

Proposal of Insurance

Ector County Independent School District

P.O. Box 3912
Odessa, TX 79760

Presented: May 27, 2020

Effective: July 1, 2020

Charlie Herr

Area Vice President

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Gallagher

Insurance | Risk Management | Consulting

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Service Team

Charlie Herr has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE	EMAIL	ROLE
Charlie Herr Area Vice President	(630) 285-4310	Charlie_Herr@ajg.com	Producer
Susan McCaffrey Area Senior Vice President	(816) 395-8694	Susan_McCaffrey@ajg.com	Sr. Client Service Executive
Aubrey Meyer Client Service Manager Senior	(816) 395-8593	Aubrey_Meyer@ajg.com	Client Service Manager
Alyssa Speiser Client Service Associate	(816) 395-8508	Alyssa_Speiser@ajg.com	Client Service Associate
Mike Cannon Area Vice President/Client Service Director	(816) 329-0816	Mike_Cannon@ajg.com	Surplus Lines Agent

Arthur J. Gallagher Risk Management Services, Inc.

Main Office Phone Number: (816) 421-7788

Service Commitment

Account Service

At Arthur J. Gallagher & Co., our goal is to provide you with an exceptional insurance and risk management program delivered by a world class service organization. Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible.

Renewals

We use a standard Renewal Timeline and start early to make sure your needs are met and we are able to offer you the most comprehensive and competitively priced insurance program. At each renewal, we will meet with you to establish a renewal game plan, determine how many markets should be approached, discuss pricing in the insurance marketplace, and identify what specific needs must be addressed. We will then approach markets that we feel will offer the best alternatives. These alternatives will be presented at renewal as an option, even if we feel the incumbent program is strongest. We will demonstrate how we have created competition within the marketplace to ensure that you receive the best renewal terms.

We make ourselves accountable by working with you to develop a written service schedule that meets your needs. You can track our service by referring to our written service commitment. Service becomes especially important as your type of organization continues to change and prosper.

As a top national broker, we have access to over 150 insurance companies and wholesalers. This maximizes your insurance options in any given policy year situation. In addition, our integrity and influence in the marketplace have resulted in excellent relationships with our markets. These factors are especially important to consider as the insurance needs of your organization become more complex and require more sophisticated solutions.

Acquisitions

On request, we will perform an insurance due-diligence review on all products and acquisitions.

Profit Center Premium Allocations

We will provide premium breakdown by entities and/or location schedule.

Automobile Identification Cards

ID cards will be issued upon binding of coverage.

Phone Calls

Phone calls will be returned within one working day of receipt.

Certificates of Insurance

Certificates of Insurance will be issued within one working day of request.

Quarterly Account Review

Quarterly account reviews will include review of claims, exposures, audits, and service.

Claims

Claims will be reported to the company within two working days of receipt, and acknowledgment of receipt will be sent to you. We will follow up with the carrier within ten working days after receipt of a claim. Monthly claim reports will be provided if requested.

Loss Control

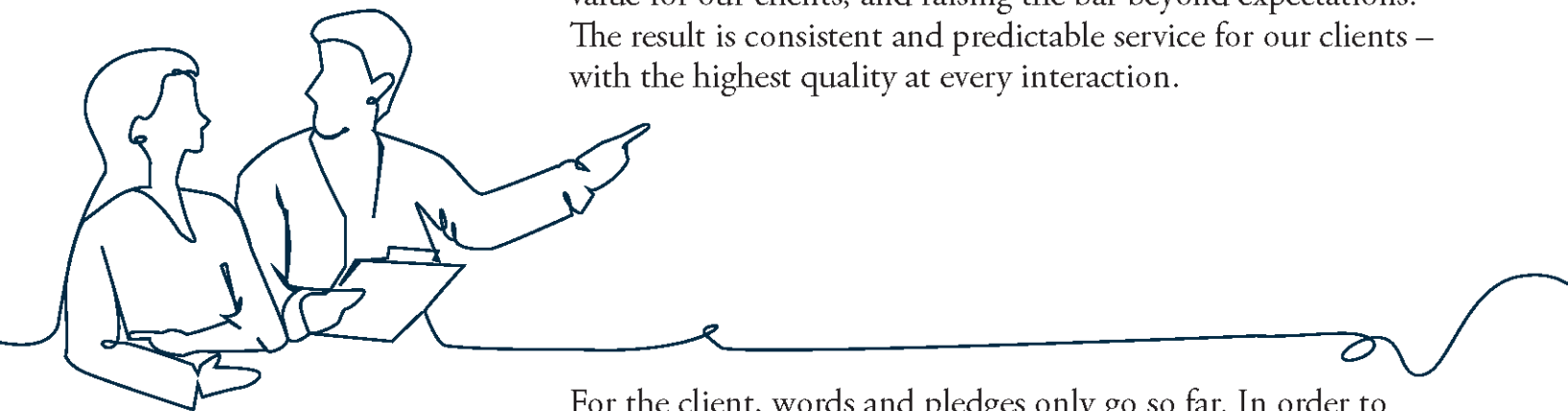
We will coordinate all loss control activities between you and the carrier. We recommend that service be provided on a quarterly basis.

Our Service Commitment

Our clients repeatedly tell us the most important thing that we can do as their broker is to protect their assets while providing a comprehensive and tailored insurance program with the most competitive terms. We also know that a critical component of every customer experience is receiving an accurate and timely response to their day to day business needs and challenges.

At Arthur J. Gallagher and Co. our goal is to provide every client with an exceptional insurance and risk management program delivered by a world-class service organization.

We're on a journey to set a new standard for service within our industry – utilizing innovative technology and tools that create value for our clients, and raising the bar beyond expectations. The result is consistent and predictable service for our clients – with the highest quality at every interaction.



For the client, words and pledges only go so far. In order to deliver on our promise, Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible:

- **Clients get what they need, when they need it** – as a result of managing our work more effectively, your needs and requests are addressed promptly and professionally at all times
- **Our service team is able to focus on you**, and the solutions needed to support your unique business needs
- **We proactively manage your renewal cycle**, delivering a predictable timeline that creates time for thorough decision-making
- **You play a role in this too** – we're asking for more information ahead, so that you receive the best outcome, every time

Program Structure

Named Insured

Named Insured Schedule:

Add / Change / Delete	Named Insured	Property	Equipment Breakdown
	Ector County Independent School District	X	X
	and any affiliated, subsidiary, or associated agency(ies), entity(ies), organization(s), enterprise(s), board(s), commission(s), authority(ies), or committee(s) as now exist or may hereafter be constituted or acquired including their interests as may appear in partnerships or joint ventures and any party which the Insured is responsible to insure.	X	

Note: Any entity not named in this proposal, may not be an insured entity. This may include affiliates, subsidiaries, LLC's, partnerships and joint ventures.

Program Details

Coverage: Property

Carrier: Westchester Surplus Lines Insurance Co and various other carriers

Policy Period: 7/1/2020 to 1/1/2021

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
Property & Business Income	N/A	N/A

Coverage:

SUBJECT OF INSURANCE	AMOUNT
Limit of Insurance	\$500,000,000 per occurrence

Deductibles / Self Insured Retention

TYPE	COVERAGE	AMOUNT
Deductible	Windstorm/Hail	2% Per Unit of the sum of all values listed in the most recent Schedule of Values on file with the company for each element of covered property, (Each building or structure; The contents of each building or structure; Personal Property in the open; Business Income/Extra Expense and/or Rental Value and All other covered items) that have sustained a loss or damage and for which a claim is being made under this policy; subject to the minimum deductible of \$100,000 any one occurrence. The deductible(s) shall only apply to those Units of Insurance involved in loss, damage or destruction and for which a claim is being made.
Deductible	Earthquake - Per Occurrence	\$100,000
Deductible	Flood - Per Occurrence	\$100,000
Waiting Period	Ingress / Egress	72 hours
Waiting Period	Service Interruption	48 hours
Deductible	All Other Perils - Per Occurrence	\$100,000

Additional Coverage:

DESCRIPTION	AMOUNT
Accounts Receivable	\$1,000,000 per occurrence
Arson and Theft Reward	\$100,000 per occurrence
Building or Ordinance Law:	
- Coverage A	Included
- Coverage B	\$50,000,000
- Coverage C	\$50,000,000

Additional Coverage:

DESCRIPTION	AMOUNT
Civil or Military Authority	1 Mile/30 Days, per occurrence not to exceed \$10,000,000
Course of Construction	\$5,000,000
Debris Removal	\$2,500,000 or 25%, whichever is less
Earthquake	\$25,000,000 any one occurrence and in the aggregate annually
Electronic Data and Media Other than Cyber	\$50,000,000 per occurrence
Errors and Omissions	\$10,000,000 per occurrence
Expediting Expense	\$500,000 per occurrence
Extended Period of Indemnity	365 Days per occurrence
Extra Expense	\$10,000,000 per occurrence
Fine Arts	\$1,500,000 per occurrence
Fire Brigade Charges and Extinguishing Expense	\$100,000 per occurrence
Flood	\$25,000,000 any one occurrence and in the aggregate annually
Fungus, Mold, Wet or Dry Rot	\$1,000,000 per occurrence and in the aggregate annually
Ingress/Egress	1 Mile/30 Days, per occurrence not to exceed \$10,000,000
Land Improvements	\$100,000 per occurrence
Miscellaneous Unnamed Locations	\$10,000,000 per occurrence
Newly Acquired Property	\$5,000,000 per occurrence
Service Interruption	\$1,000,000 per occurrence
Transit	\$500,000 per occurrence
Valuable Papers and Records	\$2,500,000 per occurrence
Outdoor Property	\$250,000
Brands or Trademarks	\$100,000
Building Materials Off Premises/Storage for Property Under Construction	\$250,000
Deferred Payments	\$250,000
Fairs and Exhibitions	\$500,000
Land and Water Clean-Up	\$100,000 per occurrence and in the aggregate annually
Locks and keys	\$100,000
Preservation of Property	\$500,000
Professional Fees	\$100,000
Property Removed from a Covered Location	\$100,000
Spoilage	\$250,000
Soft Costs	\$1,000,000

Additional Coverage:

DESCRIPTION	AMOUNT
Contractor's Equipment	\$2,500,000
Ordinary Payroll	60 Days
Installation Coverage	\$500,000
Pairs and Sets	Included
Rental Value	\$1,000,000
Royalties	\$100,000
Personal Property Not at a Covered Location	\$250,000

Valuations:

DESCRIPTION	LIMITATIONS
Replacement Cost	Real and Personal Property
Actual Loss Sustained	Business Interruption

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	All direct risk of physical loss of or damage, occurring during the period of insurance, to property described herein including general average, salvage and all other charges on shipments covered hereunder, except as excluded.

Endorsements include, but are not limited to:

DESCRIPTION
Amarillo Independent School District Master Property Manuscript Policy Form (2020-2021)
Surplus Lines Declarations – SLPD-PA (04/18)
Common Policy Declarations - BB-5W58a-PA (05/18)
Service of Suit Endorsement - SL-34255a (01/16)
Policyholder Disclosure Notice of Terrorism Insurance Coverage - TRIA24 (01/15)
CHUBB Producer Compensation Practices & Policies - ALL-20887 (10/06)
Trade or Economic Sanctions Endorsement - ALL-21101 (11/06)
Texas Notice -Information and Complaints - ALL-4Y30f (06/15)
U.S. Treasury Departments' Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders - ILP001 (01/04)
Claims Directory Property and Inland Marine - MA-608255p (04/15)
Signature Endorsement - LD-5S23j (03/14)
Definition Of Loss Occurrence Endorsement - ACE0681 (10/11)
Additional Policy Conditions Endorsement - ACE0934 (10/18)
Pollution Exclusion And Pollutant CleanUp And Removal Coverage Extension Endorsement - ACE100 (12/14)
Electronic Data Amendment Endorsement - ACE126 (10/14)
Certificate Of Insurance - Automatic Additional Insured And Loss Payee Endorsement - ACE0745 (09/12)
General Amendatory Endorsement - MS 215094 (02/18)

Exclusions include, but are not limited to:

DESCRIPTION
Government Action Exclusion
War Exclusion
Pre-Existing Property Damage Exclusion
Fungus, Wet Rot, Dry Rot and Bacteria Exclusion - ACE0204 (05/10)
Nuclear, Biological, Chemical, Radiological Exclusion Endorsement - ACE0210 (01/08)
Asbestos Material Exclusion (Named Peril Exception) - ACE061 (08/18)
Terrorism Exclusion Endorsement - ALL-10750 (01/15)
Flood excluded in FEMA zones A, AO, AE, AH, A1-A30, A99, AR, V, VE, V1- 30, B, X500, D, Shaded X ...And as further described in the Policy

Premium <i>(see next page for breakdown by policy/layer)</i>	\$1,066,098.00
Total Taxes and Fees	\$49,127.85
ESTIMATED PROGRAM COST	\$1,115,225.85
Minimum Earned Premium (varies by policy/carrier)	25% or 35%
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	Rejected

Subject to Audit: N/A

Ector County Independent School District
Program Structure as of 7/1/2020

*Diagram not to scale

50% Participation (\$50mil p/o \$100mil xs \$400mil) Mitsui Premium: \$25,327		50% Participation (\$50mil p/o \$100mil xs \$400mil) Great American Premium: \$19,000			
30% Participation (\$75mil p/o \$250mil xs \$150mil) Scottsdale (Nationwide) Premium: \$38,096		70% Participation (\$175mil p/o \$250mil xs \$150mil) RSUI Premium: \$71,113			
100% Participation (\$50mil xs \$100mil) Arrowhead Premium: \$75,000					
45% Participation (\$22.5mil p/o \$50mil xs \$50mil) RSUI Premium: \$51,642		20% Participation (\$10mil p/o \$50mil xs \$50mil) Ironshore Premium: \$27,780		3.3% Participation (\$6.666mil p/o \$50mil xs \$50mil) James River Premium: \$25,466	21.7% Participation (\$8.75mil p/o \$75mil xs \$25mil) Ategrity Premium: \$100,000
17.5% Participation (\$4.375mil p/o \$25mil xs \$25mil) Evanston (Markel) Premium: \$26,306	20.8% Participation (\$5.208mil p/o \$25mil xs \$25mil) Crum&Forster Premium: \$104,167	10% Participation (\$2.5mil p/o \$25mil xs \$25mil) Lexington Premium: \$80,000	30% Participation (\$7.5mil p/o \$25mil xs \$25mil) Arch Premium: \$81,822		10% Participation (\$7.5mil p/o \$75mil xs \$25mil) RPS Eagle Premium: \$27,091
34% Participation (\$5mil p/o \$15mil xs \$10mil) Hallmark Premium: \$42,329		33% Participation (\$5mil p/o \$15mil xs \$10mil) Ironshore Premium: \$64,467		33% Participation (\$5mil p/o \$15mil xs \$10mil) Colony Premium: \$298,946	
50% Participation (\$5mil p/o Lead \$10mil) Westchester (Chubb) Premium: \$398,742		25% Participation (\$2.5mil p/o Lead \$10mil) Landmark (RSUI) Premium: \$275,000		25% Participation (\$2.5mil p/o Lead \$10mil) Everest Re Premium: \$299,903	
\$100,000 Property Deductible, except 2% Per Unit of the sum of all values, subject to \$100,000 minimum for Windstorm/Hail See Policy for Additional Deductibles					
Policy Term: 7/1/2020 - 7/1/2021					
PROPERTY					

Coverage: Equipment Breakdown
Carrier: XL Insurance America, Inc.
Policy Period: 7/1/2020 to 1/1/2021

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
Coinsurance does not apply	N/A	N/A

Coverage:

DESCRIPTION	AMOUNT
Policy Limit	\$150,000,000
Property Damage	Included
Business Income and Extra Expense	Included

Deductibles / Self Insured Retention

COVERAGE	AMOUNT
Property Damage	\$25,000
Business Income and Extra Expense	Included Within Property Damage Deductible
Perishable Goods	Included Within Property Damage Deductible
Contingent Business Income and Extra Expense	Included Within Property Damage Deductible

Additional Coverage:

DESCRIPTION	AMOUNT
Extended Period of Restoration	365 Days
Contingent Business Income and Extra Expense	\$10,000,000
Utility Interruption	Included
Accounts Receivable	Included
Brands and Labels	Included
Civil Authority	30 Days
Claims Preparation Costs	\$50,000
Data Restoration	\$10,000,000
Deductible Waiver	Applicable
Errors and Omissions	Included
Expediting Expenses	Included

Additional Coverage:

DESCRIPTION	AMOUNT
Fungus and Related Perils - Property Damage	\$100,000
Fungus and Related Perils - Loss of Earnings	60 Days
Green Environmental and Efficiency Improvements	\$1,000,000
Ingress/Egress	Included
Newly Acquired Premises	365 Days, Limited to \$150,000,000
Off Premises Property Damage	\$2,500,000
Ordinance or Law	\$10,000,000
Perishable Goods	Included
Pollutants and/or Hazardous Materials	\$10,000,000
Reduction in Value	Included
Solidification	\$100,000
System Installation and Soft Costs	\$250,000
Unnamed Locations	\$2500,000
Water Damage	Included
Contingent Business Income	Covered premises includes all supplier locations, customer locations and "Attraction Properties"

Valuations:

DESCRIPTION	LIMITATIONS
Replacement Cost	

Endorsements include, but are not limited to:

DESCRIPTION
Up + Running Equipment Breakdown Insurance Policy - PEB 050 0612
General Change Endorsement - IXI 403 (01/10) - 90 day notice of cancellation; 10 days for non-payment of premium
Fraud Notice - PN CW 01 0617
Privacy Policy - PN CW 02 1015
U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") - PN CW 05 1017
Texas Notice (Complaint) - PN TX 01 1015
Equipment Breakdown Claims Loss Notification
Common Policy Declarations - PEB 000 0612
Up + Running Equipment Breakdown Insurance Declarations - PEB 001 0612
In Witness – XL Insurance America, Inc. - IL MP 9104 0314 XLIA
Common Policy Conditions - IL 00 17 11 98
Cap on Losses From Certified Acts of Terrorism - IL 09 52 01 15
Disclosure Pursuant to Terrorism Insurance Act - IL 09 85 01 15

Endorsements include, but are not limited to:

DESCRIPTION
Texas Changes - Loss Payment - IL 01 71 09 07
Texas Changes - Cancellation and Nonrenewal - IL 02 88 09 07

Exclusions include, but are not limited to:

DESCRIPTION
Earth Movement or Volcanic Eruption
Nuclear Hazard
Ordinance or Law
War and Military Action
Water
Discharge of Water
Explosion
Failure to Protect Property
Fire and Combustion Explosion
Fungus and Related Perils
Furnace Explosion
Indirect Resultant Loss
Molten Material
Riot and Civil Commotion
Specified Perils: Aircraft; Collision or any physical contact caused by a vehicle; Freezing caused by cold weather; Lightning; Sinkhole collapse; Smoke; Vandalism; Weight of snow, ice or sleet; Falling objects; Collapse; or Breakage of glass
Wear, Tear, Deterioration, and Corrosion
Wind or Hail
Utility Interruption Exclusions: Acts of sabotage; Collapse; Deliberate act(s) of load shedding by the supplying utility; Freezing caused by cold weather; Impact of aircraft, missile or vehicle; Impact of objects falling from an aircraft or missile; Lightning; Riot, civil commotion or vandalism; Sinkhole collapse; Smoke; or Weight of snow, ice or sleet
Time Element Exclusions

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Total Insured Values: \$848,574,849
Territory: This policy(ies) will not apply to any risk which would be in violation of economic or trade sanctions administered by the United States Treasury, State, and Commerce Departments (e.g. the economic and trade sanctions administered by the United States Treasury Office of Foreign Assets Control – OFAC). Refer to Territory Section of Policy for coverage details. Countries or organizations with OFAC restrictions include but are not limited to the following: Balkans, Burma, Cuba, Iran, Iraq, Libya, Liberia, North Korea, Sierra Leone, Sudan, and Taliban. Please note that this list is subject to change. Up to date information is available on U.S. OFAC home page (http://www.treas.gov/ofac).

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION

Terrorism Risk Insurance Act Disclosure: The portion of your annual premium that is associated with coverage for acts of terrorism is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.

Premium	\$12,786.00
<hr/>	
ESTIMATED PROGRAM COST	\$12,786.00
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	INCLUDED

Subject to Audit: N/A

Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE		PROPOSED PROGRAM(S)	
Property – \$10M Lead	Premium Taxes Estimated Cost TRIA Premium	Westchester Surplus Lines Insurance Company (\$5M p/o \$10M Lead)	\$398,742.00 \$19,937.10 \$418,679.10 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Landmark American Insurance Company (\$2.5M p/o \$10M Lead)	\$275,000.00 \$13,750.00 \$288,750.00 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Everest Indemnity Insurance Company (\$2.5M p/o \$10M Lead)	\$299,903.00 \$14,995.15 \$314,898.15 Rejected
Excess Property – \$15M x \$10M	Premium Taxes Estimated Cost TRIA Premium	Hallmark Specialty Insurance Company (\$5M p/o \$15M x \$10M)	\$42,329.00 \$2,116.45 \$44,445.45 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Colony Insurance Company (\$5M p/o \$15M x \$10M)	\$298,946.00 \$14,947.30 \$313,893.30 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Ironshore Specialty Insurance Company (\$5M p/o \$15M x \$10M)	\$64,467.00 \$3,223.35 \$67,690.35 Rejected
Excess Property – \$75M x \$25M	Premium Taxes Estimated Cost TRIA Premium	Ategrity Specialty Insurance Company (\$8.75M p/o \$75M x \$25M)	\$100,000.00 \$5,000.00 \$105,000.00 Rejected
	Premium Taxes Estimated Cost TRIA Premium	RPS Eagle Markets (\$7.5M p/o \$75M x \$25M)	\$27,091.00 \$1,354.55 \$28,445.55 Rejected

LINE OF COVERAGE		PROPOSED PROGRAM(S)	
Excess Property – \$25M xs \$25M	Premium Taxes Estimated Cost TRIA Premium	Arch Specialty Insurance Company (\$7.5M p/o \$25M x \$25M)	\$81,822.00 \$4,091.10 \$85,913.10 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Crum & Forster Specialty Insurance Company (\$5.208M p/o \$25M x \$25M)	\$104,167.00 \$5,208.35 \$109,375.35 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Evanston Insurance Company (\$4.375M p/o \$25M x \$25M)	\$26,306.00 \$1,315.30 \$27,621.30 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Lexington Insurance Company (\$2.5M p/o \$25M x \$25M)	\$80,000.00 \$4,000.00 \$84,000.00 Rejected
Excess Property – \$50M xs \$50M	Estimated Cost TRIA Premium	RSUI Indemnity Company (\$22.5M p/o \$50M x \$50M)	\$51,642.00 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Ironshore Specialty Insurance Company (\$10M p/o \$50M x \$50M)	\$27,780.00 \$1,389.00 \$29,169.00 Rejected
	Premium Taxes Estimated Cost TRIA Premium	James River Insurance Company (\$6.666M p/o \$50M x \$50M)	\$25,466.00 \$1,273.30 \$26,739.30 Rejected
Excess Property – \$50M xs \$100M	Premium Taxes Estimated Cost TRIA Premium	Arrowhead Insurance Risk Managers (\$50M x \$100M)	\$75,000.00 \$3,750.00 \$78,750.00 Rejected
Excess Property – \$250M xs \$150M	Estimated Cost TRIA Premium	RSUI Indemnity Company (\$175M p/o \$250M x \$150M)	\$71,113.00 Rejected
	Premium Taxes Estimated Cost TRIA Premium	Scottsdale Insurance Company (\$75M p/o \$250M x \$150M)	\$38,096.00 \$1,904.80 \$40,000.80 Rejected
Excess Property – \$100M xs \$400M	Estimated Cost TRIA Premium	Mitsui Sumitomo Insurance Company (\$50M p/o \$100M x \$400M)	\$25,327.00 Rejected

LINE OF COVERAGE		PROPOSED PROGRAM(S)	
	Estimated Cost TRIA Premium	Great American Insurance Company (\$50M p/o \$100M x \$400M)	\$19,000.00 Rejected
Equipment Breakdown	Estimated Cost TRIA Premium	XL Insurance America, Inc.	\$12,786.00 Included
Total Estimated Program Cost (pro-rated for 6-months)			\$1,128,012.38

Quote from **Westchester Surplus Lines Insurance Co** is valid until **7/1/2020**
 Quotes from **Everest Indemnity Insurance Company** are valid until **7/1/2020**
 Quote from **Landmark American Insurance Company** is valid until **7/1/2020**
 Quote from **Hallmark Specialty Insurance Company** is valid until **7/1/2020**
 Quotes from **Ironshore Specialty Insurance Co** are valid until **7/1/2020**
 Quotes from **Crum & Forster Specialty Insurance Company** are valid until **7/1/2020**
 Quote from **James River Insurance Company** is valid until **7/1/2020**
 Quote from **Arch Specialty Insurance Company** is valid until **7/1/2020**
 Quote from **Colony Insurance Company** is valid until **7/1/2020**
 Quote from **Evanston Insurance Company** is valid until **7/1/2020**
 Quotes from **RSUI Indemnity Company** are valid until **7/1/2020**
 Quote from **Scottsdale Insurance Company** is valid until **7/1/2020**
 Quote from **Mitsui Sumitomo Insurance Co of America** is valid until **7/1/2020**
 Quote from **Great American Insurance Company** is valid until **7/1/2020**
 Quote from **XL Insurance America** is valid until **7/1/2020**
 Quote from **Lexington Insurance Company** is valid until **7/1/2020**
 Quote from **Ategrity Specialty Insurance Company** is valid until **7/1/2020**

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

- Property**
- Equipment Breakdown**

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

Payment Plans

CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
Westchester Surplus Lines Insurance Company and various other carriers	Property (all carriers, all layers)	Annual	Agency Bill
XL Insurance America, Inc.	Equipment Breakdown	Annual	Agency Bill

Proposal Disclosures



Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
Westchester Surplus Lines Insurance Company	Property - \$5M p/o \$10M Primary	Recommended Quote	\$398,742.00
Landmark American Insurance Company	Property - \$2.5M p/o \$10M Primary	Recommended Quote	\$275,000.00
Everest Indemnity Insurance Company	Property - \$2.5M p/o \$10M Primary	Recommended Quote	\$299,903.00
Hallmark Specialty Insurance Company	Excess Property - \$5M p/o \$15M xs \$10M	Recommended Quote	\$42,329.00
Ironshore Specialty Insurance Company	Excess Property - \$5M p/o \$15M xs \$10M	Recommended Quote	\$64,467.00
Colony Insurance Company	Excess Property - \$5M p/o \$15M xs \$10M	Recommended Quote	\$298,946.00
Ategrity Specialty Insurance Company	Excess Property - \$8.75M p/o \$75M xs \$25M	Recommended Quote	\$100,000.00
RPS Eagle Markets	Excess Property - \$7.5M p/o \$75M xs \$25M	Recommended Quote	\$27,091.00
Arch Specialty Insurance Company	Excess Property - \$7.5M p/o \$25M xs \$25M	Recommended Quote	\$81,822.00
Crum & Forster Specialty Insurance Company	Excess Property - \$5.208M p/o \$25M xs \$25M	Recommended Quote	\$104,167.00
Evanston Insurance Company	Excess Property - \$4.375M p/o \$25M xs \$25M	Recommended Quote	\$26,306.00
Lexington Insurance Company	Excess Property - \$2.5M p/o \$25M xs \$25M	Recommended Quote	\$80,000.00
RSUI Indemnity Company	Excess Property - \$22.5M p/o \$50M xs \$50M	Recommended Quote	\$51,642.00
Ironshore Specialty Insurance Company	Excess Property - \$10M p/o \$50M xs \$50M	Recommended Quote	\$27,780.00
James River Insurance Company	Excess Property - \$6.666M p/o \$50M xs \$50M	Recommended Quote	\$25,466.00
Arrowhead Insurance Risk Managers	Excess Property - \$50M xs \$100M	Recommended Quote	\$75,000.00
RSUI Indemnity Company	Excess Property - \$175M p/o \$250M xs \$150M	Recommended Quote	\$71,113.00
Scottsdale Insurance Company	Excess Property - \$75M p/o \$250M xs \$150M	Recommended Quote	\$38,096.00
Mitsui Sumitomo Insurance Company of America	Excess Property - \$50M p/o \$100M xs \$400M	Recommended Quote	\$25,327.00
Great American Insurance Company	Excess Property - \$50M p/o \$100M xs \$400M	Recommended Quote	\$19,000.00
XL Insurance America, Inc.	Equipment Breakdown	Recommended Quote	\$12,786.00

Carrier Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING & FINANCIAL SIZE CATEGORY *	ADMITTED / NON-ADMITTED **
Arch Specialty Insurance Company	A+ XV	Non-Admitted
Arrowhead Insurance Risk Managers <ul style="list-style-type: none"> General Security Indemnity Company of Arizona 35.00% HDI Global Specialty SE 16.25% QBE Specialty Insurance Company 16.25% Princeton Excess & Surplus Lines Insurance Company 16.25% StarStone Specialty Insurance Company 16.25% 	A+ XV A XV A XV A+ XV A- XI	Non-Admitted
Ategrity Specialty Insurance Company	A- VIII	Non-Admitted
Colony Insurance Company	A- XIV	Non-Admitted
Crum & Forster Specialty Insurance Company	A XIII	Non-Admitted
Evanston Insurance Company	A XV	Non-Admitted
Everest Indemnity Insurance Company	A+ XV	Non-Admitted
Great American Insurance Company	A+ XV	Admitted
Hallmark Specialty Insurance Company	A-u IX	Non-Admitted
Ironshore Specialty Insurance Company	A XV	Non-Admitted
James River Insurance Company	A XI	Non-Admitted
Landmark American Insurance Company	A+ XIV	Non-Admitted
Lexington Insurance Company	A XV	Non-Admitted
Mitsui Sumitomo Insurance Company of America	A+ XV	Admitted
RPS Eagle Markets <ul style="list-style-type: none"> Canopus Syndicate 4444 12.5% Colony Insurance Company 25% Evanston Insurance Company 20% Falls Lake Fire and Casualty Company 27.5% Western World Insurance Company 15% 	Not Rated A- XIV A XV A XI A XV	Non-Admitted
RSUI Indemnity Company	A+ XIV	Admitted
Scottsdale Insurance Company	A+ XV	Non-Admitted
Westchester Surplus Lines Insurance Company	A++ XV	Non-Admitted
XL Insurance America, Inc.	A+ XV	Admitted

(u) = under review

*Gallagher companies use A.M. Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the A.M. Best website at <http://www.ambest.com/ratings>.

**If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Proposal Disclosures

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

Proposal Disclaimer

IMPORTANT: The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

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

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

Chief Compliance Officer
Gallagher Global Brokerage
Arthur J. Gallagher & Co.
2850 Golf Rd.
Rolling Meadows, IL 60008

TRIA/TRIPRA Disclaimer

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

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

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

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Client Signature Requirements



Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 11/21/2019, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

COVERAGE/CARRIER	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Property
	Westchester Surplus Lines Insurance Company Landmark American Insurance Company Everest Indemnity Insurance Company Hallmark Specialty Insurance Company Colony Insurance Company Ironshore Specialty Insurance Company Evanston Insurance Company Crum & Forster Specialty Insurance Company Arch Specialty Insurance Company Ategrity Specialty Insurance Company Lexington Insurance Company RPS Eagle Markets James River Insurance Company RSUI Indemnity Company Arrowhead Insurance Risk Managers Scottsdale Insurance Company Great American Insurance Company Mitsui Sumitomo Insurance Company of America
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Equipment Breakdown
	XL Insurance America, Inc.
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

Producer/ Insured Coverage Amendments and Notes:

Exposures and Values

We confirm the payroll, values, schedules, and other data contained in the proposal, and submitted to the underwriters, are compiled from our records and we acknowledge it is our responsibility to see that they are maintained accurately. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies.

Gallagher's liability to Client arising from any acts or omissions of Gallagher shall not exceed \$20 million in the aggregate. Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages or attorneys' fees. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with this Agreement or any Services provided hereunder may be brought by either party any later than two (2) years after the accrual of such claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

I have read, understand and agree that the above-information is correct and has been disclosed to us prior to authorizing Gallagher to bind coverage and/or provide services to us.

By: _____

Print Name (Specify Title)

Company

Signature

Date: _____

Appendix



Claims Reporting By Policy

Immediately report all claims to Arthur J. Gallagher at 816-395-8593.

Bindable Quotations & Compensation Disclosure Schedule

Client Name: Ector County Independent School District

COVERAGE(S)	CARRIER NAME(S)	WHOLESALE, MGA, OR INTERMEDIARY NAME ¹	EST. ANNUAL PREMIUM ²	COMM. % OR FEE ³	GALLAGHER U.S. OWNED WHOLESALE, MGA, OR INTERMEDIARY %
Property - \$5M p/o \$10M Primary	Westchester Surplus Lines Insurance Company	RPS – Atlanta	\$398,742.00	10 %	5 %
Property - \$2.5M p/o \$10M Primary	Landmark American Insurance Company	RPS – Atlanta	\$275,000.00	10 %	5 %
Property - \$2.5M p/o \$10M Primary	Everest Indemnity Insurance Company	RPS – Atlanta	\$299,903.00	11 %	5.5 %
Excess Property - \$5M p/o \$15M xs \$10M	Hallmark Specialty Insurance Company	RPS - Atlanta	\$42,329.00	10 %	5 %
Excess Property - \$5M p/o \$15M xs \$10M	Ironshore Specialty Insurance Company	RPS - Atlanta	\$64,467.00	10 %	5 %
Excess Property - \$5M p/o \$15M xs \$10M	Colony Insurance Company	RPS – Atlanta	\$298,946.00	11.5 %	6 %
Excess Property - \$8.75M p/o \$75M xs \$25M	Ategrity Specialty Insurance Company	RPS - Atlanta	\$100,000.00	11.5 %	6 %
Excess Property - \$7.5M p/o \$75M xs \$25M	RPS Eagle Markets	RPS - Atlanta	\$27,091.00	11.5 %	6 %
Excess Property - \$7.5M p/o \$25M xs \$25M	Arch Specialty Insurance Company	RPS - Atlanta	\$81,822.00	11.5 %	6 %
Excess Property - \$5.208M p/o \$25M xs \$25M	Crum & Forster Specialty Insurance Company	RPS - Atlanta	\$104,167.00	11.5 %	6 %
Excess Property - \$4.375M p/o \$25M xs \$25M	Evanston Insurance Company	RPS - Atlanta	\$26,306.00	11.5 %	6 %
Excess Property - \$2.5M p/o \$25M xs \$25M	Lexington Insurance Company	RPS - Atlanta	\$80,000.00	10 %	5 %
Excess Property - \$22.5M p/o \$50M xs \$50M	RSUI Indemnity Company	RPS - Atlanta	\$51,642.00	10 %	5 %
Excess Property - \$10M p/o \$50M xs \$50M	Ironshore Specialty Insurance Company	RPS - Atlanta	\$27,780.00	10 %	5 %
Excess Property - \$6.666M p/o \$50M xs \$50M	James River Insurance Company	RPS - Atlanta	\$25,466.00	11.5 %	6 %
Excess Property - \$50M xs \$100M	Arrowhead Insurance Risk Managers	RPS - Atlanta	\$75,000.00	11.5 %	6 %
Excess Property - \$175M p/o \$250M xs \$150M	RSUI Indemnity Company	RPS - Atlanta	\$71,113.00	10 %	5 %
Excess Property - \$75M p/o \$250M xs \$150M	Scottsdale Insurance Company	RPS - Atlanta	\$38,096.00	11 %	5.5 %
Excess Property - \$50M p/o \$100M xs \$400M	Mitsui Sumitomo Insurance Company of America	RPS - Atlanta	\$25,327.00	11.5 %	6 %
Excess Property - \$50M p/o \$100M xs \$400M	Great American Insurance Company	RPS - Atlanta	\$19,000.00	13.25 %	6.75 %
Equipment Breakdown	XL Insurance America, Inc.	RPS - Chicago	\$12,786.00	20 %	10 %

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

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

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

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

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