

## Bill Flickinger

---

**From:** Jeniffer Concienne  
**Sent:** Thursday, August 19, 2021 1:34 PM  
**To:** Bill Flickinger  
**Subject:** FW: Senna Hills UD- W.I.N with Arthur J. Gallagher 2021-2022 Insurance Proposal Packet  
**Attachments:** Proposal.pdf; PREMIUM SUMMARY (for bookkeeper).pdf

**From:** Michelle Herrera <Michelle\_Herrera@ajg.com>  
**Sent:** Thursday, August 19, 2021 9:40 AM  
**To:** newhouses@gmail.com  
**Cc:** Jeniffer Concienne <jconcienne@wfaustin.com>; s200.mud@gmail.com  
**Subject:** Senna Hills UD- W.I.N with Arthur J. Gallagher 2021-2022 Insurance Proposal Packet

Hello,

We are pleased to provide you with the best insurance program available in Texas.

For your reference, we have attached the following documents:

- 1) W.I.N. Insurance Proposal
- 2) W.I.N. Premium Summary for the bookkeeper

Should the board accept our proposal, please email a copy of the signed proposal. We do not require the originals.

We appreciate your time and consideration and look forward to working with you.

Please confirm receipt of this email and its attachments.

Thank you,  
Michelle

**Michelle Herrera**  
Client Service Manager



Insurance | Risk Management | Consulting

Direct 713.275.1506  
Main 713.623.2330  
Fax 713.622.6722  
[michelle\\_herrera@ajg.com](mailto:michelle_herrera@ajg.com)

**Gallagher**  
1900 West Loop South Suite 1600, Houston, TX 77027  
[www.ajg.com](http://www.ajg.com)



Arthur J. Gallagher Risk Management Services, Inc.

Communications concerning this matter, including this email and any attachments, may have been provided for purposes of insurance/risk management consulting. Opinions and advice provided by Gallagher are not intended to be, and should not be construed as, legal advice.

A licensed Gallagher representative must provide the appropriate insurance carrier with written instructions in order to bind insurance coverage. Therefore, client instructions via email are not sufficient to bind coverage unless and until you have received explicit written confirmation from an authorized Gallagher representative.

Arthur J. Gallagher & Co.  
1900 West Loop South, Suite 1600  
Houston, TX 77027

Phone: 800-222-9044  
Fax: 713-358-5245



## Premium Summary

Senna Hills  
Attn: Allen Douthitt

Summary	All Lines
Amount Due	14,898.00
Payment for:	Insurance 21-22

Thank You

Effective	Transaction	Amount Due	Amount
10/1/2021	Package (Property, Flood, General Liability Pollution, Pollution Clean & Remediation and Excess Liability) Boiler & Machinery Directors & Officers Liability Cyber Liability Agent Fee		\$14,898.00
	Please add Account Code to all Checks: <b>SENNHIL-01</b>		
<b>Please Pay This Amount</b> <b>Make Check Payable to: Arthur J. Gallagher</b> <b>Remittance address: 1900 West Loop South, Suite</b> <b>1600, Houston, TX 77027</b>			<b>Total</b> <b>\$14,898.00</b>

Thank You



# Proposal of Insurance

## SENNA HILLS MUD

C/O WILLATT & FLICKINGER, PLLC  
12912 HILL COUNTRY BLVD., SUITE F-232  
AUSTIN, TX 78738

**PRESENTED: AUGUST 18, 2021**  
**EFFECTIVE: 10/01/2021 TO 10/01/20/2022**

THE FOLLOWING PROPOSAL IS PRESENTED BY

Kim Courte, CPCU  
Area Vice President | W.I.N. Program Director  
Arthur J. Gallagher Risk Management Services, Inc.  
1900 West Loop South, Suite 1600  
Houston, TX 77027  
kim\_courte@ajg.com  
713.935.8805 | Cell: 281.772.1611  
Toll Free: 800.222.9044  
Fax: 713.358.5795  
ajg.com

©2020 Arthur J. Gallagher & Co. All rights reserved.



Insurance | Risk Management | Consulting  
© 2021 Arthur J. Gallagher & Co.

# Table of Contents

## SECTION

Named Insured Schedule and Your W.I.N. Team .....	3
Premium & Insurance Summary .....	7
-Optional- Coverages & Limits for Consideration .....	8
Property Schedule .....	9
Package Policy - Equipment Breakdown aka Boiler & Machinery .....	10
Package Policy - Property .....	11
Package Policy - General Liability .....	12
Package Policy - Pollution Liability .....	13
Package Policy - Pollution Clean Up and Remediation .....	14
Hired Non Owned Liability .....	15
Automobile .....	15
Excess Liability Policy .....	17
Directors & Officers Liability Policy .....	18
-Optional-Crime Policy .....	21
Directors Position Bond .....	22
-Optional-Tax Assessor/Collector Bond .....	23
-Optional-Peace Officer Bond .....	24
-Optional-Workers' Compensation Policy .....	25
-Optional-Business Travel Accident Policy .....	26
Cyber Liability and Security Breach Response Policy .....	27
Proposal Acceptance and Client Authorization To Bind Coverage .....	29
Documents Required To Bind Coverage .....	30
Guide to A.M. Best Ratings .....	32
Proposal Disclosures .....	33
Claims Reporting .....	35
Appendix .....	36
Gallagher at a Glance .....	36



# Named Insured Schedule and Your W.I.N. Team

## Named Insured Schedule:

SENNA HILLS MUD

## Your W.I.N. Team:

Providing excellent service is the primary objective of Gallagher. Please call any member of the service team for assistance.

Michelle Herrera  
Client Service Manager  
michelle\_herrera@ajg.com  
713.275.1506

Julie Collette  
Client Service Manager  
julie\_collette@ajg.com  
713.243.2182

Jessica Salias  
Client Services Manager  
jessica\_salias@ajg.com  
713.358.5928

Jessica Ortega  
Client Service Associate  
Jessica\_ortega@ajg.com  
713.358.5281

Lauren Peyton  
Client Service Manager  
lauren\_peyton@ajg.com  
713.243.2170

Kim Courte, CPCU  
Area Vice President  
W.I.N. Program Director  
kim\_courte@ajg.com  
713.935.8805 | Cell: 281.772.1611

Sharon Patin  
Area Vice President of Operations  
Client Service Director  
sharon\_patin@ajg.com  
713.358.5794

## W.I.N. Customer Advantages & Savings

**Your district saves with W.I.N. because of the maximization of the economies of scale provided by our 500+ Water and Wastewater customers here in Texas and over 15,000 public entities nationwide.**

In addition to the premium savings and more importantly, W.I.N. provides the district with much improved coverage for Liability, Pollution, D&O, Wells, Earth Movement, Flood, and Extra Expense.

TOPIC	W.I.N.	TML	NOTES
<b>EARTH MOVEMENT</b>	Yes, Shifting Sinking and Rising <u>with or without</u> an Earthquake	<b>No Coverage</b>  TML Excerpt ->	TML offers Earthquake only but Senna Hills MUD does not purchase Earthquake. Our form is broader than Earthquake as it also includes Earth Movement.  Sometimes people try and describe Earthquake and Earth Movement as the same thing, but they are not. True Earth Movement coverage is shifting, sinking and rising <u>with or without</u> an earthquake. See exclusions Page 10 and 11 of TML Property Coverage  <b>II. PERILS EXCLUDED</b>  <b>O. Earth movement including:</b>
<b>FLOOD</b>	Yes, Included	<b>No, Excluded</b>	
<b>PERILS</b>	<b>Broad Form</b>	<b>No, Named Perils Only</b>	The district's property form is on a very old limited form that is Named Perils only. Honestly it's been many years since I've even seen a Named Perils policy. In Named Perils, the peril must be specifically listed to be covered. In broad form, the policy covers it unless it is specifically excluded and thus picks up many more claims.
<b>WATER WELLS</b>	<b>Included if the location is scheduled</b>	<b>Not Included unless:</b>	W.I.N. automatically covers wells if the location is on the schedule. Conversely, TML will not cover your water wells unless they are individually specified on the scheduled. <b>Note, your TML document does have any water wells scheduled.</b>
<b>SEWER BACK UP</b> Pays resident if district line negligence	Zero Deductible \$2,000,000 limit	<b>Claims Sovereign Immunity</b>	Your residents seek the coverage when the problem arises from negligence of the district side of the line. The largest claim we've paid was for \$104,000. Most customers only have \$5,000 limit on their homeowner's policy.
<b>CONTAMINATION REMEDIATION</b> We've had several claims exceed the 20K limit	<b>\$1,000,000</b>	<b>Limited to \$20,000 each location</b>  TML Excerpt ->	Example: Sewage clean up at a facility such as sewage treatment plant or lift station that overflows. Our last one cost \$200,000. See TML limitation to 20,000 on page 18 of TML Property Coverage <b>The maximum amount that will be paid during any one Fund Year under this extension of coverage is \$20,000 at each premises covered under this section.</b>
TOPIC	W.I.N.	TML	NOTES
<b>D&amp;O PROTECTION</b> • Defense for Alleged breach of contract	<b>Yes</b>	<b>No</b>	Defense for alleged breach of contract is the No. 1 use of district D&O policies and accounts for 85% of the claims. Claims arise from consultants, developers and contractors where they alleged that the district breach the contract.
• Defense for Injunctive Relief	<b>Yes</b>	<b>No</b>  TML Excerpt	Defense for injunctive relief is the No. 2 use of district D&O policies.  See TML Liability Exclusion page 29 and 32

		->	<p><b>PART VIII</b>  <b>EXCLUSIONS APPLICABLE TO ALL COVERAGES</b></p> <p><b>M.</b> Any claim or suit for breach of contract to which a Covered Party is a party or third-party beneficiary, or failing to procure a bond as required by law.</p> <p><b>X.</b> Claims or suits against the Member or Covered Party which do not seek civil damages or monetary relief other than costs of court or attorneys' fees for prosecuting the suit, such as, but not limited to: criminal prosecutions and proceedings; election contests; actions for injunctions or declaratory judgments; actions to en-</p>
FAILURE TO SUPPLY LIABILITY PROTECTION INCLUDING DEFENSE AND INDEMNITY	Yes, without physical damage limitation	<p>Only if there is physical damage to facility first. If not, <u>no coverage</u></p> <p>TML Excerpt -&gt;</p>	<p>Example of where W.I.N. coverage would apply and TML would not is fire damage to house alleged to have occurred due to low water pressure. See TML Liability Exclusion page 29</p> <p><b>PART VIII</b>  <b>EXCLUSIONS APPLICABLE TO ALL COVERAGES</b></p> <p><b>C.</b> Claims or suits for damages claimed as a result of the Member's failure to supply gas, oil, water, electricity, waste water service, or steam or the Member's failure to supply sufficient gas, oil, water, electricity, or steam to meet demand. This Exclusion does not apply if the failure to supply sufficient quantities results from the sudden and accidental injury to tangible property owned or used by the Member to procure, produce, process, or transmit the gas, oil, water, electricity, waste water, or steam.</p>
TOPIC	W.I.N.	TML	NOTES
POLLUTION LIABILITY PROTECTION	Yes	<p>Limited to injuries that occur within 45 days from event</p> <p>See Excerpt -&gt;</p>	<p>Pollutants can be alleged to cause injuries long past 45 days. The TML policy is severely limited by the 45 day time frame requirement. See TML Liability Exclusion page 29</p> <p><b>PART VIII</b>  <b>EXCLUSIONS APPLICABLE TO ALL COVERAGES</b></p>



			<p>This Exclusion D.1. shall not apply to any claim or suit for damages which resulted from a sudden event that takes place during the Fund Year and within the Agreement Territory, and which was caused by an actual, alleged, or threatened discharge, dispersal, release, or escape of pollutants.</p> <p>“Sudden event” shall mean an accident where the pollution resulting therefrom and the injury resulting from such pollution all occur within 45 days following the accident. A related series of acci-</p>
WIND DEDUCTIBLE	\$5,000	Percentage deductibles	The W.I.N. deductible is much more favorable for all wind storms and even better for named storms such as hurricane Harvey, Ike or Tropical storm Allison.
NAMED STORM DEDUCTIBLE	\$5,000  <b>Maximum for all items &amp; locations together</b>		TML has multiple % deductibles for wind, depending on if all are part of the facilities are damaged. There are additional higher minimums for named storms such as Harvey, tropical storm Allison, etc. Percentages seem small, but compared to the property values of most entities; it can create a very large deductible.
FLOOD: UNDERLYING NFIP INSURANCE REQUIREMENTS	Pays flood claims without this requirement	Separate NFIP Policies Required	For Harris and All Coastal Counties, TML now requires individual NFIP (National Flood Insurance Protection) Policies in place for anything that qualifies for NFIP coverage such as 2 or more walls and a roof for certain flood zones, including Zones A and AE.
FLOOD LIMIT	\$2,500,000	\$1,500,000	We had several claims that exceeded the 1.5mil limit.
EXTRA EXPENSE LIMIT	\$1,000,000	\$ 50,000	We had several claims that far exceeded the \$50k limit

**W.I.N. delivers** the balanced value, protection and service you deserve. Please let us know if you have any questions or if we can be of assistance. We look forward to you choosing to **WIN with Gallagher**.

# Premium & Insurance Summary

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

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

Line of Business	Renewal Premium
Package (Property, Flood, General Liability, Pollution, Pollution Cleanup & Remediation, and Excess Liability)	\$ 7,620
Hired & Non-Owned Auto Liability	\$ 100
Equipment Breakdown (B&M)	\$ 3,000
Directors & Officers Liability	\$ 1,493
Directors Position Bond (Renews: 12/25/2021)	\$ 0
Cyber Liability	\$ 2,435
Agent Fee	\$ 250
<b>Total</b>	<b>\$ 14,898</b>

Please see the W.I.N Customer Advantages & Savings for coverage highlights compared to current program.

T

Thank you for your business and we look forward to providing you with the best insurance program in Texas.

***\*\*Please sign on Proposal Acceptance Page and Provide Documents Required to Bind Coverage***

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

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.

## -Optional- Coverages & Limits for Consideration

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

### New Coverage Options

Cyber Liability	Premium	Sign for Acceptance
\$2,000,000 Limit	\$ 3,837	
Law Enforcement Liability Coverage	Premium	Sign for Acceptance
Needed if you hire police officers - \$1,000,000 Limit	\$ 1,000	
Mobile Equipment - Leased/Rented Equipment Coverage	Premium	Sign for Acceptance
\$75,000 Limit, \$500 Deductible	\$ 300	
Workers' Compensation	Premium	Sign for Acceptance
\$1,000,000 Limit (Directors Only)	\$ 400	
Business Travel Accident	Premium	Sign for Acceptance
\$250,000 Limit	\$ 350	
Tax Assessor Bond Limits	Premium	Sign for Acceptance
\$10,000 Limit	\$ 100	
\$25,000 Limit	\$ 125	
\$50,000 Limit	\$ 250	
Crime Limits	Premium	Sign for Acceptance
\$10,000 Limit	\$ 120	
\$50,000 Limit	\$ 222	
Peace Officer Bond	Premium	Sign for Acceptance
\$1,000 Limit (up to 20 officers)	\$ 100	

### Higher limits are available upon request for each coverage

These are Premium Indications only and are subject to a formal quote provided by carrier.

### Change Limits Request

\* Denotes Current Limit Purchased

Total Liability Limits Include: General Liability, Pollution and Hired and Non-Owned Auto when Excess Purchased (Primary + Excess)	Excess Limit	Premium	Sign for Changes Only
\$1,000,000 Occurrence, \$3,000,000 Aggregate	\$ 0	\$ Included	
\$2,000,000 Occurrence = \$1,000,000 Primary + Excess	\$ 1,000,000	\$ 505	**
\$3,000,000 Occurrence = \$1,000,000 Primary + Excess	\$ 2,000,000	\$ 1,010	
Higher Limits Available upon request			
Directors & Officers Limits	Premium	Optional Quotes Available Upon Request and Receipt of Audited Financials. Changes will require a Signed Warranty letter.	
\$1,000,000 Limit	\$ 1,493	**	

### Higher limits are available upon request for each coverage

These are Premium Indications only and are subject to a formal quote provided by carrier.

# Property Schedule

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

No.	Property Description for Facilities AND Detention Ponds Address with City, Zip Code & County  ALL LOCATIONS: Austin, TX 78733	Latitude / Longitude	Replacement Cost Value Building & Contents Detention Ponds list insurable values such as grates, pumps fence	Year Built
1-1	Fence/Lift Station No. 1 – <b>10425 ½ SENNA HILLS MUD Dr.</b>	30.307905 -97.900161	137,000	1994
2-1	Fence/Lift Station No. 2 – <b>1709 ½ Lemon Mint Ct.</b>	30.312568 -97.895612	137,000	1994
3-1	Fence/Lift Station No. 3 – <b>Courtney Way</b>	30.308218 -97.903024	153,441	1998
4-1	Fence/Lift Station No. 4 – <b>10502 Prickly Poppy Cv.</b>	30.314397 -97.895108	164,400	2000
5-1	Fence/Lift Station No. 5 – <b>10724 ½ Straw Flower Dr.</b>	30.316071 -97.898020	359,600	2006
6-1	Fence/Lift Station No. 6 – <b>10828 ½ SENNA HILLS MUD Dr.</b>	30.313350 -97.904080	359,600	2007
7-1	Fence/ WWTP/Control Building – <b>10500 ½ FM 2244</b>	30.308555 -97.903479	1,841,854	1998
7-2	Fence/Generator- Pump Station/Chl Stat <b>10500 ½ FM 2244</b>	30.308555 -97.903479	60,281	
8-1	Fence/Piping/Valves/Sprinkler – <b>10900 ½ SENNA HILLS MUD Dr.</b>	30.313003, -97.904277	1,320,392	1994
	<b>TOTAL</b>		<b>4,533,568</b>	

The proposal is based on the above information received from the engineer.

# Package Policy - Equipment Breakdown aka Boiler & Machinery

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

Description	
Equipment Breakdown Aka Boiler & Machinery	<ul style="list-style-type: none"><li>• Sudden and Accidental Breakdown of Equipment</li><li>• Mechanical Failure</li><li>• Electrical Surges</li><li>• Terrorism Risk Insurance Act</li><li>• Replacement Cost Valuation</li><li>• Repair or Replace Whichever is Less</li><li>• Blanket Basis Coverage</li><li>• Coinsurance Waived</li></ul>
Subject to policy terms, conditions, limitations and exclusions.	
Exclusions included but not limited to:	<ul style="list-style-type: none"><li>• War</li><li>• Nuclear Hazard</li><li>• Wear &amp; Tear</li><li>• Lightning</li></ul>

Limits	
Equipment Breakdown/Property Damage	Per Property Schedule
Extra Expense Combined with Business Income and includes Utility Interruption	\$500,000

Deductibles	
Equipment Breakdown	\$ 7,500
Deep well pump units 50 + feet below ground level	\$ 25,000
Utility Interruption	24 Hours
Extra Expense	No Separate Deductible

Annual Premium	
Included Premium Summary or Optional Coverage and Limits	

Carrier	
Liberty Mutual Fire Insurance Company, A.M. Best Rating: A XV Admit	



# Package Policy - Property

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

Description	
Real & Personal Property  Subject to policy terms, conditions, limitations and exclusions.	<ul style="list-style-type: none"><li>• Cause of Loss: Special</li><li>• Terrorism Risk Insurance Act</li><li>• Replacement Cost Valuation</li><li>• Repair or Replace Whichever is Less</li><li>• Coinsurance Waived</li></ul>
Exclusions included but not limited to:	<ul style="list-style-type: none"><li>• War</li><li>• Nuclear Hazard</li><li>• Governmental Action (seizure or destruction) unless to prevent spread of Fire</li></ul>

Limits	
Blanket Building or Structure & Business Personal Property	Per Property Schedule
Blanket Flood	\$ 2,500,000
Blanket Earthquake and Earth Movement	\$ 2,500,000
Blanket Business Income & Extra Expense	\$ 1,000,000

Deductibles	
Property Perils, such as fire, lightning, theft vandalism, except as noted below	\$ 5,000
Flood	\$25,000
Earthquake and Earth Movement	\$25,000
Business Income & Extra Expense	No Separate Deductible

Annual Premium
Included Premium Summary or Optional Coverage and Limits

Carrier
CUMIS Insurance Society, Inc., A.M. Best Rating: A XII Admitted

# Package Policy - General Liability

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

Description	
General Liability	<ul style="list-style-type: none"> <li>• Occurrence Policy Form</li> <li>• Bodily Injury and Property Damage</li> <li>• Liability arising from any owned property such as facilities, buildings, parks, detention ponds and lakes</li> <li>• Failure to Supply (no limitation requiring property damage)</li> <li>• Sewer Back Up</li> <li>• Products Contamination</li> <li>• Terrorism Risk Insurance Act</li> <li>• Punitive Damages</li> <li>• Duty to Defend</li> <li>• Host Liquor Liability</li> <li>• Defense Cost outside the Limit</li> <li>• Not Auditable</li> </ul>
Subject to policy terms, conditions, limitations and exclusions.	
Exclusions included but not limited to:	<ul style="list-style-type: none"> <li>• Access or Disclosure of Confidential or Personal Information, Data-related Liability &amp; Internet</li> <li>• Workers' Compensation</li> <li>• War</li> <li>• Employment Related Practices</li> <li>• Distribution of Material Violation of Statutes</li> <li>• Law Enforcement Activity</li> </ul>
Must Schedule: Dams, Reservoirs & Levees for Liability coverage to apply	

Limits	
\$1,000,000	Each Occurrence
\$3,000,000	General Aggregate
\$3,000,000	Products and Completed Operations Aggregate
\$1,000,000	Personal and Advertising Injury
\$1,000,000	Damage to Rented Premises (each occurrence)
\$ 10,000	Medical Payments

Deductibles	
Per Occurrence	None

Annual Premium	
Included Premium Summary or Optional Coverage and Limits	

Carrier		
CUMIS Insurance Society, Inc.,	A.M. Best Rating: A XII	Admitted

# Package Policy - Pollution Liability

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

Description	
Package Pollution Liability Accidental and Unintended Pollution Incident (Gradual and Sudden)	<ul style="list-style-type: none"> <li>• Occurrence Policy Form</li> <li>• Bodily Injury, Property Damage, Clean Up Cost</li> <li>• Escape or back-up of sewage or waste-water if property damage occurs away from land you own or lease</li> <li>• Escape of fuels or lubricants from mobile equipment</li> <li>• Application of pesticides or herbicides</li> <li>• Potable water which you supply to others</li> <li>• Chemicals you use in your water or wastewater treatment</li> <li>• Natural gas or propane gas used in your treatment process</li> <li>• Heat, smoke or fumes from a hostile fire</li> <li>• Duty to Defend</li> <li>• Defense Cost Outside the Limit</li> <li>• Punitive Damages</li> <li>• Terrorism Risk Insurance Act</li> </ul>
Subject to policy terms, conditions, limitations and exclusions.	
Exclusions included but not limited to:	<ul style="list-style-type: none"> <li>• Fraud</li> <li>• Workers' Compensation</li> <li>• War</li> <li>• Employment Related Practices</li> <li>• Petroleum Underground Storage Tanks</li> </ul>

Deductibles	
Per Occurrence	None

Annual Premium	
Included Premium Summary or Optional Coverage and Limits	

Carrier		
CUMIS Insurance Society, Inc.,	A.M. Best Rating: A XII	Admitted

# Package Policy - Pollution Clean Up and Remediation

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

Description	
Pollution Clean Up & Remediation	<ul style="list-style-type: none"> <li>• Claims Made Policy Form</li> <li>• Includes both Gradual and Sudden and Accident Occurrences</li> <li>• Onsite Events (first party coverage)</li> <li>• Offsite Events (third party coverage)</li> <li>• Insured's Facilities Line Locations are Covered</li> <li>• TCEQ Mandate To Take Corrective Action</li> <li>• Voluntary Decision to Cleanup and Remediate</li> <li>• Duty to Defend</li> <li>• Defense inside the limit</li> <li>• Punitive Damages</li> <li>• Terrorism Risk Insurance Act</li> </ul>
Subject to policy terms, conditions, limitations and exclusions.	
Exclusions included but not limited to:	<ul style="list-style-type: none"> <li>• Fraud</li> <li>• Workers' Compensation</li> <li>• War</li> <li>• Intended Damages</li> <li>• Underground Storage Tank</li> </ul>
Retroactive Date	05/01/2021
Claim Definition	
<p>"Claim" means an oral or written demand received by the insured seeking to hold the insured responsible for "bodily injury", "property damage", or "cleanup costs" covered by this policy, including service of a "suit". Costs incurred by the insured because of the same, related or continuous "pollution event" pursuant to the "ASTM" Guide for Risk Based Corrective Action, if applicable, during the "policy period" and reported to us in writing during the "Policy Term: " will be deemed to be a "claim" made during the "Policy Term: "</p>	
Reporting Provision	
<p>Duties in the Event of A "Claim", "Suit" or Voluntary "Cleanup Costs"</p> <p>a. The insured shall give our representative prompt written notice, by mail or facsimile, of any "claim", "suit" or incurred of "cleanup costs". Notice must be sent to:</p> <p>CUNA Mutual Group Attn: Claims Department PO Box 1084 Madison, Wisconsin 53701</p>	
Limits	
\$1,000,000	Each Occurrence and Aggregate
Deductibles	
Per Claim	\$5,000
Annual Premium	
Included Premium Summary or Optional Coverage and Limits	
Carrier	
CUMIS Insurance Society, Inc.,	A.M. Best Rating: A XII      Admitted

# Hired Non Owned Liability Automobile

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

Description	Limit	Covered Auto
Hired and Non-Owned Auto Liability	\$1,000,000	8,9

Deductibles	
Liability	None

Exclusions	
Included but not limited to:	<ul style="list-style-type: none"><li>• Nuclear Energy</li><li>• Racing</li><li>• War</li></ul>

Other Significant Terms
Subject to Favorable Motor Vehicle Reports and policy terms, conditions, limitations and exclusions.

Annual Premium
Included Premium Summary or Optional Coverage and Limits

Carrier
CUMIS Insurance Society, Inc.,      A.M. Best Rating: A XII      Admitted



Covered Autos Symbol	Symbol Name	Description of Covered Designation Symbol
1	Any Auto	Can only be used for Liability insurance. Its use provides coverage for any auto with which the insured has contact, including owned and non-owned, hired vehicles, and newly acquired vehicles. It includes coverage for non-owned auto, no-fault insurance, uninsured motorists, or physical damage insurance
2	Owned Autos Only	Only those autos you own (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos you acquire ownership of after the policy begins.
3	Owned Private Passenger Autos Only	Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.
4	Owned Autos Other Than Private Passenger Autos Only	Only those autos you own that are not of the private passenger type (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos not of the private passenger type you acquire ownership of after the policy begins.
5	Owned Autos Subject To No-Fault	Only those autos you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those autos you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	Owned Autos Subject To A Compulsory Uninsured Motorists Law	Only those autos you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists' requirement.
7	Specifically Described Autos	Only those autos described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any trailers you don't own while attached to any power unit described in Item Three).
8	Hired Autos Only	Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent, or borrow from any of your employees, partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned Autos Only	Only those autos you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes autos owned by your employees, partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.
19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those autos that are land vehicles and that would qualify under the definition of mobile equipment under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

**Auto Disclaimer:**

Commercial Auto policies utilize a set of coverage symbols to stipulate a category of covered autos. One or more symbols are assigned to each coverage purchased indicating which autos that coverage applies to. Please refer to your policy and make certain that you read and understand the various auto symbols and associated descriptions. Specific symbols may apply to either a particular kind of vehicle or the vehicle's ownership status. The symbols could also differ depending upon whether the coverage is for liability or physical damage. Also, in certain circumstances, an insurance company may agree to provide coverage for an auto scenario that is not described in the auto symbols. When this occurs, a unique symbol and related description is used. If you have any questions regarding the auto symbols or associated descriptions contained in your policy, please contact us.

# Excess Liability Policy

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

Description	Limit
Excess Limits Over Underlying Policies	\$1,000,000 Per Occurrence \$1,000,000 Aggregate
Excess Coverage  Subject to policy terms, conditions, limitations and exclusions.	<ul style="list-style-type: none"> <li>• Occurrence Policy Form</li> <li>• Terrorism Risk Insurance Act</li> <li>• Punitive Damages</li> <li>• Duty to Defend</li> <li>• Host Liquor Liability</li> <li>• Defense Cost outside the Limit</li> </ul>
Exclusions included but not limited to:	<ul style="list-style-type: none"> <li>• Exclusions in Underlying Policies</li> <li>• Access or Disclosure of Confidential or Personal Information</li> <li>• Directors &amp; Officers Liability</li> <li>• War</li> </ul>

Schedule of Underlying Limits	Schedule of Underlying Coverages General Liability, Pollution, Auto & WC if purchased
\$1,000,000	Each Occurrence
\$3,000,000	General Aggregate
\$3,000,000	Products and Completed Operations Aggregate
\$1,000,000	Personal and Advertising Injury
\$1,000,000	Auto Liability

Deductibles	
Per Occurrence	None

Annual Premium
Included Premium Summary or Optional Coverage and Limits

Carrier
CUMIS Insurance Society, Inc.,      A.M. Best Rating: A XII      Admitted

# Directors & Officers Liability Policy

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

Description	
<b>Directors &amp; Officers Liability</b>  Subject to policy terms, conditions, limitations and exclusions.	<ul style="list-style-type: none"> <li>• Claims Made Policy Form</li> <li>• Wrongful Act, Error or Omission</li> <li>• Defense for alleged breach of contract for insured persons</li> <li>• Coverage for directors spouse if claim seeks to recover from marital party</li> <li>• Punitive Damages</li> <li>• Duty to Defend</li> <li>• Additional Defense Unlimited</li> <li>• Pay on Behalf Contract</li> <li>• Claim Trigger- May report known circumstances that may give rise to a claim</li> <li>• Claim includes formal administrative or regulatory proceedings</li> <li>• 100% Defense paid for claims that include covered and non-covered claims.</li> <li>• Terrorism Risk Insurance Act</li> </ul>
Exclusions included but not limited to:	<ul style="list-style-type: none"> <li>• Bodily Injury</li> <li>• Property Damage</li> <li>• Pollution</li> <li>• Cyber Liability, Improper dissemination of personally identifiable information or protected health information</li> </ul>
Retroactive Date:	None
Pending/Prior Litigation Date and Continuity Date:	10/01/2021 Directors & Officers,

Limits	
\$1,000,000 In <b>Excess</b> of the Above Limits	Per Claim and Aggregate
<ul style="list-style-type: none"> <li>• \$1,000,000 Dedicated for Directors &amp; Officers</li> <li>• Additional Defense Unlimited</li> </ul>	Enhancement(s)

Deductible
Directors & Officers Deductible \$1,000 Deductible does not apply to non-indemnifiable Loss

## Claim Definition

When used in the D&O Coverage Section:

**Claim** means:

1. A written demand for monetary damages or non-monetary relief;
2. A civil proceeding commenced by the filing of a complaint or similar pleading;
3. A formal administrative or regulatory proceeding commenced by the filing of a complaint, charge, formal investigative order or similar document;
4. An arbitration, mediation or similar alternative dispute resolution proceeding in which monetary damages are sought if the **insured**:
  - Is required to participate in such proceeding; or
  - Agrees to participate in such proceeding with our written consent, such consent not to be unreasonably withheld;
5. A criminal proceeding commenced by the return of an indictment;
6. A written request to toll or waive a statute of limitations related to a potential **claim** described in Definitions **A.1.** through **A.5.** above; or
7. A civil, administrative, regulatory or criminal investigation of an **insured person** once such **insured person** is identified in writing by such investigating authority as a person against whom a proceeding described in Definitions **A.2.**, **A.3** or **A.5.** may be commenced. The maximum Limit of Insurance for all such investigations against any **insured persons** shall be the Investigative Costs Sublimit set forth in the Nonprofit Organization Directors and Officers Liability Coverage Part Declarations. This sublimit shall be part of and not in addition to the Limit of Insurance set forth in the Nonprofit Organization Directors and Officers Liability Coverage Part Declarations and does not increase our maximum aggregate liability under this Coverage Part;  
against any **insured**, including any appeal therefrom.

When used in the EPLI Coverage Section:

**Claim** means:

**B. Claim** means an **employment claim**, an **immigration claim** or a **third party claim**.

## Reporting Provision

### SECTION V - DUTIES OF THE INSURED IN THE EVENT OF A CLAIM

As conditions precedent to coverage under this policy:

8. The **insureds** shall give us written notice of any **claim** made against any of the **insureds** for a **wrongful act** as soon as practicable after any **executive** of the **named insured** has knowledge of such **claim**, and shall cooperate and provide information as we may reasonably require, including but not limited to providing a description of the **claim**, the nature of the alleged **wrongful act**, the nature of the alleged injury, the names of the claimants, and the manner in which the **insureds** first became aware of the **claim**. As soon as practicable, the **insureds** shall furnish us with copies of reports, investigations, pleadings and other papers in connection with the **claim**.
9. The **insureds** shall provide us with all information, assistance and cooperation which we reasonably request and agree that in the event of a **claim** the **insureds** will do nothing which may prejudice our position or our potential or actual rights of recovery. The failure of any **insured person** to do so shall not impair the rights of any other **insured person** under this policy.
10. The **insureds** shall not settle any **claim**, incur any **defense costs** or otherwise assume any obligation or admit any liability with respect to any **claim** without our prior written consent. We shall be entitled to full information and all particulars we may request in order to reach a decision as to such consent. We shall not be liable for any settlement, **defense costs**, assumed obligation or admission to which we have not consented.

If the **insureds** fail to provide notice of any **claim** to us as required under this Section, we shall not be entitled to deny coverage for the claim based solely upon late notice unless we can demonstrate that our interests materially prejudiced by reason of such late notice.

## SECTION VI - NOTICE OF A WRONGFUL ACT

If prior to the end of the **policy period** of the applicable Coverage Part, any of the **insureds** first become aware of a specific **wrongful act** they believe is likely to give rise to a **claim**, and if any of the **insureds** give us written notice as soon as practicable, but prior to the end of the **policy period** of the applicable Coverage Part, of:

11. The specific **wrongful act**;
12. The injury or damage which has or may result therefrom; and
13. The circumstances by which the **insureds** first became aware thereof;

then any **claim** subsequently made arising out of such **wrongful act** shall be deemed to have been made when notice of the **wrongful act** was first given.

## Annual Premium

Included Premium Summary or Optional Coverage and Limits

## Carrier

The Cincinnati Insurance Company, A.M. Best Rating: A+XV Admitted



## -Optional-Crime Policy

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

Description	
<b>Crime</b>  Subject to policy terms, conditions, limitations and exclusions.	<ul style="list-style-type: none"> <li>• Protection for loss caused to named insured through failure of any employee/consultant to perform faithfully their duties or to account properly for all monies and property received by virtue of their position or employment.</li> <li>• Any Limit purchased applies per employee/consultant up to \$100,000.</li> <li>• Any limit purchased \$100,000 and over is provided on a per losses basis rather than each basis.</li> <li>• Terrorism Risk Insurance Act</li> </ul>
<b>Exclusions included by not limited to:</b>	<ul style="list-style-type: none"> <li>• Governmental Action of Seizure or Destruction</li> <li>• Accounting or Arithmetical Errors or Omissions</li> <li>• Inventory Shortages</li> </ul>
<b>Loss Caused by</b>  Loss Caused by Consultants for Insured	<ul style="list-style-type: none"> <li>• Direct Employees</li> <li>• Attorney</li> <li>• Operator</li> <li>• Bookkeeper</li> <li>• Engineer</li> <li>• Delinquent Tax Attorney</li> </ul>

Deductible	
Per Occurrence	None

Annual Premium and Limits
Included Premium Summary or Optional Coverage and Limits

Carrier
Hartford Fire Insurance Company, A.M. Best Rating: A+ XV Admitted

# Directors Position Bond

SENNA HILLS MUD

**Effective: 12/25/2020 TO 12/25/2021**

Description	
Directors Position Bond	<ul style="list-style-type: none"><li>Provides coverage for loss caused to the District through the failure of Directors to perform faithfully their duties or to account properly for all monies and property received by virtue of their position as Director</li><li>Terrorism Risk Insurance Act</li><li>Continuous until cancelled</li></ul>
Subject to bond terms, conditions, limitations and exclusions.	
Exclusions included but not limited to:	<ul style="list-style-type: none"><li>Loss occurring prior to date of bond issued</li></ul>

Limits	
\$10,000	Each Director (5)
\$50,000	General Aggregate

Deductibles	
Per Occurrence	None

Annual Premium	
Included Premium Summary or Optional Coverage and Limits	

Carrier	
Hartford Casualty Insurance Company, A.M. Best Rating: A +XV Admitted	

\*\*\* Renews 12/25/2021

## -Optional-Tax Assessor/Collector Bond

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

Coverage	
Tax Assessor Collector Bond  Subject to bond terms, conditions, limitations and exclusions.	<ul style="list-style-type: none"><li>Covers the faithful performance and discharge of all the duties required by law as the Tax Assessor/ Collector and to pay over to the depository of the District all funds or other things of value coming into his hands as Tax Assessors/Collectors.</li><li>Terrorism Risk Insurance Act</li><li>Continuous until cancelled</li></ul>
Exclusions included but not limited to:	<ul style="list-style-type: none"><li>Loss occurring prior to date of bond issued</li></ul>
Deductibles	
Per Occurrence	None
Annual Premium & Limits	
Included Premium Summary or Optional Coverage and Limits	
Carrier	
Hartford Casualty Insurance Company, A.M. Best Rating: A +XV Admitted	

## -Optional-Peace Officer Bond

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

Description	
Peace Officer Bond	<ul style="list-style-type: none"><li>Provides coverage for the faithful performance and discharge of all the duties required by law for Peace Officer.</li></ul>
Subject to bond terms, conditions, limitations and exclusions.	<ul style="list-style-type: none"><li>Terrorism Risk Insurance Act</li><li>Continuous until cancelled</li></ul>
Exclusions included but not limited to:	<ul style="list-style-type: none"><li>Loss occurring prior to date of bond issued</li></ul>

Limits	
\$ 1,000	Each Officer (up to 20 officers)
\$20,000	General Aggregate

Deductibles	
Per Occurrence	None

Annual Premium & Limits	
Included Premium Summary or Optional Coverage and Limits	

Carrier	
Hartford Casualty Insurance Company, A.M. Best Rating: A +XV Admitted	

# Optional-Workers' Compensation Policy

SENNA HILLS MUD

Effective: 10/01/2021 TO 10/01/2022

Description	
Workers' Compensation (Part One ) And Employers Liability (Part Two)	<ul style="list-style-type: none"> <li>Bodily Injury to Employees</li> <li>Terrorism</li> <li>Duty to Defend</li> <li>Defense Cost outside the Limit</li> <li>Covered State Texas Only</li> <li>Include Owner/Officers</li> <li>Out of Network</li> </ul>
Subject to policy terms, conditions, limitations and exclusions.	
Exclusions included but not limited to:	<ul style="list-style-type: none"> <li>Voluntary Compensation</li> <li>USL&amp;H</li> <li>Federal Employers Liability Act (Jones Act)</li> </ul>
Audit	<ul style="list-style-type: none"> <li>Auditable</li> </ul>
Subject to Audit	<ul style="list-style-type: none"> <li>At Expiration</li> </ul>
Minimum Premium	<ul style="list-style-type: none"> <li>\$250</li> </ul>

Limits	
Statutory	Part One - Workers' Compensation
\$1,000,000	Part Two - Employers' Liability Each Accident
\$1,000,000	Part Two - Employers' Liability Disease-Policy Limit
\$1,000,000	Part Two - Employers' Liability Disease-Each Employee

Exposure Description	Code	Payroll
Clerical/Directors	8810	\$36,000
Water	7520	\$ If Any

Deductibles	
Per Occurrence	None

Annual Premium
Included Premium Summary or Optional Coverage and Limits

Carrier
Texas Mutual Insurance Company: A.M. Best Rating: A XV Admitted



## -Optional-Business Travel Accident Policy

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

Description	
<b>Business Travel Accident</b>  Subject to policy terms, conditions, limitations and exclusions.	<ul style="list-style-type: none"> <li>• Occurrence Policy Form</li> <li>• Provides 24 Hour Coverage while traveling on District Business Trips for Accidental Death &amp; Dismemberment.</li> <li>• <b>No Age Reduction</b></li> <li>• <b>Commutation Coverage</b> Included</li> <li>• Hijacking/Skyjacking Coverage</li> <li>• Relocation Coverage</li> <li>• Sojourn of Personal Deviation (7) days</li> <li>• Paralysis Benefit</li> <li>• Coma Benefit</li> <li>• Rehabilitation Benefit</li> <li>• Seatbelt &amp; Occupant Protection Device Benefit</li> <li>• Psychological Therapy</li> <li>• Rehabilitation Benefit</li> <li>• Adaptive Home and Vehicle Benefit</li> <li>• Terrorism</li> </ul> <p><u>Commutation coverage defined:</u> Covers injury resulting from accident which occurs while the Insured Person is commuting directly between his or her residence and place of employment.</p>
Exclusions included but not limited to:	<ul style="list-style-type: none"> <li>• Acrobatics or Stunt Flying</li> <li>• Racing</li> <li>• Crop Dusting</li> </ul>

Limits	
\$250,000	Director(s)
\$ 50,000	Spouse
\$ 25,000	Children

Annual Premium
Included Premium Summary or Optional Coverage and Limits

Carrier
Hartford Life and Accident Insurance Company, A. M. Best Rating: A XV Admitted

# Cyber Liability and Security Breach Response Policy

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

Description	
Cyber Security Liability Security Brach Response and First Party Coverage	<ul style="list-style-type: none"> <li>• Claims Made Policy Form</li> <li>• Duty to Defend</li> <li>• Defense Inside the Limit</li> <li>• Punitive Damages</li> <li>• Electronic Terrorism</li> </ul>
Subject to policy terms, conditions, limitations and exclusions.	
Exclusions included but not limited to:	<ul style="list-style-type: none"> <li>• Mold, Mildew or Fungi</li> <li>• Act of God</li> <li>• Pollutants</li> </ul>
Retroactive Date	Full Prior Acts
Policy Retention	\$2,500 10 Hour waiting period for Business Income and Digital Asset Restoration \$10,000 Cyber Deception
Optional Extended Reporting Period	Premium 100% One Year Length (12Months)
Policy Limit	\$1,000,000 Limit and Aggregate Optional Limits Available

Coverage Type	
Policy Aggregate Limit of Liability	Full Limit and Aggregate
Privacy Liability Including Employee Privacy	
Privacy Regulatory Claims Coverage (Where insurance by law)	
Security Liability	
Multimedia Liability	
PCI DSS Assessment	
Security Breach Response	Full Limit and No Aggregate
Electronic Fraud- Telephone Hacking	\$100,000 No Aggregate Limit
Funds Transfer Fraud	\$100,000 No Aggregate Limit
Cyber Deception	\$250,000 with \$250,000 Aggregate Limit
Security Breach Response Coverage	
Legal Advisory	Full Limit and Aggregate
Forensics Investigations	
Public Relations	
Notification Services	
Credit Monitoring	
First Party Coverage	
Cyber Extortion	Full Limit and No Aggregate
Business Income and Digital Asset Restoration	

Annual Premium & Limits
Included Premium Summary or Optional Coverage and Limits

### Carrier

BCS Insurance Company A- XVIII, Admitted  
(parent company BCS Financial-BlueCross BlueShield)

### Claim Definition

Claim means:

1. A written demand received by "You" for money or services, including the service of a civil suit or institution of arbitration proceedings;
2. Initiation of a civil suit against "You" seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction);
3. Solely with respect to Coverage B., a "Regulatory Claim" made against "You";
4. A "PCI DSS Assessment"; or
5. Solely with respect to Coverage F., a "Cyber Extortion Threat" made against "You".

Multiple "Claims" arising from the same or a series of related or repeated acts, errors, or omissions or from any continuing acts, errors, or omissions shall be considered a single "Claim" for the purposes of this Policy, irrespective of the number of claimants or "You" involved in the "Claim". All such "Claims" shall be deemed to have been made at the time of the first such "Claim" was made or deemed made under Section IX.A.

### Cyber Deception

If this extension of coverage is purchased the extension provides coverage for the intentional misleading of the applicant by means of a dishonest misrepresentation of a material fact contained or conveyed within an electronic or telephonic communication(s) and which is relied upon by the applicant to be genuine.

Additionally, this coverage provides for the loss of money from the Insured's account or, the loss of money held on behalf of the insured's customers or clients (aka funds held in escrow).

Example: change of where wire transfer funds are to be deposited sent via email which looks like it is coming from your vendor but is really a hacker.

# Proposal Acceptance and Client Authorization To Bind Coverage

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

After careful consideration of Gallagher's proposal effective 10/01/2021 TO 10/01/2022 we accept the following coverages(s). Please check the desired coverages(s).

		Line of Coverage	Carrier
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Property, General Liability, Pollution Liability, Clean up, & Excess Liability	CUMIS Insurance Society, Inc.,
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Hired Non-Auto Liability	CUMIS Insurance Society, Inc.,
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	B&M	Liberty Mutual
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Directors & Officers Liability	The Cincinnati Insurance Company
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Crime	Hartford Fire Insurance Company
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Directors Bond	Hartford Casualty Insurance Company
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Tax Collector Bond	Hartford Casualty Insurance Company
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Peace Officer Bond	Hartford Casualty Insurance Company
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Worker's Compensation	Texas Mutual Insurance Company
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Business Travel Accident	Hartford Life & Accident Co.
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Cyber Security Liability	BCS Insurance Company
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Fee	Gallagher Broker Fee
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Add Any Options from pages 5 or 6 selected	

		Line of Coverage	Carrier
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Bind TRIA Terrorism Coverage Act as quoted	All Carriers

## Provide Quotations or Additional Information on the Following Coverage Considerations:

		Line of Coverage	Carrier
<input type="checkbox"/> Yes	<input type="checkbox"/> No		

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:

**Fee Agreement:** In addition to commission received by Gallagher for the policy term reflected herein, effective 10/01/2021, Gallagher will receive a fee of \$250 for Senna Hills MUD program administration.

This fee IS NOT refundable, is fully earned by signing below, and is due and payable within thirty (30) days of such signing. Any placements that require the payment of additional state or federal taxes and/or fees are the client's responsibility.

By accepting this fee agreement, we agree and understand that it reflects services to be provided that have been discussed with and fully disclosed to us, and the above fee is consistent with our understanding. This agreement and any disputes that arise out of this fee agreement shall be governed by the laws of the state of Illinois.

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:

Signature  
**SENNA HILLS MUD**

Specify: owner, partner or corporate officer

**SIGN HERE**

Print Name

Date

**BCS INSURANCE COMPANY**  
**2 Mid America Plaza, Suite 200**  
**Oakbrook Terrace, IL 60181**

# Cyber Liability And Privacy Coverage Application

**94.001-4 (03/21)**

**CERTAIN COVERAGES OFFERED ARE LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND NOTIFIED TO US DURING THE POLICY PERIOD AS REQUIRED. CLAIM EXPENSES SHALL REDUCE THE APPLICABLE LIMITS OF LIABILITY AND ARE SUBJECT TO THE APPLICABLE RETENTION(S). PLEASE READ THE POLICY CAREFULLY.**

"You", "Your Organization", and "Applicant" mean all corporations, organizations or other entities, including subsidiaries, proposed for this insurance.

## I. GENERAL INFORMATION

Name of Applicant	Senna Hills MUD
Mailing Address	c/o Willatt & Flickinger, PLLC
Mailing Address line 2	12912 Hill Country Blvd., Suite F-232
City	Austin
State	Texas
ZIP Code	78738
Description of Applicant's Operations	Utility
Applicant Contact Name	Jennifer Concienne
Applicant Contact Email Address	jconcienne@wfaustin.com
Applicant Website	https://sennahillsmud.org/

## II. REVENUES

**Indicate the following as it relates to the Applicant's fiscal year end (FYE):**

**Prior FYE**

Gross revenue	\$1,413,480
---------------	-------------

## III. NETWORK SECURITY SYSTEM

- |  |   |                             |
|--|---|-----------------------------|
| 1. a. Do "You", or an outsourced firm, back up your data and systems at least once a week, and store these backups in an offsite location? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| b. If yes, can "You" recover all of your business-critical data and systems within 10 days?  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 2. Do "You" have anti-virus software and firewalls in place that are regularly updated (at least quarterly)?                               | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |



3. a. Do "You" have Remote Desktop Protocol (RDP) (or any other type of remote access to desktops or servers or applications) enabled? Yes ☒ No ☐
- b. If yes, do "You" utilize Multi-Factor Authentication (MFA) when accessing all desktops or servers or applications remotely? Yes ☒ No ☐
4. After inquiry of the "Control Group", as defined, are "You" aware of any or have any grounds for suspecting any circumstances which might give rise to a claim? Yes ☐ No ☒
5. Within the last 5 years, has "Your Organization" suffered any system intrusions, tampering, virus or malicious code attacks, loss of data, loss of portable media, hacking incidents, extortion attempts, or data theft, resulting in a claim in excess of \$25,000 that would be covered by this insurance? Yes ☐ No ☒

If the "Applicant" represents a Healthcare organization, Financial Institution or Legal Services (consumer) then the following question MUST be answered:

6. Do "You" have a written policy which requires that personally identifiable information stored on mobile devices (e.g. laptop computers / smartphones) and portable media (e.g. flash drives, back-up tapes) be protected by encryption? Yes ☐ No ☐

\* With respect to the information required to be disclosed in response to the questions above, the proposed insurance will not afford coverage for any claim arising from any fact, circumstance, situation, event or act about which any member of the "Control Group" of the "Applicant" had knowledge prior to the issuance of the proposed policy, nor for any person or entity who knew of such fact, circumstance, situation, event or act prior to the issuance of the proposed policy.

"Control Group" means:

The board members, executive officers, Chief Technology Officer, Chief Information Officer, Risk Manager and General Counsel or their functional equivalents of "Your Organization". This does not include any administrative staff who work in the offices of these named positions.

#### IV. CYBER DECEPTION

1. Does the "Applicant" have procedures in place requiring two people, processes, or devices to verify any changes in transfer details and obtain authorization when transferring funds in excess of \$10,000 to external parties? Yes ☒ No ☐
2. Does the **Applicant** provide training for staff members who transact funds in excess of \$10,000 externally? Yes ☒ No ☐
3. Does the Applicant have a call-back verification process when making changes to or setting up new payment instructions to a third party? Yes ☒ No ☐
4. Have there been any losses for a "Cyber Deception Event" in the past year in excess of \$10,000? Yes ☐ No ☒
5. After inquiry of the "Control Group", as defined, have there been any claims or circumstances arising from "Cyber Deception Events" which may give rise to a claim that could be covered by the Cyber Deception coverage being applied for? Yes ☐ No ☒

Please note that the Cyber Deception Coverage applied will not attach to those matters identified above that are claims or may be reasonably expected to give rise to a claim, under the Cyber Deception Coverage.

"Cyber Deception Event" means:

- The good faith transfer by "You" of "Your Organization's" funds or the transfer of "Your Goods", in lieu of payment, to a third party as a direct result of a "Cyber Deception", whereby "You" were directed to transfer "Goods" or pay funds to a third party under false pretences; or
- The theft of "Your Organization's" funds as a result of an unauthorized intrusion into or "Security Compromise" of "Your" "Computer System" directly enabled as a result of a "Cyber Deception".

"Control Group" means:

The board members, executive officers, Chief Technology Officer, Chief Information Officer, Risk Manager and General Counsel or their functional equivalents of "Your Organization". This does not include any administrative staff who work in the offices of these named positions.

**REQUIRED FRAUD WARNING LANGUAGE:**

**It is a crime to knowingly and intentionally attempt to defraud an insurance company by providing false or misleading information or concealing material information during the application process or when filing a claim. Such conduct could result in your policy being voided and subject you to criminal and civil penalties.**

\_\_\_\_\_  
Signature of Applicant's Authorized  
Representative

\_\_\_\_\_  
Name (Printed)



\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# The Cincinnati Insurance Company

## PILLAR POLICY RENEWAL APPLICATION FOR NONPROFIT ORGANIZATIONS

(other than Community Associations, Healthcare Institutions & Educational Institutions)

**THIS POLICY PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.**

### General Information

This section must be completed.

1. Expiring Policy Number: \_\_\_\_\_
2. Name of Applicant: Senna Hills MUD c/o Willat & Flickinger, PLLC
3. Physical Street Address: 12912 Hill Country Blvd., Suite F-232  
City: Austin State: Texas Zip: 78738
4. Mailing Address (☒ same as physical): \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_
5. Website: \_\_\_\_\_ Phone Number: ( ) \_\_\_\_\_
6. Year Established: 1988
7. Nature of Business: Water Utility District
8. What is the number of locations occupied by the Applicant and subsidiaries? N/A
9. Does the Applicant have any subsidiaries of which their ownership or management control is greater than 50%? *If yes, please complete table below:* ☐ Yes ☒ No

Name of Subsidiary	Description of Operations	Year Established	Non-Profit (NP) or For-Profit (FP)	Percent Owned
				%
				%
				%
				%

10. If annual revenues are less than \$500,000, fully complete the table below or attach most recent annual financials: **See Financials**

	Most Recent Fiscal Year Ending ____/____/20__	Previous Fiscal Year Ending ____/____/20__
Total Assets	\$	\$
Total Liabilities	\$	\$
Net Assets or Equity	\$	\$
Total Annual Revenues	\$	\$
Net Income or (Net Loss)	\$	\$

11. Please provide the following information regarding the employee count (*do not include Independent Contractors*) of the Applicant and subsidiaries: **See District Directory**

	Currently	One Year Ago
Full-Time Employees		
Part-Time Employees		
Temporary/Seasonal		
Volunteers		

**Coverages Requested**  
This section must be completed.

Coverage Part	Per Expiring	Desired Limits if different from expiring
Directors and Officers Liability	<input checked="" type="checkbox"/>	\$
Employment Practices Liability	<input type="checkbox"/>	\$
Fiduciary Liability	<input type="checkbox"/>	\$
Cyber	<input type="checkbox"/>	Complete Cyber Section on Page 3.
Crime	<input type="checkbox"/>	Complete Crime Section on Page 4.

Desired Pay Plan:

Installment Options	Agency Bill	Direct Bill
Annual	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Semi-Annual	<input type="checkbox"/>	<input type="checkbox"/>
Quarterly	<input type="checkbox"/>	<input type="checkbox"/>
Monthly	N/A	<input type="checkbox"/>

**Directors & Officers Liability Coverage**  
This section should only be completed if coverage is desired.

- Since the inception of the expiring policy, has the Applicant or any subsidiary:  
*If yes, please provide details.*
  - Had a significant change in operations? ☐ Yes ☒ No
  - Been involved in any actual or proposed merger, acquisition, divestment, consolidation, closing or purchase/sale of assets? ☐ Yes ☒ No
  - Breached any debt covenant, loan agreement or contractual obligations? ☐ Yes ☒ No
- Is Employed Lawyers Professional Liability Coverage desired? ☐ Yes ☒ No  
*If yes, please complete supplemental questionnaire ML 023 or ML 023 A.*

**Employment Practices Liability Coverage**  
This section should only be completed if coverage is desired.

- List the Applicant's total number of employees in the following locations:  
CA: \_\_\_\_\_ WV: \_\_\_\_\_ Foreign Countries: \_\_\_\_\_
- Please indicate the number of employee terminations in the table below:

	Last 12 Months	Previous 12 Months
Voluntary		
Involuntary (excluding layoffs)		
Layoffs		
- Do you anticipate any layoffs in the future? *If yes, please provide complete details.* ☐ Yes ☐ No
- Since the inception of the expiring policy, has the Applicant or any subsidiary revised any existing or implemented any new employment policies or procedures? *If yes, please provide details.* ☐ Yes ☐ No

5. Is Third Party Liability Coverage desired? *If yes, complete 5.a.-5.d.*

☐ Yes ☐ No

a. Are there written policies and procedures regarding the conduct of employees when interacting with third parties (customers, vendors, visitors, independent contractors and other third parties)?

☐ Yes ☐ No

b. What percentage of employees deal with the general public? \_\_\_\_\_ %

c. Does the Applicant have Independent Contractors that are used on a regular basis?  
*If yes, how many?*

☐ Yes ☐ No

d. Is the Applicant's website compliant with the Web Content Accessibility Guidelines (WCAG)?  
*If no, please advise time frame in which the website will be compliant.*

☐ Yes ☐ No

### Fiduciary Liability Coverage

This section should only be completed if coverage is desired.

1. Complete the table below for any employee benefit plan(s) sponsored by the Applicant and its subsidiaries:

Plan Name	Year Established	Total Plan Assets	Plan Type* (DC, DB or ESOP)	Number of Participants
		\$		
		\$		
		\$		
		\$		

\*Plan Type: DC-Defined Contribution, DB-Defined Benefit, ESOP-Employee Stock Ownership Plan

2. Since the inception of the expiring policy, has the Applicant or any subsidiary:  
*If yes, please provide details.*

a. Had any plan(s) frozen, transferred or terminated?

☐ Yes ☐ No

b. Made other material changes to the plan(s) listed in the table above?

☐ Yes ☐ No

3. What is the funding percentage for the Applicant's defined benefit retirement plan(s)?

☐ N/A \_\_\_\_\_ %

### Cyber Coverage

This section should only be completed if coverage is desired.

Indicate below if either of the following Cyber options is desired. *Please note that both options cannot be selected.*

☐ Option 1 - Cincinnati Data Defender™ and/or Cincinnati Network Defender™ - Please check desired coverages, if any. *If higher limits are desired, please complete supplemental questionnaire ML 002.*

Cincinnati Data Defender™	<input type="checkbox"/>
Response Expenses Limit	\$50,000
Defense and Liability Limit	\$50,000
Identity Recovery Limit	\$25,000

Cincinnati Network Defender™	<input type="checkbox"/>
Computer Attack Limit	\$100,000
Network Security Liability Limit	\$100,000

☐ Option 2 - Cincinnati Cyber Defense™ - Application ML 004 must be completed if this coverage is desired.



**Crime Coverage**

This section should only be completed if coverage is desired.

1. 

Requested Insuring Agreements <input type="checkbox"/> <i>Per Expiring</i>	Limit of Insurance	Deductible Amount
Employee Theft <input type="checkbox"/> <i>Include ERISA</i> <input type="checkbox"/> <i>ERISA Only</i>	\$	\$
Forgery or Alteration <input type="checkbox"/> <i>Include Credit/Debit Card Forgery</i>	\$	\$
Inside the Premises	\$	\$
Outside the Premises	\$	\$
Computer Fraud	\$	\$
Funds Transfer Fraud	\$	\$
Money Orders and Counterfeit Money	\$	\$
Clients' Property	\$	\$
Claim Expense	\$	\$
Social Engineering Fraud Endorsement	\$	\$

2. Name of employee benefit plan(s) to be included for coverage, if any: \_\_\_\_\_

3. Please complete the table below with regard to classification of employees of the Applicant and subsidiaries:

Employee Classifications	Total Number
Officers and employees who handle, have custody of or maintain records of money, securities or other property (including that of ERISA plans).	
All other employees not included above.	

4. If Credit/Debit Card Forgery is desired, what is the number of cardholders? \_\_\_\_\_

5. Since the inception of the expiring policy, has the Applicant or any subsidiary revised any existing or implemented any new policies or procedures that would affect Crime Coverage? ☐ Yes ☐ No  
If yes, please provide details.

**Crime Expanded Coverage**

This section should only be completed if coverage is desired.

1. Please check one of the following in the table below if either Crime Expanded Coverage (XC\*) or Crime Expanded Coverage Plus (XC+\*) is desired. The limits and coverages in Crime XC and Crime XC+ are excess of any other crime forms forming part of the same policy, if any.

Insuring Agreements	<input type="checkbox"/> Crime XC	<input type="checkbox"/> Crime XC+
Employee Theft	\$10,000	\$25,000
Forgery or Alteration	\$2,500	\$25,000
Inside the Premises	\$10,000	\$25,000
Outside the Premises	\$2,500	\$5,000
Money Orders and Counterfeit Money	\$10,000	\$25,000

**Required Attachments**

- Most Recent Annual Financials or IRS 990 Tax Form if **General Information**, question 10. is not completed
- Current List of Directors & Officers (if requesting *Directors & Officers Liability*)
- Employee Handbook only if updated since last submitted (if requesting *Employment Practices Liability*)
- Blank Employment Application only if updated since last submitted (if requesting *Employment Practices Liability*)
- Most Recent tax form 5500 for each employee benefit plan (if requesting *Fiduciary Liability*)

**Signature Section**

This section must be completed.

The Cincinnati Insurance Company is hereby authorized to make any investigation and inquiry in connection with this application as it deems necessary.

The undersigned authorizes the release of claim information from any prior insurer to The Cincinnati Insurance Company. Signing this application does not bind the Applicant or The Cincinnati Insurance Company to complete the insurance.

PLEASE REVIEW CAREFULLY. Except to such extent as may be otherwise in the policy, the policy for which this application is being made is limited for ONLY CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED WHILE THE POLICY IS IN FORCE.

SIGN HERE

---

**Applicant's Signature (President, Chairperson, or Equivalent Position)**

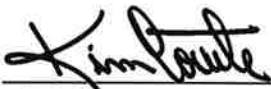
---

**Date**

---

**Printed Name**

---

**Title**

---

**Agent's Signature**

---

**Date**

---

Arthur J Gallagher Risk Management Services, Inc.

---

**Agency Name**

---

**Agency Code Number**

---

N/A

---

**Agent's Name and License Number (Florida only)**

## Documents Required To Bind Coverage

SENNA HILLS MUD

**Effective: 10/01/2021 TO 10/01/2022**

### In order to bind coverages, please provide the following documents

- Complete set of Signed Proposal including Acceptance and Client Authorization to Bind (Previous Page)
- Signed Cincinnati D&O Application
- Signed BCS Cyber Application
- **Payment of Gallagher Invoice Due By (10/01/2021)**

## BINDABLE QUOTATIONS AND COMPENSATION DISCLOSURE SCHEDULE

Coverage(s)	Carrier Name(s)	Wholesaler, MGA, or Intermediary Name 1	Estimated Annual Premium 2	Comm. % or Fee 3	Gallagher U.S. Owned Wholesaler, MGA, or Intermediary %
Real & Personal Property, Flood & Earthquake, General Liability Pollution, clean up, Excess	CUMIS Insurance Society, Inc.,	McKee Risk Mgt.	\$ 7620	15%	N/A
Auto	CUMIS Insurance Society, Inc.,	McKee Risk Mgt.	\$ 100	15%	N/A
Directors & Officers	The Cincinnati Insurance Company	N/A	\$ 1493	15%	N/A
Directors Position Bond	Hartford Casualty Insurance Company	N/A	\$ 200	30%	N/A
Equipment Breakdown	Liberty Mutual Fire Ins Co.	RPS	\$ 3000	30%	10%
Cyber Security Liability	BCS Insurance Company	RPS	\$ 2435	15%	7.5%

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.

## Guide to A.M. Best Ratings

### W.I.N. PROGRAM CARRIER RATINGS AND ADMITTED STATUS

Proposed Insurance Companies	A.M. Best's Rating & Financial Size Category*	Admitted/Non-Admitted**
Allied World Specialty	A XV	Admitted
Chubb/Federal Insurance Company	A++ XV	Admitted
The Ohio Casualty Insurance Company	A XV	Admitted
Texas Mutual	A XV	Admitted
Hartford Life and Accident Insurance Company	A XV	Admitted
BCS Insurance Co.	A- VIII	Admitted
CUMIS Insurance Society, Inc.,	A XII	Admitted
Hartford Casualty Insurance Company	A+XV	Admitted
Hartford Fire Insurance Company	A+XV	Admitted
Great American Insurance Co.	A+XV	Admitted
Old Republic Insurance Company	A+XV	Admitted
The Cincinnati Insurance Company	A+XV	Admitted

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

Best's Credit Ratings™ reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of Gallagher's service or its recommendations. A.M. Best is not responsible for transcription errors made in presenting Best's Credit Ratings™. Best's Credit Ratings™ are proprietary and may not be reproduced or distributed without the express written permission of A.M. Best.

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

## 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.

## NAMED INSURED DISCLAIMER

**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.

## 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](mailto:Compensation_Complaints@ajg.com) or by regular mail at:

Chief Compliance Officer  
Gallagher Global Brokerage  
Arthur J. Gallagher & Co.  
2850 West 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.

TRIPRA is set to expire on December 31, 2027. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2027. 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.



## TEXAS HOUSE BILL 89 COMPLIANCE

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

## FOREIGN TERRORIST ORGANIZATIONS

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

## VERIFICATION DESIGNATED COUNTRY VERIFICATION

Pursuant to Chapter 2274 (as added by Senate Bill 2116, 87th Legislature Regular Session), Texas Government Code, Gallagher verifies that a) neither Gallagher, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Gallagher, nor any of its sub-contractors (i) is owned or controlled by (a) individuals who are citizens of China, Iran, North Korea, Russia or any designated country; or (b) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, of any designated country; and (ii) is headquartered in China, Iran, North Korea, Russia or a designated country. The term "designated country" means a country designated by the Governor as a threat to critical infrastructure under Section 113.003 of the Texas Business & Commerce Code.

## NO DISCRIMINATION OF FIREARM ENTITY OR FIREARM TRADE ASSOCIATION VERIFICATION

Pursuant to Chapter 2274 (as added by Senate Bill 19, 87th Legislature Regular Session), Texas Government Code, Gallagher verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. "Discriminate against a firearm entity or firearm trade association" has the meaning assigned by Section 2274.001(3), Government Code. For purposes of this paragraph, "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit. The term does not include a sole proprietorship.

## POOL FUNDING DISCLAIMER

Gallagher does not provide actuarial services or actuarial estimates of losses. If the excess insurer or reinsurer that provides excess coverage calculates a loss fund for the pool, it is our recommendation that the pool fully fund that amount. Further, it is our recommendation that the pool contract with an appropriately certified actuary to provide recommendations for overall pool funding, surplus and reserve funds.

## Claims Reporting

For cyber liability/breach response claims, you may report to:

**Notice of Claim**

[joan.dambrosio@clydeco.us](mailto:joan.dambrosio@clydeco.us)

Clyde & Co. US LLP

101 Second Street, 24th Floor

San Francisco CA 94105

**24 Hour Security Breach Hotline**

**866.288.1705**

Baker & Hostetler LLP

45 Rockefeller Plaza

New York, NY 10111-0100

All claims may be reported via email to any of the following:

Michelle Herrera

Client Service Manager

[michelle\\_herrera@ajg.com](mailto:michelle_herrera@ajg.com)

713.275.1506

Jessica Salias

Client Services Manager

[jessica\\_salias@ajg.com](mailto:jessica_salias@ajg.com)

713.358.5928

Julie Collette

Client Service Manager

[julie\\_collette@ajg.com](mailto:julie_collette@ajg.com)

713.243.2182

Nadine Bitner

Client Service Manager

[nadine\\_bitner@ajg.com](mailto:nadine_bitner@ajg.com)

713.243.2171

Immediately report all claims for all lines of coverage to [scclaims@ajg.com](mailto:scclaims@ajg.com) or 855-348-0425.

## Appendix

We help you face your future with confidence.



Insurance | Risk Management | Consulting

Gallagher's holistic approach keeps your total cost of risk—and your best interest—in focus. With expertise where you most need it, Gallagher delivers the solutions that let businesses grow. Communities thrive. And people prosper.

GLOBAL REACH. LOCAL PRESENCE.

Founded in  
**1927**

**\$5B**  
Total Adjusted Brokerage & Risk Management Revenue (2018)

**30,000+**  
Employees worldwide

**850+**  
Offices in 35 countries

**150+**  
Clients served

## HIGHLY SPECIALIZED. DEEP EXPERTISE.

Alternative Risk Solutions  
Aviation  
Cyclical  
Commercial Surety Bonds  
Construction  
Entertainment

Environmental  
Employee Risk Management  
Energy Resources  
Insurance  
Loss Events  
Management Liability

Private Client Services  
Property  
Risk Management  
Trade Credit & Political Risk Insurance

## OUR APPROACH TO RISK.



**CORE360™** is our unique, comprehensive approach of evaluating our client's risk management program that leverages analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk.

## 22+ INDUSTRY PRACTICES



## LEADERS WHERE IT COUNTS

Gallagher Named One of the World's Most Ethical Companies® for 2019

The only insurance broker to have received this honor, Gallagher has been named as one of the World's Most Ethical Companies by the Ethisphere® Institute, a global leader in defining and advancing the standards of ethical business practices, eight years in a row.

Gallagher has been designated as one of the "World's Best Employers" by Forbes Magazine for 2018.

This is a great honor that is given to just 500 companies around the world each year. Designation recipients are determined by an independent collection and analysis of anonymous employee reviews collected by Statista, a leading statistical agency. Gallagher was the only insurance Brokerage to be honored with this designation for 2018.



## SHARED VALUES + PASSION FOR EXCELLENCE = PROMISES DELIVERED

### The Gallagher Way

25 tenets that have guided a team-oriented culture for 30+ years:

### Social Responsibility

Company-wide focus on ethical conduct, employee health and welfare, environmental integrity and community service.



To access the Gallagher | eRiskHub® now:

1. Navigate to <https://eriskhub.com/gallagher>
2. Complete the new user registration at the bottom of the page. Choose your own user ID and password. The access code is 447597.
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located at the top right of the page.

## The Gallagher Way. Since 1927.

The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

Insurance brokerage and related services to be provided by Arthur J. Gallagher Risk Management Services, Inc. (License No. 0D69293) and/or its affiliate Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. (License No. 0726293).

# eRiskHub® Overview and Login Information

The evolution of the cyber risk landscape has brought with it broad, sweeping regulations to address cybersecurity exposures. This digital transformation also presents new risks, including financial losses, for every industry. Gallagher's Cyber Practice delivers expertise alongside cyber risk management and insurance placement services, as well as a better way to construct risk management solutions. CORE360™ — our comprehensive approach of evaluating our client's risk management program — leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk. First, we consult with you to understand all of your actual and potential costs, then find the best options to reallocate these costs based on strategic actionable insights empowering you to know, control and minimize your total costs increasing profitability.

Additionally, our data-driven CORE360™ approach allows us to implement programs for your business that will increase safety, minimize losses, mitigate claims and proactively analyze your cyber risk posture.

### Key Features of the Gallagher | eRiskHub®

- Gallagher Cyber Risk Due Diligence — A six-step process designed to walk clients through a simple, thought-provoking framework to encourage organizational communication, establish clear direction and highlight priorities to better understand your cyber risk profile.
- Risk Manager Tools — A collection of tools with many different purposes such as researching known breach events, calculating your potential cost of a breach event and downloading free sample policies your organization can use as templates.
- News Center — Keeps you up to date on what is going on in the world of cyber risk through handpicked articles, feeds and blogs.
- Learning Center — An extensive collection of white papers, articles, webinars, videos and blog posts on a variety of topics. (Looking for something specific? Try the search box at the top right of the page to search the entire Gallagher | eRiskHub®).
- Security & Privacy Training — An overview of best practices for creating an effective security training program for employees.
- Strategic Third-Party Relationships and Partner Resources — Information on third-party vendors that can assist your organization with improving your overall cyber risk.

As cyber risk evolves, so does our commitment to thought leadership. Our global cyber teams focus exclusively on cyber risk, and uniquely position Gallagher to share our knowledge, expertise and experience for the benefit of our clients.

If you have any questions about the Gallagher | eRiskHub®, please reach out to your broker.