

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

Best And Final Offer

EXCESS WORKERS' COMPENSATION INSURANCE QUOTATION

Name of Risk: HIDALGO COUNTY	
Account: 6004880 Previous Policy Number: AGC4054134	
	Specific & Aggregate Excess

Contract Terms	Option 1367050236	Option 1366613880
Liability Period	01/01/2017 - 01/01/2018	01/01/2017 - 01/01/2018
Payroll Reporting Period	01/01/2017 - 01/01/2018	01/01/2017 - 01/01/2018
Payroll	\$ 140,951,683	\$ 140,951,683
Manual Premium	\$ 1,311,124	\$ 1,311,124
Experience Modification Factor	1.000	1.000
Standard Premium	\$ 1,311,124	\$ 1,311,124
Self-Insured Retention	\$ 600,000	\$ 500,000
Specific Limit	Statutory	Statutory
Employers Liability Limit	Per Occ \$ 1,000,000	Per Occ \$ 1,000,000
Loss Fund Rate	Rate % Std Premium 210.00 %	Rate % Std Premium 200.00 %
Estimated Loss Fund	\$ 2,753,360	\$ 2,622,248
Minimum Loss Fund	Est. x 100.00 % \$ 2,753,360	Est. x 100.00 % \$ 2,622,248
Aggregate Excess Limit	\$ 2,000,000	\$ 2,000,000
Loss Limitation	\$ 500,000	\$ 500,000
Premium Rate	Rate \$100 Payroll \$ 0.1335	Rate \$100 Payroll \$ 0.1425
Deposit Premium	\$ 188,170	\$ 200,856
Minimum Premium	\$ 188,170	\$ 200,856
	Adjustable	Adjustable
Pay Plan	ANNUAL PAYMENT	ANNUAL PAYMENT
Audit Type	Voluntary	Voluntary

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

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Endorsements:

General Endorsements applicable to all quote options:

0291 00 0708 (XWC) VOLUNTARY COMPENSATION ENDORSEMENT-PREMIUM DELINEATION
0293 00 0906 (XWC) FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY
0341 02 0196 (XWC) SPECIFIC EXCESS COVERAGE (CASH FLOW PROTECTION)
TEXAS MANDATORY ENDORSEMENT(S), IF APPLICABLE
1061 11 0115 (XWC) POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Contingencies:

The quote is subject to the following:

Option 1366613880

1. Subject to receipt, review and acceptance of information contained in SNCC's Employee Concentration Supplemental Information (08/04) form prior to binding.
2. This Agreement will include coverage for Workers' Compensation loss caused by acts of terrorism as defined in the Agreement. Coverage for such losses will still be subject to all terms, definitions, exclusions, and conditions in the Agreement, & any applicable federal and/or state laws, rules, or regulations. Be advised that, under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization of 2015 (collectively, the Act), terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 80% to 85% of covered terrorism losses exceeding a deductible paid by us. The Act contains \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the EMPLOYER's annual premium attributable to coverage for losses caused by a certified act of terrorism is: 0.5%

Option 1367050236

1. This Agreement will include coverage for Workers' Compensation loss caused by acts of terrorism as defined in the Agreement. Coverage for such losses will still be subject to all terms, definitions, exclusions, and conditions in the Agreement, & any applicable federal and/or state laws, rules, or regulations. Be advised that, under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization of 2015 (collectively, the Act), terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 80% to 85% of covered terrorism losses exceeding a deductible paid by us. The Act contains \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the EMPLOYER's annual premium attributable to coverage for losses caused by a certified act of terrorism is: 0.5%
2. Subject to receipt, review and acceptance of information contained in SNCC's Employee Concentration Supplemental Information (08/04) form prior to binding.

Comments:

1. Endorsements mandated by the coverage state(s) will automatically be added to your policy regardless of whether they are shown in the above schedule. In addition, a change in an endorsement form number may occur as a result of state filing requirements/updates arising subsequent to this quote.
2. Included in our quote are the MAP Client Services. These resources consist of both risk control and claim services including: Safety Essentials On-line; Workers' Comp Kit; Safety Training Source; and Best Doctors Catcare and Ask Best Doctors programs - which provide in-depth case review by world renowned doctors.

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3. This Agreement will include coverage for Workers' Compensation loss caused by acts of terrorism as defined in the Agreement. Coverage for such losses will still be subject to all terms, definitions, exclusions, and conditions in the Agreement, & any applicable federal and/or state laws, rules, or regulations. Be advised that, under the Terrorism Risk Insurance Act of 2002 as amended, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 85% of covered terrorism losses exceeding a deductible paid by us. The Act contains \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the EMPLOYER's annual premium attributable to coverage for losses caused by a certified act of terrorism is: 0.5%
4. Cash Flow Endorsement Retention: \$350,000.



Domestic Crisis Management and International Extraction

Safety National Crisis Protection is a crisis management and extraction benefit provided exclusively for Safety National's Excess and Large Deductible Workers' Compensation customers. If your business undergoes a qualifying "Domestic Crisis Event" that directly involves your business and involves the death of two or more of your employees, Safety National will either pay one of our approved vendors to assist with crisis management or reimburse you directly for the approved costs incurred with a vendor of your choice. If you experience a qualifying "International Extraction Crisis Event" that requires international employee extraction, we will reimburse you directly for the approved costs.

How Does It Work?

If a qualifying "Domestic Crisis Event" or "International Extraction Crisis Event" occurs, Safety National Crisis Protection will help you minimize post-crisis risk to the organization, its stakeholders and employees directly involved in the event (including immediate family of the involved employee). The annual, aggregate limit for these complimentary benefits, or any combination of the two, is \$50,000. These benefits are accessible when you need them and are provided by Safety National free of charge.

"Domestic Crisis Events" Include:

Multiple employee deaths (two or more) resulting from the following man-made events:

- ▶ Explosion
- ▶ Arson
- ▶ Bombing
- ▶ Workplace Violence
- ▶ Structural Fire
- ▶ Vehicular Accident

Multiple employee deaths (two or more) resulting from the following natural disasters:

- ▶ Tornado
- ▶ Explosion
- ▶ Wildfire
- ▶ Structural Fire
- ▶ Earthquake and any Resulting Tsunami
- ▶ Hurricane
- ▶ Flood

"International Extraction Crisis Events" Include:

Employee extraction necessitated by the following:

Man-Made Events:

- ▶ Explosion
- ▶ Arson
- ▶ Bombing
- ▶ Riot
- ▶ Government Collapse & Political Unrest

Natural Disasters:

- ▶ Tornado
- ▶ Explosion
- ▶ Wildfire
- ▶ Earthquake and any Resulting Tsunami
- ▶ Cyclone/Typhoon/Hurricane
- ▶ Flood

Benefits:

- ▶ Provided at no cost to policyholders, with a \$50,000 annual, aggregate benefit limit for a qualifying "Domestic Crisis Event," a qualifying "International Extraction Crisis Event" or any combination of the two.
- ▶ A 24-hour crisis hotline to preferred and approved "Domestic Crisis Event" vendors.
- ▶ Benefit extends to immediate family of an employee that is directly involved in the "Domestic Crisis Event."
- ▶ The benefit can be used for qualified "Domestic Crisis Events" to help you with:
 - Crisis Management
 - Crisis Response
 - Public Relations
 - Emergency Psychological Treatment
- ▶ Includes crisis communication and media management.
- ▶ Short-term counseling and referral for directly involved employees and their immediate family.



For more information about Safety National Crisis Protection, please visit www.safetynational.com/crisis_protection. If you have additional questions about this free benefit, please contact us at crisisprotection@safetynational.com.



Safety National at a Glance



Company History and Background

- Specialists in workers' compensation since 1942
- Licensed and admitted in all 50 states, the District of Columbia, Guam, Puerto Rico, Canada, and the U.S. Virgin Islands
- Exclusive distribution through brokers and agents
- Leading and longest continual provider of excess workers' compensation in the United States
- Superior dedication, knowledge, experience and quality service distinguish us in the marketplace
- Named one of the "Best Places to Work" by *Business Insurance* magazine

Financial Strength and Stability*

- Policyholders' surplus - \$1.6 billion (11.3% increase over 3/15) and \$5.9 billion in assets
- A.M. Best Rating "A+" (Superior) Financial Size Category XIV
- Standard & Poor's "A" (Strong)
- A member of the Tokio Marine Group, with approximately \$194 billion in total assets. The Group's main operating subsidiary, Tokio Marine & Nichido Fire (TMNF), enjoys an A.M. Best rating of A++ (Superior), Financial Size Category XV.

Products and Services

- Excess Workers' Compensation
 - Specific and Aggregate Excess Coverage for individual or group self-insureds
 - Monoline Aggregate Coverage
- Large Casualty Program
 - Large deductible workers' compensation
 - Auto and general liability
- Public Entity Multi-Line Coverage
- Loss Portfolio Transfers
- Opt-Out Programs
 - TEXcess®
 - Oklahoma Elect
- Safety National Re
- Self-Insurance Bonds
- Alternative Risk Programs
- MAP Client Services
 - Risk control resources and services
- Best Doctors Partnership

** as of March 31, 2016*

Safety National

1832 Schuetz Road
St. Louis, Missouri 63146

Phone 888.995.5300 (*toll-free*)
314.995.5300

E-mail info@safetynational.com
Web www.safetynational.com



Hidalgo County Purchasing Department
2812 S. Business Highway 281
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

MEMORANDUM
(IMMEDIATE REVIEW AND RESPONSE REQUIRED)

To: Ramon Montalvo, III CIC
Montalvo Insurance Agency

Via email: ramon@montalvoinsurance.com
jessie@montalovinsurance.com

From: Yvette Salinas, Buyer III
Hidalgo County Purchasing Department

Date: November 18, 2016

Re: Best and Final Offer for -"Excess Workers' Compensation Insurance"
RFP NO: 16-291-09-21-YSS

Pursuant to action taken by Hidalgo County Commissioner's Court on Tuesday, November 15, 2016, please be advised that it has been approved by Hidalgo County Commissioner's Court to accept the response submitted by your organization as "qualified" and to enter into negotiations with County Of Hidalgo for the above referenced project with you.

Hidalgo County is requesting for consideration for a "Best and Final Offer" for the proposed scope of work and services for the mentioned project with **Specific & Aggregate Excess** - National option, 500k.

We request that you submit a proposed "Best And Final Offer" by Tuesday, November 22, 2016, by 1:00 PM, or sooner, in order to proceed in placing on the agenda for the following Commissioner's Court date of Tuesday, December 06, 2016, for approval of the "Best And Final Offer" and approval of purchase of "Excess Workers' Compensation Insurance."

Please Submit Revised Fee Schedule

We ask that you approve by signing below acknowledgment of receipt of this memo and via email to yvette.salinas@co.hidalgo.tx.us, with your "Best and Final Offer" response.

Signed: 

Title: Owner/President

Printed Name: Ramon Montalvo, III, CIC

Zimbra

yvette.salinas@co.hidalgo.tx.us

Re: BAFO Excess W Comp

From : flora vazquez <flora.vazquez@co.hidalgo.tx.us> Tue, Nov 22, 2016 03:05 PM
Sender : angelica tapia <angelica.tapia@co.hidalgo.tx.us> 5 attachments
Subject : Re: BAFO Excess W Comp
To : Yvette Salinas <yvette.salinas@co.hidalgo.tx.us>
Cc : flora vazquez <flora.vazquez@co.hidalgo.tx.us>

Hi Yvette,

Per discussion with Flora, please proceed with option#1366613880 for \$200,856. I was just curious as to the "Adjustable" inserted below the amount. Not sure if this means something, if original coverage remains the same or it was modified.

As per the account s/b 7-2202-419-50-115-066-0-520.

Thank You,

Angélica M. Tapia

Health Benefits Accountant IV
Hidalgo County DBM Employee Benefits Division
2818 S. Business Hwy 281
Edinburg, TX 78539
Ph (956) 292-7025 x5415
Fx (956) 292-7029