

# HARCO

INSURANCE SERVICES

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## Risk Management Summary Prepared For:

# Fort Bend County Toll Road Authority

10/01/15 To 10/01/16

**HARCO Insurance Services has been your insurance representative since 2004...  
Thank you for your expressed confidence and continued relationship!**

**Authorization Copy  
To Be Signed**

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

Prepared by: Tom Mraz, CIC, Senior Consultant - HARCO Insurance Services  
Bill Walker ARM, Senior Consultant - HARCO Insurance Services  
Carolyn Demel, AA, ACSR, Manager - HARCO Public Entities Dept.

Dated: July 30, 2015

# HARCO INSURANCE SERVICES

HARCO Insurance Services was established July 1969 and currently serves the insurance needs for over 25,000 individuals and businesses throughout Houston and surrounding communities. In addition, our Public Entity Consulting Program offers thoroughly transparent risk management and consulting services for public entities, governmental entities, nonprofit organizations, their Boards of Directors, and their Consultants.

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

### **Thomas L. Mraz, CIC - Senior Consultant**

Tom Mraz graduated in 1974 with a business degree from T.C.U, where he also lettered in football. He has garnered over 40 years experience in the risk management and insurance industry beginning in 1974 as an underwriter with Travelers Insurance Company. Following in 1977 was the creation of the Mraz Insurance Agency. In 1979 Tom attained the Certified Insurance Counselor designation. In 2012 a merger positioned him as a highly respected member of the HARCO Team. He is a former President of the Professional Insurance Agents of Houston, a former Agent of the Year - P.I.A. Texas, and a former Board Member for the Independent Insurance Agents of Houston. Tom currently serves as a Director for Montgomery County Municipal Utility District No. 138.

### **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 District No.151.

### **Carolyn Demel, AA, ACSR - Manager, Public Entities Department**

Carolyn Demel serves as the primary internal contact for our public entity program. She maintains communications with the underwriters, assists with claims handling, and other insurance matters. Carolyn prepares underwriting documents, proposals, comparisons and assists with the many needs of the Districts, their Legal Staffs, and other Consultants.

### **Josh Hargrave, CIC – President**

Josh Hargrave has over 35 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 45 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 45 professionals on staff providing the highest standards of service to the clients we serve**

# ANNUAL COST SUMMARY & COMPARISON

## COVERAGE

## 2015 – 2016 HARCO / TML

## 2014 – 2015 HARCO / TML

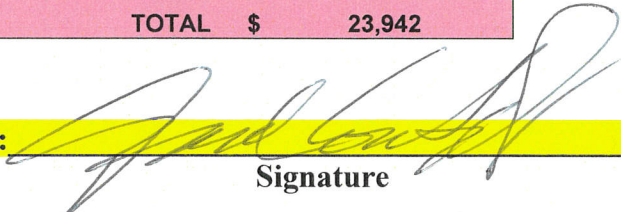
<b>Property</b>	\$ 44,768	\$ 46,996
Limits	\$ 52,650,267	\$ 56,406,375
Deductibles	\$ 25,000 or \$100,000	\$ 25,000 or \$100,000
Flood/Quake	\$ 52,650,267 / \$25,000 Deductible	\$ 56,406,375 / \$25,000 Deductible
Loss of Revenue	\$ 4,000,000	\$ 4,000,000
<b>Mechanical Breakdown</b>	Included	Included
Limits	\$ 10,000,000 / \$1,000 Deductible	\$10,000,000 / \$1,000 Deductible
<b>General Liability</b>	\$ 9,146	\$ 9,146
Limits	\$ 10,000,000 / No Deductible	\$ 10,000,000 / No Deductible
<b>Law Enforcement Liability</b>	\$ 1,158	\$ 1,158
Limits	\$ 3,000,000 / \$1000 Deductible	\$ 3,000,000 / \$1000 Deductible
<b>Pollution Liability</b>	Included in General Liability	Included in General Liability
Limits	\$ 2,000,000 / No Deductible	\$ 2,000,000 / No Deductible
<b>Auto Liability</b>	\$ 61	\$ 58
Limits	\$ 2,000,000 / No Deductible	\$ 2,000,000 / No Deductible
<b>Workers Compensation</b>	\$ 76	\$ 76
Limits	Statutory	Statutory
<b>Consulting &amp; Servicing Fee (12.5%)</b>	\$ 6,900	\$ 7,521

**ANNUAL COST:      \$ 62,109**

**\$ 64,955**

<u>Equity Returns:</u>		
	2009	\$ 3,324
	2010	\$ 6,803
	2011	\$ 1,782
	2012	\$ 5,832
(Property Only)	2013	\$ 2,697
	2014	\$ 3,504
	<b>TOTAL</b>	<b>\$ 23,942</b>

**REVIEWED & ACCEPTED:**



Signature

**DATE:**

8/19/15

# 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 – advice 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 is pre-authorized 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.

**Total Annual Consulting Fee \$ 6,900 (12.5%)**

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

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

**REVIEWED & ACCEPTED:**



Signature

**DATE:**

8/19/15

# FORT BEND COUNTY 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 need to be discussed and/or added to the policy schedule, please contact HARCO immediately.

Swimming Pools	Underground Sprinklers	Outdoor Scoreboards	Dams & Bridges
Tennis Courts	Roadways & Overpasses	Sidewalks / Crosswalks	Fire Hydrants
Tunnels	Traffic Lights & Signs	Freestanding Signs	Mobile Equipment
Fine Arts	Detention Ponds / Lakes	<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.**

The following water plant or wastewater \*items\* are insured by endorsement if \*items\* are located within perimeter fencing at each such scheduled premises and they mainly serve the scheduled premises, provided the scheduled value includes the value of such \*items\*:

- **Perimeter Fencing**
- **Water Tanks & Towers**
- **Underground Mains/Piping/Wiring**
- **Sanitary Sewers**
- **Personal Property Owned by the Authority**

REVIEWED & ACCEPTED:

Signature

DATE:

8/19/15

## ***REAL & PERSONAL PROPERTY***

INSURER: TML IRP - "A" rated by Standard & Poors

PROPERTY COVERED: Per Property Schedule as reported by Authority's Engineer  
And/or other Authority Consultants

COVERAGE: Special Coverage Form Designed for Public Entities - Includes  
but is not necessarily limited to:

- \$52,620,267 Real & Personal; Standard Flood/Quake;  
Hail; Windstorm; Lightning; Theft;  
Vandalism/Malicious Mischief
- \$10,000,000 Terrorism
- \$ 1,000,000 Newly Acquired Property
- \$ 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 Sewer Backup each Scheduled Premises
- Included Demolition / Rebuild / Increased cost  
of construction due to Law or Ordinance
- Included Communications Equipment
- Included Computer Equipment
- Included Architectural / Engineering Fees Incurred  
Due to a Covered Loss
- See Property Coverage Features for Additional Coverages &  
Sublimits - All Coverages as per Policy terms and conditions

COINSURANCE: NONE

DEDUCTIBLES: \$25,000- Per Occurrence – Properties valued up to \$250,000 each;  
And  
\$100,000 – Per Occurrence – Properties value greater than \$250,000  
\$25,000- Per Occurrence - Flood / Earthquake;  
“Named Storm” Deductible – Please see attached endorsement  
(Named Storm i.e. Hurricanes or other catastrophic storms recognized by  
the National Weather Service, etc.)

LOSS OF REVENUE, EXTRA EXPENSE, & RENTS: \$ 4,000,000 – No Additional Deductible Applied to This Sublimit

## PROPERTY SCHEDULE

The contribution and limit calculated for your Real and Personal Property Coverages are based on the following schedule. 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
22	Westpark Tollway	2006	Building w/ Equipment	215,283	0
			Transit	RC	
23	Westpark Tollway	2006	Building w/ Equipment	215,283	0
			Transit	RC	
24	Westpark Tollway	2006	Toll Location	333,176	0
			Transit	RC	
25	Westpark Tollway	2006	Toll Location	333,176	0
			Transit	RC	
26	Westpark Tollway	2006	Toll Location	333,176	0
			Transit	RC	
27	Westpark Tollway	2006	Toll Location	333,176	0
			Transit	RC	
28	East Plaza-Eastbound	2006	Toll Gantries/Antennas/Cameras	445,943	0
			Transit	RC	
29	East Plaza-Westbound	2006	Toll Gantries/Antennas/Cameras	445,943	0
			Transit	RC	
30	East Plaza-Westbound	2006	Electrical/Equipment Building	102,516	0
			Transit	RC	
31	West Plaza-Eastbound	2006	Toll Gantries/Antennas/Cameras	445,943	0
			Transit	RC	
32	West Plaza-Westbound	2006	Toll Gantries/Antennas/Cameras	445,943	0
			Transit	RC	
33	West Plaza-Westbound	2006	Electrical/Equipment Building	102,516	0
			Transit	RC	
34	FM 1464	2004	Bridge	6,663,516	0
			Transit	RC	
35	Long Point Slough Tributary	0	Bridge	410,063	0
			Transit	RC	
36	Long Point Slough	0	Bridge	410,063	0
			Transit	RC	
37	Grand Mission Blvd	2004	Bridge	2,562,891	0
			Transit	RC	
38	Mason Rd	2004	Bridge	2,562,891	0
			Transit	RC	
39	Peek Rd	2004	Bridge	2,562,891	0
			Transit	RC	
40	SH 99 (Eastbound)	2004	Bridge	1,845,281	0
			Transit	RC	

Continued next page.....

## PROPERTY SCHEDULE

As of October 1, 2014, TML IRP implemented a trend factor to apply to building values on the Real & Personal Property schedule. The building values shown on the property schedule, reflect a 1.25% increase over the values reported for the 2014/15 policy period. This trend factor was calculated using building cost data software and a five year analysis of building value changes. The factor will be updated and reviewed annually. Contents and mobile equipment values are not affected by this new process.

ID	Address or Site Secondary ID	Year Built	Occupancy Department	Bldg Value Valuation Basis	Contents Value Valuation Basis
41	SH 99 (Westbound)	2004	Bridge	1,845,281	0
			Transit	RC	
42	SH 99 Direct Connector (South to East)	2004	Bridge	9,226,406	0
			Transit	RC	
43	Bridge north of Independence	0	Bridge	410,063	0
			Transit	RC	
44	Bridge over American Canal	0	Bridge	410,063	0
			Transit	RC	
45	Independence overpass	2004	Bridge	2,562,891	0
			Transit	RC	
46	Fondren overpass	2004	Bridge	2,562,891	0
			Transit	RC	
47	McHard Rd overpass	2004	Bridge	2,562,891	0
			Transit	RC	
48	Lake Olympia overpass	2004	Bridge	2,562,891	0
			Transit	RC	
49	Oyster Creek	2004	Bridge	5,125,781	
				RC	
50	B-1 Toll Gantry	2004	Tolling gantry, equipment, antenna	1,127,672	
				RC	
51			Roadway Lighting	153,773	
				RC	
52	Fondren	2015	Toll gantry, equipment, antenna	1,100,000	0
				RC	
53	McHard	2015	Toll gantry, equipment, antenna	1,100,000	0
				RC	
54	Lake Olympia	2015	Toll gantry, equipment, antenna	1,100,000	0
				RC	
Coverage: Real & Personal Property		Total Items:	33	52,620,267	0

**PLEASE REPORT ANY CHANGES TO HARCO**  
**Carolyn Demel - [cdemel@harco-ins.com](mailto:cdemel@harco-ins.com)**

***“Named Storm”***  
***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 County Toll Road Authority  
Member ID : 6623  
Effective Date :

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 reinstated 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.

## **MECHANICAL 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 – **Includes But is Not Limited To:**

- 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,
- Underground 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: \$10,000,000 – No Additional Deductible Applied to This Sublimit

PREMIUM: **INCLUDED - NO ADDITIONAL PREMIUM**

## **GENERAL LIABILITY**

INSURER: Texas Municipal League IRP

COVERAGE: Special Coverage Form designed for governmental entities; **Includes but is not necessarily Limited to:**

- **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
- **Sewer Back-Up Liability**
- **Gradual or Sudden** Release of Chlorine or Chloramines used for water or sewage treatment plants, and/or products contained in products sold or distributed by the Authority
- **Cyber Liability** –
  1. Breach of Confidence of any right to privacy
  2. Security Breach Costs - \$50,000 occurrence / \$100,000 aggregate
  3. Violation of a state or federal statute protecting confidential information
  4. Defamation resulting from emails or internet use
  5. Failure to provide authorized users with access
  6. Theft of credit card numbers in the Authority's possession
- **Personal/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
- All Coverages as Per Policy Terms and Conditions

DEDUCTIBLE: *NONE*

LIMIT: \$10,000,000 per Occurrence / \$10,000,000 Annual Aggregate

ANNUAL COST: \$9,146

## **LAW ENFORCEMENT LIABILITY**

**INSURER:** TML Intergovernmental Risk Pool

**COVERAGE:** Special Coverage Form designed for governmental entities; **Includes but is not necessarily Limited to:**

- **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
- **Covered Parties:** Any duly Elected/Appointed Official or Member of a governing body of a Public Entity while acting within the scope of his/her law enforcement duties; **AND** Any employee of the Authority or authorized Volunteer, but only while carrying out their duties related to the Authority's law enforcement activities
- Per terms and conditions in coverage document

**DEDUCTIBLE:** \$1,000

**ANNUAL COST:** \$ 1,158      \$ 3,000,000 / \$ 6,000,000 Aggregate

**AUTOMOBILE LIABILITY**  
**HIRED & NON-OWNED**

INSURER: TML IRP - "A" rated by Standard & Poors

COVERAGE: Bodily Injury and Property Damage;  
Hired / Non Owned  
Secondary coverage

**Non Owned** - An automobile which is neither a District owned automobile nor a hired automobile of the District.

**Hired** - An automobile not owned by the District which is used by contract by or on behalf of, or lent to, the District. But 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 District; Or An Employee or Agent of the District who is granted an operating allowance of any sort for the use of such automobile

**Hired Automobiles – Auto Physical Damage**

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

**Hired Automobiles** that are included in the Automobile Liability coverage shall also be covered under the Automobile Physical Damage coverage, subject to a deductible of \$500 per occurrence.

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

COVERAGE TERM: One year

ANNUAL COST: \$ 61

## ***POLLUTION LIABILITY***

INSURER: TML IRP - "A" rated by Standard & Poors

COVERAGE:

- Occurrence Form
- 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:

- Statutory Fines or Penalties Unless Direct Result of Pollution Incident as Defined by the policy

LIMITS OF LIABILITY: \$2,000,000 for Pollution Caused by Other than Chlorine or Chloramine or "products", that are limited to sudden and accidental events Resulting in injury or damage that occurs within 45 days of the event.

Note: General Liability provides coverage up to Policy Limit with NO Deductible for either gradual or sudden releases of the following:

1. Chlorine or Chloramine used for water or sewage treatment plants, and;
2. Pollutants contained in products sold or distributed

DEDUCTIBLE: NONE

COVERAGE TERM: One Year

PREMIUM: **INCLUDED - NO ADDITIONAL PREMIUM**

## **WORKERS' COMPENSATION**

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 property inspections**

**To/From/At conferences/conventions, etc.**

**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**

INSURER: TML IRP - "A" rated by Standard & Poors

COVERAGE: **Coverage For Elected / Appointed Officials / Volunteers**  
Statutory limit for Employees / Elected or Appointed Officials /  
Volunteers as authorized by 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 COST: \$76 - Coverage for the Authority and its Board of Directors

## PROGRAM FEATURES

HARCO is recommending to your District 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. 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 District 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 District 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 District 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

- |   |   |
|---|---|
| 1. "Occurrence" rather than "Claims-Made" | All liability coverages including Public Officials' and Law Enforcement Liability                                       |
| 2. Punitive and Exemplary Damages         | Not Excluded (unless assumed by contract)   |
| 3. Year 2000 Claims                       | A loss that is otherwise covered will not be excluded because it is related to a Y2K computer or Embedded chip failure. |
| 4. Defense Costs                          | Included in addition to COVERAGE Terms  |
| 5. Pay On Behalf Of                       | Included  |

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## General Liability (includes but not limited to)

- |   |  |
|---|--|
| 1. Pollution Coverage                               | Broad coverage for damages or injuries that 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 |
| 2. Failure to Supply                                | Included   |
| 3. Fireworks Displays                               | Included   |
| 4. Watercraft Liability                             | Included   |
| 5. Fire Legal Liability                             | Included up to full Limits of Liability  |
| 6. Incidental Medical Malpractice                   | Included   |
| 7. Emergency Medical Services (EMTs and Paramedics) | Included   |
| 8. Special Events                                   | Included   |

## Public Officials Liability (includes but not limited to)

- |   |   |
|---|---|
| 1. Coverage for Employment-Related Matters including            | Included  |
| 2. Discrimination, Wrongful Termination, Failure to Hire or     |   |
| 3. Promote and Sexual Harassment or Misconduct                  |   |
| 4. Criminal Defense Reimbursement                               | \$10,000  |
| 5. Back Wages   | 50% up to \$25,000  |
| 6. Claims filed with EEOC and Texas Commission                  | Included in the definition of "Suit"                                      |
| 7. Prior Acts – Extended Coverage to Creation of District       | Included  |
| 8. Coverage for Members of Boards or Commissions                | Included while acting as public officials or                              |
| 9. Including Airport and Utility Boards Coverage for Attorneys, | employees of the Member   |
| 10. Architects, Engineers, and Accountants                      |   |
| 11. Land Use/Zoning   | Included when damages are sought  |
| 12. Mental Anguish  | Included when sought in connection with an alleged civil rights violation |
| 13. Coverage for Actual or Alleged Civil Rights Violations      | Included  |
| 14. Whistleblower's and Workers' Compensation Retaliation       | Included  |

# LIABILITY COVERAGE FEATURES

## Automobile Liability (includes but not limited to)

- |  |   |
|--|---|
| 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 - OPTIONAL COVERAGE AVAILABLE UPON REQUEST

- |   |   |
|---|---|
| 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 District'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 District.

Non Owned – An automobile which is neither owned nor a hired automobile of the District.

### LAW ENFORCEMENT ACTIVITIES

The actions and functions that required or within the defined scope of duties for a District'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.