost effective methods to reduce or eliminate any deficiencies found in or between the above items

C. Potential Future Services

1. Business Risk Assessment - review and analyze FBCTRA's business risks arising from its business activities, including interviews with operations managers and corporate officers
2. Risk Management Outsourcing - Cardinal can operate as your outsourced Risk Management Department, which will free up your Management's time since we will be working directly with your agent(s) on your behalf.

Our involvement can be limited to major topics (renewals, large claims, discussions regarding new exposures, etc.) or expanded to include all details of the risk management function (endorsements, certificates, safety, etc.). We would consult with you prior to taking action on any matters involving cost and/or coverage.

4. Project Work, such as this undertaking, conducting a broker services competition, major claims consulting, etc.

Proposed Service Fee

\$4,200 flat fee for services described in Sections A & B, with 50% payable at the outset, and the remainder due within 45 days of the delivery of our report. Any travel expenses incurred at the request of FBCTRA will be accounted for and billed separately.

Future Services - project fees / retainer to be determined

Timeline

We are prepared to begin immediately, subject to receiving the information we are requesting (Appendix A). We expect to have the completed report in your hands within four weeks from the date of our assignment.

After you have an opportunity to review, we can discuss implementation and answer any questions you may have. We look forward to working together with you and your team!

Appendix A

Information Request for Risk Management & Insurance Review:

- ✓ Contact information for personnel to be interviewed
- ✓ Schedule of Insurance (usually prepared annually by your agent), including carriers, limits and sub-limits, deductibles/retentions, premiums, expiration dates, etc.

Copies of all Property, Casualty, and Financial Services (D&O, Crime, Bonds, etc.) insurance policies to be reviewed

Claims Summaries - insured and uninsured

Typical or Important Agreements, Leases and Contracts

- ✓ Note: This information has been provided by Allen Boone Humphries Robinson LLP)

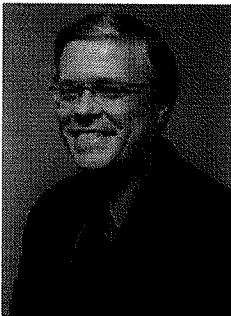
Appendix B

About Cardinal Risk Management Alternatives

Cardinal is an independent risk management consulting firm staffed with seasoned professionals, each with over twenty years experience in corporate risk management, insurance brokerage and consulting. We exist solely on our objectivity and breadth of experience.

We only employ individuals with the highest integrity and having a reputation for treating all client data with confidentiality. Further information is available on our website at www.cardinalriskmanagement.com

Biographies



Robert Duty ARM, P.E., CSP

Cardinal Risk Management Alternatives - Founder and Principal
1994 – Present

Responsible for the delivery of consulting resources to clients in manufacturing, hotel, real estate, construction, and high technology. Specializes in risk identification, loss prevention, risk management program design and claims management.

Greyhound Lines, Inc. - Dallas, Texas

Senior Vice President, Customer Operations 1992 - 1994

Vice President, Human Resources 1990 - 1992

Vice President, Risk Management and Safety 1989 - 1990

Blount Construction, Inc. - Montgomery, Alabama

Corporate Director of Risk Management 1984 - 1989

\$1B sales construction, engineering and manufacturing company.

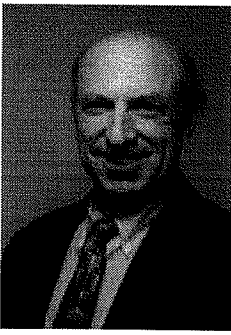
Hyatt Corporation - Chicago, Illinois

Assistant Vice President, Risk Management 1978 - 1984

\$1B sales hotel, gaming, real estate, and investment company.

B.S. in Engineering, *Lamar University*

Masters in Safety Engineering, *Texas A&M University*



Thomas C. Bonow, Senior Consultant

Cardinal Risk Management Alternatives – Dallas, Texas

Senior Consultant 1997 - Present

Provides consulting services to major clients in Real Estate, Healthcare, Energy, and Public Entities.

Marsh & McLennan, Inc. – Dallas, Texas

Senior Vice President 1976-1997

Served as marketing manager, deputy office manager, southwest area sales director, and account executive specializing in Real Estate, Municipalities, Utility, and Banking industries.

Marsh & McLennan, Inc. - New York, New York

Vice President 1969-1976

B.A. in Sociology, Gettysburg College, PA

Masters in Neuro-Linguistics, Dallas NLP Institute, TX



Ruth Roberson, ARM

Cardinal Risk Management Alternatives – Dallas, Texas

Consultant 2004 – Present

Provides consulting services to major clients in Technology and Real Estate.

NCH Corporation – Irving, Texas

Risk Manager 1997 – 2002
\$275mil manufacturer and distributor of industrial maintenance products

Hall Financial Group, Inc. – Dallas, Texas

Risk Manager 1984 – 1992
\$2bil real estate management company

Chubb & Son, Inc. – Dallas, Texas

International Regional Manager 1981 – 1984
International insurance company

B.A. in Elementary Education, Western Michigan University



Carolyn Ellis, CPCU

Cardinal Risk Management Alternatives – Dallas, Texas

Consultant 2006 – Present
Provides consulting services to major clients in Technology, Real Estate and Mortgage Lending.

Palmer & Cay (now Wells Fargo) Insurance Agency – Dallas, Texas

Commercial Account Manager 2000 - 2006
Insurance brokerage firm

AMRESO, Inc. – Dallas, Texas

Risk Manager 1992 - 2000
Property Asset Management company

Republic National Bank – Dallas, Texas

Insurance Administrator 1974 – 1992
Financial institution

B.B.A in Office Management, Texas A&M University



Client List

Affiliated Computer Services

Amegy Bank, Commercial Real Estate Lending Group, Dallas

American Campus Communities, Austin

CB Richard Ellis (formerly Trammell Crow Company), New York City

Clearwire Corporation, Seattle

Collin County Community College District

Comerica Bank, Commercial Real Estate Group, Austin

Dallas County Community College District

Episcopal Diocese of Dallas

Fannie Mae Mortgage Services, Dallas

Jackson-Shaw Development, Dallas

John Peter Smith Hospital, Fort Worth

Newland Communities, San Diego

Parkland Health System, Dallas

Rmax, Inc., Dallas

Societe Generale – U.S. Real Estate Group, New York City/Dallas

Texas Municipal Power Agency (TMPA), Bryan/College Station