



# **Colorado Springs Urban Renewal Authority**

## **2016 Insurance Proposal**

Prepared by:

Jill Webb  
Vice President

Alecia Mercier, CIC, CISR  
Operations Specialist

**09/20/2016**

**Colorado Springs Urban Renewal Authority**  
**Your CB Insurance Service Team**

When you need to make changes to your insurance, require claim service, and/or have any other insurance-related questions, our team of qualified professionals is prepared to assist you.

|   |   |
|---|---|
| <b>Insurance Questions</b>  |   |
| In the event you have a question about insurance coverage provided by your current insurance program, or possible future or projected business endeavors, please contact: |   |
| Jill Webb   | 719-228-1063, or<br>jill.webb@centralbancorp.com      |
| <b>Daily Service and Maintenance</b>  |   |
| To make policy changes, request certificates of insurance, or ask questions regarding your insurance program during the policy term, please contact:                      |   |
| Alecia Mercier, CIC, CISR   | 719-477-4256, or<br>alecia.mercier@centralbancorp.com |
| <b>Claims</b>   |   |
| In the event you have a claim or a claim-related question, please contact:  |   |
| Kris Marshek, CISR, AIC, CCP  | 719-477-4257, or<br>kris.marshek@centralbancorp.com   |
| <b>Personal Lines</b>   |   |
| For questions regarding Personal Lines insurance, please contact:   |   |
| Trenda Knott  | 719-477-4263, or<br>trenda.knott@centralbancorp.com   |
| <b>Bonds</b>  |   |
| For questions regarding Bonds, please contact:  |   |
| Jason Yezek, CIC, CISR, AIS   | 719-477-4278, or<br>jason.yezek@centralbancorp.com    |

## Colorado Springs Urban Renewal Authority Marketing Overview

Obtaining a comprehensive and competitively priced program of insurance in the market place requires more than access to the market. Past experience and creditability with markets are the foundation of a successful campaign for your company. Complete and accurate submissions with detailed specifications are essential. CB Insurance made a complete and personal presentation to each company mentioned below:

| <b>Insurance Carrier</b> | <b>Coverage</b>      | <b>A.M. Best's Rating</b> | <b>Admitted or Non-Admitted</b> | <b>Quoted</b>                               |
|--------------------------|----------------------|---------------------------|---------------------------------|---|
| Hartford Insurance       | Commercial Package   | A+                        | Admitted                        | Quoted, \$981                               |
| Allied World             | Management Liability | A                         | Non-Admitted                    | Quoted, \$7,607.58                          |
| ACE American             | Management Liability | A+                        | Admitted                        | Quoted, \$8,200                             |
| Travelers Insurance      | Management Liability | A++                       | Admitted                        | Declination, operations                     |
| Chubb Insurance          | Management Liability | A++                       | Admitted                        | No response                                 |
| Hanover Insurance        | Management Liability | A                         | Admitted                        | Declination, operations/financial condition |
| Philadelphia Insurance   | Management Liability | A++                       | Admitted                        | No response                                 |
| AIG Insurance            | Management Liability | A                         | Admitted                        | Declined, Underwriting criteria             |
| Arch UK                  | Management Liability | A+                        | Non-Admitted                    | Declination, operations                     |
| AXIS                     | Management Liability | A                         | Admitted                        | Declination, no response to timeline        |
| E-Risk Services          | Management Liability | A                         | Admitted                        | Declination, operations                     |
| Great American           | Management Liability | A+                        | Admitted                        | Declination, operations                     |
| Hiscox                   | Management           | A                         | Non-                            | Declination, no                             |

|                   | Liability            |    | Admitted     | response to timeline                 |
|-------------------|----------------------|----|--------------|--------------------------------------|
| Ironshore         | Management Liability | A  | Non-Admitted | Declination, no response to timeline |
| Liberty           | Management Liability | A  | Admitted     | Declination, no response to timeline |
| Markel            | Management Liability | A  | Admitted     | Declined, Underwriting criteria      |
| Monitor Liability | Management Liability | A- | Admitted     | Declined, Underwriting criteria      |
| RLI Corp          | Management Liability | A+ | Admitted     | Declination, no response to timeline |
| RSUI              | Management Liability | A+ | Admitted     | Declined, Underwriting criteria      |
| Zurich American   | Management Liability | A+ | Admitted     | Declination, no response to timeline |

**NOTE** If the above indicates coverage is placed or quoted with a non-admitted carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund which might be applicable in that state.

**Colorado Springs Urban Renewal Authority**  
**Selected Insurance Companies**

| <b>Insurance Coverage</b> | <b>Insurance Company</b> | <b>A.M. Best Rating</b> | <b>Policy Period</b>    |
|---------------------------|--------------------------|-------------------------|-------------------------|
| Commercial Package        | Hartford Insurance       | A+                      | 09/25/2016 – 09/25/2017 |
| Management Liability      | Allied World             | A                       | 09/25/2016 – 09/25/2017 |

**Binding Subjectivities**

- Allied World New Business Application – completed and returned by 10/5/16
- Payment:
  - Hartford Insurance – you will be billed directly by the company
  - Allied World – payment due in full, with a check to CB Insurance, prior to binding (no later than noon on Friday, 9/23) or finance agreement can be requested. A signed agreement and down payment check will then be required (see page 7).
- Management Liability limit option choice

## Colorado Springs Urban Renewal Authority Premium Summary

| Type of Insurance                | 2015-2016<br>Expiring<br>Annual<br>Premium | 2016-2017<br>Estimated<br>Annual<br>Premium |
|----------------------------------|--|---|
| Commercial Package*              | \$1,423                                    | \$981                                       |
| Management Liability**           | \$3,434                                    | \$7,607.58                                  |
| <b>Estimated Annual Premium*</b> | <b>\$4,857</b>                             | <b>\$8,588.58</b>                           |

\*The non-optional terrorism coverage premium is \$19 and is included in the estimated annual premium.

\*Some of the premiums are based on estimated payrolls and/or receipts. An audit may be made by the insurance company after the policy expires to determine final premiums.

**\*\*Optional Management Liability Quotes with \$7,500 retention:**

- \$3,000,000 Limit for \$8,460.42
- \$5,000,000 Limit for \$9,096.96

## **Colorado Springs Urban Renewal Authority Payment Plan**

First Named Insured:

Colorado Springs Urban Renewal Authority

### **IF FINANCED:**

**Note Premium Finance Agreement** Down payment required and monthly installment plan based on policy premiums.

- Taxes and fees are included and paid at 100%.
- Subject to finance charges determined by the finance company.
- Policy changes made after inception are not included in the finance agreement and are paid in full under a separate invoice provided by and payable to CB Insurance.

### **Types of Minimum Premiums**

1. **Full Term Minimum Premium** – The unique insurance needs of your business required us to secure a quote/policy through a specialty insurance carrier. They require that the premium be a minimum fully earned amount. Any audit adjustment would be additional premium only, there are no refunds.
2. **Minimum Earned and Deposit Premium** - The unique insurance needs of your business required us to secure a quote/policy through a specialty insurance carrier who requires a 25% minimum earned premium in the event you cancel the policy after inception.
3. **Policy Writing Premium** – Policies issued through a standard insurance carrier require that the premium to issue the policy is fully earned and is non-refundable due to cancellation or at audit.
4. There could be additional premiums and taxes due if the actual developed payroll and/or sales are higher than the initial estimated amounts.

**Colorado Springs Urban Renewal Authority**  
**General Information**

**Named Insured:**

Colorado Springs Urban Renewal Authority

**Additional Named Insured:**

**Policy Period:**

9/25/2016 – 9/25/2017

**Mailing Address:**

30 S. Nevada Ave. #502  
Colorado Springs, CO 80903

| <b>Loc #</b> | <b>Bldg #</b> | <b>Location Address</b>                              | <b>Occupancy</b> |
|--------------|---------------|--|------------------|
| 1            | 1             | 30 S. Nevada Ave. #502<br>Colorado Springs, CO 80903 | Office           |



## Colorado Springs Urban Renewal Authority

### Specified Location Property Schedule

Hartford Casualty Insurance Company

9/25/2016 to 9/25/2017

| Loc # | Bldg # | Address   | Line of Coverage                      | Limit of Insurance       |
|-------|--------|---|---------------------------------------|--------------------------|
| 1     | 1      | 30 S. Nevada Ave. #502,<br>Colorado Springs, CO 80903 | Business Personal<br>Property         | \$85,200                 |
| 1     | 1      | 30 S. Nevada Ave. #502,<br>Colorado Springs, CO 80903 | Business Income<br>with Extra Expense | Actual Loss<br>Sustained |

#### Terms and Conditions but not limited to the following:

Special Form

\$500 Business Personal Property Deductible

No Business Income Deductible

Replacement Cost

Equipment Breakdown for Direct Physical Loss Due to: Mechanical Breakdown, Steam

Explosion & Artificially Generated Current

#### Key Exclusions but not limited to the following:

Flood and Earthquake Exclusion

Mold, Fungus, Spores Exclusion

Cyber Liability/Hacking Liability Exclusion

**INSURANCE** Coverage is provided for the risk of direct physical loss, for ownership and/or use of property, and is subject to all policy terms, limitations, exclusions, and conditions. The final values used for insurance are ultimately chosen by you, the client.



**Colorado Springs Urban Renewal Authority**  
**Statement of Values**  
 Hartford Casualty Insurance Company  
 9/25/2016 to 9/25/2017

| Loc # | Bldg # | Address   | Line of Coverage                      | Limit of Insurance       |
|-------|--------|---|---------------------------------------|--------------------------|
| 1     | 1      | 30 S. Nevada Ave. #502,<br>Colorado Springs, CO 80903 | Business Personal<br>Property         | \$85,200                 |
| 1     | 1      | 30 S. Nevada Ave. #502,<br>Colorado Springs, CO 80903 | Business Income<br>with Extra Expense | Actual Loss<br>Sustained |

**Property Value Disclaimer & Agreement**

**The Undersigned Acknowledges, Understands, and Agrees That:**

- CB Insurance, LLC relies **solely** on the Applicant/Insured to provide the true, correct and full “replacement cost” of any such property at all times;
- Applicant/ Insured has the sole responsibility to provide to CB Insurance, LLC the true, correct and full “replacement cost” of any property insured or sought to be insured.
- Many policies contain penalty provisions **materially reducing policy benefits payable in the event of an insured loss if the property is “underinsured”**, i.e. insured for a value less than its actual “replacement cost” at the time of the loss.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Applicant/Insured

\_\_\_\_\_  
Printed Name

By: \_\_\_\_\_  
Signature

## Colorado Springs Urban Renewal Authority

### Commercial Liability Insurance

Hartford Casualty Insurance Company

9/25/2016 to 9/25/2017

| <b>Commercial Liability Insurance</b>   | <b>Limit of Insurance</b> |
|---|---------------------------|
| Per Occurrence                          | \$1,000,000               |
| General Aggregate                       | \$2,000,000               |
| Products/Completed Operations Aggregate | \$2,000,000               |
| Personal Injury and Advertising Injury  | \$1,000,000               |
| Fire Damage Legal Liability             | \$300,000                 |
| Medical Payments                        | \$10,000                  |
| Hired and Non-Owned Auto Liability      | \$1,000,000               |

**INSURANCE** Coverage is provided for protection against loss because of your negligence to persons or property resulting from your premises or operations, and is subject to all policy terms, limitations, exclusions, and conditions.

**Colorado Springs Urban Renewal Authority**  
**Commercial General Liability Insurance (continued)**

Hartford Casualty Insurance Company  
9/25/2016 to 9/25/2017

**Terms and Conditions but not limited to the following:**

Occurrence Form

Defense is Outside the Policy Limit of Liability

Limitation of Coverage to the Designated Premises or Project

Certified Acts of Terrorism Included

**Key Exclusions but not limited to the following:**

Access or Disclosure of Confidential or Personal Information Exclusion

Cyber Liability/Hacking Liability and Related Expenses Exclusion

**NOTE** Mobile Equipment that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state in which it is licensed or garaged is now deemed an auto and must be scheduled under the Automobile Policy.

## Colorado Springs Urban Renewal Authority

### Directors & Officers Liability Insurance

Allied World Surplus Lines Insurance Company

9/25/2016 to 9/25/2017

|            | Limit of Liability |
|------------|--------------------|
| Each Claim | \$2,000,000        |
| Aggregate  | \$2,000,000        |

| Self-Insured Retention          |         |
|---------------------------------|---------|
| Each Officials Management Claim | \$7,500 |

**Terms and Conditions include, but are not limited to, the following:**

Claims Made Form

Tail Coverage may be Purchased in the Event Coverage is Terminated or Not Renewed

Defense is Outside the Limit of Liability

Duty to Defend

Combined Limits with Employment Practices Liability

Defense Coverage for Non-Monetary Claims: \$50,000 per occurrence, \$100,000 aggregate

Crisis Management \$25,000

Minimum Earned Premium Upon Cancellation Endorsement

Additional Public Entity Endorsement: Colorado Springs Regional Tourism Act Advisory Board

Hammer Clause 60/40

**Key Exclusions include, but are not limited to, the following:**

Bodily Injury, Property Damage, Mental Anguish, Emotional Distress

Pollution

Insured vs. Insured

ERISA

Deliberate Fraudulent Act or Omission or any Willful Violation of any Statute or Regulation

Outside Directorship Liability

Cyber Liability/ Hacking Liability

Professional Services Exclusion

Exclusion for Losses Related to Tax Issues

**INSURANCE** Coverage provides protection against loss the insured becomes legally obligated to pay as a result of actual or alleged misstatements, misleading statements, a wrongful act, error or omission, or breach of duty, and is subject to all policy terms, exclusions and conditions.

**\*\*Optional Management Liability Quotes with \$7,500 retention:**

- \$3,000,000 Limit for \$8,460.42
- \$5,000,000 Limit for \$9,096.96

## Colorado Springs Urban Renewal Authority

### Employment Practices Liability Insurance

Allied World Surplus Lines Insurance Company

9/25/2016 to 9/25/2017

|            | Limit of Liability |
|------------|--------------------|
| Each Claim | \$2,000,000        |
| Aggregate  | \$2,000,000        |

| Self-Insured Retention                    |         |
|---|---------|
| Each Employment Practices Liability Claim | \$7,500 |
| Each Third Party Claim                    | \$7,500 |

#### Terms and Conditions but not limited to the following:

Third Party Liability Coverage Included  
Tail Coverage may be Purchased in the Event Coverage is Terminated or Not Renewed  
Defense is Outside the Limit of Liability  
Duty to Defend  
Combined Limits with Directors and Officers Liability  
Defense Coverage for Non-Monetary Claims: \$50,000 per occurrence, \$100,000 aggregate  
Crisis Management \$25,000  
Minimum Earned Premium Upon Cancellation Endorsement  
Additional Public Entity Endorsement: Colorado Springs Regional Tourism Act Advisory Board  
Hammer Clause 60/40

#### Key Exclusions but not limited to the following:

Bodily Injury, Property Damage, Mental Anguish, Emotional Distress  
Pollution  
ERISA  
Costs Associated with any Accommodation Pursuant to the Americans with Disabilities Act or Civil Rights Act of 1964 or Similar Provisions of Any Federal, State or Local Law  
Fair Standards Labor Act (Wage & Hour Disputes)  
Cyber Liability/ Hacking Liability  
Professional Services Exclusion  
Exclusion for Losses Related to Tax Issues

**INSURANCE** Coverage provides protection against loss for which the insured becomes legally obligated to pay for employment related offenses such as discrimination, harassment, wrongful termination and other workplace torts, subject to all policy terms, exclusions and conditions.

#### \*\*Optional Management Liability Quotes with \$7,500 retention:

- \$3,000,000 Limit for \$8,460.42
- \$5,000,000 Limit for \$9,096.96

## Colorado Springs Urban Renewal Authority

### Optional Coverages

The following is a list of other coverages you may wish to consider. This is not an all-inclusive list. CB insurance will be happy to provide a proposal on any of these coverages at your request. Additional information or applications may be needed to provide a quote. Please return this list with a check beside the coverage you wish to have quoted.

- Architects and Engineers Professional** – A form of insurance coverage that protects the insured against liability for committing an error or omission in the performance of professional duties.
- Building Ordinance or Law** – Coverage available by endorsement when a community has building ordinance(s) that states when a building is damaged to a specific extent (Typically more than 50%), and it must be completely demolished and rebuilt in accordance with current building codes rather than repaired.
- Business Income/Extra Expense** – Coverage for regular operating expenses and loss of earnings of a business caused by a covered cause of loss. Coverage is activated after a business has a covered loss and coverage ceases when the business resumes normal operations.
- Computer Fraud** – Covers theft of money, securities, or property using a computer to transfer covered property from the insured's premises or bank to another person or place.
- Contingent Business Interruption** – Covers the insured's business interruption loss caused by damage to the property of a key supplier or customer, or to a lead location (a nearby business that attracts customer to the insured's business).
- Cost Containment Certification** – Applicable to Workers' Compensation.
- Cyber Liability** – Coverage for damages to first and/or third parties caused by breach of security. If a company collects, stores or transmits data it could be exposed to this type of loss.
- Design Build Professional** – A form of insurance coverage that protects the insured against liability for committing an error or omission in performance of professional duties.
- Directors and Officers Liability** – Insures corporate officers and directors against claims, usually by stockholders or employees, alleging loss arising from mismanagement.
- Earthquake** – This coverage is typically excluded from property policies. It can be endorsed on to some policies and/or is written as a separate policy, which provides coverage for damage to property resulting from the effects of an earthquake.
- Employee Benefits Liability** – Coverage that responds to administrative errors in handling of employee benefit plans.
- Employee Dishonesty** – Coverage for employee theft of money, securities, or property, written with either a per loss limit, a per employee limit, or a per position limit. You must be willing to file charges against the alleged party to activate coverage.
- Employment Practices Liability** – Coverage for employment related wrongful acts including but not limited to wrongful termination, discrimination and harassment.

## Colorado Springs Urban Renewal Authority

### Optional Coverages (continued)

- ERISA Compliance** – Coverage required for all individuals who handle plans funds or other plan assets to be bonded by the Employee Retirement Security Act pertaining to employee welfare and/or pension benefits plan. Protection from fraudulent and dishonest acts (stealing assets from the plan). Plans are required to be insured for at least 10% of the plans assets or \$500,000, whichever is less.
- Equipment Breakdown** – Coverage for loss caused by mechanical or electrical equipment breakdown, including damage to the equipment, damage to other property of the insured, and damage to property of others.
- Fiduciary Liability** – Coverage for claims alleging breach of fiduciary duties as defined by ERISA including but not limited to: improper interpretation of plan documents, improper disclosure to plan participants, improper calculation of benefits, wrongful termination of plan, insufficient funding of plan, misrepresentation, administrative errors, and imprudent investment decisions.
- Flood** – This coverage is typically excluded from property policies. It can be endorsed on to some policies and/or is written as a separate policy, which provides coverage for damage to property resulting from the effects of a flood.
- Forgery or Alteration Coverage** – Insures against loss caused by forgery or alteration of outgoing drafts, checks, promissory notes, and similar instruments drawn against an insured's account.
- Higher Limits of Liability** – (Umbrella, Workers' Compensation, Directors & Officers, Employment Practices, Etc.)
- Jobsite Pollution** – Coverage that may be endorsed to your policies and/or is written as a separate policy, which provides cleanup costs associated with pollution.
- Key Man** – Life insurance owned by the firm on the life of a key individual that will in the event of his or her death, offset a loss in earnings and provide the funds necessary to find, hire and develop a replacement. It is designed to offset losses resulting from the death of a key person, such as reduced sales interruption or a vital research project, flow of production, or an impaired credit standing.
- Kidnap/Ransom** – Specialty crime coverage that insures against loss by the surrender of property as a result of a threat of harm to the named insured, an employee, or a relative or guest of the insured or the insured's employees.
- Molds, Fungus or Spores Pollution** – Coverage that may be endorsed to your policies and/or is written as a separate policy, which provides cleanup costs associated with infestation of molds, fungus or spores.
- Terrorism** – Specialty coverage that insured against loss caused by the acts of terrorists. This coverage is typically excluded from policies. Coverage may be available by endorsement or a separate policy may be provided.
- Wrap-ups** – owner or contractor controlled insurance programs.



## **Colorado Springs Urban Renewal Authority Disclaimer**

The information contained in this document is proprietary information and should be considered confidential and is intended solely for use by the individual or entity to which it is addressed. Copying, disseminating or disclosure of this information to others is not permitted and the recipient should destroy the document immediately.

We are pleased to provide you with this proposal. This is a convenient coverage summary not a legal contract. This proposal is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

In evaluating your exposures to loss, we have been dependent upon information provided by you. Values insured are ultimately chosen by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound such as beginning new operations, hiring employees in new states, buying additional property, etc., please contact us immediately so proper coverage(s) can be discussed. Higher limits may be available at your request.

While we will strive to place your insurance with reputable, highly rated companies, we cannot guarantee the financial stability of any insurance company.

**This proposal is valid until 09/25/2016.**

***This is not a binder of insurance.***

### **COMMUNICATION PROCEDURES**

In order to ensure that your important changes are properly communicated, the binding or altering of coverage must be confirmed by agency personnel.

## Colorado Springs Urban Renewal Authority Guide to AM's Best Rating

Best's Insurance Reports, published annually by A.M. Best Company, Inc. presents comprehensive report on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating, which attempts to measure the comparative position of the company or association against industry averages.

Best's ratings are based on analysis, which give consideration to a number of factors of varying importance. While the analysis is believed to be reliable, we cannot guarantee the accuracy of the rating or the financial stability of the insurance company.

A copy of the Best's Insurance Report on the insurance companies is available for your review.

### A.M. BEST'S RATING CLASSIFICATIONS

| Explanation of Best's Ratings |                         |
|-------------------------------|-------------------------|
| A++ and A+ .....              | Superior                |
| A and A- .....                | Excellent               |
| B++ and B+ .....              | Very Good               |
| B and B- .....                | Adequate                |
| C++ and C+ .....              | Fair                    |
| C and C- .....                | Marginal                |
| D .....                       | Very Vulnerable         |
| E .....                       | Under State Supervision |
| F .....                       | In Liquidation          |
| NR .....                      | Not Rated               |

| Financial Size based on Surplus (\$Millions) |                                |      |                                    |
|--|--------------------------------|------|------------------------------------|
| I  | \$0 to \$1,000,000             | IX   | \$250,000,000 to \$500,000,000     |
| II   | \$1,000,000 to \$2,000,000     | X    | \$500,000,000 to \$750,000,000     |
| III  | \$2,000,000 to \$5,000,000     | XI   | \$750,000,000 to \$1,000,000,000   |
| IV   | \$5,000,000 to \$10,000,000    | XII  | \$1,000,000,000 to \$1,250,000,000 |
| V  | \$10,000,000 to \$25,000,000   | XIII | \$1,250,000,000 to \$1,500,000,000 |
| VI   | \$25,000,000 to \$50,000,000   | XIV  | \$1,500,000,000 to \$2,500,000,000 |
| VII  | \$50,000,000 to \$100,000,000  | XV   | \$2,000,000,000 or more            |
| VIII   | \$100,000,000 to \$250,000,000 |      |                                    |

**NOTE** At your option, you may wish to consult with other available rating services.

CB Insurance, LLC uses A. M. Best & Co.'s rating services to evaluate the financial condition of insurers whose policies we propose to deliver. CB insurance, LLC makes no representations or warranties concerning the solvency of any carrier, nor does it make any representations or warranties concerning the current or future rating of any carrier.

## **Hartford's TRIA Disclosure**

Hartford Disclosure Pursuant to Terrorism Risk Insurance Act

### **Terrorism Coverage and Premium**

In accordance with the federal Terrorism Risk Insurance Act (as amended "TRIA"), we are required to make coverage available under your policy for "certified acts of terrorism." The actual coverage provided by your policy(ies) will be limited by the terms, conditions, exclusions, limits, and other provisions of your policy(ies), as well as any applicable rules of law.

The portion of your premium attributable to this terrorism coverage is shown in the premium section(s) of this quote proposal or binder.

### **Definition of Certified Act of Terrorism**

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting 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.

### **Disclosure of Federal Share of Terrorism Losses under TRIA**

The United States Department of the Treasury will reimburse insurers for 85% of insured losses that exceed the applicable insurer deductible. Effective January 1, 2016, this percentage will be reduced to 84%, effective January 1, 2017 to 83%, effective January 1, 2018 to 82%, effective January 1, 2019 to 81%, and effective January 1, 2020 to 80%.

However, if aggregate industry insured losses under TRIA exceed \$100 Billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

### **Cap on Insurer Liability for Terrorism Losses**

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 Billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

**Colorado Springs Urban Renewal Authority**  
**CB Insurance Compensation Disclosure**  
Commission Only Basis

We are pleased that you have asked CB Insurance to provide selected insurance services. The purpose of this disclosure is to explain to you how we are compensated for our work.

For the placement and service of your insurance program, CB Insurance will receive commissions based compensation from selected insurance companies and/or wholesale intermediaries. The compensation received by CB Insurance may differ depending on the product and the insurance company. CB Insurance may receive additional compensation from selected companies based upon other factors, such as the loss or claims experience of our book of business with a particular insurance company, growth in new business, retention of the business, premium volume placed with a particular insurance company or for particular lines of insurance or categories of coverage, training and technology, investments and profitability. CB Insurance may also receive interest income from monies held by us on your account until paid to cognizant insurers on your behalf. CB insurance may be reimbursed for service rendered under contact with selected premium finance companies who agree to finance your account premiums.

We are happy to provide specific additional information related to your account upon request. It is our privilege to serve you, and we want you to be comfortable with how we do business.