



**WILLIAMSON
COUNTY**

1848

Proposal of Insurance

for

General Liability – Precinct Office



McGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC.

818 Town & County Blvd, Suite 500

Houston, Texas 77024-4579

(800) 877-1449

(713) 877-8975

www.mcgriff.com

Effective:

September 1, 2018 to December 15, 2018

Disclaimer

The following summary of coverages is to be used only as an overview of each policy written 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.

The policy/policies contain conditions, limitations and exclusions which may affect or limit coverage to be provided and should be reviewed by the insured to verify that coverage has been written as requested.

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 client.

THIS DOCUMENT IS PROPRIETARY, CONFIDENTIAL AND/OR PRIVILEGED AND IS INTENDED TO BE REVIEWED ONLY BY THE INDIVIDUAL AND/OR ENTITY TO WHICH IT IS ADDRESSED. IF YOU ARE NOT THE INTENDED RECIPIENT OR A REPRESENTATIVE OF THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY REVIEW, COPYING, DISCLOSURE AND/OR DISSEMINATION OF THIS DOCUMENT OR THE INFORMATION CONTAINED HEREIN IS PROHIBITED.



Compensation Statement

Our principal remuneration for the placement and service of your insurance policy(ies) will be by commission (a proportion of the premium paid that is allowed to us by the insurance company(ies)) and/or a mutually agreed fee.

You should be aware that we may receive additional income from the following sources:

- **Interest or Investment Income** earned on insurance premiums.
- **Expense Allowances or Reimbursements** from insurance companies and other vendors for (a) educational and professional development programs; (b) managing and administering certain binding authorities and other similar facilities, including claims which may arise; and (c) attendance at insurance company meetings and events; all of which we believe enable us to provide more efficient service and competitive terms to those clients for whom we consider the use of such facilities appropriate.
- **Tier II Commission** (sometimes referred to as “extra compensation”) is exclusive to the placement of employee benefits insurance and is based on premium volume of new business and/or premium retention.
- **Contingent Commission** (sometimes referred to as “profit sharing”) which can be based on profitability, premium volume, premium retention, and/or growth. If any part of your account is on a fee basis, we will not accept contingent commissions related to your account.

If you have questions or desire additional information about remuneration and other income, please contact your Agent who will put you in touch with our Chief Risk Manager for assistance. If any part of your insurance program is placed through any BB&T-owned companies (including retail insurance brokers McGriff Insurance Services, Inc. and BB&T Insurance Services of California, Inc.; wholesale insurance brokers CRC Insurance Services, Inc. and Crump Life Insurance Services, Inc.; managing general underwriter AmRisc, LLC; insurance premium finance company, Prime Rate Premium Finance Corporation, Inc. or affiliates; or BB&T Assurance Company, Ltd.) disclosure of that income will also be included.



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, the 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.



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Named Insured / Location Schedule

Named Insureds:

Williamson County

Location Schedule:

350 Exchange Blvd.
Hutto, TX 78634



General Liability

Subject to the limits specified, policy conditions and exclusions, your General Liability policy covers damages imposed on you by law for injury to or death of persons (other than an employee), or for damage to or the destruction of property of others (excluding property rented or transported by you or in your care, custody and control) caused by an accident and arising out of your business operations.

If the policy includes Employee Benefits Liability, the insurance is for the sums that the insured becomes legally obligated to pay as damages because of negligent acts, errors or omissions of the insured, or of other persons for whose acts the insured is legally liable. The negligent act, error or omission must be committed in the administration of your employee benefit program. This coverage applies only if a claim is first made against the insured during the policy period and is subject to applicable deductibles, per claim.

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:

September 1, 2018 to December 15, 2018

Limits of Liability:

\$	2,000,000	General Aggregate
	Excluded	Products/Completed Operations Aggregate Limit
\$	1,000,000	Personal and Advertising Injury Limit
\$	1,000,000	Per Occurrence
\$	100,000	Damage to Premises Rented to You – Per Occurrence
\$	5,000	Medical Expense Limit – Any One Person
	None	Deductible

Terms and Conditions:

As Per Policy form, including but not limited to:

- Additional Insured:
 - 420 US 79, Ltd., 230 Klattenhoff Lane, Hutto, TX 78634
- Lead Contamination Exclusion
- War Exclusion
- Military Action Exclusion
- Fungi or Bacteria Exclusion
- Total Liquor Exclusion
- Pollution Exclusion
- Asbestos Exclusion

- Employment Related Practices Liability Exclusion
- Known Injury or Damage Exclusion – Personal and Advertising Injury
- Nuclear Energy Liability Exclusion
- **100%** Minimum and Deposit Premium
- **25%** Minimum Earned Premium
- Punitive Damages Included
- Defense Limits Outside the Limits
- **Terrorism Exclusion** ⁽¹⁾
- Additional Insured – Managers or Lessors of Premises
- Thirty (30) Day Notice of Cancellation
- Amendment of Insured Contract Definition
- Service of Suit
- Hydraulic Fracturing Exclusion
- Contractors Special Conditions
- Amendment To Other Insurance Conditions
- Amendment of Conditions (Non-Renewal)
- Policy Amendment of Nonpayment Cancellation Condition
- Exclusion – Access or Disclosure of Confidential Information
- Exclusion – Aircraft
- Total Products Exclusion

Subject To:

- **For an Additional Premium of \$26.25 (including taxes and fees), Terrorism Coverage can be provided under this policy. WHETHER COVERAGE IS DESIRED OR NOT, THE ATTACHED FORM MUST BE SIGNED AND RETURNED TO BIND COVERAGE.** ⁽¹⁾
- **Signed Application**

**Estimated
Annual Premium:**

\$	500.00	Premium – 25% Minimum Earned
\$	200.00	Policy Fee (Fully Earned)
\$	33.95	Surplus Lines Tax (4.85%)
\$	1.05	Stamping Fee (0.15%)
\$	735.00	Total Premium

Carrier:

Scottsdale Insurance Company
A.M. Best Rating: A+ XV



Service Team

Servicing Office Location

McGriff, Seibels & Williams of Texas, Inc.
818 Town & Country Blvd., Suite 500
Houston, Texas 77024
(800) 877-1449
(713) 877-8975
(713) 877-8974 fax
www.mcgriff.com

Service Team Contacts

Team Member	Contact Information
Ben Odom <i>Producer</i>	Direct Number: (713) 273-2606 Cell Phone: (281) 636-0591 E-Mail: bodom@mcgriff.com
Katrice Dlabaj <i>Marketing Account Executive</i>	Direct Number: (713) 402-1445 Cell Phone: (713) 213-2278 E-Mail: kdlabaj@mcgriff.com
Shirley Erickson <i>Account Manager</i>	Direct Number: (713) 402-1460 E-Mail: serickson@mcgriff.com
Debra Taylor <i>Claims Representative</i>	Direct Number: (713) 273-2679 Cell Phone: (713) 504-1537 E-Mail: dtaylor@mcgriff.com





McGRIFF, SEIBELS & WILLIAMS, INC.

PROVIDER SECURITY STANDARDS

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

MSW Security Review:

McGriff, Seibels & Williams has established an internal "Security Review Group" composed of senior management representatives from the Finance, Marketing, Branch, Wholesale and Administrative Divisions of the company. This group's purpose is to develop and implement all procedures and standards for the financial security of all insurers, intermediaries and associations used by MSW and its subsidiary companies.

This group meets periodically to review the current listing of all companies, intermediaries and associations, which are actively used by MSW. It will also act on any pending requests received from throughout the company to have new Providers activated, and to deactivate any Providers that do not meet current MSW standards.

MSW Provider Classifications:

"Approved Provider" is any Provider whose A.M. Best's rating is A- or higher. The Best's rating of an "approved" Provider must be printed on all MSW Confirmations of Coverage (Binders) and proposals delivered to clients or prospects.

"Exception Provider" is certain Providers with a rating lower than A-, including those companies "not rated by A.M. Best" which after review by the Security Review Group will be an approved security.

Any Provider approved by MSW receiving an A.M. Best downgrade of rating will be posted on our website (www.mcgriff.com). A downgrade that results in an "Approved" Provider moving to a less than A- A.M. Best Rating will be communicated to you in writing.





A.M. Best Company

Ambest Road
Oldwick, New Jersey 08858

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 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 operating performance and its ability to meet its financial obligations to policyholders, as follows:

- | | |
|---|--|
| * Profitability | * Spread of risk |
| * Quality of reinsurance program | * Leverage/Capitalization |
| * Quality and diversification of assets | * Liquidity |
| * Adequacy of policy loss reserves | * Adequacy of policyholder's surplus |
| * Capital structure | * Management experience and objectives |

Best's Rating Symbols:

A typical Best's rating is composed of two parts. The "**Security**" portion provides an alphabetical indication of the quality of the security provided by a company to its policyholders. This rating is further defined in three categories, "Secure", "Vulnerable" or "Not Assigned". The "**Financial Size**" (FSC) portion of the Best's rating uses Roman numerals to rank companies based on the dollar amount of their policyholder's surplus and contingent reserve funds.

While comparative rankings for security or financial size by themselves may not adequately portray the complete financial health of a company, the combination of the two has proven to be reliable in predicting the ability of a company to meet its claims obligations in a timely manner,



both now and in the near future. The actual rating symbols used by Best and their meanings are:

“Secure” Ratings	A++ or A+	Superior
	A or A-	Excellent
	B++ or B+	Good
“Vulnerable” Ratings	B or B-	Fair
	C++ or C+	Marginal
	C or C-	Weak
	D	Poor
	E	Under Supervision
	F	In Liquidation
	S	Suspended

“NR” Not Rated Designation – Assigned to companies not rated by A.M. Best.

Financial Size Categories

I	Under \$1,000,000	VIII	100,000,000 - 250,000,000
II	1,000,000 - 2,000,000	IX	250,000,000 - 500,000,000
III	2,000,000 - 5,000,000	X	500,000,000 - 750,000,000
IV	5,000,000 - 10,000,000	XI	750,000,000 - 1,000,000,000
V	10,000,000 - 25,000,000	XII	1,000,000,000 - 1,250,000,000
VI	25,000,000 - 50,000,000	XIII	1,250,000,000 - 1,500,000,000
VII	50,000,000 - 100,000,000	XIV	1,500,000,000 - 2,000,000,000
		XV	Over \$2,000,000,000

Source: *Best’s Key Rating Guide* - 2016 Edition



Scottsdale Insurance Company

A.M. Best #: 003292 NAIC #: 41297 FEIN #: 311024978

Mailing Address

8877 North Gainey Center Drive
Scottsdale, AZ 85258-2108
United States

Web: www.scottsdaleins.com

Phone: 480-365-4000

Fax: 866-315-1430

Assigned to
insurance
companies



that have, in our opinion, a
superior ability to meet their
ongoing insurance obligations.

View additional news, reports and
products for this company.

Based on A.M. Best's analysis, 002358 - Nationwide Mutual Insurance Company is the **AMB Ultimate Parent** and identifies the topmost entity of the corporate structure. View a list of [operating insurance entities](#) in this structure.

Best's Credit Ratings

Financial Strength Rating View Definition

Rating:	A+ (Superior)
Affiliation Code:	p (Pooled)
Financial Size	XV (\$2 Billion or greater)
Category:	
Outlook:	Negative
Action:	Affirmed
Effective Date:	October 02, 2017
Initial Rating Date:	June 30, 1983

Best's Credit Rating Analyst

Rating Issued by: A.M. Best Rating Services, Inc.
Associate Director : Raymond Thomson, CPCU, ARe, ARM
Senior Director: Gregory T. Williams

Long-Term Issuer Credit Rating View Definition

Long-Term:	aa-
Outlook:	Negative
Action:	Affirmed
Effective Date:	October 02, 2017
Initial Rating Date:	May 03, 2006

