

**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.

We at SIG/ McDonald & Wessendorff Insurance are dedicated to "Growing Relationships" with our clients. The following material about this insurance program is designed specifically for you.

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

SIG/ McDonald & Wessendorff Insurance:

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SIG/ McDonald & Wessendorff Insurance • 611 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 SIG/ McDonald & Wessendorff Insurance

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. Dan and his staff continue to dedicate themselves to serving all varieties of Texas special purpose public entities including Municipal Utility Districts and related companies. In 2011, SIG/ McDonald & Wessendorff Insurance was formed under the SIG Insurance Services, LLC (SIG) umbrella.

The SIG 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.

SIG Insurance Services, LLC is a multi-location independent insurance agency with over 30 locations throughout Texas. SIG started in 1987 from a single location in Bryan/College Station, and they adopted their current strategic plan in 2000. The heart of SIG is located in each and every agent and associate that works with the organization. The adopted slogan, "Growing Relationships" is based on the philosophy of developing strong, long-term, win-win relationships with every client, agent, and insurance market that is associated with SIG. SIG Insurance Services, LLC is committed to serving its clients, prospects, agents, and insurance markets with innovative professionalism and uncompromised expertise.



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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: **02/12/14**

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: **\$1,186**

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

DOES THE DISTRICT HAVE AN INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT?

YES/NO: No

IF YES, PLEASE SEND A COPY.

NUMBER OF PEACE OFFICERS: 0

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

DOES THE DISTRICT OWN ANY ROADS YES/NO: No

ACCEPTED BY: [Signature] **DATE:** 1/22/14
REJECTED BY: _____ **DATE:** _____

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

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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: **02/12/14**

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 *
*Included in General Liability 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:  DATE: 1/22/14

REJECTED BY: _____ DATE: _____

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

Fort Bend Flood Control WSC

TYPE OF POLICY: DIRECTORS AND OFFICERS LIABILITY

PROPOSED EFFECTIVE DATE: 02/12/14

COVERAGE:

- Claims-Made Coverage Form
- Duty to Defend
- Pay on Behalf in lieu of Reimbursement Coverage Form
- Full Prior Acts
- Defense Cost Outside the Limit
- Defense for Alleged Breach of Contract
- Claim includes any Judicial or Administrative Proceedings
- Employment Related Practices coverage for the District Included
- Coverage extended to include Director's Spouse
- Terrorism Not Excluded
- Punitive Damages Not Excluded

LIMIT OF LIABILITY: \$2,000,000 Per Claim
No Aggregate Limit

DEDUCTIBLE: None

POLICY TERM: One Year

PREMIUM: \$2,500

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

OPTIONAL LIMITS

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

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SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

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Fort Bend Flood Control WSC

TYPE OF POLICY: UMBRELLA

PROPOSED EFFECTIVE DATE: 02/12/14

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
<u> </u>	\$ 2,000,000	\$1,800
<u> </u>	\$ 3,000,000	\$2,700
<u> </u>	\$ 4,000,000	\$3,600
<u> </u>	\$ 5,000,000	\$4,500

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

ANNIVERSARY OF CURRENT POLICY: 02/12/14

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:  **DATE:** 1/22/14

REJECTED BY: _____ **DATE:** _____

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TYPE OF BOND: DIRECTORS POSITION SCHEDULE BOND

ANNIVERSARY OF CURRENT BOND: 02/12/14

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.

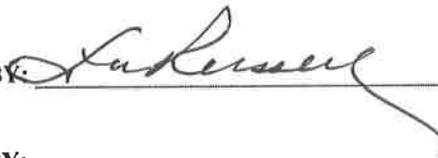
•Terrorism Not Excluded

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:  **DATE:** 1/22/14

REJECTED BY: _____ **DATE:** _____

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

Fort Bend Flood Control WSC

**** OPTIONAL COVERAGE ****

TYPE OF BOND: TAX ASSESSOR/COLLECTOR BOND
ANNIVERSARY OF CURRENT BOND: 02/12/14
COVERAGE: Covers the faithful performance and discharge of all the duties required by law as the Tax Assessor/Collector and to pay over to the depository of the District all funds or other things of value coming into his hands as Tax Assessor/Collector.
LIMIT: \$10,000
BOND TERM: One Year
PREMIUM: \$100
NAME OF TAX ASSESSOR: To Be Determined
COMPANY: Hartford Casualty Insurance Company
Best Rating: A+ XV
Merchants Bonding Company
Best Rating: VI

OPTIONAL LIMITS

	Limit	Premium
_____	\$ 10,000	\$ 100
_____	\$ 25,000	\$ 125
_____	\$ 50,000	\$ 250
_____	\$ 75,000	\$ 375
_____	\$ 100,000	\$ 500
_____	\$ 250,000	\$ 1,250
_____	\$ 500,000	\$ 2,500
_____	\$ 1,000,000	Available with application

****SIG McDonald & Wessendorff will bill Tax Assessor directly****

**** OPTIONAL COVERAGE ****

ACCEPTED BY: _____ **DATE:** _____

REJECTED BY: *[Signature]* **DATE:** 1/22/14

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**** OPTIONAL COVERAGE ****

TYPE OF POLICY: BUSINESS TRAVEL COVERAGE

PROPOSED EFFECTIVE DATE: 02/12/14

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
\$ 50,000 Each Spouse
\$ 25,000 Each Child
\$35,000,000 Aggregate Limit

PREMIUM: \$300

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

**** OPTIONAL COVERAGE ****

Date 1/22/14

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

Rejected By Lu Russel President, Board of Directors
(Signature of District's Authorized Representative) (Title)

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TYPE OF POLICY: WORKERS COMPENSATION

PROPOSED EFFECTIVE DATE: 02/12/14

COVERAGES:

- 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.
- 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.
- Terrorism Not Excluded
- Subject to policy terms, conditions and exclusions.

LIMIT OF LIABILITY:

Employers Liability

\$1,000,000 Each Accident
Bodily Injury by Accident

\$1,000,000 Each Employee
Bodily Injury by Disease

\$1,000,000 Policy Limit
Bodily Injury by Disease

POLICY TERM: One Year

PREMIUM: \$511 (5 Directors) Estimated Annual Premium
Not Subject to Audit

COMPANY: Service Lloyds Insurance Company
Best Rating: A- VII

ACCEPTED BY:  **DATE:** 1/23/14

REJECTED BY: _____ **DATE:** _____

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SIG/ McDonald & Wessendorff Insurance

611 Morton Street Voice: 281-633-3200
Richmond, TX 77469 Fax: 281-341-6837
Email: katrina.thornhill@sig-4you.com
Katrina Thornhill

DATE: 10/23/2013
ENGINEER:
ATTN: Justine Cheme
EMAIL: jcheme@abhr.com

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.

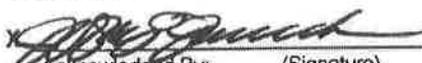
PLEASE NOTE: INSURANCE POLICY IS BASED ON REPLACEMENT COST VALUATION

Property Type/Full Address Include City and Zip Code	Replacement Value	Month/Year Built	Flood Zone (i.e. X, A)
Any facilities to insure?	\$ _____	_____	_____

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:

 JEFFREY T. JANCEK 10/24/13
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.