Webb County

Proposal of Insurance

For

Premises Pollution Liability

Prepared By:
McGriff, a Marsh & McLennan Agency LLC Company
10100 Katy Freeway, Suite 400
Houston, Texas 77043
(800) 877-1449
(713) 877-8975 www.mcgriff.com

Effective:
October 1, 2026 to October 1, 2027

Premises Pollution Liability Portfolio (Claims Made)

This policy includes an option to provide defined Terrorism coverage via a surcharge under the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA). PLEASE READ THE ATTACHED TERRORISM ENDORSEMENT(S). Questions relating to TRIPRA or available alternatives can be discussed with your Broker.

Policy Period: October 1, 2026 to October 1, 2027

Named Insured: Webb County

Address: 1110 Washington Street, Suite 204
Laredo, Texas 78040

Covered Insured Location Schedule:

Underground Storage Tanks
7210 E. Saunders Laredo, Texas 78041 – Unleaded Gasoline
7210 E. Saunders Laredo, Texas 78041 – Diesel

Premises Pollution Liability
All locations listed on property schedule on file with insurer.

Coverages:

A. First Party Remediation Costs
B. First Party Emergency Response
C. Third Party Claims

Covered Tanks: Underground Storage – Per Underground Storage Tank Schedule

Limits of Liability:

$ 3,000,000	Policy Aggregate All Pollution Conditions or Indoor Environmental Conditions
$ 1,000,000	Per Pollution Condition or Indoor Environmental Conditions

Storage Tanks

$ 1,000,000	Per Underground Storage Tank Pollution Condition
$ 1,000,000	Aggregate Underground Storage Limit for all Loss from all Pollution Conditions
$ 2,000,000	Aggregate Defense Limit for all Pollution Conditions from all Storage Tanks
$ 3,000,000	Total Policy Aggregate Limit for all Pollution Conditions from all Storage Tanks

Retroactive Dates:

10/01/1998	Coverage A – First Party Remediation
10/01/1998	Coverage B – Emergency Response
10/01/1998	Coverage C – Third Party Claims
10/01/1998	Transportation
10/01/1998	Covered Operations
10/01/1998	Non-Owned Disposal Sites

Self-Insured Retention:

$ 10,000	Per Pollution Condition or Indoor Environmental Condition
$ 50,000	Storage Tanks Deductible – Per Pollution Condition

Policy Form:

Premises Pollution Liability Insurance Policy PF-44887b (08/18)

Terms and Conditions:

As Per Policy form, including but not limited to:

- Premium is 25% Minimum-Earned as of Inception of The Policy
- Business Interruption Coverage Limitations Endorsement PF-48796 (01/17)
- Communicable, Infectious or Contagious Diseases Exclusionary Endorsement PF-55008 (03/21)
- Covered Storage Tanks Schedule (Financial Responsibility) Endorsement PF-44916 (09/14)
- Exposure–Specific Dedicated Limits For Financial Responsibility (USTs - Via General Aggregate Sublimit - Annual) Endorsement PF-44931a (01/17)
- Indoor Environmental Conditions Limitations Endorsement PF-44944 (09/14)
- Itemized Coverages Only Amendatory (Coverage C.) Endorsement PF-45043a (01/17)
- Known Conditions Exclusion Amendatory Endorsement PF-46966 (09/15)
- Maintenance, Upgrades, Improvements, or Installations Exclusionary Endorsement PF-531998a (02/24)
- Public Entity Coverage Amendatory Endorsement PF-54576 (01/21)
- Schedule of Covered Locations Endorsement PF-45025 (09/14)
- Scheduled Locations Coverage Only Endorsement PF-51286 (10/18)
- Service of Suit Endorsement SL-34255b (04/23)
- Trade or Economic Sanctions Endorsement ALL-21101 (11/06)
- Signatures LD-5S23I (10/24)
- Texas Surplus Lines Notification SL-17905 (04/09)
- Texas Notice – Information and Complaints ALL-4Y30i (11/23)
- Chubb Producer Compensation Practices and Policies ALL-20887a (03/16)
- U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders ILP 001 (01/04)

- Premises Pollution Liability Insurance Policy PF-44887b (08/18)

Subject To:

- Signed/Dated TRIA disclosure form
- The 2025 Tank Leak Test

Estimated Annual Premium:

$	**26,386.00**	Premium
$	**1,279.72**	Texas Surplus Lines Taxes
$	**10.55**	Texas Stamping Fee
$	**27,676.27**	Total Premium

25% ***MINIMUM EARNED PREMIUM***

Carrier:

Illinois Union Insurance Company

A.M. Best Rating: A++ XV

Schedule of Underground Storage Tanks

Insured Facility Name and Address	Tank ID No.	Tank Size (Gal.)	Tank Type (UST or AST)	Retroactive Date
Webb County Road & Bridge Dept. 7210 E. Saunders Laredo, Texas 78041	**001**	**20,000**	**UST**	**10/01/1998**
Webb County Road & Bridge Dept. 7210 E. Saunders Laredo, Texas 78041	**002**	**10,000**	**UST**	**10/01/1998**

Service Team

Servicing Office Location

McGriff A Marsh & McLennan Agency LLC Company
10100 Katy Freeway, Suite 400
Houston, Texas 77043
(800) 877-1449
(713) 877-8975
(713) 877-8974 fax
www.mcgriff.com

Service Team Contacts

Team Member	Contact Information
Joe Blasi *Executive Vice President*	Direct Number: (713) 940-6565 Cell Phone: (713) 213-9134 E-Mail: jblasi@mcgriff.com
Lisa Cooper *Marketing Account Executive*	Direct Number: (713) 940-6504 Cell Phone: (832) 312-3425 E-Mail: lcooper@mcgriff.com**PROVIDER SECURITY STANDARDS**
Diana Smetters *Account Manager*	Direct Number: (713) 940-6596 E-Mail: dsmetters@mcgriff.com
David Petersen *Claim Service Representative*	Direct Number: (713) 402-1490 Cell Phone: (713) 213-9950 E-Mail: dpetersen@mcgriff.com

PROVIDER SECURITY STANDARDS

MCGRIFF (McGriff, a Marsh McLennan Agency Company)

The following is a brief summary of the measures we have taken as your agent/broker to review and objectively report to you the financial security of your insuring companies. Information is included from Best Company, our primary security rating source, and the internal policies and standards, which we have established to address this important issue for our clients.

MARKET SECURITY REVIEW

McGriff has established and continues to maintain an internal “Market Security Review Group” composed of senior management representatives from the Finance, Marketing, Wholesale, and Administrative Divisions of the company. This Group’s purpose is to develop and implement a policy, procedure, and standard for the review of financial security of all insurers, intermediaries, and associations used by McGriff.

This Group meets periodically to review the current listing of all companies, intermediaries, and associations that are actively used by McGriff. It will also act on any pending requests received to have new providers activated, and to inactivate any providers that do not meet current McGriff standards.

PROVIDER CLASSIFICATIONS

“Approved Provider” – A.M. Best Secured Rating with a minimum rating of A-, Demotech Financial Stability Rating of “A, Exceptional or ALIRT score of 50 with six (6) or fewer flags. For foreign insurers whose rating is not tracked by A.M. Best, other internationally recognized rating organizations will be used.

“Exception Provider” – Any provider whose Best’s rating is below “A-”. The A.M. Best’s rating of an “exception” provider will be included on all McGriff proposals delivered to clients or prospects. In addition, these providers which have been reviewed by the Market Security Review Group and the client may be considered an exception security based on other factors. The client may be required to sign a form of disclaimer or acknowledgement of receipt of this information.

“Prohibited Provider” – All other providers not mentioned in one of the paragraphs above. These providers will not be set up for active use in the McGriff agency management system(s) at any time, for any reason.

A.M. Best Company

History – A.M. Best Company was incorporated in 1899 as the first rating agency in the world to offer reliable information on the financial condition of U.S. insurance companies. The **Best's Rating Guide** was first published in 1900, and has since become a cornerstone of the security review process by continuously evaluating the financial integrity of over 4,100 insurance companies. In 1984, the first edition of the **Best's International Rating Guide** was published, reporting on the claims-paying ability of over 950 international insurers.

The information used by Best's to rate insurance carriers is provided by the companies themselves as a part of their normal filings with the National Association of Insurance Commissioners, those states in which the company is licensed, the SEC and/or with its shareholders. Rating reviews are performed annually on each insurance company and on an interim basis as conditions dictate.

Best's Rating System – The Best's rating system is designed to evaluate a wide range of objective and subjective factors that affect the overall performance of an insurance company (not applicable to associations or intermediaries). These factors deal with the company's financial strength, its operational performance, and its ability to meet its financial obligations to policyholders, as follows:

- Profitability
- Quality of Reinsurance Program
- Quality and Diversification of Assets
- Adequacy of Policy Loss Reserves
- Capital Structure
- Spread of Risk
- Leverage/Capitalization
- Liquidity
- Adequacy of Policyholder's Surplus
- Management Experience and Objectives

A.M. BEST'S RATINGS

Assigned to insurers which meet Best's standards for the quantitative and qualitative analysis of the company's financial condition and operating performance. For further information, see the Best's Guide to Ratings – www.ambest.com

NON-ADMITTED CARRIERS

An insurance company not licensed to do business in a given state. These insurers are not subject to the financial solvency and enforcement regulations that are required for admitted carriers. These insurers do not participate in any of the insurance guarantee funds. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.

Additional Approved Provider rating guidelines are as follows:

1. (P&C & Surety Standards) Demotech Financial Stability Rating of "A, Exceptional For foreign insurers whose rating is not tracked by AM Best, other internationally recognized rating organizations will be used. (EB & Life) Demotech Financial Stability Rating of "A, Exceptional.

2. (P&C and Surety Standards): ALIRT score of 50 with six (6) or fewer flags. For foreign insurers whose rating is not tracked by AM Best, other internationally recognized rating organizations will be used. (EB & Life Standards) ALIRT score of 35 with five (5) or fewer flags.

The Provider ratings for carriers used in placing your insurance program:

INSURER	COVERAGE	PROVER RATING	NON-ADMITTED Y/N
Illinois Union Insurance Company	Premises Pollution Liability	A++ XV	Y

Disclaimer

This Proposal of Insurance is to be used only as an overview of each policy referenced and in no way should it be used, nor is intended to be used, as a substitute for the original policy provisions. It has been prepared as a guideline for your reference only.

Insurance policies contain terms, conditions, limitations and exclusions which may affect or limit coverage to be provided and should be reviewed by the insured to verify that coverage is as requested. This Proposal does not include every term, condition, limitation and exclusion provided within the referenced policies.

All of the information contained in this proposal is subject to the terms, conditions and limitations contained in the policies. Values are based on information provided by the client.

Third Party Disclaimer

From time to time, McGriff may share opinions or content regarding third party entities, third party providers of services, or make referrals to third party products and/or services ("Third Party Entities, Products and/or Services"). Any such opinions or content regarding Third Party Entities, Products and/or Services, or links to third party websites shared or posted on McGriff's website or social media sites do not constitute an endorsement of any third party, individual, organization, service, or product by McGriff, nor does such activity indicate an affiliation with or sponsorship by McGriff.

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Common Terminology

Minimum and Deposit is the amount of premium due at inception. Although the policy is subject to audit, under no circumstances will the annual earned premium be less than the minimum premium. In other words, the policy may generate an additional premium or a return premium based on an audit, but the return premium will not reduce the required minimum deposit.

Minimum Earned Premium Endorsement can be attached to either a flat charge policy (one not subject to audit) or to an adjustable policy. In either case, this amount is the least amount of premium that will be retained by the carrier once the policy goes into effect. The amount retained will be the greater of the actual earned premium whether calculated on a pro-rata or short rate basis, or the minimum earned premium. Minimum earned premiums are based on a specific percent of the total premium or a designated amount, which will be reflected on the policy by endorsement.

Flat Cancellation means a policy will be cancelled without charge if cancelled within 30 days after issuance. Surplus lines carriers almost never allow flat cancellations. Once the policy is in effect, typically some percentage of the premium is required as a minimum earned premium.

Deductible is the portion of a covered loss that is not paid by the insurer. Most property insurance policies and some liability insurance policies contain a per-occurrence deductible provision that stipulates that the deductible amount specified in the policy declarations will be subtracted from each covered loss in determining the amount of the insured's loss recovery. In property insurance, Tthe deductible is usually subtracted from the amount of the loss; in liability insurance, it is usually subtracted from the policy limit.

Self-Insured Retention (SIR) is a dollar amount specified in an insurance policy (usually a liability insurance policy) that must be paid by the insured before the insurance company will respond to a loss. SIRs typically apply to both the amount of the loss and related costs, e.g., defense costs, however, some apply only to amounts payable in damages, e.g., settlements, awards, and judgments.

A SIR differs from a true deductible in two important ways. First, a liability policy's limit is added on top of a SIR while the amount of the deductible is subtracted from the policy's limit. Second, as contrasted with the insurer's responsibility under a deductible, the insurer is not obligated to pay the SIR amount and then seek reimbursement from the insured; the insured pays the SIR directly to the claimant.

Compensation Statement

Marsh & McLennan Agency LLC ("MMA") prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: https://mma.marshmma.com/non-us-affiliates. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. If MMA places business through an affiliated wholesale broker or managing general agent, MMA will advise the client of this at or prior to placement.

- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.

- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.

  - **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.

- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.

- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events. MMA may also have arrangements with vendors who compensate MMA for referring clients for vendor services.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at https://www.marshmma.com/us/compensation-guide.html.

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars ($10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

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