

**2020 - 2021  
INSURANCE PROPOSAL**

**PREPARED FOR:**

**FORT BEND COUNTY TOLL ROAD AUTHORITY**

**TERM: 10/01/2020 to 10/01/2021**

**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 2010.**

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

**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 4, 2020



# 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 – HARCO Sr. Account Manager**

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>2020 – 2021 RENEWING</u>	<u>2019 – 2020 EXPIRING</u>
<b>Property:</b>	Not Covered	\$ 33,913
Limits:		<b>\$ 9,690,336</b> / \$ 25,000 Deductible
		< \$ 26,032 >
		Coverage Cancelled Eff: 12/10/2019
<b>Equipment Breakdown:</b>	Not Covered	Included – No Additional Premium
Limits:		<b>\$ 9,690,336</b> / \$ 25,000 Deductible
		Coverage Cancelled Eff: 12/10/2019
<b>General Liability:</b>	\$ 4,444	\$ 4,407
Limits:	\$ 10,000,000 / No Deductible	\$ 10,000,000 / No Deductible
<b>Pollution Liability:</b>	Included – No Additional Premium	Included – No Additional Premium
Limits:	\$ 2,000,000 / No Deductible	\$ 2,000,000 / No Deductible
<b>Cyber Liability/Data Breach:</b>	Included – No Additional Premium	Included – No Additional Premium
Limits:	<b>See Coverage Form-Limits</b>	<b>See Coverage Form-Limits</b>
<b>Law Enforcement Liab:</b>	\$ 1,599	\$ 1,477
Limits:	\$ 10,000,000 / \$1000 Deductible	\$ 10,000,000 / \$1000 Deductible
<b>Auto Liability:</b>	\$ 65	\$ 64
Hired/Non-Owned Limits:	\$ 2,000,000 Liability / No Deductible	\$ 2,000,000 Liability / No Deductible
<b>Workers Compensation:</b>	\$ 196	\$ 196
Limits:	Statutory	Statutory
<b>Consulting &amp; Servicing:</b>	\$ 900	\$ 5,800
<b>ANNUAL COST:</b>	<b>\$ 7,204</b>	<b>\$ 19,825</b>

**REVIEWED & ACCEPTED:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

SIGNATURE

**\*NOTE:** Please see Page 4 Referencing the 2019 Partnership Equity Return. Fort Bend County Toll Road Authority is eligible for a return of \$263. A check has been issued for this amount and has been forwarded to the Authority.

# 2019 PARTNERSHIP EQUITY RETURN

## HARCO INSURANCE SERVICES

10777 Northwest Frwy. Ste.700  
Houston, TX 77092-7313  
Website: www.harco-ins.com

Tel: (713) 681-2500  
Fax: (713) 684-1600  
Email: harco@harco-ins.com



September 4, 2020

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY  
% The Muller Law Group  
202 Century Square Blvd.  
Sugar Land, TX 77478

RE: 2019 Partnership Equity Return

Dear Directors,

“Partnership” is the cornerstone of HARCO/TMLIRP’s success. We are pleased to inform you that the TMLIRP Board of Trustees recently voted to approve a return of \$5.5 million of members’ equity, bringing the total to over \$75 million in TMLIRP’s history. This action by the Board recognizes the difficult financial conditions imposed from COVID-19, and the desire is to promote stability among TMLIRP’s members.

\$4 million dollars will be distributed to members based on the partnership principles of longevity and loss experience.

**The Criteria to receive a return are as follows:**

- Liability and/or Workers Comp Loss Ratio under 100%
- Participant for Liability and/or Workers’ Compensation coverage during TMLIRP’s 2018-2019 fund year and remain a current member

The remaining \$1.5 million are designated to fund grants to enhance cyber security at the member level. Details on this exciting new grant program will be outlined in the coming months.

**Fort Bend County Toll Road Authority is eligible for an Equity Return in the amount of \$263. This check was mailed to the District’s Bookkeeper.**

If you have questions about your Equity Return, Please contact HARCO Insurance Services.

This Partnership Equity Return is just one of the many benefits of participating in the Texas Municipal League Intergovernmental Risk Pool. With Texans helping Texans, we truly are **“Stronger Together”**

Sincerely,

Your HARCO Insurance Services TEAM,

# 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: \$ 900**

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

**REVIEWED & ACCEPTED:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

SIGNATURE

## COVERAGES

**HARCO INSURANCE SERVICES DOES NOT PROVIDE THE FOLLOWING COVERAGES**

Property  
Equipment Breakdown  
Directors & Officers Liability  
Directors Bond  
Consultants Fidelity

**TO OUR KNOWLEDGE THESE COVERAGES ARE PROVIDED BY ANOTHER CONSULTANT.**

**If the District has any exposures that need to be discussed and/or added to the policy please contact HARCO immediately.**



# 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 : 10/1/20

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.*

# CYBER LIABILITY – DATA BREACH

## Cyber Liability and Data Breach Response Declarations of Coverage



Retroactive Date: 10/1/2016

Information Security and Privacy Liability Aggregate Limit	1,000,000
Website Media and Content Liability Aggregate Sublimit	
Retention per Claim	0

### Privacy Breach Response Services

#### Notification, Call Center and Breach Resolution and Mitigation Services:

Limit: Notified Individuals	10,000
Retention/Threshold	0 Notified Individuals

#### Legal Services/Computer Expert Services/Public Relations and Crisis Ma

Aggregate Sublimit	50,000
Retention	0

<b>AGGREGATE LIMIT OF LIABILITY</b>	100,000
Regulatory Defense and Penalties Aggregate Sublimit	25,000
PCI Fines, Expenses and Costs Aggregate Sublimit	10,000
Cyber Extortion Aggregate Sublimit (revised)	25,000
First Party Data Protection Aggregate Sublimit	20,000
First Party Network Business Interruption Aggregate Sublimit	20,000
eCrime	
Fraudulent Instruction Aggregate Sublimit	25,000
Funds Transfer Fraud Aggregate Sublimit	25,000
Telephone Fraud Aggregate Sublimit	25,000
Each incident retention	2,500
<b>Retention Per Claim</b>	
Retention (other than First Party Network Business Interruption)	0
Income Loss Retention under First Party Network Business Interruption	5,000

Total Annual Contribution:	Included
Total Contribution Due:	Included

## 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 of 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.

EL292  
10/01/16

# 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:**

- Chlorine or Chloramine in treatment of water at sewage treatment plants, water treatment plants, swimming pools, etc.; And/or;
- 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 IRP - "A" rated by Standard & Poors

**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
- See TML's Liability Coverage Documents for Additional Coverages & Sublimits

Subject to Policy Terms, Conditions and Exclusions

**DEDUCTIBLE:** \$1,000

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

\$ 1,129	\$ 1,000,000 Limits / \$ 2,000,000 Aggregate	_____
\$ 1,203	\$ 2,000,000 Limits / \$ 4,000,000 Aggregate	_____
\$ 1,252	\$ 3,000,000 Limits / \$ 6,000,000 Aggregate	_____
\$ 1,350	\$ 5,000,000 Limits / \$10,000,000 Aggregate	_____
<b>CURRENT: \$ 1,599</b>	<b>\$10,000,000 Limits / \$10,000,000 Aggregate</b>	<b>_____</b>

# 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:** \$ 65

# 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**

Recommended, Optional  
Coverage for Review

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

**COVERAGE TERM:** Continuous - Until Requested Cancelled

## Please Select Optional Limit & Payment Plan

<b>Term:</b>	<b>Option 1:</b> <input type="checkbox"/>	<b>Option 2:</b> <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

**Hazard Descriptions:**

- C-12 Business Travel Only Coverage
- C12B Business Trip Coverage – Insured Person’s Spouse & Child(ren)
- C-41 Extraordinary Commutation Coverage
- C-46C Hijacking Coverage
- C-55B Relocation Coverage – Insured Person’s Spouse & Child(ren)
- C-57 Sojourn/Personal Deviation Coverage

**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 prepaid Travel Accident Policy not only gives a premium discount but will guarantee there is no premium increase for three years. Cancellation can still be requested at any time & the prorated premium, if any, will be returned.**

**MAKE SELECTION ABOVE & SIGN TO ACCEPT & ADD COVERAGE:**

**(x)** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**ONLY SIGN TO ACCEPT & ADD COVERAGE**

# PEACE OFFICER BOND

**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

## Public Officials Bond

Recommended, Optional  
Coverage for Review

**INSURER:** Liberty Mutual Surety  
( A+ IX )

**PERSONS COVERED:** Peace Officers:

**COVERAGE:** Loss caused to the District through failure of the Peace Office to perform faithfully her/his duties as required by law, *including allegations of Lost or Stolen Property or money*. Subject to bond terms, conditions and exclusions.

**COVERAGE TERM:** Continuous - Until Requested Cancelled

**PREMIUM & TERM:** **PLEASE INITIAL NEXT TO SELECTED # OF OFFICERS & TERM:**

<u># of Officers</u>	<u>Limit Per Officer</u>	<u>1 Year Premium</u>	<u>3 Year Premium</u> <small>With Premium Discount (HARCO Recommends)</small>
1	\$ 10,000	\$ 100 _____	\$ 250 _____
2	\$ 10,000	\$ 100 _____	\$ 250 _____
3	\$ 10,000	\$ 150 _____	\$ 376 _____
4	\$ 10,000	\$ 200 _____	\$ 500 _____
5	\$ 10,000	\$ 250 _____	\$ 626 _____
6	\$ 10,000	\$ 300 _____	\$ 750 _____
7	\$ 10,000	\$ 350 _____	\$ 876 _____

**INITIAL SELECTION ABOVE & SIGN TO ACCEPT & ADD COVERAGE:**

**(X)** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**ONLY SIGN / INITIAL 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

**Note: District Does Not Currently Purchase This Coverage Through Harco/TML**

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 may be available. If the limits provided are not adequate, Please Contact HARCO Insurance Services to discuss Additional Limit Quote Options.**

# 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  |

+++++

**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 Through Harco/TML**

- |   |   |
|---|---|
| 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  |

# TML - CHANGES TO THE LIABILITY COVERAGE DOCUMENT

## Effective October 1, 2020

The Pool's Board of Trustees, acting on behalf of the members, recently approved several changes to the Liability Coverage Document, effective for rerates beginning October 1, 2020.

As is the case each time coverage changes are made, the Board carefully considers the needs of the membership as a whole and the preservation of long-term stability and costs, while continuing to provide broad coverage tailored to member needs. Your Member Services Manager can provide additional explanation on these changes as needed.

Below is a brief summary of the substantive changes and clarifications to the Liability Coverage Document. *The information below is intended to provide an overview; please consult your coverage document for actual wording.*

### **Summary of Liability Coverage Changes:**

**Exclusion for the Exercise of Zoning or Subdivision Regulatory Powers:** The Pool excludes coverage for zoning and subdivision claims and suits unless damages are sought. Such cases are often political and involve large defense attorney fees with small or no damage payments, and with the plaintiff simply asking for equitable relief. The Pool has no leverage to resolve such claims and suits when a change or amendment to the Member's zoning or subdivision regulations is required for resolution.

To continue providing such defense coverage, and to ensure the Pool and Pool Members are working as a partnership towards a resolution, a sub-limit of \$150,000 applies to both defense attorney fees and damages.

**Exclusion for Eminent Domain:** Nuisance, trespass, and taking claims are often pled together in lawsuits, and often the damages are the same for all three types of claims. Because of this, the addition of "nuisance" and "trespass" is now added to the "Takings" exclusion (exclusion T. of the Exclusions Applicable to All Coverages).

**Expansion of Supplementary Payments in Automobile Physical Damage Coverage:** This is a coverage enhancement. The Supplementary Payments section in the Automobile Physical Damage Coverage will now cover rental amounts for automobiles up to \$40 per day or \$1,200 total. In addition, for firetrucks and ambulances that qualify as covered automobiles, members may request reimbursement for replacement rentals during repairs for covered losses up to \$250 per day or \$7,500 total.

**Suits by the Member:** Claims and suits by the Member against its employees, officers, and volunteers are excluded. Language is being added to further exclude claims or suits by a Member against any covered parties or by a Member against an entity with coverage through a covered contract with the Member.

**Continued on Next Page**

## TML - CHANGES TO THE LIABILITY COVERAGE DOCUMENT Effective October 1, 2020

**Uninsured/Underinsured Motorists Endorsement:** The Pool provides uninsured/underinsured motorist coverage by endorsement when requested. For these claims, immunity and the Texas Tort Claims Act is not a defense since the uninsured/underinsured motorist is not a government employee or official. Language has been added that provides a maximum coverage limit that is the same as the limits of liability afforded to the Pool Member under the Texas Tort Claims Act.

**Breach of Contract:** Coverage is excluded for breach of contract, including contracts implied in law or implied in fact. Language is being added to extend the exclusion to include alternative causes of actions that are similar to breach of contract, including promissory estoppel, detrimental reliance, justifiable reliance, *quantum meruit*, unjust enrichment, and any other claim arising from the existence or alleged existence of a contract.



# 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.

## **VERIFICATION OF COMPLIANCE WITH GOVERNMENT CODE CHAPTERS 2252 AND 2270**

As required by Chapter 2270, Government Code, HARCO Insurance Services hereby verifies that it does not boycott Israel and will not boycott Israel through the term of the policies included in this proposal. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Foreign Terrorists Organizations. Pursuant to Chapter 2252, Texas Government Code, HARCO Insurance Services represents and certifies that, at the time of execution of this proposal neither HARCO Insurance Services, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.