

**McGriff, Seibles, & Williams of Texas, Inc. (Awarded Vendor)**  
**Cost & Coverage for Property, Boiler & Machinery Coverage**

\$632,946.00	Includes Terrorism
<u>    \$0.00</u>	Buy Back Policies not necessary
\$632,946.00	w this carrier
<u>    \$7,000.00</u>	Flood Coverage for Zone A-National
\$639,946.00	Flood Insurance Program (NFIP)

**Montalvo Insurance Agency**  
**Proposed Cost & Coverage for Property, Boiler & Machinery**

\$680,567.00	Includes Terrorism
<u>    \$99,199.00</u>	Cost of Buy Back Policies necessary
\$779,766.00	w this current carrier
<u>    \$143,460.00</u>	\$3,188.00 per location (currently have 45
\$923,228.00	locations covered)

**Difference in Cost: \$283,282.00**

**Zimbra****yvette.salinas@co.hidalgo.tx.us**

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**clarification**

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**From :** Joe Blasi <JBLASI@McGriff.com>      Fri, Nov 06, 2015 12:44 PM  
**Subject :** clarification      2 attachments  
**To :** Yvette Salinas  
<yvette.salinas@co.hidalgo.tx.us>  
**Cc :** Martha Salazar  
<martha.salazar@co.hidalgo.tx.us>,  
Roy Quintanilha  
<roy.quintanilha@co.hidalgo.tx.us>,  
Susan Golla  
<SShoemake@McGriff.com>, Lisa  
Carite <lcarite@McGriff.com>, Joe  
Blasi <JBLASI@McGriff.com>

Dear Ms. Salinas and Ms. Salazar,

Further to the email below and our conversation today, we can confirm that the County is insured for the Full Total Insured Value per the terms and conditions of our proposal and the most recent Statement of Values now on file with our company.

Also, Surplus Lines Carriers are approved and allowed by the Texas Department of Insurance. There is no restriction preventing a Texas County from purchasing insurance from a surplus lines carrier. In fact, practically all large Texas coastal counties and other tax-supported entities maintain insurance coverage with surplus lines underwriters. Texas Counties and other government agencies have placed billions of premium dollars with S/L carriers for many years without incident. For example, the Texas *State Office of Risk Management* has used S/L carriers (Lexington, in particular) to cover numerous state agencies. I am happy to put you in contact with the SORM Executive Director in Austin or the Insurance Director for The City of Houston if necessary.

Additionally, the County has purchased coverage from Surplus Lines carriers in the past. I believe the County's current Liability Insurance carrier (Munich-Princeton) is also a surplus lines underwriter.

Finally, as with any insurance carrier, the Loss Prevention engineers will bring hazardous conditions to your attention and expect a response to their recommendations. Due to the increased loss exposure created by "Vacant" buildings, underwriters require a list of any "Vacant" buildings. Please provide this list in the coming weeks, and please notify use during the policy period when a building becomes vacant.

I hope this information is helpful. Please contact me if you would like to discuss further.

-Joe

Joseph R. Blasi, ARM, CPCU  
McGriff, Seibels & Williams  
o) 713-940-6565  
c) 713-213-9934



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(MYSI: 887)

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**From:** Joe Blasi

**Sent:** Thursday, October 29, 2015 6:00 PM

**To:** 'Yvette Salinas'

**Cc:** Martha Salazar; Roy Quintanilha; Steve Crain; Cruz, sergio; Susan Golla

**Subject:** clarification

Hi Yvette,

Yes, we use Surplus Lines Carriers as approved and allowed by the Texas Department of Insurance. There is no restriction preventing a Texas County from purchasing insurance from a surplus lines carrier. In fact, practically all large Texas coastal counties and other tax-supported entities maintain insurance coverage with surplus lines underwriters.

The County has purchased coverage from Surplus Lines carriers in the past. I believe the County's current Liability Insurance carrier (Munich-Princeton) is also a surplus lines underwriter.

I hope this information is helpful. Please contact me if you would like to discuss further.

-Joe

Joe Blasi, ARM, CPCU  
713-213-9934

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**From:** Yvette Salinas [mailto:yvette.salinas@co.hidalgo.tx.us]

**Sent:** Thursday, October 29, 2015 2:39 PM

**To:** Joe Blasi

**Cc:** Martha Salazar; Roy Quintanilha; Steve Crain; Cruz, sergio

**Subject:** Re: clarification

Good afternoon Joe,

I do have another question, are these underwriters surplus lines?

Yvette Salinas  
Buyer III  
Hidalgo County Purchasing Department  
2812 S. Business Highway 281  
Edinburg, Texas 78539

956-318-2626  
yvette.salinas@co.hidalgo.tx.us

----- Original Message -----

From: Joe Blasi <JBLASI@McGriff.com>  
To: Yvette Salinas <yvette.salinas@co.hidalgo.tx.us>  
Sent: Wed, 28 Oct 2015 15:00:12 -0500 (CDT)  
Subject: clarification

Hi Yvette,

Our lead underwriters are as follows:  
Lexington Insurance Co.  
Amrisc Underwriters  
Axis Insurance Co.

Please let me know if you have any other questions.

Joseph R. Blasi, ARM, CPCU  
Executive Vice President  
McGriff, Seibels & Williams  
o) 713-940-6565  
c) 713-213-9934

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**From:** Yvette Salinas [mailto:yvette.salinas@co.hidalgo.tx.us]

**Sent:** Wednesday, October 28, 2015 11:50 AM

**To:** Joe Blasi

**Cc:** Martha Salazar

**Subject:** clarification

Hello Mr Blasi,

Is McGriff, Seibels, & Williams of Texas, Inc. the underwriter/carrier for the coverage options you submitted in response to RFP #2015-101-10-07-YSS.

If not, please advise provide me with the underwriter(s).

Your prompt response is appreciated.

**Zimbra****yvette.salinas@co.hidalgo.tx.us**

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**RE: Issues Discussed 11.06.15**

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**From :** Joe Blasi <JBLASI@McGriff.com> Fri, Nov 06, 2015 03:04 PM  
**Subject :** RE: Issues Discussed 11.06.15  
**To :** Yvette Salinas  
<yvette.salinas@co.hidalgo.tx.us>  
**Cc :** Roy Quintanilha  
<roy.quintanilha@co.hidalgo.tx.us>,  
Martha Salazar  
<martha.salazar@co.hidalgo.tx.us>

Hi Yvette,

In addition to the email I sent earlier addressing the issues below, here is a just a sampling of the Texas Governments who also use S/L carriers for their Property & Windstorm Insurance:

COUNTIES: Nueces, Harris, Jefferson, Matagorda, Cameron, Galveston, Jefferson  
CITIES: Houston, Corpus, Beaumont, Port Arthur, League, Pasadena  
STATE: University of Texas, University of Houston, Texas A&M, Texas Department of Transportation

Joe Blasi, ARM, CPCU  
713-213-9934

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**From:** Yvette Salinas [mailto:yvette.salinas@co.hidalgo.tx.us]

**Sent:** Friday, November 06, 2015 12:51 PM

**To:** Joe Blasi

**Cc:** Roy Quintanilha; sergio Cruz; Yolanda Chapa; Erika Reyna; Valde Guerra; Darlene H. Betancourt; Martha Salazar; Yvette Salinas

**Subject:** Issues Discussed 11.06.15

Good Afternoon Mr. Blasi,

This will serve to summarize our telephone conference held at approximately 11:25 am this morning. Participants were: Joe R. Blasi, Martha L. Salazar, and Yvette Salinas.

I am providing the issues discussed.

Proposed Non-Admitted/Surplus Lines

The carrier Lexington is a surplus, non-admitted carrier. Does the insurance Code of Texas (Chapter 981.004) allow non admitted carriers ONLY if there is not an admitted company that can offer coverage? Information provided states Joanne Davis at TDI said admitted markets should be used first in this case, she can be reached at: 512-676-6395.

### Additional Omitted Carrier Information

Your proposed terms and conditions sheet reflects 10 million of coverage for Lexington. Where is the balance of 281 million in coverage coming from? Will it be a variety of non-admitted markets taking layers up to the full limits?

### Elimination of Sub-Properties

Will MS&W be performing a property inspection? If so, and if any properties are categorized as sub-par, will you be asking Hidalgo County to remove such property from coverage?

As discussed Hidalgo County's long range plan is to dispose of vacant properties and has commenced the process of disposition through a broker.

Please provide Hidalgo County with a detailed response (via e-mail) to each of the items herein so as to satisfy any questions and/or concerns our Hidalgo county Commissioners' Court members may have.

Reply as soon as possible but no later than 5:00 pm, Monday, November 9, 2015.

Respectfully,  
Yvette Salinas

Buyer III  
Hidalgo County Purchasing Department  
2812 S. Business Highway 281  
Edinburg, Texas 78539  
956-318-2626  
[yvette.salinas@co.hidalgo.tx.us](mailto:yvette.salinas@co.hidalgo.tx.us)

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## Texas Department of Insurance

333 Guadalupe St. P.O. Box 149104 Austin, TX 78714-9104

# LEXINGTON INSURANCE COMPANY

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## General Information:

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Type of Entity:	Surplus Lines (SL)
Status of TX License:	Eligible
Company Status:	Normal Operations
License Number:	101093
NAIC Number:	19437
TDI Company Number:	101093
FEIN:	251149494
Home City/State:	DE
Origin:	Foreign
Date Incorporated/Organized:	03/31/1965
Date Licensed/Eligible/Registered in Texas:	01/01/1981
Date Cancelled/Ineligible/Inactive:	

*Now Admitted*

## Contact Information:

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**Mailing Address:** 99 High St Fl 23  
Boston MA 02110-2378

**Office Number:** (212)458-7940

**Toll Free Number:**

**Fax Number:** (212)602-0109

**Physical Address:** 70 Pine Street  
New York City NY 10270

**Office Number:**

**Toll Free Number:**

**Fax Number:**

**Texas Department of Insurance**

333 Guadalupe St. P.O. Box 149104 Austin, TX 78714-9104

**FEDERAL INSURANCE COMPANY**

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**General Information:**

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Type of Entity:	Fire and Casualty (FC)
Status of TX License:	Active
Company Status:	Normal Operations
License Number:	28750
NAIC Number:	20281
TDI Company Number:	28750
FEIN:	131963496
Home City/State:	IN
Origin:	Foreign
Date Incorporated/Organized:	02/01/1901
Date Licensed/Eligible/Registered in Texas:	01/01/1904
Date Cancelled/Ineligible/Inactive:	

*Admitted*

**Contact Information:**

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Mailing Address: 15 Mountain View Road  
Warren NJ 07059

Office Number: (908)903-2525

Toll Free Number:

Fax Number: (908)903-3805

**Types of Insurance Licensed to Write:**

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## Proposed Terms & Conditions

**Commercial Property**  
**\$10,000,000 Primary**

*Where rest of limits  
going to be insured?*

**Policy Period:**

December 31, 2015 to December 31, 2016

**Perils Insured:**

All Risk of direct physical loss or damage including Flood and Earthquake, excluding Boiler & Machinery, subject to terms and conditions of the policy

**Coverage:**

Real Property, Personal Property, Business Income and Extra Expense.

**Total Insured Values:**

Per Schedule on File with the Company

\$ 218,091,624	Building
\$ 38,327,905	Business Personal Property
\$ 16,051,827	Headstart Properties
\$ 272,471,356	TIV Per RFP as of 09/14
\$ 18,757,550	Heavy Equipment per SOV
\$ 291,228,906	Total Insurable Value

**Limits:**

\$ 10,000,000 Primary Per Occurrence

**Program Sub-limits:**

The following Program Sub-limits are not in addition to the above policy Limit of Liability and are Per Occurrence unless otherwise noted:

*\*Maximum Sub-Limit amount to be covered in the Primary Layer shall not exceed \$10,000,000*

\$ 5,000,000	Per Occurrence and Annual Aggregate for the peril of Earth Movement except;
Not Covered	Per Occurrence and Annual Aggregate for the peril of Earth Movement in California, Alaska, Hawaii and/or Puerto Rico, New Madrid

