

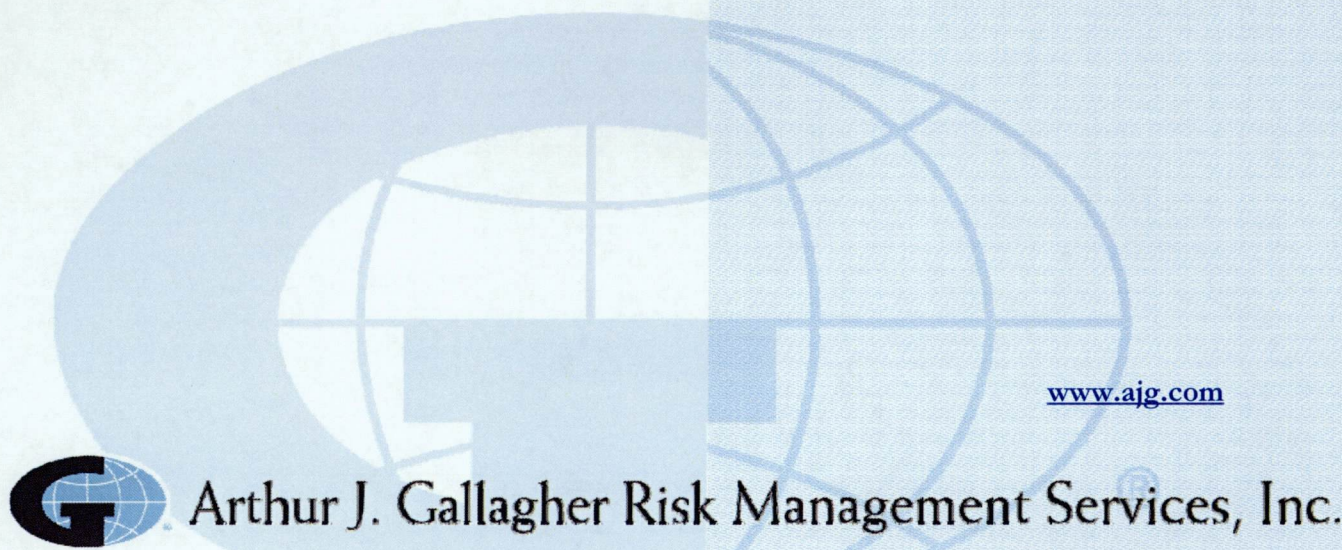
**Aircraft Hull & Liability
Insurance Proposal
for:**

**Fort Bend County, Texas
301 Jackson Street
Suite 224
Richmond, TX 77469**


October, 2017 - September 17, 2018

Presented by:

Paul D. Pousson, ARM
Arthur J. Gallagher Risk Management Services, Inc.
221 West 6th Street, Suite 1980
Austin, Texas, 78701
P: 512-652-2443



www.ajg.com

 **Arthur J. Gallagher Risk Management Services, Inc.**

IMPORTANT: The proposal is an outline of the coverages by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies themselves should be read for those details. Policy forms for your reference will be made available upon request.

Fort Bend County, Texas

Table of Contents

Section	Page
Mission Statement	1
Client Aviation Service Team	2
Aircraft Hull & Liability	3
Aircraft Named Insured Schedule.....	3
Aircraft Hull & Liability Coverage Summary.....	4
Aircraft Schedule	6
Major Changes to Expiring Program	7
Premium Finance Options.....	7
Claim Reporting Instructions.....	7
Coverage Considerations	8
Changes & Developments.....	8
Proposal Disclosures	9
Carrier Ratings and Admitted Status.....	12
Bindable Quotations and Compensation Disclosure Schedule	14
Client Authorization to Bind Coverage	15



Mission Statement

ARTHUR J. GALLAGHER

OUR MISSION

We are an insurance brokerage, consulting & risk management services company committed to being the best at reducing the cost of risk and protecting the financial integrity of our clients.

OUR VISION

To be recognized and respected . . .

B*y our clients as unparalleled customer service professionals providing responsive and innovative solutions that address their needs.*

B*y our markets as tenacious competitors providing opportunities for growth and operating with the highest degree of integrity and ethical character*

B*y our employees as “a winning team” providing a fair, challenging and friendly environment that rewards performance, encourages creativity and supports personal development.*

B*y our community as an organization promoting both individual and collective involvement that “makes a difference”.*



Fort Bend County, Texas

Client Aviation Service Team

A service team approach will be implemented for **Fort Bend County, Texas** to provide a senior level availability for all of your services and risk management needs as well as daily services requirements.

NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
Paul D. Pousson, ARM Area Senior Vice President	512-652-2443 (p) 512-844-8087 (c)	Paul_Pousson@ajg.com	Producer
Cheryl Kelley Client Service Executive	972-663-6130 (p) 972-663-6045 (f)	Cheryl_Kelley@ajg.com	Client Service Executive
Shirley Qualls Client Service Associate Senior	972-663-6173 (p) 972-663-6074 (f)	Shirley_Qualls@ajg.com	Client Service Associate Senior
Doug Meyer Account Executive - Aviation	303-889-2598 (p) 303-709-6853 (c)	Doug_Meyer@ajg.com	Account Executive



Fort Bend County, Texas

Named Insured Schedule

Fort Bend County, Texas

Note: Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.



Fort Bend County, Texas

Aircraft Hull & Liability Coverage

AIRCRAFT LIABILITY	\$ 5,000,000	Each Occurrence
	Single Limit Bodily Injury (including Mental Anguish) and Property Damage, including passengers. Liability arising from ownership, maintenance and operation of scheduled aircraft.	
WAR AND ASSOCIATED PERILS ENDORSEMENT TERRORISM RISK INSURANCE ACT (TRIA)	Included - Subject to \$5,000,000 Aggregate Included	
REGULAR LOCATION OF AIRCRAFT	The aircraft(s) are regularly based at the following location(s) and hangered: Sugarland Regional Airport (KSGR) Sugarland, TX	
HULL PHYSICAL DAMAGE COVERAGE	Agreed value basis, subject to deductibles of Rotor-Wing NIL - Not-in-Motion 2% of Value In-Motion Ingestion or Mooring	
PHYSICAL DAMAGE WAR RISKS ENDORSEMENT TERRORISM RISK INSURANCE ACT (TRIA)	Included Included	
AIRCRAFT MEDICAL EXPENSE	\$ 5,000 \$ 20,000	Each Person Each Occurrence
SPECIAL EQUIPMENT ENDORSEMENT	As Scheduled - \$2,500 Deductible Each Occurrence	
AIRWORTHINESS CERTIFICATE REQUIREMENT	Removed By Endorsement	

Aircraft Policy Limitations / Conditions

- **Approved Uses** All uses as required by the Named Insured.
- **Approved Pilots** Any properly licensed and certificated pilot approved by the Chief Pilot or their designee.
- **Territory** Whilst the aircraft insured is in the United States of America, Canada, Mexico the Bahamas and the Caribbean Islands or enroute between points therein. *(Please note a special Mexico policy must be purchased for any operations in Mexico)*
- **Broad Coverage Endorsement** Included
- **Notice of Cancellation** 90 Days, except in the event of non-payment of premium, ten (10) days notice shall apply. **NOTE:** War risk coverage is subject to strict cancellation provisions as defined in the endorsement.
- **Defense Costs** Defense costs are provided in addition to the "Each Occurrence" limit.



Fort Bend County, Texas

Significant Exclusions (Partial List)

- Cancellation Amendment
- Date Recognition Exclusion
- Fellow Employee Exclusion
- Mexico Warning
- Nuclear Risk Exclusion
- Radioactive Contamination Exclusion
- War Hijacking & Other Perils Exclusion
- Employment Practices
- Deterioration, Conversion, Embezzlement or Secretion
- Mechanical Breakdown
- Non adherence to pilot requirements or approved uses
- Use of Chemicals
- Noise and Pollution except arising from an aircraft accident
- Electronic Date Recognition Exclusion
- Diminution of Value
- Fungus
- Asbestos Exclusion

NOTE: *Not all exclusions are shown. It will be necessary to refer to the actual policy for coverage, conditions, provisions and limitations.*



Fort Bend County, Texas

2017 Aircraft Schedule

Aircraft	FAA #	Passenger Seats	Hull Value
1971 Bell OH-58	N218FB	3	\$325,000

2017 Premium Summary

Aircraft	2016-2017 Current/Paid Premium	2017-2018 Proposed Premium
1971 Bell OH-58	\$12,416	\$12,105
TOTAL	\$12,416,	\$12,105



Fort Bend County, Texas

Major Changes to Expiring Program

Aircraft Hull & Liability – None

Premium Finance Options

Payment Plan Schedule: • Premium is Due and Payable in Full at Policy Inception

Outside Financing Quote: • Available Upon Request

Notes: • Premiums for the policies are due and payable as billed, in full or as insurance company installments. Premiums may be financed, subject to acceptance by an approved finance company. Note: Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required.

Claim Reporting Instructions

Line of Coverage	Carrier	Policy #	Address	When
Aircraft Hull & Liability	QBE Insurance Corp.	TBD	**	ASAP

**Report to:
 Arthur J Gallagher Risk Management Services, Inc.
 Contact: Doug Meyer
 Phone:
 (Office) 303.889.2592
 (Cell) 303-709-6853
 (Fax) 720-200-5110



Coverage Considerations

□ **Overview**

Coverages are highlighted here to review available coverages which you should consider. These coverages are included in the coverage section of this proposal only if quoted and highlighted as covered.

- A proposal for any of the coverages can be provided.

Changes and Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in Aviation operations.
2. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
3. Circumstances which may require an increased liability insurance limits.



Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the proposal acceptance agreement or e-mail confirmation.

Proposal Disclaimer:

IMPORTANT: The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

Compensation Disclosure:

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional compensation if stipulated underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the particular insurance company and/or through the particular intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in certain commission rates. These additional commissions, commonly referred to as "supplemental commissions" are frequently known as of the effective date of the applicable insurance placement, but some insurance companies pay this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage placed through Gallagher.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility is utilized in the placement of a client's account, the facility may earn and retain customary brokerage commission or fees for its work.
5. Gallagher assists its clients in procuring premium finance quotes and unless prohibited by law may earn compensation for this optional value-added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.



Fort Bend County, Texas

7. Gallagher strives to find appropriate coverage at a competitive price for our clients. In order to achieve these goals, we gather and analyze data about our clients and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our clients. This data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please contact Gallagher via e-mail at Compensation_Complaints@ajg.com or by regular mail at:

AJG Chief Compliance Officer
Arthur J. Gallagher & Co.
2850 Golf Rd., 8th Floor
Rolling Meadows, IL 60008



Proposal Disclosures

Actuarial Disclaimer:

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

Terrorism Act Disclaimer:

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.



Fort Bend County, Texas

Carrier Ratings and Admitted Status

Proposed Carriers	A.M. Best's Rating	Admitted/Non-Admitted
QBE Insurance Corporation	A XIV	Admitted

If the above indicates coverage is placed with a non-admitted carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

The above A.M. Best Rating was verified on the date the proposal document was created.

Guide to Best Ratings Rating Levels and Categories

LEVEL	CATEGORY	Financial Size Categories <i>(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)</i>			
A++, A+	Superior				
A, A-	Excellent	FSC I	Up to 1,000	FSC IX	250,000 to 500,000
B++, B+	Good	FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
B, B-	Fair	FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
C++, C+	Marginal	FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
C, C-	Weak	FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
D	Poor	FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
E	Under Regulatory Supervision	FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
F	In Liquidation	FSC VIII	100,000 to 250,000		
S	Suspended				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

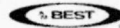
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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.



Carrier Ratings and Admitted Status (Continued)

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS			
A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.			
Best's Financial Strength Ratings			
	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
S	Suspended	Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.	
Rating Modifiers			
Modifier	Descriptor	Definition	
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.	
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)	
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.	
Rating Outlooks			
Indicates potential direction of a Best's Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.			
Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.		
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.		
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.		
Under Review Implications			
Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.			
Positive	Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event.		
Negative	Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event.		
Developing	Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event.		
Not Rated Designation			
NR: Assigned to companies that are not rated by A.M. Best.			
Rating Disclosure			
A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's <i>Terms of Use</i> at www.ambest.com .			
Best's Financial Strength Ratings are distributed via press release and/or the A.M. Best website at www.ambest.com and are published in the <i>Credit Rating Actions</i> section of <i>Best's Journal</i> ™. Best's Financial Strength Ratings are proprietary and may not be reproduced without permission. Copyright © 2014 by A.M. Best Company, Inc. Version 080114			



Bindable Quotations and Compensation Disclosure Schedule

Client Name: Fort Bend County, Texas

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM ¹	COMM.% OR FEE ²	WHOLESALER, MGA OR INTERMEDIARY		
				NAME ³	COMM.% OR FEE ⁴	AJG OWNED? YES/NO
Aviation	QBE Insurance Company	\$12,105	0%	Gallagher Aviation	15%	Yes

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the [Compensation Disclosure](#) or contact your Gallagher representative for additional information.

1 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

2 The commission rate is a percentage of annual premium excluding taxes & fees.

* Gallagher is receiving _____% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

3 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

4 * The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.

Gallagher is responsible for the placement of the following lines of coverage:

BRIT Package, Excess Property, Excess Workers Compensation, Pollution Liability, Medical Professional Liability, and Aviation

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Fort Bend County, Texas

Client Authorization to Bind Coverage

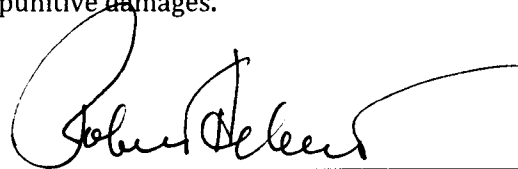
After careful consideration of your proposal dated **10/04/2017**, we accept your insurance program subject to the following exceptions/changes:

YES	NO	Description of Policy Options-
		Bind All Policies As Shown Herein as shown below:
		QBE Insurance Corporation
<input type="checkbox"/>	<input type="checkbox"/>	Aircraft Hull & Liability - \$12,105
		Provide Quotations or Additional Information on the following Coverage Considerations

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.



Client Signature Robert Hebert, Fort Bend
County Judge

10/10/2017

Dated

