

## PRIMARY CASUALTY

**INSURER:** States Self-Insurers Risk Retention Group, Inc.

**POLICY NUMBER:** TBD

**POLICY TERM:** 12 months

**LIMITS OF LIABILITY:**  
Per Occurrence limit .....\$ 10,000,000  
General Aggregate .....\$ 10,000,000

**COVERAGE INCLUSIVE OF:** General Liability, Employment Practices Liability, Automobile Liability, Law Enforcement Liability, and Public Officials Error & Omissions Liability

**DEDUCTIBLE(S):**  
 Self-Insured Retention.....\$ 150,000  
 Aggregate..... Not Applicable  
 Defense:  
     Deductible applies to damages only  
     Deductible applies to damages and defense costs  
 Deductible applies to:  
     Bodily Injury only            Both  
     Property Damage only        Other: \_\_\_\_\_  
 Deductible reduces policy limit

**DEFENSE:**  
 Inside the limit of liability  
 Outside the limit of liability

**NOTES:**

- Higher limits may be available on request.
- See policy for complete list of exclusions
- The self-insured retention will be increased by \$500,000 each year until the minimum self-insured retention level of \$250,000 is reached.

**ESTIMATED ANNUAL PREMIUM:** \$ 598,704 inclusive of terrorism  
 Minimum and deposit apply  
 Minimum earned premium applies

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FORM EXTENDED  
TO INCLUDE:

- Per project endorsement
- Per location endorsement
- Blanket additional insured (as required by written contract)
- Additional insureds:
  - Volunteers
  - Employees
  - Elected and/or appointed officers
- Blanket vendors (as required by written contract)
- Fellow employee exclusion deleted
- Pollution
  - Building heating equipment
  - Back-up of sewage into a building
  - Hostile fire
  - Sale or distribution of potable water by the named insured
- Employee benefit liability
- Broad form named insured (# of days 90)
- Worldwide territory
- Broad knowledge of occurrence
- Sovereign Immunity
- Liquor legal
- Personal injury—contractual exclusion deleted
- Discrimination (non-employment-related only)
- Definition of bodily injury includes resultant mental anguish, etc.
- Waiver of subrogation (as per written contract and where allowed by law)
  - Preloss wording
  - Blanket wording

**IMPORTANT:**

Certain contracts that are entered into contain an indemnity or hold-harmless agreement. The contractual liability created by the hold-harmless agreement is the assumption, by contract, of another's liability. The contractual liability coverage part of the Commercial General Liability policy has limitations and exclusions that may apply to portions of the hold-harmless agreement.

**MONTROSE  
WORDING:**

Most Commercial General Liability policies now contain what is referred to as "Montrose" wording. Essentially, coverage is precluded if any owner, partner, director, officer, or employee authorized by an insured to give or receive notice of an "occurrence" knew of an occurrence involving "Bodily Injury" or "Property Damage" prior to the policy period. Refer to your policy for complete terms and conditions.

Generally, these losses are not covered if they are the subject of "Prior or Claims Litigation." Some "Montrose" endorsements preclude coverage for continuing losses where the per "occurrence" first happened prior to the policy period, regardless of when there was knowledge that the occurrence had taken place or whether a claim or litigation was already pending.



INSURANCE PROPOSAL				
<b>To:</b> Lockton Companies 444 West 47th Street, Suite 900 Kansas City, Missouri 641 00000-0000 <b>Attn:</b> Cheri Wesathers, ARM, AIS		<b>From:</b> Jay Mathiason, CPCU States Self-Insurers Risk Ret. Grp. 222 S Ninth St Suite 2700 Minneapolis, MN 55402-3332		
<b>Proposal For:</b> City of Independence		<b>Proposal Expires On:</b> 1/1/2019		
<b>ONE YEAR PROPOSAL</b>				
<b>OPTION 1</b>				
<b>Company Limits</b>	<b>Self-Insured Retention Limit</b>	<b>PREMIUM</b>	<b>TRIA</b>	<b>TOTAL</b>
\$10,000,000 /Occ	\$150,000 /Occ	\$581,266	\$17,438	\$598,704
\$10,000,000 /Agg				
<b>OPTION 2</b>				
<b>Company Limits</b>	<b>Self-Insured Retention Limit</b>	<b>PREMIUM</b>	<b>TRIA</b>	<b>TOTAL</b>
\$10,000,000 /Occ	\$200,000 /Occ	\$530,836	\$15,925	\$546,761
\$10,000,000 /Agg				
<b>OPTION 3</b>				
<b>Company Limits</b>	<b>Self-Insured Retention Limit</b>	<b>PREMIUM</b>	<b>TRIA</b>	<b>TOTAL</b>
\$10,000,000 /Occ	\$250,000 /Occ	\$484,782	\$14,543	\$499,325
\$10,000,000 /Agg				
<b>OPTION 4</b>				
<b>Company Limits</b>	<b>Self-Insured Retention Limit</b>	<b>PREMIUM</b>	<b>TRIA</b>	<b>TOTAL</b>
\$0 /Occ	/Occ	\$0	\$0	\$0
\$0 /Agg	/Occ			
<b>SPECIAL TERMS AND CONDITIONS</b>				
<b>Occurrence Policy Form:</b>				
<ul style="list-style-type: none"> <li>⇒ The quoted premium has 10% commission.</li> <li>⇒ All premiums are due at the inception date of the policy.</li> <li>⇒ Premiums will be annually reredited to reflect experience and exposure.</li> <li>⇒ TRIA Act Coverage must be elected or declined. If declined, a Terrorism exclusion will apply.</li> <li>⇒ Maximum Limit of Liability - Auto is not included in Maximum</li> <li>⇒ Auto Definition</li> <li>⇒ The SIR is quoted at 150,000. Each renewal year it will be increased by 50,000 until a minimum of 250,000</li> <li>⇒ Obligation to resolve claims</li> <li>⇒ Prior Acts - Current carrier retro active date</li> <li>⇒</li> <li>⇒</li> <li>⇒</li> <li>⇒</li> </ul>				
***Please see attached for any additional terms and conditions				
Jay Mathiason			11/26/2018	
Signed			Date	

## AGENT/BROKER COMPENSATION ACKNOWLEDGEMENT

States Self-Insurers Risk Retention Group, Inc. (States) is committed to keeping and ensuring that the insurance transaction between States, the member/owner (member) and the agent/broker (broker) is kept transparent. It is understood that the broker is a representative of the member and not of States and there is no contractual or agency arrangement between States and the member's chosen broker.

The States member shall negotiate with the broker the amount and form of compensation that the broker is to be paid.

To ensure this transparency we request that the following be appropriately completed and signed.

(Please check the appropriate box)

City of Independence (the States member) agrees to compensate  
Lockton Companies (broker) on a fee basis to be paid directly to the broker.

City of Independence (the States member) agrees to compensate  
Lockton Companies (broker) on a commission basis with said commission to be built into the premium. Member authorizes States to build in \_\_\_\_\_ % (not to be greater than 20%) for commission.  
Gross Premium calculation is: Net premium divided by the reciprocal of the commission.  
Example: \$100,000 / .90 (reciprocal of 10%) = \$111,111

This applies to the 1/1/2019 to 1/1/2020 policy period only.

City of Independence  
(States Member Entity Name)

Lockton Companies  
(Agent, Broker or Consultant Name)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

States member and broker should keep one copy for their records.

The States' member will send a copy to States at the following address upon binding coverage.

States Self-Insured Risk Retention Group, Inc.  
Underwriting Department  
c/o BRAC, LLC  
222 South Ninth Street, Suite 2700  
Minneapolis, MN 55402-3332

Fax: 612-766-3399

Email: [jmathiason@berkleyrisk.com](mailto:jmathiason@berkleyrisk.com)

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, (the "Act"), that you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of Treasury - in concurrence with the Secretary of State and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Coverage under your  New or  RENEWAL policy may be affected as follows:

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE ACT, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER'S LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

**Acceptance or Rejection of Terrorism Insurance Coverage**

	I hereby elect to purchase coverage, subject to the limitations of the Act, for acts of terrorism, as defined in the Act, for a premium of <u>\$17,438</u>
	I hereby decline coverage for terrorism. I understand that I will have no coverage for losses resulting from acts of terrorism.

City of Independence  
Applicant/Named Insured

States RRG  
Insurance Company

By: \_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Authorized Representative's Title

\_\_\_\_\_  
Date

TBD  
Policy Number

Please indicate your choice above, sign where indicated, and return the original form to us at the address below no later than

We recommend that you keep a copy of this notice for your records.

States RRG  
c/o Berkley Risk Administrators Company  
222 S Ninth St Ste 2700  
Minneapolis, MN 55402-3332