

2018 - 2019
INSURANCE PROPOSAL

PREPARED FOR:

**FORT BEND COUNTY TOLL
ROAD AUTHORITY**

TERM: 10/01/2018 to 10/01/2019

EXECUTION COPY

PRESENTED BY:



First Class Service is the Only Kind We Provide!

HARCO Insurance Services
10777 Northwest Freeway, Suite 700
Houston, TX 77092
Tel: (713) 681-2500 Fax: (713) 684-1600

HARCO Insurance Services is proud to be your insurance representative since 2004.

"Thank you" very much for your continued confidence and trusted relationship!

EXECUTION COPY

DISCLAIMER: The abbreviated outlines of coverage shown throughout this proposal are to be used only as an overview of each proposed or written policy and should not be used, nor is it intended to be used, as a substitute for the actual original policy terms, conditions and limitations. This overview has been prepared as a guide for quick reference only and not intended to express any legal opinion as to nature of coverage.

Prepared By: Corrie Aday (caday@harco-ins.com)
Date: September 11, 2018



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 transparent risk management and consulting services for public entities, governmental entities, nonprofit organizations, and 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

Josh Hargrave, CIC – HARCO President

Josh Hargrave has over 40 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.

Corrie Aday – Sr. Account Manager – Public Entity Department

Corrie Aday graduated in 2003 with an Associate degree in Applied Science from Odessa College where she was a "Who's Who Honoree and was recognized as being one of Odessa College's Outstanding Students. Independently obtaining her Insurance License in 2010 she has worked in both personal lines and commercial insurance. For 3 years she managed the small business department at Mims and Smith in Midland, TX where she gained extensive knowledge in the Oil/Gas and Trucking industry. Corrie helped launch Cain Insurance Solutions, a division of Insurance One, where she worked in depth with non-profit and public entities until she relocated to Houston in late 2016. Corrie joined the HARCO team in 2017 and is now managing their MUD Districts.

Gerri Rougeau, CIC – HARCO Vice President

Gerri Rougeau has over 50 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.

Darlene Bugaj, CIC – HARCO Commercial Lines Manager

Darlene has over 34 years in the insurance industry with experience both in the insurance company and independent agency areas. As Account Manager, she has been responsible for servicing the needs of agency's largest accounts including MUD Districts, Educational Institutions, Contractors, Manufacturers, and many other special programs. Designations include the Accredited Customer Service Representative (ACSR) and Certified Insurance Counselor (CIC) designation. Darlene's tenure with Harco is 19.

HARCO has a team concept with over 50 professionals on staff providing the highest standards of service to the clients we serve

ANNUAL COST SUMMARY & COMPARISON

| <u>COVERAGE</u> | <u>2018 – 2019 RENEWING</u> | <u>2017 – 2018 EXPIRING</u> |
|-------------------------------------|---|---|
| Property: | \$ 94,923 | \$ 68,160 |
| Limits: | \$ 97,318,296 | \$ 77,943,996 |
| Deductible: | See Attached | See Attached |
| Flood/Earthquake: | \$ 5,000,000 / \$25,000 Deductible | \$53,278,021 / \$25,000 Deductible |
| Loss of Revenue: | \$ 4,000,000 / \$25,000 Deductible | \$ 4,000,000 / \$25,000 Deductible |
| Equipment Breakdown: | Included – No Additional Premium | Included – No Additional Premium |
| Limits: | \$ 10,000,000 / \$1,000 Deductible | \$ 10,000,000 / \$1,000 Deductible |
| General Liability: | \$ 5,442 | \$ 5,442 |
| Limits: | \$ 10,000,000 / No Deductible | \$ 10,000,000 / No Deductible |
| Cyber Liability/Data Breach: | Included – No Additional Premium | Included – No Additional Premium |
| Limits: | See Coverage Form-Limits | See Coverage Form-Limits |
| Pollution Liability: | Included – No Additional Premium | Included – No Additional Premium |
| Limits: | \$ 2,000,000 / No Deductible | \$ 2,000,000 / No Deductible |
| Law Enforcement Liab: | \$ 1,196 | \$ 1,196 |
| Limits: | \$ 3,000,000 / \$1000 Deductible | \$ 3,000,000 / \$1000 Deductible |
| Auto Liability: | \$ 64 | \$ 64 |
| Hired/Non-Owned Limit: | \$ 2,000,000 Liability / No Deductible | \$ 2,000,000 Liability / No Deductible |
| Workers Compensation: | \$ 196 | \$ 196 |
| Limits: | Statutory | Statutory |
| Consulting & Servicing: | \$ 9,000 | \$ 6,900 |
| ANNUAL COST: | \$ 110,821 | \$ 81,958 |

REVIEWED & ACCEPTED:



SIGNATURE

DATE:

HARCO Insurance Services

10777 Northwest Freeway, Suite #700

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 District.
- Communicate with other District 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 District's consultants/representatives to reflect the updated exposures. The District 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 District with claim(s).
- Consultant may be granted authority to sign claim proof of loss form on behalf of the District.
- Consultant may recommend specific loss prevention risk management options.

Consulting Fee: \$ 9,000

District: Fort Bend County Toll Road Authority agrees to pay the fee specified above to HARCO Insurance Services.

REVIEWED & ACCEPTED:



SIGNATURE

DATE:

DISTRICT: 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 DISTRICT'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 District's schedule. Please thoroughly review your property schedule for accuracy before signing this acknowledgement page. If the District 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 | Fire Hydrants |
| Tunnels | Traffic Lights & Signs | Freestanding Signs | Mobile Equipment |
| Fine Arts | Detention Ponds | <u>WATER WELLS</u> | Playground/ Recreational Equip. |
| Antennas | Building or Office Contents | Elec. Or Mech. In Ponds/Lakes | Freestanding Fences** |

****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 District 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 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*:

(Applicable only to Scheduled Water and/or Wastewater treatment plants)

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

REVIEWED & ACCEPTED:



SIGNATURE

DATE:

**DIRECTORS / OFFICERS LIABILITY
DIRECTORS BOND
CONSULTANTS FIDELITY**

HARCO INSURANCE SERVICES DOES NOT PROVIDE THE ABOVE COVERAGES.

TO OUR KNOWLEDGE THESE COVERAGES ARE PROVIDED BY ANOTHER CONSULTANT.

REAL & PERSONAL PROPERTY

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

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

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

- \$ 97,318,296 **Real & Personal; Windstorm; Hail; Theft; Vandalism; Malicious Mischief; Terrorism**
- \$ 5,000,000 **Standard Flood & Earthquake**
- \$ 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 Fire Legal Liability
- 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

Please see attached & read your coverage documents for property coverage features, exclusions, additional coverages, amendments, sub-limits, policy terms and conditions.

COINSURANCE: NONE

DEDUCTIBLES: (See Attached Real & Personal Property Deductibles)

Flood & Earthquake - 1% or 0.1% minimum of \$25,000
(Please see attached Flood & Earthquake Deductible)

LOSS OF REVENUE, EXTRA EXPENSE & RENTALS: \$4,000,000 -- \$25,000 Per Occurrence Deductible

ANNUAL COST: \$ 94,923

REAL & PERSONAL PROPERTY DEDUCTIBLES

REAL & PERSONAL PROPERTY COVERAGE

MANUSCRIPT ENDORSEMENT

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 & PERSONAL PROPERTY COVERAGE

Entity Name : Fort Bend County Toll Road Authority
Entity ID : 6623
Effective Date : 10/1/2018

The Texas Municipal League Intergovernmental Risk Pool Property Coverage Document (P-300 10/1/17) is amended as follows:

Deductibles:

Real & Personal Property Deductible Each Occurrence: \$25,000
(Direct Damage)
For items with Replacement Cost Value less than \$250,000.

Real & Personal Property Deductible Each Occurrence: \$100,000
(Direct Damage)
For items with Replacement Cost Value greater than \$250,000.

TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL

E104
05/20/02

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 |
|----|---------------------------------|---------------|--------------------------------|-------------------------------|-----------------------------------|
| 22 | Westpark Tollway | 2006 | Building w/ Equipment | 223,457 | 0 |
| | | | Transit | RC | |
| 23 | Westpark Tollway | 2006 | Building w/ Equipment | 223,457 | 0 |
| | | | Transit | RC | |
| 24 | Westpark Tollway | 2006 | Toll Location | 345,827 | 0 |
| | | | Transit | RC | |
| 25 | Westpark Tollway | 2006 | Toll Location | 345,827 | 0 |
| | | | Transit | RC | |
| 26 | Westpark Tollway | 2006 | Toll Location | 345,827 | 0 |
| | | | Transit | RC | |
| 27 | Westpark Tollway | 2006 | Toll Location | 345,827 | 0 |
| | | | Transit | RC | |
| 28 | East Plaza - Eastbound | 2006 | Toll Gantries/Antennas/Cameras | 462,876 | 0 |
| | | | Transit | RC | |
| 29 | East Plaza - Westbound | 2006 | Toll Gantries/Antennas/Cameras | 462,876 | 0 |
| | | | Transit | RC | |
| 30 | East Plaza - Westbound | 2006 | Electrical/Equipment Building | 106,408 | 0 |
| | | | Transit | RC | |
| 31 | West Plaza - Eastbound | 2006 | Toll Gantries/Antennas/Cameras | 462,876 | 0 |
| | | | Transit | RC | |
| 32 | West Plaza - Westbound | 2006 | Toll Gantries/Antennas/Cameras | 462,876 | 0 |
| | | | Transit | RC | |
| 33 | West Plaza - Westbound | 2006 | Electrical/Equipment Building | 106,408 | 0 |
| | | | Transit | RC | |
| 34 | FM 1464 | 2004 | Bridge | 6,916,534 | 0 |
| | | | Transit | RC | |
| 35 | Long Point Slough Tributary | 0 | Bridge | 425,633 | 0 |
| | | | Transit | RC | |
| 36 | Long Point Slough | 0 | Bridge | 425,633 | 0 |
| | | | Transit | RC | |
| 37 | Grand Mission Blvd | 2004 | Bridge | 2,660,205 | 0 |
| | | | Transit | RC | |
| 38 | Mason Rd | 2004 | Bridge | 2,660,205 | 0 |
| | | | Transit | RC | |
| 39 | Peek Rd | 2004 | Bridge | 2,660,205 | 0 |
| | | | Transit | RC | |
| 40 | SH99 Eastbound | 2004 | Bridge | 1,915,348 | 0 |
| | | | Transit | RC | |

PROPERTY SCHEDULE CONTINUED

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 | SH99 Westbound | 2004 | Bridge | 1,915,348 | 0 |
| | | | Transit | RC | |
| 42 | SH 99 Direct Connector (South to Eas | 2004 | Bridge | 9,576,739 | 0 |
| | | | Transit | RC | |
| 43 | Bridge North of Independence | 0 | Bridge | 425,633 | 0 |
| | | | Transit | RC | |
| 44 | Bridge over American Canal | 0 | Bridge | 425,633 | 0 |
| | | | Transit | RC | |
| 45 | Independence Overpass | 2004 | Bridge | 2,660,205 | 0 |
| | | | Transit | RC | |
| 46 | Fondren Overpass | 2004 | Bridge | 2,660,205 | 0 |
| | | | Transit | RC | |
| 47 | McHard Rd Overpass | 2004 | Bridge | 2,660,205 | 0 |
| | | | Transit | RC | |
| 48 | Lake Olympia Overpass | 2004 | Bridge | 2,660,205 | 0 |
| | | | Transit | RC | |
| 49 | Oyster Creek | 2004 | Bridge | 5,320,411 | 0 |
| | | | RC | | |
| 50 | B-1 Toll Gantry | 2004 | Tolling gantry, equipment, anten | 1,170,490 | 0 |
| | | | RC | | |
| 51 | Varipus | | Roadway Lighting | 159,612 | 0 |
| | | | RC | | |
| 52 | Fondren | 2015 | Toll gantry, equipment, antenna | 1,141,768 | 0 |
| | | | RC | | |
| 53 | McHard | 2015 | Toll gantry, equipment, antenna | 1,141,768 | 0 |
| | | | RC | | |
| 54 | Lake Olympia | 2015 | Toll gantry, equipment, antenna | 1,141,768 | 0 |
| | | | RC | | |
| 55 | SH 6 | 2017 | Bridge | 24,300,000 | 0 |
| | | | Transit | RC | |
| 56 | Westpark Tollway Katy Gaston E Tollway | 2017 | Toll Locations/gantry/equip/ante | 1,200,000 | 0 |
| | | | Transit | RC | |
| 57 | Westpark Tollway Katy Gaston W Tollway | 2017 | Toll Locations/gantry/equip/antr | 1,200,000 | 0 |
| | | | Transit | RC | |
| 58 | Westpark Tollway | 2017 | Bridge - Katy Gaston | 8,000,000 | 0 |
| | | | Transit | RC | |
| 59 | Westpark Tollway | 2017 | Bridge - Spring Green | 8,000,000 | 0 |
| | | | Transit | RC | |
| Coverage: Real & Personal Property | | Total Items: | 38 | 97,318,296 | 0 |

Schedule & Limits were Reviewed & Approved 07/18/18.

PLEASE REVIEW CAREFULLY & CONTACT HARCO INSURANCE SERVICES IF ANY AMENDMENTS ARE NEEDED.

FLOOD & EARTHQUAKE DEDUCTIBLE AMENDMENT

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 FLOOD COVERAGE OPTION

GENERAL CONDITIONS

Section II. **Deductible** is amended to include the following:

With respect to loss caused by flood or **earthquake**, the deductible for each occurrence shall be the lesser of the following:

1. 1% of the individual scheduled Building Value for each damaged structure at the time of the loss; or
2. 0.1% of the Total Building Value for all buildings scheduled at the time of the loss.

In no event shall the percent deductible be less than the flood and **earthquake** occurrence deductible shown on the **declarations**.

Section III. C of the **FLOOD COVERAGE OPTION** is replaced by the following:

- B. With respect to property located on a barrier island in the Gulf of Mexico, regardless of applicable flood plain zones or within the boundaries of counties directly adjacent to the Gulf of Mexico and within the 100-year flood plain "A" zone at the time of loss, the following additional conditions and sublimits apply.
- C. All conditions and sub-limits under B. above apply to property located within the boundaries of Harris, Orange and Jackson counties.

FLOOD EXCLUSION

FLOOD EXCLUSION

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:

SPECIAL FORM PROPERTY COVERAGE OPTION FLOOD COVERAGE OPTION

Member : Fort Bend County Toll Road Authority
Member ID : 6623
Effective Date : 10/01/2018

Section III. **LIMITATIONS, EXCLUSIONS, AND RELATED PROVISIONS** paragraph B. of the **Flood Coverage Option** of the **Property Coverage Document** is modified as follows:

- B. Coverage under this option, does not apply to flooding for the following property:
1. Bulkheads, pilings, piers, wharves, docks;
 2. Retaining walls that are not part of a building;
 3. Structures located on or over a body of water, and any property in or on such structures; or
 4. Any property that is determined to be in Flood Zone "V" at the time of loss.

TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL

EP379
07/17/18

EARTHQUAKE COVERAGE

EARTHQUAKE COVERAGE

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 : 10/01/2018

PERILS COVERED:

Coverage is provided for loss caused by **Earthquake** and Volcanic Action as follows:

Earthquake, including any earth sinking, rising or shifting related to such event including damage resulting from fire or explosion;

Volcanic eruption, explosion, or effusion. Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- a. airborne volcanic blasts or airborne shock waves;
- b. ash, dust, or particle matter; or
- c. lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particle matter that does not cause direct physical loss or damage to the described property.

LIMIT OF LIABILITY:

For loss other than fire or glass breakage, the Fund shall not be liable for more than \$10,000,000 or the Real & Personal Property Limit, whichever is less, inclusive of Coverage Extensions and Additional Coverages provided under Section III.C. and Section V. of the Special Form Property Coverage, for loss or damage in a single occurrence and in the aggregate for the applicable Fund Year.

For loss arising from fire or glass breakage, the Fund shall not be liable for more than the Real & Personal Property Limit shown on the **Declarations**.

TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL

EP376
05/01/18

MECHANICAL BREAKDOWN (BOILER & MACHINERY)

| | |
|---------------------------------|---|
| <u>INSURER:</u> | TML IRP - "A" rated by Standard & Poors |
| <u>PROPERTY COVERED:</u> | As reported by District's Engineer And/or other District Consultants |
| <u>COVERAGE:</u> | Special Coverage Form Designed for Public Entities - Includes but is not limited to: <ul style="list-style-type: none">• 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;• Subject to Coverage Terms, Conditions and Exclusions |
| <u>LIMIT:</u> | \$ 10,000,000 Per Accident |
| <u>VALUATION:</u> | Replacement or Repair |
| <u>COINSURANCE:</u> | NONE |
| <u>DEDUCTIBLE:</u> | \$ 1,000 Including Underground units & their associated mechanical and/or electrical Components, As Long As The Value For These Items Are Included in The Total Insurable Value Reported To TML by District's Engineer or Other Consultants |
| <u>PREMIUM:</u> | <u>INCLUDED</u> - NO ADDITIONAL PREMIUM |

GENERAL LIABILITY

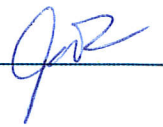
INSURER: TML IRP - "A" rated by Standard & Poors

COVERAGE: TML IRP's Liability coverages are, in many respects, BROADER than coverage available from Standard Insurers, AND is Designed Specifically to protect against the Risks that Local Governments face; **including but not 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
- **Gradual or Sudden** - Release of Chlorine or Chloramine used for water or sewage treatment plants, and/or products contained in products sold or distributed by the Authority
- **Cyber Liability** – See Attached
- **Personal Injury; Bodily Injury; Property Damage**
- **Failure to Supply not excluded**
- **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 Documents for Additional Coverages & Sublimits
- All Coverages Per Policy Terms and Conditions

DEDUCTIBLE: NONE

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

| | |
|-------------------------|---|
| \$ 4,546 | \$ 1,000,000 Limits / \$2,000,000 Aggregate _____ |
| \$4,734 | \$ 2,000,000 Limits / \$ 4,000,000 Aggregate _____ |
| \$ 4,876 | \$ 3,000,000 Limits / \$6,000,000 Aggregate _____ |
| \$ 5,111 | \$ 5,000,000 Limits / \$10,000,000 Aggregate _____ |
| CURRENT \$ 5,442 | \$10,000,000 Limits/\$10,000,000 Aggregate  |

INDEMNIFICATION UNDER CONTRACT

INDEMNIFICATION UNDER CONTRACT

This 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:

- GENERAL LIABILITY
- AUTOMOBILE LIABILITY
- LAW ENFORCEMENT LIABILITY
- AIRPORT (GENERAL LIABILITY HAZARDS) PREMISES LIABILITY

Entity Name : Fort Bend County Toll Road Authority
Entity ID : 6623
Effective Date : 10/1/18

It is agreed that coverage is provided for the liability assumed by the **Fund Member** to indemnify the person or organization named below under a contract between such person or organization and the **Fund Member**, but such coverage shall not exceed the limits of coverage set forth in the **Declarations**.

Person or Organization : Michael Stone
dba Professional Project Management Services
Address : 19875 Southwest Freeway, Ste. 270
City, State & Zip Code : Sugar Land, Texas 77479

Description

Contract between Fort Bend County Toll Road Authority
and Michael Stone dba Professional Project Management Services.

TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL

EL217
08/16/99

CYBER LIABILITY – EXCLUSIONS

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:

**GENERAL LIABILITY
ERRORS & OMISSIONS LIABILITY
LAW ENFORCEMENT LIABILITY
AUTOMOBILE LIABILITY**

The Exclusions Applicable to All Coverages set forth in the Liability Coverage Document is amended to include the following exclusion:

DD: Damages, including, but not limited to, **advertising injury, personal injury, bodily injury, property damage**, fines, civil penalties, and attorneys' fees arising out of:

1. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information or any other type of non-public information; or
2. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to access, or inability to manipulate electronic data.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the **Member** or others arising out off that which is described in Paragraph 1 or 2 above.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

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:**

"Sudden Event" - An accident where the pollution resulting therefrom and the injury resulting from such pollution all occur within 45 days following the accident. A related series of accidents shall be deemed to be a single event.

"Accident" - Means abrupt discharge, dispersal, release, or escape of pollutants neither expected nor intended from the standpoint of the District.

Definition of Pollutants - Means any solid, liquid, gaseous, or thermal irritant or contaminant, including chemicals, and waste, but does not include chlorine or chloramine used for the treatment at water at sewage treatment plants, water treatment plants, or swimming pools. TML IRP does not consider Chlorine or Chloramine to be a pollutant, therefore those items would be considered under the District's General Liability section.

Note: General Liability provides up to Policy Limit with NO Deductible for accidental release of:

1. Chlorine or Chloramine in treatment of water at sewage treatment plants, water treatment plants, swimming pools, etc.; And/or;
2. Pollutants contained in products (i.e. waste) sold or distributed

DEDUCTIBLE: NONE

COVERAGE TERM: One Year

PREMIUM: **INCLUDED** - NO ADDITIONAL PREMIUM

LAW ENFORCEMENT LIABILITY

Important!! If the District contracts for security patrol within District boundaries, however chooses to not carry Law Enforcement Liability, there will be no coverage for a defense in the event of a lawsuit involving law enforcement. Law enforcement activities are specifically excluded in the General Liability form.


INSURER: TML Intergovernmental Risk Pool

COVERAGE: Includes but is not limited to:

- **Occurrence Coverage Form**
- **Bodily Injury** arising from District's law enforcement activities
- **Property Damage** arising from District's law enforcement activities
- **Advertising Injury** arising from District's law enforcement activities
- **Personal Injury** arising from District'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**
- **Coverage for Intentional Acts**
- **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:**

| | | | |
|----------------|-----------------|--|---|
| | \$ 1,075 | \$ 1,000,000 / \$ 2,000,000 Aggregate | _____ |
| | \$ 1,147 | \$ 2,000,000 / \$ 4,000,000 Aggregate | _____ |
| CURRENT | \$ 1,196 | \$ 3,000,000 / \$ 6,000,000 Aggregate | _____ |
| | \$ 1,294 | \$ 5,000,000 / \$10,000,000 Aggregate | _____ |
| | \$1,541 | \$ 10,000,000/ \$10,000,000 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: **Liability:**
\$ 2,000,000 Combined Single Limit Bodily Injury / Property Damage
Medical Payments:
\$ 25,000 per person – Included with no additional premium

DEDUCTIBLE: NONE

ANNUAL COST: \$ 64

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.**

Your District 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 District is injured and unable to work for some time and is not covered by Workers' Comp, he may sue the District in an attempt to recover the financial costs associated with his injury and loss of income.

EXAMPLES

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

- To/From/At meetings
- To/From/During facilities inspections
- To/From/At the water board conferences like AWBD, 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 District
Employers' Liability / \$1,000,000 to protect the District against
liability imposed by law for injury to Elected and/or Appointed Officials
and/or Volunteers while working on behalf of the District.

RATING BASIS: Estimated Annual Directors' Per Diems - \$3,000

ANNUAL COST: \$ 196

TRAVEL ACCIDENT BENEFITS

Note: District Does Not Currently Purchase This Coverage

If the District has this exposure that needs to be discussed and/or added to the policy please contact HARCO immediately

INSURER: The Hartford A.M. Best Rated (A)

Optional Coverage For Review

COVERAGE TERM: Continuous

Please Select Applicable Option & Payment Plan

| Term: | Option 1: <input type="checkbox"/> | Option 2: <input type="checkbox"/> |
|--|-------------------------------------|-------------------------------------|
| 3 Year Rate Guarantee Paid in Annual Installments: | \$500.00 <input type="checkbox"/> | \$600.00 <input type="checkbox"/> |
| 3 Year Prepaid Premium: | \$1,350.00 <input type="checkbox"/> | \$1,620.00 <input type="checkbox"/> |

| Hazard | Benefit | Amount | Amount |
|-------------------------|-------------------------|--|--|
| C-12, C-41, C-46C, C-57 | ADD | \$500,000 | \$750,000 |
| C-12B, C-55B | ADD | Spouse: \$50,000 Each Child: \$25,000 | Spouse: \$50,000 Each Child: \$25,000 |
| | Adaptive Home & Vehicle | 10% to Max \$25,000 | 10% to Max \$25,000 |
| | Bereavement Counseling | \$100 per visit to Max of \$500 | \$100 per visit to Max of \$500 |
| | Coma | See ADD Amount above | See ADD Amount above |
| | Rehabilitation | 10% to Max \$25,000 | 10% to Max \$25,000 |
| | Seatbelt | 10% to Max \$25,000 | 10% to Max \$25,000 |
| | Air Bag | 5% to Max \$10,000 | 5% to Max \$10,000 |
| | Therapeutic Counseling | 10% to Max \$25,000 | 10% to Max \$25,000 |

Aggregate Limitation:

Option 1: \$3,000,000 shall be the total limit of the Company's liability for all benefits under this policy because of injury sustained due to any one accident

Option 2: \$3,750,000 shall be the total limit of the Company's liability for all benefits under this policy because of injury sustained due to any one accident.

Cross Exclusion:

If an Insured Person is covered under more than one Hazard or Class on the date of accident, he or she will be considered to be covered under the one Hazard or Class with the largest Benefit Amount.

The Business Only (Hazard C-12) coverage is applicable if the accident occurs while on a business trip and the benefit will be paid according to the inforce policy and will not be reduced by any other lines of coverage.

NOTE: Accepting the three year paid policy term will guarantee there is no premium increase for three years.

MAKE SELECTION ABOVE & SIGN TO ACCEPT & ADD COVERAGE:

(x) _____ **DATE:** _____

ONLY SIGN TO ACCEPT & ADD COVERAGE

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)

Note: District Does Not Currently Purchase This Coverage

- | | |
|---|---|
| 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 when damages sought |
| 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.

