

Municipal Retained Amount Policy-Primary and Excess

Premium History

Year	Total Limits	Primary	Excess	Total Premium incl Broker Fee	Broker Fee-Incl in Premium
10-1-02/03	\$5M	\$216,408	N/A	\$216,408	\$6,500
10-1-03/04	\$9M	\$205,400	\$37,595 [#]	\$242,995	\$9,306
10-1-04/05	\$9M	\$231,659	\$47,010	\$278,669	\$10,670
10-1-05/06	\$9M	\$229,040	\$43,283	\$272,323	\$10,429
10-1-06/07	\$10M	\$217,385	\$51,110	\$268,495	\$10,321
10-1-07/08	\$10M	\$212,159	\$47,110	\$259,269	\$10,321
10-1-08/09	\$10M	\$212,264	\$44,360	\$256,624	\$10,321
10-1-09/10	\$10M	\$203,444	\$42,400	\$245,844	\$10,361
10-1-10/11	\$10M	\$194,867	\$37,955	\$232,822	\$10,361
10-1-11/12	\$10M	\$199,258	\$40,454	\$239,412	\$10,361
10-1-12/13	\$10M	\$202,495	\$42,254	\$244,749	\$10,361
10-1-13/14	\$10M	\$190,652	\$44,350	\$235,002	\$10,361
10-1-14/15	\$10M	\$190,652	\$44,330	\$234,982	\$10,361
10-1-15/16	\$10M	\$191,372	\$45,500	\$236,872	\$11,000

[#] Short termed excess from 11-14-03 to 10-1-04

Municipal Retained Amount Policy-Primary

Coverage Summary

MUNICIPAL RETAINED AMOUNT POLICY

10-1-15 to 10-1-16

FIRST NAMED INSURED:

City of Battle Creek

LIMITS (no policy aggregate):

General Liability-Occurrence (including law enforcement E&O).....	\$ 1,000,000
General Liability-Aggregate (including law enforcement E&O)	\$ 2,000,000
Automobile Liability.....	\$ 1,000,000
Public Officials Liability-Occurrence.....	\$ 1,000,000
Public Officials Liability-Aggregate.....	\$ 2,000,000
Employee Benefits Liability Each Employee.....	\$ 1,000,000
Employee Benefits Liability Annual Aggregate	\$ 2,000,000

Retro Date: 9-1-99

RETAINED AMOUNT

Each Occurrence Retention.....	\$ 1,000,000
Annual Aggregate	\$ 2,500,000

Annual Premium (including broker's fee of \$4,819.50)..... \$ 94,905.97 *

ADDITIONAL INSURED:

Blanket Additional Insured where required by written contract

ADDITIONAL TERMS AND NOTABLE EXCLUSIONS

Defense "outside" policy limit
Michigan PIP Auto Fronting (\$1M retention for PIP claims)
Michigan PPI – **Eliminated with \$1M retention.**

Notable Exclusions:

Airport Liability
Medical Payments
Uninsured/Underinsured Motorists
Failure to Supply
Failure to Buy Insurance
Pollution
Known Injury or Damage
Fungi, Wet Rot, Dry Rot and Bacteria
War and Terrorism[†]
Lead

INSURER:

Catlin Specialty Insurance Co. (Best Rating A XV, Non-Admitted)

* Expiring was \$94,231.88 (including broker's fee of \$4,180.50).

[†] TRIA is available for \$1,318 additional.



RENEWAL QUOTE

Date: September 11, 2015

To: Wade Clay

Company: Breckenridge Insurance Services LLC
3870 S Lindbergh Blvd
St Louis, MO 63127

From: XL Catlin

Please be advised the following quote may not include all coverage requested in your specifications.

Insured: City of Battle Creek

Address: P O Box 1717
Battle Creek, MI 49016

Effective Date: 10/1/2015

Expiration Date: 10/1/2016

This Quote Expires: 10/1/2015

Coverage: General Liability
Law Enforcement Liability
Auto Liability
Public Officials Liability

Policy Form: Public Entity All Lines Aggregate Policy

Issuing Carrier: Catlin Specialty Insurance Company

AM Best Rating: A:XV

LIMITS OF INSURANCE

PART I: EXCESS COVERAGE

Coverage Part I

Special Causes of Loss

Real and Personal Property

\$

\$

Each Occurrence regardless of the number of locations involved.

Annual Aggregate for Debris Removal

Coverage Part II General Liability

\$

1,000,000

Each Occurrence Limit

Personal & Advertising Injury Limit

\$

1,000,000

Any One Person or Organization

\$

2,000,000

General Aggregate Limit

\$

2,000,000

Products/Completed Operations Aggregate Limit

Damage to Premises Rented to the Insured

\$

1,000,000

Any One Premise

Coverage Part II A – Employee Benefits Liability

\$

1,000,000

Each Employee

Claims Made Coverage

\$

2,000,000

Annual Aggregate

Retroactive Date: 09/01/1999

Covered
Autos

Coverage Part III

Automobile Liability

1

\$

1,000,000

Each Accident

Coverage Part III A

Uninsured/Underinsured Motorist

\$

Each Accident



Coverage Part III B No Fault /Personal Injury Protection	5	\$	Refer to MI PIP and PPI Coverage Forms	Each Accident
Coverage Part III C Auto Physical Damage		\$		Each Occurrence regardless of the number of automobiles involved.
Coverage Part IV – Public Officials' Liability		\$	1,000,000	Each Wrongful Act Limit
		\$	2,000,000	Aggregate Limit

The LIMITS OF INSURANCE shown above are excess of the Self Insured Retentions shown below.

Self Insured Retentions:

Coverage Part I	\$		Each Occurrence
Coverage Part II	\$	1,000,000	Each Occurrence or Offense
Coverage Part II A	\$	1,000,000	Each Employee
Coverage Part III	\$	1,000,000	Each Accident
Coverage Part III A			
Coverage Part III B	\$	1,000,000	Each Accident
Coverage Part III C	\$		Each Occurrence
Coverage Part IV	\$	1,000,000	Each Wrongful Act

Loss Fund: \$ 2,500,000

Part II - Excess of Loss Fund Protection

Excess of Loss Fund Limit: \$1,000,000

The policy contains various Self Insured Retentions. You would be responsible for the payment of these Self Insured Retentions. The Loss Fund is the annual aggregate of these Self Insured Retentions. All payments made by you for losses within the Self Insured Retention will reduce the Loss Fund by the amount of such payment. The Loss Fund can only be reduced by the payment of claims or losses covered under the policy. Once the Loss Fund has been exhausted by payment of claims, we would pay, subject to the Excess of Loss Fund Limit shown above, the amount payable under the Self Insured Retention for losses covered under the policy. Once the Excess of Loss Fund Limit has been exhausted by payment of claims within the Self Insured Retention, you would once again be responsible for the Self Insured Retention.

If there is a Maintenance Deductible that applies to a coverage, the Maintenance Deductible applies first to the loss and does not reduce the Loss Fund. In the event the Loss Fund has been exhausted by payment of claims the Maintenance Deductible still applies first to the loss.

Maintenance Deductible

Coverage Part I:	\$		
Coverage Part III C	\$		Other than Collision Coverage – Each Occurrence, regardless of the number of autos involved
	\$		Collision Coverage – Each Occurrence, regardless of the number of autos involved

Premiums:



Coverage Part I Special Causes of Loss – Real and Personal Property	\$	
Coverage Part II General Liability	\$	Included
Coverage Part II A Employee Benefits Liability	\$	Included
Coverage Part III Automobile Liability	\$	Included
Coverage Part III A Uninsured/Underinsured Motorist	\$	
Coverage Part III B No Fault/Personal Injury Protection	\$	Included
Coverage Part III C Automobile Physical Damage	\$	
Coverage Part IV Public Officials' Liability	\$	Included
Estimated Total Premium:	\$	87,899

Rate: N/A

Basis of Premium: Flat Charge

Policy Writing Minimum Premium: \$ 21,975 (25%)

Additional Charge For Certified Acts of Terrorism:

The additional charge to select coverage for Certified Acts of Terrorism as provided for and defined in the Terrorism Risk Insurance Act of 2002, as amended is: \$1,318*See offer of coverage and disclosure of premium form for further information.*Terms and Conditions:

The limits of insurance available to pay damages will not be reduced by amounts paid by the company for claims related expense. Claims related expense incurred by the insured will be applied against the self insured retention.

Forms and Endorsements to be attached to the policy:

In Witness Endorsement - ABAP 401 0715

Service of Suit - ABAP 900 1008

All Lines Aggregate Policy – Common Policy Conditions - CSAA 050 0508

All Lines Aggregate Policy – Common Policy Definitions - CSAA 051 0413

Public Entity All Lines Aggregate Policy Coverage Part II – General Liability - CSAA 058 0413

Public Entity All Lines Aggregate Policy Coverage Part IIA – Employee Benefits Liability - CSAA 059 0413

All Lines Aggregate Policy Coverage Part III – Auto Liability - CSAA 055 0413

Public Entity All Lines Aggregate Policy Coverage Part IV – Public Officials' Liability - CSAA 063 0413

Lead Exclusion - ABGL 605 0212

Asbestos Exclusion - ABGL 600 0212

Fungi or Bacteria Exclusion - CSAA 601 1207

Exclusion of Certified Acts of Terrorism – CSAA 604 1207

Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability - CSPE 600 0114

Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability – With

Limited Bodily Injury Exception - CSMP 647 0114

Exclusion of Terrorism Coverage – Auto CSAA 602 1207

Nuclear Energy Liability Exclusion - CSAA 600 1207

Additional Insured Designated Person or Organization– Any person or organization with whom you have agreed in writing in a contract or agreement to include as an additional insured on your policy - CSMP 449 0413

Excess Michigan Personal Injury Protection - CSMP 414 1008



We must be provided with:

- Any changes to your Claims Administrator contact information for your account including address, phone number and e-mail address. The information XL Catlin has currently is:

Claims Administrator Organization: City of Battle Creek
PO Box 1717
Battle Creek, MI 49016

Claims Administrator Contact: Name: Susan Bedsole, Assistant City Manager
Phone: 269-966-3378 ext 1205
Email: sbedsole@battlecreek.mi.us

- Name and license number of the surplus lines broker who will be doing the surplus lines filing and paying of surplus lines taxes and applicable fees.

Company Authorized Signature

A handwritten signature in cursive script that reads 'Jane Swaysland'.

Jane Swaysland
Sr. Underwriter, E&S Casualty

******NOTICE******

This quote is for coverage in an approved Surplus Lines Insurance Company. The Producing Broker is responsible for filing surplus lines affidavits, if required and paying all taxes and applicable fees. Applicable taxes and fees are not included in the premium.

Municipal Retained Amount Policy-Umbrella

Coverage Summary

Excess Liability

10-1-15 to 10-1-16

FIRST NAMED INSURED:

City of Battle Creek

LIMITS:

Each Occurrence	\$	4,000,000
Aggregate	\$	4,000,000

SCHEDULE OF UNDERLYING POLICIES:

(a) General Liability (including Law Enforcement E&O)

Catlin Specialty, ALC 92483-1010, 10-1-15/16, \$1M/\$2M

(b) Automobile Liability

Catlin Specialty, ALC 92483-1014, 10-1-15/16, \$1M

(c) Employer's Liability

Midwest Employers, EWC0077842, 7-1-15/16, \$1M/\$1M/\$1M

(d) Employee Benefits Liability

Catlin Specialty, ALC 92483-1014, 10-1-15/16, \$1M/\$2M

(d) Liquor Liability

Founders, ELM100026, 3-8-15/16, \$1M/\$1M

(e) Professional Liability-EMT

Western World, NPP1123720, 7-1-15/16, \$1M/\$1M

(f) Public Officials' Liability

Catlin Specialty, ALC 92483-1014, 10-1-15/16, \$1M/\$2M

Annual Premium (including broker's fee of \$4,180.50).....	\$	96,466*
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* Expiring was \$94,420 (including broker's fee of \$4,180.50). TRIA available for \$1,351 additional.

Prepared by HUB International Midwest Limited





RENEWAL QUOTE

Date: September 11, 2015

To: Wade Clay

Company: Breckenridge Insurance Services LLC
3870 S Lindberg
St Louis, MO 63127

From: XL Catlin

Please be advised the following quote may not include all coverage requested in your specifications.

Account: City of Battle Creek

Address: P O Box 1717
Battle Creek, MI 49016

Effective Date: 10/1/2015

Expiration Date: 10/1/2016

This Quote Expires: 10/1/2015

Coverage: Excess Liability

Form: CX 00 01 04 13

Issuing Carrier: Catlin Specialty Insurance Company

AM Best Rating: A: XV

Limits of Insurance: \$ 4,000,000 Each Occurrence
\$ 4,000,000 Aggregate, where applicable

Underlying Limits of Insurance :

General Liability	\$ 1,000,000	Each Occurrence Limit
	\$ 1,000,000	Personal Injury/Advertising Liability Limit
	\$ 2,000,000	General Aggregate Limit
	\$ 2,000,000	Products/Completed Operations Aggregate Limit

Automobile Liability	\$ 1,000,000	Each Accident Limit
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Employee Benefits Liability	\$ 1,000,000	Each Employee Limit
Claims Made Coverage	\$ 2,000,000	Annual Aggregate Limit

Retro Date: 09/01/1999

Public Officials Liability	\$ 1,000,000	Each Wrongful Act Limit
	\$ 2,000,000	Aggregate Limit

Employers' Liability	\$ 1,000,000	Each Accident Limit
	\$ 1,000,000	Each Employee - Disease Limit
	\$ 1,000,000	Policy Limit - Disease Limit

Liquor Liability	\$ 1,000,000	Each Occurrence Limit
	\$ 1,000,000	Annual Aggregate Limit

Professional Liability	\$ 1,000,000	Each Professional Incident Limit
	\$ 1,000,000	Aggregate Limit

Annual Premium: \$90,035

Policy Writing Minimum Premium \$22,509 (25%)

88
2250.50
4180.50
96466.32



Additional Charge For Certified Acts of Terrorism: The additional charge to select coverage for Certified Acts of Terrorism as provided for and defined in the Terrorism Risk Insurance Act of 2002, as amended is: **\$1,351**
See offer of coverage and disclosure of premium form for further information

The following are some of the important terms and conditions and exclusions in the policy form:

The insurance provided under the Coverage Part will follow the same provisions, exclusions and limitations that are contained in the applicable controlling underlying insurance, unless otherwise directed by this insurance. To the extent such provisions differ or conflict, the provisions of this Coverage Part will apply. However, the coverage provided under this Coverage Part will not be broader than that provided by the applicable controlling underlying insurance.

Exclusions:

Medical Payments
Auto - First Party Physical Damage
Auto - No Fault Coverage, Personal Injury Protection or Medical Payments
Auto - Uninsured or Underinsured Motorist Coverage
Pollution Exclusion
Workers' Compensation and Similar Laws Exclusion

The following additional forms and endorsements will be attached to the policy:

In Witness Endorsement - ABAP 401 0715
Service of Suit ABAP 900 1008
Schedule of Controlling Underlying Insurance ABXS 300 0413
Nuclear Energy Liability Exclusion - CX 21 01 09 08
Asbestos Exclusion ABGL 600 0212
Exclusion of Certified Acts of Terrorism - CX 21 33 09 08
Exclusion - Access or Disclosure of Confidential or Personal Information CX 21 43 05 14

Company Authorized Signature

A handwritten signature in cursive script, appearing to read 'Jane Swaysland'.

Jane Swaysland
Sr. Underwriter, E&S Casualty

******NOTICE******

This quote is for coverage in an approved Surplus Lines Insurance Company. The Producing Broker is responsible for filing surplus lines affidavits, if required and paying all taxes and applicable fees. Applicable taxes and fees are not included in the premium.

Municipal Retained Amount-Excess

Coverage Summary

EXCESS THIRD PARTY LIABILITY

10-1-15 to 10-1-16

FIRST NAMED INSURED:

City of Battle Creek

LIMITS[&]:

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

Annual Premium (including broker's fee of \$2,000)..... \$ 45,500*

NOTABLE EXCLUSIONS:

Aircraft Liability
Airport Liability
Dams or Reservoirs
Asbestos
Inverse Condemnation
Care, Custody and Control
Amendment of Insuring Agreement-Known Injury or Damage
Silica Dust
Failure to Supply
Uninsured/Underinsured Motorist
War and Terrorism[#]

SCHEDULE OF UNDERLYING POLICIES:

(a) Excess Liability

Catlin Specialty, XSC-92488-1009, 10-1-13/14, \$4M/\$4M

INSURER:

American Alternative Insurance Corp.(Best Rating A+ XV, Admitted)

[&] Limits increased from \$4M to \$5M effective 10-1-06. Could have increased to \$10M for \$20,800 additional in '07.

AAIC would not offer more than \$5M this year. Would need to involve a 3rd carrier for higher limits. Cost of involving another carrier would exceed \$20,800.

* 44,330 total expiring.

[#] TRIA is available for \$4,150 additional.



AmWINS Brokerage of Michigan, Inc.
2851 Charlevoix Drive, SE
Suite 220
Grand Rapids, MI 49546

www.amwins.com

MI License #0005922

September 15, 2015

John Avery
HUB International
300 Country Pine Lane
Battle Creek, MI 49015

RE: City of Battle Creek

EXCESS LIABILITY QUOTATION

Dear John:

Please find attached the Excess Liability Quotation for City of Battle Creek. Here is a summary of the terms and conditions:

APPLICANT:	City of Battle Creek				
MAILING ADDRESS:	10 N Division Battle Creek, MI 49016				
CARRIER:	American Alternative Insurance Corporation				
PROPOSED POLICY PERIOD:	From 10/1/2015 to 10/1/2016 12:01 A.M. Standard Time at the Mailing Address shown above				
POLICY PREMIUM:	<table><tbody><tr><td>\$43,500.00</td><td>Premium (Excludes TRIA)</td></tr><tr><td>\$43,500.00</td><td>Total</td></tr></tbody></table>	\$43,500.00	Premium (Excludes TRIA)	\$43,500.00	Total
\$43,500.00	Premium (Excludes TRIA)				
\$43,500.00	Total				
TRIA PREMIUM:	\$4,350.00 of additional premium if elected				
MINIMUM EARNED PREMIUM:	25%				
COMMISSION:	Net				

SUBJECTIVITIES:

PRIOR TO BINDING:

A signed and dated TRIA Form accepting or rejecting coverage
The signed and dated ACORD Applications (at a minimum the ACORD 125 and 131 form)
A complete schedule of the Underlying

WITHIN 50 DAYS OF BINDING:

A complete copy of the Underlying Catlin Primary Policy
A complete copy of the Underlying Catlin Excess Policy
The Declarations Page of the MWECC EL Policy showing limits

The attached Quotation from the carrier sets out the precise coverage terms and conditions being proposed. Please review this information carefully as the terms being offered may differ from the specifics you requested in your submission.

Please note this Quotation is valid until 10/01/2015. If after reviewing you have any questions or requested changes, feel free to contact me.

Payment is due within 20 days of the effective date.

Thank you for the opportunity to provide this Quotation and I look forward to hearing from you.

Sincerely,

David Leark

Senior Vice President, Casualty | AmWINS Brokerage of Michigan, Inc.
T 616.954.7809 | **M** 616.307.8327 | **F** 616.942.0870 | david.leark@amwins.com
2851 Charlevoix Drive, SE | Suite 220 | Grand Rapids, MI 49546 | amwins.com
DL/gm
In California: AmWINS Brokerage of Michigan Insurance Services | License No.: 0F13093

An AmWINS Group Company

INSURANCE QUOTE

THE TERMS AND CONDITIONS OF THIS QUOTATION MAY NOT COMPLY WITH THE SPECIFICATIONS SUBMITTED FOR CONSIDERATION. PLEASE READ THIS QUOTE CAREFULLY AND COMPARE IT AGAINST YOUR SPECIFICATIONS.

IN ACCORDANCE WITH THE INSTRUCTIONS OF THE BELOW-MENTIONED INSURER, WHICH HAS ACTED IN RELIANCE UPON THE STATEMENTS MADE IN THE RETAIL BROKER'S SUBMISSION FOR THE INSURED, THE INSURER HAS OFFERED THE FOLLOWING QUOTATION.

THIS QUOTATION EXPIRES 30 DAYS FROM THE ISSUE DATE OR ON THE PROPOSED EFFECTIVE DATE LISTED BELOW.

DATE ISSUED: September 15, 2015

PRODUCER: AmWINS Brokerage of Michigan
Po Box 111,
Grand Rapids, MI 49501-0111

INSURED: City of Battle Creek
10 N Division Street,
Battle Creek, MI 49016

INSURER: American Alternative Insurance Corp.
Admitted

COVERAGE: Excess Casualty

POLICY PERIOD: 10/1/2015 TO 10/1/2016

TERM: 12 Months

12:01 A.M. STANDARD TIME AT THE LOCATION ADDRESS OF THE NAMED INSURED. THIS INSURANCE QUOTATION WILL BE TERMINATED AND SUPERSEDED UPON DELIVERY OF THE FORMAL POLICY(IES) ISSUED TO REPLACE IT.

LIMITS OF LIABILITY:

\$5,000,000	Each Occurrence
\$5,000,000	Aggregate
Excess of:	
\$4,000,000	Umbrella
Excess of	Primary

DEDUCTIBLE/SIR:

PREMIUM: \$43,500.00

TOTAL: \$43,500.00

The premium shown above does not include the premium for TRIA. If TRIA coverage is desired, the additional premium would be \$4,350.00

TERRORISM COVERAGE IS AVAILABLE AS INDICATED ABOVE. WE MUST BE ADVISED IN WRITING **AT TIME OF BINDING** IF COVERAGE IS ACCEPTED OR DECLINED.

POLICY FORM: Occurrence

TERMS / CONDITIONS:

(a) **THE PREMIUM SHOWN IS THE ANNUAL MINIMUM AND DEPOSIT PREMIUM, SUBJECT TO 25% MINIMUM EARNED PREMIUM FULLY EARNED AT INCEPTION.**

(b) **ENDORSEMENTS / NOTABLE EXCLUSIONS**

EXCLUSIONS INCLUDE BUT NOT LIMITED TO:

War / Terrorism
Violation of Statutes
Total Pollution
Total CCC
Total Aircraft Liability
Fungi / Bacteria
ERISA
Cyber Liability
Cross Suits
Silica
Lead
Asbestos
Failure to Spply
Hospital
Nursing Homes
Dams & Reservoirs
Inverse Condemnation

ATTACHMENT:

State Amendatory
Agg limit of Liability
Claims Made endt (per primary)
Sublimit Endt

(c) **ATTACHMENTS / SUBJECT TO:**

PRIOR TO BINDING - Signed/completed Terrorism Disclosure & Fraud Statement Form.

PRIOR TO BINDING - Signed/dated Accord Applications by Insured.

PRIOR TO BINDING - Completed schedule of underlying

WITHIN 50 DAYS OF BINDING – A COMPLETE COPY, including ALL Forms and Endorsements of the primary policy.

At a minimum, we require a **signed Accord 125 Form, Umbrella/Excess 131 Form**, and any applicable state fraud warranty form.

NOTE: If we do not receive a copy of the underlying policies, our policy will be cancelled. If the terms of any underlying policy differ from those advised to us, additional terms may be added to our policy.

Bind Request must be received prior to the effective date of coverage. Coverage cannot be back dated.

All underlying carriers AM Best rated A-VI , B+VII or better.

(d) **ALL OTHER TERMS AND CONDITIONS APPLY PER FORM**

FAILURE TO COMPLY WITH ANY OF THE ABOVE MAY RESULT IN THE TERMINATION OF YOUR COVERAGE.

This quote is issued based upon the insurer's agreement to quote and is issued by the undersigned without any liability whatsoever as an insurer. This quote may be withdrawn by the insurer at any time prior to binding.

NOTE: WE CANNOT BIND COVERAGE WITHOUT THE CONSENT OF THE INSURER. COVERAGE IS NOT EFFECTED UPON YOUR ORDER TO BIND BUT UPON OUR CONFIRMATION TO YOU THAT COVERAGE HAS INDEED BEEN BOUND BY THE INSURER.

INSURED: City of Battle Creek
DATE ISSUED: September 15, 2015

Reference #: 4016127

Named Insured:City of Battle Creek

Policy No. or Type of Policy:Excess Casualty

Effective Date:September 15, 2015

Insurance Company: American Alternative Insurance Corp.

**POLICYHOLDER DISCLOSURE NOTICE OF
TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury in consultation with the Secretary of Homeland Security, 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 certain air carriers or vessels 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.

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% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 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 TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' 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.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

_____ I hereby elect to purchase Terrorism coverage as defined in the Terrorism Risk Insurance Act, as amended, for a prospective premium of \$\$4,350.00.

_____ I hereby elect to have the exclusion for terrorism coverage attached to my policy. I understand that an exclusion will be attached to my policy and I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Print Name

Date

TERRORISM RISK INSURANCE ACT

The following is a partial summary of the Terrorism Risk Insurance Act, as amended, (hereinafter referred to as the Act). Only the provisions of the Act determine the scope of the insurance protection available for the losses covered under the Act. The Act has been extended through December 31, 2020.

The Act provides coverage for property and casualty insurance for "insured losses" as a result of an "act of terrorism." As stated in the Act:

- A. "Insured loss" means any loss resulting from an "act of terrorism" (including an act of war, in the case of worker's compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss:
1. occurs within the United States; or
 2. occurs to an air carrier (as defined in section 40102 of title 49, United States Code), to a United States flag vessel (or a vessel based principally in the United States, on which US income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission.
- B. "Act of terrorism" means any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States:
1. To be an act of terrorism;
 2. To be a violent act or an act that is dangerous to:
 - a. human life;
 - b. property; or
 - c. infrastructure;
 3. to have resulted in damage within the United States, or outside of the United States in the case of:
 - a. an air carrier or vessel described in paragraph (5)(B) of Section 102 of the Act; or
 - b. the premises of a United States mission; and
 4. to have been committed by an individual or individuals, as part of an effort to coerce the civilian populations of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. Section 102 (1)(B) of the Act states "no act shall be certified by the Secretary as an act of terrorism if:
1. the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 2. property and casualty insurance losses resulting from the acts, in the aggregate, do not exceed \$5,000,000."
- D. The Act also contains a "program trigger" in Section 103(e)(1)(B), pursuant to which the federal government does not pay compensation for losses resulting from a certified act occurring after December 31, 2007, unless aggregate industry insured losses from such a certified act exceed a certain amount, or "trigger." For insured losses occurring in 2008 and for all additional calendar years, the program trigger is \$100,000,000 through 2015, \$120,000,000 beginning on January 1, 2016, \$140,000,000 beginning on January 1, 2017, \$160,000,000 beginning on January 1, 2018, \$180,000,000 beginning on January 1, 2019, \$200,000,000 beginning on January 1, 2020, of aggregate industry insured losses.

- E. The Act does not apply to: crop or livestock insurance; private mortgage insurance or title insurance; financial guaranty insurance issued by monoline financial guaranty insurance corporations; insurance for medical malpractice; health or life insurance; flood insurance provided under the National Flood Insurance Act of 1968; commercial automobile insurance; burglary and theft insurance; surety insurance; professional liability insurance (except Directors and Officers Liability); or farm owners multiple peril insurance.
- F. Under the Act for calendar years through December 31, 2020, the federal government will reimburse the insurance company for 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of its insured losses in excess of a deductible, until aggregate "insured losses" in any calendar year exceed \$100 billion. Each insurer's deductible will be 20% of its direct earned premium for property and casualty insurance (as reported on Page 14 of the company's Annual Statement), over the immediately preceding calendar year.

For the purposes of determining such deductibles, direct earned premium means only the premiums earned on the commercial lines property and casualty insurance covered by the Act for U.S. risks or vessels, aircraft and foreign missions outside the U.S. covered by the Act.

Neither the insurance company (having met its statutorily mandated share as described above) nor the federal government will be liable for payment of any portion of "insured losses" under the Act that exceeds \$100 billion in the aggregate during any calendar year.

Insured:

Effective on and after:

This schedule forms part of policy number:

Underlying Insurer Please Provide Carrier Name Policy Period	Type of Policy	Applicable Limits of Liability
a)	Employers Liability	\$ Each Accident \$ Disease Policy Limit \$ Each Employee
b)	General Liability ____ Occurrence ____ Claims Made ____ Retroactive ____ Products ____ PI & AI	\$ Occurrence \$ General Aggregate \$ Personal & Adv. Inj. \$ Products Comp Ops Agg
c)	Auto Liability ____ Owned Auto ____ Non-Owned Auto ____ Hired Auto	\$ CSL
d)	Other ____ Claims Made ____ Occurrence	\$ \$ \$ \$
e)	Other	\$ \$ \$ \$
f)	Other	\$ \$ \$ \$

IF THIS SCHEDULE IS NOT RECEIVED WITHIN 10 DAYS OF THE BINDING DATE, YOUR POLICY WILL BE ISSUED USING THE INFORMATION THAT IS ON FILE AT THAT TIME AND WILL NOT BE ENDORSED.

Overview of Minimum & Deposit Premium and Minimum Earned Premium



*A quotation is specifically tailored to meet the explicit requests of a policyholder. Material presented below is intended for information purposes only. It is **NOT** intended as a supplement or replacement for terms contained in a quotation or policy received from AmWINS Group. The information contained herein is for general guidance of matter only. Any views or opinions presented below are solely those of the author. Coverage afforded under any insurance policy issued is subject to individual policy terms and conditions.*

From time to time, AMWINS receives requests for an explanation of both Minimum & Deposit Premium and Minimum Earned Premium – both of which are terms that may appear on a quotation you receive from AmWINS.

The following is meant to provide a high level overview of these concepts. If you have specific questions about a proposal or policy you receive from AmWINS, please contact your AmWINS service team, and we will be happy to discuss in more detail.

MINIMUM & DEPOSIT

This is the amount of the premium due at inception. Although the policy is “ratable”, that is, subject to adjustment based on a rate per exposure unit, under no circumstances will the annual earned premium be less than the minimum premium. In other words, the policy may generate an additional premium based on audit but not a return.

If such a policy is canceled mid-term, the earned premium will be the greater of the annual minimum times the short rate or pro-rata 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 will be the greater of the actual earned premium whether calculated on a pro-rata or short rate basis, or the minimum earned premium.