



**MarshMcLennan
Agency**

Proposal for Insurance Services

**Lexington Fayette Urban County
Government**

Policy Term:

July 1, 2024 - July 1, 2025

Presented By:

William Milward, CIC
Executive Vice-President

Your future is limitless.™

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Marsh & McLennan Agency Client Service Team

Marsh & McLennan Agency LLC

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Consultative Claims Services	
Claims Representative: Kate McAllister Claims Analyst	Phone: 859-244-7623 Email: Kate.McAllister@MarshMMA.com

Premium Summary and Comparison

Policy	Annualized Expiring Premium	Proposed Premium
Commercial Property	\$774,666.00	\$800,418.00*
Auto Physical Damage – Collision Coverage	Included in Property Premium	\$64,341.66
Public Entity Excess Casualty Liability (Included General Liability, Auto Liability, Public Officials & Employment Practices Liability, and Law Enforcement Liability)	\$645,856.00	\$779,655.74
Excess Workers' Compensation	\$491,845.00	\$515,201.00
Excess Liability	\$421,889.65	\$538,850.16
Aviation	\$46,310.86	\$54,014.06
Pollution Legal Liability	\$26,337.73	\$27,695.96
Cyber Liability	\$77,255.28	\$77,549.54
Premium Total	\$2,484,160.52	\$2,857,726.12

No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

**Includes estimated taxes, subject to change based on allocation of premium to specific locations by AFM at policy issuance.*

Premium payment: all premiums are full annual pay and due within 30 days of binding.

CYBER OPTIONAL QUOTE:

The Social Engineering Validation Endorsement can be removed, if you elect to increase the retention to \$250,000 on each Cryptojacking, Invoice Fraud, Cyber Crime and Social Engineering Fraud from \$150,000 to \$250,000. The annual premium would be reduced from \$70,628 to \$70,608, excluding taxes.

Program Subjectivities

Policy	Subjectivity Terms
Public Entity Excess Casualty Liability	<ol style="list-style-type: none"> 1. Completed and signed TRIA acceptance / rejection form 2. Binding is contingent upon also binding the Excess Workers' Compensation program with Safety National.
Auto Physical Damage Over-The-Road	Binding is contingent upon binding the Casualty lines with Safety National
Commercial Property	Completed and signed TRIA acceptance/rejection form
Excess Workers' Compensation	<ol style="list-style-type: none"> 1. Binding is contingent upon binding casualty lines of coverage quoted by Safety National 2. Completed and signed Program Commitment Agreement
Excess Liability (Gemini)	Completed and signed TRIA acceptance/rejection form
Pollution Legal Liability	<ol style="list-style-type: none"> 1. Resign Chubb Environmental application (closer to the effective date) 2. Signed TRIA disclosure form, only if rejecting TRIA coverage (rejected in 2023)
Cyber Liability	Select Berkley quote option 1) as expiring, or 2) with the increased retention on Cryptojacking, Invoice Fraud, Cyber Crime and Social Engineering Fraud, and the Social Engineering Validation Endorsement removed.

Material Changes in Terms and Conditions

Coverage	Expiring Program	Proposed Program
Commercial Property	<ol style="list-style-type: none"> No separate wind/hail deductible Auto Physical Damage coverage while in motion and while parked. 	<ol style="list-style-type: none"> Added \$250,000 wind/hail deductible per location with a maximum \$5,000,000 per occurrence Excluding Auto Physical Damage while in motion
Excess Liability		Added two new exclusion: <ol style="list-style-type: none"> Perfluoroalkyl and Polyfluoroalkyl Exclusion Cyber Incident and Biometric Information Exclusion
Aviation	In Motion Deductible – \$5,000 Ingestion Deductible - \$5,000 Equipment Deductible - \$500	In Motion Deductible Increased to -\$18,750 Ingestion Deductible Increased to - \$18,750 Equipment Deductible Increased to \$1,000
Pollution Legal Liability		Added Maintenance, Upgrades, Improvements, or Installations Limitation Endorsement Added Public Entity Coverage Amendatory Endorsement
Cyber Liability	Cyber Crime - \$150,000 Sublimit Social Engineering - \$150,000 Sublimit Telecommunication Fraud - \$150,000 Sublimit Invoice Fraud - \$150,000 Sublimit Cryptojacking - \$150,000 Sublimit	Cyber Crime, Social Engineering, Telecommunication Fraud, Invoice Fraud and Cryptojacking sublimits all increased to \$250,000.

The above is not inclusive of all material changes in terms and conditions. Please refer to your policies for a complete list.

Named Insured Schedule

Named Insureds listed below may not apply to all coverages depending upon their insurable interest. Special care must be taken to insure all legal entities of your business, including any LLC (Limited Liability Corporation), JV (Joint Venture), and Partnerships. Many insurance policies do not cover these entities unless they are specifically named on the policy. It is important to notify your agent if an entity is formed during the policy term. Let us know if one of your entities is not listed below.

Named Insured	General Liability	Property	Excess Workers' Compensation	Excess Liability	Aviation	Pollution Legal Liability	Cyber Liability
Lexington Fayette Urban County Government	X	X	X	X	X	X	X

Schedule of Locations

Loc #	Address	City	State	Zip Code
	Refer To Statement of Values on File	Lexington	KY	40507

Additional Interests

Policy Term: 07/01/2024 to 07/01/2025
Insurer: Affiliated FM Insurance Company

Coverage	Effective Date	Expiration Date	Company	Policy Number
CL Commercial Property	07/01/2024	07/01/2025	Affiliated FM Insurance Company	APP1116971

Name	Address	City	ST	Zip	Interest Description
Commonwealth of Kentucky's Administrative Office of the Court	1001 Vandalay Drive	Frankfort	KY	40601	Mortgagee
LFUCG Public Facilities Corporation	200 East Main Street	Lexington	KY	40507	Mortgagee
US Bank; Global Corporate Trust Services	One Financial Square	Louisville	KY	40202	Mortgagee
Bank of New York Mellon Trust Company, N.A.	614 West Main Street, Suite 2600	Louisville	KY	40202	Loss Payee
Art's Rental Equipment, Inc.	215 East Sixth Street	Newport	KY	41071	Loss Payee
Lenovo Financial Services % Insurance Service Center	PO Box 202133	Florence	SC	29502	Loss Payee

Additional Interests

Policy Term: 07/01/2024 to 07/01/2025
Insurer: Safety National Casualty Corporation

Coverage	Effective Date	Expiration Date	Company	Policy Number
CL General Liability	07/01/2024	07/01/2025	Safety National Casualty Corporation	APPXPR4068304

Name	Address	City	ST	Zip	Interest Description
NFL Properties LLC, NFL Ventures LP, the Nat'l Football (Contd)	280 Park Avenue	New York	NY	10017	Additional Insured
Columbia Gas of Kentucky Inc	200 East Main Street	Lexington	KY	40507	Additional Insured
Cellco Partnership, A Delaware General Partnership dba Verizon	Wireless; One Verizon Way, Mail Stop 4AW100	Basking Ridge	NJ	07920	Additional Insured
CSX Transportation Inc	500 Water Street J-180	Jacksonville	FL	32202	Additional Insured
Fayette County Board of Education	1126 Russell Cave Road	Lexington	KY	40505	AI - Manager/Lessor (CG 20 11)

Commercial Property

Policy Term: 07/01/2024 to 07/01/2025
Insurer: Affiliated FM Insurance Company
AM Best Rating: A+ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
 Rated on January 26, 2024

LIMITS

Description	Coverage Amount	Valuation Basis	Coinsurance Percentage	Cause of Loss Form	Deductible
Blanket Combined Building Personal Property and Business Interruption	\$500,000,000	Replacement Cost	None	Special	\$250,000

Total Insured Values: \$1,280,312,068 (refer to statement / schedule of values)

SCHEDULE OF SUBLIMITED LOCATIONS

1265 Manchester Street, Lexington, KY

Description	Coverage Amount	Valuation Basis	Coinsurance Percentage	Cause of Loss Form	Deductible
Real Property	\$675,000	Replacement Cost	None	Special	\$250,000

Deductibles (per occurrence)

Boiler and Machinery	\$100,000
Earthquake	\$250,000
Fine Arts	\$100,000
Flood	\$250,000, except \$500,000 per location for the following locations: - 1760 McGrathiana Parkway, Lexington, Kentucky, 40511-1270 - 2500 Bowman Mill Road, Lexington, Kentucky, 40513-9702, - 335 Jimmie Campbell Drive, Lexington, Kentucky, 40504 - 689 Byrd Thurman Drive, Lexington, Kentucky 40510-9665 - 200 W Hickman Plant Rd, Nicholasville, Kentucky, 40356 - 3318 Buckhorn Drive, Lexington, Kentucky 40515 - 1104 Kilrush Drive, Lexington, Kentucky, 40504-1307 - 2401 Richmond Road, Lexington, Kentucky, 40502-1309
Motor Vehicle Coverage	\$250,000
Water Damage	\$250,000

Wind and Hail	NEW \$250,000 per location subject to a maximum of \$5,000,000 per occurrence
All Other Losses	\$250,000

Qualifying Periods:

The Company will not be liable for loss or damage unless the Qualifying Period below is exceeded. When the Qualifying Period is exceeded, the loss will be calculated beginning from the time of the loss or damage. The Qualifying Period for the following coverages are as follows:

Communicable Disease – Property Damage and Communicable Disease – Business Interruption	48 hours
Data Restoration	48 hours
Data Service Provider – Property Damage and Data Service Provider – Business Interruption	48 hours
Off-Premises Service Interruption – Property Damage and Off-Premises Service Interruption – Business Interruption	24 hours
Owned Network Interruption	48 hours

Property – Notable Sublimits

The coverage extensions and the additional coverages have limitations, are not in addition to policy limits, and are subject to certain conditions.

Description	Amount
Accounts Receivable	\$10,000,000
Animals Coverage	\$2,500,000 Not to exceed \$50,000 Per Animal
Arson or Theft Reward	\$100,000
Attraction Property	\$100,000
Boiler & Machinery	Policy Limit
Brand Protection	Policy Limit
Change of Temperature	\$100,000
Civil or Military Authority	30 days
Communicable Disease – Combined Property Damage and Business Interruption	\$1,000 annual aggregate, not to exceed 12 months
Contract Penalty Clause	\$100,000
Crisis Management	\$100,000, not to exceed 30 days
Cyber Event	<ol style="list-style-type: none"> 1. \$1,000 annual aggregate for Data Restoration and Owned Network Interruption Combined 2. \$1,000 annual aggregate for Data Service Provider – Property Damage and Data Service Provider – Business Interruption combined 3. \$50,000 annual aggregate for loss or damage to stock in process or finished goods manufactured by or for the Insured caused by or resulting from Cyber event that impacts the processing, manufacturing, or testing of such property or while it is otherwise being worked on.
Data Restoration	\$50,000 annual aggregate
Data Service Provider- Property Damage and Data Service Provider - Business Interruption Combined	\$50,000 annual aggregate
Debris Removal	Policy Limit
Decontamination Costs	Policy Limit
Deferred Payments Coverage	\$100,000

Demolition and Increased Cost of Construction	Policy Limit
Earth Movement	\$100,000,000 annual aggregate, not to exceed \$50,000 annual aggregate for Data Service Provider – Business Interruption, Data Service Provider – Property Damage, Errors and Omissions, Off-Premises Service Interruption – Business Interruption, Off-Premises Service Interruption – Property Damage, Supply Chain and Unnamed Property, combined
Errors and Omissions	\$10,000,000
Expediting Expense	\$10,000,000
Extended Period of Liability	90 days
Extra Expense	\$10,000,000
Fine Arts	\$5,000,000, not to exceed \$10,000 per item for irreplaceable fine arts
Flood - Six (6) specified locations per policy	<p>\$50,000,000 annual aggregate, not to exceed the following:</p> <ol style="list-style-type: none"> 1. \$2,000,000 annual aggregate for the following locations, combined: <ul style="list-style-type: none"> - 1760 McGrathiana Parkway, Lexington, Kentucky, 40511-1270 - 2500 Bowman Mill Road, Lexington, Kentucky, 40513-9702, - 335 Jimmie Campbell Drive, Lexington, Kentucky, 40504 - 689 Byrd Thurman Drive, Lexington, Kentucky 40510-9665 - 200 W Hickman Plant Rd, Nicholasville, Kentucky, 40356 - 3318 Buckhorn Drive, Lexington, Kentucky 40515 - 1104 Kilrush Drive, Lexington, Kentucky, 40504-1307 - 2401 Richmond Road, Lexington, Kentucky, 40502-1309 2. \$50,000 annual aggregate for Data Service Provider - Business Interruption, Data Service Provider - Property Damage, Errors and Omissions, Off-Premises Service Interruption - Business Interruption, Off-Premises Service Interruption - Property Damage, Supply Chain and Unnamed Property, combined
Green Coverage	\$50,000 not to exceed 25% of the amount of the property damage loss
Gross Earnings	\$1,000,000, not to exceed 30 days for ordinary payroll
Gross Profits	<p>\$1,000,000, not to exceed the following:</p> <ol style="list-style-type: none"> 1. 12 months 2. 30 days for ordinary payroll
Ingress/Egress	\$1,000,000
Land and Water Clean Up Expense	\$500,000 annual aggregate
Leasehold Interest	\$10,000,000

Locks and Keys	\$100,000
Logistics Extra Costs	\$100,000
Miscellaneous Equipment	\$10,000,000
Money and Securities	\$500,000
Motor Vehicle Coverage (Valuation is Actual Cash Value)	\$25,000,000
Newly Acquired Properties	\$10,000,000
Off-Premises Service Interruption – Property Damage	\$5,000,000
Off-Premises Service Interruption – Business Interruption	\$1,000,000
Owned Network Interruption	Included in cyber event limit
Professional Fees	\$250,000
Property Removed from a Location	Policy Limit
Protection and Preservation of Property – Business Interruption	Policy Limit
Protection and Preservation of Property – Property Damage	Policy Limit, not to exceed \$250,000 for security costs
Rental Income	NOT COVERED
Research and Development	NOT COVERED
Soft Costs	\$1,000,000
Supply Chain	\$500,000
Tax Treatment	\$100,000
Tenants Legal Liability	\$100,000
Terrorism	\$100,000 annual aggregate, not to exceed \$100,000 annual aggregate for Flood and Property Removed from a Location combined
Terrorism: Supplemental United States Certified Act of Terrorism Endorsement(s)	\$500,000,000, if the option to purchase coverage is elected.
Transit	\$2,500,000, not to exceed \$250,000 for Business Interruption
Unnamed Property	\$10,000,000
Valuable Papers and Records	\$10,000,000, not to exceed \$10,000 per item for irreplaceable valuable papers and records

Additional Exclusions:1. Transmission and Distribution Systems Exclusion

Property Excluded is amended to include: transmission and distribution systems, except at a described location but not within the 1,000 feet extension provided by the Property Insured wording.

Special Terms and Conditions:1. Miscellaneous Equipment

This Policy covers the following equipment:

Traffic Equipment, as per the descriptions and values located in the Traffic Equipment schedule on file with the Company.

The Company's maximum liability for any one loss under this Policy for each piece of Equipment will not exceed their respective limit(s) shown above per occurrence.

Miscellaneous Equipment Valuation: On property insured under this coverage, the loss amount will not exceed the actual cash value.

2. Pavement and Roadways Described Location

This policy is extended to cover insured property for Pavements and Roadways at a described location only.

3. Animals Coverage

Coverage provided by this policy is extended to include physical loss or damage to animals while at **described locations**.

PROPERTY EXCLUDED, item 2., is amended to: Growing Crops or standing timber.

Animals Coverage Exclusion: As respects Animals Coverage, the following additional exclusions apply:

This Policy excludes animal mortality, including any physical injury or death caused by other animals, unless directly caused by **named perils**.

Animal Coverage Valuation: On property covered under this coverage, the loss amount will not exceed the lesser of:

- a. The cost to replace the animal with a similar species of animal; or
- b. The value designated for the animal in the most recent statement of values submitted by the Insured; or
- c. The sub-limit for animals.

Historical Replacement Cost

LOSS ADJUSTMENT AND SETTLEMENT item L., Valuation, is amended to include:

With respect to buildings designated by a local, state, or federal authority to be of historical significance or of historical value, such rebuilding, repairing or replacement shall be with modern material, workmanship processes, technologies and designs, and shall not include the cost of re-creating outdated, archaic or antiquated materials, workmanship, processes, technologies, or designs, whether or not such cost otherwise would be covered under Section D.ADDITIONAL PROPERTY DAMAGE COVERAGE, Item 10., Demolition and Increased Cost of Construction.

4. United States Certified Act of Terrorism

As respects the United States, its territories and possessions and the Commonwealth of Puerto Rico, the definition of terrorism contained in DEFINITIONS is declared null and void and it is agreed that an event defined as a Certified Act of Terrorism under the terms of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this Policy shall be considered terrorism within the terms of this policy. Notwithstanding anything contained in this Policy to the contrary, this Policy provides coverage for direct physical loss or damage to insured property and any resulting Business Interruption loss, as provided in the Policy, caused by or resulting from a Certified Act of Terrorism only to the extent coverage is provided under the terms and conditions of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this policy. Any difference in limit between loss recoverable under the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT and this Policy is not recoverable under this Policy.

5. Motor Vehicle Coverage

This policy covers motor vehicles, trucks and trailers owned, leased or rented by the Insured licensed for highway use.

PROPERTY EXCLUDED, item 7., is amended to:

6. Motor vehicles licensed for highway use except such motor vehicles owned, leased or rented by the Insured

Motor Vehicle Coverage Exclusion: With respect to Motor Vehicle Coverage, the following additional exclusions apply:

NEW This Policy does not cover loss or damage resulting from:

- a) Collision; or
- b) Overturn;

While such motor vehicles, trucks, and trailers are being operated under their own power; or being towed (whether or not in motion at the time of loss).

Motor Vehicle Coverage: On property insured under this coverage, the loss amount will not exceed the **actual cash value**.

Index of Forms:

<u>Title</u>	<u>Form No.</u>	<u>Edition</u>
Declarations Page	PRO DEC 4100	01/24
Declarations	PRO S-1 4100	01/20
Schedule of Miscellaneous Equipment, Appendix A		Version 001
All Risk Coverage	PRO AR 4100	01/23
Supplemental United States Certified Act of Terrorism Endorsement	AFM 7312	06/21
Kentucky Amendatory Endorsement	AFM 6504	04/15

Commercial General Liability

Policy Period: 07/01/2024 to 07/01/2025
Insurer: Safety National Casualty Corporation
AM Best Rating: A++ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
 Rated on November 15, 2023

COVERAGE FORM:

Occurrence Form: Yes
 Claims Made Form: Yes (Employee Benefits Liability)

Occurrence Basis: Covers a loss caused by an occurrence that happened during the policy period, although the claim may be made after the policy expires.

Claims Made Basis: Covers a claim made during the policy period for a loss that happened after the retroactive date.

Limits

Description	Coverage Amount
General Aggregate	\$5,000,000
Products/Completed Operations Aggregate	\$5,000,000
Each Occurrence	\$5,000,000
Fire Damage – Any One Fire	\$1,000,000
Medical Expense – Any One Person	NO COVERAGE

Self-Insured Retained Limit: \$1,500,000 Each Occurrence

Audit Provision	Not subject to audit	NA
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Additional Coverages

Description	Coverage Amount	Retroactive date
Employee Benefits – Annual Aggregate	\$5,000,000	07/01/2017
Employee Benefits – Each Claim	\$5,000,000	07/01/2017

Scheduled Watercraft:

2014 Lowe Boats R1160R
2023 Inmar 430-ST-L-HD
2023 Inmar 430-ST-L-HD
1984 Fisher Aluminum 16'
2018 Zodiac MK3GR

Scheduled Dams:

Shillito Park Dam (Wellington Unit 1-B) – KY01162
Wellington Park Dam (Unit 4) – KY01173

FORMS APPLY TO GENERAL LIABILITY, EMPLOYEE BENEFITS LIABILITY, AUTOMOBILE LIABILITY, LAW ENFORCEMENT LIABILITY, PUBLIC OFFICIALS and EMPLOYMENT PRACTICES LIABILITY

Schedule of Forms and Endorsements:	
PEERLL 00 00 12 22	Public Entity Excess Retained Limits Liability Insurance Policy
PE 10 00 01 22	Public Entity Excess Retained Limits Liability Insurance Policy Declarations
PE 116 00 01 22	Kentucky Amendatory Endorsement
CP 99 03 05 19	Commercial Policy Cover
PN 99 02 02 09	Privacy Statement
IL P 001 01 04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
IL 10 06 12 08	Schedule of Forms and Endorsements
PE 001 00 12 22	Additional Insured – Scheduled Contracts
PE 009 00 01 22	Contractual Liability – Railroads (As Required by Written Contract)
PE 012 00 01 22	Earlier Notice of Cancellation Provided By Us
PE 013 00 02 22	Employee Benefits Liability Coverage
PE 020 00 01 22	Scheduled Dams (Shillito Park and Wellington Park dams)
PE 022 00 01 22	Scheduled Watercraft
PE 026 00 01 22	Exclusion – Failure to Supply
PE 030 00 01 22	Cap on Losses From Certified Acts of Terrorism
PE 031 00 01 22	Disclosure Pursuant To Terrorism Risk Insurance Act

Business Automobile Liability

Policy Period: 07/01/2024 to 07/01/2025

Insurer: Safety National Casualty Corporation

AM Best Rating: A++ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
Rated on November 15, 2023

Limits

Description	Symbols	Limit or Deductible
Bodily Injury & Property Damage Liability	1	\$5,000,000 each occurrence
Uninsured / Underinsured Motorists		Excluded
Personal Injury Protection		Excluded

Symbol Definitions		
1. Any "Auto"	5. Owned "Autos" Subject to No-Fault	9. Non-Owned "Autos" Only
2. Owned "Autos" Only	6. Owned "Autos" Subject to a Compulsory Uninsured Motorists Law	10. "See Definition"
3. Owned Private Passenger "Autos" Only	7. Specifically Described "Autos"	11. "See Definition"
4. Owned "Autos" Other than Private Passenger "Autos" Only	8. Hired "Autos" Only	19. Mobile Equipment Subject to Compulsory or Financial Responsibility or Other Motor Vehicle Insurance Law Only

Self-Insured Retained Limit: \$1,500,000 Each Occurrence

Notable Exclusions or Limitations:

- Liability from the use of Amphibious Vehicles (only applies while the amphibious vehicle is being launched into, used in or beached from the water)
- Exclusion of Federal Employees Using Autos in Government Business

Public Officials & Employment Practices Liability

Policy Period: 7/1/2023 to 7/1/2024
Insurer: Safety National Casualty Corporation
AM Best Rating: A++ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
 Rated on November 15, 2023

Limits

Description	Limit
Each Wrongful Act	\$5,000,000
Annual Aggregate	\$5,000,000

Self-Insured Retention: \$1,500,000 Each Wrongful Act

Law Enforcement Liability

Policy Period: 7/1/2023 to 7/1/2024

Insurer: Safety National Casualty Corporation

AM Best Rating: A++ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
Rated on November 15, 2023

Limits

Description	Limit
Each Occurrence	\$5,000,000
Policy Aggregate	\$5,000,000

Self-Insured Retention: \$1,500,000 Each Occurrence

Workers' Compensation

Policy Period: 07/01/2024 to 07/01/2025
Insurer: Safety National Casualty Corporation
AM Best Rating: A++ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
 Rated on November 15, 2023

Contract Terms	Specific Excess Only
Liability Period	07/01/2024 – 07/01/2025
Payroll Reporting Period	07/01/2024 – 07/01/2025
Payroll	\$228,369,443
Manual Premium	\$3,642,076
Standard Premium	\$3,642,076
Self-Insured Retention	\$1,000,000
Specific Limit	Statutory
Employers Liability Limit	\$5,000,000 per Occurrence \$5,000,000 Aggregate
Premium Rate (Rate \$100 Payroll)	\$0.2256
Deposit Premium	\$515,201
Minimum Premium	\$463,681
Pay Plan	Annual Payment
Audit Type	Voluntary

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

Endorsements

- Kentucky Mandatory Endorsement(s), If Applicable
- 0288 00 09 08 (XWC) Employers' Liability Per Occurrence & Aggregate Maximum Limits of Liability
- 0467 02 1105 (XWC) Employers' Liability Maximum Limit and Aggregate Maximum Limit of Indemnity
- 6000 00 0121 (XWC) Terrorism Risk Insurance Program Reauthorization Act Endorsement

Please Note: Safety National is again offering the Program Commitment Agreement which would keep the rate flat for the next renewal.

Workers' Compensation Exposures

State: KY

Class Code	Description	Exposure Amount
0106	Tree Pruning, Spraying, Repairing, & Drivers	\$317,742.72
4299	Printing	\$167,143.89
5506	Street or Road Construction: Paving or Repaving & Drivers	\$2,582,883.57
6306	Sewer Construction--All Operations & Drivers	\$84,740.27
7580	Sewage Disposal Plant Operation & Drivers	\$7,153,944.81
7590	Garbage Works	\$1,464,146.81
7600	Telecommunications Co.--Cable TV, or Satellite--All Other Employees & Drivers	\$948,100.51
7610	Television or Radio Broadcasting Station--All Employees & Clerical, Drivers	\$926,624.80
7710	Firefighters & Drivers	\$56,094,937.99
7720	Police Officers & Drivers	\$71,448,340.51
8380	Automobile Service or Repair Center & Drivers	\$3,065,514.98
8810	Clerical Office Employees NOC	\$35,910,666.74
8820	Law Office--All Employees & Clerical, Messengers, Drivers	\$2,121,029.46
8864	Social Services Org All Employees & Salespersons, Drivers	\$5,095,821.14
8869	Non-Specialty Day Camp	\$308,174.66
9015	Buildings-Operation by Owner or Lessee	\$4,499,496.56
9102	Park NOC	\$13,509,765.39
9403	Garbage Ashes or Refuse Collection & Drivers	\$8,913,404.87
9410	Municipal Township County or State Employee NOC	\$13,483,505.66
9516	Electronic Equipment--Installation, Service, or Repair--Shop and Outside & Drivers	\$273,455.31
Total Payroll		\$228,369,440.65

Excess Liability

Policy Period: 07/01/2024 to 07/01/2025

Insurer: Gemini Insurance (Non-Admitted Carrier)

AM Best Rating: A+ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
Rated on June 1, 2023

Limits

Description	Limit
Each Occurrence, Accident, Act or Claim	\$5,000,000
Policy Aggregate (excluding Auto Liability which is not subject to an Aggregate)	\$5,000,000

Schedule of Underlying

General Liability

Self-Insured Retention - \$1,500,000

Each Occurrence	General Aggregate	Products & Completed Operations Aggregate	Personal & Advertising Injury	Employee Benefits – Annual Aggregate	Employee Benefits – Each Employee
\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

Employee Benefits Liability

Self-Insured Retention - \$1,500,000

Each Employee Limit	Aggregate Limit
\$5,000,000	\$5,000,000

Automobile Liability

Self-Insured Retention - \$1,500,000

Bodily Injury & Property Damage - Combined Single Limit
\$5,000,000

Public Officials and Employment Practices Liability

Self-Insured Retention - \$1,500,000

Each Wrongful Act	Aggregate Limit
\$5,000,000	\$5,000,000

Law Enforcement Liability

Self-Insured Retention - \$1,500,000

Each Occurrence Limit	Aggregate Limit
\$5,000,000	\$5,000,000

Employer's Liability

Self-Insured Retention - \$1,000,000

Each Occurrence Limit	Aggregate Limit
\$5,000,000	\$5,000,000

Policy is subject to a 35% Minimum Earned Premium at inception.**Schedule of Forms and Endorsements:**

XFP 3001 02/20	Berkley Public Entity Follow Form Policy
XFP 3004 09/20	Signatures
XFP 3005 02/20	Cap on Losses From Certified Acts of Terrorism
XFP 3006 02/20	Exclusion of Certified Acts of Terrorism
XFP 3007 02/20	Trade or Economic Sanctions Endorsement
XFP 3008 01/23	Service of Suit Endorsement
XFP 3036 05/20	Exclusion – Communicable Disease
XFP 4000 05/23	Berkley Public Entity Premier – Excess Liability Follow Form Policy Declarations
XFP 4002 05/23	Schedule of Forms and Endorsement
XFP 4003 05/23	Schedule of Underlying Insurance
XFP 4001 05/23	Berkley Public Entity Premier Excess Liability Follow Form Policy
XFP4200 05/23	Signatures
XFP 4202 05/23	Service of Suit
XFP 4203 05/23	Exclusion of Certified Acts of Terrorism (If Terrorism is rejected)
XFP 4204 05/23	Cap on Losses from Certified Acts of Terrorism (If Terrorism is accepted)
XFP 4205 05/23	Trade of Economic Sanctions
XFP 4327 05/23	Communicable Disease Exclusion
XFP 4328 05/23	Ninety (90) Day Notice of Cancellation
XFP 4333 05/23	Cyber Incident and Biometric Information Exclusion - NEW
XFP 4334 05/23	Perfluoroalkyl and Polyfluoroalkyl Exclusion - NEW
IL P 001 01/04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
LOSS Notice 01/23	Loss Notice

Auto Physical Damage (In Motion)

Policy Period: 07/01/2024 to 07/01/2025
Insurer: Safety National Casualty Corporation
AM Best Rating: A++ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
 Rated on November 15, 2023

Limits

CA Coverage Form (CA 00 01)

Description	Symbols	Limit
Auto Liability		Not Covered
Personal Injury Protection (PIP)		Not Covered
Auto Medical Payments		Not Covered
Uninsured/Underinsured Motorist (UM/UIM)		Not Covered

Physical Damage Coverage

Description	Symbols	Limit
Comprehensive		Not Covered
Collision	7	Actual Cash Value

Physical Damage Deductibles

Description	Amount
Comprehensive	NA
Collision	\$250,000 per vehicle

Symbol Definitions

1. Any "Auto"	5. Owned "Autos" Subject to No-Fault	9. Non-Owned "Autos" Only
2. Owned "Autos" Only	6. Owned "Autos" Subject to a Compulsory Uninsured Motorists Law	10. "See Definition"
3. Owned Private Passenger "Autos" Only	7. Specifically Described "Autos"	11. "See Definition"
4. Owned "Autos" Other than Private Passenger "Autos" Only	8. Hired "Autos" Only	19. Mobile Equipment Subject to Compulsory or Financial Responsibility or Other Motor Vehicle Insurance Law Only

Schedule of Forms/Endorsements:

Mandatory State Endorsements	As Required by Covered States
Amphibious Vehicles	CA 23 97
Audio, Visual & Data Electronic Equipment	CA 20 02
Auto Physical Damage Deductibles Applies to Fire & Lightning	CAM 002
Broad Form Named Insured	SNCA 038
Commercial Auto Liability Coverage Form	CA 00 01
Unintentional Failure to Disclose Material Facts	SNCA 028
Unintentional Failure to Provide Notice of Accident or Loss	SNCA 030
Waiver of Premium Audit Condition	CAM 001

Aviation Insurance

Policy Period: 07/01/2024 to 07/01/2025
Insurer: Westchester Fire Insurance Company
AM Best Rating: A++ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
 Rated on December 7, 2023

Location: The aircraft is based in Lexington, Kentucky.

Purpose of Use: All uses required by the "Named Insured."

Territory: Insurance is only provided under this policy for accidents or Occurrences that take place during the policy period while the Aircraft insured under this policy is in the United States of America (excluding Alaska), Canada or Mexico, or while the Aircraft is dismantled and is being transported between ports in the territory where insurance is provided under this policy.

Coverage		Limit
Single Limit including Passengers	Each Occurrence	\$ 20,000,000
Medical Payments	Each Person Each Occurrence	\$ 25,000 \$ 500,000

Schedule Of Aircraft

F.A.A. Number	Year	Make and Model	Aircraft Type	Total Seats Incl Crew
N911LP	1968	Bell OH-58C	R	4
N912LP	1970	Bell OH-58C	R	4

Hull Coverages and Deductibles

F.A.A. Number	Amount of Insurance	Not in Motion Deductible	In Motion Deductible	Ingestion Deductible
N911LP	\$375,000	\$0	\$18,750	\$18,750
N912LP	\$375,000	\$0	\$18,750	\$18,750

Aircraft Additional Equipment And Deductibles

F.A.A. Number	Amount of Insurance	Deductible
N911LP	\$809,885	\$1,000
N912LP	\$458,600	\$1,000

Notable Coverage Exclusions, Limitations or Extensions:

- War and Other Perils Exclusion Clause
- Noise, Pollution and other Perils Exclusion Clause
- Pilots Who May Fly The Aircraft: Any pilot approved by the named insured's chief pilot or by his or her designee.
- Passenger Voluntary Settlement Endorsement – Cover Crew – Limit of Settlement \$250,000
- Non-Owned Aircraft Liability Endorsement – Max Seating (including crew) – Twenty (20)

- War, Hi-Jacking and Other Perils Endorsement
- Governmental Entity Limited Enhanced Coverage Endorsement
 - Temporary Replacement Component Part Expense \$500,000
 - Maximum Daily Expense Limit \$10,000
 - Per Incident of Damage to the Aircraft Limit \$375,000
 - Spare Parts – Amount of Insurance Any One Location or Sending \$500,000
 - Spare Parts – Deductible Amount Each and Every Loss \$1,000
 - Limit of Liability for Personal Injury – Limited to (Aggregate) \$20,000,000
- Nuclear Risk Exclusion Clause
- Date Recognition Exclusion Endorsement
- Date Recognition Limited Coverage Endorsement
- Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
- Extended Coverage – War, Physical Damage Coverage Endorsement (Aircraft Physical Damage Coverage)
- Pollution Endorsement
- Limited Terrorism Coverage Endorsement
- Unearned Premium Insurance Endorsement
- Volunteers Endorsement
- Emergency Landing Endorsement
- Cancellation Notification – Kentucky
- Trade or Economic Sanctions Endorsement
- U.S. Treasury Departments’ Office of Foreign Assets Control (“OFAC”) Advisory Notice to Policyholders
- Amendment to Limits in Endorsement AC1200

Aviation Insurance Definitions

Aircraft Liability Insurance: Protects the insured against claims for bodily injury and property damage caused by or arising out of the ownership, maintenance, or use of the aircraft.

Aircraft Physical Damage Insurance: Reimburses the insured for physical damage to the aircraft due to an accident or incident. Typically does not cover loss of use, diminished value, or wear and tear.

Medical Payments: Voluntary payments to passengers for direct medical expenses as a result of an accident or incident. Paid without regard to legal liability.

Purpose of Use: Defined in each policy, this spells out the approved uses of the aircraft under the policy. Some common uses are:

- **Pleasure and Business:** Non-commercial use of the aircraft for personal or business travel where no charge is made for such use.
- **Industrial Aid:** Non-commercial use of the aircraft for business travel where no charge is made for such use, but the aircraft is flown exclusively by professional pilots employed for that purpose.
- **Commercial:** Commercial uses include such operations as instruction, rental, charter, aerial photography, banner towing, and many more.

OPW OR OPC: The open pilot warranty or open pilot clause sets forth the minimum requirements for a pilot to fly the aircraft under a policy without specific approval of the insurance company.

Named Insured: The policy owner. The person or entity whose name appears on the first page of the policy and who has the authority to change or cancel the policy.

Additional Insured: A person or entity with an interest to be protected but who is not a named insured.

Combined Single Limit: A combined limit of liability applying to bodily injury and property damage. Usually stated as a limit per occurrence.

Smooth Limit: A single limit as above with no internal per person limits. The entire limit is available to satisfy a claim by one individual.

Sub-limit: A single limit of liability for bodily injury and property damage per occurrence which is further limited to a smaller maximum amount payable to one person.

Pollution Liability

Policy Period: 07/01/2024 to 07/01/2025
Insurer: Illinois Union Insurance Company
AM Best Rating: A++ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
 Rated on December 7, 2023

Limits

Description	Limit	Self-Insured Retention
Per Pollution Condition or Indoor Environmental Condition	\$1,000,000	\$100,000
Aggregate All Pollution Conditions or Indoor Environmental Condition	\$1,000,000	

Retroactive Date:	07/01/2011
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Notable Coverage Exclusions, Limitations or Extensions:

- Policy Form: PF-44887b (08/18) Premises Pollution Liability Insurance Policy
 - A. Pollution Conditions or Indoor Environmental Conditions Coverage
 - B. Transportation Coverage
 - C. Non-Owned Disposal Site Coverage
- Premium is 25% Minimum-Earned as of inception of the Policy
- Automatic Acquisition and Due Diligence (New Fungi Conditions Only) Endorsement
- Communicable, Infectious or Contagious Diseases Exclusionary Endorsement
- Dedicated Defense Aggregate Limit Endorsement
- Notice of Cancellation Amendatory (Generic Time Frame) Endorsement
- Premium Earn-Out (Staggered – One Year – Acceleration) Endorsement
- Prior Claims Exclusionary (Broad) Endorsement
- Schedule of Covered Locations Endorsement
- Maintenance, Upgrades, Improvements, or Installations Limitation Endorsement – **NEW**
- Public Entity Coverage Amendatory Endorsement – **NEW**
- Service of Suit Endorsement
- Trade or Economic Sanctions Endorsement
- Signatures
- Kentucky Surplus Lines Notification
- Chubb Producer Compensation Practices & Policies
- U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) Advisory Notice to Policyholders

Network Security (Cyber) & Privacy Liability

Policy Period: 07/01/2024 to 07/01/2025

Insurer: Berkley Assurance Company

AM Best Rating: A+ (Superior), XV (Greater than or Equal to USD 2.00 Billion),
Rated on June 1, 2023

LIMITS

Cyber Liability Coverages	Berkley Per Expiring	Alt. Option Berkley
AGGREGATE LIMIT OF LIABILITY FOR ALL DAMAGES AND LOSS (INCLUSIVE OF COSTS OF DEFENSE)	\$2,000,000	\$2,000,000
Breach Costs	\$2,000,000	\$2,000,000
Cyber Liability		
Network Security & Privacy Liability	\$2,000,000	\$2,000,000
Regulatory Liability and Defense	\$2,000,000 <i>*\$1,000,000 for claims <u>not</u> alleging a Privacy Event</i>	\$2,000,000 <i>*\$1,000,000 for claims <u>not</u> alleging a Privacy Event</i>
PCI Fines and Assessments	\$2,000,000	\$2,000,000
First Party Loss		
Data Asset Loss	\$2,000,000	\$2,000,000
Business Interruption - Security Event	\$2,000,000 <i>Waiting Period: 12 Hours</i>	\$2,000,000 <i>Waiting Period: 12 Hours</i>
Business Interruption - System Failure	\$2,000,000	\$2,000,000
Dependent Business Interruption	\$2,000,000	\$2,000,000
Bricking (Computer Hardware Replacement Costs)	\$2,000,000	\$2,000,000
Reputational Loss	\$2,000,000	\$2,000,000
Cryptojacking	\$150,000	\$250,000
Multimedia Liability	\$2,000,000	\$2,000,000
eCrime Loss		
Social Engineering	\$150,000	\$250,000*
Cyber Crime Loss	\$150,000	\$250,000
Telephone System Fraud	\$150,000	\$250,000
Invoice Manipulation	\$150,000	\$250,000
Fraudulent Funds Transfer	Not Included	Not Included
Cyber Extortion Loss	\$2,000,000	\$2,000,000
Cyber Extortion Coinsurance	None	None
Forensic Accounting Services	\$75,000	\$75,000

Coverage enhanced compared expiring

Coverage limited compared to expiring

Notable Provisions	Berkley Per Expiring	Alt. Option Berkley
Retention	\$150,000 Income Loss: 12 Hours	\$150,000 except, \$250,000 for all Cyber Crime and Social Engineering Income Loss: 12 Hours
Indemnity Period (days)		
Business Interruption	180 Days	180 Days
Reputational Loss Event	60 Days or until net profits restored	60 Days or until net profits restored
Full prior acts	Yes	Yes
Voluntary Shutdown	Included	Included
Breach Response Outside the Limit	No	No
Policy Territory	Applies to Claims made, acts committed, or Loss occurring anywhere in the world.	Applies to Claims made, acts committed, or Loss occurring anywhere in the world.
Cyber Risk Solutions Services <i>Outside the Limits of Liability</i>	<u>Pre-Breach:</u> Return premium equal to the lesser of \$10,000 or 10% of total annual premium approved security upgrades.	<u>Pre-Breach:</u> Return premium equal to the lesser of \$10,000 or 10% of total annual premium approved security upgrades.
Costs/Expenses to comply with injunctive/non-monetary relief for covered Claim Sublimit	Included in definition of Damages	Included in definition of Damages
Extended Reporting Period	1 year - 75% of annual premium 2 years - 150% of annual premium 3 years - 200% of annual premium	1 year - 75% of annual premium 2 years - 150% of annual premium 3 years - 200% of annual premium
Subsidiary Threshold	20%	20%

Endorsements:

BCRS 01 (02/18)	Policyholder Notice
CYB000010 (02/18)	Forms Scheduled
265-0220	Policyholder Disclosure – Notice of Terrorism Insurance Coverage
BAC-E906 (08/21)	Service of Suit
CYB000015 (12/18)	System Failure Business Interruption – Scheduled Outsourced Provider with Sublimit Endorsement: Any Provider - \$1,000,000 Limit
CYB000019 (02/18)	Contingent Business Interruption – Blanket Outsourced Provider Endorsement
CYB000057 (02/18)	Media Endorsement
CYB000082 (12/20)	Telecommunication Fraud Coverage Endorsement - \$150,000 Limit
CYB000085 (02/18)	Cap on Losses From Certified Acts of Terrorism
CYB000113 (05/18)	BYOD (Bring Your Own Device) Endorsement
CYB000119 (12/20)	Voluntary Shutdown Endorsement – Period of Restoration: 14 days
CYB000130 (12/20)	Data Protection Regulation – Regulatory Endorsement - \$1,000,000 Limit
CYB000134 (12/20)	Cryptojacking Endorsement - \$150,000 Limit
CYB000136 (12/20)	Invoice Fraud Coverage Endorsement - \$150,000 Limit
CYB000155 (12/20)	Bricking Amended Endorsement - \$2,000,000 Limit
MS132 (12/20)	Amended Premier Protect Endorsement <ul style="list-style-type: none"> - Amended Extended Reporting Period Additional Premiums - Forensic Accounting - \$75,000 Limit
MS260 (03/23)	Social Engineering Validation Endorsement <p><i>As a condition to Social Engineering Coverage, the following conditions must be met. Insured must verify the details of the instruction:</i></p> <ol style="list-style-type: none"> <i>a. with a person other than the person providing the instruction, using a telephone number previously on file for authentication,</i> <i>b. with a person other than the person providing the instruction, using an email address with a recognized company domain and previously on file for authentication; or</i> <i>c. using a unique authentication code, password, or security question.</i>
	*Can be removed by choosing the Berkley alternative quote.
MS285 (03-24)	NEW ENDORSEMENT - Crisis Counseling - \$50,000 Limit
MS69 (10/22)	Breach Counsel Retention Endorsement <ul style="list-style-type: none"> - Data Breach Response Retention - \$150,000 - Breach Counsel Selected From The Insurer's Website Retention - \$50,000

Risk Management Offerings:

- **Endpoint Security Offering:** Berkley Cyber Risk Solutions policyholders have access to the latest in cloud delivered endpoint security products provided by CrowdStrike. Policyholders will have a suite of product bundles available to choose from that meet their specific needs at discounted prices. To get started with access to your discounted services, please click here <https://go.crowdstrike.com/BerkleyCyberOffer.html>
- **Free Cyber Security Resources:** Berkley Cyber Risk Solution's eRisk Hub is a free resource to all of our policyholders and provides a full suite of educational and technical resources to help mitigate our policyholders' exposures. To take advantage of these free resources, click here <https://eriskhub.com/berkeleycyberrisk>

Claim / Incident Reporting:

Claim Department, Berkley Cyber Risk Solutions
412 Mount Kemble Avenue, Suite G50
Morristown, NJ 07960
or Email: claims@berkeleycyberrisk.com

Non-Admitted Carrier Disclaimer

Surplus Lines / Non-Admitted Carriers

The proposal being presented to you contains one or more coverages which are being underwritten by an insurer which is Non-Admitted in your state but is a Surplus Lines carrier. Premium taxes and fees are additional amounts payable that are over and above the premium for the policy.

In the United States, states have the authority to regulate insurance companies and have controlled insurance mainly through their licensing powers. The license is a document that indicates an insurer has met the minimum requirements established by state statute and is authorized to engage in the lines of business for which it has applied. A surplus lines insurer is a company that underwrites risks for which insurance coverage generally is not available through a company licensed in the insured's state (an admitted insurer). This business, therefore, is placed with a non-admitted insurer. A non-admitted insurer is not licensed in the state but allowed to operate in accordance with excess or surplus lines provisions of state insurance laws.

The importance of a company being licensed in a particular state also determines the protection afforded a policyholder by the state's Insurance Guaranty Fund laws and regulations regarding non-renewals and premium increases that generally apply only to licensed insurers. The Guaranty Fund may provide additional financial protections in the event a licensed/admitted carrier becomes bankrupt.

Coverage	Insurer
Excess Liability	Gemini Insurance
Pollution Liability	Illinois Union Insurance Company
Network Security (Cyber) & Privacy Liability	Berkley Assurance Company

AM Best Rating Scale

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

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Version 121719

Client Authorization to Bind Coverage

LINES OF COVERAGE TO BIND

Coverage Description	Effective Dates
Commercial Property	07/01/2024 – 07/01/2025
Public Entity Excess Casualty Liability	07/01/2024 – 07/01/2025
Excess Workers' Compensation	07/01/2024 – 07/01/2025
Excess Liability	07/01/2024 – 07/01/2025
Auto Physical Damage (In Motion)	07/01/2024 – 07/01/2025
Aviation	07/01/2024 – 07/01/2025
Pollution Legal Liability	07/01/2024 – 07/01/2025
Cyber Liability	07/01/2024 – 07/01/2025

(Please initial)

_____ Bind as Proposed

_____ Bind with the following changes

Authorized Signature _____

Title/Position _____

Date _____

No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

Compensation Disclosure and Limitation of Liability

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.

Rev March 15, 2024

Minimum Earned & Deposit Premiums

Minimum Deposit

Minimum and deposit is the amount of premium due at inception. Although the policy is “ratable”, subject to adjustment based on a rate per exposure unit, under no circumstances will the annual earned premium be less than the minimum deposit premium. The policy may generate an additional premium on audit, but will not result in a return. If such a policy is cancelled mid-term, the earned premium is the greater of the annual minimum multiplied by the short rate or pro-rate factor, or the actual earned as determined by audit, subject to a short rate penalty if applicable.

Minimum Earned Premium

A minimum earned premium endorsement can be attached to either a flat charge policy or an adjustable policy. In either case, this amount is the least that will be retained by the carrier once the policy goes into effect. The amount retained would be the greater of the actual earned premium whether calculated on a pro-rate or short-rate basis, or the minimum earned premium.

Flat Cancellations

Surplus lines carriers typically do not allow flat cancellations. Once the policy is in effect, some premium will be earned, and the amount or percentage is outlined in the policy.

Direct Bill Policies

Notices you receive from your insurer regarding past due premiums or cancellation due to non-payment of premium shall be considered notice from Marsh & McLennan Agency LLC (MMA). As a matter of general practice, MMA does not provide notice of a potential lapse of coverage due to non-payment of premium to clients where coverage is written on a direct bill basis.

Proposal Disclaimer

Marsh & McLennan Agency LLC (“MMA”) thanks you for the opportunity to discuss your insurance and risk management program. No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

We have evaluated your exposures to loss and developed this proposal based upon the information that you have provided to us. If you are aware of other areas of potential exposure that need to be evaluated or of additional information of which we should be aware prior to binding of coverage, please bring the other areas or additional information to our attention as soon as possible. Should any of your exposures change after coverage is bound, please notify us immediately.

Client Contracts

In the event that you enter into a contract that has specific insurance requirements, MMA will review your contract, but only in regards to the insurance requirements of the contract. The scope of our review will be to determine if the current insurance program which you have placed through our agency addresses the types and amounts of insurance coverage referenced by the contract. We will identify the significant insurance obligations and will provide a summary of the changes required in your current insurance program to meet the requirements of the contract. Upon your authorization, we will make the necessary changes in your insurance program. We will also be available to discuss any insurance requirements of the contract with your attorney, if desired.

In performing a contract review, MMA is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, MMA is not undertaking to identify all potential liabilities that may arise under any such contracts. A contract review is provided solely for your information and should not be relied upon by third parties. Any descriptions of the insurance coverages are subject to the terms, conditions, exclusions, and other provisions of the contract and of the insurance policies and applicable regulations, rating rules or plans.

Credit Policy

Marsh & McLennan Agency LLC (MMA) strives to offer the highest quality of service at the most competitive price possible. Accordingly, we have the following credit policy in place to assure that your coverage is not interrupted during the policy term.

All premiums are due on the invoice date or effective date of the insurance, whichever is later. Always submit the remittance copy with your payment. If a remittance copy is not submitted, we will apply the cash to the oldest items on the account. Also, credit memos that cannot be applied against the original invoice will be applied to the oldest items on the account unless you direct us otherwise.

If installment payments are available and provided under insurance policy terms, you will receive an invoice for each installment. Installments are due on the effective date of the invoice. MMA does not finance annual or installment premiums. However, should you wish to finance your premium, we can place your financing with an approved insurance premium finance company.

Your Account Manager maintains on-line access to all of your coverage, premium and accounting detail and will be able to answer most billing questions. Any other questions will be referred directly to our accounting department for immediate response. We thank you for your support and business.

Did you know Marsh McLennan Agency offers two options to pay your bill online, using a valid checking/savings account or via credit card? Our system is safe and secure and is an easy tool to pay your invoices online.

Pay Your Bill Online

Direct Link to Payment via Checking/Savings Account: <https://serviceapi.securfee.com/marshmma>

Direct Link to Payment via Credit Card: <https://serviceapi.securfee.com/marshmma>

Frequently Asked Questions

- You can pay any invoice using a valid Checking or Savings account or Credit Card.
- Both payment gateways seamlessly integrate with our existing website and can securely accept multiple payment options.
- Credit Card payments require a Policy Number, Invoice Number, First & Last Name, Email Address, Named Insured on Policy & Address
- There will be a 3.5% fee charged to the cardholder by SecureFee for Credit Card Payments.
- Checking/Savings payments require a Policy Number, Invoice Number, First & Last Name, Email Address, Named Insured on Policy & Address.
- There will be a non-refundable \$4.00 security and delivery fee charged by SecurFee for ACH/Checking payment transactions.