

Safety National Casualty Corporation
1832 Schuetz Road
St. Louis, MO 63146

PHONE # (314) 995-5300

FAX # (314) 995-3843

TO:	MARSH USA INC.	ATTN:	Ms. Christina Scott
PHONE:	(713) 276-8000	FAX:	(713) 273-8777
FROM:	Vanessa Annunziata	DATE:	05/09/2014

EXCESS WORKERS' COMPENSATION INSURANCE QUOTATION

Name of Risk: DENTON INDEPENDENT SCHOOL DISTRICT	
Account: 6008969 Previous Policy Number: AGC4048713	
	Specific & Aggregate Excess

Contract Terms	Option 585977651	Option 585978050
Liability Period	07/01/2014 - 07/01/2015	07/01/2014 - 07/01/2016
Payroll Reporting Period	07/01/2014 - 07/01/2015	07/01/2014 - 07/01/2015
Payroll	\$ 187,218,941	\$ 187,218,941
Manual Premium	\$ 1,150,614	\$ 1,150,614
Experience Modification Factor	1.000	1.000
Standard Premium	\$ 1,150,614	\$ 1,150,614
Self-Insured Retention	\$ 600,000	\$ 600,000
Specific Limit	Statutory	Statutory
Employers Liability Limit	Per Occ \$ 1,000,000	Per Occ \$ 1,000,000
Loss Fund Rate	Rate \$100 Payroll \$ 1.10	Rate \$100 Payroll \$ 1.00
Estimated Loss Fund	\$ 2,059,408	\$ 3,744,378
Minimum Loss Fund	Est. x 100.00 % \$ 2,059,408	Est. x 100.00 % \$ 3,744,378
Aggregate Excess Limit	\$ 1,000,000	\$ 1,000,000
Loss Limitation	\$ 500,000	\$ 600,000
Premium Rate	Rate \$100 Payroll \$ 0.0353	Rate \$100 Payroll \$ 0.0373
Deposit Premium	\$ 66,088	\$ 69,833
Minimum Premium	\$ 62,784	\$ 132,683
Commission	Net 0.00 %	Net 0.00 %
Pay Plan	ANNUAL PAYMENT	ANNUAL PAYMENT

*Quote expires 1 day after Payroll Reporting Period effective date for each Quote Option.

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Name of Risk: DENTON INDEPENDENT SCHOOL DISTRICT	
Account: 6008969 Previous Policy Number: AGC4048713	
	Specific & Aggregate Excess

Contract Terms	Option 585977786	Option 586094261
Liability Period	07/01/2014 - 07/01/2015	07/01/2014 - 07/01/2016
Payroll Reporting Period	07/01/2014 - 07/01/2015	07/01/2014 - 07/01/2015
Payroll	\$ 187,218,941	\$ 187,218,941
Manual Premium	\$ 1,150,614	\$ 1,150,614
Experience Modification Factor	1.000	1.000
Standard Premium	\$ 1,150,614	\$ 1,150,614
Self-Insured Retention	\$ 550,000	\$ 550,000
Specific Limit	Statutory	Statutory
Employers Liability Limit	Per Occ \$ 1,000,000	Per Occ \$ 1,000,000
Loss Fund Rate	Rate \$100 Payroll \$ 1.05	Rate \$100 Payroll \$ 0.90
Estimated Loss Fund	\$ 1,965,799	\$ 3,369,940
Minimum Loss Fund	Est. x 100.00 % \$ 1,965,799	Est. x 100.00 % \$ 3,369,940
Aggregate Excess Limit	\$ 1,000,000	\$ 1,000,000
Loss Limitation	\$ 500,000	\$ 500,000
Premium Rate	Rate \$100 Payroll \$ 0.038	Rate \$100 Payroll \$ 0.0402
Deposit Premium	\$ 71,143	\$ 75,262
Minimum Premium	\$ 67,586	\$ 142,998
Commission	Net 0.00 %	Net 0.00 %
Pay Plan	ANNUAL PAYMENT	ANNUAL PAYMENT

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Name of Risk: DENTON INDEPENDENT SCHOOL DISTRICT	
Account: 6008969 Previous Policy Number: AGC4048713	
	Specific & Aggregate Excess

Contract Terms	Option 585841513	Option 585977897
Liability Period	07/01/2014 - 07/01/2015	07/01/2014 - 07/01/2016
Payroll Reporting Period	07/01/2014 - 07/01/2015	07/01/2014 - 07/01/2015
Payroll	\$ 187,218,941	\$ 187,218,941
Manual Premium	\$ 1,150,614	\$ 1,150,614
Experience Modification Factor	1.000	1.000
Standard Premium	\$ 1,150,614	\$ 1,150,614
Self-Insured Retention	\$ 500,000	\$ 500,000
Specific Limit	Statutory	Statutory
Employers Liability Limit	Per Occ \$ 1,000,000	Per Occ \$ 1,000,000
Loss Fund Rate	Rate \$100 Payroll \$ 1.00	Rate \$100 Payroll \$ 0.85
Estimated Loss Fund	\$ 1,872,189	\$ 3,182,722
Minimum Loss Fund	Est. x 100.00 % \$ 1,872,189	Est. x 100.00 % \$ 3,182,722
Aggregate Excess Limit	\$ 1,000,000	\$ 1,000,000
Loss Limitation	\$ 500,000	\$ 500,000
Premium Rate	Rate \$100 Payroll \$ 0.041	Rate \$100 Payroll \$ 0.043
Deposit Premium	\$ 76,760	\$ 80,504
Minimum Premium	\$ 72,922	\$ 152,958
Commission	Net 0.00 %	Net 0.00 %
Pay Plan	ANNUAL PAYMENT	ANNUAL PAYMENT

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Endorsements:

General Endorsements applicable to all quote options:

0256 00 0313 (XWC) DEFINITION OF LOSS FUND
0276 02 0408 (XWC) BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0293 00 0906 (XWC) FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY
0322 00 1291 (XWC) 90-DAYS NOTICE OF CANCELLATION
TEXAS MANDATORY ENDORSEMENT(S), IF APPLICABLE
1061 10 1207 (XWC) POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Contingencies:

The quote is subject to the following:

1. Subject to receipt, review and acceptance of information contained in SNCC's Employee Concentration Supplemental Information (08/04) form prior to binding.
2. This Agreement will include coverage for Workers' Compensation loss caused by acts of terrorism as defined in the Agreement. Coverage for such losses will still be subject to all terms, definitions, exclusions, and conditions in the Agreement, & any applicable federal and/or state laws, rules, or regulations. Be advised that, under the Terrorism Risk Insurance Act of 2002 as amended, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 85% of covered terrorism losses exceeding a deductible paid by us. The Act contains \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the EMPLOYER's annual premium attributable to coverage for losses caused by a certified act of terrorism is: 0.5%

Comments:

1. Endorsements mandated by the coverage state(s) will automatically be added to your policy regardless of whether they are shown in the above schedule. In addition, a change in an endorsement form number may occur as a result of state filing requirements/updates arising subsequent to this quote.
2. Included in our quote are the MAP Client Services. These resources consist of both risk control and claim services including: Safety Essentials On-line; Workers' Comp Kit; Safety Training Source; and Best Doctors Catcare and Ask Best Doctors programs - which provide in-depth case review by world renowned doctors.
3. INCLUDED IN OUR QUOTE ARE THE RESOURCES OF THE BEST DOCTORS CATCARE PROGRAM, WHICH PROVIDES IN-DEPTH CASE REVIEW BY WORLD-RENOWNED DOCTORS.
4. This Agreement will include coverage for Workers' Compensation loss caused by acts of terrorism as defined in the Agreement. Coverage for such losses will still be subject to all terms, definitions, exclusions, and conditions in the Agreement, & any applicable federal and/or state laws, rules, or regulations. Be advised that, under the Terrorism Risk Insurance Act of 2002 as amended, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 85% of covered terrorism losses exceeding a deductible paid by us. The Act contains \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the EMPLOYER's annual premium attributable to coverage for losses caused by a certified act of terrorism is: 0.5%

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5. The 2 year options are subject to the following items:

- 1) No certified "act of terrorism", as defined under the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("TRIPRA"), occurs during the 2014 Policy Period.
- 2) TRIPRA is extended beyond December 31, 2014 or a TRIPRA replacement act is passed that does not materially modify essential terms of the terrorism backstop protection afforded to Safety National. In the event of a substantial modification to TRIPRA, Safety National will endeavor to work with the insured to reach a reasonable resolution concerning the multi-year rate presented.
- 3) No significant change in exposure as applicable to the type of policy with "significant" being understood to mean a 15% change in exposure for any of the Policies over that for the 2014 Policy Period bound with Safety National.



A member of the Tokio Marine Group

Your Service Team

Safety National is committed to providing industry leading services to our policyholders. The Service Team is the keystone to that promise. This highly experienced team is identified now and established early in the policy term so there is a seamless transition and efficient delivery of service for your client's needs. The Service Team consists of a one point contact in underwriting, claims, risk control, policy services, audit, legal, and finance.

We welcome the opportunity for you to experience our commitment to your success by contacting any member of our team with your questions or requests.

Vanessa Annunziata Senior Underwriter - Excess WC	(314) 692-1378	vanessa.annunziata@safetynational.com
Ryan Johnson Underwriting Operations Technician	(314) 810-5476	ryan.johnson@safetynational.com
Dick Hinch Regional Marketing Manager	(210) 490-8499	dick.hinch@safetynational.com
David Snodgrass Risk Control	(314) 692-1331	david.snodgrass@safetynational.com
Karen Casserly MAP Client Services	(314) 810-5438	karen.casserly@safetynational.com
Mitch Neuhaus VP Claims	(314) 692-9517	mitch.neuhaus@safetynational.com
Tom Redoutey Premium Audit Manager	(314) 812-4131	tom.redoutey@safetynational.com

Safety National at a Glance



Company History and Background

- Specialists in Workers' Compensation since 1942
- Licensed and admitted in all 50 states, the District of Columbia, Guam, Puerto Rico, Canada, and the U.S. Virgin Islands
- Exclusive distribution through brokers and agents
- Longest continual provider of Excess Workers' Compensation in the United States
- Leading provider of Excess Workers' Compensation with 37% domestic market share
- High level of dedication, knowledge, experience and quality service distinguish us in the marketplace
- Named one of the "Best Places to Work" by Business Insurance magazine

Financial Strength and Stability*

- Policyholders' surplus - \$1.2 billion (20.1% increase over 12/12) and \$4.2 billion in assets
- A.M. Best Rating "A+" (Superior) Financial Size Category XII
- Standard & Poor's "A+" (Strong)
- A member of the Tokio Marine Group, with over \$180 billion in total assets. The Group's main operating subsidiary, Tokio Marine and Nichido Fire (TMNF), enjoys an A.M. Best Rating A++ (Superior), Financial Size Category XV.

Products and Services

- Excess Workers' Compensation
 - Specific and Aggregate Excess Coverage for individual or group self-insureds
 - Monoline Aggregate Coverage
- Self-Insurance Bonds
- Loss Portfolio Transfers (LPT)
- TEXcess®- Texas Non Subscriber Program
- Treaty Reinsurance
- Public Entity Multi-Line Coverage
- Large Casualty Program
 - Large Deductible Workers' Compensation
 - Auto and General Liability
- Alternative Risk Programs
- MAP Client Services
 - Risk Control Services
 - Best Doctors partnership

** as of December 31, 2013*

Safety National

1832 Schuetz Road
St. Louis, Missouri 63146

Phone 888.995.5300 (*toll-free*)
314.995.5300

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