



Colorado Springs Urban Renewal Authority

Insurance Proposal

Prepared by:

Jill Webb
Vice President

Alecia Mercier, CIC, CPIA, CISR
Operations Specialist

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SERVICE TEAM

No matter how comprehensive or price competitive your insurance program is, it's still people who must service it to ensure that the coverage will respond when it's needed. We feel our people are our greatest asset – courteous professionals who know that you expect and deserve the very best.

These are the people who handle your account:

Jill Webb
Vice President
Direct T# (719) 228-1063
jill.webb@centralbancorp.com

Alecia Mercier, CIC, CPIA, CISR
Operations Specialist
Direct T# (719) 477-4256
alecia.mercier@centralbancorp.com

For claims questions, please contact:

Kris Marshek, CISR, AIC, CCP
Direct T# 719-477-4257
kris.marshek@centralbancorp.com

For a Personal Insurance quote, please contact:

Trenda Knott
Direct T# 719-477-4263
trenda.knott@centralbancorp.com

For a Bond quote, please contact:

Jason Yezek
Direct T# 719-477-4278
jason.yezek@centralbancorp.com

Agency Main T#: (719) 228-1070

Agency Fax #: (719) 228-1071

**Visit our Website at: www.centralbancorp.com
www.cbschoolpros.com**

MANAGEMENT LIABILITY MARKETING OVERVIEW

Obtaining a comprehensive and competitively priced program of insurance in the marketplace requires more than access to the market. Past experience and credibility 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:

Carrier	Quoted
PGU/Indian Harbor	Incumbent. Quote included herein.
AIG (CorPro)	Unable to provide competitive terms.
Arch	Declined due to nature of operations.
Arch UK	Declined due to underwriting guidelines.
AWAC	Declined due to nature of operations.
Berkley Select	Declined due to nature of operations.
CFC (Lloyds)	Declined as they are not a market for Public Officials Liability.
Chubb	Awaiting response; however, we do not anticipate receiving more competitive terms than those offered.
CNA	Declined due to underwriting guidelines.
Crum & Foster	Declined as they are not a market for Public Officials Liability.
Dual	Declined as they are not a market for Public Officials Liability.
E-Risk	Declined due to nature of operations.
Great American	Declined due to underwriting guidelines.
Hartford	Declined, unable to be competitive with the expiring program.
HCC	Declined due to nature of operations.
Hiscox	Declined, unable to be competitive with the expiring program.
Kinsale	Declined, unable to be competitive with the expiring program.
Markel	Declined due to underwriting guidelines.
Maxum	Declined due to nature of operations.
Navigators	Alternative quote \$8,880.66; Declined
OneBeacon	Declined, unable to be competitive with the expiring program.

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.

BINDING SUBJECTIVITIES & PAYMENT INFORMATION

Binding Subjectivities

- Signed Statement of Values (included pgs 11-12)
- Payment Info below

Payment

- Commercial Package – direct bill from Hartford Insurance
- Management Liability – full payment, check to CB Insurance, for \$9,762.34

100% Minimum & Deposit and 25% Minimum Earned Premium

We ask that all our customers give special attention to audit invoices. Audits require special payment terms given that they are fully earned upon receipt. For this reason, all audits are due within 10 days from invoice date. If a discrepancy arises with an audit, a written objection should be returned within 10 days.

PREMIUM SUMMARY

Type of Insurance	Policy Period	Expiring Insurance Company	2017-2018 Expiring Annual Premium**	Renewal Insurance Company	AM Best Rating	2018-2019 Estimated Annual Premium
Commercial Package	11/15/18 – 11/15/19	Hartford Insurance	\$1,006	Hartford Insurance	A+ XV	\$1,070
Management Liability	11/15/18 – 11/15/19	Indian Harbor	\$9,606.81	Indian Harbor	A XV	\$9,762.34
Estimated Annual Premium			\$10,612.81			\$10,832.34

*The required terrorism coverage premium is \$21 and is included in the estimated package 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.

**Premiums are annualized

Optional Quotes

Description of Coverage	Limit	Estimated Premium	Accept/Reject
Employment Practices: Wage and Hour Sublimit	\$50,000	\$475.50	

Additional Coverages and Form Exclusions are included, but may not be limited to those listed, under each specific line of coverage.

GENERAL INFORMATION

Mailing Address

30 S. Nevada Ave. #603
Colorado Springs, CO 80903

Location Schedule

Loc #	Bldg #	Location Address	Occupancy
1	1	30 S. Nevada Ave. Colorado Springs, CO 80903	Office - Ste #603

COMMERCIAL PROPERTY

Coverage Provided by: Hartford Casualty Insurance Company
Effective Dates: November 15, 2018 - November 15, 2019

Named Insureds

First Named Insured

Colorado Springs Urban Renewal Authority
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Colorado Springs Urban Renewal Authority

Premises

Subject			Max Amount	Valuation	Agreed Value	Cause of Loss	CoIns %	Ded
Loc #1	Bldg #1	30 S. Nevada Ave. Colorado Springs, CO 80903						
Business Personal Property			\$93,000	R	N/A	Special	N/A	\$ 500
Business Income with Extra Expense			Actual Loss Sustained	L				0 Hrs
Equipment Breakdown Direct Physical Loss Due to: Mechanical Breakdown, Artificial Generated Current			Included					

Notes:

Definitions		
A = Actual Cash Value	C = Agreed Amount	Co-Ins% = Coinsurance Percentage
Ded = Deductible	E = Agreed Amount	F = Functional Replacement Cost
L = Actual Loss Sustained	R = Replacement Cost	U = Full Value Replacement Cost
V = Agreed Value	X = Extended Value Replacement Cost	

**Higher limits may be available upon request.
Refer to policy for additional terms, conditions and endorsements.**

Colorado Springs Urban Renewal Authority

Additional Coverages

Description	Limit
Stretch Enhancement Endorsement Included	
Computer Fraud	\$5,000
Employee Dishonesty	\$10,000
Money and Securities: Inside the Premise	\$10,000
Outside the Premises	\$5,000
Business Income and Extra Expense - 13 months Included	
Identity Recovery Coverage	\$15,000
Sewer and Drain Back-up - Included up to Covered Property Limits	

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.

STATEMENT OF VALUES

Coverage Provided by: Hartford Casualty Insurance Company
 Effective Dates: November 15, 2018 - November 15, 2019

Loc #	Bldg #	Address	Line of Coverage	Limit of Insurance
1	1	30 S. Nevada Ave. Colorado Springs, CO 80903	Business Personal Property	\$93,000
1	1	30 S. Nevada Ave. Colorado Springs, CO 80903	Business Income with Extra Expense	Actual Loss Sustained
1	1	30 S. Nevada Ave. Colorado Springs, CO 80903	Equipment Breakdown Direct Physical Loss Due to: Mechanical Breakdown, Artificial Generated Current	Included

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 _____ 2018

Applicant/Insured

Printed Name

By: _____

Signature

COMMERCIAL LIABILITY

Coverage Provided by: Hartford Casualty Insurance Company
 Effective Dates: November 15, 2018 - November 15, 2019

General Coverage Information
 Occurrence/Claims Made: Occurrence

Named Insureds

First Named Insured
Colorado Springs Urban Renewal Authority

Coverage/Limits

Coverage	Limit
General Aggregate	\$2,000,000
Products / Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage	\$300,000
Medical Expense	\$10,000
Hired and Non-Owned Auto Liability	\$1,000,000

Classifications

Classification		Class Code	Rate per \$1,000	Exposure
Loc #: 1	Bldg #: 1	30 S. Nevada Ave. • Colorado Springs, Colorado 80903		
Office		N/A	Included	300 Ft Area

**Higher limits may be available upon request.
 Refer to policy forms for additional terms, conditions and endorsements.**

INSURANCE Coverage is provided for protection against third party bodily injury and/or property damage loss arising out of your premises or operations and is subject to all policy terms, limitations, exclusions and conditions.

Additional Coverages

Description	Limit	Deductible
Employment Practices Liability: Claims Made, Retro Date 03/25/2002 Each Claim Aggregate	\$5,000 \$5,000	N/A
Wage & Hour Sublimit - Employment Practices Liability	\$5,000	
Cap on Losses from Certified Acts of Terrorism		
Defense is Inside the Limits of Liability		

Forms & Endorsements

Name
Limitation of Coverage to the Designated Premises or Project

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.

EMPLOYMENT PRACTICES LIABILITY

Coverage Provided by: Indian Harbor Insurance Company
 Effective Dates: November 15, 2018 - November 15, 2019

Named Insureds

First Named Insured
Colorado Springs Urban Renewal Authority

Additional Named Insureds
Colorado Springs Regional Tourism Act Advisory Board

Coverage Detail

	Limit of Liability
Per Claim	\$5,000,000
Aggregate Limit	\$5,000,000
Retention	\$7,500
Third Party Retention	\$7,500

Additional Coverages

Description	Limit	Deductible
Shared Limits with Directors & Officers (Public Officials Liability)		
Defense Coverage for Non-Monetary Claims Sublimit – Per Occurrence	\$250,000	
Aggregate	\$500,000	
Minimum Earned Premium - Greater of \$1,500 or 25% of Annual Premium		
Defense is Outside the Limits of Liability		
Full Prior Acts coverage		
Discovery 1 year at 70% Additional Premium on a Bilateral Basis		
Crisis Management Sublimit	\$25,000	\$5,000
Third Party Liability Included		
Duty to Defend		
Consent to settle clause 60% Carrier / 40% Insured		
Defense Only Reimbursement Coverage for Breach of Contract Sublimit	\$25,000	

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.

DIRECTORS & OFFICERS LIABILITY

Coverage Provided by: Indian Harbor Insurance Company
 Effective Dates: November 15, 2018 - November 15, 2019

Named Insureds

First Named Insured
Colorado Springs Urban Renewal Authority

Additional Named Insureds
Colorado Springs Regional Tourism Act Advisory Board

Coverage Detail

	Limit of Liability
Per Claim Limit	\$5,000,000
Aggregate Limit	\$5,000,000
Retention	\$7,500

Additional Coverages

Description	Limit	Deductible
Directors & Officers (Public Officials Liability) Shared Limits with Employment Practices Liability		
Minimum Earned Premium - Greater of \$1,500 or 25% of Annual Premium		
Duty to Defend		
Full Prior Acts coverage		
Defense is Outside the Limits of Liability		
Discovery 1 year at 70% Additional Premium on a Bilateral Basis		
Crisis Management Sublimit	\$25,000	\$5,000
Consent to settle clause 60% Carrier / 40% Insured		
Defense Only Reimbursement Coverage for Breach of Contract Sublimit	\$25,000	
Defense Coverage for Non-Monetary Claims Sublimit – Per Occurrence	\$250,000	
Aggregate	\$500,000	

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.

COVERAGE SUGGESTIONS

PROPERTY

Special Form

This coverage will protect covered property against physical loss arising from any cause not specifically excluded. The advantage of this form is that the insurance company must prove that a loss is specifically excluded in order to deny coverage under the policy.

Replacement Cost

This loss valuation method pays for the cost to repair or replace damaged items with like kind and quality without deduction for depreciation. This is important since you could face a substantial loss if you must replace property at today's price but receive only the depreciated value of the property that was destroyed.

Agreed Value

This coverage is used to remove the coinsurance requirement from your property policy. With it your company agrees that the limits of insurance purchased by you are adequate, and any coinsurance requirements will be waived in the event of a covered loss.

Blanket Insurance

This coverage allows for a single limit of insurance to apply to two or more property items at one location, or to two or more kinds of property at several locations, instead of a specific amount applying to a specific subject of insurance. It allows you to shift property values with no impairment of recovery, as long as the total amount of insurance carried complies with the coinsurance requirement stated in the policy.

Equipment Breakdown

This insurance is used to protect against loss or damage to covered property that results from mechanical breakdown, electrical damage, explosion of a boiler, or other covered events as specified in the form.

Peak Season Endorsement

This coverage will provide higher amounts of insurance for specific periods of time during the year as indicated by the dates on the endorsement. Using this endorsement allows you to enjoy many of the advantages of a reporting form without the problems associated with reporting requirements.

Personal Property of Others

The provision of your property policy extends coverage to insure against loss of personal property of others while in your care, custody or control, up to the limits specified in the form.

Leasehold Improvements

This coverage is used to extend your property policy to insure against loss of specified alterations or additions that you have made in the building you rent or lease. This is important because these improvements become the property of the building owner and you will not be compensated for their loss of use after damage unless you have this coverage.

Spoilage

This endorsement is used to insure against loss to perishable stock when caused by a change in temperature or humidity that results from (1) mechanical breakdown or failure of equipment, (2) contamination of stock by a refrigerant of such equipment, and (3) power outage resulting from an on or off premises power failure. Please note that coverage for these additional perils must be indicated on the form for it to be activated.

Back-Up Sewers or Drains

Provides coverage for damage caused by water which backs up through sewers or drains or water which enters into and overflows from within a sump pump, sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area.

Business Income/Extra Expense

This coverage is used to insure against loss of business income (including any continuing normal operating expenses) that you sustain due to the necessary suspension of your business operations. To be covered the suspension must be caused by a direct physical loss of or damage to property at the premises described in your policy and for which a business income limit of insurance is shown. Under this form, extra expenses are included and rental values can be added as an option. An extended period of Indemnity provision can be included to provide coverage after you resume operations until your business returns to normal levels of activities, up to the time period specified in the form.

Loss of Rental Income

This coverage is used to insure against the following types of business income losses that result from a covered peril. Loss of net rental income that would have been earned or incurred from tenant occupancy of the described premises as furnished and equipped by you including fair rental values of any portion of the described premises which is occupied by you. Continuing normal operating expenses incurred in connection with that premises including payroll and the amount of charges that are the legal obligation of the tenants but would otherwise be your obligations.

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. This endorsement can be used to broaden this basic verbiage to include protection for three additional coverage exposures:

Coverage A-payment for the value of the **undamaged part of a building** when a building code requires its demolition following a partial loss.

Coverage B- coverage for the expense of **demolishing the undamaged portion** of a building damaged by an insured peril including the cost of removing the debris.

Coverage C-coverage for the **increased costs of construction** resulting from enforcement of construction or building laws. This coverage applies to both the damaged and undamaged portions of the structure.

Earthquake

This coverage is used to provide protection for loss due to earth movement including earthquake shocks and volcanic eruption.

Flood

This coverage is used to provide protection against loss due to water damage arising from flooding, surface water, tides, tidal waves, and the overflow of any body of water as defined in the policy.

Excess Flood

Excess limit of flood insurance above primary limit.

Off Premises Services

Used to insure against property damage that results from an interruption of services by a facility that provides you with power, water or communications when caused by a covered peril. Option to include Overhead Transmission Lines.

Debris Removal

Your Property policy provides that debris removal cost resulting from a covered loss will be covered up to a maximum of 25 percent of the amount paid for such damaged property. If the property limit is exhausted (as with a total loss) or it exceeds the 25%.

Wind/Hail Deductible Buyback

Offers an opportunity to provide lower percentages or flat dollar deductibles from the primary property policy.

LIABILITY

Discontinued Products/Operations

This coverage is used to defend against lawsuits that arise after a company has gone out of business as an owner may be liable for third party injuries that take place after the company has ceased operating.

Employee Benefits

This coverage is used to insure against negligent acts, errors or omissions, committed by you or any person whose acts you are legally responsible for while engaging in the administration of your company's employee benefit plans.

Liquor Liability

Liquor liability provides coverage against claims for injury sustained by any person or organization if liability for such injury is imposed on you by reason of your selling, serving, or furnishing, of any alcoholic beverage. This is needed because standard General Liability policies excluded coverage for such activities.

Aggregate Limits by Location

This is an endorsement added to Commercial General Liability policies which extends separate liability limits for each location.

Pollution Liability

The coverage is used to insure against claims arising from pollution related occurrences as defined in the form.

Fiduciary Liability

This coverage is used to insure you against claims alleging breach of fiduciary obligations as outlined under the Employment Retirement Income Security Act of 1974.

Directors & Officers

This insurance is used to insure against claims arising from the negligent acts, errors or omissions alleged to have been committed by present or former directors or officers of your corporation.

Employment Practices Liability

This coverage is used to protect against lawsuits by employees alleging wrongful termination, discrimination, harassment, or other specified employment related exposures.

Professional Liability

This coverage is used to insure against claims arising out of negligent acts, errors or omissions in the rendering or failing to render professional services as defined in the policy.

Cyber Liability

Third party e-commerce/cyber policies are designed to cover a number of internet related activities often excluded under a standard CGL form. For example, security breaches can arise when an outside hacker, disgruntled employee or subcontractor uses an insured's computer system to gain illegal access to another party's computer to transmit malicious code.

Umbrella Liability

This policy provides protection against catastrophic liability claims. The policy acts as an excess coverage over your primary liability policies. Its limits apply in addition to that provided by the underlying coverage.

International/Foreign Liability

A specialty policy for an insured's liability for foreign operations arising out of a permanent branch office, manufacturing facility, construction project, or other operation located in another country.

Sexual Abuse or Molestation

This coverage provides defense against allegations or coverage for claims citing sexual abuse or molestation.

MARINE

Owned Watercraft

Coverage applies to the owned vessels of an insured including the hull, machinery and all other equipment generally required to be on board for the operation and maintenance of the vessel.

Piers, Wharves, Floats, Docks

This coverage is used to provide coverage for pilings, wharfs or docks as specified in the policy.

Yacht Dealers Inventory

This coverage is used to insure your stock held for sale including watercraft, motors, trailers, and other equipment and accessories incidental to your business. This form covers such property while it is situated at covered locations, temporarily off premises.

Marina Operators Legal Liability

This coverage is used to insure the various bailment exposures for which you might be responsible. These include repairs, alterations, maintenance, restoration, storage, mooring of ships, launching or hauling, fueling and any miscellaneous servicing done.

Protection & Indemnity

This insurance covers you against liability claims arising out of the ownership or use of watercraft as defined in the form.

Ocean Cargo

This policy is used to provide coverage for property you ship overseas while within the described territory and for the limits and perils declared on the form.

CRIME

Employee Dishonesty

This bond covers losses sustained by you due to fraudulent or dishonest acts of employees. The policy covers loss of money, securities or other property real or personal due to such acts. It covers loss caused by one or more employees up to the face amount of the bond.

Money & Securities

This coverage is used to insure against loss of money and securities caused by theft, disappearance, or destruction while located inside your premises or banking premises. It also covers damage to premises resulting from actual or attempted theft. It insures only money and securities and no other types of property. This coverage is used to insure against loss of money and securities or other property caused by theft, disappearance, or destruction while located outside your premises in the care and custody of a messenger or armored motor vehicle.

ERISA

Coverage reimburses covered plans for loss due to fraud by a trustee, officer, employee, administrator or a manager including administrators or managers who are independent contractors.

Forgery

This coverage protects you against loss due to the forgery or alteration of checks, bank drafts, promissory notes, or other similar financial instruments drawn against your bank account. It does not, however, cover dishonest acts of your employees, which must be insured with Employee Theft Coverage.

Computer Fraud

This insurance will cover loss or damage to money, securities, and other property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside your premises or banking premises to a person or place outside those premises.

Computer Theft of Information

This coverage is used to insure against financial loss that results from the theft of information from your computer system as specified in your policy.

INLAND MARINE

Electronic Data Processing

Property insurance for equipment (computers), computer programs and data (software).

Cargo: Owned Property

Inland or ocean marine insurance covering property in transit for owned property.

Cargo: Non-Owned Property

Inland or ocean marine insurance covering property in transit for non-owned property.

Contractors Equipment

This coverage covers equipment and tools at construction projects and jobsites.

Leased, Rented or Borrowed Equipment

This policy is used to insure property leased or rented to others while located on or off your premises. Coverage can be extended for items held for sale or on consignment, but excludes vehicle rentals.

Fine Arts

This coverage is used to insure works of art or other items of historical value or rarity including pictures, paintings, statuary, rare books, and antiques. The policy protects against loss arising from any cause not specifically excluded up to the limits specified for each covered item.

Miscellaneous Tools

This policy is used to insure a variety of items not covered more specifically by other insurance. The covered property is protected from loss while located anywhere within the covered territory.

Signs

This insurance is used to provide coverage for scheduled neon, fluorescent, automatic, or mechanical electrical signs or lamps listed in the policy.

Installation

This policy is used to insure materials, supplies and other covered property that is intended for permanent installation at a covered job site or project. Coverage for materials while in transit and in temporary storage are also covered for the specified amounts listed in the form. If written for the owner of a project, coverage ends once the property is accepted by the owner or when the property is put to its intended use. If written for a contractor of the project, coverage ends when the insurable interest of the contractor ceases, the property has been installed, or within any other time limits as defined in the form.

COMMERCIAL AUTO

Hired/Non-Owned Auto Liability

This coverage is used to protect against claims alleged for bodily injury and property damage arising out of the use of vehicles leased, hired, rented, or borrowed by you while in the course of business. Note that this coverage does not apply when vehicles are leased, hired, rented, or borrowed from one of your employees or a member of your household. Non-Owned is used to provide you with liability protection for autos you do not own, lease, hire, rent, or borrow while they are being used in connection with your business operations.

Hired Physical Damage

This coverage protects against claims arising out of specified physical damage loss to vehicles leased, hired, rented, or borrowed by you, while in the course of business. Note that this coverage does not apply when vehicles are leased, hired, rented, or borrowed from one of your employees or a member of your household.

Broad Form Drive Other Car

This endorsement is used to extend your policy to provide scheduled nonowned auto coverage for individuals who are furnished a company car and do not have their own personal auto policy (PAP) or a named nonowner policy to cover the use of such autos.

Uninsured/Under Insured Limits Equal Bodily Injury Limit

Uninsured and Underinsured Motorist coverage protects you and your passengers against bodily injury expenses if you are hit by another driver who has no automobile liability insurance or has less than the minimum limits required by your state.

Lease/Loan Gap Coverage

This changes the Physical Damage Coverage section. The insurance company would pay any unpaid amount due on the lease or loan in case of a total loss to a covered auto indicated on the endorsement schedule which Auto Loan/Lease Gap coverage applies and for which a premium is charge. This amount is reduced by the amount paid under Physical Damage Coverage and certain other specified charges or amounts.

Garage Liability

Garage Keepers

This coverage pays for damage or loss to customer's autos including certain types of auto equipment which are left in your care for attending, servicing, repairing, parking, or storing at your garage operations. Coverage is provided up to the limits.

Legal Liability

This applies when you are held legally liable

Direct Damage Excess

This applies without regard to your legal liability but which is excess over any other collectable insurance.

Direct Damage Primary

This applies without regard to your legal liability and which will be considered as primary coverage.

Pollution Liability

The contamination of an environment by substances regarded as pollutants.

**WORKERS COMPENSATION
(Required by most states if you have employees)**

Workers Compensation

The system by which no-fault statutory benefits prescribed in state law are provided by an employer to an employee (or the employee's family) due to a job-related injury (including death) resulting from an accident or occupational disease.

Longshore/Harbor Workers

This coverage is used to protect employees engaged in maritime employment or employed, in whole or in part, on navigable waterways in the United States including piers, terminals, docks and other areas used for loading or unloading, or repairing of vessels.

Employers Liability

This coverage provides coverage to the insured (employer) for liability to employees for work-related bodily injury or disease, other than liability imposed on the insured by a workers compensation law.

International Operations

A specialty policy for an insured's workers' compensation liability for foreign operations arising out of a permanent branch office, manufacturing facility, construction project, or other operation located in another country.

Operations in Monopolistic States (i.e.: ND, OH, WA, and WY) must obtain coverage through their specific state program.

MINIMUM LIABILITY LIMITS SUGGESTIONS

Automobile Liability: \$1,000,000 CSL

General Liability: \$1,000,000 CSL

Cyber Liability: \$1,000,000

Employers Liability: \$1,000,000/\$1,000,000/\$1,000,000

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 non-authorized 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 the policy effective date. 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.

CLAIMS MADE NOTICE AND DISCLAIMER

CLAIMS MADE

“Claims Made” policy provides coverage only for loss or wrongful acts occurring after the policy retroactive date (if any) and applies only to claims that are made or claims that are made and reported against the insured during the policy period.

- Retroactive Date - Means the earliest date a loss or wrongful act may be committed and be covered under the policy.
- Coverage Requirements - For coverage to apply under the claims made policy:
 - 1) Coverage must be in place at the time the claim is made against the insured;
 - 2) Notification of the claim must be made to the carrier in written form within the policy period or during the extended reporting period, which could be 30, 45 or 60 days after the policy has expired; and
 - 3) The claim must be covered by the policy’s terms, conditions, and limitations.
- Changing Your Insurance Carrier/Renewing Your Policy - When changing carriers or renewing claims made policies, you should advise and discuss any potential claims or circumstances with your Broker prior to making any decision to change carriers.

KEY EXCLUSIONS

CB Insurance, LLC has identified “Key Policy Exclusions” for this proposal/summary which reflects limitations under specific coverage sections. It is not intended to be a comprehensive list. You should reference your policy for specific language for all exclusions that are applicable to each specific coverage section.

TERRORISM RISK INSURANCE ACT

The Terrorism Risk Insurance Act, signed into law November 26, 2002 and extended with revisions on January 1, 2015, requires U.S. commercial property/casualty insurers to offer coverage for incidents of terrorism and described under the Act. That coverage cannot differ materially from the terms and limitation applicable to other events under a policy. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General, certifies that an event meet the definition of act of terrorism.

Overview of Act of Terrorism

The Act addresses only a defined category of terrorism losses. The federal program requires an “act of terrorism” to have the following characteristics:

- It must be a violent act or an act that is dangerous to human life, property or infrastructure.
- It must have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel described in the United States Code, or on the premises of a United States mission (e.g. an embassy or consulate).
- It must 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.
- Effective January 1, 2016, the federal share of insurance losses will decrease by 1% per calendar year until it equals 80%; it is currently at 85%.
- The program trigger will increase from \$100 million to \$200 million dollars over the next five years by \$20 million increments.
- The mandatory recoupment threshold will increase from \$27.5 billion to \$37.5 billion in \$2 billion increments annually beginning in the calendar year after the date of enactment.

GUIDE TO AM'S BEST RATING

Best's Insurance Reports, published annually by A.M. Best Company, Inc. presents a 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.

FEE AND COMMISSION DISCLOSURE POLICY

CB Insurance generally acts as an agent for the insurance companies we represent and are compensated almost exclusively by the insurance companies. Our compensation may differ depending on the insurance product(s) or the insurer(s) you choose. We do not believe our source of income affects our advice and recommendations, or our overall service and value to our insured clients. Ultimately our success depends upon your satisfaction with our services and the products we offer. However, we want to disclose to you how we are compensated by the insurance companies we represent to assure that you make completely informed insurance decisions.

Generally, insurance companies pay us a commission on insurance policies we place through them. That commission is based on the commission schedules established by the insurance companies. And/or you agreed to pay CB Insurance a fee for services rendered in lieu of commission payments from selected insurers, the fee to be structured as outline in your fee agreement. In the event there is a significant change in your operations which affect the nature and scope of its insurance program, we both will agree to renegotiate CB Insurance's compensation in good faith as appropriate.

In some instances, we also receive additional compensation based on factors such as premium growth, claim or loss experience, overall profitability of an insurer or particular product, retention rate or total premium volume. These additional payments are sometimes referred to as "contingent fees" or "contingent commissions." In most cases, we are not able to determine the exact amount of any contingent compensation at the time an insurance policy is placed. CB Insurance may also receive interest income from monies held by us on your account until paid to cognizant insurers on your behalf.

INSURANCE COVERAGE OPTIONS

Set forth in these pages are general descriptions of insurance coverage options that you may consider buying. We are bringing these options to your attention based on our understanding of your insurance needs. Our ability to serve your needs depends on our receipt of timely and complete information provided by you. These options do not cover all available insurance options and the descriptions are not complete. So you should not hesitate to ask any question you might have and be sure that you are satisfied with the answers provided by your representative before binding any insurance coverage.