



**Property & Casualty Renewal Proposal
San Antonio Early Childhood MDC**

June 5, 2018



Submitted by:



McGriff, Seibels & Williams, Inc.
8200 IH-10 West, Suite 215
San Antonio, TX 78230
(210) 695-8582
www.mcgriff.com



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McGRIFF, SEIBELS & WILLIAMS, INC.

8200 IH-10 West, Suite 215 – San Antonio, Texas 78230 – (210) 695-8582 – (877) 254-6564 – Fax (210) 695-8583

June 5, 2018

San Antonio Early Childhood MDC
Attn: Brad Davenport
7031 S New Braunfels
San Antonio, TX 78223

Reference: Property & Casualty Renewal

McGriff, Seibels & Williams, Inc. (MSW) is honored to have the opportunity to present our renewal proposal to the San Antonio Early Childhood Municipal Development Corporation providing Property, Casualty, Student Accident, School Leaders Liability, and Umbrella Liability coverage with Hartford, Liberty Mutual and Chubb Insurance Companies. We understand the Pre-K 4 SA Program, the unique characteristics of the public entity relationship and the growing needs for Risk Management Support Services.

MSW has carefully selected a service team that is highly familiar with the culture and exposures of the San Antonio Early Childhood Municipal Development Corporation. Our team will be lead by **Johnny Fontenot**, CPCU, ARM, AIC and **Susan Golla**, CPCU, ARM, CRM. Both Mr. Fontenot and Ms. Golla have extensive experience working with schools and non-profit organizations within the State of Texas. Both Mr. Fontenot and Ms. Golla are authorized to execute and make representations for MSW and will sign this proposal. Ms. Golla will oversee Gloria Lamoureux who will provide daily service to the Pre-K 4 SA. Susan has served the needs of several non-profit, educational and governmental entities in the San Antonio area for over 25 years.

Please take a moment to review the proposal and let us know if you have any questions or require any changes. There are several changes to the limits and retentions as highlighted in each of the attached proposals, drawing your attention to a few of the differences between the renewal proposal and the expiring coverage non-renewed by Markel Insurance Company.

Kindly provide the signed Terrorism Selection form and your written response to renew the coverage as quoted in advance of the 07/01/2018 expiration date.

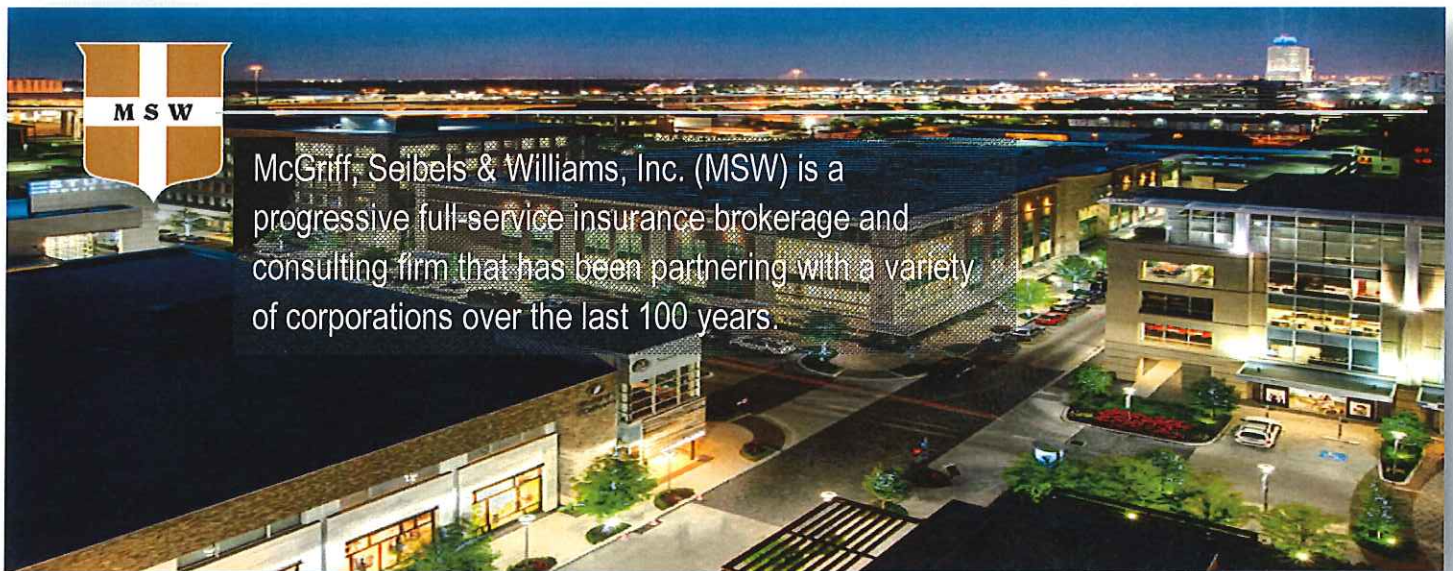
Your business is important to us and we appreciate the opportunity to service your insurance needs.

Yours truly,

McGriff, Seibels & Williams, Inc.

Susan Golla, CPCU, ARM, CRM

Vice-President, Marketing Account Executive



McGriff, Seibels & Williams, Inc. (MSW) is a progressive full-service insurance brokerage and consulting firm that has been partnering with a variety of corporations over the last 100 years.

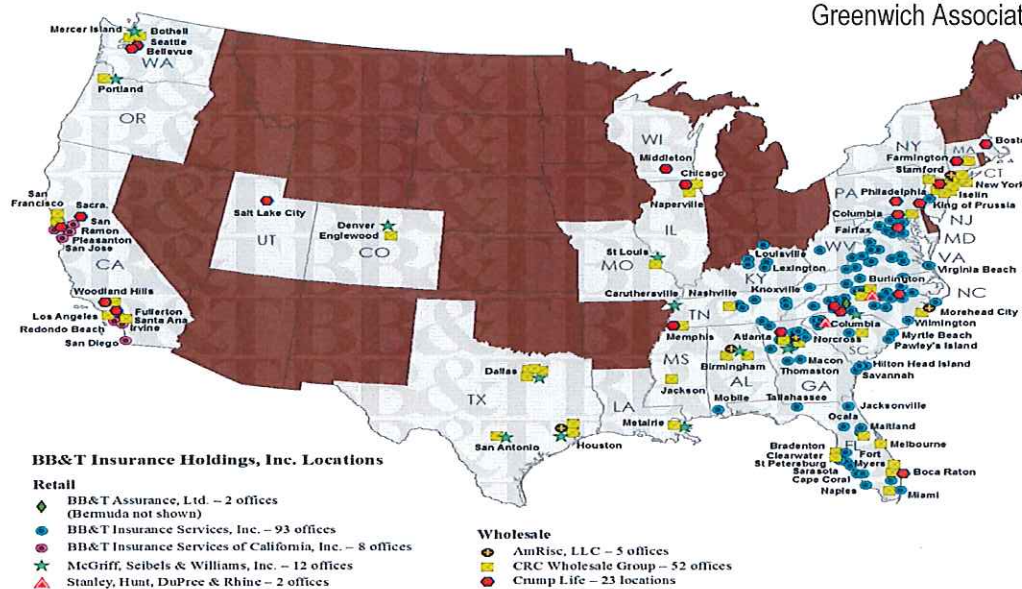
I. INTRODUCTION TO MSW – BB&T INSURANCE

MSW operates as a full-service broker through eight specialty divisions.

- ❖ Energy and Marine (Onshore and Offshore)
- ❖ Commercial (Office Space and Transportation)
- ❖ Financial Services
- ❖ Construction Risk Services
- ❖ Public Entity (Schools, Municipalities, and Government)
- ❖ Surety
- ❖ Employee Benefits

Provides a full range of insurance and risk management services including expert advice and insurance program management.

- ❖ A wholly owned subsidiary of BB&T, one of the largest financial holding companies in the U.S. and worldwide.
- ❖ Over \$191 billion in assets and market capitalization of \$25.9 billion.
- ❖ A leading national insurance broker ranked 5th largest broker in the U.S.; 6th largest worldwide.
- ❖ A Fortune 500 company consistently recognized for outstanding client satisfaction by J.D. Power and Associates, the U.S. Small Business Administration, Greenwich Associates, and others.



MSW Office Locations

- Atlanta, GA
- Birmingham, AL
- Caruthersville, MO
- Charlotte, NC
- Dallas, TX
- Denver, CO
- Houston, TX
- New Orleans, LA
- New York, NY
- Portland, OR
- San Antonio, TX
- Seattle, WA



We hire and develop the best quality personnel. Every program is staffed with a team of qualified individuals. Your Team will be with you from start to finish.

Employees

- ❖ Over 800 employees located in offices across the U.S.
- ❖ MSW is structured to support our client-centered approach to doing business. We are a flat organization staffed with employees that are first and foremost in the insurance business, regardless of leadership level obtained.
- ❖ We operate with a minimum of bureaucracy -- each group is geared to respond immediately to customer requests.
- ❖ Both senior officers and account service staff work to develop partnerships with our clients to maintain an in-depth understanding of your unique business environment.
- ❖ MSW has grown over 300% in the last ten years, with its growth achieved organically, not through acquisitions. MSW credits its growth to its staff, with its outstanding reputation for technical solutions, its exceptional management team, and its client-focused organizational structure.

Our experienced professional staff includes.

- ❖ Certified Insurance Counselors
- ❖ MBAs
- ❖ Chartered Property & Casualty Underwriters
- ❖ Certified Risk Managers
- ❖ Associates in Claims
- ❖ Certified Safety/Loss Control Professionals
- ❖ Certified Professional Accountants
- ❖ J.D.s
- ❖ Certified Actuary

Services Offered

- ❖ Risk Assessments and Exposure Analysis
- ❖ Captive Feasibility Studies / Implementation
- ❖ Surety and Financial Guarantee Alternatives
- ❖ Claim Audits/Third Party Administration
- ❖ ROCIP/OCIP Programs
- ❖ Risk Financing Review
- ❖ Contract Document Audits/Risk Allocation Review
- ❖ Safety Management, Training, and Orientation
- ❖ Loss Analysis
- ❖ Professional Liability
- ❖ Claims Management Procedures
- ❖ Environmental/Pollution Policies
- ❖ Mergers and Acquisitions
- ❖ Cost Allocation Methods
- ❖ Information Systems
- ❖ Health, Life and Benefits
- ❖ Cost of Risk Reduction Consulting
- ❖ Access to Group Reinsurance/Existing Captive Programs



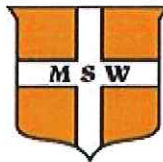


Think Client Satisfaction

For more than 130 years, BB&T/MSW has built its business on a "client first" philosophy. Today, our insurance operations reflect that attitude: **BB&T Insurance Services/MSW** is ranked as the

#1 Leader in Client Satisfaction.*

Think Diversified



BB&T Insurance Services/MSW consists of retail and wholesale insurance brokering, a captive insurance company and a specialized property insurer.



Proposed Service Team





MSW is a leader in the Public Entity Insurance marketplace serving more than 1,000 School Districts, ESCs, Cities, and Counties nationally. We are highly familiar with the exposures faced by the public sector as well as the usual constraints related to budgets and staffing.

Governmental, Public Entity & Non-Profits

MSW's Public Entity Group provides risk management solutions to tax-supported institutions, city and state governments, educational and transportation districts, and non-profit agencies. Because every public entity has special needs all their own, we search the globe to find just the right fit. Whether it's alternative risk transfer vehicles such as self-insured pools, offshore captives, loss portfolio transfers, OCIP programs, or foreign reinsurance placements, the MSW team has the contacts and resources to get the job done. In addition, we have significant internal experts such as transportation risk management consultants to provide expertise and resources to owners of large bus/auto fleets.

Our associations include long-standing, senior level relationships with underwriters that serve the public sector, as well as self-insured pools, third party administrators, and public entity legal defense firms. Your access to all properly credentialed carriers and vendors will be enhanced based on our familiarity with these companies and our knowledge of their performance for other public sector clients.

In particular, we have developed very strong relationships with:

- ❖ All qualified insurance carriers and self-insured pools;
- ❖ Public Entity legal defense firms; and
- ❖ All qualified third party administrators, appraisal, accounting, actuarial, and public adjusting firms.

Why MSW for Public Entity Risk Management?

- ❖ Insurance advisor for more Texas Public Entities than any other firm.
- ❖ Strong relationships with Public Entity underwriters.
- ❖ Access to new and untapped markets for windstorm, flood, auto, and other difficult coverages.
- ❖ Experts in Alternative Risk Transfer products.
- ❖ Focused on public entity issues, including statutory tort immunity, public officials liability, and disaster recovery.
- ❖ Experienced in development and administration of Wrap-up/OCIP programs.
- ❖ Ability to solve complex claims issues.
- ❖ Strength of corporate balance sheet.



June 5, 2018

San Antonio Early Childhood MDC
7031 S New Braunfels
San Antonio, TX 78223

Dear Mr. Davenport:

We are able to offer the following quote for your General Liability, Auto Liability, School Leaders' Liability, and Umbrella Liability package policy to be effective on July 1, 2018.

McGriff, Seibels & Williams, Inc. makes every effort to provide you with coverage that is standard in the industry. However, we have been unable to secure a policy for you without a "Punitive Damage Exclusion". Punitive damages are awarded to an injured party with the intent of punishing the wrongdoer. The damages are awarded in addition to "actual" damages (i.e., property damage, bodily injury, loss of use, pain & suffering, medical bills, etc.).

By offering this policy McGriff, Seibels & Williams, Inc. makes no judgment concerning the availability of this coverage from other insurance companies and your signing this letter acknowledges your acceptance of this coverage exclusion.

Sincerely,

Susan Golla, CPCU, ARM, CRM
Vice- President | Marketing Account Executive

I acknowledge that my General Liability, Auto Liability, School Leaders' Liability, and Umbrella Liability package policy contains a "Punitive Damage Exclusion" and request that the policy be issued with this exclusion.

San Antonio Early Childhood Municipal Development Corporation

Date



McGRIFF, SEIBELS & WILLIAMS, INC. PROVIDER SECURITY STANDARDS

The following is a brief summary of the measures that we have taken as your broker to review and report to you objectively on the financial security of your insuring companies. Information is included on A.M. Best Company, our primary security rating source, and the internal standards, which we have established to address this important issue for our customers.

MSW Security Review - McGriff, Seibels & Williams has established an internal "Security Review Group" composed of senior management representatives from the Finance, Marketing, Branch, Wholesale and Administrative Divisions of the company. This group's purpose is to develop and implement all procedures and standards for the financial security of all insurers, intermediaries and associations used by MSW and its subsidiary companies.

This group meets periodically to review the current listing of all companies, intermediaries and associations, which are actively used by MSW. It will also act on any pending requests received from throughout the company to have new Providers activated, and to deactivate any Providers that do not meet current MSW standards.

MSW Provider Classifications:

"Approved Provider" is any Provider whose A.M. Best's rating is A- or higher. The Best's rating of an "approved" Provider must be printed on all MSW Confirmations of Coverage (Binders) and proposals delivered to clients or prospects.

"Exception Provider" is certain Providers with a rating lower than A-, including those companies "not rated by A.M. Best" which after review by the Security Review Group will be an approved security.

Any Provider approved by MSW receiving an A.M. Best downgrade of rating will be posted on our website (www.mcgriff.com). A downgrade that results in an "Approved" Provider moving to a less than A- A.M. Best Rating will be communicated to you in writing.

A.M. Best Company

Ambest Road
Oldwick, New Jersey 08858

History - A.M. Best Company was incorporated in 1899 as the first rating agency in the world to offer reliable information on the financial condition of U.S. insurance companies. The *Best's Rating Guide* was first published in 1900, and has since become a cornerstone of the security review process by continuously evaluating the financial integrity of over 4,100 insurance companies. In 1984, the first edition of the *Best's International Rating Guide* was published, reporting on the claims-paying ability of over 950 international insurers.

(Page 1 of 3)

Effective January 9, 2017



The information used by Best to rate insurance carriers is provided by the companies themselves as a part of their normal filings with the National Association of Insurance Commissioners, those states in which the company is licensed, the SEC and/or with its shareholders. Rating reviews are performed annually on each insurance company and on an interim basis as conditions dictate.

Best's Rating System - The Best's rating system is designed to evaluate a wide range of objective and subjective factors that affect the overall performance of an insurance company (not applicable to associations or intermediaries). These factors deal with the company's financial strength, its operating performance and its ability to meet its financial obligations to policyholders, as follows:

- | | |
|---|--|
| * Profitability | * Spread of risk |
| * Quality of reinsurance program | * Leverage/Capitalization |
| * Quality and diversification of assets | * Liquidity |
| * Adequacy of policy loss reserves | * Adequacy of policyholder's surplus |
| * Capital structure | * Management experience and objectives |

Best's Rating Symbols - A typical Best's rating is composed of two parts. The "**Security**" portion provides an alphabetical indication of the quality of the security provided by a company to its policyholders. This rating is further defined in three categories, "Secure", "Vulnerable" or "Not Assigned". The "**Financial Size**" (FSC) portion of the Best's rating uses Roman numerals to rank companies based on the dollar amount of their policyholder's surplus and contingent reserve funds.

While comparative rankings for security or financial size by themselves may not adequately portray the complete financial health of a company, the combination of the two has proven to be reliable in predicting the ability of a company to meet its claims obligations in a timely manner, both now and in the near future. The actual rating symbols used by Best and their meanings are:

"Secure" Ratings	A++ or A+	Superior
	A or A-	Excellent
	B++ or B+	Good
"Vulnerable" Ratings	B or B-	Fair
	C++ or C+	Marginal
	C or C-	Weak
	D	Poor
	E	Under Supervision
	F	In Liquidation
	S	Suspended

"NR" Not Rated Designation – Assigned to companies not rated by A.M. Best.

(Page 2 of 3)

Effective January 9, 2017



Financial Size Categories I

I	Under \$1,000,000	VIII	100,000 – 250,000,000
II	1,000,000 - 2,000,000	IX	250,000,000 – 500,000,000
III	2,000,000 – 5,000,000	X	500,000,000 – 750,000,000
IV	5,000,000 – 10,000,000	XI	750,000,000 – 1,000,000,000
V	10,000,000 – 25,000,000	XII	1,000,000,000 – 1,250,000,000
VI	25,000,000 - 50,000,000	XIII	1,250,000,000 – 1,500,000,000
VII	50,000,000 – 100,000,000	XIV	1,500,000,000 – 2,000,000,000
		XV	Over 2,000,000,000

Source: *Best's Key Rating Guide* - 2016 Edition

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Effective January 9, 2017

Rating Services

Hartford Fire Insurance Company

A.M. Best #: 002231 NAIC #: 19682 FEIN #: 060383750

Domiciliary Address

One Hartford Plaza
Hartford, CT 06155-0001
United States

Web: www.thehartford.com

Phone: 860-547-5000

Assigned to
insurance
companies
that have, in our opinion, a
superior ability to meet their
ongoing insurance obligations.



View additional news, reports
and products for this company.

Based on A.M. Best's analysis, 058707 - Hartford Financial Services Group Inc is the **AMB Ultimate Parent** and identifies the topmost entity of the corporate structure. View a list of operating insurance entities in this structure.

Best's Credit Ratings

Financial Strength Rating View Definition

Rating: A+ (Superior)
Affiliation Code: p (Pooled)
Financial Size: XV (\$2 Billion or greater)
Category:
Outlook: Stable
Action: Affirmed
Effective Date: July 07, 2017
Initial Rating Date: December 31, 1907

Long-Term Issuer Credit Rating View Definition

Long-Term: aa-
Outlook: Stable
Action: Affirmed
Effective Date: July 07, 2017
Initial Rating Date: July 14, 2005

Best's Credit Rating Analyst

Rating Issued by: A.M. Best Rating Services, Inc.
Senior Financial Analyst: Jonathan Harris, CFA, FRM, CPCU
Director: Jennifer Marshall, CPCU, ARM

Disclosure Information

Disclosure Information Form
View A.M. Best's Rating Disclosure Form

Press Release
A.M. Best Affirms Credit Ratings of The Hartford Financial Services Group, Inc. and Its Subsidiaries
July 07, 2017

u Denotes Under Review Best's Rating

Rating History

A.M. Best has provided ratings & analysis on this company since 1907.

Financial Strength Rating

Effective Date	Rating
7/7/2017	A+
6/17/2016	A+
5/1/2015	A+
4/3/2014	A
3/1/2013	A

Long-Term Issuer Credit Rating


Effective Date	Rating
7/7/2017	aa-
6/17/2016	aa-
5/1/2015	aa-
4/3/2014	a+
3/1/2013	a+

Related Financial and Analytical Data

The following links provide access to related data records that A.M. Best utilizes to provide financial and analytical data on a consolidated or branch basis.

AMB #	Company Name	Company Description
087049	Hartford Fire Insurance Company CAB	Represents the Property/Casualty financials for the Canada Branch of this legal entity.

Best's Credit Reports

 Best's Credit Report - Where applicable, includes Best's Financial Strength Rating and rationale along with comprehensive analytical commentary, detailed business overview and key financial data.

Report Revision Date: 10/31/2017 (represents the latest significant change).

 Historical Reports are available in Best's Credit Report Archive.

View additional news, reports and products for this company.

Press Releases

Date	Title
Jul 07, 2017	A.M. Best Affirms Credit Ratings of The Hartford Financial Services Group, Inc. and Its Subsidiaries
Jan 18, 2017	A.M. Best Removes From Under Review and Upgrades Credit Ratings of Maxum Indemnity Company and Maxum Casualty Insurance Company
Jan 03, 2017	A.M. Best Comments on Credit Ratings of The Hartford Financial Services Group Following Transaction with National Indemnity Co.
Jun 17, 2016	A.M. Best Affirms Ratings of The Hartford Financial Services Group, Inc. and Its Subsidiaries
Mar 18, 2016	A.M. Best Places Ratings of Members of the Maxum Specialty Insurance Group Under Review with Positive Implications
May 01, 2015	A.M. Best Upgrades Ratings of The Hartford Financial Services Group, Inc. and Its Property/Casualty Subsidiaries
Apr 03, 2014	A.M. Best Revises Outlook to Positive for The Hartford Financial Services Group, Inc. and Its Property/Casualty Subsidiaries
Mar 01, 2013	A.M. Best Affirms Ratings of Hartford Financial Services Group and Its P/C Subsidiaries and Downgrades Ratings of Hartford Life
Mar 31, 2013	A.M. Best Places Ratings of The Hartford Financial Services Group, Inc. and Its Subsidiaries Under

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23 items in 3 pages

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Rating Services

The First Liberty Insurance Corporation

A.M. Best #: 010764 NAIC #: 33588 FEIN #: 043058503

Mailing Address175 Berkeley Street
Boston, MA 02116
United States[View Additional Address Information](#)**Web:**www.LibertyMutualGroup.com**Phone:** 617-357-9500**Fax:** 617-574-5955Assigned to
insurance
companiesthat have, in our opinion, an
excellent ability to meet their
ongoing insurance obligations.[View additional news, reports
and products for this company.](#)

Based on A.M. Best's analysis, 051114 - Liberty Mutual Holding Company Inc. is the **AMB Ultimate Parent** and identifies the topmost entity of the corporate structure. [View a list of operating insurance entities in this structure.](#)

Best's Credit Ratings

Financial Strength Rating View Definition

Rating: A (Excellent)
Affiliation Code: r (Reinsured)
Financial Size Category: XV (\$2 Billion or greater)
Outlook: Stable
Action: Affirmed
Effective Date: May 16, 2018
Initial Rating Date: June 30, 1990

Best's Credit Rating Analyst

Rating Issued by: A.M. Best Rating Services, Inc.
Senior Financial Analyst: Gregory Dickerson
Senior Director: Michael J. Lagomarsino, CFA, FRM

Disclosure Information

Disclosure Information Form
[View A.M. Best's Rating Disclosure Form](#)
Press Release
 A.M. Best Affirms Credit Ratings of Liberty Mutual Holding Company Inc. and Its Subsidiaries
 May 16, 2018

Long-Term Issuer Credit Rating View Definition

Long-Term: a
Outlook: Stable
Action: Affirmed
Effective Date: May 16, 2018
Initial Rating Date: January 25, 2006

u Denotes Under Review Best's Rating

Rating History

A.M. Best has provided ratings & analysis on this company since 1990.

Financial Strength Rating

Effective Date Rating


5/16/2018	A
3/8/2017	A
10/8/2015	A
9/24/2014	A
8/14/2013	A

Long-Term Issuer Credit Rating


Effective Date Rating

5/16/2018	a
3/8/2017	a
10/8/2015	a
9/24/2014	a
8/14/2013	a

Best's Credit Reports

 Best's Credit Report - Where applicable, includes Best's Financial Strength Rating and rationale along with comprehensive analytical commentary, detailed business overview and key financial data.

Report Revision Date: 6/1/2018 (represents the latest significant change).

 Historical Reports are available in Best's Credit Report Archive.

View additional news, reports and products for this company.

Press Releases

Date	Title
May 16, 2018	A.M. Best Affirms Credit Ratings of Liberty Mutual Holding Company Inc. and Its Subsidiaries
Mar 08, 2017	A.M. Best Affirms Credit Ratings of Liberty Mutual Holding Company Inc. and Its Subsidiaries
Oct 08, 2015	A.M. Best Affirms Ratings of Liberty Mutual Holding Company Inc. and Its Subsidiaries
Sep 24, 2014	A.M. Best Affirms Ratings of Liberty Mutual Holding Company Inc. and Its Subsidiaries
Aug 14, 2013	A.M. Best Affirms Ratings of Liberty Mutual Holding Company Inc. and Its Subsidiaries
Jul 26, 2012	A.M. Best Affirms Ratings of Liberty Mutual Holding Company Inc. and Its Subsidiaries
Jun 16, 2011	A.M. Best Revises Outlook to Stable for Liberty Mutual Holding Company Inc. and Its Subsidiaries
Jun 11, 2010	A.M. Best Affirms Ratings of Liberty Mutual Holding Company Inc. and Its Subsidiaries
Mar 05, 2008	A.M. Best Affirms Ratings of Liberty Mutual Group, Inc., Its Subsidiaries and Liberty Life Assurance Company of Boston
Jan 25, 2006	A.M. Best Affirms and Assigns Ratings to Liberty Mutual and Upgrades Rating of Liberty Life; Maintains Stable Outlook

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14 items in 2 pages

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Australian Disclosures

A.M. Best Asia-Pacific Limited (AMBAP), Australian Registered Body Number (ARBN No.150375287), is a limited liability company incorporated and domiciled in Hong Kong. AMBAP is a wholesale Australian Financial Services (AFS) Licence holder (AFS No. 411055) under the Corporations Act 2001. Credit Ratings emanating from AMBAP are not intended for and must not be distributed to any person in Australia other than a wholesale client as defined in Chapter 7 of the Corporations Act. AMBAP does not authorize its Credit Ratings to be disseminated by a third-party in a manner that could reasonably be regarded as being intended to influence a retail client in making a decision in relation to a particular product or class of financial product. AMBAP Credit Ratings are intended for wholesale clients only, as defined.

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[Regulatory Affairs - Form NRSRO - Code of Conduct - Rating Methodology - Historical Performance Data](#)

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Rating Services

Federal Insurance Company

A.M. Best #: 002084 NAIC #: 20281 FEIN #: 131963496

Administrative Office436 Walnut Street
Philadelphia, PA 19106
United States[View Additional Address Information](#)Web: www.chubb.com

Phone: 215-640-1000

Assigned to
insurance
companiesthat have, in our opinion, a
superior ability to meet their
ongoing insurance obligations.[View additional news, reports
and products for this company.](#)

Based on A.M. Best's analysis, 058303 - Chubb Limited is the **AMB Ultimate Parent** and identifies the topmost entity of the corporate structure. [View a list of operating insurance entities in this structure.](#)

Best's Credit Ratings

Financial Strength Rating View Definition

Rating: A++ (Superior)
Financial Size XV (\$2 Billion or greater)
Category: Stable
Outlook: Stable
Action: Affirmed
Effective Date: October 05, 2017
Initial Rating Date: December 31, 1907

Long-Term Issuer Credit Rating View Definition

Long-Term: aa+
Outlook: Stable
Action: Affirmed
Effective Date: October 05, 2017
Initial Rating Date: March 17, 2005

u Denotes Under Review Best's Rating

Best's Credit Rating Analyst

Rating Issued by: A.M. Best Rating Services, Inc.
Senior Financial Analyst: Gregory Dickerson
Director: Jennifer Marshall, CPCU, ARM

Disclosure Information

Disclosure Information Form
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Press Release
 A.M. Best Affirms Credit Ratings of Chubb Limited and Its Subsidiaries
 October 05, 2017

Rating History

A.M. Best has provided ratings & analysis on this company since 1907.

Financial Strength Rating

Effective Date	Rating
10/5/2017	A++
6/22/2016	A++
7/2/2015	A++u
4/16/2015	A++
3/20/2014	A++
3/8/2013	A++

Long-Term Issuer Credit Rating


Effective Date	Rating
10/5/2017	aa+
6/22/2016	aa+
7/2/2015	aaa u
4/16/2015	aaa
3/20/2014	aa+
3/8/2013	aa+

Related Financial and Analytical Data


The following links provide access to related data records that A.M. Best utilizes to provide financial and analytical data on a consolidated or branch basis.

AMB #	Company Name	Company Description
000012	Chubb Group of Insurance Companies (SG) Rating Unit	Represents the A.M. Best Consolidated financials for the Property/Casualty business of this legal entity.
019568	Chubb Group of Insurance Companies (CS)	Represents Property/Casualty business of this legal entity.
087730	Federal Insurance Company CAB	Represents the Property/Casualty financials for the Canada Branch of this legal entity.
090042	Federal Insurance Co HKB	Represents the Property/Casualty financials for the Hong Kong Branch of this legal entity.
090456	Federal Insurance Company KRB	Represents the Property/Casualty financials for the South Korea Branch of this legal entity.
093151	Federal Insurance Co (Singapore Branch)	Represents the Property/Casualty financials for the Singapore Branch of this legal entity.

Best's Credit Reports

 Best's Credit Report - Where applicable, includes Best's Financial Strength Rating and rationale along with comprehensive analytical commentary, detailed business overview and key financial data.

Report Revision Date: 4/27/2018 (represents the latest significant change).

 Historical Reports are available in Best's Credit Report Archive.

View additional news, reports and products for this company.

Press Releases

Date	Title
Oct 05, 2017	A.M. Best Affirms Credit Ratings of Chubb Limited and Its Subsidiaries
Jun 22, 2016	A.M. Best Removes From Under Review and Affirms Ratings of Chubb Limited and Most of Its Subsidiaries
Jul 02, 2015	A.M. Best Places Ratings of The Chubb Corporation and Its Subsidiaries Under Review With Negative Implications
Apr 16, 2015	A.M. Best Upgrades Issuer Credit Ratings of The Chubb Corporation and Its Subsidiaries
Mar 08, 2013	A.M. Best Affirms Ratings of The Chubb Corporation and Its Subsidiaries
Apr 18, 2012	A.M. Best Affirms Ratings of The Chubb Corporation and Its Subsidiaries
Mar 04, 2011	A.M. Best Affirms Ratings of The Chubb Corporation and Its Subsidiaries
Mar 17, 2010	A.M. Best Affirms Ratings of The Chubb Corporation and Its Subsidiaries
Dec 23, 2008	A.M. Best Affirms Ratings of The Chubb Corporation and Its Subsidiaries
Oct 31, 2007	A.M. Best Affirms Ratings of The Chubb Corporation

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Page size: 10

18 items in 2 pages

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Best's Credit Rating



Best's Credit Ratings
Mobile App



European Union Disclosures

A.M. Best - Europe Rating Services Limited (AMBERS), a subsidiary of A.M. Best Rating Services, Inc., is an External Credit Assessment Institution (ECAI) in the European Union (EU). Therefore, Credit Ratings issued and endorsed by AMBERS may be used for regulatory purposes in the EU as per Directive 2006/48/EC.



McGRIFF, SEIBELS & WILLIAMS, INC. COMPENSATION STATEMENT

Our principal remuneration for the placement and service of your insurance policy(ies) will be by commission (a proportion of the premium paid that is allowed to us by the insurance company(ies)) and/or a mutually agreed fee.

You should be aware that we may receive additional income from the following sources:

- **Interest or Investment Income** earned on insurance premiums.
- **Expense Allowances or Reimbursements** from insurance companies and other vendors for (a) educational and professional development programs; (b) managing and administering certain binding authorities and other similar facilities, including claims which may arise; and (c) attendance at insurance company meetings and events; all of which we believe enable us to provide more efficient service and competitive terms to those clients for whom we consider the use of such facilities appropriate.
- **Tier II Commission** (sometimes referred to as “extra compensation”) is exclusive to the placement of employee benefits insurance and is based on premium volume of new business and/or premium retention.
- **Contingent Commission** (sometimes referred to as “profit sharing”) which can be based on profitability, premium volume, premium retention, and/or growth. If any part of your account is on a fee basis, we will not accept contingent commissions related to your account.

If you have questions or desire additional information about remuneration and other income, please contact your Agent who will put you in touch with our Chief Risk Manager for assistance. If any part of your insurance program is placed through any BB&T-owned companies (including retail insurance brokers BB&T Insurance Services, Inc. and BB&T Insurance Services of California, Inc.; wholesale insurance brokers CRC Insurance Services, Inc. and Crump Life Insurance Services, Inc.; managing general underwriter AmRisc, LLC; insurance premium finance company, Prime Rate Premium Finance Corporation, Inc. or affiliates; or BB&T Assurance Company, Ltd.) disclosure of that income will also be included.

4/1/2016 ed



May 29, 2018

Susan Golla
McGriff Seibels & Williams Inc
8200 IH-10W Ste. 215
San Antonio, TX 78230



THE SAN ANTONIO EARLY CHILDHOOD MUNICIPAL DEVELOPMENT
CORPORATION DBA PRE-K 4 SA
07/01/2018 - 07/01/2019 Package 61 UUN HH0264

Dear Susan Golla,

I'm pleased to share our quote for THE SAN ANTONIO EARLY CHILDHOOD MUNICIPAL DEVELOPMENT CORPORATION DBA PRE-K 4 SA. We know that you have a choice of carriers for your insurance needs and appreciate your choosing The Hartford.

The Hartford offers a broad range of comprehensive, specialized insurance coverage* for a wide variety of commercial enterprises such as automatic Additional Insured coverage with Primary Non-Contributory wording when required by written contract, Business Personal Property in Transit or at an Unnamed Location, Pollutants and Contaminants Clean-Up Expenses and built in Equipment Breakdown as well as specialized Claim and Risk Engineering services. (*See line of business details and contact your Underwriter if coverages are desired but not included.) We focus on protecting your customers' assets, and we can help you identify and provide coverage for critical exposures to loss that are often overlooked. Our proposal includes a premium summary, supporting policy information and details regarding the coverage being offered, limits of insurance, exclusions, limitations and other terms or conditions.

The Hartford is committed to differentiating itself as an exceptional company through its people and by providing superior service and customer value:

- Financial strength and performance, rated A+ (Superior) XV (financial size \$2B and greater) by AM Best
- Based on the integrity of our brand, The Hartford has been named "One of the World's Most Ethical Companies" by recognition from the Ethisphere Institute eight years since 2008
- Specialized Insurance Coverage options that are tailored to the needs of particular industries, operations, and products
- Expertise in Underwriting, Claims and Risk Engineering services through our countrywide network of professionals
- Customer Service Representatives who bring you superior policy holder services

We welcome the opportunity to discuss our proposal and additional Hartford products with you. Please feel free to call me to discuss any questions you may have, or to bind coverage. Thank you for your business.

Sincerely,

Michael Paschali
Underwriter
The Hartford



May 29, 2018

Quote Proposal

THE SAN ANTONIO EARLY CHILDHOOD MUNICIPAL DEVELOPMENT
CORPORATION DBA PRE-K 4 SA
Policy Term 07/01/2018 - 07/01/2019

Insurance Professional

Susan Golla
McGriff Seibels & Williams Inc

The Hartford's Underwriting Team

Michael Paschali
Underwriter
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HOUSTON REGIONAL OFFICE
19450 STATE HWY. 249, SUITE 400
HOUSTON, TX 77070

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Premium Summary

Coverage	Policy Term	Policy Number	Premium	Commission
Package Policy	07/01/2018 - 07/01/2019	61 UUN HH0264	\$52,337. ⁰⁰	
Property Hartford Fire Insurance Company			\$52,337. ⁰⁰	.0%
Total Estimated Account Premium			\$52,337. ⁰⁰	

Premium may include surcharges, taxes, and assessments.

Commission percentages shown are for base commission only and do not include any applicable supplemental commission or other forms of compensation. The premiums identified above may contain surcharges and/or assessments to which the commission percentages shown above may not apply. Workers' compensation commission percentage applies to the standard premium before application of any premium discount.

Prepare. Protect. Prevail. With The Hartford.SM

The Hartford's property & casualty companies are rated "A+" by A.M. Best Company.

Our **broad range of products** offer unique competitive advantages, and our range of business insurance solutions addresses the needs of midsize to large clients. Whether your clients have basic coverage needs or more complex and difficult exposures, our highly trained professionals can work with you to satisfy those needs.



Our **financial strength and stability** mean that you can count on The Hartford to perform when you need us most by delivering on our promise to pay claims fairly and promptly, saving time and improving client satisfaction. Some highlights of our claim service include 24/7 toll-free loss reporting; claim expertise aligned by type of claim; and medical management programs focused on achieving the best medical outcome and early return to work for injured workers. Our well-recognized risk engineering services assure that your clients have access to a broad scope of service, and technical expertise through local risk engineering consultants.

Articles of Agreement

Subjectivities

Unless otherwise stated below or unless consent of the underwriter is obtained, coverage may not be bound without compliance with the subjectivities.

Account Subjectivities

- Favorable Risk Engineering survey within 45 days

Property

- The quoted property premium includes a rate consideration based upon information contained in your application that one or more locations have a sprinkler system. Hartford will determine the adequacy of the sprinkler system(s) during our Loss Control inspection. If the sprinkler system is found to be deficient or inadequate, we reserve the right to charge you an additional premium that contemplates the increased exposures associated with such deficiencies or inadequacies.

Terms & Conditions

- This quote proposal supersedes and replaces any previously issued quote proposal offering similar coverages, limits and deductibles.
- The quote is valid for 60 days from the date of the proposal or until the proposed policy inception date, whichever is earlier. Coverage may not be bound retroactively.
- This quote is intended as a total offering and must be accepted or rejected in its entirety. Please contact the underwriter in the event that only a portion of the quoted coverages are desired.
- This proposal is subject to the underwriting period allowed for by state law and the cancellation provisions applicable to each policy.
- Prior to the effective date of coverage The Hartford must be advised of any change in the information provided by or required to be provided by the applicant, or any change in the exposure basis, hazard or risk contemplated by this proposal since the original submission date.
- The Hartford reserves the right to modify or withdraw this proposal prior to the effective date based on any newly obtained underwriting information. If information we obtain during the policy term differs from what was originally presented we also reserve the right to modify premium and terms or rescind coverage as permitted by law.
- All of the terms, conditions and other requirements set forth in this proposal must be included in any quote presentation to the proposed insured.
- This proposal provides a summary of coverages; some coverages may not be available in all states. For a complete description of all coverages, terms, conditions and exclusions, please refer to the insurance policy. In the event of a conflict, the terms, conditions and exclusions of the insurance policy shall prevail. A complete list of The Hartford's policy forms with the most recent edition dates are available upon request or online on the Electronic Business Center (EBC). Insurance specifications and other requests for coverage that are not incorporated in this proposal confer no rights and do not amend, extend or alter the coverage afforded by The Hartford.
- The limits of insurance applicable to Building and/or Business Personal Property in this Quote Proposal have been based upon information contained in your application. We assume that the limits you have requested are adequate and represent the full replacement cost value of all property for which you are requesting coverage. The Hartford may use a building appraisal calculator to estimate replacement cost value for underwriting purposes, and may also require a building limit of insurance that is different from your original request, based upon our underwriting evaluation. The Hartford makes no warranties that this estimate represents actual replacement cost value. If you are unsure of the actual replacement cost value of your building(s) or business personal property, an independent, professional appraisal should be obtained. Upon our receipt of the appraisal and a written request from you, we may adjust your limits of

insurance in accordance with such appraisal.

Property

Included in Package 61 UUN HH0264

Coverage Details

Estimated Property Premium	\$50,811
Terrorism Premium	\$1,526
Total Estimated Annual Property Premium	\$52,337.00

Covered Property	Total Insured Values*	Premium
Building	\$11,484,324	\$22,165
Business Personal Property - Including Stock	\$14,400,000	\$27,793
Total Premium		\$49,958

*The Total Insured Values indicated above are not blanket limits. They represent the sum of all values on the policy for the coverages indicated. Blanket limits, if applicable, will be shown in a separate schedule below.

Blanket Limits of Insurance

Blanket Building	\$11,484,324
Blanket Business Personal Property	\$14,400,000

Additional Coverages	Limit of Insurance	Premium
Equipment Breakdown	Included*	\$853
Target SPICE	See SPICE Summary	Included
Total Premium		\$853

*The most we will pay in any one Equipment Breakdown Accident to Equipment Breakdown Property in any one occurrence is the applicable Building, Business Personal Property and Business Income limits of insurance, or \$100,000,000, whichever is less.

Electronic Vandalism Coverage Type	Limit of Insurance	Premium
Electronic Vandalism Coverage	\$300,000 Policy Year Limit	Included
Electronic Vandalism - Physical Damage	Included in EV Policy Limit	Included
Denial of Service Attack - When Business Income is a part of the policy, coverage is provided for your actual loss sustained or reasonable and necessary extra expenses you incur, up to the limit of insurance, caused by the malicious direction of a high volume of worthless inquiries to your website or email destinations that deny or limit legitimate access.	\$25,000 In any one Policy Year	Included
Good Faith Advertising Expense - Provides coverage for the advertising expenses the insured incurs to regain customer good faith if a payment is made under the coverages applicable to Denial of Service Attack, Website and Internet Services or Electronic Vandalism.	\$25,000 In any one Policy Year	Included
Electronic Extortion Demand - Provides coverage for the ransom monies paid by the insured resulting from a covered electronic extortion demand.	\$10,000 In any one Policy Year	Included
Total Premium		Included

Deductibles

All Coverages Unless Otherwise Noted	\$5,000
Windstorm or Hail	\$100,000
Equipment Breakdown	\$5,000
Electronic Vandalism	\$5,000

Premises #1 Details

Address: 3635 MEDICAL DR, SAN ANTONIO, TX 78229-2180

Coverage	Amount of Insurance	Blanket Applies	Deductible	BI/RI Waiting Period	Premium
Building	\$175,000	Yes	\$5,000		\$338
Windstorm or Hail Ded			\$100,000		
Business Personal Property (Incl Stock)	\$2,750,000	Yes	\$5,000		\$5,308
Windstorm or Hail Ded			\$100,000		
Equipment Breakdown	Included		\$5,000		\$97
Total Premises Premium (excl Terrorism Premium)					\$5,743

Premises #2 Details

Address: 7031 S NEW BRAUNFELS AVE, SAN ANTONIO, TX 78223-4587

Coverage	Amount of Insurance	Blanket Applies	Deductible	BI/RI Waiting Period	Premium
Building	\$175,000	Yes	\$5,000		\$338
Windstorm or Hail Ded			\$100,000		
Business Personal Property (Incl Stock)	\$5,075,000	Yes	\$5,000		\$9,795
Windstorm or Hail Ded			\$100,000		
Equipment Breakdown	Included		\$5,000		\$173
Total Premises Premium (excl Terrorism Premium)					\$10,306

Premises #3 Details

Address: 1235 W OLD HIGHWAY 90, SAN ANTONIO, TX 78229

Coverage	Amount of Insurance	Blanket Applies	Deductible	BI/RI Waiting Period	Premium
Building	\$175,000	Yes	\$5,000		\$338
Windstorm or Hail Ded			\$100,000		
Business Personal Property (Incl Stock)	\$5,075,000	Yes	\$5,000		\$9,795
Windstorm or Hail Ded			\$100,000		
Equipment Breakdown	Included		\$5,000		\$173
Total Premises Premium (excl Terrorism Premium)					\$10,306

Premises #4 Details

Address: 5230 EISENHAWER RD, SAN ANTONIO, TX 78218-3869

Coverage	Amount of Insurance	Blanket Applies	Deductible	BI/RI Waiting Period	Premium
Building	\$10,064,324	Yes	\$5,000		\$19,424
Windstorm or Hail Ded			\$100,000		
Business Personal Property (Incl Stock)	\$1,500,000	Yes	\$5,000		\$2,895
Windstorm or Hail Ded			\$100,000		

Equipment Breakdown	Included	\$5,000	\$382
Total Premises Premium (excl Terrorism Premium)			\$22,701

Premises #5 Details

Address: 3635 MEDICAL DR, SAN ANTONIO, TX 78229-2180

Coverage	Amount of Insurance	Blanket Applies	Deductible	BI/RI Waiting Period	Premium
Property in the Open	\$105,000	Yes	\$5,000		\$203
Windstorm or Hail Ded			\$100,000		
Equipment Breakdown	Included		\$5,000		\$3
Total Premises Premium (excl Terrorism Premium)					\$206

Premises #6 Details

Address: 7031 S NEW BRAUNFELS AVE, SAN ANTONIO, TX 78223-4587

Coverage	Amount of Insurance	Blanket Applies	Deductible	BI/RI Waiting Period	Premium
Property in the Open	\$195,000	Yes	\$5,000		\$376
Windstorm or Hail Ded			\$100,000		
Equipment Breakdown	Included		\$5,000		\$6
Total Premises Premium (excl Terrorism Premium)					\$382

Premises #7 Details

Address: 1235 W OLD HIGHWAY 90, SAN ANTONIO, TX 78218-3869

Coverage	Amount of Insurance	Blanket Applies	Deductible	BI/RI Waiting Period	Premium
Property in the Open	\$195,000	Yes	\$5,000		\$376
Windstorm or Hail Ded			\$100,000		
Equipment Breakdown	Included		\$5,000		\$6
Total Premises Premium (excl Terrorism Premium)					\$382

Premises #8 Details

Address: 5230 EISENHauer RD, SAN ANTONIO, TX 78218-3869

Coverage	Amount of Insurance	Blanket Applies	Deductible	BI/RI Waiting Period	Premium
Property in the Open	\$400,000	Yes	\$5,000		\$772
Windstorm or Hail Ded			\$100,000		
Equipment Breakdown	Included		\$5,000		\$13
Total Premises Premium (excl Terrorism Premium)					\$785

Subjectivities

Unless otherwise stated below or unless consent of the underwriter is obtained, coverage may not be bound without compliance with the subjectivities.

- The quoted property premium includes a rate consideration based upon information contained in your application that one or more locations have a sprinkler system. Hartford will determine the adequacy of the sprinkler system(s) during our Loss Control inspection. If the sprinkler system is found to be deficient or

inadequate, we reserve the right to charge you an additional premium that contemplates the increased exposures associated with such deficiencies or inadequacies.

Coverage Explanations

Property Choice Highlights

The Hartford's Property Choice® is one of the broadest forms in the industry combining property, marine, equipment breakdown, and crime in one easy-to-use form. Property Choice with Specialized Property Insurance Coverage for Colleges and Schools Endorsement (SPICE®) automatically includes these key coverages:

- When coverage is provided for Buildings, coverage for the following items is included within the applicable limit of insurance: Bleachers, dugouts, scoreboards, flag & light poles, playground equipment, refreshment stands, press boxes, storage buildings, ticket booths, and on-premises bus stops.
- When coverage is provided for Business Personal Property, coverage for Crew shells & associated apparatus is included in the applicable limit of insurance.
- **Personal Effects of Students:** When coverage is provided for Business Personal Property, Students' Personal Effects are covered up to \$100,000 in any one occurrence, \$5,000 for each student.
- **Uniforms:** Your Athlete & Band Uniforms are covered up to \$100,000
- **Instruments:** Your Band and Orchestra Musical Instruments are covered up to \$100,000
- **Extra Expense and Expediting Expenses:** Coverage up to \$100,000 for Extra and Expediting Expenses you incur following a covered loss to Covered Property to continue your normal business operations or to make temporary or permanent repairs.
- **Cloud Computing Coverage:** When Business Personal Property coverage is provided, up to \$100,000 coverage is extended for loss or damage to Electronic Data caused by or resulting from a Covered Cause of Loss at a cloud computing facility with whom the insured has a written contract located anywhere in the world.
- Up to \$500,000 of **Combined Additional Protection** for Accounts Receivable, Building and Business Personal Property (when covered by the policy), Debris Removal, Employee Personal Effects, Leasehold Improvements, Building Legal Liability, Outdoor Trees, Sod and Plants and Pairs or Sets.
- **Auxiliary Operations:** When coverage is provided for Business Income and Extra Expense, coverage is provided for loss of Business Income from Auxiliary Operations caused by a covered cause of loss, up to \$25,000. Auxiliary Operations includes rentals, laboratory fees, bookstores, athletic events, and research grants.

As your needs change, Property Choice also offers the flexibility to increase limits or add coverage.

Package Common Forms

These Common Forms apply to all Lines of Business included in Package

Form Number	Form Name
HM00010314	POLICY FRONT COVER
HM00100107	COMMON POLICY DECLARATIONS -UUN
IL00171198	COMMON POLICY CONDITIONS
IH09850115	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
IH99400409	U.S. DEPT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS
IH99410409	TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

The Hartford's policy forms with the most recent edition dates will apply to the policy and are available upon request or online on the Electronic Business Center (EBC).

Property Forms

Form Number	Form Name
PC00910118	QUICK REFERENCE PROPERTY CHOICE COVERAGE PART
PC00010109	PROPERTY CHOICE COVERAGE PART - DECLARATIONS
PC00020118	PROPERTY CHOICE - SCHEDULE OF PREMISES AND COVERAGES
PC50170118	PROPERTY CHOICE - SPECIALIZED PROPERTY INSURANCE COVERAGES FOR COLLEGES AND SCHOOLS
PC20230109	GREEN CHOICE - ADDITIONAL COVERAGES
PC00900118	PROPERTY CHOICE CONDITIONS AND DEFINITIONS
IH09400115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
PC00100118	PROPERTY CHOICE COVERAGE FORM
PC00240113	PROPERTY CHOICE - EXTRA EXPENSE COVERAGE FORM (BUSINESS INTERRUPTION)
PC00300113	LEGAL LIABILITY - BUILDING COVERAGE FORM
PC10100118	PROPERTY CHOICE - COVERED CAUSES OF LOSS AND EXCLUSIONS FORM
PC10720118	PROPERTY CHOICE - CAUSE OF LOSS - EQUIPMENT BREAKDOWN
PC10830118	CAUSES OF LOSS - ELECTRONIC VANDALISM
PC20440118	CLOUD COMPUTING COVERAGE
PC30421113	TEXAS CHANGES - CANCELLATION AND NONRENEWAL
PC31420312	TEXAS CHANGES

The Hartford's policy forms with the most recent edition dates will apply to the policy and are available upon request or online on the Electronic Business Center (EBC).

Property Choice®

For Colleges and Schools

The Hartford offers comprehensive protection for your standard and industry-specific property coverage needs. Our industry-tailored Colleges and Schools SPICE® (Specialized Property Insurance Coverage Endorsement) enhances specific coverages in our Property Choice® form. This coverage summary outlines the enhancements our endorsement provides to help properly protect your business from property risks specific to your industry.

Additional Coverage	Limits of Insurance
Accounts Receivable:	\$250,000 at Scheduled Premises, in Transit or while at Unnamed Premises
Brands and Labels:	Included in Business Personal Property-Stock
Building Glass Repairs:	Included in Building Limit of Insurance
Business Travel Including Sales Representatives Samples:	\$50,000
Claims Expenses:	\$50,000
Contract Penalties:	\$50,000
Debris Removal of Covered Property:	\$250,000
Employee Personal Effects:	\$50,000
Errors in Description:	Included
Exhibitions:	\$50,000 at any one Exhibition
Extra Expense and Expediting Expense:	\$100,000 in any one occurrence
Fine Arts:	\$50,000
Fire Department Service Charge:	\$50,000
Fire Device Recharge:	\$50,000
Fungus, Wet Rot, Dry Rot, Bacteria and Virus - Limited Coverage:	\$50,000 at each Scheduled Premises in any one Policy Year
Inflation Guard:	Consumer Price Index up to 8%
Installment or Deferred Sales:	Up to \$50,000
Loss of Master Key	\$25,000
New Construction at Scheduled Premises:	\$1,000,000
Newly Acquired Property - Buildings:	\$2,000,000
Newly Acquired Property - Business Personal Property:	\$1,000,000
Non Owned Detached Trailers:	\$50,000
Ordinance or Law Coverage - Coverage A. Value of the Undamaged Building:	Included in the Building Limit of Insurance
Ordinance or Law Coverage - Coverages B. & C. Demolition & Increased Cost of Construction:	\$1,000,000
Outdoor Trees, Shrubs, Sod, Plants and Lawns:	\$50,000
Pairs and Sets:	Included in Business Personal Property-Stock
Pollutants and Contaminants Clean-up:	\$50,000 at each Scheduled Premises in any one Policy Year
Preservation of Property:	180 days
Reward Coverage:	\$50,000
Sewer and Drain Back-up:	Included in the Limit of Insurance
Transit:	\$100,000
Transition to Replacement Premises:	Included within the Limit of Insurance applicable to the Covered Property that is moved
Unnamed Premises - Building:	\$100,000
Unnamed Premises - Business Personal Property:	\$100,000
Unnamed Premises - Business Personal Property - Installation:	\$25,000 in any one Installation
Utility Service Interruption:	\$25,000
Water Damage Building Tear Out and Repair:	Included in the Limit of Insurance
Water Seepage:	\$25,000
Wind Blown Debris:	\$2,500
Additional Covered Property Included in the Building Limit of Insurance:	Bleachers, Dugouts, Scoreboards, Flag and Light Poles, Playground Equipment, Refreshment Stands, Press Boxes, Storage Buildings, Ticket

	Booths, and Bus Stops at Scheduled Premises
Animals:	\$25,000
Athletic Uniforms, Band Uniforms and Theatre Costumes:	\$100,000
Business Income from Auxiliary Operations:	\$25,000
Faculty Personal Effects:	Included in Employee Personal Effects
Harvested Crops:	\$25,000
Musical Instruments:	\$100,000
Personal Effects of Students - Sublimit of \$5,000 per student:	\$100,000
Green Building:	
Cost to Upgrade:	\$100,000 in any one Occurrence
Combined Additional Protection:	
Applies to: Accounts Receivable; Building; Business Personal property; Debris Removal - Covered Property; Employee Personal Effects; Fine Arts; Leasehold Improvements (Tenant Lease Coverage); Legal Liability - Building; Outdoor Trees, Shrubs, Sod, Plants and Lawns or Pairs or Sets:	Up to \$500,000
Tenant Lease Coverages:	
Building Glass:	Included in Business Personal Property Limit
Lease Assessment:	\$2,500
Leasehold Improvements:	\$25,000
Miscellaneous Interior Building Property:	\$25,000
Theft Damage:	Included in Business Personal Property Limit
Legal Liability - Building:	\$25,000 in any one Accident
Property Choice Common Crime Coverage form is added:	
Employee Theft:	\$100,000
Forgery or Alteration:	\$25,000
Money Orders and Counterfeit Paper Currency:	\$25,000
Money and Securities - Inside the Premises:	\$50,000
Money and Securities - Outside the Premises:	\$25,000

If Business Interruption is part of this policy the following Additional Coverages apply:	
Business Travel:	Included in Business Income Limit of Insurance
Civil Authority (72 Hour Waiting Period Applies):	30 days
Dependent Properties (72 Hour Waiting Period Applies):	\$100,000 from all Dependent Properties Worldwide in any one Occurrence
Secondary Dependent Properties - Contributing and Recipient Locations:	Included in Dependent Properties Limit of Insurance
Extended Income:	180 days, Included in the Business Income Limit of Insurance
Fungus, Wet Rot, Dry Rot, Bacteria and Virus - Limited Coverage:	Actual Loss Sustained for 30 days
Future Earnings:	Included in Business Income Limit of Insurance
Ingress and Egress (24 Hour Waiting Period Applies):	30 days
Lessor's Tenant Move Back Expense:	\$10,000
Machinery Testing and Training:	Included in Business Income Limit of Insurance
Newly Acquired Premises:	Included in Business Income Limit of Insurance
Ordinance or Law: Increased Period of Restoration:	Included in Business Income Limit of Insurance
Pollutants and Contaminants Clean-up:	\$25,000 in any one Policy Year
Sewer and Drain Back-up:	Included in the Business Income Limit of Insurance
Transit:	\$100,000
Unnamed Premises:	\$100,000 in any one Occurrence
Unnamed Premises - At Any Installation:	Included in Business Income Limit of Insurance
Unnamed Premises - At Any One Exhibition:	Included in Business Income Limit of Insurance
Utility Service Interruption (24 Hour Waiting Period Applies):	\$25,000
Website and Internet Services (12 Hour Waiting Period Applies):	Lesser of Actual Loss Sustained for 30 days or \$100,000

When the limits applicable to certain coverages included in the Specialized Property Insurance Coverage Endorsement (SPICE) are increased, the increased limits replace the limits indicated on the SPICE coverage form. If separate limits of insurance are shown for crime coverages, those limits apply in addition to the crime limits indicated in the Specialized Property Insurance Coverage Summary.

Payment Plans

Direct Bill Option

The Hartford Direct Bill System puts you in control of making premium payments by deciding the bill plan that best fits your budget.

YOU DECIDE HOW YOUR PAYMENTS ARE MADE...

- **Pay Online:** Register at www.thehartford.com/servicecenter and select "Pay My Bill". Online Bill Pay is Quick, Easy, and Secure!
- **Repetitive EFT:** Sign up for Repetitive Electronic Funds Transfer (EFT) and have payments automatically withdrawn from your bank account. This option saves you money by reducing the amount of the installment fee.
- **Pay by Check:** Send a check with your remittance stub in the envelope enclosed with your bill.
- **Pay by Phone:** Call toll-free 1-866-467-8730 to authorize a one time withdrawal from your bank account.

State surcharges are fees that are assessed by the state(s) on the policy and paid by The Hartford to the appropriate government agency. The full amounts of these fees are typically included in the down payment according to state regulations.

Bill Plans	Down Payment	Installment Amounts	Bill Month
Full Pay	100%	-	-
Two Pay	60 %	40%	5 months after effective date
Three Pay	40 %	30%	3 months after effective date
		30%	7 months after effective date
		25%	2 months after effective date
Four Pay	30%	25%	5 months after effective date
		20%	8 months after effective date
Ten Pay	25%	9 Equal Installments	Monthly, on account bill day

Installment fees may apply. Failure to pay in accordance with the payment schedule may result in us sending a Direct Notice of Cancellation.

Agency Bill Option

Bill Plans	Down Payment	Installment Amounts	Bill Month
Full Pay	100%	-	-

Failure to pay in accordance with the payment schedule may result in us sending a Direct Notice of Cancellation.

Claims

More than 200 years' experience behind every claim

Since 1810, The Hartford has been helping customers weather storms, accidents and injuries by providing superior service and professional claims services. We've developed an array of services to help customers recover from losses such as Fraud Detection and Subrogation Capabilities.

Here are just a few of the features and capabilities at The Hartford:

Workers' compensation

- **Preferred medical provider networks** - We offer access to more than 1,000,000 healthcare providers with negotiated rates.
- **Pharmacy benefit management** - more than 65,000 network pharmacies nationwide with electronic reporting and automated processing. "First Fill" - ensures no out-of-pocket pharmacy expenses for the injured employee in most cases
- **Medical bill review** - every medical bill reviewed to avoid duplication and other errors
- **Nurse case managers** - provide medical consultation on medically complex claims and coordinate return-to-work efforts

General liability

- **Specialized handling** - property damage, bodily injury, and litigation teams with experienced, knowledgeable handlers for every claim.
- **The Hartford maintains a broad network of attorneys** - Staff and outside Panel Counsel - to drive toward efficient resolution of claims.

Property

- **Inside and outside handlers** - adjust claims from our offices or at the site of a loss to ensure efficient and accurate claims handling
- **Transportation team** - specializes in handling ocean marine and motor cargo claims
- **Staff CPAs** - supply knowledge and experience to quickly and fairly resolve business interruption cases
- **Catastrophe claims operation** - resources dedicated to handling property claims arising from catastrophic events

Auto

Whether you have one company car or a fleet, The Hartford has resources to get your business rolling after an accident. Our national network offers access to more than 2,000 collision repair shops, guaranteed workmanship on covered repairs as long as you own your vehicle. No need for multiple estimates when using a network shop. No deductible on glass repairs, with mobile service available in many areas. In-house auto claims consultants provide handling and reserving guidance on complex, high-exposure claims.

Terrorism

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Terrorism Coverage and Premium

In accordance with the federal Terrorism Risk Insurance Act (as amended "TRIA"), we are required to make coverage available under your policy for "certified acts of terrorism." The actual coverage provided by your policy(ies) will be limited by the terms, conditions, exclusions, limits, and other provisions of your policy(ies), as well as any applicable rules of law.

The portion of your premium attributable to this terrorism coverage is shown in the premium section(s) of this quote proposal or binder.

Definition of Certified Act of Terrorism

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Disclosure of Federal Share of Terrorism Losses under TRIA

The United States Department of the Treasury will reimburse insurers for 85% of insured losses that exceed the applicable insurer deductible. Effective January 1, 2016, this percentage will be reduced to 84%, effective January 1, 2017 to 83%, effective January 1, 2018 to 82%, effective January 1, 2019 to 81%, and effective January 1, 2020 to 80%.

However, if aggregate industry insured losses under TRIA exceed \$100 Billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

Cap on Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 Billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

Note to Producer on TRIA: The premium for terrorism coverage and the TRIA disclosures above must be provided to the insured or prospect at the time of quoting. If you are not using this quote proposal, you can use Hartford's stand-alone TRIA disclosure form for quotes and binders, which is available on the EBC or from the company.

THE HARTFORD FACT SHEET

KEY FACTS

- Founded: 1810
- Employees: Approximately 16,900
- Headquarters: Hartford, Conn.
- Website: thehartford.com

FINANCIAL HIGHLIGHTS

(as of 12/31/2016)

- 2016 revenues: \$18.3B
- Shareholder equity: \$16.9B

MARKET RANKINGS

- No. 5 commercial multi-peril carrier, based on direct written premiums¹
- No. 2 workers' compensation insurer, based on direct written premiums¹
- No. 4 in fully insured disability inforce²
- No. 3 in fully insured disability sales²

Hartford Funds 2016 Barron's Rankings:

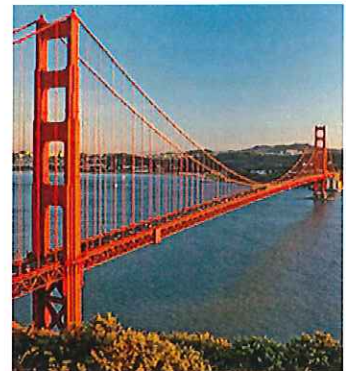
- >> 2nd Best Fund Family Overall over five years³
- >> 3rd Best Fund Family for Tax Exempt Bond over five years³

ABOUT THE HARTFORD

With more than 200 years of expertise, The Hartford (NYSE: HIG) is a leader in property and casualty insurance, group benefits and mutual funds. The Hartford sells its products primarily through a network of independent agents and brokers, and for more than 30 years has been the only nationally endorsed direct auto and home insurance program for AARP's 37 million-plus members. The Hartford helps its customers prepare for the unexpected, protect what's most important to them and prevail when the unforeseen happens. For more information about The Hartford, visit our [About Us](#) Page.

FUN FACTS

- The Hartford serves more than one million small businesses.
- The Hartford is a founding partner of U.S. Paralympics.
- Babe Ruth purchased a policy from The Hartford in 1920 for protection against disability.
- The Hartford's trademark logo echoes the majestic stag depicted in Sir Edwin Landseer's 1851 painting Monarch of the Glen. A hart fording a stream is a natural symbol for a company named The Hartford.
- The Hartford provided insurance for the only home Abraham Lincoln ever owned.



The Golden Gate Bridge opened in 1937. Construction of the bridge was bonded by The Hartford.

2016 P&C WRITTEN PREMIUMS

TOTAL PREMIUM: \$10.6B

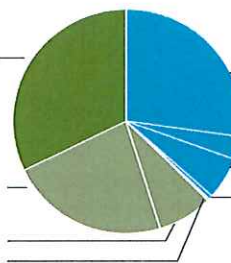
Group Benefits fully insured ongoing premiums: \$3.1B

Total Mutual Funds segment assets under management: \$97.5B

P&C COMMERCIAL

TOTAL \$6.7B

Small Commercial: \$3.5B
Middle Market: \$2.3B
Specialty: \$826M
Other: \$42M



PERSONAL LINES

TOTAL \$3.8B

AARP Direct: \$2.9B
AARP Agency: \$374M
Other Agency: \$523M
Other: \$50M

THE HARTFORD'S BUSINESSES

Business Insurance

- Workers' compensation
- Property
- General liability
- Professional liability
- Auto

Personal Lines

- Auto
- Home
- Renters
- Umbrella

Employee Benefits

- Group disability, life and AD&D
- Absence management
- Voluntary benefits, including critical illness and accident
- Group retiree health

Mutual Funds

- Equity, fixed income and asset allocation mutual funds subadvised by Wellington Management and Schroders
- Broad range of exchange-traded funds: both strategic beta and active ETFs



continued

FINANCIAL STRENGTH ⁴	A.M. BEST	MOODY'S	S&P
Hartford Fire Insurance Company	A+	A1	A+
Hartford Life Insurance Company	A-	Baa2	BBB+
Hartford Life and Accident Insurance Company	A	A2	A
Hartford Life and Annuity Insurance Company	A-	Baa2	BBB+

AWARDS AND RECOGNITION

- Fortune 500: No. 153, *Fortune* (2017)
- Barron's 500: No. 177, *Barron's* (2016)



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



(2008-2012, 2014-2017)



(2014-2017)



(2010-2015)



(2010-2015)



THE JUNIOR FIRE MARSHAL® PROGRAM

Facts About The Program:

- The Junior Fire Marshal program is one of the oldest corporate-sponsored public education programs in the country.
- Since its inception in 1947, more than 110 million Junior Fire Marshals have been deputized.
- As part of the 70th anniversary of the program, The Hartford will donate a total of \$2 million to local school districts and fire departments for fire safety education by 2019.



The Hartford's Fire Safety House: Simulated fire and smoke demonstration to help educate students on fire safety that will travel to select cities identified by the fire index.

Prepare. Protect. Prevail.®



For a full list of The Hartford's accolades, visit our [Recognition](#) page.

¹ Source: 2015 A.M. Best data

² Source: 2015 LIMRA Market Share Rankings

³ Source: Barron's, "The Best Mutual Fund Families of 2016," February 13, 2017. The Barron's/Lipper Fund Survey ranks fund families by evaluating the asset-weighted returns of mutual funds and exchange-traded funds in five categories: general U.S. equity, world equity, mixed equity, taxable bond, and tax-exempt bond utilizing Barron's methodology. Barron's did not include sales charges and 12b-1 fees in calculating returns. All rankings are based on the five-year period ending 12/31/16. Past performance is not indicative of future results.

⁴ As of June 22, 2016 (date of last rating agency action from A.M. Best), July 27, 2016 (date of last rating action for Moody's), and July 21, 2016 (date of last rating action for Standard and Poor's).

- Hartford Fire Insurance Company ratings are on positive outlook at A.M. Best, Moody's and Standard and Poor's.
- Hartford Life Insurance Company ratings are on stable outlook at A.M. Best, Moody's, and Standard and Poor's.
- Hartford Life and Accident Insurance Company ratings are on stable outlook at A.M. Best, and Standard and Poor's and on positive outlook at Moody's.
- Hartford Life and Annuity Insurance Company ratings are on stable outlook at A.M. Best, Moody's, and Standard and Poor's.

For more details about The Hartford Financial Services Group, Inc., refer to our most recent Form 10-K and/or 10-Q and the other filings we make with the Securities and Exchange Commission. All of these are available at the Investor Relations section of The Hartford's website: <http://ir.thehartford.com>. Current financial information can also be obtained from the latest Investor Financial Supplement accessible through the Investor Relations website. We assume no obligation to update this fact sheet, which speaks as of the dates indicated.



PROPERTY CHOICE COVERAGE FORM

(PROPERTY)

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Property Choice Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Form PC 00 90 **PROPERTY CHOICE CONDITIONS AND DEFINITIONS** for definitions.

A. COVERAGE

We will pay for direct physical loss of or direct physical damage to the following types of Covered Property caused by or resulting from a Covered Cause of Loss. Covered Property, as used in this Coverage Part, means the type of property described in this Section, **A.1. Covered Property** for which a Limit of Insurance and a premises address is shown in the Property Choice - Schedule of Premises and Coverages.

1. Covered Property

a. **Building** means buildings or structures that:

- (1) You own; or
- (2) Are responsible for insuring.

Building also includes:

- (1) Buildings or structures in the course of construction;
- (2) Alterations, repairs or additions to the building;
- (3) Foundations;
- (4) Underground pipes, flues or drains necessary for the service of the building;
- (5) Excavations, grading, backfilling or filling that are necessary to repair, rebuild or replace the building or its foundation;
- (6) Permanently installed machinery and equipment;
- (7) Awnings, "Building Glass" and floor coverings;
- (8) Materials, equipment and supplies, used in the construction, alteration or repair of buildings;

- (9) Radio or television towers, antennas and satellite dishes (including attachments), fences, signs and other outdoor fixtures;

- (10) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

- (11) Property owned by you for the maintenance or service of the building or its premises, including fire extinguishing equipment, alarm, communication and monitoring systems, and lawn maintenance or snow removal equipment;

- (12) Retaining walls attached to buildings;

- (13) Swimming pools whether or not attached to the building;

- (14) Appurtenant structures whether or not attached to the building;

- (15) Electronic car charging stations;

- (16) Solar panels attached to the building;

- (17) Walks, roadways, patios or other paved surfaces at a "Scheduled Premises".

b. Business Personal Property

- (1) Business Personal Property means:

- (a) All of Your Business Personal Property owned by your business; and

- (b) Business Personal Property owned by others, that is in your care, custody or control (including leased property as provided in a written lease agreement);

- (2) Business Personal Property also includes:

- (a) Furniture, fixtures, machinery and equipment;

- (b) "Stock";
 - (c) "Computer Equipment";
 - (d) "Electronic Data" and "Valuable Papers";
 - (e) Patterns, dies, molds and forms;
 - (f) Your interest in the labor, materials or services furnished or arranged by you on Business Personal Property you have installed or repaired;
 - (g) "Tenant Improvements and Betterments";
 - (h) Tools and equipment owned by your employees that are used in your business operations;
 - (i) Building components while removed from the premises for service or repair;
 - (j) Lottery tickets held for sale and postage stamps in current usage;
 - (k) Electronic car charging stations if not covered under Building.
- (3) Coverage applies to Business Personal Property up to 1000 feet outside the premises boundary.

2. Property Not Covered

Covered Property does not include the following unless an endorsement is added to this Coverage Part:

- a. Accounts, bills, currency, food stamps or other evidences of debt, "money", notes or "securities".
- b. Animals, except animals inside buildings, and:
 - (1) Owned by others and boarded by you; or
 - (2) Owned by you as "Stock".
- c. Property owned by and for exclusive personal use by you or your officers, members, partners or employees.
- d. Property owned by your residents, patients, or students.
- e. Property owned by your tenants.
- f. Contraband, or property in the course of illegal transportation or trade.
- g. Growing crops or standing timber.
- h. Grain, hay, straw or other crops which have been harvested, but are outside of buildings or structures.
- i. Outdoor trees, shrubs, plants and sod (other than those held for sale) and lawns.
- j. Land (including land on which the property is located), land values, water (except water contained within any storage tank, for use in your manufacturing or processing operations), dams, underground mines, and caverns.

- k. Vehicles, and self-propelled machines, including aircraft (including "unmanned aircraft") and watercraft, except the following are Covered Property:

- (1) Vehicles and self-propelled machines, (including aircraft and watercraft) that you manufacture, process, warehouse or hold for sale (except automobiles held for sale) while located at insured premises;
- (2) Vehicles and self-propelled machines, (except aircraft and watercraft) that you operate principally on your insured premises, that are not licensed or registered for use on public roads; and
- (3) Canoes and rowboats while out of the water at insured premises.

- l. Business Personal Property that you have sold under:

- (1) Conditional sale;
- (2) Trust agreement;
- (3) Installment payment;
- (4) Other deferred payment plan; or
- (5) Other agreement under which you have retained a security interest;

- m. Property that is more specifically covered, insured or described under another coverage form of this policy or any other policy, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

- n. Live eggs, human tissue, bodily fluids, or embryos.

- o. Retaining walls not attached to the building.

3. Covered Causes of Loss

See Property Choice - Covered Causes of Loss and Exclusions Form.

B. EXCLUSIONS

See the Property Choice - Covered Causes of Loss and Exclusions Form.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the smallest applicable Limit of Insurance shown in the Property Choice Declarations, Schedules, Coverage Form(s) or Endorsement(s).

D. DEDUCTIBLE

We will not pay for direct physical loss or direct physical damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductible stated in the Property Choice Schedule of Premises and Coverages or Endorsement(s). We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.

When claim is made for loss or damage to more than one type of property, coverage, premises, or Cause of Loss and different deductible amounts apply in the same occurrence, we will only apply the largest applicable deductible for the item for which claim is made unless specified by endorsement.

E. LOSS PAYMENT AND VALUATION CONDITIONS

Covered Property will be valued at either Replacement Cost or Actual Cash Value, as stated in the Property Choice Schedule of Premises and Coverages and as described below except for the items listed below in item 3. **Specific Property Valuations.** We will not pay more than your financial interest in the lost or damaged property.

1. Replacement Cost

In the event of covered loss or damage, we will determine the value of Covered Property at the actual amount spent to repair, replace or rebuild the damaged property as of the time of the loss or damage, at the same site or another site, subject to the following:

- a. We will not pay more for lost or damaged property than the least of
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The amount it costs to replace, on the same premises, the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount you actually spend that is necessary and reasonable to repair or replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose.
 - (4) In the event of a total loss to Building property, you may choose to replace your Building property at another premises, however, we will not pay more than the cost to replace the Building property at the original premises.

(5) In the event of a total loss to Business Personal Property, we retain our right to salvage such Business Personal Property.

(6) Replacement Cost does not include any increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

- b. We will pay you on an Actual Cash Value basis until the lost or damaged property is actually repaired, rebuilt or replaced.
- c. If you do not repair, replace or rebuild on the same site or another site within 2 years of the date of loss, we will pay you on an Actual Cash Value basis.
- d. Patterns, dies, molds and forms not in current usage at actual cash value. If loss is paid on an actual cash value basis and within 60 months from the date of the covered loss and you need to repair or replace them, we will pay you, subject to the Conditions of this insurance, the difference between actual cash value and replacement cost when the patterns, dies, molds and forms are actually repaired or replaced.

2. Actual Cash Value

- a. We will pay you on an Actual Cash Value basis if:
 - (1) The valuation of the lost or damaged property is designated in the Property Choice Schedule of Premises and Coverages as Actual Cash Value.
 - (2) You elect Actual Cash Value as the basis for loss payment at the time of loss or damage.
- b. In the event of covered loss or damage, at our option, we will do one of the following, but not pay more than the Limit of Insurance applicable to the lost or damaged property:
 - (1) Pay the value of the lost or damaged property at the time of loss;
 - (2) Take all or any part of the property at an agreed or appraised value; or
 - (3) Repair, rebuild or replace the property with other property of like kind and quality, or pay you the cost to do so.
- c. In the event of a total loss to Business Personal Property, we retain our right to salvage such Business Personal Property.
- d. Actual Cash Value does not include the increased cost attributable to enforcement

of or compliance with any ordinance or law regulating the construction, use or repair of any property.

- e. If the actual amount spent to repair, replace or rebuild the damaged property as of the time of the loss is \$25,000 or less (after the application of the applicable deductible), we pay the loss or damage on the basis of the Replacement Cost provisions described in E.1. above. This Exception does not apply to the following Specific Property Valuations.

3. Specific Property Valuations

a. Accounts Receivable

We will determine the amount of Accounts Receivable loss as follows:

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
 - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that amount of accounts receivable is established:
 - (a) The amount of the accounts for which there is no loss;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

b. Animals

We will determine the value of animals at the cost of replacement with animals of like kind and quality as when originally acquired by you.

c. "Building Glass"

We will determine the value of "Building Glass" at the cost of replacement with safety glazing material if required by law.

d. "Electronic Data"

- 1. We will determine the value at the actual, reasonable and necessary costs you incur to restore or replace "Electronic Data".
- 2. We will not pay for costs or expenses you incur to:
 - (a) Identify or remediate any errors or vulnerabilities or to update, restore, replace, upgrade, maintain or improve any "Computer Equipment" or computer system;
 - (b) Update, replace, restore or improve any "Electronic Data" to a level beyond the condition in which it existed immediately preceding the loss or damage; or
 - (c) Duplicate research that led to development of your "Electronic Data" or any proprietary or confidential information or intellectual property in any form.

To the extent that "Electronic Data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "Electronic Data" was stored, with blank media of substantially identical type.

If you recover from a licensor, lessor or any other party for loss or damage to "Electronic Data", our loss payment to you will be reduced by the amount of such recovery.

e. Fine Arts

We will determine the value of Fine Arts, at the lesser of:

- (1) The market value at the time of loss or damage;
- (2) The reasonable cost of repair or restoration to the condition immediately before the covered loss or damage; or
- (3) The cost of replacement with substantially identical property.

For pairs or sets, we will either:

- (1) Repair or replace any part to restore the value and condition of the pair or set to that immediately before the covered loss or damage; or
- (2) Pay the difference between the value of the pair or set before and after the covered loss or damage.

f. Party Wall

A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling

covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

g. Property of Others

- (1) If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the lesser of:
 - (a) amount for which you are liable under such contract;
 - (b) the replacement cost of the property; or
 - (c) the applicable Limit of Insurance.
- (2) If no such contract exists we will not pay more than your financial interest in Personal Property of Others not to exceed:
 - (a) the Actual Cash Value of such property; or
 - (b) the applicable Limit of Insurance.
- (3) At your option, we may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners:
 - (a) Such payments will only be for the account of the owner of the property and will satisfy your claims against us for the owners' property;
 - (b) We will not pay more than their financial interest in the property.
- (4) We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

h. "Stock"

(1) Manufactured Stock (including Selling Price)

We will determine the value of "Stock" you have manufactured at the selling price less discounts and expenses you otherwise would have incurred. This also applies to component parts manufactured by others that will become a part of your finished product.

(2) Mercantile Stock

We will determine the value of "Stock", which you have purchased for resale and have sold but not delivered, at the selling price less discounts and expense you otherwise would have had. This does not apply to "Stock" you have manufactured.

(3) Stock in Process

We will determine the value of "Stock" in process of manufacture at the replacement cost of the raw materials, plus labor expended and the proper proportion of overhead charges.

(4) Commodity Stock

For "Stock" that is bought and sold at an established market exchange, we will determine the value at:

- (a) The posted market price as of the time and place of loss;
- (b) Less discounts and expenses you otherwise would have had.

i. "Tenant Improvements and Betterments"

- (1) If you do not repair or replace lost or damaged "Tenant Improvements and Betterments" within 2 years, we will pay the pro rata of the Actual Cash Value based on the duration of the lease and the installation date of the property.
- (2) If others pay for repairs or replacement, we will not make loss payment to you.

j. Transit

We will determine the value of covered property in due course of transit at:

- (1) The amount of invoice plus accrued costs, prepaid charges and charges since shipment; or
- (2) In the absence of an invoice, the valuation provision otherwise applicable to that type of Covered Property as of the time of loss or damage.

k. "Valuable Papers"

We will determine the value of "Valuable Papers" at your incurred cost of:

- (1) Blank materials for reproducing the records (including blank prepackaged programs when replaced); and
- (2) Labor to transcribe or copy the records and to research, replace or restore the lost information, including research and development documentation.

l. Vehicles

- (1) We will determine the value of covered vehicles and self-propelled machines, including aircraft, automobiles, contractor's equipment and watercraft on an Actual Cash Value basis. This also applies to coverage provided for trailers under the Non-Owned Detached Trailer Additional Coverage.
- (2) New vehicles and machines you have manufactured will be subject to the valuation applicable to covered "Stock".

4. Value Enhancements

a. Architect and Engineering Fees

The value of Covered Property will include reasonable architect and engineering fees you incur in the course of repairing or reconstructing damaged property.

b. Customs Duty, Sales Tax

The value of Covered Property will include the cost of customs duties and sales taxes to repair or replace the property.

c. Extended Warranties

The value of Covered Property, that is a total loss during the policy period, will include the unused pro rata portion of non-refundable optional extended warranties or service contracts which you purchased for the damaged property prior to the covered loss or damage.



At Liberty Mutual Insurance, our focus is protecting your business. You benefit from the expertise and consultative approach taken by our team of knowledgeable underwriting, claims, and risk control specialists, for help and advice when you need it most.

YOUR Liberty Mutual Insurance Proposal



For

The San Antonio Early Childhood Municipal Development Corporation DBA Prek 4 SA
7031 S NEW BRAUNFELS AVE
SAN ANTONIO, TX 78223

Lines of Coverage

Commercial Auto	07/01/2018 to 07/01/2019
General Liability	07/01/2018 to 07/01/2019
Umbrella	07/01/2018 to 07/01/2019
School Leaders Errors and Omissions Liability	07/01/2018 to 07/01/2019

Submitted by

MCGRIFF SEIBELS & WILLIAMS OF TEXAS INC
818 TOWN AND COUNTRY BLVD STE 500
HOUSTON, TX 770244550

This Proposal is valid until 07/01/2018

Top Reasons to Choose Liberty Mutual Insurance

- A flexible, comprehensive insurance program designed to meet your needs
- An experienced, tenured team who understands your business
- Superior claims service for better experiences and outcomes
- The financial strength, security, and capacity from a Fortune 100 carrier

This proposal is based only upon the forms, limits, deductibles, terms and conditions shown herein, and may vary from your original request for coverage. Please review the proposal carefully for any variances. All coverage descriptions are subject to the policy provisions. The terms, conditions and premiums included in this proposal contemplate the sale or renewal of all the quoted insurance lines. Electing to buy or renew only some of the lines of coverage may result in changes to the terms, conditions and premiums of the remaining insurance lines. Liberty Mutual Insurance is the marketing name for the property and casualty insurance operations of Liberty Mutual Insurance. Products may be written in the following insurance company subsidiaries of Liberty Mutual Insurance: Ironshore Specialty Insurance Company*, Ironshore Insurance Inc., Liberty Mutual Fire Insurance Company, Liberty Insurance Corporation, LM Insurance Corporation, The First Liberty Insurance Corporation, Liberty Surplus Lines Incorporated*, Liberty County Mutual Insurance Company, Employers Insurance Company of Wausau. Not all products and coverages may be available in all companies or jurisdictions. (*Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds).



Stable and Consultative Partnership

We take the time to understand how your individual business works to provide the products, coverage, and services as unique as you are. We're here to serve you, your goals, and your employees — ready to adapt with you as your business grows and changes.

Our wide breadth of coverages can help prevent gaps and reduce the need for supplemental policies from other carriers. No matter how complex your needs, our underwriting experts are here for you. You benefit from our consultative approach, for a more informed, collaborative partnership.

Superior Service

VantagePort — Online portal gives you access to account and billing information, risk control services and medical providers, as well as report and track claim activity.

The claims portion is managed through RISKTRAC, an online tool for quick, easy review, management, and reporting on claims activity. With RISKTRAC, you can:

- View adjuster claim notes and monitor activity
- Communicate directly with case handlers
- Create watch lists to keep track of important claims
- Include your own notes on a private "diary"
- Set alerts to be notified of reserve and payment activity

You expect prompt, clear communication. We do too. Our teams anticipate your concerns and keep you informed. And we're always just a phone call away.

Tailored Risk Control

Our risk control teams can help you identify and mitigate risks that cost time and money with:

- Personal site surveys, for custom service plans and safety solutions
- Online risk control tools and resources — backed by research and available 24/7
- A helpline for tailored risk control advice from experts with the latest information

Dedicated Customer Service

We work like part of your team, because we understand your business:

- Single point of contact for all service needs
- Ensure a smooth transition to Liberty Mutual
- Address business, industry, regulatory, and structural challenges
- Facilitate a smooth claims experience by quickly addressing questions and resolving issues

Fast and Accurate Claims

If building or business equipment is damaged, or a worker is injured, you can rely on our claims professionals for fast, accurate service and cutting-edge technical tools that keep us at the forefront of our industry.

PREMIUM SUMMARY

LINES OF COVERAGE	ESTIMATED ANNUAL PREMIUM
Commercial Auto	
Guaranteed Cost	\$ 928
General Liability	
Guaranteed Cost *	\$ 31,285
Umbrella	
Guaranteed Cost *	\$ 7,405
School Leaders Errors and Omissions Liability	
Guaranteed Cost *	\$ 10,019
ACCOUNT TOTAL	\$ 49,637

* Estimated Annual Premium includes TRIA charge

Taxes/Assessments/Surcharges may change if state(s) mandate charges, which are not reflected in this proposal.

Commission

The San Antonio Early Childhood Municipal Development Corporation DBA Prek 4 SA
7031 S NEW BRAUNFELS AVE
SAN ANTONIO, TX 78223

Policy Effective Date: 07/01/2018

Commission Detail

	Rate	Description	Estimated Premium	Estimated Commission
Auto				
Guaranteed Cost	\$ 0	Allowance/Flat - \$	\$ 928	\$ 0
General Liability				
Guaranteed Cost	\$ 0	Allowance/Flat - \$	\$ 31,285	\$ 0
Umbrella				
Guaranteed Cost	\$ 0	Allowance/Flat - \$	\$ 7,405	\$ 0
School Leaders Errors and Omissions Liability				
Guaranteed Cost	\$ 0	Allowance/Flat - \$	\$ 10,019	\$ 0

For Workers Compensation Deductible Plan, General Liability and/or Auto Reimbursement plans, commission amounts stated on a percentage basis will be calculated on deductible/reimbursement premium.

Commissions will be paid in accordance with the payment plans established for the customer.

Summary of Pay Plan

The San Antonio Early Childhood Municipal
Development Corporation DBA Prek 4 SA
7031 S NEW BRAUNFELS AVE
SAN ANTONIO, TX 78223

Policy Period: 07/01/2018 to 07/01/2019

The following payment arrangements are options offered with this proposal. Please note that the deposit and installation amounts differ depending on your choice of ACH or non-ACH payments. You may choose one option.

Automated Clearing House (ACH) Pay Terms Offered

LOB	Payment Plan	Deposit Amount	Installment Amount
Commercial Auto - Guaranteed Cost	ANNUAL	\$928.00	N/A
General Liability - Guaranteed Cost	ANNUAL	\$31,285.00	N/A
Umbrella - Guaranteed Cost	ANNUAL	\$7,405.00	N/A
School Leaders Errors and Omissions Liability - Guaranteed Cost	ANNUAL	\$10,019.00	N/A

Non-ACH Pay Terms Offered

LOB	Payment Plan	Deposit Amount	Installment Amount
Commercial Auto - Guaranteed Cost	ANNUAL	\$928.00	N/A
General Liability - Guaranteed Cost	ANNUAL	\$31,285.00	N/A
Umbrella - Guaranteed Cost	ANNUAL	\$7,405.00	N/A
School Leaders Errors and Omissions Liability - Guaranteed Cost	ANNUAL	\$10,019.00	N/A

Terms & Conditions

Liberty Mutual Insurance appreciates the opportunity to present this proposal and offer.

Notice - Proposal Conditioned on Compliance with Domestic and Financial Sanctions Laws

In accordance with rules established by the United States Department of the Treasury, Office of Foreign Assets Control ("OFAC") and the United States Department of Commerce, Bureau of Industry and Security ("BIS"), Liberty Mutual Insurance is prohibited from contracting with or providing insurance or other benefits to any individuals, entities, vessels and countries appearing on OFAC's list of "Specially Designated Nationals and Blocked Persons," BIS' "Denied Persons List," or otherwise identified in connection with any other economic sanctions programs that OFAC and/or BIS are charged with enforcing. Various foreign governments also prohibit us from contracting with or providing financial benefit to individuals or entities appearing on blocked or denied persons lists published by such foreign governments.

This proposal, and any policy or contract that may be issued pursuant to this proposal, is based on the information you or your authorized representative provided regarding named and additional insureds under the quoted policy or policies. In the event that we learn that individuals, entities, vessels or countries that have a direct or indirect interest in the quoted insurance coverage are subject to U.S. or foreign financial sanctions laws, or appear on any domestic or foreign list of persons with whom we are prohibited from doing business or conferring financial benefit, Liberty Mutual Insurance reserves the right to amend this proposal or to withdraw it in its entirety; and, in the event a policy of insurance or a contract for other benefits is issued by us prior to or after learning that any subject persons or entities appear on the OFAC, BIS or foreign country lists, or otherwise are identified in connection with an OFAC, BIS or foreign country's economic sanctions program, Liberty Mutual Insurance reserves the right to declare any such issued policy or contract null, void and without legal or binding effect, such voiding to be effective from the otherwise effective date of such issued policy or contract and regardless of whether any circumstance has arisen, or there has been an occurrence since such issuance that would be material to the duties and responsibilities set forth in such policy or contract.

Table of Contents

Coverage Documents

Commercial Auto
Guaranteed Cost
General Liability
Guaranteed Cost
Umbrella
Guaranteed Cost
School Leaders Errors and Omissions Liability
Guaranteed Cost

*Prepared for: The San Antonio Early Childhood Municipal
Development Corporation DBA Prek 4 SA
Proposal Number: 695921
Customer Number: 494978*



Commercial Auto - Guaranteed Cost

Company Name: The First Liberty Insurance Corporation

Effective Date: 07/01/2018

Coverage Form

We are using ISO Simplified Auto forms approved in your states or jurisdictions.

Coverages, Limits and Deductibles

	Covered Auto Symbol	Limits	Deductible
Liability	08, 09	\$ 1,000,000	

	Limit	Deductible	Estimated Cost of Hire	Rate Per \$100 Cost of Hire
Hired Liability			If Any	

Commercial Auto - Guaranteed Cost (continued)

Forms and Endorsements

Coverage Forms and Endorsements are offered as indicated below and will also include state required or amendatory endorsements. Any other requested coverage not included below will require further discussion.

AC 00 03 02 13	Business Auto Declarations
AC 00 30 10 13	Changes In Your Policy
AC 84 13 01 11	Named Insured Endorsement Named Insured: The San Antonio Early Childhood Municipal Development Corporation DBA Prek 4 SA
AC 84 26 08 15	State Application of Terrorism Exclusion Endorsements Involving Nuclear, Biological Or Chemical Terrorism
AC 84 52 12 16	School Business Auto Extension Endorsement Provision 2 - Broad Form Insured (checkbox): Y Provision 3 - School Employees As Insureds (checkbox): Y Provision 4 - Volunteers As Insureds (checkbox): Y Provision 5 - Additional Insured By Contract (checkbox): Y Provision 7 - Amended Fellow Employee Exclusion (checkbox): Y Provision 8 - Hired Auto Physical Damage (checkbox): Y Provision 21 - Bodily Injury Redefined (checkbox): Y Provision 22 - Extended Cancellation Condition (checkbox): Y Provision 18 per "loss" Comprehensive Coverage deductible: \$250,000
ACS 00 03 11 11	Business Auto Declarations Extension Schedule - Hired or Borrowed Autos and Nonowned Autos
ACS 00 24 04 13	Item 3 - Schedule of Covered Autos You Own
ACS 00 26 04 13	Forms Inventory
CA 00 01 10 13	Business Auto Coverage Form
CA 01 96 10 13	Texas Changes
CA 02 43 11 13	Texas Changes-Cancellation And Nonrenewal
CA 23 85 01 06	Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism
CA 23 85 10 13	Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism

Commercial Auto - Guaranteed Cost (continued)

CA 23 87 01 06	Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism Above Minimum Statutory Limits
CA 23 87 10 13	Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism Above Minimum Statutory Limits
CA 23 89 10 13	Alaska Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism Above Minimum Statutory Limits
CA 23 93 10 13	Washington Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism
CNI 90 04 01 12	Insured Mailer Page
CNI 90 05 01 12	Producer Mailer Page
IL 00 17 11 98	Common Policy Conditions
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement (Broad)
LIL 90 05 06 13	Participating Provision
SNA 42 03 11 15	Texas Notice To Insurance Claimants For Motor Vehicle Repairs
SNI 42 02 04 15	Loss Control Services - Important Information to Policyholders - Texas Automobile Liability
SNI 42 03 03 12	Texas Important Notice
SNI 90 01 05 12	Policyholder Notice - Company Contact Information

Commercial Auto - Guaranteed Cost (continued)

Premium

Liability	\$	853
Endorsement Premium	\$	75
Texas Discount Premium		
Total Estimated Premium	\$	928
Taxes/Assessments/Surcharges	\$	0
Total:	\$	928

General Liability - Guaranteed Cost

Company Name: The First Liberty Insurance Corporation
Effective Date: 07/01/2018

Coverage Form

We are using ISO Simplified Occurrence Policy.

Coverages and Limits

	Limits of Liability
General Aggregate Limit	\$ 2,000,000
Products/Completed Operations Limit	\$ 2,000,000
Personal and Advertising Injury Limit	\$ 1,000,000
Each Occurrence Limit	\$ 1,000,000
Damage to Premises Rented To You (any one premises)	\$ 100,000
Medical Expense Limit (any one person)	\$ 5,000



General Liability - Guaranteed Cost (continued)

Forms and Endorsements

Coverage Forms and Endorsements are offered as indicated below and will also include state required or amendatory endorsements. Any other requested coverage not included below will require further discussion.

CG 00 01 04 13	Commercial General Liability Coverage Form
CG 01 03 06 06	Texas Changes
CG 21 06 05 14	Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability – With Limited Bodily Injury Exception
CG 21 86 12 04	Exclusion - Exterior Insulation and Finish Systems
CG 22 30 07 98	Exclusion - Corporal Punishment
CG 24 04 05 09	Waiver of Transfer of Rights of Recovery Against Others to Us Blanket: Any person or organization eligible for Additional Insured coverage available under this policy.
CG 24 26 04 13	Amendment - Insured Contract Definition
CG 26 39 12 07	Texas Changes - Employment-Related Practices Exclusion
IC 00 42 07 09	Inventory
IL 00 17 11 98	Common Policy Conditions
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement Broad Form
IL 01 68 03 12	Texas Changes - Duties
IL 02 75 11 13	Texas Changes - Cancellation and Nonrenewal Provisions for Casualty Lines and Commercial Package Policies
LC 00 04 08 12	Commercial General Liability Declaration
LC 04 77 02 14	Pollution Exclusion-Exception for Classroom Instruction Activities
LC 21 01 06 05	Asbestos Exclusion
LC 21 04 06 05	Discrimination Exclusion
LC 21 110 02 14	Exclusion – Law Enforcement Professional Liability
LC 21 64 08 07	Land Or Earth Movement Exclusion
LC 25 13 08 08 08 08	Non-Cumulation of Liability (Same Occurrence)
LC 29 04 08 08	Personal and Advertising Injury Redefined - Definition of Publication
LC 29 08 10 11	Advertisement Redefined
LC 99 13 03 11 03 11	TEXAS DISCLOSURE FORM
LC 99 36 02 13	Premium Responsibility Endorsement
LCS 00 01 05 12	Declarations Extension Schedule – Classification Descriptions
LCS 00 02 05 12	Declarations Extension Schedule
LG 32 05 06 05 06 05	Damage First Occuring Prior to Policy Period Exclusion
LIL 90 05 06 13	Participating Provision (Signature Page for Companies 5, 6, 7, J, K, H)
LIS 00 01 05 12	Crime/General Liability/Inland Marine Schedule
SNI 42 02 04 15	TEXAS NOTICE - NOTIFICATION OF THE AVAILABILITY OF LOSS CONTROL INFORMATION/SERVICES
SNI 90 02 01 15	Policyholder Disclosure - Terrorism Risk Insurance Act
CNL 90 01 10 13	Important Notice To Policyholders - Premium Determination - Subcontractors
LC 21 111 02 14	Exclusion - Silica (Schools)
LC 21 112 02 14	Exclusion - Trampolines

General Liability - Guaranteed Cost (continued)

LC 21 68 10 11	Residential Construction Operations Exclusion
LC 21 91 09 12	Fungi or Bacteria Exclusion (Legionella Bacterium Excluded)
LC 29 06 08 08	Personal And Advertising Injury - Occurrence Redefined
LC 32 428 05 17	Sexual Misconduct And Molestation Coverage Per occurrence limit: \$1,000,000 Aggregate limit: \$1,000,000 Deductible: \$2,500
LC 32 456 05 17	Data Security Coverage A. DATA COMPROMISE COVERAGE SECTION 1 - RESPONSE EXPENSES Data Compromise Response Expenses Limit: \$100,000 Annual Aggregate Sublimits* - Named Malware (Section 1): \$50,000 - Forensic IT Review: \$10,000 - Legal Review: \$10,000 - PR Services: \$5,000 - Regulatory Fines and Penalties: \$10,000 - PCI Fines and Penalties: \$10,000 Response Expenses Deductible*: \$2,500 *Any one "Personal Data Compromise" SECTION 2 - DEFENSE AND LIABILITY Data Compromise Defense and Liability Limit: \$100,000 Annual Aggregate Sublimits - Named Malware (Section 2): \$50,000 Any one "Personal Data Compromise" Defense and Liability Deductible: \$2,500 Each "Data Compromise Suit" B. ATTACK & EXTORTION AND NETWORK SECURITY LIABILITY COVERAGE SECTION 1 - ATTACK & EXTORTION Attack & Extortion Limit: \$100,000 Annual Aggregate Sublimits** - Data Re-creation: \$5,000 - Loss of Business: \$n/a - Public Relations: \$n/a - Cyber Extortion Expenses: \$10,000 Attack & Extortion Deductible**: \$10,000 **Per Occurrence SECTION 2 - NETWORK SECURITY LIABILITY Network Security Liability Limit: \$100,000 Annual Aggregate Network Security Liability Deductible: \$10,000 Per Occurrence
LC 32 462 05 17	Violent Event Response Coverage For Schools Aggregate Limit - Response Expenses and Loss: \$1,000,000 Each Violent Event Limit - Response Expenses and Loss: \$1,000,000 Each Person Loss - Limit: \$25,000
LC 32 464 05 17	Texas School Amedatory Endorsement
LC 32 466 05 17	Texas Medical Payment Extension Exclusion Endorsement
LCS 00 03 05 12	Declarations Extension Schedule - Miscellaneous Charges
LIL 90 09 05 17	Public Entity Immunity and Tort Cap Preservation Endorsement
SNI 42 03 03 12	Texas Important Notice
SNI 90 01 05 12	Policyholder Notice - Company Contact Information

General Liability - Guaranteed Cost (continued)

The following forms will print if TRIA is accepted:

CG 21 76 01 15	Exclusion of Punitive Damages Related to a Certified Act of Terrorism
CG 21 70 01 15	Cap on Losses From Certified Acts of Terrorism
CG 26 86 01 15	Arkansas Exclusion of Punitive Damages Related to a Certified Act of Terrorism
CG 26 93 01 15	Alaska Exclusion of Punitive Damages Related to a Certified Act of Terrorism

The following forms will print if TRIA is rejected:

CG 21 73 01 15	Exclusion of Certified Acts of Terrorism
CG 26 88 01 15	Alaska Exclusion of Certified Acts of Terrorism

General Liability - Guaranteed Cost (continued)

Premium

Estimated Coverage Premium	\$ 24,124
Estimated Endorsement Premium	\$ 7,040
Total Estimated Premium	\$ 31,164
* Terrorism Risk Insurance Act Premium	\$ 121
Total:	\$ 31,285

* Refer to the Policyholder Disclosure - Notice of Offer to Purchase Terrorism Coverage for coverage options and applicable premium.

TRIA premium, Taxes, Surcharges & Assessments on this proposal are estimates and are subject to change based upon coverage changes, exposure changes and/or final written premium.

School Leaders Errors and Omissions Liability (Claims Made) - Guaranteed Cost

Company Name: Liberty Mutual Fire Insurance Company

Effective Date: 07/01/2018

Coverage Form

Coverages, Limits and Deductibles

	Limits of Liability	Deductible
Each Wrongful Act	\$ 1,000,000	
Aggregate	\$ 1,000,000	
Aggregate Defense Expense Amount - Non-Monetary Relief	\$ 100,000	
Aggregate Defense Expense Amount - Non-Monetary Relief		\$ 2,500
Each Wrongful Act		\$ 2,500

	Retroactive Date:
This insurance does not apply to "wrongful acts" committed prior to the Retroactive Date shown here	07/01/2018

Forms and Endorsements

Coverage Forms and Endorsements are offered as indicated below and will also include state required or amendatory endorsements. Any other requested coverage not included below will require further discussion.

IL 00 17 11 98	Common Policy Conditions
LC 00 12 05 17	SLEO overage Form
LC 00 18 01 15	Dec Page - SLEO - Claims-made
LC 03 50 02 14	Deductible Insurance - Non Monetary Relief Claims
LC 21 113 02 14	Eminent Domain, Inverse Condemnation, Adverse Possession
LC 21 11402 14	Exclusion - Tax Assessmen
LC 21 115 05 17	Exclusion - Law Enforcement Professional Liability
LC 21 142 05 17	Exclusion - Armed Staff
LC 24 33 02 14	Amendment of Other Insurance Condition
LC 32 445 05 17	Texas Changes
LIL 90 09 05 17	Public Entity Immunity and Tort Cap Preservation Endorsement

School Leaders Errors and Omissions Liability (Claims Made) - Guaranteed Cost (continued)

Premium

Coverage Premium	\$ 9,920
Total Estimated Premium	\$ 9,920
* Terrorism Risk Insurance Act Premium	\$ 99
Total:	\$ 10,019

* Refer to the Policyholder Disclosure - Notice of Offer to Purchase Terrorism Coverage for coverage options and applicable premium.

TRIA premium, Taxes, Surcharges & Assessments on this proposal are estimates and are subject to change based upon coverage changes, exposure changes and/or final written premium.

Liberty Mutual Group
Umbrella Liability Proposal



Account Name	The San Antonio Early Childhood Municipal Development Corporation DBA Prek 4 SA	Broker	MCGRUFF SEIBELS & WILLIAMS OF TEXAS INC
Address	7031 S NEW BRAUNFELS AVE	Address	818 TOWN AND COUNTRY BLVD
Address		Address	STE 500
City	SAN ANTONIO	City	HOUSTON
State	TX	State	TX
Zip	78223	Zip	770244550
Underwriter	Tom Abel	Broker Contact	Susan Golla

Writing Company: Liberty Insurance Corporation (7)
Proposal Effective: 7/1/2018 to 7/1/2019

Coverages:	Limits:
Each Occurrence Limit	\$8,000,000
General Aggregate Limit	\$8,000,000
Products - Completed Operations Aggregate Limit	\$8,000,000
Self-Insured Retention - Each Occurrence	\$10,000
Flat Charge	N/A
Minimum Retained Premium	\$1,815
Premium Subtotal	\$7,260
State Surcharges	\$0
FIGA Surcharge	\$0
Kentucky Municipal Tax	\$0
TRIA Flat Charge	\$145
UM/UIM Charge	\$0
Crisis Response Charge	\$0
Total Estimated Premium	\$7,405
Commission	0.0%
Payment Terms	Premium is due 20 days from invoice date

Underlying Schedule	Limits	Carrier	Premium
Auto Liability	CSL 1,000,000	First Liberty Insurance Corporation	\$928
General Liability	Each Occurrence 1,000,000	First Liberty Insurance Corporation	\$18,004
	General Aggregate 2,000,000		
	Products/Completed Ops Aggregate 2,000,000		
	Pers & Adv Injury Limit 1,000,000		
Abuse or Sexual Misconduct Liability	Each Claim 1,000,000	First Liberty Insurance Corporation	\$3,240
	Aggregate 1,000,000		
School Leaders E&O	Each Claim 1,000,000	First Liberty Insurance Corporation	\$9,920
	Aggregate 1,000,000		
Estimated Exposures	Student Count: 2,100		
	Power Units 0		
	PPT 0		
	LT 0		
	MT 0		
	HT 0		
	EHT 0		
	Tractor 0		
	Number of Employees 0		

Liberty Mutual Group
Umbrella Liability Proposal



Policy Form and Endorsements:

LCU 21 85 01 18 Access or Disclosure of Confidential or Personal Information and Data-Related Liability Exclusion – With Limited Bodily Injury Exception
LCU 60 07 01 18 Auto Exclusion of Terrorism Coverage
LCU 00 01 01 18 Commercial Liability – Umbrella Coverage Form
LCU 04 11 01 18 Crisis Management Coverage
 Crisis Management Expense Aggregate Limit: \$ 250,000
 Liberty Mutual Preferred Public Relations Vendor: Weber Shandwick
 Liberty Mutual Claims: 1-800-362-0000
LCU 21 47 01 18 Damage First Occurring Prior To Policy Period Exclusion
LCU 99 05 01 18 Declarations Extension – Named Insured
 Item 1. Named Insured of the Declarations is amended as follows:
LCU 21 12 01 18 Employer's Liability Exclusion
LCU 24 09 01 18 Foreign Liability Limitation
LCU 25 09 01 18 Non-Cumulation Of Liability (Same Occurrence)
SNI 90 02 01 15 Policy Holder Disclosure – TRIA
LCU 26 17 01 18 Pollution Exclusion Follow Form – Schools
LCU 04 19 01 18 School Leaders Errors and Omissions Liability Coverage Limitation (Claims-Made)
 Retroactive Date:
LCU 24 24 01 18 Schools – Auto Coverages Follow Form
LCU 04 13 01 18 Sexual Misconduct Liability Coverage Limitation
LCU 21 19 01 18 Silica or Silica-Related Dust Exclusion
LCU 02 25 01 18 Texas Changes – Cancellation And Nonrenewal
LCU 32 41 01 18 Texas Changes – Claims Handling Procedures
SNU 42 01 01 18 Texas Disclosure Form
SNU 42 02 01 18 Texas Important Notice
LCU 21 106 01 18 Trampoline Exclusion
LCU 21 138 01 18 Exterior Insulating Finish System (EIFS) Exclusion
LCU 29 10 01 18 Insured Contract Definition Amendment – Extent Permitted By Law
LCU 21 109 01 18 School Law Enforcement Professional Liability Exclusion
LCU 21 137 01 18 Land or Earth Movement Exclusion
LCU 21 83 01 18 Residential Construction Operations Exclusion With Commercial, Non-Residential Use Exception

Important Considerations:

Please read this proposal carefully, as the terms and conditions may differ from those in the submission.

Quote expires on: 7/1/2018.

We reserve the right to amend premium, terms & conditions or withdraw the proposal if underlying carriers, pricing or terms change.

All underlying carriers must be rated A- V or better by A.M. Best.

Underlying policy numbers must be received upon binding for policy issuance.

The Terrorism Risk Insurance Act offer letter is included in this document.

Copies of all non-Liberty Mutual underlying policies must be received within 60 days of binding.

An important notice regarding the expiration of the Terrorism Risk Insurance Act is included in this document.



Terrorism Risk Insurance Act, Including all Amendments, ("TRIA" or the "Act")

ACCEPT OR REJECT OPTION: The following notice will be added to your policy:

POLICYHOLDER DISCLOSURE, TERRORISM RISK INSURANCE ACT

If you ACCEPT TRIA: The following endorsements will be added to your policy:

- A. The Terrorism endorsements described below do not apply to umbrella coverage over underlying Commercial Automobile insurance, but otherwise apply as follows if attached to your policy:

Underlying Coverage Requirement for Certified Acts of Terrorism – LCU 60 01

Cap on Losses from Certified Acts of Terrorism – LCU 60 04

Punitive Damages Related to a Certified Act of Terrorism Exclusion – LCU 60 06

Punitive Damages Related to a Certified Act of Terrorism Exclusion – LCU 60 10
(This endorsement applies only in Arkansas.)

- B. The Terrorism endorsements described below apply to umbrella over underlying Commercial Automobile insurance:

Auto Exclusion of Terrorism Coverage – LCU 60 07

This endorsement applies in all states except Florida, Georgia, New York, Oklahoma, Virginia and Washington

Oklahoma Auto Exclusion of Terrorism Coverage (Underlying Auto Coverage Excludes Terrorism Above Minimum Statutory Limits) – LCU 60 08

This endorsement applies only in Oklahoma

Washington Auto Exclusion of Terrorism Coverage – LCU 60 09

This endorsement applies only in Washington.

If you REJECT TRIA: The following endorsements will be added to your policy:

- A. The Terrorism endorsement described below does not apply to umbrella coverage over underlying Commercial Automobile insurance, but otherwise applies as follows if attached to your policy.

Certified Acts of Terrorism Exclusion – LCU 60 05

- B. The Terrorism endorsements described below apply to umbrella coverage over underlying Commercial Auto insurance:

Auto Exclusion of Terrorism Coverage – LCU 60 07

This endorsement applies in all states except Florida, Georgia, New York, Oklahoma, Virginia and Washington.

Oklahoma Auto Exclusion of Terrorism Coverage (Underlying Auto Coverage Excludes Terrorism Above Minimum Statutory Limits) – LCU 60 08

This endorsement applies only in Oklahoma.

Washington Auto Exclusion of Terrorism Coverage – LCU 60 09

This endorsement applies only in Washington.

May 30, 2018

The San Antonio Early Childhood Municipal Development Corporation DBA Prel



Umbrella Policy

Effective: July 1, 2018

POLICYHOLDER DISCLOSURE

NOTICE OF OFFER TO PURCHASE TERRORISM INSURANCE FOR POLICY PERIOD

This notice contains important information about the Terrorism Risk Insurance Act and your option to purchase terrorism insurance coverage. Please read it carefully.

THE TERRORISM RISK INSURANCE ACT

The Terrorism Risk Insurance Act, including all amendments ("TRIA" or the "Act") establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from certified acts of terrorism exceed a specified deductible amount, the government will reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such an act exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

The Federal Share and Program Trigger by calendar year are:

Calendar Year	Federal Share	Program Trigger
2015	85%	\$100,000,000
2016	84%	\$120,000,000
2017	83%	\$140,000,000
2018	82%	\$160,000,000
2019	81%	\$180,000,000
2020	80%	\$200,000,000

MANDATORY OFFER OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM" AND DISCLOSURE OF PREMIUM

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under this policy. You have the option to accept or reject this coverage.

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to –

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of --

- (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
- (II) the premises of a United States mission; and

(iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

How the act affects your policy and what you must do

SELECTION OR REJECTION OF OPTIONAL TERRORISM INSURANCE COVERAGE

You have the option of purchasing coverage for losses resulting from "certified acts of terrorism" where it could otherwise be excluded. This offer pertains only to those lines of business covered by TRIA and, more specifically, does not apply to commercial automobile insurance. This offer is also expressly conditioned upon your acceptance of coverage for "certified acts of terrorism" on all underlying insurance policies that are subject to TRIA or, where applicable, the existence of such coverage on all TRIA eligible lines for which you self insure. If you reject TRIA coverage on your primary liability policies, you must also reject it on your Excess, Umbrella or Umbrella Excess policy.

The premium charge for this coverage for the policy period is \$145 and does not include any charges for the portion of loss covered by the Federal government under the Act.

If you reject this offer, you will not be covered for losses resulting from "certified acts of terrorism."

Please indicate on the attached coverage election form, whether you accept or reject this offer. If we do not receive a completed Terrorism Coverage Election Form from you, coverage for "certified acts of terrorism" will be excluded from your policy.

TERRORISM COVERAGE ELECTION FORM

PLEASE INDICATE YOUR ELECTION TO ACCEPT OR REJECT THIS OFFER BELOW:

☐ I hereby elect to purchase coverage for "certified acts of terrorism" for the policy period for \$145

☐ I hereby reject this offer of coverage. I understand that by rejecting this offer, I will have no coverage for losses arising from "certified acts of terrorism" and my policy will be endorsed accordingly.

POLICYHOLDER ACKNOWLEDGEMENT

I hereby acknowledge that I have received notice of TRIA, the federal share of compensation for "certified acts of terrorism," and the premium charge for losses covered by TRIA.

Policyholder/Applicant Signature

Date

Print Name

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.

If you have any questions regarding this notice, please contact your sales representative or agent.

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Signature Documents

Fraud Statement

General Liability - TRIA

School Leaders Liability - TRIA

*Prepared for: The San Antonio Early Childhood Municipal
Development Corporation DBA Prek 4 SA
Proposal Number: 695921
Customer Number: 494978*



General Fraud Statement

Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal and [NY: substantial] civil penalties. (in LA, ME, TN, and VA, insurance benefits may also be denied)

Colorado Fraud Warning

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Utah Fraud Warning

For your protection, Utah law requires the following to be included in this application: "Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison."

Applicant's Signature (Only Required If NY Exposure)

Date (mm/dd/yyyy)



Date: May 30, 2018

The San Antonio Early Childhood Municipal Development Corporation DBA Prek 4 SA

General Liability

07/01/2018

POLICYHOLDER DISCLOSURE

**NOTICE OF OFFER TO PURCHASE TERRORISM INSURANCE
FOR POLICY PERIOD**

This notice contains important information about the Terrorism Risk Insurance Act and your option to purchase terrorism insurance coverage. Please note that your election to purchase or not to purchase terrorism coverage, will apply to all Owners and Contractors Protective (OCP), Railroad Protective Liability (RRP) policies and New York Special Highway Protective Liability (HPP) policies that you purchase in connection with your operations, regardless of when such purchase occurs and regardless of whether you are the named insured. All policies to which this offer applies are collectively referred to below as "your policy". Please read this notice carefully.

THE TERRORISM RISK INSURANCE ACT

The Terrorism Risk Insurance Act ("TRIA" or the "Act"), including all amendments establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from certified acts of terrorism exceed a specified deductible amount, the government will reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

The Federal Share and Program Trigger by calendar year are:

<u>Calendar Year</u>	<u>Federal Share</u>	<u>Program Trigger</u>
2015	85%	\$100,000,000
2016	84%	\$120,000,000
2017	83%	\$140,000,000
2018	82%	\$160,000,000
2019	81%	\$180,000,000
2020	80%	\$200,000,000

MANDATORY AVAILABILITY OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM"
AND DISCLOSURE OF PREMIUM

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of the U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under your policy.

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to –
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of –
 - (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
 - (II) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

HOW THE ACT AFFECTS YOUR POLICY AND WHAT YOU MUST DO

SELECTION OR REJECTION OF OPTIONAL TERRORISM INSURANCE COVERAGE

You have the option of purchasing coverage for losses resulting from "certified acts of terrorism." Coverage for losses from "certified acts of terrorism" is still subject to, and may be limited by, all other terms, conditions and exclusions contained in your policy.

The premium charge for this coverage for the policy period is:

Commercial General Liability	\$121
Railroad Protective Liability*	1% of policy's manual premium
Owners & Contractors Protective Liability*	1% of policy's manual premium
Product Withdrawal	1% of policy's manual premium
Electronic Data Liability	1% of policy's manual premium
Pollution Liability	1% of policy's manual premium
Liquor Liability	1% of policy's manual premium
New York Special Highway Protective Liability*	1% of policy's manual premium
Educators Legal Liability	1% of policy's manual premium
Law Enforcement Professional Liability	1% of policy's manual premium
Excess General Liability	1% of policy's manual premium

(*With respect to this line of business, TRIA offer applies to all policies that you purchase in connection with a designated operation or project, regardless of when such purchase occurs and regardless of whether you are the named insured).

If you reject this offer, you will not be covered for losses resulting from "certified acts of terrorism".

Please indicate on the attached coverage election form, whether you accept or reject this offer. If we do not receive a completed Terrorism Coverage Election Form from you, coverage for "certified acts of terrorism" will be excluded from your policy.

TERRORISM COVERAGE ELECTION FORM

The San Antonio Early Childhood Municipal Development Corporation DBA Prek 4 SA

General Liability

07/01/2018

PLEASE INDICATE BELOW YOUR ELECTION TO ACCEPT OR REJECT THIS OFFER. Your decision to accept or reject TRIA coverage applies to any OCP, RRP and HPP policies issued in connection with your operations.

	Accept	Reject	Price
Commercial General Liability			\$121
Railroad Protective Liability*			1% of policy's manual premium
Owners & Contractors Protective Liability*			1% of policy's manual premium
Product Withdrawal			1% of policy's manual premium
Electronic Data Liability			1% of policy's manual premium
Pollution Liability			1% of policy's manual premium
Liquor Liability			1% of policy's manual premium
New York Special Highway Protective Liability*			1% of policy's manual premium
Educators Legal Liability			1% of policy's manual premium
Law Enforcement Professional Liability			1% of policy's manual premium
Excess General Liability			1% of policy's manual premium

POLICYHOLDER ACKNOWLEDGEMENT

I hereby acknowledge that I have received notice of TRIA, the federal share of compensation for "certified acts of terrorism," the premium charge for losses covered by TRIA, and the Company's limit of liability should losses covered by TRIA exceed \$100 billion.

Policyholder/Applicant Signature

Date

Print Name

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.

If you have any questions regarding this notice, please contact your sales representative or agent.



May 30, 2018

**The San Antonio Early Childhood
Municipal Development Corporation DBA
Prek 4 SA**

School Leaders Errors and Omissions Liability

Policy Number:

Effective: 07/01/2018

POLICYHOLDER DISCLOSURE

NOTICE OF OFFER TO PURCHASE TERRORISM INSURANCE FOR POLICY PERIOD

This notice contains important information about the Terrorism Risk Insurance Act and your option to purchase terrorism insurance coverage. Please read it carefully.

THE TERRORISM RISK INSURANCE ACT

The Terrorism Risk Insurance Act, ("TRIA" or the "Act") including all amendments, establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from certified acts of terrorism exceed a specified deductible amount, the government will reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such an act exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

The Federal Share and Program Trigger by calendar year are:

<u>Calendar Year</u>	<u>Federal Share</u>	<u>Program Trigger</u>
2015	85%	\$100,000,000
2016	84%	\$120,000,000
2017	83%	\$140,000,000
2018	82%	\$160,000,000
2019	81%	\$180,000,000
2020	80%	\$200,000,000

MANDATORY AVAILABILITY OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM" AND DISCLOSURE OF PREMIUM

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of the U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under your policy.

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to -
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
 - (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
 - (II) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

HOW THE ACT AFFECTS YOUR POLICY AND WHAT YOU MUST DO

SELECTION OR REJECTION OF OPTIONAL TERRORISM INSURANCE COVERAGE

You have the option of purchasing coverage for losses resulting from "certified acts of terrorism". The premium for optional terrorism coverage is in addition to any mandatory premium shown on the attached Terrorism Coverage Election Form. Coverage for losses from "certified acts of terrorism" is still subject to, and may be limited by, all other terms, conditions, and exclusions contained in your policy.

The premium charge for this coverage for the policy period is \$ 99

If you reject this offer, you will not be covered for losses resulting from "certified acts of terrorism".

Please indicate on the attached Coverage Election Form whether you accept or reject this offer. If we do not receive a completed Terrorism Coverage Election Form from you, coverage for "certified acts of terrorism" will be excluded from your policy.

TERRORISM COVERAGE ELECTION FORM

**The San Antonio Early Childhood Municipal
Development Corporation DBA Prek 4 SA**

Policy Number:

Effective: 07/01/2018

PLEASE INDICATE YOUR ELECTION TO ACCEPT OR REJECT THIS OFFER BELOW:

- [] I hereby elect to purchase coverage for "certified acts of terrorism" for the policy period for \$ **99** .
- [] I hereby reject this offer of coverage for the policy period. I understand that by rejecting this offer, I will have no coverage for losses arising from "certified acts of terrorism".

MANDATORY PREMIUM DISCLOSURE STATEMENT

Fire insurance is mandatory in some states. The premium charge for fire losses that result from "certified acts of terrorism" and occur in states that require this coverage is \$ **Not Applicable** and is included in the total premium amount shown above. This mandatory premium will be charged whether you accept or reject terrorism coverage.

POLICYHOLDER ACKNOWLEDGEMENT

I hereby acknowledge that I have received notice of TRIA, the federal share of compensation for "certified acts of terrorism", the premium charge for losses covered by TRIA, and the Company's limit of liability should losses covered by TRIA exceed \$100 billion.

Policyholder/Applicant Signature

Date

Print Name

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.

If you have any questions regarding this notice, please contact your sales representative or agent.



CHUBB®

Special Risk Proposal

Created for:

SAN ANTONIO EARLY CHILDHOOD MUNICIPAL
DEVELOPMENT CORPORATION
Presented By:

CHUBB & SON, A DIVISION OF FEDERAL INSURANCE
CO.

Accident & Health

Underwritten by Federal
Insurance Company, a
member insurer of Chubb

About Chubb A&H

Chubb's History

Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients.

The company is distinguished by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength, underwriting excellence, superior claims handling expertise and local operations globally.

We are a leader in the insurance industry not only on the basis of our size but our longevity. We consistently strive to build lasting relationships with our customers and 8,500 independent agents and brokers, and we aim to be the best at what we do by delivering unparalleled service and innovative, scalable and specialized products backed by financial strength and third-party endorsements.

Chubb for Accident & Health

When you choose Chubb you're relying on one of the strongest carriers in the market: a specialty Accident & Health carrier with the experience, and financial strength to offer rich options, broad coverages and higher limits at affordable rates.

For more than 50 years, Chubb has offered accident and health solutions to a wide range of markets including large and small businesses, professional practices, schools and colleges, financial institutions, membership associations, civic, church and nonprofit organizations. Chubb Accident & Health has consistently demonstrated an exceptional ability for creative collaboration with policyholders, through our flexible and innovative approach to products and services.

Wherever your business is focused, Chubb A&H offers you opportunities to sell flexible and competitive products to your current customers, backed by the Chubb Advantage - financial strength, reliability, high standard of service and swift, fair claims practices.

Proposal Terms & Conditions

This proposal provides a brief description of the important features of the policy. Please reference the Specimen Contract for complete policy details.

Name of Policyholder: SAN ANTONIO EARLY CHILDHOOD MUNICIPAL DEVELOPMENT CORPORATION
Address: 7031 S NEW BRAUNFELS
City: SAN ANTONIO **State:** TX **Zip Code:** 78223
Quote Date of Issuance: May 30, 2018

This proposal is valid for 90 days from the quote date of issuance. This insurance policy is only for the listed Policy Type(s) and is based upon the information submitted and rates in effect on this date. If any of the information submitted for this quotation is altered, we reserve the right to change this quotation accordingly. Actual coverage afforded is subject to the terms and conditions of the policy as issued.

This proposal does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from offering or providing insurance. To the extent any such prohibitions apply, this proposal is void from the beginning.

Annual Premium \$7,685

Commission: 0%

Eligibility

Class

1 All Registered Students of the Policyholder

Principal Sum

Class

1 \$25,000

Hazard/When Coverage Applies

Class

1 Covered Activities

Aggregate Limit of Insurance

A maximum limit of insurance of \$250,000 applies per Accident.

Accidental Death and Dismemberment

Accidental:	Benefit Amounts (Percentage of Principal Sum)
Loss of Life	100%
Loss of Speech and Loss of Hearing	100%
Loss of Speech and one of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hearing and one of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hands (Both), Loss of Feet (Both), Loss of Sight or a combination of any two of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hand, Loss of Foot or Loss of Sight of One Eye (Any one of each)	50%
Loss of Speech or Loss of Hearing	50%
Loss of Thumb and Index Finger of the same Hand	25%

Additional Benefits

Accident Medical Expense:

Maximum Benefit Amount: \$25,000

Deductible: \$0

Dental Benefit Amount: \$1,000

Physical Therapy Benefit Amount: \$2,500

Orthopedic Appliance Benefit Amount: \$1,000

Exclusions

There are certain situations not covered in this policy. These policy exclusions include:

Disease or Illness

Suicide or Intentional Injury

Incarceration

War

Service in the Armed Forces

Specialized Aviation

Owned Aircraft, Leased Aircraft or Operated Aircraft

Aircraft Pilot or Crew

Trade Sanctions

Intoxication

Narcotic

Please reference the Specimen Contract for complete information on exclusions.

Extensions of Insurance

Disappearance

If an insured person has not been found within one (1) year of the disappearance, stranding, sinking or wrecking of any conveyance in which an insured was an occupant at the time of the accident, then it will be assumed, subject to all other terms and conditions of the policy, that an insured has suffered a loss of life under the policy.

Exposure

If as the result of an accident causes an insured to be unavoidably exposed to the elements and as a result of the exposure there is a loss, then such loss will be covered under the policy.

Ease of Administration

As a way to make doing business with Chubb effortless, we provide the following features:

- Direct Bill - an option for your agency and Chubb policyholders. Benefits include:
 - Potential decrease in workload and expenses with Chubb handling the collection of premium collection
 - Multiple policies can be combined into a single direct bill account
 - Payment plan options are available
 - Knowledgeable Service Center Representatives available from 8AM to 6PM Eastern Standard Time
 - Direct bill is not mandatory
- Paperless Policies - can be sent online to produce policies quickly
- Efficient Administration - staffed by experienced underwriters and claim specialists
- Flexibility - over 30 benefits available

Letter of Intent

It is our intention to accept the proposal of the Special Risk Insurance Policy offered by Federal Insurance Company, a member insurer of the Chubb Group of Insurance Companies.

Signature: _____

Title: _____

Company: _____

Date: _____

Effective Date of Coverage: _____

Premium Option Selected: _____

Chubb. Insured.SM

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at www.chubb.com. Insurance provided by U.S. based Chubb underwriting companies. All products may not be available in all states. Coverage is subject to the language of the policies as actually issued. Chubb, Box 1650, Whitehouse Station, NJ 08889

CHUBB

Special Risk
INSURANCE PROGRAM
Issued by
FEDERAL INSURANCE COMPANY
FOR
SAN ANTONIO EARLY CHILDHOOD MUNICIPAL
DEVELOPMENT CORPORATION

Chubb Underwriting Office: FEDERAL INSURANCE COMPANY
Suite 4700
233 South Wacker Drive
Chicago, IL 60606-6303

THIS IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. THE EMPLOYER DOES NOT BECOME A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM BY PURCHASING THIS POLICY, AND IF THE EMPLOYER IS A NON-SUBSCRIBER, THE EMPLOYER LOSES THOSE BENEFITS WHICH WOULD OTHERWISE ACCRUE UNDER THE WORKERS' COMPENSATION LAWS. THE EMPLOYER MUST COMPLY WITH THE WORKERS' COMPENSATION LAW AS IT PERTAINS TO NON-SUBSCRIBERS AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED.

*Words and phrases that appear in **bold** print have special meaning and are defined in the Definitions section(s) of this policy. Defined terms include the plural.*

*Throughout this policy the words "**We**", "**Us**" and "**Our**" refer to the **Company** providing this insurance.*

Please Read This Policy Carefully

BTA5000TX

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BTA5001	

Insuring Agreement

Section I

Chubb
202B Hall's Mill Road, P.O. Box 1650
Whitehouse Station, New Jersey 08889-1650

Policyholder's Name and Address:

SAN ANTONIO EARLY CHILDHOOD
MUNICIPAL DEVELOPMENT CORPORATION
7031 S NEW BRAUNFELS
SAN ANTONIO, TX 78223

Policy Number: SPEC-IM-EN

Effective Date: 07/01/2018

Anniversary Date: July 1

*Issued by the stock insurance company
indicated below:*

FEDERAL INSURANCE COMPANY
Incorporated under the laws of
INDIANA

BTA5002

Section II Policy Period and Company

Policy Period

From: 07/01/2018

To: 07/01/2019

12:01 A.M. standard time at the **Policyholder's** address shown in Section I of the Insuring Agreement.

This insurance is provided by the **Company** in consideration of payment of the required premium.

The insurance under this policy begins on the Effective Date shown in Section I of the Insuring Agreement.
The insurance under this policy ends on the last day of the Policy Period shown in Section II of the Insuring Agreement.

The **Policyholder's** acceptance of this policy terminates any prior policy of the same policy number, effective with the inception of this policy.

Company

The **Company** issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the **Company**.

FEDERAL INSURANCE COMPANY (Incorporated under the laws of INDIANA)

President

Secretary

Authorized Representative

BTA5004

Premium Summary

Section I - Premium Due Date

07/01/2018

Section II - Premium Payment

The **Policyholder** shown in Section I of the Insuring Agreement is responsible for the collection and remittance of all required premiums. Premiums are calculated and payable as follows:

Special Risk

Amount Due:	\$7,685
-------------	---------

Any premiums shown as subject to adjustment will be adjusted as stated in the Premium Provisions under Section VIII - General Provisions of the Contract.

BTA5006

Schedule of Benefits

*Chubb Group of Insurance Companies
202B Hall's Mill Road, P.O. Box 1650
Whitehouse Station, New Jersey 08889-1650*

Policyholder's Name:

SAN ANTONIO EARLY CHILDHOOD
MUNICIPAL DEVELOPMENT CORPORATION

*Issued by the stock insurance company
indicated below:*

FEDERAL INSURANCE COMPANY
Incorporated under the laws of
INDIANA

BTA6000

Section I - Insured Persons

The following are the **Insured Persons** under this policy:

Class	Description
1	All Registered Students of the Policyholder

BTA6002

If, subject to all the terms and conditions of this policy a person is eligible for insurance under multiple **Classes** of **Insured Persons** described above, then such person will only be insured under the **Class** which provides the **Insured Person** the largest **Benefit Amount** for the loss that has occurred.

BTA6004

Section II - Qualification Period

For **Insured Persons** in an eligible **Class** on the Effective Date: none

For **Insured Persons** entering an eligible **Class** after the Effective Date: none

BTA6008

Section III - Hazards

The following are the **Hazards** for which insurance applies:

Class	Hazard(s)
1	Covered Activities

If, subject to all the terms and conditions of this policy an **Insured Person** has insurance for covered loss on the date of an **Accident**, covered under multiple **Hazards** described above, then only one **Benefit Amount** will be paid. This **Benefit Amount** shall be the largest **Benefit Amount** applicable under all such **Hazards**.

BTA6010 (Ed. 7/06)

Section IV - Benefits

A) Principal Sum

The following are **Principal Sums** for each **Class**:

Class	Hazard	Principal Sum
1	Covered Activities	\$25,000

BTA6012

SPECIMEN

B) Accidental Death and Dismemberment Benefits:

This benefit applies to all **Classes** of **Insured Persons**. The following are **Losses** insured and the corresponding **Benefit Amount** expressed as a percentage of the **Principal Sum**:

Class(es)

All

Accidental:

Benefit Amounts (Percentage of Principal Sum)

Loss of Life	100%
Loss of Speech and Loss of Hearing	100%
Loss of Speech and one of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hearing and one of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hands (Both), Loss of Feet (Both), Loss of Sight or a combination of any two of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hand, Loss of Foot or Loss of Sight of One Eye (Any one of each)	50%
Loss of Speech or Loss of Hearing	50%
Loss of Thumb and Index Finger of the same hand	25%

This **Benefit Amount** is subject to Section IV - Maximum Payment for Multiple Losses and Multiple Benefits, of the Contract.

BTA6016

If an **Insured Person** has multiple **Losses** as the result of one **Accident**, then **We** will pay only the single largest **Benefit Amount** applicable to the **Losses** suffered, as described in Section IV - Maximum Payment For Multiple Losses and Multiple Benefits of the Contract.

BTA6018

C) Additional Benefits

The following are **Benefit Amounts** for all other benefits provided under this policy:

Accident Medical Expense

Class 1

Maximum Benefit Amount \$25,000

Deductible \$0

Dental Benefit Amount \$1,000

Physical Therapy Benefit Amount \$2,500

Orthopedic Appliance Benefit Amount \$1,000

The **Benefit Amounts** shown above for Dental, Physical Therapy and Orthopedic Appliance are part of, and not in addition to, the **Maximum Benefit Amount** for **Accident Medical Expense**. Payment of these **Benefit Amounts** reduces and does not increase the **Benefit Amount** for **Accident Medical Expense**.

This **Benefit Amount** is not subject to Section IV - Maximum Payment for Multiple Losses and Multiple Benefits, of the Contract.

BTA6039

Section V - Aggregate Limit of Insurance

\$250,000 per Accident

If more than one (1) **Insured Person** suffers a **Loss** in the same **Accident**, then **We** will not pay more than the Aggregate Limit of Insurance shown above. If an **Accident** results in **Benefit Amounts** becoming

payable, which when totaled, exceed the applicable Aggregate Limit of Insurance shown above, then the Aggregate Limit of Insurance will be divided proportionally among the **Insured Persons**, based on each applicable **Benefit Amount**.

BTA6088

Insurance only applies for the **Classes, Hazards, Benefits** and **Losses** that are specifically indicated as insured.

BTA6090

Hazards

Covered Activity Hazard

Covered Activity Hazard means all circumstances, subject to the terms and conditions of this policy, arising from and occurring while a **Primary Insured Person** is participating in **Covered Activity**.

Covered Activity means all those activities set forth below for which a **Primary Insured Person** is insured under this policy.

Covered Activity:

- covering all children registered in the headstart and daycare program while participating in the program's daily activities and field trips (including transportation to and from the field trips) that are sponsored, organized, and supervised by the Policyholder.

BTA5529

Contract

Section I - Insurance

Subject to all the terms and conditions of this policy and the payment of required premium, We will provide the following insurance:

Accidental Death and Dismemberment

We will pay the applicable **Benefit Amount**, shown in Section IV-B of the Schedule of Benefits, if an **Accident** results in a covered **Loss** not otherwise excluded. The **Accident** must result from an insured **Hazard** and occur while an **Insured Person** is insured under this policy, while it is in force. The covered **Loss** must occur within one (1) year after the **Accident**.

BTA5010

Accident Medical Expense

We will reimburse up to the **Maximum Benefit Amount** for **Accident Medical Expense** if **Accidental Bodily Injury** causes an **Insured Person** to first incur **Medical Expenses** for care and treatment of the **Accidental Bodily Injury** within one hundred eighty (180) days after an **Accident**. The **Benefit Amount** for **Accident Medical Expense** is payable only for **Medical Expenses** incurred within 365 day(s) after the date of the **Accident** causing the **Accidental Bodily Injury**. The **Benefit Amount** is subject to the **Maximum Benefit Amount** as shown in Section IV-C of the Schedule of Benefits. The **Benefit Amount** for **Accident Medical Expense** is payable in addition to any other applicable **Benefit Amounts** under this policy.

Payment of the **Maximum Benefit Amount** for **Accident Medical Expense** is also subject to the following:

Dental Benefit Amount

If, due to **Accidental Bodily Injury**, an **Insured Person** requires dental care and treatment, then **Our** payment for such treatment will not exceed the **Dental Benefit Amount**, shown in Section IV-C of the Schedule of Benefits.

Physical Therapy Benefit Amount

If, due to **Accidental Bodily Injury**, an **Insured Person** is not **Hospital** confined and requires diathermy, ultrasonic, whirlpool or heat treatment, adjustment, manipulation, massage or any form of physical therapy and the office visit associated with such therapy, then **Our** payment for such therapy will not exceed the **Physical Therapy Benefit Amount**, shown in Section IV-C of the Schedule of Benefits.

Orthopedic Appliance Benefit Amount

If, due to **Accidental Bodily Injury**, an **Insured Person** is not **Hospital** confined and requires orthopedic appliances or braces, then **Our** payment for such appliances or braces will not exceed the **Orthopedic Appliance Benefit Amount**, shown in Section IV-C of the Schedule of Benefits.

In no event will **Our** total payments for an **Insured Person's** dental care and treatment, physical therapy, orthopedic appliances, transportation and **Medical Expense** exceed the **Maximum Benefit Amount** for **Accident Medical Expense**, shown in Section IV-C of the Schedule of Benefits.

Limitation on Accident Medical Expense

The **Benefit Amount** for **Accident Medical Expense** does not apply to charges and services:

- 1) for which an **Insured Person** has no obligation to pay;

- 2) for any injury where worker's compensation benefits or occupational injury benefits are payable;
- 3) for any injury occurring while fighting, except in self-defense;
- 4) for treatment that is educational, experimental or investigational in nature or that does not constitute accepted medical practice; or
- 5) for treatment involving conditions caused by **Repetitive Motion Injuries**, or cumulative trauma and not as the result of an **Accidental Bodily Injury**.

This insurance applies only to **Medically Necessary** charges and services.
BTA5031TX

Section II - Eligibility, Effective Date and Termination

Eligibility

A person becomes insured under this policy if:

- 1) such person is a member of an eligible **Class of Insured Persons** as shown in Section I of the Schedule of Benefits;
- 2) such person has completed any required Qualification Period as shown in Section II of the Schedule of Benefits; and
- 3) the required premium for such person has been paid.

BTA5080

Effective Date of Insurance for an Insured Person

Insurance for an **Insured Person** becomes effective on the latest of:

- 1) the effective date of this policy;
- 2) the date on which such person first meets the eligibility criteria as an **Insured Person**; or
- 3) the beginning of the period for which required premium is paid for such **Insured Person**.

BTA5082

Termination of Insurance for an Insured Person

Insurance for an **Insured Person** automatically terminates on the earliest of:

- 1) the termination date of this policy;
- 2) the expiration of the period for which required premium has been paid for such **Insured Person**;
- 3) the date on which a person no longer meets the eligibility criteria as an **Insured Person**.

BTA5084

Section III - Extensions Of Insurance

Extensions of Insurance are subject to the provisions of Section I-Insurance of the Contract, and all other policy terms and conditions.

Disappearance

If an **Insured Person** has not been found within one (1) year of the disappearance, stranding, sinking, or wrecking of any **Conveyance** in which an **Insured Person** was an occupant at the time of the **Accident**, then it will be assumed, subject to all other terms and conditions of this Policy, that an **Insured Person** has suffered **Loss of Life** insured under this policy.

BTA5088

Exposure

If an **Accident** resulting from an insured **Hazard** causes an **Insured Person** to be unavoidably exposed to the elements and as a result of such exposure an **Insured Person** has a **Loss**, then such **Loss** will be insured under this policy.

BTA5090

Section IV - Maximum Payment for Multiple Losses and Multiple Benefits

For any **Benefit Amount** identified as subject to this provision in the Schedule of Benefits, payment of such **Benefit Amount** will reduce the **Principal Sum**. If, subject to all the terms and conditions of this policy, an **Insured Person** is entitled to receive payment of multiple **Benefit Amounts** as the result of one (1) **Accident**, then the maximum **We** will pay for all benefits shall not exceed the **Principal Sum**.

For any **Benefit Amount** identified as not subject to this provision in the Schedule of Benefits, payment of such **Benefit Amount** will be in addition to any **Principal Sum** payable under this policy.

If, subject to all the terms and conditions of this policy, an **Insured Person** suffers multiple covered **Losses** as the result of one (1) **Accident**, then **We** will only pay the single largest **Benefit Amount** applicable to all such covered **Losses**.

BTA5092

Section V - Territory

This insurance applies worldwide.

BTA5094

Section VI - General Exclusions

The following exclusions apply to all benefits or **Hazards** under this policy. Additional exclusions, limitations or conditions may also apply to specific benefits or **Hazards**. Please read this entire policy carefully.

Owned Aircraft, Leased Aircraft, or Operated Aircraft

This insurance does not apply to any **Accident, Accidental Bodily Injury or Loss** caused by or resulting from, directly or indirectly, an **Insured Person** being in, entering, or exiting any aircraft:

- 1) owned, leased or operated by the **Policyholder** or on the **Policyholder's** behalf; or
- 2) operated by an employee of the **Policyholder** on the **Policyholder's** behalf.

BTA5095 (Ed. 7/06)

Aircraft Pilot or Crew

This insurance does not apply to any **Accident, Accidental Bodily Injury or Loss** caused by or resulting from, directly or indirectly, an **Insured Person** being in, entering, or exiting any aircraft while acting or training as a pilot or crew member.

This exclusion does not apply to passengers who temporarily perform pilot or crew functions in a life-threatening emergency.

BTA5098 (Ed. 7/06)

Disease or Illness

This insurance does not apply to any **Accident, Accidental Bodily Injury or Loss** caused by or resulting from, directly or indirectly, an **Insured Person's** emotional trauma, mental or physical illness, disease, pregnancy, childbirth or miscarriage, bacterial or viral infection, bodily malfunctions or medical or surgical treatment thereof.

This exclusion does not apply to an **Insured Person's** bacterial infection caused by an **Accident** or by **Accidental** consumption of a substance contaminated by bacteria.

BTA5102 (Ed. 7/06)

Incarceration

This insurance does not apply to any **Accident, Accidental Bodily Injury or Loss** caused by or resulting from, directly or indirectly any occurrence while an **Insured Person** is incarcerated after having been convicted in a court of law.

BTA5106TX

Intoxication Exclusion

This insurance does not apply to any **Accident, Accidental Bodily Injury or Loss** caused by or resulting from, directly or indirectly, an **Insured Person** being intoxicated, at the time of an **Accident**. Intoxication is defined by the laws of the jurisdiction where such **Accident** occurs.

BTA5108

Narcotic Exclusion

This insurance does not apply to any **Accident, Accidental Bodily Injury** or **Loss** caused by or resulting from, directly or indirectly, an **Insured Person** being under the influence of any narcotic at the time of an **Accident**. This exclusion does not apply if any narcotic or controlled substance is taken and used as prescribed by a **Physician**.

BTA5112TX

Service in the Armed Forces

This insurance does not apply to any **Accident, Accidental Bodily Injury** or **Loss** caused by or resulting from, directly or indirectly, an **Insured Person** participating in military action while in active military service with the armed forces of any country or established international authority. However, this exclusion does not apply to the first sixty (60) consecutive days of active military service with the armed forces of any country or established international authority.

BTA5116

Suicide or Intentional Injury

This insurance does not apply to any **Accident, Accidental Bodily Injury** or **Loss** caused by or resulting from, directly or indirectly, an **Insured Person's** suicide, attempted suicide or intentionally self-inflicted injury.

BTA5120

Trade Sanctions

This insurance does not apply to any **Accident, Accidental Bodily Injury** or **Loss** when:

- 1) the United States of America has imposed any trade or economic sanctions prohibiting insurance of any **Accident, Accidental Bodily Injury** or **Loss**; or
- 2) there is any other legal prohibition against providing insurance of any **Accident, Accidental Bodily Injury** or **Loss**.

BTA5122

War

This insurance does not apply to any **Accident, Accidental Bodily Injury** or **Loss** caused by or resulting from, directly or indirectly, a declared or undeclared **War**.

BTA5126

Section VII - Definitions

For the purpose of these definitions, the singular includes the plural and the plural includes the singular, unless otherwise noted.

Accident or Accidental

Accident or Accidental means a sudden, unforeseen, and unexpected event which:

- 1) happens by chance;
- 2) arises from a source external to an **Insured Person**;
- 3) is independent of illness, disease or other bodily malfunction or medical or surgical treatment thereof;
- 4) occurs while the **Insured Person** is insured under this policy which is in force; and
- 5) is the direct cause of loss.

BTA5600

Accidental Bodily Injury

Accidental Bodily Injury means bodily injury, which:

- 1) is **Accidental**;
- 2) is the direct cause of a loss; and
- 3) occurs while an **Insured Person** is insured under this policy, which is in force.

Accidental Bodily Injury does not mean a **Repetitive Motion Injury**.

BTA5602 (Ed. 7/06)

Actively at Work or Active Work

Actively at Work, or Active Work means a person is performing the material and substantial duties of his or her regular occupation for compensation.

BTA5606

Benefit Amount

Benefit Amount means the amount stated in the Schedule of Benefits for this policy which applies:

- 1) at the time of an **Accident**;
- 2) to an **Insured Person**; and
- 3) for the applicable **Hazard**.

BTA5612

Class

Class means the categories of **Insured Persons** described in Section I of the Schedule of Benefits.

BTA5628

Company

Company means FEDERAL INSURANCE COMPANY.

BTA5648

Conveyance

Conveyance means any motorized craft, vehicle or mode of transportation licensed or registered by a governmental authority with competent jurisdiction.

BTA5650

Covered Activity

Covered Activity means those activities set forth in the **Covered Activities Hazard**, and for which an **Insured Person** is insured under the policy.

BTA5652

Dependent Child

Dependent Child means a **Primary Insured Person's** unmarried child from the moment of birth, including a natural child, grandchild, stepchild or adopted child. The **Dependent Child** must be :

- 1) under the age of twenty-five (25); or
- 2) classified as an **Incapacitated Dependent Child**.

BTA5662TX

Full-time Employee

Full-time Employee means an employee who works at least 30 hours per week.

BTA5684

Hazard

Hazard means the circumstances for which this insurance is provided as stated in Section III of the Schedule of Benefits and described in the **Hazard** Section of this policy.

BTA5696

Hospital

Hospital means a public or private institution which:

- 1) is licensed in accordance with the laws of the jurisdiction where it is located;
- 2) is accredited by the Joint Commission on Accreditation of Hospitals;
- 3) operates for the reception, care and treatment of sick, ailing or injured persons as in-patients;
- 4) provides organized facilities for diagnosis and medical or surgical treatment;
- 5) provides twenty-four (24) hour nursing care;
- 6) has a **Physician** or staff of **Physicians**; and
- 7) is not primarily a day clinic, rest or convalescent home, assisted living facility or similar establishment and is not, other than incidentally, a place for the treatment of alcoholics or drug addicts.

BTA5712

Immediate Family Member

Immediate Family Member means an **Insured Person's**:

- 1) **Spouse**;
- 2) children including adopted children, stepchildren and grandchildren;
- 3) legal guardians or wards;
- 4) siblings or siblings-in-law;
- 5) parents or parents-in-law;
- 6) grandparents or grandchildren;
- 7) aunts or uncles;
- 8) nieces and nephews.

Immediate Family Member also means a **Spouse's** children, including adopted children and stepchildren; legal guardians or wards; siblings or siblings-in-law; parents or parents-in-law; grandparents or grandchildren; aunts or uncles; nieces or nephews.

BTA5716TX

Incapacitated Dependent Child

Incapacitated Dependent Child means a child who, as a result of being mentally or physically challenged, is permanently incapable of self-support and permanently dependent on a **Primary Insured Person** for support and maintenance. The **Primary Insured Person** must provide proof of the incapacity no later than the thirty-first (31st) day after the date the child attains age twenty-five (25).

BTA5718TX

Institution of Higher Learning

Institution of Higher Learning means any accredited public or private college, university, professional trade or vocational school beyond the twelfth (12th) grade.

BTA5724

Insured Person

Insured Person means a person, qualifying as a **Class** member under Section I of the Schedule of Benefits:

- 1) who elects insurance; or
- 2) for whom insurance is elected,
- 3) and on whose behalf premium is paid.

BTA5728

Leased Aircraft

Leased Aircraft means an aircraft not owned by the **Policyholder**, which is subject to a written lease agreement between the **Policyholder** and the lessor. The **Policyholder** uses the aircraft as it wishes for the term of the written lease agreement. The **Policyholder** cannot alter or sell the aircraft without the consent of the lessor. **Leased Aircraft** does not include aircraft which are chartered for single trips.

BTA5730 (Ed. 7/06)

Loss

Loss means Accidental:

Loss of Foot
Loss of Hand
Loss of Hearing
Loss of Life
Loss of Sight
Loss of Sight of One Eye
Loss of Speech
Loss of Thumb and Index Finger

Loss must occur within one (1) year after the **Accident**.

BTA5732

Loss of Foot

Loss of Foot means the complete severance of a foot through or above the ankle joint. **We** will consider such severance a **Loss of Foot** even if the foot is later reattached. If the reattachment fails and amputation becomes necessary, then **We** will not pay an additional **Benefit Amount** for such amputation.

BTA5734

Loss of Hand

Loss of Hand means complete severance, as determined by a **Physician**, of at least four (4) fingers at or above the metacarpal phalangeal joint on the same hand or at least three (3) fingers and the thumb on the same hand. **We** will consider such severance a **Loss of Hand** even if the hand, fingers or thumb are later reattached. If the reattachment fails and amputation becomes necessary, then **We** will not pay an additional **Benefit Amount** for such amputation.

BTA5736

Loss of Hearing

Loss of Hearing means permanent, irrecoverable and total deafness, as determined by a **Physician**, with an auditory threshold of more than 90 decibels in each ear. The deafness cannot be corrected by any aid or device, as determined by a **Physician**.

BTA5738

Loss of Life

Loss of Life means death, including clinical death, as determined by the local governing medical authority where such death occurs within 365 days after an **Accident**.

BTA5740

Loss of Sight

Loss of Sight means permanent loss of vision. Remaining vision must be no better than 20/200 using a corrective aid or device, as determined by a **Physician**.

BTA5742

Loss of Sight of One Eye

Loss of Sight of One Eye means permanent loss of vision of one eye. Remaining vision in that eye must be no better than 20/200 using a corrective aid or device, as determined by a **Physician**.
BTA5744

Loss of Speech

Loss of Speech means the permanent, irrecoverable and total loss of the capability of speech without the aid of mechanical devices, as determined by a **Physician**.
BTA5748

Loss of Thumb and Index Finger

Loss of Thumb and Index Finger means complete severance, through the metacarpal phalangeal joints, of the thumb and index finger of the same hand, as determined by a **Physician**. **We** will consider such severance a **Loss of Thumb and Index Finger** even if a thumb, an index finger or both are later reattached. If the reattachment fails and amputation becomes necessary, then **We** will not pay an additional **Benefit Amount** for such amputation.
BTA5750

Medical Expense

Medical Expense means the **Reasonable and Customary Charges** for **Medical Services** for the care and treatment of **Accidental Bodily Injuries** sustained in an **Accident**.
BTA5752

Medically Necessary

Medically Necessary means a medical or dental service, supply or course of treatment which:

- 1) is ordered or prescribed by a **Physician**;
- 2) is appropriate and consistent with the patient's diagnosis;
- 3) is in accord with current accepted medical or dental practice; and
- 4) could not be eliminated without adversely affecting the patient's condition.

BTA5758

Medical Services

Medical Services means **Medically Necessary** services, including but not limited to:

- 1) medical care and treatment by a **Physician**;
- 2) **Hospital** room and board and **Hospital** care, both inpatient and outpatient;
- 3) drugs and medicines required and prescribed by a **Physician**;
- 4) diagnostic tests and x-rays prescribed by a **Physician**;
- 5) transportation of an **Insured Person** in an emergency transportation vehicle from the location where such **Insured Person** becomes injured to the nearest **Hospital** where appropriate medical treatment can be obtained;
- 6) dental care and treatment due to **Accidental Bodily Injury**;
- 7) physical therapy, including diathermy, ultrasonic, whirlpool or heat treatment, adjustment, manipulation, massage and the office visit associated with such therapy;
- 8) treatment performed by a licensed medical professional when prescribed by a **Physician**, if hospitalization would have been otherwise required;
- 9) rental of durable medical equipment;
- 10) artificial limbs and other prosthetic devices;
- 11) orthopedic appliances or braces.
- 12) eyeglasses, contact lenses and other vision or hearing aids

BTA5760 (Ed. 7/06)

Operated Aircraft

Operated Aircraft means any aircraft not owned by the **Policyholder** but over which the **Policyholder** exercises control. **Operated Aircraft** includes an aircraft for which the **Policyholder** pays operating expenses.
BTA5768

Other Plan

Other Plan means any other insurance or payment source for **Medical Services** or disability, including but not limited to health coverage, disability insurance, worker's compensation insurance; or coverage provided or required by any law or statute, including, automobile insurance "fault" or "no-fault", employer sick leave or salary continuation plan, or similar benefit provided or required by governmental plan or program.
BTA5770

Owned Aircraft

Owned Aircraft means any aircraft to which the **Policyholder** holds legal or equitable title.
BTA5772

Physician

Physician means a licensed practitioner of the healing arts, acting within the scope of his or her license to the extent provided by the laws of the jurisdiction in which medical treatment is provided. **Physician**, other than a dentist, does not include:

- 1) an **Insured Person**;
- 2) an **Immediate Family Member**.

BTA5782TX

Policyholder

Policyholder means the entity identified in the Insuring Agreement.

BTA5786

Primary Insured Person

Primary Insured Person means an **Insured Person** who:

- 1) has a direct relationship with the **Policyholder**; and
- 2) where applicable, elects insurance under this policy.

BTA5790

Principal Sum

Principal Sum means the amount of insurance appearing in Section IV-A of the Schedule of Benefits applicable to each **Class**.

BTA5792

Proof of Loss

Proof of Loss means written evidence acceptable to **Us** that an **Accident, Accidental Bodily Injury** or **Loss** has occurred.

BTA5794

Reasonable and Customary Charge

Reasonable and Customary Charge means the lesser of:

- 1) the usual charge made by **Physicians** or other health care providers for a given service or supply; or
- 2) the charge **We** reasonably determine to be the prevailing charge made by **Physicians** or other health care providers for a given service or supply in the geographical area where it is furnished.

BTA5804

Repetitive Motion Injury

Repetitive Motion Injury means bursitis, stress fracture, strain, shin splints, Osgood Schlatter Disease, Chondromalacia, stress fractures, tendinitis and Carpal Tunnel Syndrome.

BTA5609

Spouse

Spouse means an **Insured Person's** husband or wife or who is recognized as such by the laws of the jurisdiction in which the **Primary Insured Person** resides.

BTA5828

Subsidiary

Subsidiary means any organization in which:

- 1) more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors is owned or controlled, directly or indirectly, in any combination by the **Policyholder**; or
- 2) the **Policyholder** exercises management control.

BTA5832

War

War means:

- 1) hostilities following a formal declaration of **War** by a governmental authority;
- 2) in the absence of a formal declaration of **War** by a governmental authority armed, open and continuous hostilities between two countries; or
- 3) armed, open and continuous hostilities between two factions, each in control of territory, or claiming jurisdiction over the geographic area of hostility.

BTA5858

We, Us and Our

We, Us and Our means FEDERAL INSURANCE COMPANY.

BTA5860

Section VIII - General Provisions

Addition of New Insured Persons

Any new person who meets the eligibility criteria for the **Class(es)** described in Section I of the Schedule of Benefits, **Insured Persons**, will automatically be an **Insured Person** under this policy.

BTA5150

Benefit Assignment

An **Insured Person** may assign **Benefit Amounts** other than those for **Loss of Life**. Such assignment must be in writing, signed by the **Insured Person** and filed with the **Policyholder**. The assignment shall be provided to **Us** at the time of claim or at such other time as **We** may require. **We** do not assume the responsibility for the validity of any assignment.

BTA5154

Beneficiary

A) Designation

An **Insured Person** has the right to designate a beneficiary. The **Primary Insured Person** shall have the sole right to designate a beneficiary for any **Dependent Child** who is a minor. All beneficiary designations must be:

- 1) in writing;
- 2) filed with the **Policyholder**; and
- 3) provided to **Us** at the time of claim; or
- 4) at such other time as **We** may require

B) Change

The **Insured Person**, and no one else, unless there is an irrevocable assignment, has the right to change the beneficiary except as set forth above. The **Insured Person** does not need the consent of anyone to do so. All beneficiary changes must be:

- 1) in writing;
- 2) filed with the **Policyholder**; and
- 3) provided to **Us** at the time of claim or at such other time as **We** may require.

We do not assume any responsibility for the validity of these changes.

C) Payment

The **Benefit Amount** for covered **Loss of Life** will be paid to the beneficiary designated by an **Insured Person**. Any **Benefit Amount** payable due to the **Loss of Life** of a **Dependent Child** will be paid to the **Primary Insured Person**, absent any beneficiary designation by the **Dependent Child**.

If an **Insured Person** has not chosen a beneficiary or if there is no beneficiary alive when the **Insured Person** dies, then **We** will pay the **Benefit Amount** for **Loss of Life** to the first surviving party in the following order:

- 1) the **Insured Person's Spouse**;
- 2) in equal shares to the **Insured Person's** surviving children;
- 3) in equal shares to the **Insured Person's** surviving parents;
- 4) in equal shares to the **Insured Person's** surviving brothers and sisters;
- 5) the **Insured Person's** estate.

All other **Benefit Amounts** are paid to the **Insured Person**, unless otherwise directed by an **Insured Person** or an **Insured Person's** designee, or unless otherwise noted in this policy.

If any beneficiary has not reached the legal age of majority, then **We** will pay such beneficiary's legal guardian.

BTA5158

Cancellation, Nonrenewal and Grace Period

A) Grace Period

The **Policyholder** is entitled to a grace period of thirty-one (31) days from the premium due date for the payment of premium due. This policy will continue in force during the grace period. The grace period does not apply to the first premium payable during this policy term. Failure to pay the first premium on or before the due date will immediately terminate this policy as of inception. **We** are not required to provide notification of such termination.

BTA5160

B) Cancellation, Nonrenewal

The **Policyholder** may cancel this policy, or any of its individual insurance benefits, by sending **Us** written notice stating when cancellation is to take effect. The effective date of cancellation may not be earlier than the date notice is postmarked or transmitted.

We may cancel this policy, or any of its individual insurance benefits, if the **Policyholder** fails to pay the premium within the grace period of thirty-one (31) days after the premium due date, except for the first premium due during the Policy Period. **We** will send written notice stating the effective date of cancellation, which will be no earlier than thirty-one (31) days after the premium due date.

We may cancel this policy, or any of its individual insurance benefits, for reasons other than nonpayment of premium by sending written notice stating when thereafter such cancellation shall take effect. If this is a multi-year policy, then **We** may cancel the policy, or any of its individual insurance benefits, by sending written notice at least forty-five (45) days prior to the Anniversary Date shown in the Insuring Agreement.

We may nonrenew this policy by sending written notice at least forty-five (45) days before the expiration date of the Policy Period shown in the Insuring Agreement.

We will send notice of cancellation or nonrenewal to the **Policyholder** at its last known address. If the notice is mailed, proof of mailing will be considered proof of cancellation or nonrenewal.

The **Policyholder** is required to immediately provide notice of cancellation or nonrenewal to all **Insured Persons**.

The earned premium will be computed on a pro-rata basis. Any unearned premium will be returned to the **Policyholder** as soon as practicable.

BTA5162

Certificate

When required by law, **We** will issue to the **Policyholder** for delivery to the **Primary Insured Person** a Certificate of Insurance. The Certificate of Insurance will describe the benefits, exclusions, limitations, and conditions of this policy and state to whom benefits are payable. Any subsequent changes to this policy will also apply to the existing Certificates of Insurance.

BTA5164

Changes

This policy can only be changed by a written endorsement that becomes a part of this policy. The endorsement must be approved by one of **Our** officers and signed by one of **Our** authorized representatives, and agreed to by the **Policyholder**. No agent has the authority to change this policy or waive any of its provisions.

BTA5166TX

Concealment or Fraud

Insurance under this policy is void if:

- 1) the **Policyholder** or any **Insured Person** has intentionally concealed or misrepresented any material fact relating to this policy before or after a **Loss**; or
- 2) the **Policyholder** or any **Insured Person** files a false report of a **Loss**.

BTA5165

Compliance by Policyholder and Insured Person

We have no duty to provide insurance under this policy unless the **Policyholder**, the **Insured Person** and the beneficiary, if applicable, have fully complied with all the terms and conditions of this policy.

BTA5168

COORDINATION OF BENEFITS

This Coordination of Benefit provision does not apply to medical expenses resulting from disease or illness.

(A) This Coordination of Benefits (COB) provision applies to **This Plan** when an **Insured Person** has health care coverage under more than one **Plan**. **Plan** and **This Plan** are defined below.

(B) If this COB provision applies, the order of benefit determination rules shall be looked at first. The rules determine whether the benefits of **This Plan** are determined before or after those of another **Plan**. The benefits of This Plan:

(i) shall not be reduced when, under the order of benefit determination rules, **This Plan** determines its benefits before another **Plan**; but

(ii) may be reduced when, under the order of benefit determination rules, another **Plan** determines its benefits first.

Definitions.

(A) **Allowable Expense** means a necessary, reasonable, and customary item of expense for health care, when the item of expense is covered at least in part by one or more **Plans** covering the person for whom the claim is made.

The difference between the cost of a private hospital room and the cost of a semi-private hospital room is not considered an **Allowable Expense** unless the patient's stay in a private hospital room is medically necessary either in terms of generally accepted medical practice or as specifically defined in the **Plan**.

When a **Plan** provides benefits in the form of services, the reasonable cash value of each service rendered shall be considered both an **Allowable Expense** and a benefit paid.

(B) **Claim Determination Period** means a calendar year. However, it does not include any part of a year during which a person has no coverage under **This Plan** or any part of a year before the date this COB provision or a similar provision takes effect.

(C) **Plan** means any of the following which provides benefits or services for, or because of, medical or dental care or treatment:

(i) Group insurance or group-type coverage, whether insured or uninsured, that includes continuous 24-hour coverage. This includes prepayment, group practice or individual practice coverage. It also includes coverage other than school accident-type coverage.

(ii) Coverage under a governmental plan or coverage that is required or provided by law. This does not include a state plan under Medicaid (Title XIX, Grants to States for Medical Assistance Programs, of the United States Social Security Act as amended from time to time). It also does not include any plan whose benefits, by law, are excess to those of any private insurance program or other non-governmental program.

Each contract or other arrangement for coverage under (i) or (ii) is a separate **Plan**. If an arrangement has two parts and COB rules apply only to one of the two, each of the parts is a separate **Plan**.

(D) **Primary Plan/Secondary Plan**. The order of benefit determination rules state whether **This Plan** is a **Primary Plan** or **Secondary Plan** as to another **Plan** covering the person.

When **This Plan** is a **Secondary Plan**, its benefits are determined after those of the other **Plan** and may be reduced because of the other **Plan's** benefits.

When **This Plan** is a **Primary Plan**, its benefits are determined before those of the other **Plan** and without considering the other **Plan's** benefits.

When there are more than two **Plans** covering the person, **This Plan** may be a **Primary Plan** as to one or more other **Plans** and may be a **Secondary Plan** as to a different **Plan** or **Plans**.

(E) **This Plan** means the part of the group contract that provides benefits for health care expenses.

(III) Order of Benefit Determination Rules.

(A) General. When there is a basis for a claim under **This Plan** and another **Plan**, **This Plan** is a **Secondary Plan** which has its benefits determined after those of the other **Plan**, unless:

- (i) the other **Plan** has rules coordinating its benefits with those of **This Plan**; and
- (ii) both those rules and **This Plan's** rules described below require that **This Plan's** benefits be determined before those of the other **Plan**.

(B) Rules. This plan determines its order of benefits using the first of the following rules which applies:

(i) **Non-dependent/Dependent**. The benefits of the **Plan** which covers the person as an employee, member or subscriber are determined before those of the **Plan** which covers the person as a **Dependent** of an employee, member or subscriber.

(ii) **Dependent Child/Parents Not Separated or Divorced**. Except as stated below, when **This Plan** and another **Plan** cover the same child as a dependent of different persons, called "parents":

a. the benefits of the **Plan** of the parent whose birthday falls earlier in the calendar year are determined before those of the **Plan** of the parent whose birthday falls later in that calendar year; but

b. if both parents have the same birthday, the benefits of the **Plan** which covered the parent longer are determined before those of the **Plan** which covered the other parent for a shorter period of time.

However, if the other **Plan** does not have this rule described above but instead has a rule based upon the gender of the parent, and if, as a result, the Plans do not agree on the order of benefits, the rule in the other **Plan** shall determine the order of benefits.

(iii) **Dependent Child/Separated or Divorced Parents.** If two or more **Plans** cover a person as a **Dependent Child** of divorced or separated parents, benefits for the child are determined in this order:

- a. first, the **Plan** of the parent with custody of the child;
- b. then, the **Plan** of the spouse of the parent with the custody of the child; and
- c. finally, the **Plan** of the parent not having custody of the child.

Also, if the specific terms of a court decree state that the parents have joint custody of the child and do not specify that one parent has responsibility for the child's health care expenses or if the court decree states that both parents shall be responsible for the health care needs of the child but gives physical custody of the child to one parent, and the entities obligated to pay or provide the benefits of the respective parents' **Plans** have actual knowledge of those terms, benefits for the **Dependent Child** shall be determined according to the rules above.

However, if the specific terms of a court decree state that one of the parents is responsible for the health care expenses of the child, and the entity obligated to pay or provide the benefits of the **Plan** of that parent has actual knowledge of those terms, the benefits of that **Plan** are determined first. This paragraph does not apply with respect to any **Claim Determination Period** or plan year during which any benefits are actually paid or provided before the entity has that actual knowledge.

(iv) **Active/Inactive Employee.** The benefits of a **Plan** which covers a person as an employee who is neither laid off nor retired or as that employee's **Dependent** are determined before those of a **Plan** which covers that person as a laid off or retired employee or as that employee's **Dependent**. If the other **Plan** does not have this rule and if, as a result, the **Plans** do not agree on the order of benefits, this rule is ignored.

(v) **Continuation coverage.** a. If a person has continuation coverage under federal or state law and is also covered under another plan, the following shall determine the order of benefits:

- i. First, the benefits of a plan covering the person as an employee, member or subscriber or as a dependent of an employee, member or subscriber.
- ii. Second, the benefits under the continuation coverage.

b. If the other plan does not have the rule, and if, as a result, the plans do not agree on the order of benefits, this is ignored.

(vi) **Longer/Shorter Length of Coverage.** If none of the above rules determines the order of benefits, the benefits of the **Plan** which covered an employee, member or subscriber longer are determined before those of the **Plan** which covered that person for the shorter time.

(IV) Effect on the Benefits of This Plan.

(A) **When This Section Applies.** This Section applies when, in accordance with the Order of Benefit Determination Rules, **This Plan** is a **Secondary Plan** as to one or more other **Plans**. In that event the benefits of **This Plan** may be reduced under this section. Such other **Plan** or **Plans** are referred to as the other **Plans**.

(B) **Reduction in This Plan's Benefits.** The benefits of **This Plan** will be reduced when the sum of the following exceeds the **Allowable Expenses** in a **Claim Determination Period**:

(i) the benefits that would be payable for the **Allowable Expenses** under **This Plan** in the absence of this COB provision; and

(ii) the benefits that would be payable for the **Allowable Expenses** under the other **Plans**, in the absence of provisions with a purpose like that of this COB provision, whether or not claim is made. Under this provision, the benefits of **This Plan** will be reduced so that they and the benefits payable under the other **Plans** do not total more than those **Allowable Expenses**.

When the benefits of **This Plan** are reduced as described above, each benefit is reduced in proportion. It is then charged against any applicable benefit limit of **This Plan**.

(V) Right to Receive and Release Needed Information.

We have the right to decide the facts it needs to apply these COB rules. We may get needed facts from or give them to any other organization or person without the consent of the insured but only as needed to apply these COB rules. Medical records remain confidential as provided by state law. Each person claiming benefits under **This Plan** must give the Us any facts We need to pay the claim.

(VI) Facility of Payment.

A payment made under another **Plan** may include an amount which should have been paid under **This Plan**. If it does, We may pay that amount to the organization which made that payment. That amount will then be treated as though it were a benefit paid under **This Plan**. We will not have to pay that amount again. The term payment made means reasonable cash value of the benefits provided in the form of services.

(VII) Right of Recovery.

If the amount of the payments made by Us is more than it should have paid under this COB provision, We may recover the excess from one or more of:

- (A) the persons it has paid or for whom it has paid;
- (B) insurance companies; or
- (C) other organizations.

The amount of the payments made includes the reasonable cash value of any benefits provided in the form of services.

BTA5169

Claim Notice

Written Claim Notice must be given to Us or any of Our brokers or appointed agents within twenty (20) days after the occurrence or commencement of any **Loss** covered by this policy or as soon as reasonably possible. Notice must include enough information to identify the **Insured Person** and **Policyholder**. Failure to give Claim Notice within twenty (20) days will not invalidate or reduce any otherwise valid claim if notice is given as soon as reasonably possible.

BTA5170

Claim Forms

When **We** receive notice of a claim, **We** will send the **Insured Person** or the **Insured Person's** designee, within fifteen (15) days, forms for giving **Proof of Loss** to **Us**. If the **Insured Person** or the **Insured Person's** designee does not receive the forms, then the **Insured Person** or an **Insured Person's** designee should send **Us** a written description of the **Loss**. This written description should include information detailing the occurrence, type and extent of the **Loss** for which the claim is made.

BTA5172

Claim Proof of Loss

For claims involving disability, complete **Proof of Loss** must be given to **Us** within ninety (90) days after commencement of the period for which **We** are liable. Subsequent written proof of the continuance of such disability must be given to **Us** at such intervals as **We** may reasonably require.

Failure to give complete **Proof of Loss** within these time frames will not invalidate or reduce any otherwise valid claim if notice is given as soon as reasonably possible, and in no event later than one (1) year after the deadline to submit complete **Proof of Loss**, except in cases where the claimant lacks legal capacity.

For all claims except those involving disability, complete **Proof of Loss** must be given to **Us** within ninety (90) days after the date of **Loss**, or as soon as reasonably possible.

BTA5174TX

Claim Payment

For benefits payable involving disability, **We** will pay the **Insured Person** the applicable **Benefit Amount** no less frequently than monthly during the period for which **We** are liable. All payments by **Us** are subject to receipt of complete **Proof of Loss**.

For all benefits payable under this policy except those for disability, **We** will pay the **Insured Person** or beneficiary the applicable **Benefit Amount** within sixty (60) days after **We** receive complete **Proof of Loss** if the **Insured Person**, the **Policyholder** and beneficiary, where applicable, have complied with all the terms of this policy.

BTA5176

Claim and Suit Cooperation

In the event of a claim under this policy, the **Policyholder**, the **Insured Person** or the beneficiary, if applicable, must fully cooperate with **Us** in **Our** handling of the claim, including, but not limited to, the timely submission of all medical and other reports, and full cooperation with all physical examinations and autopsies that **We** may require. If **We** are sued in connection with a claim under this policy, then the **Policyholder**, the **Insured Person** or the beneficiary must fully cooperate with **Us** in the handling of such suit. The **Policyholder**, the **Insured Person** or the beneficiary must not, except at their own expense, voluntarily make any payment or assume any obligation in connection with any suit without **Our** prior written consent.

BTA5178

Entire Contract and Application

This policy, the **Policyholder's** application and the **Primary Insured Person's** application, if any, together with the endorsements attached to this policy, constitute the entire contract of insurance. If an application is completed by the **Policyholder** or **Primary Insured Person** in connection with this policy, then **We** will attach the application to the policy when the policy is issued.

BTA5182

Examination Under Oath

We have a right to examine under oath, as often as **We** may reasonably require, an **Insured Person**, the **Policyholder** or the beneficiary. **We** may also require the **Insured Person**, the **Policyholder** or the beneficiary to provide a signed description of the circumstances surrounding the **Loss** and their interest in the **Loss**. An **Insured Person**, the **Policyholder** and the beneficiary will also produce all records and documents requested by **Us** and will permit **Us** to make copies of such records or documents.

BTA5183

Governing Jurisdiction and Conformance With Statutes

This policy is governed by the laws of the jurisdiction in which it is delivered to the **Policyholder**. Any terms of this policy which are in conflict with the applicable statutes, laws or regulations of the jurisdiction in which this policy is delivered are amended to conform to such statutes, laws or regulations. Any terms of a certificate which are in conflict with the applicable statutes, laws or regulations of the jurisdiction in which the certificate is delivered are amended to conform to the statutes, laws or regulations of the jurisdiction.

BTA5184 (Ed. 7/06)

Inadvertent Error

The insurance provided under this policy will not be prejudiced by the failure on the part of the **Policyholder** to transmit reports, collect and remit premium or comply with any of the terms and conditions of this policy when such failure is due to an inadvertent error or clerical mistake, provided that such inadvertent error or clerical mistake is corrected promptly upon discovery.

An inadvertent error or clerical mistake by **Us** or by the **Policyholder** may be corrected upon discovery with notice by the **Policyholder** to **Us** or by **Us** to the **Policyholder**.

BTA5186

Informational and Advertising Material

The **Policyholder** and its representatives must gain **Our** prior written approval of all material used for advertising and solicitation relating to this policy, regardless of the medium in which such material appears. **We** will not be responsible for any increase in payment or any changes in insurance resulting from such materials that have not been approved by **Us**.

BTA5188

Legal Action Against Us

No legal action may be brought to recover on this policy until sixty (60) days after **We** have been given complete **Proof of Loss**. No such action may be brought after three (3) years from the time complete **Proof of Loss** is required to be given. No such action may be brought unless there has been full compliance with all of the terms of this policy.

In no case will **We** be liable for benefits that are not payable under the terms of this policy or that exceed the applicable **Benefit Amounts** or limits of insurance of this policy.

BTA5190

Liberalization

If **We** adopt any changes:

- 1) within forty-five (45) days prior to the policy effective date shown in the Insuring Agreement; or
- 2) during the Policy Period,

which broaden this insurance without an additional premium charge, then the **Insured Person** will automatically receive the benefit of the broadened insurance.

BTA5192

Newly Acquired or Newly Formed Organizations

If the **Policyholder** acquires or forms another entity that becomes a **Subsidiary**, then at the **Policyholder's** request, **We** will enroll all eligible employees of such **Subsidiary** as soon as possible subject to the following requirements:

- 1) all eligible employees of such **Subsidiary** fit the **Class** Description shown in Section I of the Schedule of Benefits;
- 2) the **Subsidiary** is acquired or formed during the Policy Period;
- 3) the **Policyholder** reports the name of the **Subsidiary** within ninety (90) day(s) after its acquisition or formation together with such information that **We** at our sole discretion may require to determine the additional premium; and
- 4) the **Policyholder** pays the additional required premium.

This insurance does not apply if the **Policyholder** advises **Us** in writing that it does not seek insurance under this policy for such newly acquired or formed **Subsidiary**.

BTA5194

Physical Examination and Autopsy

We have the right to have an **Insured Person** examined by a **Physician** approved by **Us**, as often as reasonably necessary while a claim is open. **We** may also have an autopsy done by a **Physician**, unless prohibited by law. Any examinations or autopsies that **We** require will be done at **Our** expense.

BTA5193

Premium Payment

The **Policyholder** will collect and remit to **Us** all premium due under this policy, subject to the grace period.

Premium is adjustable. The earned premium is calculated for each reporting period based on the applicable rates and exposures. The **Policyholder** must keep records of the information **We** need to calculate the premium and send **Us** copies of these records for each reporting period.

The earned premium will be computed on a pro-rata basis. Any unearned premium will be remitted to the **Policyholder** as soon as practicable.

BTA5196

Premium Provisions

The **Policyholder** will pay all required premium due under this policy, subject to the grace period. Annual Premiums and Deposit Premiums are due at the beginning of the Policy Period and each future Anniversary Date unless otherwise indicated on the Premium Summary.

If premiums are adjustable, then **We** will compute the earned premium for each audit reporting period based on the applicable rates and exposures. The **Policyholder** must keep records of the information **We** need to perform the adjustment and send **Us** copies at **Our** request.

If the policy is written subject to adjustment shown in the Premium Schedule, then the **Policyholder** must report to **Us** the complete information for the reporting period shown in the Premium Summary. The **Policyholder** must submit the reports within the specified number of days after the end of each Reporting Period.

At the earlier of the end of the Policy Period or the policy termination, earned premium will be determined based on the reported values or exposures. If the resulting earned premium is less than the Deposit Premium, if any, then **We** will return the excess to the **Policyholder**. If the resulting earned premium is greater than the Deposit Premium, if any, then **We** will bill the **Policyholder** for the additional premium. The **Policyholder** will pay **Us**, within thirty (30) days, any additional premium generated from the premium adjustment.

BTA5197

Premium Rate Change

We may change the premium rates for this policy on the Anniversary Date. **We** will give the **Policyholder** at least sixty (60) days prior written notice of such change.

BTA5198TX

Records and Audit

We may examine the **Policyholder's** books and records relating to this policy at any reasonable time during the policy term and up to three (3) years after expiration of this policy or until final adjustment and settlement of all claims under this policy, whichever is later.

The **Policyholder** must maintain information pertaining to **Insured Persons** including but not limited to each **Insured Person's Benefit Amount, Class, Salary**, enrollment form, if any, and beneficiary designations or assignments.

BTA5204

Statements by Policyholder or Insured Person and Incontestability

We will not use any statements, except fraudulent misstatements, made by the **Policyholder** or the **Insured Person** to void the insurance or reduce benefits payable under this policy, or to otherwise contest the validity of this policy, unless such statements are contained in a written document signed by the **Policyholder** or the **Insured Person**. If **We** rely on such statements for this purpose, then **We** will provide a copy of the written document to the **Policyholder**, the **Insured Person** or the **Insured Person's** designee or beneficiary, as appropriate.

We will consider all statements made by the **Policyholder** and the **Insured Person** to be representations and not warranties.

Except for nonpayment of premium, **We** will not use statements made by the **Policyholder** or the **Insured Person** regarding insurability to contest the validity of this policy when the statements are made more than two (2) years after this policy has been in force during the **Insured Person's** lifetime.

Nothing in this section will preclude **Us** from asserting at any time defenses based upon a claimant's ineligibility for insurance under this policy, or upon any other policy provision or condition.

BTA5206

Titles of Paragraphs

The titles of the various paragraphs of this policy and any endorsements attached to this policy are inserted solely for convenience of reference and do not limit or affect in any way the provisions to which they relate.

BTA5208

Workers' Compensation

The benefits payable under this policy are not in lieu of and do not affect any requirement for workers' compensation insurance.

BTA5210

POLICY INFORMATION NOTICE

SPECIMEN

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Chubb's toll-free telephone number
for information or to make a complaint at:

1-800-36-CHUBB

You may contact the Texas Department of
Insurance to obtain information on companies,
coverages, rights, or complaints at:

1-800-252-3439

You may write to the Texas Department of
Insurance at:

P.O. Box 149104

Austin, TX 78714-9104

FAX: (512) 475-1771

Web: <http://www.tdi.texas.gov>

Email: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES

AVISO IMPORTANTE

Para obtener información o para someter una queja:

Usted puede llamar al número de teléfono gratis
de Chubb's para información o para someter una
queja al:

1-800-36-CHUBB

Puede comunicarse con el Departamento de Seguros
de Texas para obtener información acerca de
compañías, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas
al:

P.O. Box 149104

Austin, TX 78714-9104

FAX: (512) 475-1771

Web: <http://www.tdi.texas.gov>

Email: ConsumerProtection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS

Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY

This notice is for information only and does not become a part or condition of the attached document.

4000 Notice Texas

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero.

Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA

Este aviso es solo para propósito de información y no se convierte en parte o condición del documento adjunto.

**IMPORTANT INFORMATION ABOUT COVERAGE UNDER THE TEXAS LIFE AND HEALTH
INSURANCE GUARANTY ASSOCIATION**
(For insurers declared insolvent or impaired on or after September 1, 2011)

Texas law establishes a system to protect Texas policyholders if their life or health insurance company fails. Only the policyholders of insurance companies which are members of the Association are eligible for this protection which is subject to the terms, limitations, and conditions of the Association law. (The law is found in the Texas Insurance Code, Chapter 463.)

It is possible that the Association may not protect all or part of your policy because of statutory limitations.

Eligibility for Protection by the Association

When a member insurance company is found to be insolvent and placed under an order of liquidation by a court or designated as impaired by the Texas Commissioner of Insurance, the Association provides coverage to policyholders who are:

- Residents of Texas (**regardless of where the policyholder lived when the policy was issued**)
- Residents of other states, **ONLY** if the following conditions are met:
 - 1) The policyholder has a policy with a company domiciled in Texas;
 - 2) The policyholder's state of residence has a similar guaranty association; and
 - 3) The policyholder is not eligible for coverage by the guaranty association of the policyholder's state of residence.

Limits of Protection by the Association

Accident, Accident and Health, or Health Insurance:

- For each individual covered under one or more policies: up to a total of \$500,000 for basic hospital, medical-surgical, and major medical insurance, \$300,000 for disability or long term care insurance, or \$200,000 for other types of health insurance.

Life Insurance:

- Net cash surrender value or net cash withdrawal value up to a total of \$100,000 under one or more policies on a single life; or
- Death benefits up to a total of \$300,000 under one or more policies on a single life; or
- Total benefits up to a total of \$5,000,000 to any owner of multiple non-group life policies.

Individual Annuities:

- Present value of benefits up to a total of \$250,000 under one or more contracts on any one life.

Group Annuities:

- Present value of allocated benefits up to a total of \$250,000 on any one life; or
- Present value of unallocated benefits up to a total of \$5,000,000 for one contractholder regardless of the number of contracts.

Aggregate Limit:

- \$300,000 on any one life with the exception of the \$500,000 health insurance limit, the \$5,000,000 multiple owner life insurance limit, and the \$5,000,000 unallocated group annuity limit.

These limits are applied for each insolvent insurance company.

Insurance companies and agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation, or inducement to purchase any form of insurance. When you are selecting an insurance company, you should not rely on Association coverage. For additional questions on Association protection or general information about an insurance company, please use the following contact information.

Texas Life and Health Insurance Guaranty Association
515 Congress Avenue, Suite 1875
Austin, Texas 78701
800-982-6362 or www.txlifega.org

Texas Department of Insurance
P.O. Box 149104
Austin, Texas 78714-9104
800-252-3439 or www.tdi.state.tx.us

4400

FACTS	WHAT DOES THE CHUBB GROUP DO WITH YOUR PERSONAL INFORMATION?		
Why?	Insurance companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal and state law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and payment history • insurance claim history and medical information • account transactions and credit scores <p>When you are no longer our customer, we continue to share information about you as described in this notice.</p>		
How?	All insurance companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons insurance companies can share their customers' personal information; the reasons the Chubb Group chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does Chubb share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes - to offer our products and services to you		Yes	No
For joint marketing with other financial companies		Yes	No
For our affiliates' everyday business purposes - information about your transactions and experiences		Yes	No
For our affiliates' everyday business purposes - information about your creditworthiness		No	We don't share
For our affiliates to market to you		No	We don't share
For nonaffiliates to market to you		No	We don't share
Questions?	Call 1-800-258-2930 or go to https://www2.Chubb.com/us-en/privacy.aspx		

Who is providing this notice?	The Chubb Group. A list of these companies is located at the end of this document.
What we do	
How does Chubb Group protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We restrict access to personal information to our employees, affiliates' employees, or others who need to know that information to service the account or to conduct our normal business operations.</p>
How does Chubb Group collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • apply for insurance or pay insurance premiums • file an insurance claim or provide account information • give us your contact information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes - information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • Our affiliates include those with a Chubb name and other companies, such as Westchester Fire Insurance Company and Great Northern Insurance Company.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • Chubb does not share with nonaffiliates so they can market to you.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • Our joint marketing partners include categories of companies such as banks.

Other important information

For Insurance Customers in AZ, CA, CT, GA, IL, MA, ME, MN, MT, NV, NC, NJ, OH, OR, and VA only: Under state law, under certain circumstances, you have the right see the personal information about you that we have on file. To see your information, write Chubb Group Attention: Privacy Inquiries, 202 Hall's Mill Road, P.O. Box 1600, Whitehouse Station, NJ 08889-1600. Chubb may charge a reasonable fee to cover the costs of providing this information. If you think any of the information is not accurate, you may write us. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement. If you want a full description of privacy rights that we will protect in accordance with the law in your home state, please contact us and we will provide it. We may disclose information to certain third parties, such as law enforcement officers, without your permission.

For Nevada residents only: We may contact our existing customers by telephone to offer additional insurance products that we believe may be of interest to you. Under state law, you have the right to opt out of these calls by adding your name to our internal do-not-call list. To opt out of these calls, or for more information about your opt out rights, please contact our customer service department. You can reach us by calling 1-800-258-2930, emailing us at privacyinquiries@Chubb.com, or writing to Chubb Group, Attention: Privacy Inquiries, 202 Hall's Mill Road, P.O. Box 1600, Whitehouse Station, NJ 08889-1600. You are being provided this notice under Nevada state law. In addition to contacting Chubb, Nevada residents can contact the Nevada Attorney General for more information about your opt out rights by calling 775-684-1100, emailing bcinfo@ag.state.nv.us, or by writing to: Office of the Attorney General, Nevada Department of Justice, Bureau of Consumer Protection: 100 North Carson Street, Carson City, NV 89701.

For Vermont residents only: Under state law, we will not share information about your creditworthiness within our corporate family except with your authorization or consent, but we may share information about our transactions or experiences with you within our corporate family without your consent.

Chubb Group Companies Providing This Notice

This notice is being provided by the following Chubb Group companies to their customers located in the United States: ACE American Insurance Company, ACE Capital Title Reinsurance Company, ACE Fire Underwriters Insurance Company, ACE Insurance Company of the Midwest, ACE Life Insurance Company, ACE Property and Casualty Insurance Company, Agri General Insurance Company, Atlantic Employers Insurance Company, Bankers Standard Fire and Marine Company, Bankers Standard Insurance Company, Century Indemnity Company, Chubb Custom Insurance Company, Chubb Indemnity Insurance Company, Chubb Insurance Company of New Jersey, Chubb Lloyds Insurance Company of Texas, Chubb National Insurance Company, Executive Risk Indemnity Inc., Executive Risk Specialty Insurance Company, Federal Insurance Company, Great Northern Insurance Company, Illinois Union Insurance Company, Indemnity Insurance Company of North America, Insurance Company of North America, Pacific Employers Insurance Company, Pacific Indemnity Company, Penn Millers Insurance Company, Texas Pacific Indemnity Company, Vigilant Insurance Company, Westchester Fire Insurance Company and Westchester Surplus Lines Insurance Company.



Federal Insurance Company

Special Risk Insurance Application

Section I Policyholder Information

Name of Policyholder: SAN ANTONIO EARLY CHILDHOOD MUNICIPAL DEVELOPMENT CORPORATION

Address 7031 S NEW BRAUNFELS

City SAN ANTONIO **State** TX **Zip Code** 78223

Phone Number:

Contact Name:

Effective Date: 07/01/2018

Policy Number: SPEC-IM-EN

INSURANCE REQUESTED

A) CLASS OF INSURED PERSONS

1 All Registered Students of the Policyholder

B) PRINCIPAL SUM

1 \$25,000

C) HAZARD

1 Covered Activities

D) ACCIDENTAL DEATH AND DISMEMBERMENT

Class

All

Accidental:

SPECIMEN

Benefit Amounts (Percentage of Principal Sum)

Loss of Life	100%
Loss of Speech and Loss of Hearing	100%
Loss of Speech and one of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hearing and one of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hands(Both), Loss of Feet(Both), Loss of Sight or a combination of any two of Loss of Hand, Loss of Foot or Loss of Sight of One Eye	100%
Loss of Hand, Loss of Foot or Loss of Sight of one Eye (Any one of each)	50%
Loss of Speech or Loss of Hearing	50%
Loss of Thumb and Index Finger of the same Hand	25%

E) ADDITIONAL BENEFITS

CLASS	BENEFIT	BENEFIT AMOUNT
1	Accident Medical Expense	\$25,000 Deductible \$0 Dental Benefit Amount \$1,000 Physical Therapy Benefit Amount \$2,500 Orthopedic Appliance Benefit Amount \$1,000

Aggregate Limit of Insurance

The Aggregate Limit of Insurance applies:

\$250,000 per Accident

Premium

Amount Due \$7,685

Due Date 07/01/2018

Employee Retirement Income Security Act

Is this plan subject to Employee Retirement Income Security Act (ERISA) regulations? (Y/N) _____

Policy Acceptance

The undersigned declares that all information provided in this application and any attachments hereto is true and correct. The undersigned understands that all information provided in this application and any attachments hereto is material to the insurer's decision to provide this insurance, and that insurance will be provided, at the insurer's sole discretion, in reliance upon the truth of such information. It is hereby agreed and understood this insurance is provided by the **Company** in consideration of payment of the required premium. The insurance under the policy begins on the Effective Date shown in the Insuring Agreement of the policy. The acceptance of the policy terminates any prior policy of the same policy number, effective with the inception of the policy.

Fraud Warning

Any person who, knowingly and with intent to defraud any insurance company or other person, files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act, which is a crime.

Name of Policyholder: _____

Date

Signature

Title

SPECIMEN



Company Authorized Representative



Premium Summary Analysis

Line of Business	2017 Premiums	2018 Premiums
Commercial Property	\$ 63,430.00	\$ 52,337.00
Inland Marine	\$ 8,274.00	\$ Included
General Liability	\$ 27,746.00	\$ 32,213.00
Umbrella	\$ 13,788.00	\$ 7,405.00
Student Accident	\$ 7,354.00	\$ 7,685.00
Directors & Officers Liability School Leader's Errors & Omissions Liability	\$ 6,714.00	\$ 10,019.00
Risk Control Services Fee	\$ Included	\$ 5,000.00
Total Annual Proposed Premium:	\$127,306.00	\$ 114,659.00

Detailed Proposals including coverage terms and conditions follow



2015-2016			2016-2017			Proposed 2017-2018 *		Issued 2017-2018 *		Proposed 2018-2019		Actual 2018-2019	
Coverage	Limit	Premium	Limit	Premium	Limit	Premium	Limit	Premium	Limit	Premium	Limit	Premium	
General Liability - Occ Aggregate	\$ 1,000,000	\$ 16,758.00	\$ 1,000,000	\$ 18,779.00	\$ 1,000,000	\$ 27,746.00	\$ 1,000,000	\$ 27,498.00	\$ 1,000,000	\$ 31,907.90	\$ 1,000,000	\$ 31,285.00	
Abuse Liability	\$ 3,000,000	Included	\$ 3,000,000	Included	\$ 3,000,000	Included	\$ 3,000,000	Included	\$ 3,000,000	Included	\$ 2,000,000	Included	
Inland Marine	\$ 1,000,000	\$ 7,089.00	\$ 1,000,000	\$ 8,082.00	\$ 1,000,000	\$ 8,274.00	\$ 1,000,000	\$ 8,174.00	\$ 1,000,000	\$ 9,515.10	\$ 1,000,000	Included	
Crime	Included in Property	Included	Included in Property	Included	Included in Property	Included	Included in Property	Included	Included in Property	Included	Included in Property	Included	
Professional Liability	1,000,000 / 3,000,000	Included	1,000,000 / 3,000,000	Included	1,000,000 / 3,000,000	Included	1,000,000 / 3,000,000	Included	1,000,000 / 3,000,000	Included	\$ 1,000,000	Included	
Corporate Punishment	Policy Limits	Included	Policy Limits	Included	Policy Limits	Included	Policy Limits	Included	Policy Limits	Included	\$ 1,000,000	Included	
Terrorism (Optional)	\$ 10,959,324	\$ 674.00	\$ 10,959,324	\$ 791.00	\$ 10,959,324	\$ 883.00	\$ 10,959,324	\$ 622.00	\$ 10,959,324	\$ 1,015.45	\$ 11,484,324	Included	
Property - Buildings	\$ 10,959,324	\$ 59,301.00	\$ 10,959,324	\$ 67,989.00	\$ 10,959,324	\$ 63,430.00	\$ 10,959,324	\$ 62,908.00	\$ 10,959,324	\$ 72,944.50	\$ 11,484,324	\$ 52,337.00	
Contents	\$ 3,000,000	\$ 5,592.00	\$ 3,000,000	\$ 6,741.00	\$ 3,000,000	\$ 2% Wind/Hail	\$ 3,000,000	\$ 2% Wind/Hail	\$ 3,000,000	\$ 2% Wind/Hail	\$ 14,400,000	\$100,000 Wind/Hail	
Tenants Improvements	\$ 11,400,000	\$ 5,717.00	\$ 11,400,000	\$ 5,000 Deductible	\$ 11,400,000	\$ 2% Wind/Hail	\$ 11,400,000	\$ \$10,000 Deductible	\$ 11,400,000	\$ \$10,000 Deductible	\$ 895,000	\$5,000 Deductible	
Business Income	Actual Loss Sustained	Included	Actual Loss Sustained	\$5,000 Deductible	Actual Loss Sustained	\$10,000 Deductible	Actual Loss Sustained	\$10,000 Deductible	Actual Loss Sustained	Actual Loss Sustained	\$100,000	\$5,000 Deductible	
Automobile	\$ 1,000,000	Included	\$ 1,000,000	Included	\$ 1,000,000	Included	\$ 1,000,000	Included	\$ 1,000,000	Included	\$ 1,000,000	\$ 928.00	
Umbrella	\$ 8,000,000	\$ 10,427.00	\$ 8,000,000	\$ 10,521.00	\$ 8,000,000	\$ 13,788.00	\$ 8,000,000	\$ 13,681.00	\$ 8,000,000	\$ 15,856.20	\$ 8,000,000	\$ 7,405.00	
Student Accident - AD&D	\$ 10,000	\$ 5,592.00	\$ 10,000	\$ 5,592.00	\$ 10,000	\$ 7,354.00	\$ 10,000	\$ 7,354.00	\$ 10,000	\$ 8,457.10	\$ 25,000	\$ 7,685.00	
Directors & Officers Liability	\$ 2,000,000	\$ 5,717.00	\$ 2,000,000	\$ 6,714.00	\$ 2,000,000	\$ 6,714.00	\$ 2,000,000	\$ 6,714.00	\$ 2,000,000	\$ 7,721.10	\$ 1,000,000	\$ 10,019.00	
Workers' Comp	N/A	Not Quoted	N/A	Not Quoted	N/A	Not Quoted	N/A	Not Quoted	N/A	Not Quoted	N/A	Not Quoted	
Total Premium:		\$ 105,558.00		\$ 118,468.00		\$ 128,189.00		\$ 126,951.00		\$ 147,417.35	\$ 100,000	Included	
go-Enhancements Are Specified in Comp			*Increased ADA			*Increased ADA		*Increased ADA		Risk Control Services Fee			\$ 5,000.00
										Specimen Forms Included			\$ 114,659.00
										ADA: 2,100			\$ 114,659.00



McGriff, Seibels & Williams, Inc.
A BB&T Company

<u>Carrier</u>	<u>Response</u>
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Property & Casualty:

Markel	Declined
Travelers	Declined
TPS	Declined
Argonaut	Declined
Lexington	Declined
Great American	Declined
Chubb	Quoted Student Accident Only
Hartford	Quoted Property Only
Liberty Mutual	Quoted Casualty Only

Directors & Officers Liability | School Leaders E&O

Western World	Declined
Admiral	Declined
Altru	Declined
Markel	Declined
Philadelphia	Declined
Chubb	Declined
Great American	Declined
Liberty Mutual	Quoted School Leaders E&O
Hartford	Declined
Axis	Declined
Argonaut	Declined