



September 8, 2014

The renewal proposal for Fort Bend Grand Parkway Toll Road Authority includes the policies for Directors & Officers Liability, Crime Bond, and Director's Bond. The renewal coverage and yearly premiums remain the same as expiring.

We thank the board for their continued business.

Sincerely,

Katrina Thornhill

SIG McDonald & Wessendorff Insurance Services

SIG/ McDonald & Wessendorff Insurance • 611 Morton • Richmond, Texas 77469
PH (281) 342-6837 (MUDS) • Fax: (281) 341-6837 (MUDS)

**Insurance Proposal
Prepared for**

Ft. Bend Grand Prkwy.Toll Rd.

(D&O Liability and Bonds only)





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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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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Ft. Bend Grand Prkwy.Toll Rd.

TYPE OF POLICY: **DIRECTORS AND OFFICERS LIABILITY**

PROPOSED EFFECTIVE DATE: **10/01/14**

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: **\$5,000,000 Per Claim**
No Aggregate Limit

DEDUCTIBLE: **None**

POLICY TERM: **One Year**

PREMIUM: **\$5,500**

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

OPTIONAL LIMITS

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

ACCEPTED BY:  **DATE:** 9.17.14

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

Ft. Bend Grand Prkwy.Toll Rd.

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

ANNIVERSARY OF CURRENT POLICY: **10/01/14**

COVERAGE: **** Please see attached quote ****

LIMIT: \$1,000,000

DEDUCTIBLE: \$5,000

TERM: One Year

PREMIUM: \$1,387

COMPANY: Travelers Casualty and Surety Company
Best Rating: A+ XV

ACCEPTED BY:  **DATE:** 9.17.14

REJECTED BY: **DATE:**

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

Ft. Bend Grand Prkwy.Toll Rd.

TYPE OF BOND:	DIRECTORS POSITION SCHEDULE BOND
ANNIVERSARY OF CURRENT BOND:	10/01/14
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:	\$175
COMPANY:	Merchants Bonding Company Best Rating: A VI

ACCEPTED BY: _____

DATE: _____

REJECTED BY: _____

DATE: _____

SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

FT. BEND GRAND PRKWY.TOLL RD.

PROPOSED EFFECTIVE DATE: 10/01/14

PREMIUM SUMMARY

COVERAGE	RENEWAL PREMIUM	LAST YEAR'S PREMIUM
DIRECTORS AND OFFICERS	5,500.00	5,500.00
PUBLIC EMPLOYEE BLANKET CRIME	1,387.00	1,387.00
DIRECTOR'S BOND	175.00	175.00
TOTAL PREMIUM	\$7,062.00	\$7,062.00

SIG/ McDonald & Wessendorff has been your insurance consultant since 06/16/10. We thank you for your business. ** Please note that this proposal does not include any property/boiler & machinery or general liability coverage. If the authority would like a quote on other coverage, please contact our office.

**PLEASE REPORT ALL NEW FACILITIES OR PROPERTIES IMMEDIATELY
TO SIG/ MCDONALD & WESSENDORFF**

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

ACCEPTED BY: _____

PRINTED NAME & TITLE: Jim Condrey

DATE: September 17, 2014

FEDERAL TAX ID #: 27-3041038

WEB ADDRESS IF ANY: WWW.fbetra.com

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.

D & O APPLICATION

PLEASE COMPLETE/ SIGN
AND RETURN WITH THE
ACCEPTED PROPOSAL

THANK YOU!

**Professional Liability Application
Application for Directors & Officers Liability Insurance**

\$5,000,000

Premium \$5,500

Part 1: Background Information

****ML 1459 (01-97)****

Name of Organization: Ft. Bend Grand Prkwy. Toll Rd.

Address: C/O Muller Law Group PLLC
16555 Southwest Freeway #220, Sugar Land, TX 77479

Purpose of Organization: Toll Road Authority / Transportation

In continuous existence since: 6/16/10 Number of Board Members: 5

Are there subsidiaries? Yes or No (circle response) If yes, provide name (s), date established, nature of operation, profit or nonprofit, purpose, bylaws and financial statement for each.

If yes, do you wish to request coverage for subsidiaries? Yes or No (circle response)

Are the organization's finances audited by a Certified Public Accountant? Yes of No (circle response)

Does the organization have any stockholders or persons who profit from the operation except as salaried employees? Yes or No (circle response) If yes, please give detail.....

Are any directors, Trustees, Officers or employees indebted to the organization? Yes or No. If yes, please give detail _____

Part 2: Insurance Coverage Information

Directors & Officers Liability Insurance carried during the past three years including expiring Policy.

Insurer: Limits of Liability: Premium: Deductible: Policy Period

Directors & Officers Liability Coverage has been continuously in force since: 6/16/10
If yes, with which insurance company? Mid Continent

Has any policy for Directors and Officers liability Insurance ever been canceled or non-renewed? Yes or No (circle response). If yes, please give detail...

The individual of the organization designated to receive any and all notices from the Insurer or their authorized representative(s) concerning this insurance is:

Name: Richard Muller Title: Attorney

Part 3: Employer Detail

Total number of: Full Time Employees: 0 Part Time Employees: 0

Total number of Employees with annual salaries in excess of 50,000? NA
How many of these employees have annual salaries in excess of 100,000? NA

Does the organization have a written procedure for hiring and firing employees? Yes or No NA

Does a lawyer or human resource person review involuntary employment terminations prior to termination of an employee? Yes or No (circle response) NA

Has there been a reduction of employees in the past 12 months? Yes or No (circle response) NA

Is a reduction of employees anticipated in the next 12 months? Yes or No (circle response) NA

Part 4: Claim Information

Within the last 5 years has the organization or any individual proposed for insurance received any inquiry, complaint or notice of hearing from any Municipal, State Administrative Agency, Federal Regulatory Authority or Congressional or Legislative Committee of similar such agency? Yes or No If yes, please explain... _____

Within the last 5 years, has any claim been made, or is any claim now pending, against the organization, or any person proposed for Insurance in the capacity of either Director, Officer, Trustee, Employee or Volunteer of the organization? Yes or No (circle response) IF YES, ADVISE ON A SEPARATE SHEET DETAILS OF THE DIRECTORS & OFFICERS LIABILITY INSURANCE AND REMEDIAL MEASURES TAKEN TO PREVENT A RECURRENCE OF SUCH CLAIM(S). _____

Is any person proposed for this insurance aware of any fact, circumstance or situation which may result in a claim against the organization or any of its Directors, Officers, Trustees, Employees, or Volunteers? Yes or No (circle response) If yes, give detail. _____

- Attach Financials
- Attach District Directory

The undersigned declares that to the best of his/her knowledge and belief the statements set forth herein are true. The undersigned further declares that any occurrence or event taking place prior to the effective date of the insurance applied for which may render inaccurate, untrue, or incomplete will immediately be reported in writing to the Insurer and the Insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. The insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer.

Signature: [Signature]

Title: Jim Cordrey, Chairman

Date: September 17, 2014

Travelers Casualty and Surety Company of America
QUOTE OPTION #1

CRIME COVERAGES:

Crime Insuring Agreements	Single Loss Limit of Insurance	Single Loss Retention	Crime Insuring Agreements	Single Loss Limit of Insurance	Single Loss Retention
A - Fidelity 1. Employee Theft 2. ERISA Fidelity 3. Employee Theft of Client Property	See Endorsement Not Covered Not Covered		F - Computer Crime 1. Computer Fraud 2. Computer Program and Electronic Data Restoration Expense	\$1,000,000 \$100,000	\$5,000 \$5,000
B - Forgery or Alteration	\$1,000,000	\$5,000	G - Funds Transfer Fraud	\$1,000,000	\$5,000
C - On Premises	\$1,000,000	\$5,000	H - Personal Accounts Protection 1. Personal Accounts Forgery or Alteration 2. Identity Fraud Expense Reimbursement	Not Covered Not Covered	
D - In Transit	\$1,000,000	\$5,000	I - Claim Expense	\$5,000	\$0
E - Money Orders and Counterfeit Money	\$1,000,000	\$5,000			

Insured's Premises Covered: Worldwide, except

TOTAL ANNUAL PREMIUM - \$1,387.00

(Other term options listed below, if available)

LIMIT DETAIL:

Crime Policy Aggregate Limit of Insurance: N/A

PREMIUM DETAIL:

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	\$1,387.00	\$0.00	\$0.00	\$1,387.00	\$1,387.00

POLICY FORMS APPLICABLE TO QUOTE OPTION # 1:

CRI-2001-0109 Crime Declarations Page

CRI-3001-0109 Crime Policy Form

ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 1:

ACF-7006-0511 Removal of Short-Rate Cancellation Endorsement

CRI-4019-0109 Texas Changes Endorsement

CRI-5044-0613 Texas Cancellation or Termination Endorsement

CRI-7005-0109 Include Designated Agents as Employees Covered for Employee Theft Only Endorsement

CRI-7125-0109 Government Entity Crime Endorsement

CRI-7126-0109 Government Entity Crime Endorsement - Faithful Performance of Duty

CONTINGENCIES APPLICABLE TO QUOTE OPTION # 1:

This quote is contingent on the acceptable underwriting review of the following information prior to the quote expiration date.

None