

**RESOLUTION 53-2022**

**VILLAGE OF GILBERTS**

**A RESOLUTION APPROVING A RENEWAL PROPOSAL BY ARTHUR J. GALLAGHER & CO. FOR GENERAL LIABILITY, PROPERTY, RISK MANAGEMENT AND WORKERS COMPENSATION INSURANCE COVERAGE FOR THE POLICY PERIOD DECEMBER 31, 2022 – DECEMBER 31, 2023**

**WHEREAS**, the Village of Gilberts (“Village”) requires general liability, property, risk management and workers compensation insurance coverage; and

**WHEREAS**, the Village has determined that it is necessary and desirable to approve a proposal by Arthur J. Gallagher & Co. for the provision of an insurance package for the Village; and

**WHEREAS**, Arthur J. Gallagher has provided the Village with a proposal of insurance for the policy period December 31, 2022 – December 31, 2023, a copy of which is attached to this Resolution as **Exhibit A (“Proposal”)**.

**THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF GILBERTS, ILLINOIS**, as follows:

**Section 1.** **Recitals.** The recitals set forth above are hereby incorporated into and made a part of this Resolution as though set forth in this Section 1.

**Section 2.** **Approval; Authorization.** The Village Board of Trustees hereby approves the Agreement and authorizes the Village Administrator to execute the Proposal and such other documents as are necessary.

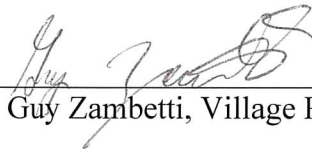
**Section 3.** **Effective Date.** This Resolution shall be in full force and effect after its approval in the manner provided by law.

**PASSED BY VOTE OF THE BOARD OF TRUSTEES** of the Village of Gilberts, Kane County, Illinois, this 6th day of December, 2022.


	<u>Ayes</u>	<u>Nays</u>	<u>Absent</u>	<u>Abstain</u>
Trustee David LeClerc Sr	_____	_____	<input checked="" type="checkbox"/>	_____
Trustee Dan Corbett	<input checked="" type="checkbox"/>	_____	_____	_____
Trustee Justin Redfield	<input checked="" type="checkbox"/>	_____	_____	_____
Trustee Jeanne Allen	<input checked="" type="checkbox"/>	_____	_____	_____
Trustee Lou Hacker	<input checked="" type="checkbox"/>	_____	_____	_____
Trustee Brandon Coats	<input checked="" type="checkbox"/>	_____	_____	_____
President Guy Zambetti	_____	_____	_____	_____

APPROVED THIS 6TH DAY OF DECEMBER, 2022.



  
\_\_\_\_\_  
Guy Zambetti, Village President

ATTEST:

  
\_\_\_\_\_  
Village Clerk, Kelly Mastera

**Exhibit A**

**Arthur J. Gallagher Insurance Proposal  
December 31, 2021 – December 31, 2022**



# Proposal of Insurance

## Village of Gilberts

87 Galligan Road  
Gilberts, IL 60136

**REVISED** December 1, 2022  
**Effective:** December 31, 2022

**Rich Stokluska, ARM**  
Area Senior Executive Vice President  
**Arthur J. Gallagher Risk Management Services, Inc.**  
2850 Golf Road  
Rolling Meadows, IL 60008  
**(630) 773-3800**  
**Rich\_Stokluska@ajg.com**



[ajg.com](http://ajg.com)

©2018 Arthur J. Gallagher & Co. All rights reserved.



## Gallagher

Insurance | Risk Management | Consulting



## Table of Contents

<b>Executive Summary</b> .....	<b>3</b>
<b>Service Team</b> .....	<b>4</b>
Service Commitment .....	4
<b>Program Structure</b> .....	<b>6</b>
Named Insured .....	7
Market Review .....	8
Exposure & Premium Comparison .....	9
Location Schedule .....	11
Program Details .....	12
Package - Property - Argonaut Insurance Company .....	12
Package - Inland Marine - Argonaut Insurance Company .....	19
Package - General Liability - Argonaut Insurance Company .....	20
Package - Automobile - Argonaut Insurance Company .....	23
Package - Excess Liability - Argonaut Insurance Company .....	28
Equipment Breakdown - Hartford Steam Boiler Inspection & Insurance Co. ....	30
Cyber Liability - Underwriters at Lloyd's London .....	32
Crime - Allmerica Financial Benefit Insurance Co .....	37
Workers' Compensation - Illinois Public Risk Fund .....	39
Premium Summary .....	42
Payment Plans .....	44
<b>Carrier Ratings and Admitted Status</b> .....	<b>45</b>
<b>Proposal Disclosures</b> .....	<b>46</b>
Proposal Disclosures .....	47
<b>Client Signature Requirements</b> .....	<b>50</b>
Coverages for Consideration .....	51
Client Authorization to Bind Coverage .....	52
<b>Appendix</b> .....	<b>54</b>
Bindable Quotations & Compensation Disclosure Schedule .....	55
Claims Reporting By Policy .....	57
Gallagher STEP Flyer .....	59
Cyber Liability eRiskHub Features .....	61
Business Continuity Flyer .....	62
Gallagher Insight Flyer .....	64
Gallagher Verify Flyer .....	65
Trident ERP Forms .....	66

## Executive Summary

**Arthur J. Gallagher Risk Management Services, Inc.** appreciates the opportunity to present this proposal for your consideration.

Gallagher is pleased to present this year's terms for the City's Property, Casualty, and Workers Compensation renewal. Given the current state of the marketplace, our team is pleased with the terms and pricing negotiated.

The insurance marketplace in general continues to sustain record breaking losses. In our quarterly market update you will see areas of impact and rate increases. The marketplace for municipalities in Illinois continues to evolve. This is due to the following concerns:

1. Catastrophic Property losses nationwide.
2. The current law enforcement landscape.
3. Cost of material to rebuild.
4. Interest rates effecting reinsurance investment.
5. Employment practices claims (discrimination, sexual harassment, wrongful termination) continue to rise.
6. Public entities remaining a strong target for hackers.

The Public Entity insurance marketplace remains in a hard market, but has finally seen rates stabilize across multiple lines of coverage. As always, we will continue to keep you aware of current and/or changing marketplace trends throughout the year.

Overall the Village has had slight increases in exposures on Property and payroll, however there has been larger increased in auto exposures. This year the Village has seen an increase in vehicle exposure of 7.7% and values of 23.6%. The marketplace is also experienced increases in professional lines due to a rise in claims activity.

Taking these changes into consideration the carrier has provided renewal terms with the same limits and deductibles as expiring.

In the following pages, we will demonstrate what makes our company the best fit for your insurance placement and risk management needs. Thank you again for allowing us to be your partner in this placement.

*Rich Stokluska*

**Rich Stokluska**

Monday, November 28, 2022

## Service Team

**Rich Stokluska** has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
<b>Rich Stokluska, ARM</b> Area Senior Executive Vice President	(630) 285-4012	Rich_Stokluska@ajg.com	Producer
<b>JoAnn Bonnevier, CIC, CISR, CIIP</b> Client Service Manager	(630) 647-3082	Joann_Bonnevier@ajg.com	Client Service Manager

**Arthur J. Gallagher Risk Management Services, Inc.**

Main Office Phone Number: (630) 773-3800

### Service Commitment

**Account Service**

At Arthur J. Gallagher & Co., our goal is to provide you with an exceptional insurance and risk management program delivered by a world class service organization. Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible.

**Renewals**

We use a standard Renewal Timeline and start early to make sure your needs are met and we are able to offer you the most comprehensive and competitively priced insurance program. At each renewal, we will meet with you to establish a renewal game plan, determine how many markets should be approached, discuss pricing in the insurance marketplace, and identify what specific needs must be addressed. We will then approach markets that we feel will offer the best alternatives. These alternatives will be presented at renewal as an option, even if we feel the incumbent program is strongest. We will demonstrate how we have created competition within the marketplace to ensure that you receive the best renewal terms.

We make ourselves accountable by working with you to develop a written service schedule that meets your needs. You can track our service by referring to our written service commitment. Service becomes especially important as your type of organization continues to change and prosper.

As a top national broker, we have access to over 150 insurance companies and wholesalers. This maximizes your insurance options in any given policy year situation. In addition, our integrity and influence in the marketplace have resulted in excellent relationships with our markets. These factors are especially important to consider as the insurance needs of your organization become more complex and require more sophisticated solutions.

**Automobile Identification Cards**

ID cards will be issued upon binding of coverage.

**Phone Calls**

Phone calls will be returned within one working day of receipt.

**Certificates of Insurance**

Certificates of Insurance will be issued within one working day of request.

**Claims**

Claims will be reported to the company within two working days of receipt, and acknowledgment of receipt will be sent to you. We will follow up with the carrier within ten working days after receipt of a claim. Monthly claim reports will be provided if requested.

**Loss Control**

We will coordinate all loss control activities between you and the carrier. We recommend that service be provided on a quarterly basis.

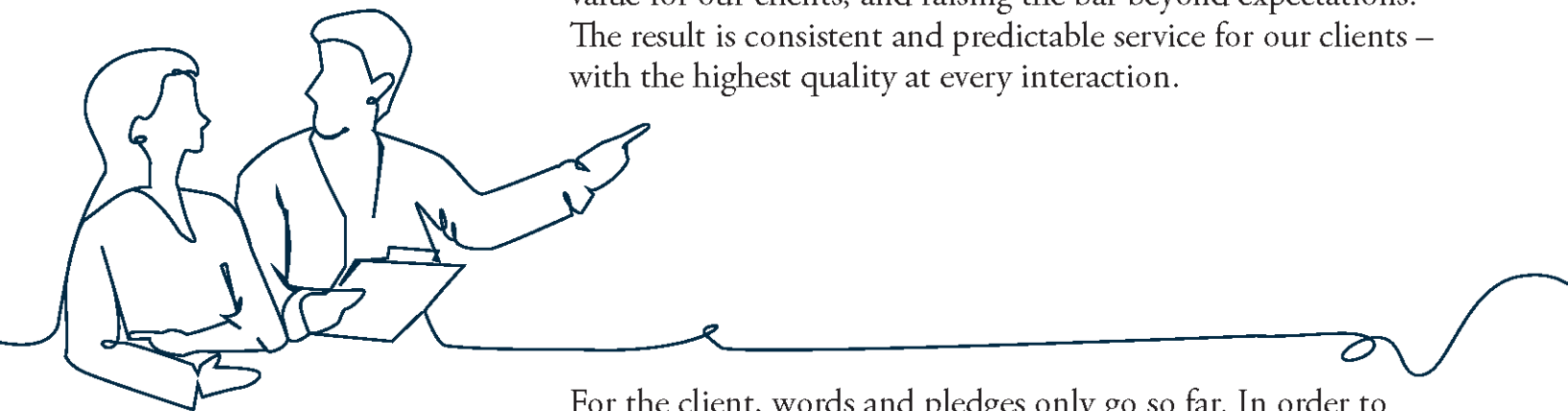


## Our Service Commitment

Our clients repeatedly tell us the most important thing that we can do as their broker is to protect their assets while providing a comprehensive and tailored insurance program with the most competitive terms. We also know that a critical component of every customer experience is receiving an accurate and timely response to their day to day business needs and challenges.

*At Arthur J. Gallagher and Co. our goal is to provide every client with an exceptional insurance and risk management program delivered by a world-class service organization.*

We're on a journey to set a new standard for service within our industry – utilizing innovative technology and tools that create value for our clients, and raising the bar beyond expectations. The result is consistent and predictable service for our clients – with the highest quality at every interaction.



For the client, words and pledges only go so far. In order to deliver on our promise, Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible:

- **Clients get what they need, when they need it** – as a result of managing our work more effectively, your needs and requests are addressed promptly and professionally at all times
- **Our service team is able to focus on you**, and the solutions needed to support your unique business needs
- **We proactively manage your renewal cycle**, delivering a predictable timeline that creates time for thorough decision-making
- **You play a role in this too** – we're asking for more information ahead, so that you receive the best outcome, every time

## Program Structure

## Named Insured

### Named Insured Schedule

Named Insured	Line of Coverage
Village of Gilberts	All lines of coverage included in this proposal

**Note:** Any entity not named in this proposal, may not be an insured entity. This may include affiliates, subsidiaries, LLC's, partnerships and joint ventures.

## Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
<b>Argonaut Insurance Company</b>	Package-Property, IM, GL.; LEL, EPLI, PO E&O, Automobile & umbrella	Recommended Quote	\$76,188.00
<b>Hartford Steam Boiler Inspection &amp; Insurance Co.</b>	Equipment Breakdown	Recommended Quote	\$3,864.00
<b>Underwriters at Lloyd's London</b>	Cyber Liability	Recommended Quote	\$3,797.00
<b>Allmerica Financial Benefit Insurance Co</b>	Crime	Recommended Quote	\$1,011.00
<b>Illinois Public Risk Fund</b>	Workers' Compensation	Recommended Quote	\$50,857.00
<b>Tokio Marine</b>	Package-Property, IM, GL.; LEL, EPLI, PO E&O, Automobile & umbrella	Not competitive with limits and deductibles	

## Exposure & Premium Comparison

### Exposure Comparison YOY:

Exposure	2021-2022	2022-2023	Change %
Property Values	\$24,454,355	\$25,187,986	3.00%
Inland Marine	\$550,467	\$566,467	2.9%
Vehicle Count	26	30	8.7%
Vehicle Value	\$888,301	\$1,098,301	23.6%
Gross Revenues	\$14,925,000	\$13,486,000	-9.6%
Payroll	\$1,928,000	\$1,941,000	0.7%

### Premium Comparison

Line of Coverage	Trident 2021 - 2022	Trident 2022 - 2023	Change %
Package	\$44,879	\$50,637	12.8%
Auto	\$12,242	\$14,624	19.5%
Umbrella \$7MM	\$9,724	\$10,927	12.4%
<b>Package Total</b>	<b>\$66,845</b>	<b>\$76,188</b>	<b>14%</b>
Boiler & Machinery	\$3,594	\$3,864	7.5%
Crime	\$1,012	\$1,011	-0.1%
Cyber Liability	\$3,891	\$4,032.74	3.6%
WC	\$51,525	\$52,383	1.7%
<b>TOTAL PREMIUM</b>	<b>\$126,867.00</b>	<b>\$137,478.74</b>	<b>8.4%</b>



**Workers' Compensation Comparison YOY:**

Code		Description	2022-2023 Payroll	2022-2023 Rate	2023-2024 Payroll	2023-2024 Rate	Payroll Change %	Rate Change %
5506		Street Maintenance	\$261,000	8.341	\$261,000	8.377	0.00%	0.43%
7520		Waterworks	\$182,000	2.765	\$190,000	2.776	4.40%	0.40%
7580		Sewage Disposal	\$130,000	3.297	\$180,000	3.311	38.46%	0.42%
7720		Policeman	\$887,000	1.938	\$887,000	1.946	0.00%	0.41%
8810		Clerical	\$421,000	0.105	\$421,000	0.105	0.00%	0.00%
9410		Municipal Employees	\$47,000	2.774	\$2,000	2.786	-95.74%	0.43%
<b>Total Payroll</b>			<b>\$1,928,000</b>		<b>\$1,941,000</b>		<b>0.67%</b>	
<b>Premium</b>			\$50,024		\$50,857			
<b>Fee</b>			\$1,501		\$1,526	<b>% Change</b>		
<b>Total premium</b>			<b>\$51,525</b>		<b>\$52,383</b>	1.67%		
*	<b>Grant</b>		\$5,908		\$6,256	5.89%		

## Location Schedule

LINE OF COVERAGE	Location Schedule
All Lines of coverage included in this Proposal	Per Clients Statement of values received on 10/24/2022 on file with the carrier

## Program Details

**Coverage:** Package - Property

**Carrier:** Argonaut Insurance Company

**Policy Period:** 12/31/2022 to 12/31/2023

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

**Coinsurance or Agreed Amount:**

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
Applies	N/A	100 %

**Coverage:**

SUBJECT OF INSURANCE	LIMIT TYPE	AMOUNT
Building	Limit	\$14,624,282
Business Personal Property	Limit	\$10,563,704
Blanket Limit Applies		Yes
Earthquake	Limit	\$5,000,000
Flood	Limit	\$5,000,000
Equipment Breakdown Limit	Limit	\$25,187,986
Business Income and Extra Expense	Limit	\$500,000
Pollutant Clean Up and Removal	Limit	\$250,000
Refrigerant Contamination	Limit	\$250,000
Spoilage	Limit	\$250,000

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Deductible	\$1,000
Deductible	Earthquake	\$50,000
Deductible	Flood	\$50,000
Deductible	<b>Equipment Breakdown:</b>	-
Deductible	Deductible - Direct Damage	\$1,000
Deductible	Deductible - Indirect Damage	72 hour
Deductible	Business Income and Extra Expense	72 hour
Deductible	Dependent Property	72 hour
Deductible	Interruption Of Computer Operations	72 hour
Deductible	Newly Acquired or Constructed Property - Business Income	72 hour
Deductible	Off Premises Utility Failure-Business Income	24 hour
Deductible	Ingress or Egress	72 hour

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Pollutant Clean Up And Removal	72 hour
Deductible	Coverage Modifications:	-
Deductible	Ordinance and Law - Coverage A	Included
Deductible	Ordinance and Law - Coverage B	Included
Deductible	Ordinance and Law - Coverage C	Included
Deductible	Accidental Classroom Chemical Spills	\$1,000
Deductible	Accounts Receivable Records	\$1,000
Deductible	Accumulation of Surface Water	\$1,000
Deductible	Animals - Occurrence	\$1,000
Deductible	Animals - Aggregate	\$1,000
Deductible	Appurtenant Structures	\$1,000
Deductible	Audio Visual and Communication Equipment	\$250
Deductible	Changes in Temperature Or Humidity	\$1,000
Deductible	Commandeered Property	\$250
Deductible	Computer Equipment	\$1,000
Deductible	Portable Computer Equipment - Per Item	\$1,000
Deductible	Course of Construction - Per Building	\$1,000
Deductible	Debris Removal - Your Premises	\$1,000
Deductible	Debris Removal - Wind Blown Debris	\$1,000
Deductible	Electrical Damage	\$1,000
Deductible	Electronic Data	\$1,000
Deductible	Fine Arts	\$1,000
Deductible	Fungus, Wet Rot, Dry Rot And Bacteria (limited coverage)	\$1,000
Deductible	Glass Display Or Trophy Cases	\$500
Deductible	Inventory And Appraisal	\$1,000
Deductible	Key Card Coverage	\$1,000
Deductible	Money And Securities - On Your Premises	\$1,000
Deductible	Money And Securities - Away From Your Premises	\$1,000
Deductible	Newly Acquired Or Constructed Property - Buildings	\$1,000
Deductible	Newly Acquired Or Constructed Property - Your Business Personal Property	\$1,000
Deductible	Non-owned Detached Trailers	\$1,000
Deductible	Off Premises Utility Failure - Damage to Covered Property	\$1,000
Deductible	Outdoor Property	\$1,000
Deductible	Outdoor Signs	\$1,000
Deductible	Personal Effects And Property Of Others	\$1,000
Deductible	Pollutant Clean Up And Removal	\$1,000

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Property In Transit	\$1,000
Deductible	Property Off-premises	\$1,000
Deductible	Retaining Walls	\$1,000
Deductible	Salesperson's Samples	\$1,000
Deductible	SCADA Upgrade	\$1,000
Deductible	Penstock	\$1,000
Deductible	Sod, Trees, Shrubs and Plants: Occurrence	\$1,000
Deductible	Spoilage	\$1,000
Deductible	Theft of Jewelry, Furs, Stamps And Other Specified Items - Per Item	\$1,000
Deductible	Theft of Jewelry, Furs, Stamps And Other Specified Items - Max Occurrence	\$1,000
Deductible	Undamaged Leasehold Improvements	\$1,000
Deductible	Underground Fiber Optic Cable - Any One Occurrence	\$1,000
Deductible	Underground Property, Paved Surfaces or Athletic Fields	\$1,000
Deductible	Valuable Papers And Records (Other Than Electronic Data)	\$1,000
Deductible	Virus, Harmful Code or Similar Instruction	\$1,000

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Business Income Coverages:		
Business Income and Extra Expense	Limit	\$500,000
Dependent Property	Limit	\$100,000
Interruption Of Computer Operations	Limit	\$10,000
Lease Cancellation Moving Expenses	Limit	\$5,000
Newly Acquired or Constructed Property - Business Income	Limit	\$500,000
Off Premises Utility Failure-Business Income	Limit	\$50,000
Ingress or Egress	Limit	\$25,000
Pollutant Clean Up And Removal	Limit	\$25,000
Ordinance and Law - Coverage A		Included
Ordinance and Law - Coverage B	Limit	\$1,000,000
Ordinance and Law - Coverage C	Limit	\$1,000,000
Accidental Classroom Chemical Spills	Limit	\$50,000
Accounts Receivable Records	Limit	\$100,000
Accumulation of Surface Water	Limit	\$25,000
Animals - Occurrence Limit	Limit	\$10,000
Animals - Aggregate Limit	Limit	\$50,000
Appurtenant Structures	Limit	\$100,000

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Audio Visual and Communication Equipment	Limit	\$100,000
Changes in Temperature Or Humidity	Limit	\$50,000
Commandeered Property	Limit	\$250,000
Computer Equipment	Limit	\$250,000
Portable Computer Equipment:		
Per Item Limit	Limit	\$1,500
Per Policy Limit	Limit	\$15,000
Course of Construction:		
Per Building	Limit	\$25,000
Per Policy Year	Limit	\$100,000
Debris Removal - Your Premises	Limit	\$250,000
Debris Removal - Wind Blown Debris	Limit	\$10,000
Electrical Damage	Limit	\$50,000
Electronic Data	Limit	\$100,000
Fine Arts	Limit	\$100,000
Fire Department Service Charge	Limit	\$25,000
Fungus, Wet Rot, Dry Rot And Bacteria (limited coverage)	Limit	\$15,000
Glass Display Or Trophy Cases	Limit	\$5,000
Inventory And Appraisal	Limit	\$20,000
Key Card Coverage	Limit	\$25,000
Lock Replacement	Limit	\$10,000
Money And Securities:		
On Your Premises	Limit	\$20,000
Away From Your Premises	Limit	\$10,000
Newly Acquired Or Constructed Property - Buildings	Limit	\$1,000,000
Newly Acquired Or Constructed Property - Your Business Personal Property	Limit	\$1,000,000
Non-owned Detached Trailers	Limit	\$20,000
Off Premises Utility Failure - Damage to Covered Property	Limit	\$100,000
Outdoor Property	Limit	\$100,000
Outdoor Signs	Limit	\$5,000
Personal Effects And Property Of Others	Limit	\$50,000
- Any one Employee or Volunteer	Limit	\$1,500
Pollutant Clean Up And Removal	Limit	\$500,000
Property In Transit	Limit	\$50,000
Property Off-premises	Limit	\$50,000
Recharge Of Fire Protection Equipment	Limit	\$10,000

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Retaining Walls	Limit	\$5,000
Reward Payments	Limit	\$15,000
Salesperson's Samples	Limit	\$10,000
SCADA Upgrade	Limit	\$100,000
Penstock	Limit	\$100,000
Sod, Trees, Shrubs and Plants:		
Any One Tree, Shrub or Plant	Limit	\$1,000
Occurrence Limit	Limit	\$10,000
Spoilage	Limit	\$25,000
Theft of Jewelry, Furs, Stamps And Other Specified Items:		
Per Item	Limit	\$2,500
Max Occurrence Limit	Limit	\$10,000
Undamaged Leasehold Improvements	Limit	\$50,000
Underground Fiber Optic Cable - Any One Occurrence	Limit	\$10,000
Underground Fiber Optic Cable - Each 12 month Period	Limit	\$50,000
Underground Property, Paved Surfaces or Athletic Fields	Limit	\$250,000
Valuable Papers And Records (Other Than Electronic Data)	Limit	\$100,000
Virus, Harmful Code or Similar Instruction	Limit	\$25,000

**Valuations:**

DESCRIPTION	LIMITATIONS
Replacement Cost	Applies

**Perils Covered:**

TYPE	DESCRIPTION
Special Form Perils	Applies

**Exclusions include, but are not limited to:**

DESCRIPTION
Earth Movement Exclusion
Flood Exclusion
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure

**Binding Requirements:**

DESCRIPTION
Signed Statement of Values
Signed TRIA Notice

**Other Significant Terms and Conditions/Restrictions:**

DESCRIPTION
Total Insured Values 25,187,986
Margin Clause: 110%

**Premium** **\$24,233.00**

**ESTIMATED PROGRAM COST** **\$24,233.00**

TRIA/TRIPRA PREMIUM **\$727.00**  
 (+ Additional Surcharges, Taxes and Fees as applicable)

**Statement of Value:**

Loc.#/Bldg.#	Location Address	Building	Contents
1/1	10 Silver Trail Parkway, Gilberts IL 60136	\$309,515	\$0
2/1	1235 Galligan Road, Gilberts IL 60136	\$1,688,264	\$0
3/1	196 Valencia Drive, Gilberts IL 60136	\$309,515	\$0
3/2	196 Valencia Drive, Gilberts IL 60136	\$104,673	\$0
4/1	201 Raymond Drive, Gilberts IL 60136	\$834,002	\$0
4/2	201 Raymond Drive, Gilberts IL 60136	\$104,673	\$0
5/1	281 Raymond Drive, Gilberts IL 60136	\$331,668	\$206,000
5/2	281 Raymond Drive, Gilberts IL 60136	\$1,125,509	6,276,284
5/3	281 Raymond Drive, Gilberts IL 60136	\$144,965	\$0
5/4	281 Raymond Drive, Gilberts IL 60136	\$0	\$72,615
6/1	320 Raymond Drive, Gilberts IL 60136	\$562,755	2,813,507
6/2	320 Raymond Drive, Gilberts IL 60136	\$1,688,264	\$0
6/3	320 Raymond Drive, Gilberts IL 60136	\$104,673	\$0
6/4	320 Raymond Drive, Gilberts IL 60136	\$0	\$17,860
6/5	320 Raymond Drive, Gilberts IL 60136	\$861,014	\$0
6/6	320 Raymond Drive, Gilberts IL 60136	\$0	\$721,000
7/1	598 Sleeping Bear, Gilberts IL 60136	\$1,135,639	\$22,724
8/1	73 Industrial Drive, Gilberts IL 60136	\$1,115,600	\$108,212
8/2	73 Industrial Drive, Gilberts IL 60136	\$187,960	\$64,927
9/1	84 Tower Hill, Gilberts IL 60136	\$161,041	\$54,106



10/1	86 Railroad St - Bld 6, Gilberts IL 60136	\$644,020	\$81,159
11/1	87 Galligan Road, Gilberts IL 60136	\$986,372	\$108,212
12/1	95 Meadows Drive, Gilberts IL 60136	\$309,515	\$0
13/1	16 Higgins Road, Gilberts IL 60136	\$28,134	\$0
13/2	16 Higgins Road, Gilberts IL 60136	\$0	\$8,549
14/1	Indian Trails, Gilberts IL 60136	\$45,020	\$0
15/1	Old Town, Gilberts IL 60136	\$56,275	\$0
16/1	Timber Trails, Gilberts IL 60136	\$278,001	\$0
17/1	562 Tyrelle Road, Gilberts IL 60136	\$861,014	\$0
18/1	355 tyrelle Road, Gilberts IL 60136	\$30,472	\$0
18/2	355 tyrelle Road, Gilberts IL 60136	\$0	\$8,549
19/1	280 Town Center blvd, Gilberts IL 60136	\$40,404	\$0
20/1	301 Columbia Lane, Gilberts IL 60136	\$355,350	\$0
20/2	301 Columbia Lane, Gilberts IL 60136	\$47,864	\$0
20/3	301 Columbia Lane, Gilberts IL 60136	\$148,423	\$0
21/1	Town Center Unit 18, Gilberts IL 60136	\$23,688	\$0
Total		\$14,624,282	\$10,563,704

**Client Signature** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Coverage:** Package - Inland Marine  
**Carrier:** Argonaut Insurance Company  
**Policy Period:** 12/31/2022 to 12/31/2023

**Coverage:**

SUBJECT OF INSURANCE	LIMIT TYPE	AMOUNT
Contractors Equipment - Contractors Equipment	Limit	\$502,880
Miscellaneous Property - Scheduled Miscellaneous Equipment	Limit	\$63,587

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Contractors Equipment - Contractors Equipment	\$1,000
Deductible	Miscellaneous Property - Scheduled Miscellaneous Equipment	\$1,000

**Valuations:**

DESCRIPTION	LIMITATIONS
Replacement Cost 10 Years	Contractors Equipment: Scheduled Equipment
Replacement Cost	Miscellaneous Property: Scheduled Miscellaneous Equipment

**Exclusions include, but are not limited to:**

COVERAGE TYPE	DESCRIPTION
Inland Marine	Cranes & Rigging Equipment
Inland Marine, Equipment Floater	Mechanical or Equipment Breakdown
Equipment Floater	Pollution
Equipment Floater, EDP, Transit	War and Nuclear Hazard
Equipment Floater, EDP, Transit	Wear and Tear, Gradual Deterioration, or Obsolescence
Equipment Floater	Mold / Fungus
EDP	Utility Service Interruption
EDP	Expected or Intended Loss
EDP	Programming Errors

**Binding Requirements:**

DESCRIPTION
Signed TRIA Notice

<b>Premium</b>	<b>\$885.00</b>
<b>ESTIMATED PROGRAM COST</b>	<b>\$885.00</b>
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	<b>\$27.00</b>

**Coverage:** Package - General Liability  
**Carrier:** Argonaut Insurance Company  
**Policy Period:** 12/31/2022 to 12/31/2023

**Form Type:**

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
General Liability	Occurrence	N/A	Not Applicable
Public Officials' Liability	Claims Made	12/31/2012	Not Applicable
Employment Practices Liability	Claims Made	12/31/2012	Not Applicable
Law Enforcement Liability	Occurrence	N/A	Not Applicable
Employee Benefits Liability	Occurrence	N/A	Not Applicable

**Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Bodily Injury/Property Damage	Limit	\$1,000,000
Personal Injury/Advertising Injury	Limit	\$1,000,000
Damages to premises rented to you	Limit	\$100,000
<b>Employee Benefits</b>	Limit	\$1,000,000
General Aggregate	Limit	\$2,000,000
Products/Completed Operations Aggregate	Limit	\$2,000,000
<b>Public Officials' Liability</b>		
Per Wrongful Act	Limit	\$1,000,000
Annual Aggregate	Limit	\$1,000,000
<b>Employment Practices Liability</b>		
Per Wrongful Employment Act	Limit	\$1,000,000
Annual Aggregate	Limit	\$1,000,000
<b>Law Enforcement Liability</b>		
Per Wrongful Act	Limit	\$1,000,000
Annual Aggregate	Limit	\$1,000,000

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Employee Benefits	\$1,000
Deductible	Public Officials' Liability - Deductible Each Wrongful Act (Expenses included within retention)	\$2,500
Deductible	Public Water Utility	\$2,500
Deductible	Sewer System	\$2,500
Deductible	Employment Practices Liability - Deductible Each Wrongful Act (Expenses included within retention)	\$2,500
Deductible	Miscellaneous - Back Wages	\$10,000

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Law Enforcement Liability - Deductible Each Wrongful Act (Expenses included within retention)	\$2,500

**Claims Made Coverage:**

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 90 days of the expiration date. The cost of this extended reporting period is 0% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 60 days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

**Definition of Claim:**

DESCRIPTION
Claim means written or oral demand, including a "suit", to hold the insured responsible for an alleged or actual "wrongful employment act" where payment of "damages" is sought

**Incident or Claim Reporting Provision:**

REPORTING CONDITION TYPE
Please see attached carrier form AG EP P001 01 02/09 page 5 & 6; C. Duties in the event of a claim, suit or wrongful act

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Unmanned Aircraft Under 25 Pounds	Limit	\$25,000
Public Water Utility		Included
Sewer System		Included
<b>Employment Practices Liability</b>		
Non-Monetary Defense Per Wrongful Act	Limit	\$50,000
Non-Monetary Defense Annual Aggregate	Limit	\$50,000
Equal Employment Opportunity Commission (EEOC) Hearing Expense Limit Per Wrongful Act	Limit	\$10,000
Equal Employment Opportunity Commission (EEOC) Hearing Expense Limit Annual Aggregate	Limit	\$50,000
Miscellaneous - Back Wages	Limit	\$50,000
General Liability P.E. 2 - Public Water Utility		Included
General Liability P.E. 2 - Sewer System		Included

**Exclusions include, but are not limited to:**

COVERAGE TYPE	DESCRIPTION
General Liability	Bodily Injury and Property Damage from pollutants - Absolute Exclusion
General Liability	Losses arising from the ownership maintenance or use of aircraft (including drones), autos, or watercraft, with some minor exceptions including certain contractual obligations
General Liability	Employment Related Practices Exclusion

**Exclusions include, but are not limited to:**

COVERAGE TYPE	DESCRIPTION
General Liability	Liquor Liability Exclusion
General Liability	Aircraft Products Exclusion
General Liability	Professional Liability Exclusion
General Liability	Real Property in Your Care, Custody, and Control Exclusion
General Liability	Absolute Asbestos Exclusion
General Liability	Absolute Lead Exclusion
General Liability	War and Nuclear Hazard
General Liability	Mold / Fungus
EBL	Dishonest, fraudulent, criminal or malicious act or omission
EBL	Bodily Injury or Property Damage or Personal Injury
EBL	Failure of performance of contract
EBL	Failure of any investment to perform as represented by you
EBL	Failure to comply with mandatory provisions of any law concerning Workers' Compensation, unemployment insurance, social security or disability benefits
EBL	Wrongful termination of an employee
EBL	Coercion, demotion, reassignment, discipline or harassment of an employee
EBL	Discrimination against an employee
General Liability	Employment Related Wrongful Acts Excluded
General Liability	Exclusion - (Limited) - Failure to Supply

**Other Significant Terms and Conditions/Restrictions:**

DESCRIPTION
Premium Includes Public Officials' Liability Premium of \$1,859.00, Employment Practices Liability Premium of \$8,973.00, Law Enforcement Liability Premium of \$8,221.00

<b>Premium</b>	<b>\$25,519.00</b>
<b>ESTIMATED PROGRAM COST</b>	<b>\$25,519.00</b>
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	<b>\$194.00</b>

**Subject to Audit: Not Auditable**

**Coverage:** Package - Automobile  
**Carrier:** Argonaut Insurance Company  
**Policy Period:** 12/31/2022 to 12/31/2023

**Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT	COVERED AUTOS
Liability Limit	Limit	\$1,000,000	1
Uninsured Motorist	Limit	\$100,000	2
Underinsured Motorist	Limit	\$100,000	2
Medical Payments	Limit	\$5,000	2
Auto Physical Damage - Comprehensive		Actual Cash Value	10
Auto Physical Damage - Collision		Actual Cash Value	10

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Comprehensive	\$1,000
Deductible	Collision	\$1,000

**Covered Autos:**

SYMBOL	SYMBOL NAME	DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS
1	Any Auto	
2	Owned Autos Only	Only those autos you own (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos you acquire ownership of after the policy begins.
3	Owned Private Passenger Autos Only	Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.
4	Owned Autos Other Than Private Passenger Autos Only	Only those autos you own that are not of the private passenger type (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos not of the private passenger type you acquire ownership of after the policy begins.
5	Owned Autos Subject To No-Fault	Only those autos you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those autos you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	Owned Autos Subject To A Compulsory Uninsured Motorists Law	Only those autos you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists' requirement.
7	Specifically Described Autos	Only those autos described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any trailers you don't own while attached to any power unit described in Item Three).
8	Hired Autos Only	Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent, or borrow from any of your employees, partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

**Covered Autos:**

SYMBOL	SYMBOL NAME	DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS
9	Nonowned Autos Only	Only those autos you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes autos owned by your employees, partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.
10		Coverage is automatically provided for Owned Autos that meet the following requirements: 1. Autos shown in the Declarations as having physical damage coverage, as of the effective date shown in the Declarations; or 2. a. "Auto" you newly acquire after the effective date and report to us prior to the expiration date, shown in the Declarations; and b. "Auto" is of similar make, model and departmental usage as any "auto" that is currently covered under this policy for Physical Damage coverage; and c. Vehicle value is less than \$250,000; and d. Vehicles covered at Actual Cash Value
19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those autos that are land vehicles and that would qualify under the definition of mobile equipment under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

**Auto Disclaimer**

Commercial Auto policies utilize a set of coverage symbols to stipulate a category of covered autos. One or more symbols are assigned to each coverage purchased indicating which autos that coverage applies to. Please refer to your policy and make certain that you read and understand the various auto symbols and associated descriptions. Specific symbols may apply to either a particular kind of vehicle or the vehicle's ownership status. The symbols could also differ depending upon whether the coverage is for liability or physical damage. Also, in certain circumstances, an insurance company may agree to provide coverage for an auto scenario that is not described in the auto symbols. When this occurs, a unique symbol and related description is used. If you have any questions regarding the auto symbols or associated descriptions contained in your policy, please contact us.

**Exclusions include, but are not limited to:**

DESCRIPTION
Excluded Drivers
Expected or Intended Injury
Contractual
Workers' Compensation
Employers' Liability
Property Damage to Property Owned or Transported by you
Pollution

**Premium** **\$14,624.00**

**ESTIMATED PROGRAM COST** **\$14,624.00**

**Subject to Audit: Not Auditable**

**Auditable Exposures:**

DESCRIPTION	EXPOSURE
Auto Liability - Liability Limit	30 - Units
Auto Physical Damage: Comprehensive	30 - Units
Auto Physical Damage: Collision	30 - Units

**Vehicles:**

VEH#	YEAR	MAKE MODEL	VIN	COST NEW	RATING CLASS	DEDUCT OTC	DEDUCT COLL
1	1995	Utility Trailer / Goldstar	4HLFS1626ST081351	\$5,000	684-990	\$1,000	\$1,000
2	1987	Ford / F350 Truck	1FDKE30LXH8B92526	\$30,000	014-990	\$1,000	\$1,000
3	2005	Ford / F350 Truck	1FTWF31P15EB86745	\$30,000	014-990	\$1,000	\$1,000
4	2015	Chevrolet / Colorado	1GCHTAE8F1188934	\$23,356	014-990	\$1,000	\$1,000
5	2015	Ford / F-350	1FTRF3BT4FED30525	\$40,436	014-990	\$1,000	\$1,000
6	2005	Ford / F550 Dump Truck	1FDAF57P65EC37021	\$57,000	214-790	\$1,000	\$1,000
7	2006	Truck / International	1HTWDAAR07J410127	\$46,000	214-990	\$1,000	\$1,000
8	2009	Ford / F550 Truck	1FDAF57R19EA98004	\$40,000	214-990	\$1,000	\$1,000
9	2009	Ford / F550 Truck	1FDAF57RX9EA98003	\$40,000	214-990	\$1,000	\$1,000
10	2016	Ford / F-550	1FDUF5HTXGEC86296	\$57,362	214-990	\$1,000	\$1,000
11	2008	Wells Fargo / Utility Trailer	575200J2XJH357987	\$9,153	684-990	\$1,000	\$1,000
12	2020	Ford / F-550	1FDUF5HN3MDA04776	\$90,000	214-990	\$1,000	\$1,000
13	2009	Chevrolet / Impala	2G1WS57M491227423	\$35,000	7911-	\$1,000	\$1,000
14	2015	Ford / Explorer	1FM5K8AR7FGC66669	\$35,000	7911-	\$1,000	\$1,000
15	2012	Ford / Expedition	1FMJU1G54CEF63006	\$35,000	7911-	\$1,000	\$1,000
16	2021	Ford / Interceptor	1FM5K8AB9MGC24617	\$50,000	7911-	\$1,000	\$1,000
17	2021	Ford / F550-Crane Truck	1FDUF5HN7NEC84617	\$150,000	7911-	\$1,000	\$1,000
18	2015	Ford / Taurus	1FAHP2MKXFG112073	\$35,000	7911-	\$1,000	\$1,000
19	2017	Ford / Utility Police Interceptor	1FM5K8AR7HGA17257	\$35,000	7911-	\$1,000	\$1,000
20	2017	Ford / Explorer	1FM5K8AR8HGD59042	\$35,000	7911-	\$1,000	\$1,000
21	2020	Ford / Explorer	1FM5K8AB5LGB67332	\$35,000	7911-	\$1,000	\$1,000
22	2007	Ford / Ranger	1FTYR14U97PA87894	\$25,000	014-990	\$1,000	\$1,000
23	2008	Ford / Ranger - XCAB	1FTZR15E28PB10929	\$25,000	014-990	\$1,000	\$1,000
24	2013	Ford / Fusion	3FA6P0G7XDR168099	\$19,971	7398-	\$1,000	\$1,000
25	2017	Chevrolet / Silverado	1GCVKNEC7HZ349034	\$30,023	014-990	\$1,000	\$1,000
26	2010	Trailer / Unknown	TBD	\$5,000	684-990	\$1,000	\$1,000
27	2022	Dodge / Durango	1C4RDJFG6NC137018	\$40,000	7911-	\$1,000	\$1,000
28	2022	Dodge / Durango	1C4RDJFG9NC136574	\$40,000	7911-	\$1,000	\$1,000





**Coverage:** Package - Excess Liability  
**Carrier:** Argonaut Insurance Company  
**Policy Period:** 12/31/2022 to 12/31/2023

**Form Type:**

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Excess Liability	Occurrence	N/A	Not Applicable

**Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Each Occurrence, Offense, Accident, or Wrongful Act	Limit	\$7,000,000
Annual Aggregate	Limit	\$7,000,000

**Underlying Policies:**

COVERAGE	DESCRIPTION	LIMIT	CARRIER NAME	EFFECTIVE DATE	EXPIRATION DATE
General Liability	Limit of Liability	\$1,000,000	Argonaut Insurance Company, Argonaut Great Central Insurance Company, Argonaut Midwest Insurance Company	12/31/2022	12/31/2023
Public Officials' Liability	Limit of Liability	\$1,000,000	Argonaut Insurance Company, Argonaut Great Central Insurance Company, Argonaut Midwest Insurance Company	12/31/2022	12/31/2023
Employment Practices Liability	Limit of Liability	\$1,000,000	Argonaut Insurance Company, Argonaut Great Central Insurance Company, Argonaut Midwest Insurance Company	12/31/2022	12/31/2023
Law Enforcement Liability	Limit of Liability Limit of Liability	\$1,000,000	Argonaut Insurance Company, Argonaut Great Central Insurance Company, Argonaut Midwest Insurance Company	12/31/2022	12/31/2023
Auto Liability	Limit of Liability	\$1,000,000	Argonaut Insurance Company, Argonaut Great Central Insurance Company, Argonaut Midwest Insurance Company	12/31/2022	12/31/2023

**Exclusions include, but are not limited to:**

DESCRIPTION
Workers' Compensation, Auto No Fault, Uninsured/ Underinsured Motorists, Disability, and Unemployment Compensation Laws
Pollution (Hostile Fire Exception)
Asbestos
Physical Damage to Property in Insured's Care, Custody, or Control
Auto First-party Coverage

**Exclusions include, but are not limited to:**

DESCRIPTION
Pollution (Auto)
Products Recall
Employment Related Practices Exclusion
Total Pollution Exclusion
Professional Liability Exclusion
Retained Limit

<b>Premium</b>	<b>\$10,927.00</b>
<hr/>	
<b>ESTIMATED PROGRAM COST</b>	<b>\$10,927.00</b>
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	<b>\$328.00</b>

**Subject to Audit: Not Auditable**

**Coverage:** Equipment Breakdown  
**Carrier:** Hartford Steam Boiler Inspection & Insurance Co.  
**Policy Period:** 12/31/2022 to 12/31/2023

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

**Coinsurance or Agreed Amount:**

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
Business Income Coinsurance: Waived Until 12/31/2023	N/A	N/A

**Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Equipment Breakdown Limit	Limit	\$50,000,000
Property Damage		Included
Business Income		Included
Extra Expense		Included

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Combined, All Coverages	\$1,000
Deductible	Interruption of Service Waiting Period	4 Hours

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Coverage Applies To: All Locations		
Civil Authority		Included
Contingent Business Income	Limit	\$2,500,000
Data Restoration	Limit	\$2,500,000
Demolition	Limit	\$2,500,000
Expediting Expenses		Included
Green	Limit	\$25,000
Hazardous Substances	Limit	\$2,500,000
Mold	Limit	\$25,000
Newly Acquired Locations		Included
Off Premises Equipment Breakdown	Limit	\$2,500,000
Ordinance or Law	Limit	\$2,500,000
Perishable Goods		Included
Public Relations	Limit	\$5,000

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Service Interruption		Included
Other Conditions:		
Newly Acquired Locations		365 Days
Extended Period of Restoration		365 Days
Miscellaneous Unnamed Locations Limit (Applies to locations you own or lease that are not listed on the Schedule of Locations.)	Limit	\$1,000,000

**Endorsements include, but are not limited to:**

DESCRIPTION
HSB TechAdvantage™ Equipment Breakdown Coverage Form

**Other Significant Terms and Conditions/Restrictions:**

DESCRIPTION
Covered Cause of Loss: Accident - Included Electronic Circuitry Impairment - Included
Other Conditions: Notice of Cancellation Other than Non-Payment: 90 Days The Words 'on the Same Site' are Deleted from Valuation a.(2) Covered Services as Defined Under "Interruption of Service" Includes "Cloud Computing Service"

<b>Premium</b>	<b>\$3,864.00</b>
<b>ESTIMATED PROGRAM COST</b>	<b>\$3,864.00</b>
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	<b>\$0.00</b>

**Coverage:** Cyber Liability

**Carrier:** Underwriters at Lloyd's London

**Policy Period:** 12/31/2022 to 12/31/2023

**Form Type:**

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Cyber Liability	Claims Made	Full Prior Acts	N/A

**Defense Limitations:**

COVERAGE TYPE	DEFENSE COST DOLLAR LIMIT	DEFENSE LIMIT	DEFENSE COST TYPE / COMMENTS
Cyber Liability	Applies		Other / Claims Expenses Shall Reduce the Applicable Limits of Liability and are Subject to the Applicable Retention(s)

**Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
I. Each Claim Aggregate Limit of Liability:	Limit	\$1,000,000	(Aggregate for Each and Every Claim including Claims Expenses)
II. Each Event Aggregate Limit of Liability:	Limit	\$1,000,000	(Aggregate for Each and Every Claim Event)
A. Privacy Liability (including Employee Privacy)	Sublimit	\$1,000,000	Per Claim
B. Privacy Regulatory Claims Coverage	Sublimit	\$1,000,000	Per Claim
C. Security Breach Response Coverage	Sublimit	\$1,000,000	Per Claim
D. Security Liability	Sublimit	\$1,000,000	Per Claim
E. Multimedia Liability	Sublimit	\$1,000,000	Per Claim
F. Cyber Extortion ***	Sublimit	\$50,000 / *** NOTE: All Coverages are sub-limited to \$50,000 each, and in the policy aggregate, if the incident involves a "Cyber-Extortion Threat"	Per Claim
<b>G. Business Income and Digital Asset Restoration</b>			
2. Restoration Costs	Sublimit	\$1,000,000	Per Claim
1. Business Income Loss	Sublimit	\$1,000,000	Per Claim
3. Reputation Business Income Loss	Sublimit	\$1,000,000	Per Claim
4. Systems Integrity Restoration Loss *	Sublimit	\$250,000	Per Claim
H. PCI DSS Assessment	Sublimit	\$1,000,000	Per Claim
<b>I. Electronic Fraud</b>			
1. Phishing Loss	Sublimit	\$50,000	Per Claim

**Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
2. Services Fraud Loss	Sublimit	\$100,000	Per Claim
3. Reward Fund Loss	Sublimit	\$50,000	Per Claim
4. Personal Financial Loss	Sublimit	\$250,000	Per Claim
5. Corporate Identify Theft Loss	Sublimit	\$250,000	Per Claim
6. Telephone Hacking Loss	Sublimit	\$100,000	Per Claim
7. Direct Financial Loss (Funds Transfer Fraud)	Sublimit	\$100,000	Per Claim
8. Cyber Deception**	Sublimit	\$100,000	Per Claim

**Deductibles / Self-Insured Retention**

TYPE	COVERAGE	AMOUNT
Retention	A. Privacy Liability (Including Employee Privacy) - Each Claim or Event	\$2,500
Retention	A. Privacy Liability (Including Employee Privacy) - Aggregate	\$2,500
Retention	B. Privacy Regulatory Claims Coverage - Each Claim or Event	\$2,500
Retention	B. Privacy Regulatory Claims Coverage - Aggregate	\$2,500
Retention	C. Security Breach Response Coverage - Each Claim or Event	\$2,500
Retention	C. Security Breach Response Coverage - Aggregate	\$2,500
Retention	D. Security Liability - Each Claim or Event	\$2,500
Retention	D. Security Liability - Aggregate	\$2,500
Retention	E. Multimedia Liability - Each Claim or Event	\$2,500
Retention	E. Multimedia Liability - Aggregate	\$2,500
Retention	F. Cyber Extortion - Each Claim or Event	\$2,500
Retention	F. Cyber Extortion - Aggregate	\$2,500
Retention	G. Business Income and Digital Asset Restoration - Each Claim or Event	\$2,500
Retention	G. Business Income and Digital Asset Restoration - Aggregate	\$2,500
Retention	H. Pci Dss Assessment - Each Claim or Event	\$2,500
Retention	H. Pci Dss Assessment - Aggregate	\$2,500
Retention	I. Electronic Fraud	
Retention	1. Phishing Loss - Each Claim or Event	\$2,500
Retention	1. Phishing Loss - Aggregate	\$2,500
Retention	2. Services Fraud Loss - Each Claim or Event	\$2,500
Retention	2. Services Fraud Loss - Aggregate	\$2,500
Retention	3. Reward Fund Loss - Each Claim or Event	\$2,500
Retention	3. Reward Fund Loss - Aggregate	\$2,500
Retention	4. Personal Financial Loss - Each Claim or Event	\$2,500

**Deductibles / Self-Insured Retention**

TYPE	COVERAGE	AMOUNT
Retention	4. Personal Financial Loss - Aggregate	\$2,500
Retention	5. Corporate Identify Theft Loss - Each Claim or Event	\$2,500
Retention	5. Corporate Identify Theft Loss - Aggregate	\$2,500
Retention	6. Telephone Hacking Loss - Each Claim or Event	\$2,500
Retention	6. Telephone Hacking Loss - Aggregate	\$2,500
Retention	7. Direct Financial Loss (Funds Transfer Fraud) - Each Claim or Event	\$2,500
Retention	7. Direct Financial Loss (Funds Transfer Fraud) - Aggregate	\$2,500
Retention	8. Cyber Deception** - Each Claim or Event	\$5,000
Deductible	Waiting Period	12 Hours

**Claims Made Coverage:**

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 30 days of the expiration date. The cost of this extended reporting period is 100% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 90 days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

**Definition of Claim:**

DESCRIPTION
<p>"Claim" Means:</p> <ol style="list-style-type: none"> <li>1. A Written Demand Received by "You" for Money or Services, Including the Service of a Civil Suit or Institution of Arbitration Proceedings;</li> <li>2. Initiation of a Civil Suit Against "You" Seeking Injunctive Relief;</li> <li>3. A Written Notice of an Alleged "Privacy Wrongful Act" or "Security Wrongful Act" from a Third Party.</li> <li>4. Solely with Respect to Coverage B., A "Regulatory Claim" Made Against "You"; Or</li> <li>5. Solely with Respect to Coverage H., Written Notice to "You" of a "PCI DSS Assessment".</li> </ol> <p>Multiple "Claims" Arising from the Same or a Series of Related or Repeated "Wrongful Acts", Acts, Errors, Or Omissions or from any Continuing "Wrongful Acts", Acts, Errors or Omissions Shall be Considered a Single "Claim" for the Purposes of This Policy, Irrespective of the Number of Claimants or "You" Involved Therein. All Such Related "Claims" Shall be Deemed to Have Been First Made at the Time the Earliest Such "Claim" was Made or Deemed Made Under Section IX.A.</p>

**Incident or Claim Reporting Provision:**

REPORTING CONDITION TYPE
Immediately report all claims to Baker Hostetler at the 24 Hour Security Breach Hotline: 1-855-217-5204

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
A. Court Attendance Costs	Sublimit	\$100,000	Per Claim
B. Bodily Injury / Property Damage Liability	Sublimit	\$250,000	Per Claim
C. Tcpc	Sublimit	\$100,000	Per Claim
D. Hipaa Corrective Action Plan Costs	Sublimit	\$50,000	Per Claim

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
E. Post Breach Response	Sublimit	\$25,000	Per Claim
F. Independent Consultant	Sublimit	\$25,000	Per Claim
G. Outsourced Provider	Sublimit	\$250,000	Per Claim
H. Computer System	Sublimit	\$250,000	Per Claim

**Endorsements include, but are not limited to:**

DESCRIPTION
Cyber Deception Endorsement (If elected)
Short Rate Cancellation Endorsement (USA) - NMA 45
Several Liability Clause - LSW 1001
Premium Payment Clause - LSW 3001
Breach Response Team Endorsement
USA Policyholders Complaints Handling Procedures Clause - LMA5269
Data Protection Short Form Information Notice - LMA9151
Biometric Statutes Or Regulations Sublimit Endorsement - 94.541 IL (03/21)
Coverage for Certified Acts of Terrorism (Included only if Terrorism coverage is elected at 1% additional premium) - 94.551 (01 05)
War and Terrorism Endorsement - 94.552 IL (04 15)
Cyber Extortion Threat Sublimit Endorsement

**Exclusions include, but are not limited to:**

DESCRIPTION
Nuclear Incident Exclusion - NMA 1256
Radioactive Contamination Exclusion - NMA 1477
Sanction Limitation and Exclusion Clause - LMA 3100

**Other Significant Terms and Conditions/Restrictions:**

DESCRIPTION
Territorial Limits: Worldwide
Choice of Law Illinois



<b>Premium</b>	<b>\$3,797.00</b>
<b>Taxes</b>	
Stamping Office Fee:	\$2.85
Surplus Lines Tax	\$132.90
<b>Total Taxes</b>	<b>\$135.74</b>
<b>Fees</b>	
RPS Service Fee	\$100.00
<b>Total Fees</b>	<b>\$100.00</b>
<b>ESTIMATED PROGRAM COST</b>	<b>\$4,032.74</b>
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	<b>\$38.00</b>

**Coverage:** Crime  
**Carrier:** Allmerica Financial Benefit Insurance Co  
**Policy Period:** 12/31/2022 to 12/31/2025

**Form Type:**

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Crime	Discovery	N/A	Not Applicable

**Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT
Employee Theft – Per Loss Coverage	Limit	\$500,000
Forgery Or Alteration	Limit	\$100,000
Inside The Premises – Theft Of Money And Securities	Limit	\$100,000
Inside The Premises – Robbery Or Safe Burglary Of Other Property	Limit	\$100,000
Outside The Premises	Limit	\$100,000
Computer And Funds Transfer Fraud	Limit	\$100,000
Money Orders And Counterfeit Money	Limit	\$100,000

**Deductibles / Self-Insured Retention**

TYPE	COVERAGE	AMOUNT
Deductible	Employee Theft – Per Loss Coverage	\$2,500
Deductible	Forgery Or Alteration	\$1,000
Deductible	Inside The Premises – Theft Of Money And Securities	\$1,000
Deductible	Inside The Premises – Robbery Or Safe Burglary Of Other Property	\$1,000
Deductible	Outside The Premises	\$1,000
Deductible	Computer And Funds Transfer Fraud	\$1,000
Deductible	Money Orders And Counterfeit Money	\$1,000
Deductible	False Pretenses - Per Occurrence	\$25,000

**Additional Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
False Pretenses	Limit	\$100,000	Per Occurrence
Employee Theft Insuring Agreement - Costs, Fees Or Other Expenses	Limit	\$5,000	
Computer And Funds Transfer Fraud Insuring Agreement - Costs, Fees Or Other Expenses	Limit	\$5,000	

**Endorsements include, but are not limited to:**

DESCRIPTION
Government Crime Declarations - CR DS 04 08 13
Signature Page - SIG-1100 11 17
Government Crime Policy (Discovery Form) - CR 00 26 11 15
Illinois Changes - CR 02 02 01 18
Include Chairperson and Members of Specified Committees as Employees - CR 25 06 10 10
Include Specified Non-Compensated Officers as Employees - CR 25 08 10 10
Include Treasurers or Tax Collectors as Employees - CR 25 12 10 10
Faithful Performance of Duty - CR 25 19 08 13
Include Expense Incurred to Establish Amount of Loss - CR 25 40 08 13
False Pretenses Coverage - 181-1826 10 20
Delete Exclusions for Bonded Employee, Treasurer And Tax Collector - 181-1836 10 20
Government Crime Advantage - 181-1839 10 20
Amend Computer And Funds Transfer Fraud Insuring Agreement - 181-1851 10 20
Difference In Conditions - MAN-2900 05 21

**Exclusions include, but are not limited to:**

DESCRIPTION
Third Party Employee Dishonesty
Government Action Exclusion
Accounting or Arithmetic Errors
Voluntary Parting of Property
Loss in which the existence of such loss is only proved by a profit and loss comparison or inventory records
Any theft or criminal act committed by a partner of the insured
Employee Dishonesty (does not apply to Employee Theft Coverage)

<b>Annual Premium</b>	<b>\$1,011.00</b>
<b>ESTIMATED PROGRAM COST</b>	<b>\$1,011.00</b>

**Coverage:** Workers' Compensation

**Carrier:** Illinois Public Risk Fund

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

**Coverage:**

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Coverage A - Workers' Compensation		Statutory	
Employers' Liability Limits Bodily Injury by Accident	Limit	\$3,000,000	Each Accident
Employers' Liability Limits Bodily Injury by Disease	Limit	\$3,000,000	Per Employee
Employers' Liability Limits Bodily Injury by Disease	Limit	\$3,000,000	Policy Limit

**Deductibles**

TYPE	COVERAGE	AMOUNT
Deductible	Workers' Compensation	None

**States:**

DESCRIPTION	STATE
States Covered:	IL
States Excluded:	OH, ND, WA, WY

**Endorsements include, but are not limited to:**

DESCRIPTION
Broad Form All States for Employee Travel - IPRF WC 00 001 18
Federal Employers' Liability Act Coverage - IPRF WC 00 002 18
Foreign Voluntary Workers' Compensation and Employers' Liability For Traveling Employees - IPRF WC 00 003 18
Longshoremen's and Harbor Workers' Compensation Act Coverage - IPRF WC 00 004 18
Maritime Coverage - IPRF WC 00 005 18
Voluntary Compensation - IPRF WC 00 006 18

**Exclusions include, but are not limited to:**

DESCRIPTION
Voluntary Compensation
Longshore & Harbor Workers' Act
Owners or Officers
Bodily Injury to an Employee While Employed in Violation of Law
Bodily Injury Intentionally Caused by Insured
Federal Employers' Liability Act

**Exclusions include, but are not limited to:**

**DESCRIPTION**

Assumptions under Contract

**Other Significant Terms and Conditions/Restrictions:**

**DESCRIPTION**

Cancellation: In the event that the Policy is Cancelled prior to the expiration date, then the total annual premium stated on page 2 will be 100% fully earned

**Premium** **\$50,857.00**

**Fees**

Administrative Fee \$1,526.00

**Total Fees** **\$1,526.00**

**ESTIMATED PROGRAM COST** **\$52,383.00**

TRIA/TRIPRA PREMIUM **INCLUDED**  
 (+ Additional Surcharges, Taxes and Fees as applicable)

**Subject to Audit: At Expiration**

**Auditable Exposures:**

STATE	CLASS CODE	DESCRIPTION	EXPOSURE	RATE PER \$100
IL	5506	Street Maintenance	\$261,000 - Payroll	8.377
IL	7520	Waterworks	\$190,000 - Payroll	2.776
IL	7580	Sewage Disposal	\$180,000 - Payroll	3.311
IL	7720	Policeman	\$887,000 - Payroll	1.946
IL	8810	Clerical	\$421,000 - Payroll	0.105
IL	9410	Municipal Employees	\$2,000 - Payroll	2.786



**ILLINOIS PUBLIC RISK FUND  
GRANT PROGRAM**

**VILLAGE OF GILBERTS**

the Illinois Public Risk Fund has reserved

**\$6,256**

**Congratulations!**

**Your organization has qualified for a Preferred Loss Ratio Grant of  
\$3,687 which is included in the above amount.**

Please visit [www.iprf.com](http://www.iprf.com)  
for additional information and to complete the Grant Application.

**Grant deadline is December 1, 2023.**

*(subject to the program terms and conditions.)*

## Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE		EXPIRING PROGRAM		PROPOSED PROGRAM	
		CARRIER	EXPIRING COST	CARRIER	ESTIMATED COST
<b>Package</b>	<b>Estimated Cost</b>	Argonaut Insurance Company (Trident)	<b>\$66,845.00</b>	Argonaut Insurance Company (Trident)	<b>\$76,188.00</b>
	TRIA Premium				\$1,276.00
<b>Equipment Breakdown</b>	<b>Estimated Cost</b>	Hartford Steam Boiler Inspection & Insurance Co.	<b>\$3,594.00</b>	Hartford Steam Boiler Inspection & Insurance Co.	<b>\$3,864.00</b>
	TRIA Premium				\$0.00
<b>Cyber Liability</b>	Premium	BCS Insurance Company	\$3,791.00	Underwriters at Lloyd's London	\$3,797.00
	Taxes		N/A		\$135.74
	Total Fees		\$100.00		\$100.00
	<b>Estimated Cost</b>		<b>\$3,891.00</b>		<b>\$4,032.74</b>
	TRIA Premium		Rejected		\$38.00
<b>Crime</b>	<b>Estimated Cost</b>	Hanover Insurance Companies	<b>\$1,012.00</b>	Allmerica Financial Benefit Insurance Co	<b>\$1,011.00</b>
<b>Workers' Compensation</b>	Premium	Illinois Public Risk Fund	\$50,024.00	Illinois Public Risk Fund	\$50,857.00
	Total Fees		\$1,501.00		\$1,526.00
	<b>Estimated Cost</b>		<b>\$51,525.00</b>		<b>\$52,383.00</b>
	TRIA Premium		Included		Included
<b>Total Estimated Program Cost</b>			<b>\$126,867.00</b>		<b>\$137,479.00</b>

Quote from **Argonaut Insurance Company (Argo Group International Holdings, Ltd)** is valid until **12/31/2022**

Quote from **Allmerica Financial Benefit Insurance Co (Hanover Insurance Companies)** is valid until **1/2/2023**

Quote from **Underwriters at Lloyd's London (Underwriters at Lloyd's London)** is valid until **12/31/2022**

Quote from **Hartford Steam Boiler Inspection & Insurance Co. (Hartford Steam Boiler Inspection & Insurance Co.)** is valid until **12/31/2022**

Quote from **Illinois Public Risk Fund (Illinois Public Risk Fund)** is valid until **1/1/2023**

Premiums are due and payable as billed and may be financed, subject to acceptance by an approved finance company. Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required. Note: Unless prohibited by law, Gallagher may earn compensation for this optional value-added service.

Gallagher is responsible for the placement of the following lines of coverage:

**Package**

**Equipment Breakdown**

**Cyber Liability**

**Crime**

**Workers' Compensation**

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.



## Payment Plans

CARRIER / PAYABLE CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
<b>Argonaut Insurance Company</b>	Package	Annual Payment due in full within 30 days of binding	Agency Bill
<b>Hartford Steam Boiler Inspection &amp; Insurance Co.</b>	Equipment Breakdown	Annual Payment due in full within 30 days of binding	Agency Bill
<b>Underwriters at Lloyd's London</b>	Cyber Liability	Payment due in full within 30 days of binding	Agency Bill
<b>Allmerica Financial Benefit Insurance Co (Hanover Insurance Companies)</b>	Crime	Payment due in within 30 days of binding	Agency Bill
<b>Illinois Public Risk Fund</b>	Workers' Compensation	Annual	Direct Bill

## Carrier Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING & FINANCIAL SIZE CATEGORY *	ADMITTED/NON-ADMITTED **
<b>Allmerica Financial Benefit Insurance Co</b>	A XV	Admitted
<b>Argonaut Insurance Company</b>	A- XIII	Admitted
<b>Hartford Steam Boiler Inspection &amp; Insurance Co.</b>	A++ X	Admitted
<b>Illinois Public Risk Fund</b>	Not Rated (1)	Admitted
<b>Underwriters at Lloyd's London</b>	A XV	Non-Admitted

\*Gallagher companies use A.M. Best rated insurers and the rating listed above was verified on the date the proposal document was created.

Best's Credit Ratings™ reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of Gallagher's service or its recommendations. A.M. Best is not responsible for transcription errors made in presenting Best's Credit Ratings™. Best's Credit Ratings™ are proprietary and may not be reproduced or distributed without the express written permission of A.M. Best.

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the A.M. Best website at <http://www.ambest.com/ratings>.

\*\*If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

(1) The Illinois public Risk Fund is a Self-Funded program established in 1985 solely for the purpose of providing Workers' Compensation coverage public entities in Illinois. Reinsurance is provided by Safety National Casualty Corporation, which is rated A+ XII by A.M Best

## Proposal Disclosures



## Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

### Proposal Disclaimer

**IMPORTANT:** The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

### Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third-parties, please contact Gallagher via e-mail at [Compensation\\_Complaints@ajg.com](mailto:Compensation_Complaints@ajg.com) or by regular mail at:

Chief Compliance Officer  
 Gallagher Global Brokerage  
 Arthur J. Gallagher & Co.  
 2850 Golf Rd.  
 Rolling Meadows, IL 60008

### TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

TRIPRA is set to expire on December 31, 2027. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2027. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

**Terms and Conditions**

It is important that we clearly outline the nature of our mutual relationship. The following terms and conditions (these “Terms”) govern your relationship with Gallagher unless you have separately entered into a written services agreement with Gallagher relative to the policies and services outlined in this Proposal, in which case that services agreement will govern and control with respect to any conflicts with these Terms. These Terms will become effective upon your execution of the Client Authorization to Bind Coverage (the “CAB”) included in this Proposal and shall survive for the duration of your relationship with Gallagher relative to the policies placed pursuant to the CAB or otherwise at your request.

**Services**

Gallagher will represent and assist you in all discussions and transactions with insurance companies relating to the lines of insurance coverage set forth in the CAB and any other lines of insurance coverage with which you request Gallagher’s assistance. Gallagher will consult with you regarding any matters involving these or other coverages for which you have engaged Gallagher. You have the sole discretion for approving any insurance policies placed, as well as all other material decisions involving your risk management, risk transfer and/or loss prevention needs.

Although you are responsible for notifying applicable insurance companies directly in connection with any claims, demands, suits, notices of potential claims or any other matters as required by the terms and conditions of your policies, Gallagher will assist you in determining applicable claim reporting requirements.

**Treatment of Information**

Gallagher understands the need to protect the confidentiality and security of your confidential and sensitive information and strives to comply with applicable data privacy and security laws. Your confidential and sensitive information will be protected by Gallagher and only used to perform services for you; provided that Gallagher may disclose and transfer your information to our affiliates, agents or vendors that have a need to know such information in connection with the provision of such services (including insurance markets, as necessary, for marketing, quoting, placing and/or servicing insurance coverages). We may also disclose such information as required by applicable data protection laws or the order of any court or tribunal, subject to our providing you with prior notice as permitted by law.

We will (i) implement appropriate administrative, physical and technical safeguards to protect personal information; (ii) timely report security incidents involving personal information to affected parties and/or regulatory bodies; (iii) create and maintain required policies and procedures; and (iv) comply with data subjects’ rights, as applicable. To the extent applicable under associated data protection laws, you are a “business” or “controller” and Gallagher is a “service provider” or “data processor.” You will ensure that any information provided to Gallagher has been provided with any required notices and that you have obtained all required consents, if any and where required, or are otherwise authorized to transfer all information to Gallagher and enable Gallagher to process the information for the purposes described in this Proposal and as set forth in Gallagher’s Privacy Policy located at <https://www.ajg.com/privacy-policy/>. Gallagher may update its Privacy Policy from time to time and any updates will be posted to such site.

**Dispute Resolution**

Gallagher does not expect that it will ever have a formal dispute with any of its clients. However, in the event that one should arise, we should each strive to achieve a fair, expedient and efficient resolution and we’d like to clearly outline the resolution process.

A. If the parties have a dispute regarding Gallagher’s services or the relationship governed by this Proposal (“Dispute”), each party agrees to resolve that Dispute by mediation. If mediation fails to resolve the Dispute, you and Gallagher agree to binding arbitration. Each party waives all rights to commence litigation in court to resolve a Dispute, and specifically waives all rights to pursue relief by class action or mass action in court or through arbitration. However, the parties do not waive the ability to seek a court order of injunction in aid of the mediation and arbitration required by these Terms.

B. The party asserting a Dispute must provide a written notice (“Notice”) of the claim to the other party and to the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules and Mediation Procedures. All Dispute resolutions will take place in Chicago, IL, unless you and Gallagher agree to another location. The parties will equally divide all costs of the mediation and arbitration proceedings and will each pay their own attorneys’ fees. All matters will be before a neutral, impartial and disinterested mediator or arbitrator(s) that have at least 20 years’ experience in commercial and insurance coverage disputes.

C. Mediation will occur within sixty (60) days of filing the Notice with the AAA. Mediation results will be reduced to a memorandum of understanding signed by you, Gallagher and the mediator. A Dispute that is not resolved in mediation will commence to binding arbitration. For Disputes in excess of \$500,000, either party may elect to have the Dispute heard by a panel of three (3) arbitrators. The award of the arbitrator(s) must be accompanied by a reasoned opinion prepared and signed by the arbitrator(s). Except as may be required by law, neither you, Gallagher, nor a mediator or arbitrator may disclose the existence, content or results of any Dispute or its dispute resolution proceeding without the prior written consent of both you and Gallagher.

**Electronic Delivery**

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by law, to accept electronic delivery of any documents that Gallagher may be required to deliver to you (including, but not limited to, insurance policies and endorsements, account statements and all

other agreements, forms and communications) in connection with services provided by Gallagher. Electronic delivery of a document to you may be made via electronic mail or by other electronic means, including posting documents to a secure website.

**Miscellaneous Terms**

Gallagher is engaged to perform services as an independent contractor and not as your employee or agent, and Gallagher will not be operating in a fiduciary capacity.

Where applicable, insurance coverage placements and other services may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees to the Internal Revenue Service, various State(s) departments of revenue, state regulators, boards or associations. In such cases, you will be responsible for the payment of the taxes and/or fees, which Gallagher will separately identify on related invoices.

The Proposal and these Terms are governed by the laws of the State of Illinois, without regard to its conflict of law rules.

If an arbitrator/court of competent jurisdiction determines that any provision of these Terms is void or unenforceable, that provision will be severed, and the arbitrator/court will replace it with a valid and enforceable provision that most closely approximates the original intent, and the remainder of these Terms will remain in effect.

Except to the extent in conflict with a services agreement that you may enter into with Gallagher, these Terms and the remainder of the Proposal constitute the entire agreement between you and Gallagher with respect to the subject matter of the Proposal, and supersede all prior negotiations, agreements and understandings as to such matters.

## Client Signature Requirements

## Coverages for Consideration

### Overview

Gallagher recommends that you consider purchasing the following additional coverages for which you have exposure. A Proposal for any of the coverages below can be provided.

- Terrorism

Please note the recommendations and considerations summarized in this section are not intended to identify all potential exposures. Gallagher is not an expert in all aspects of your business and assumes no responsibility to independently investigate the risks your business faces. Gallagher has relied upon the information you provided in making our insurance Proposals. If you are interested in pursuing additional coverages other than those listed above, please list the additional coverages in the Client Authorization to Bind.



## Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 11/28/2022, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	COVERAGE/CARRIER
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<b>Package</b>
	Argonaut Insurance Company
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<b>Equipment Breakdown</b>
	Hartford Steam Boiler Inspection & Insurance Co.
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<b>Cyber Liability</b>
	Underwriters at Lloyd's London
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<b>Crime</b>
	Allmerica Financial Benefit Insurance Co
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<b>Workers' Compensation</b>
	Illinois Public Risk Fund
<i>TRIA Cannot Be Rejected</i>	

### Additional Recommended Coverages

Gallagher recommends that you purchase the following additional coverages for which you have exposure. By checking the box(es) below, you are requesting that Gallagher provide you with a Proposal for this coverage. By not requesting a Proposal for this coverage, you assume the risk of any uncovered loss.

### Other Coverages to Consider

Terrorism

The above coverage(s) does not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those listed in the Additional Recommended Coverages, please list below:

---



---

Coverage Amendments and Notes:

**Exposures and Values**

You confirm the payroll, values, schedules, and any other information pertaining to your operations, and submitted to the underwriters, were compiled from information provided by you. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies. You acknowledge it is your responsibility to notify Gallagher of any material change in your operations or exposures.

**Additional Terms and Disclosures**

Gallagher is not an expert in all aspects of your business. Gallagher's Proposals for insurance are based upon the information concerning your business that was provided to Gallagher by you. Gallagher expects the information you provide is true, correct and complete in all material respects. Gallagher assumes no responsibility to independently investigate the risks that may be facing your business, but rather have relied upon the information you provide to Gallagher in making our insurance Proposals.

Gallagher's liability to you arising from any of Gallagher's acts or omissions will not exceed \$20 million in the aggregate. The parties each will only be liable for actual damages incurred by the other party, and will not be liable for any indirect, special, exemplary, consequential, reliance or punitive damages. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with the Proposal, any of Gallagher's services or your relationship with Gallagher may be brought by either party any later than two (2) years after the accrual of the claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By: \_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

## Appendix



## Bindable Quotations & Compensation Disclosure Schedule

**Client Name:** Village of Gilberts

COVERAGE(S)	CARRIER NAME(S)	WHOLESALER, MGA, OR INTERMEDIARY NAME <sup>1</sup>	EST. ANNUAL PREMIUM <sup>2</sup>	COMM.% OR FEE <sup>3</sup>	GALLAGHER U.S. OWNED WHOLESALER, MGA, OR INTERMEDIARY %
Package Property Inland Marine General Liability Automobile Excess Liability	Argonaut Insurance Company (Trident)	Trident Insurance Services	\$76,188.00	15%	
Equipment Breakdown	Hartford Steam Boiler Inspection & Insurance Co.	Risk Placement Services	\$3,864.00	20 %	10 %
Cyber Liability	Underwriters at Lloyd's London	Risk Placement Services	\$3,797.00	15%	7.5% + \$100.00
Crime	Allmerica Financial Benefit Insurance Co (Hanover Insurance Companies)	N/A	\$1,011.00	20%	
Workers' Compensation	Illinois Public Risk Fund	Boyle, Flagg and Seaman, Inc. (BF&S Insurance)	\$50,857.00	10%00	3%

1 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

2 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

\* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

3 The commission rate is a percentage of annual premium excluding taxes & fees.

\* Gallagher is receiving \_\_\_% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

## Claims Reporting By Policy

**Immediately report all claims.** Each insurer requires notice of certain types of claims depending on the potential exposure or particular injury types. It is important to thoroughly review your policy to ensure you are reporting particular incidents and claims, based upon the insurer's policy requirements.

### Reporting Direct to Carrier [Only When Applicable]

<p><b>COVERAGE(S): Equipment Breakdown</b></p> <p>Insurer: Hartford Steam Boiler Inspection and Insurance Company</p> <p>Policy Term: 12/31/2022 to 12/31/2023</p>	<p><b>IMMEDIATELY REPORT CLAIMS DIRECTLY TO:</b></p> <p>Insurer/TPA Name: Hartford Steam Boiler Inspection and Insurance Co</p> <p>Phone: 888-472-5677</p> <p>Fax: 888-329-5677</p> <p>Email: <a href="mailto:new_loss@hsb.com">new_loss@hsb.com</a></p> <p>Web: <a href="https://www.munichre.com/hsb/en/services/claims.html">https://www.munichre.com/hsb/en/services/claims.html</a></p>
<p><b>COVERAGE(S): Crime</b></p> <p>Insurer: Allmerica Financial Benefit Company</p> <p>Policy Number:</p> <p>Policy Term: 12/31/2022 to 12/31/2025</p>	<p><b>IMMEDIATELY REPORT CLAIMS DIRECTLY TO:</b></p> <p>Insurer/TPA Name: Allmerica Financial Benefit Company</p> <p>Phone: 800-628-0250; Platinum Holders: 800-799-6977</p> <p>Fax: 800-399-4734</p> <p>Email: <a href="mailto:firstreport@hanovr.com">firstreport@hanovr.com</a></p> <p>Web: <a href="https://www.hanover.com/claims.html">https://www.hanover.com/claims.html</a></p>
<p><b>COVERAGE(S): Workers' Compensation</b></p> <p>Insurer: Illinois Public Risk fund</p> <p>Policy Number:</p> <p>Policy Term: 1/1/2023 to 1/1/2024</p>	<p><b>IMMEDIATELY REPORT CLAIMS DIRECTLY TO:</b></p> <p>Insurer/TPA Name: Illinois Public Risk fund</p> <p>Phone: (888) 532-6981</p> <p>Fax: (888) 223-1638</p> <p>Web: <a href="http://www.iprf.com">www.iprf.com</a></p>
<p><b>COVERAGE(S): Cyber Liability</b></p> <p>Insurer: Underwriters at Lloyd's London</p> <p>Policy Number:</p>	<p><b>IMMEDIATELY REPORT CLAIMS DIRECTLY TO:</b></p> <p>Insurer/TPA Name: Underwriters at Lloyd's London</p> <p>Phone: Baker Hostetler at the 24 Hour Security Breach Hotline: 1-855-217-5204</p> <p>Email: <a href="mailto:RPSCyberClaims@bakerlaw.com">RPSCyberClaims@bakerlaw.com</a></p>
<p><b>COVERAGE(S): Package</b></p> <p>Insurer: Argonaut Insurance Company, (Trident)</p> <p>Policy Term: 12/31/2022 To 12/31/2023</p>	<p><b>IMMEDIATELY REPORT CLAIMS DIRECTLY TO:</b></p> <p>Insurer/TPA Name: Argonaut Insurance Company, (Trident)</p> <p>Phone: 833-240-4128</p> <p>Email: <a href="mailto:CommercialNewClaims@argogroupus.com">CommercialNewClaims@argogroupus.com</a></p> <p>Web: <a href="https://www.argolimited.com/trident/claims-retained-limits-group/">https://www.argolimited.com/trident/claims-retained-limits-group/</a></p>

**Reporting to Gallagher or Assistance in Reporting**

COVERAGE(S):	IMMEDIATELY REPORT CLAIMS DIRECTLY TO:
<b>Gallagher Claim Center</b> Policy Number: Policy Term:	Phone: 855-497-0578 Fax: 225-663-3224 Email: <a href="mailto:ggb.nrcclaimscenter@ajg.com">ggb.nrcclaimscenter@ajg.com</a>

# Gallagher STEP



## Reduce Your Risk and Simplify Training

Safety training programs and educational materials for employees are critical for reducing accidents, increasing retention, and minimizing your total cost of risk now and in the future.

**Gallagher Safety Training Education Platform (STEP)** is our proprietary learning management system (LMS) that supports your safety program, provides real-time access to your loss control plans and keeps employees up to date with the latest safety standards.

### Key Benefits of Gallagher STEP

- **Register** for up to 10 complimentary modules every year from a library of over 100 training and safety shorts. In addition, monthly bulletins are available, covering topics such as general and environmental safety, human resources, and health and wellness.
- **Save** valuable time by assigning employee training and monitoring their latest progress and completion.
- **Simplify** the process of training to stay in compliance and avoid costly penalties.
- **Onboard and train** an unlimited number of users while enhancing your overall risk control program.
- **Customize** your platform with your company's logo, training content and modules tailored to your business, and personalized procedures and forms for an added fee.

Please visit [ajg.com/us/gallagher-step/](http://ajg.com/us/gallagher-step/) to learn more.

### Most Popular Training Modules

- Sexual Harassment and Discrimination
- Slip, Trip and Fall Training
- Electrical Safety Training
- Back Safety Training
- Bloodborne Pathogens
- Safe Lifting Practices
- Defensive Driving Basics
- Fire Prevention Basics
- Personal Protective Equipment
- GHS Hazard Communication



Gallagher CORE360® is our unique, comprehensive approach of evaluating your risk management program that leverages our analytical tools and diverse resources for custom, maximum impact on six cost drivers of your total cost of risk.



## Sample of Available Training Modules and Safety Shorts

### Human Resources Training

- Americans with Disabilities Act (ADA)
- California Ethics
- California Sexual Harassment & Discrimination—Employees (English and Spanish)
- California Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- Connecticut Sexual Harassment Prevention and Response
- Diversity
- Drug-Free Workplace—Supervisor
- Ethics in Action
- Fair and Accurate Credit Transaction Act (FACTA)
- Family Medical Leave Act (FMLA)
- Interviewing Strategies
- Job Applications
- Maine Sexual Harassment Prevention and Response
- Personnel Files
- Sensitivity Basics: Creating Positive Working Relationships
- Sexual Harassment and Discrimination—Employees
- Sexual Harassment and Discrimination—Supervisors
- New York City Sexual Harassment and Discrimination—Employees (English and Spanish)
- New York City Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- New York State Sexual Harassment and Discrimination—Employees (English and Spanish)
- New York State Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- Smart Hiring
- Smart Risk Management—Core Principles
- Theft
- Unsafe Acts
- Violence Prevention
- Workers Compensation Essentials
- Workplace Investigations Basics
- Wrongful Termination

### Safety Training

- Accident Investigation Techniques
- Asbestos Awareness (General Industry)
- Basic Conveyor Safety
- Bloodborne Pathogens (English and Spanish)
- Creating a Safe Holiday Celebration
- Common Fire and Life Safety Hazards
- Continuity of Operations Planning
- Defensive Driving—Accident Scene Management
- Defensive Driving—Backing Safely, R is for Reverse
- Defensive Driving Basics—Part I (English and Spanish)
- Defensive Driving—Changing Lanes Safely
- Defensive Driving—Driving Safely in School Zones
- Defensive Driving—General Auto Risk Management
- Defensive Driving—Intersections
- Defensive Driving—Reducing Deer-Related Incidents
- Defensive Driving—Safe Following Distance
- Defensive Driving—Spring Weather Conditions
- Defensive Driving—Winter Weather Conditions
- Determining the Root Cause of Accidents
- Disaster Planning 101
- Electrical Safety (English and Spanish)
- Ladder Safety
- Employee and Family Disaster Planning
- Evacuation Planning and Procedures
- Fire Prevention Practices (English and Spanish)
- Forklift Safety Basics for General Industry
- Hazard Communication (English and Spanish)
- Hearing Protection
- Housekeeping—Custodial, Safe Housekeeping Practices
- Identifying Strain and Exertion Exposures (English and Spanish)
- Lead-Based Paint
- Lockdown Procedures
- Lockout/Tagout (English and Spanish)
- Machine Guarding (English and Spanish)
- Means of Egress (English and Spanish)
- Mold
- Office Ergonomics Defined
- Office Ergonomics—Working in Comfort
- Office Workstation Safety
- Office Workstation Safety for Supervisors
- Personal Protective Equipment (English and Spanish)
- Portable Fire Extinguishers I
- Portable Fire Extinguishers II
- Power Tool Safety
- Preparation for Physical Activity
- Preventing Back Injuries (English and Spanish)
- Preventing Slips, Trips and Falls (English and Spanish)
- Preventing Injuries When Lifting, Moving and Transferring Residents
- Safety Pays for Life
- Temp Staffing Services. Employee Safety Orientation (English and Spanish)

### Safety Shorts

Two safety shorts are considered one module selection.

- Bloodborne Pathogens
- Electrical Safety
- Emergency Procedures
- Fire Prevention and Protection
- Hand and Power Tools
- Hazard Communication
- Housekeeping/Custodial—Before You Start
- Housekeeping/Custodial—Cleaning by Hand
- Housekeeping/Custodial—Emptying Trash
- Housekeeping/Custodial—Mopping and Emptying Buckets
- Housekeeping/Custodial—Preventing Slips, Trips and Falls
- Housekeeping—General
- Ladder Safety
- Lockout/Tagout
- Personal Protective Equipment
- Safe Lifting Practices
- Slip, Trip and Fall

**The Gallagher Way.**  
Since 1927.

## Overview and Login Information

The Gallagher eRiskHub® portal provides you with exclusive risk management tools and best practices to improve your organization's cyber risk posture. This important resource serves your cyber risk management strategies by enhancing your capabilities in cyberattack prevention, loss mitigation and cyber risk transfer techniques.

### To access the Gallagher eRiskHub® now:

1. Navigate to <https://eriskhub.com/gallagher>
2. Complete the new user registration at the bottom of the page. Choose your own user ID and password. The access code is **447597**.
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located at the top right of the page.

If you have any questions about the Gallagher eRiskHub®, please reach out the eRiskHub® support staff at [support@eriskhub.com](mailto:support@eriskhub.com)

### Key Features of the Gallagher eRiskHub®

- **Risk Manager Tools**—A collection of tools for risk managers including research of known breach events, information to calculate the potential cost of a breach event, sample policies, breach response planning and more.
- **Learning Center**—An extensive collection of thought leadership articles, webinars, videos and blog posts covering everything from emerging cyber threats to data protection and more.
- **Security and Privacy Training**—Resources for creating an effective security training program for your employees.
- **Strategic Third-Party Relationships and Partner Resources**—Information on third-party vendors that can assist your organization improve your overall cyber risk, as well as access to exclusive Gallagher discounts on tools.

### Gallagher's Cyber Capabilities

Gallagher's Cyber practice has the expertise to deliver a full complement of cyber risk management and insurance services to help your team stay protected. We take a consultative, action-based approach to address the sophisticated and evolving nature of cyber liability to design custom solutions that meet your unique needs. For more information, please contact us.

[ajg.com](http://ajg.com) The Gallagher Way. Since 1927.



Insurance | Risk Management | Consulting

The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete Insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

Insurance brokerage and related services to be provided by Arthur J. Gallagher Risk Management Services, Inc. (License No. 0D69293) and/or its affiliate Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. (License No. 0726293).

© 2022 Arthur J. Gallagher & Co. CRP41579



## Business Continuity & Resilience Services

Businesses face so many challenges in today's marketplace that can disrupt operations or interrupt a supply chain, including:

- Cyber attacks
- COVID-19
- Natural disasters

Having a plan in place and being prepared to successfully manage these situations should be a critical component of any operating model.

The turbulence of 2020, especially the global COVID-19 pandemic, revealed to many organizations just how underprepared they are to effectively respond to and recover from major business disruptions or crises.

Organizations suddenly found they had to deal with unprecedented direct and indirect challenges to their businesses, including major supply chain disruptions, sudden shifts in customer demand and increased cyberthreats since a large portion of the workforce was operating remotely.

However, the incidence of these types of threats was escalating well before COVID-19, as were threats posed by workplace violence, societal unrest and natural disasters as a result of climate change.

To make matters worse, organizations are now faced with increased costs for insurance coverage as a result of a hard market.

Building resilient and recoverable operations has proven to be more difficult than ever. Organizations often struggle to develop a comprehensive yet pragmatic business continuity management framework to identify, assess and manage threats/vulnerabilities.

Underpreparedness has consequences. A minor incident can escalate to a major crisis that can consume an organization, and impact its brand/reputation and financial results for months, if not years.

According to Oxford Metrica, "Of the companies that faced a crisis, on average, more than three-quarters experienced a 20%–30% drop in their stock price as a result of the way the incident was managed."

For companies to achieve long-term resilience, they must be agile enough to respond and recover from any crisis, regardless of its nature or origin.

If COVID-19 taught us anything, it is that the ability to recover critical business processes builds confidence among key stakeholders such as employees, regulators, customers, investors, the media, the public and insurers.

Resilient organizations manage uncertainty. As a trusted partner and advisor, Gallagher's **Business Continuity and Resilience Services** team works with organizations to first assess their level of business resilience and then develop custom programs to improve it. We have developed business continuity, crisis management, crisis communications and supply chain risk management programs for clients in virtually every industry.

Oxford Metrica study 2020



Gallagher **CORE360**® is our unique, comprehensive approach of evaluating your risk management program that leverages analytical tools and diverse resources for customized, maximum impact on six cost drivers of your total cost of risk.

When evaluating potential crises you may face, it's important to focus on **Uninsured & Uninsurable Losses** to identify any risks you have that are either uninsured or uninsurable.

## Business Continuity

A business continuity plan reduces the operational impact of an incident by directly targeting the recovery of an organization's value drivers—those business processes that directly drive revenue and reputation—and enables an organization to recover more efficiently and effectively following a major business disruption or crisis.

## Crisis Management

Crisis management plans prevent or mitigate risks to people, brands, reputations and financial results, and provide the overarching framework for all response and recovery activities within the organization. Moreover, these plans improve coordination and accelerate decision-making at all levels of an organization in the event of a crisis.

## Crisis Communications

Crisis communication plans communicate promptly, accurately and confidently to all stakeholders during an incident or actual crisis, and enable organizations to better coordinate internal and external global communications with media, employees, regulators, customers, investors and the public at large.



Insurance | Risk Management | Consulting

[ajg.com](http://ajg.com) The Gallagher Way. Since 1927.

## Supply Chain Risk Management

A supply chain risk management program will help assess and manage third-party risks and vulnerabilities to ensure that products/services continue to be delivered both during and following a major disruption.

## Leaders Where it Counts

Gallagher was founded on a culture of ethics, service and a common interest—doing what's in our clients' best interest, not ours. That's one of the reasons why Gallagher has been named as one of the World's Most Ethical Companies® by Ethisphere for ten consecutive years.

We are proud to be the only insurance broker to receive this recognition honoring companies who understand the importance of leading, making hard but values-based decisions, and exemplifying overall commitment to integrity.



Gallagher provides insurance, risk management and consultation services for our clients in response to both known and unknown risk exposures. When providing analysis and recommendations regarding potential insurance coverage, potential claims and/or operational strategy in response to national emergencies (including health crises), we do so from an insurance/risk management perspective, and offer broad information about risk mitigation, loss control strategy and potential claim exposures. We have prepared this commentary and other news alerts for general informational purposes only and the material is not intended to be, nor should it be interpreted as, legal or client-specific risk management advice. General insurance descriptions contained herein do not include complete insurance policy definitions, terms and/or conditions, and should not be relied on for coverage interpretation. The information may not include current governmental or insurance developments, is provided without knowledge of the individual recipient's industry or specific business or coverage circumstances, and in no way reflects or promises to provide insurance coverage outcomes that only insurance carriers control.

Gallagher publications may contain links to non-Gallagher websites that are created and controlled by other organizations. We claim no responsibility for the content of any linked website, or any link contained therein. The inclusion of any link does not imply endorsement by Gallagher, as we have no responsibility for information referenced in material owned and controlled by other parties. Gallagher strongly encourages you to review any separate terms of use and privacy policies governing use of these third party websites and resources.

"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC. Arthur J. Gallagher & Co. named one of the World's Most Ethical Companies® for 2021.

© 2021 Arthur J. Gallagher & Co. | GGB40070



## A Next Generation Engagement Solution

**Gallagher Insight** is a user-friendly web portal that allows secure, real-time collaboration between you and your Gallagher team. It empowers Clients with 24/7 access to their summary insurance information and an array of materials needed to run your risk management program, all at your fingertips on any device. Gallagher Insight is a password-protected portal accessible through any browser on your mobile phone, tablet or PC. Insight offers a modern design, robust features and upgraded functionality, including:

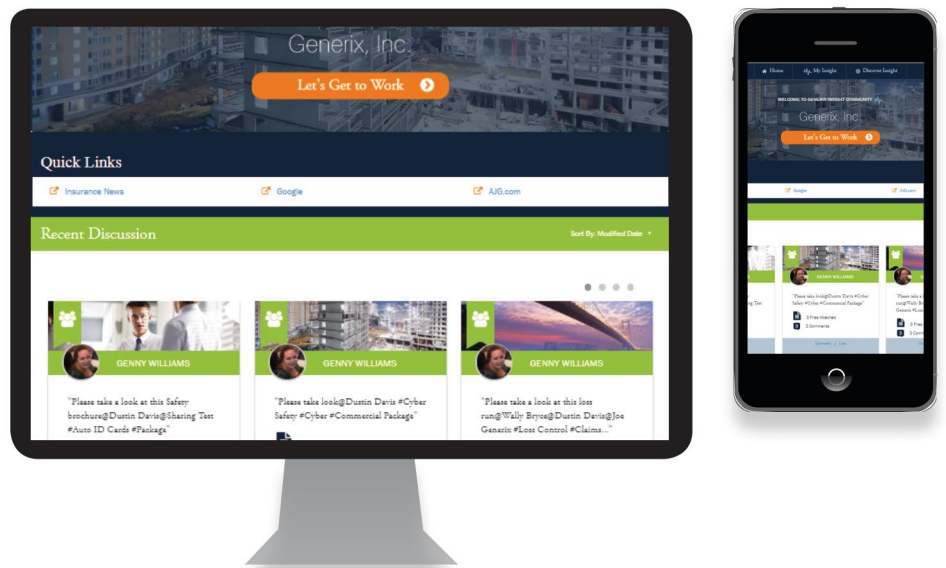
- Secure web-based document libraries for our clients
- Policy and document sharing with your Gallagher account team
- A private social network between your global team and ours
- Stewardship through goals, events and tasks set up by you and your Gallagher team
- Access to Gallagher's resource library
- Submission and tracking of service requests

Insight can be accessed from any electronic device using a secure ID and password to login.



**The Gallagher Way.**  
Since 1927.

ajg.com



# Contractual Risk Compliance



Insurance | Risk Management | Consulting



Gallagher Verify monitors expiration dates, insurance limits and other details across thousands of COIs. In addition, their team delivers a very consultative, custom approach, which has allowed us to significantly improve our overall risk exposure.

## Mitigate contractual risk with confidence

There is more to managing compliance than just collecting your third-party vendors' certificates. **Gallagher Verify<sup>SM</sup>** ensures you are tracking all the information you need to keep your company organized, compliant and properly protected. Take advantage of our intelligent technology and experienced compliance experts to gain insight into your level of risk, giving you the freedom to focus on your day-to-day operations.

### Protect your business from unknown risk

A majority of organizations face unknown risk. In fact, research shows that most organizations average only 20% compliance for vendor insurance. Gallagher Verify limits your unknown risk and significantly improves compliance. Most companies that use Gallagher Verify average over 80% compliance.\*

### Track more than just Certificates of Insurance

Our cloud software has the capability to track and verify compliance for any type of document your business is required to keep on file. These documents can include but are not limited to:

W-9 forms	OSHA mod rates	Background checks
MVRs	Contracts	Certifications and licenses

### Gallagher Verify brings big benefits to your business

- Increased profitability due to reduced internal administrative costs
- Insurance consulting with a risk advisor
- Reports and dashboards to manage compliance trends
- Ongoing monitoring of A.M. Best insurance carrier ratings and vendor compliance with A.M. Best rating
- Easy-to-use cloud software used to track and record incoming COIs
- Proactive compliance calls to vendors
- Industry-specific software configurations

\*Tier 2 model.



**Learn More About CORE360™**

Gallagher Verify is part of Gallagher CORE360™, our unique, comprehensive approach to evaluating your risk management program that leverages our analytical tools and diverse resources for custom, maximum impact on six cost drivers of your total cost of risk.

We consult with you to understand your **Contractual Liability**, and how to mitigate risks and associated costs.

This will empower you to know, control and minimize your total cost of risk, and improve your profitability.

**Tiers of service tailored to the needs of your organization**

	TIER 1	TIER 2
Gallagher Verify cloud software	✓	✓
Dedicated implementation project managers (includes data entry and software configuration)	✓	✓
Automated COI endorsement and document compliance verification	✓	✓
Automated noncompliance and renewal notifications to vendors	✓	✓
Client access to software support	✓	✓
Customizable daily, weekly and monthly reports, and historical compliance dashboard widgets	✓	✓
Risk management consulting for clients (insurance requirement exception guidance)	✓	✓
Outgoing vendor compliance enforcement and educational phone calls (up to four phone calls per certificate of insurance)		✓
Weekly or monthly client stewardship calls with a risk advisor		✓
Unlimited phone support for vendors with insurance and contract-related questions		✓

“When we initially implemented Gallagher Verify, our third-party insurance compliance was less than 20%. Today, compliance is more than 90%. The aggressive tracking of insurance requirements and vendor compliance mitigates financial exposure, should there be a claim.”

**The Gallagher Way.**  
Since 1927.

[ajg.com](http://ajg.com)

The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

Insurance brokerage and related services to be provided by Arthur J. Gallagher Risk Management Services, Inc. (License No. 0D69293) and/or its affiliate Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. (License No. 0726293).



## **EMPLOYMENT PRACTICES LIABILITY COVERAGE PART – PUBLIC ENTITY EMPLOYEES**

---

In return for the payment of premium and subject to the terms and conditions of this policy, we agree with you as follows:

### **INTRODUCTION**

Various provisions in this Coverage Part restrict coverage. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

Throughout this coverage part the words **you** and **your** refer to *the Public Entity shown first as Named Insured in the Declarations*. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under WHO IS AN INSURED (**Section II**).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (**Section VI**).

## **SECTION I – COVERAGES**

---

### **A. Insuring Agreement**

We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as damages because of a "wrongful employment act" committed anywhere in the world to which this insurance applies. This insurance DOES NOT apply to any "claim" resulting from a "wrongful employment act" that commenced prior to the Retroactive Date shown in the declarations.

This insurance applies only to a "claim" for "damages" first made against any insured during the policy period or any Extended Reporting Period we provide under SECTION V EXTENDED REPORTED PERIODS. A "claim" will be deemed to have been made when notice of such "claim" is received and recorded by you or your "designee" or by us, whichever comes first;

All "claims" arising out of the same "wrongful employment act" will be deemed to have been made at the time the first of those "claims" is made against any insured.

We will have the right and duty to defend the insured against any "suit" seeking "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" for a "wrongful employment act" to which this insurance does not apply. We may, at our discretion, investigate any "wrongful employment act" and settle any "claim" or "suit" that may result. However:

- a. The amount we will pay for "damages" is limited as described in Section III Limits Of Insurance And Deductible; and
- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments (Section I. C.).

### **B. Exclusions**

This insurance does not apply to:

1. Any "claim", or any portion of any "claim", alleging "bodily injury", "property damage", "personal injury", "advertising injury" or "employee benefits injury".



2. Any "claim" arising out of a breach of contract, including but not limited to amounts owed under any written employment-related contract or agreement or liability assumed under any contract or agreement.
3. Any "claim" arising out of:
  - a. a dishonest, malicious, fraudulent or criminal act, error or omission by any person, or
  - b. a knowing violation of any law, statute or governmental regulation.

This exclusion applies only to the insured(s) who committed or had knowledge of the fraudulent, criminal or dishonest act, error, omission or violation of law. However if it is later established by a judgment or other final adjudication that the was not proven, we will reimburse the insured for the reasonable costs of defense
4. Any civil or criminal fines or penalties levied by any federal, state or local governmental regulatory agency or court.
5. Any "claim" arising out of:
  - a. Any collective bargaining agreements; or
  - b. Any lockout, strike, picket line, replacement of workers or other labor disputes or labor negotiations, union grievances or any "claim" filed by or on behalf of a union.
6. Any "claim" arising out of any liability based upon or attributable to any insured gaining profit, advantage, or remuneration to which that insured is not legally entitled.
7. Any "claim" arising out of any obligation of the insured under the following laws and any subsequent amendments thereto, or any similar laws, rules or regulations:
  - a. Fair Labor Standards Act.
  - b. National Labor Relations Act.
  - c. Worker Adjustment and Retraining Notification Act.
  - d. Consolidated Omnibus Budget Reconciliation Act of 1985.
  - e. Employee Retirement Income Security Act of 1974.
  - f. The Pension Benefit Act,
  - g. The Occupational Safety and Health Act
  - h. Section 89 of the Internal Revenue Code
8. Any "claim" arising out of disputes over benefits made by anyone including any beneficiary, related to their employment or application for employment by you. This includes, but is not limited to, an employee benefit plan, welfare plan, retirement plan, self insurance fund, or any obligation under the Employee Retirement Income Security Act, or COBRA, and any subsequent amendments thereto or any similar local, state or federal law or regulation.
9. Any "claim" arising out of the cost of employment reinstatement, continued employment or complying with any order for, grant of, or agreement to provide injunctive or other non-monetary relief.
10. Any "claim" for relief that is equitable in nature and is not payable in money, or any request for equitable or injunctive relief, or the insured's cost to comply with any such non-monetary relief.

The most we will pay to defend any "suit" that is solely seeking non-monetary or equitable or injunctive relief is limited under Supplementary Payments (Section I.C.).

If a "suit" seeks both monetary damages and non-monetary relief, we will defend the "suit".

11. Any "claim" arising out of:
  - a. Any prior and/or pending litigation as of the effective date of this Coverage Part set forth in the Declarations, or

- b. Any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory upon which such "claim" is predicated.

12. Any "claim" arising out of:

- a. The activities or operations of any school, school board, school district, or other similar educational unit, entity or institutions;
- b. The activities or operations of any boards, commissions, agencies, authorities, administrative departments or other similar units operated by, under the jurisdiction, and within the budget of an entity described in 1 above;
- c. The liability of any insured for their administration, supervision or oversight of any person, entity, department, agency, or institution described in 1 or 2 above.

### C. Supplementary Payments

- 1. We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$300 a day because of time off from work.
  - d. All costs taxed against the insured in the "suit" that result from a verdict covered by this policy.
  - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Our obligation to defend an insured and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

2. Non-Monetary Defense Limit

- a. The most we will pay for defense costs, to defend any and all "suits" brought that are solely seeking non-monetary or equitable or injunctive relief and/or for legal fees awarded to the plaintiff in such "suits" is \$50,000 per "suit". The most we will pay is \$50,000 in the aggregate for the policy period.
- b. We will not pay to defend any "suits" initiated by a governmental entity that are solely seeking non-monetary or equitable or injunctive relief.

This limit only applies when the "suit" would otherwise be covered by this Coverage Part, but for the fact it solely seeks non-monetary damages.

3. Equal Employment Opportunity Commission (EEOC) Defense Limit

While not a "claim" for "damages" otherwise covered by this Coverage Part, if we receive notification from you that an EEOC complaint has been filed against you during the policy period:

The most we will pay for defense costs to respond to an EEOC complaint or to attend related hearings and/or for legal fees that are awarded to a complainant is \$10,000 in excess of \$2,500 for each EEOC complaint that is filed against you. The most we will pay to defend any and all EEOC complaints filed against you during the policy period is \$50,000 in the aggregate.

These payments will not reduce the Limits of Insurance.

## **SECTION II – WHO IS AN INSURED**

---

You are an insured and.

Each of the following is an insured but only for acts that are both within the scope of his or her duties for you, and motivated, at least in part, by a purpose to serve you:

1. Any member of the governing body of the named insured.
2. Any board, commission, agency, authority, administrative department, or other similar unit operated by you and under your jurisdiction and within your budget.
3. All your past, present, and future elected, appointed, or employed officials..
4. Any employee or authorized volunteer of the named insured.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture, or any other entity, that is not shown as a named insured in the Declarations.

## **SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE**

---

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds; or
  - b. "Claims" made or "suits" brought; or
  - c. Persons or organizations making "claims" or bringing "suits".
2. The most we will pay for all "claims", "suits" or actions covered by this Coverage Part is the ANNUAL AGGREGATE shown in the Declarations.
3. Subject to 2. above, the Each "Wrongful Employment Act" Limit is the most we will pay for the sum of all "damages" arising out of any one ""wrongful employment act"".
4. Deductible
  - a. Our obligation to pay "damages" on your behalf and to pay "loss adjustment expense" applies only to the amount of "damages" and "loss adjustment expense" in excess of the Deductible shown in the Declarations. The Deductible shown in the Declarations applies to the total amount of all "damages" and related "loss adjustment expense" because of all "claims" resulting from any one ""wrongful employment act"".
  - b. The terms of this insurance, including those with respect to:
    - i. Our right and duty to defend any "suits" seeking those "damages"; and
    - ii. Your duties in the event of a ""wrongful employment act"", "claim", or "suit"Apply irrespective of the application of the Deductible amount.
  - c. We may pay any part, or all, of the Deductible amount applicable to "damages" and "loss adjustment expense" to effect settlement of any "claim" or "suit", and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

If we file suit seeking recovery for amounts paid by us as a deductible which is to be reimbursed by you, then you are responsible for all costs of collection, including reasonable attorney's fees and interest on the amount in question in the full amount allowed by law.

#### 5. Back Wages Limit

Subject to the Aggregate Limit shown in the Declarations, the Back Wages Limit shown in the Declarations, after payment of the Back Wages Deductible shown in the Declarations, is the most we will pay under this Coverage Part for the sum of all "back wages" for any one "wrongful employment act", regardless of the number of:

- a. Insureds;
- b. "Claims" made or "suits" brought; or
- c. Persons or organizations making "claims" or bringing "suits".

This limit does not apply unless an amount is shown in the Declarations.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Coverage Part period shown in the Declarations, unless the Coverage Part period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## SECTION IV - CONDITIONS

---

### A. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### B. Duties of the Named Insured

1. The Named Insured in the Declarations, or if multiple entities are named, the first of such entities, shall be the sole agent, and shall act on behalf, of each insured with respect to all matters under this Coverage Part, including but not limited to:
  - a. Giving notice of any "claim";
  - b. Giving or receiving notice of cancellation;
  - c. Receiving any other written notice or correspondence from us;
  - d. Consenting to the settlement of any "suit";
  - e. The receipt and acceptance of this Coverage Part and any endorsements to this Coverage Part;
  - f. The payment of any premium due under this Coverage Part;
  - g. The receipt of any return premiums that may become due under this Coverage Part; and
  - h. The exercise of any rights under Section V Extended Reporting Periods; and
2. Each insured agrees that the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, shall act on their behalf.

### C. Duties In The Event Of A "Claim", "Suit" or "Wrongful Employment Act"

1. You must see to it that we are notified of a "wrongful employment act" which may result in a "claim" covered by this Coverage Part as soon as practicable *after* the "wrongful employment act" is known by you, or your "designee".

To the extent possible, notice should include:

- a. How, when and where the "wrongful employment act" took place;
- b. The names and addresses of any injured persons or witnesses; and

- c. The nature and location of any injury or damage arising out of the "wrongful employment act".

Notice of a "wrongful employment act" is not notice of a "claim".

2. If a "claim" is made or "suit" is brought against any insured, you must:
  - a. Record the specifics of the "claim" or "suit" and the date received as soon as you, or your "designee" is notified of it;
  - b. Notify us as soon as practicable after you or your "designee" learns of the "claim" or "suit".

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent
5. Notice given by or on behalf of:
  - a. The insured;
  - b. The injured person;
  - c. Any other claimant;

to a licensed agent of ours with particulars sufficient to identify the insured shall be deemed notice to us.

#### **D. Assignment**

Assignment of interest under this Coverage Part shall not bind us until our consent is endorsed hereon; however, subject otherwise to the terms hereof, this Coverage Part shall cover the estate, heirs, legal representative or assigns of the insured in the event of the insured's death, bankruptcy, insolvency or being adjudged incompetent.

#### **E. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
2. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### **F. Other Insurance**

The insurance provided by this Coverage Part is excess over any other collectible insurance. We will have no duty to defend the insured against any "suit" or "claim" for "damages" if any other insurer has a duty to defend the insured against that "suit".

When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of:

1. The total amount that all other insurance would pay in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under the other insurance.

If we share the loss, we will do so by equal share contribution if allowed by the other insurance. If equal share contribution is not permitted, we will contribute by the ratio our limit bears to the total applicable limits of all insurance.

#### **G. Conformity to Statute**

This Coverage Part is intended to be in full conformity with the laws of the state in which it is issued. If any provision of this Coverage Part (including endorsements which modify the Coverage Part) conflicts with any law, it is changed to comply with that law.

#### **H. Premium Audit**

Unless required by law, premiums for this Coverage Part shall not be subject to audit.

#### **I. Consent To Settle**

We will not settle any "suit" without your consent. If , however, you refuse to consent to any settlement recommended by us and elect to contest the "claim" or to continue any legal proceedings in connection with such "claim," then:

1. We will not be obligated to pay defense costs incurred by you subsequent to such refusal. and
2. If a settlement or adverse judgment occurs subsequent to such refusal, we will not be obligated to pay any amount in excess of the amount for which the "claim" could have been settled prior to such refusal.

Such amounts are subject to the provisions of Section III Limits of Insurance and Deductible of this Coverage Part.

#### **J. Representations**

By accepting this Coverage Part, you agree:

1. The application and the declarations are the basis of this Coverage Part and are to be considered as incorporated in and constituting part of this Coverage Part.
2. The statements in your application are accurate and complete;
3. Those statements are representations you made to us; and
4. We have issued this Coverage Part in reliance upon your representations.

#### **K. Transfer Of Rights Of Recovery Against Others To Us**

If an insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. No insured should do anything after a "wrongful employment act" to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **L. When We Do Not Renew**

If we decide not to renew this Coverage Part we will mail or deliver to the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, notice of the non-renewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing as required by state law will be sufficient proof of notice. Proof of mailing requirements may vary by state.

#### **M. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom "claim" is made or "suit" is brought.

#### **N. Title of Paragraphs**

The titles of the various paragraphs of this Coverage Part and endorsements, if any, attached to this Coverage Part, are inserted solely for convenience or reference and are not deemed in any way to affect the provisions to which they relate.

### **SECTION V - EXTENDED REPORTING PERIODS**

---

A. We will provide one or more Extended Reporting Periods, as described below, if:

1. This Coverage Part is cancelled or not renewed; or
2. We renew or replace this Coverage Part with insurance that:
  - a. Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
  - b. Does not apply to "wrongful employment acts" on a claims-made basis.

B. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" for:

1. "Wrongful Employment Acts" that first occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect Extended Reporting Periods may not be cancelled.

C. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days. Please refer to Section IV - Conditions, C. Duties in the Event of a "Claim", "Suit" or "Wrongful Employment Act", for your responsibilities when reporting an incident to us. The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

D. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

E. A Supplemental Extended Reporting Period of 12, 24 or 36 months is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraphs C. and D. above, ends.

1. You must give us a written request for the endorsement within 90 days after the end of the policy period. If you have chosen to purchase a Supplemental Extended Reporting Period for a period of less than 36 months, you may extend the period for up to a combined total of 36 months if you request the extension in writing no later than 60 days before the expiration of the Supplemental Extended Reporting Period originally elected.
2. The Supplemental Extended Reporting Period(s) will not go into effect unless you pay the additional premium, determined in accordance with our rates, promptly when due. The additional premium for each 12-month Supplemental Extended Reporting Period will be equal to 50% of the annual premium for this Coverage Part.
3. The insurance afforded for "claims" first made during the Supplemental Extended Reporting period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period(s) starts.

F. The Limit of Liability that applies to the Supplemental Extended Reporting period is equal to the limit entered on the declarations in effect at the end of the policy period.

## SECTION VI - DEFINITIONS

---

1. "Advertising Injury" means
  - a. The use of another's advertising idea in your advertisement; or
  - b. Infringement of copyright, patent, slogan, trademark, trade secret, trade dress, or other intellectual property rights.
2. "Back wages" means wages that would have been earned in the past if a person had been employed or promoted or received a wage increase. "Back wages", as used in this Coverage Part, includes future wages and overtime, but "back wages" does not include:
  - a. Any wage loss resulting from any lockout, strike, picket line, replacement of workers or other similar actions in connection with labor disputes, labor negotiations, or collective bargaining agreements; or
  - b. Any future wages or other compensation paid to reinstated or rehired "employees" or claimants due and payable beyond the date of reinstatement or rehire.
3. "Bodily Injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time.
4. "Claim" means written or oral demand, including a "suit", to hold the insured responsible for an alleged or actual "wrongful employment act" where payment of "damages" is sought.
5. "Damages" means money damages including "back wages". "Damages" does not include any amount awarded as liquidated damages pursuant to any federal or state statute. "Damages" does not include punitive damages, unless required by state law.
6. "Designee" means one of your officers, your legal department or an employee you designate to give notice to us.
7. "Employee" includes a "leased worker".
8. "Employee Benefits Injury" means injury that arises out of any act, error or omission in the administration of your "Employee Benefit Programs" or alleged violation of any employment related state or federal code, regulation or statute.
9. "Employee Benefits Programs" means a program or programs of employee benefits maintained in connection with your business or operations, such as but not limited to, Group Life Insurance, Group Accident or Health Insurance, Pension Plans, Employee Stock Subscription Plans, Workers Compensation, Unemployment Insurance, Social Security and Disability Benefits.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business.
11. "Loss adjustment expense" means expenses allocated to a specific loss, "claim" or "suit" we incur or the insured incurs with our consent for the investigation, negotiation, arbitration, adjustment, settlement or defense of any "claim" or suit, whether paid by us or by the insured with our consent. "Loss adjustment expense" does not include salaries and expenses of our employees.
12. "Personal Injury" means:
  - a. False arrest, detention, imprisonment, abuse of process or malicious prosecution.
  - b. Wrongful entry or eviction, or other invasion of the right of private occupancy.
13. "Property Damage" means:
  - a. Physical injury to tangible property including all resulting loss of use of that property; or



- b. Loss of use of personal property that is not physically injured; or
- c. Disappearance of tangible property (including money).
- d. Impairment, deprivation or destruction of property, including loss of use thereof, resulting from proceedings in eminent domain, adverse possession, unlawful or unconstitutional taking of property or inverse condemnation, by whatever named called.

14. "Suit" means a civil proceeding in which "damages" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which "damages" may be awarded and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which "damages" may be awarded and to which the insured submits with our consent.

15. "Volunteer " means a person who:

- a. Is not an "employee" of any insured; or
- b. Donates his or her work; or
- c. Acts at the direction of, and within the scope of duties determined by, an insured; and
- d. Is not paid a fee, salary or other compensation by any insured or anyone else for their work performed for the insured.

16. "Wrongful employment act" means any actual or alleged wrongful dismissal, discharge, termination of employment, wrongful failure or refusal to employ or to promote, or violation of employment discrimination or workplace harassment laws.

All such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related -- either logically, causally or temporally -- shall be deemed to constitute one Wrongful Employment Act, regardless of the number of "claims" or claimants. The entire Wrongful Employment Act will be considered to have been committed on the date of the first act, error or omission.

## **PUBLIC OFFICIALS LIABILITY COVERAGE PART**

---

Various provisions in this *Coverage Part* restrict coverage. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Part the words **you** and **your** refer to *the Public Entity shown first as Named Insured in the Declarations*. The words **we**, **us** and **our** refer to the company providing this insurance.

The word **insured** means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VI).

### **SECTION I – COVERAGES**

---

#### **A. Insuring Agreement**

We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as “damages” because of a “wrongful act” committed anywhere in the world to which this insurance applies. This insurance DOES NOT apply to any “claim” resulting from a “wrongful act” that commenced prior to the Retroactive Date shown in the declarations.

This insurance applies only to a “claim” for “damages” first made against any insured during the policy period or any Extended Reporting Period we provide under SECTION V EXTENDED REPORTED PERIODS. A “claim” will be deemed to have been made when notice of such “claim” is received and recorded by you or your “designee” or by us, whichever comes first;

All “claims” arising out of the same “wrongful act” will be deemed to have been made at the time the first of those “claims” is made against any insured.

We will have the right and duty to defend the insured against any “suit” seeking “damages”. However, we will have no duty to defend the insured against any “suit” seeking “damages” for a “wrongful act” to which this insurance does not apply. We may, at our discretion, investigate any “wrongful act” and settle any “claim” or “suit” that may result. However:

- a. The amount we will pay for “damages” is limited as described in Section III Limits Of Insurance And Deductible; and
- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments (Section I. C.).

#### **B. Exclusions**

This insurance does not apply to:

1. Any “claim”, or any portion of any “claim”, alleging “bodily injury”, “property damage”, “personal injury”, “advertising injury” or “employee benefits injury”.
2. Any “claim” arising out of:
  - a. The issuance of bonds; or
  - b. Tax assessment or valuation of real, business or personal property; and/or
  - c. Tax collection.
3. Any “claim” arising out of:

- a. a breach of contract; or
  - b. construction, architectural or engineering contracts, faulty preparation of bid specifications or any other procurement contract; or
  - c. liability which the insured has assumed in a contract or agreement, except mutual aid agreements between political subdivisions. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.
4. Any "claim" made by, on behalf of, or for the benefit of the named insured against an "employee" or official of the named insured.
5. Any "claim" flowing from or originating out of:
- a. a dishonest, malicious, fraudulent or criminal act, error or omission by any person, or
  - b. a knowing violation of any law, statute or governmental regulation.
- This exclusion applies only to the insured(s) who committed or had knowledge of the fraudulent, criminal or dishonest act, error, omission or violation of law. However if it is later established by a judgment or other final adjudication that the allegation was not proven, we will reimburse the insured for the reasonable costs of defense
6. Any "claim" arising out of any failure or omission to purchase or to maintain insurance coverage or any self-insurance fund.
7. Any "claim", or any portion of any "claim", seeking "damages" for emotional distress or mental anguish.
8. Any "claim" arising out of employment or application for employment with any insured, or any other employment related policies or practices.
9. Any civil or criminal fines or penalties levied by any federal, state or local governmental regulatory agency or court.
10. Any "claim" arising out of:
- a. Any collective bargaining agreements; or
  - b. Any lockout, strike, picket line, replacement of workers or other labor disputes or labor negotiations, union grievances or any "claim" filed by or on behalf of a union.
11. Any "claim" based upon or attributable to an insured gaining any profit, advantage, or remuneration to which that insured is not legally entitled.
12. Any claim arising out of:
- a. Any prior and/or pending litigation as of the effective date of this Coverage Part set forth in the Declarations, or
  - b. Any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory upon which such claim is predicated.
13. Any "claim" arising out of the:
- a. Actual or threatened sexual abuse or molestation or any other types of improper sexual acts or
  - b. The negligent:
    - i. Employment; or
    - ii. Investigation; or
    - iii. Supervision; or
    - iv. Reporting to the proper authorities or failure to so report; or
    - v. Retention;

Of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by paragraph a. above;

c. Failure to protect any person from any acts or conduct described in a. above.

14. Any "claim" for relief that is equitable in nature and is not payable in money, or any request for equitable or injunctive relief, or the insured's cost to comply with any such non-monetary relief.

If a "suit" seeks both monetary "damages" and non-monetary relief, we will defend the "suit".

### C. Supplementary Payments

1. We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$300 a day because of time off from work.
  - d. All costs taxed against the insured in the "suit" that resulted from a verdict covered by this policy.
  - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

Our obligation to defend an insured and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

## **SECTION II – WHO IS AN INSURED**

---

You are an insured, and

Each of the following is an insured but only for acts that are both within the scope of his or her duties for you, and motivated, at least in part, by a purpose to serve you:

1. Any member of the governing body of the named insured.
2. Any board, commission, agency, authority, administrative department, or other similar unit operated by you and under your jurisdiction and within your budget.
3. All your past, present, and future elected, appointed, or employed officials.
4. Any "employee" or authorized "volunteer" of the named insured.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a named insured in the Declarations.

## **SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE**

---

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds; or
  - b. "Claims" made or "suits" brought; or
  - c. Persons or organizations making "claims" or bringing "suits".
2. The most we will pay for all "claims", "suits" or actions covered by this Coverage Part is the ANNUAL AGGREGATE shown in the Declarations.
3. Subject to 2. above, the Each Wrongful Act Limit is the most we will pay for the sum of all "damages" arising out of any one "wrongful act".
4. Deductible
  - a. Our obligation to pay "damages" on your behalf and to pay "loss adjustment expense" applies only to the amount of "damages" and "loss adjustment expense" in excess of the Deductible shown in the Declarations. The Deductible shown in the Declarations applies to the total amount of all "damages" and related "loss adjustment expense" because of all "claims" resulting from any one "wrongful act".
  - b. The terms of this insurance, including those with respect to:
    - i. Our right and duty to defend any "suits" seeking those "damages"; and
    - ii. Your duties in the event of a "wrongful act", "claim", or "suit"Apply irrespective of the application of the Deductible amount.
  - c. We may pay any part, or all, of the Deductible amount applicable to "damages" and "loss adjustment expense" to effect settlement of any "claim" or "suit", and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

If we file suit seeking recovery for amounts paid by us as a deductible which is to be reimbursed by you, then you are responsible for all costs of collection, including reasonable attorney's fees and interest on the amount in question in the full amount allowed by law.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## **SECTION IV - CONDITIONS**

---

### **A. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### **B. Duties of the Named Insured**

1. The Named Insured in the Declarations, or if multiple entities are named, the first of such entities, shall be the sole agent, and shall act on behalf, of each insured with respect to all matters under this Coverage Part, including but not limited to:
  - a. Giving notice of any "claim";
  - b. Giving or receiving notice of cancellation;
  - c. Receiving any other written notice or correspondence from us;

- d. Consenting to the settlement of any "suit";
  - e. The receipt and acceptance of this Coverage Part and any endorsements to this Coverage Part;
  - f. The payment of any premium due under this Coverage Part;
  - g. The receipt of any return premiums that may become due under this Coverage Part; and
  - h. The exercise of any rights under Section V Extended Reporting Periods; and
2. Each insured agrees that the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, shall act on their behalf.

**C. Duties In The Event Of A "Claim", "Suit" or "Wrongful Act"**

1. You must see to it that we are notified of a "wrongful act" which may result in a "claim" covered by this Coverage Part as soon as practicable *after* the "wrongful act" is known by you, or your "designee".

To the extent possible, notice should include:

- a. How, when and where the "wrongful act" took place;
- b. The names and addresses of any injured persons or witnesses; and
- c. The nature and location of any injury or damage arising out of the "wrongful act".

Notice of a "wrongful act" is not notice of a "claim".

2. If a "claim" is made or "suit" is brought against any insured, you must:
- a. Record the specifics of the "claim" or "suit" and the date received as soon as you, or your "designee" is notified of it;
  - b. Notify us as soon as practicable after you or your "designee" learns of the "claim" or "suit".

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

3. You and any other involved insured must:
- a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent
5. Notice given by or on behalf of:
- a. The insured;
  - b. The injured person;
  - c. Any other claimant;

to a licensed agent of ours with particulars sufficient to identify the insured shall be deemed notice to us.

#### D. Assignment

Assignment of interest under this Coverage Part shall not bind us until our consent is endorsed hereon; however, subject otherwise to the terms hereof, this Coverage Part shall cover the estate, heirs, legal representative or assigns of the insured in the event of the insured's death, bankruptcy, insolvency or being adjudged incompetent.

#### E. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

1. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or
2. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for "damages" that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### F. Other Insurance

The insurance provided by this Coverage Part is excess over any other collectible insurance. We will have no duty to defend the insured against any "suit" or "claim" for "damages" if any other insurer has a duty to defend the insured against that "suit".

When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of:

1. The total amount that all other insurance would pay in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under the other insurance.

If we share the loss, we will do so by equal share contribution if allowed by the other insurance. If equal share contribution is not permitted, we will contribute by the ratio our limit bears to the total applicable limits of all insurance.

#### G. Conformity to Statute

This Coverage Part is intended to be in full conformity with the laws of the state in which it is issued. If any provision of this Coverage Part (including endorsements which modify the Coverage Part) conflicts with any law, it is changed to comply with that law.

#### H. Premium Audit

Unless required by law, premiums for this Coverage Part shall not be subject to audit.

#### I. Consent To Settle

We will not settle any "suit" without your consent. If, however, you refuse to consent to any settlement recommended by us and elect to contest the "claim" or to continue any legal proceedings in connection with such "claim," then:

1. We will not be obligated to pay defense costs incurred by you subsequent to such refusal and
2. If a settlement or adverse judgment occurs subsequent to such refusal, we will not be obligated to pay any amount in excess of the amount for which the "claim" could have been settled prior to such refusal..

Such amounts are subject to the provisions of Section III Limits of Insurance and Deductible of this Coverage Part.

#### J. Representations

By accepting this Coverage Part, you agree:

1. The application and the declarations are the basis of this Coverage Part and are to be considered as incorporated in and constituting part of this Coverage Part.

2. The statements in your application are accurate and complete;
3. Those statements are representations you made to us; and
4. We have issued this Coverage Part in reliance upon your representations.

**K. Transfer Of Rights Of Recovery Against Others To Us**

If an insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. No insured should do anything after a "wrongful act" to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**L. When We Do Not Renew**

If we decide not to renew this Coverage Part we will mail or deliver to the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, written notice of the non-renewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing as required by state law will be sufficient proof of notice. Proof of mailing requirements may vary by state.

**M. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom "claim" is made or "suit" is brought.

**N. Title of Paragraphs**

The titles of the various paragraphs of this Coverage Part and endorsements, if any, attached to this Coverage Part, are inserted solely for convenience or reference and are not deemed in any way to affect the provisions to which they relate.

**SECTION V - EXTENDED REPORTING PERIODS**

---

A. We will provide one or more Extended Reporting Periods, as described below, if:

1. This Coverage Part is cancelled or not renewed; or
2. We renew or replace this Coverage Part with insurance that:
  - a. Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
  - b. Does not apply to "wrongful acts" on a claims-made basis.

B. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" for:

1. "Wrongful Acts" that first occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect Extended Reporting Periods may not be cancelled.

C. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days. Please refer to Section IV - Conditions, C. Duties in the Event of a "Claim", "Suit" or "Wrongful Act", for your responsibilities when reporting an incident to us. The Basic Extended Reporting Peri-



od does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

- D. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
- E. A Supplemental Extended Reporting Period of 12, 24 or 36 months is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraphs C. and D. above, ends.
1. You must give us a written request for the endorsement within 90 days after the end of the policy period. If you have chosen to purchase a Supplemental Extended Reporting Period for a period of less than 36 months, you may extend the period for up to a combined total of 36 months if you request the extension in writing no later than 60 days before the expiration of the Supplemental Extended Reporting Period originally elected.
  2. The Supplemental Extended Reporting Period(s) will not go into effect unless you pay the additional premium, determined in accordance with our rates, promptly when due. The additional premium for each 12-month Supplemental Extended Reporting Period will be equal to 50% of the annual premium for this Coverage Part.
  3. The insurance afforded for "claims" first made during the Supplemental Extended Reporting period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period(s) starts.
- F. The Limit of Liability that applies to the Supplemental Extended Reporting period is equal to the limit entered on the declarations in effect at the end of the policy period.

## SECTION VI - DEFINITIONS

---

- A. "Advertising Injury" means
1. The use of another's advertising idea in your advertisement; or
  2. Infringement of copyright, patent, slogan, trademark, trade secret, trade dress, or other intellectual property rights.
- B. "Bodily Injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time.
- C. "Claim" means written or oral demand, including a "suit", to hold the insured responsible for an alleged or actual wrongful act where payment of "damages" is sought.
- D. "Damages" means money "damages". "Damages" does not include any amount awarded as liquidated "damages" pursuant to any federal or state statute. "Damages" does not include punitive "damages", unless required by state law.
- E. "Designee" means one of your officers, your legal department or an employee you designate to give notice to us.
- F. "Employee(s)" includes a "leased worker".
- G. "Employee Benefits Injury" means injury that arises out of any act, error or omission in the administration of your "Employee Benefit Programs" or alleged violation of any employment related state or federal code, regulation or statute.
- H. "Employee Benefits Programs" means a program or programs of employee benefits maintained in connection with your business or operations, such as but not limited to, Group Life Insurance, Group Accident or Health Insurance, Pension Plans, Employee Stock Subscription Plans, Workers Compensation, Unemployment Insurance, Social Security and Disability Benefits.
- I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business.
- J. "Loss adjustment expense" means expenses allocated to a specific loss, "claim" or "suit" we incur or the insured incurs with our consent for the investigation, negotiation, arbitration, adjustment, settlement or defense of any "claim" or

suit, whether paid by us or by the insured with our consent. "Loss adjustment expense" does not include salaries and expenses of our employees.

K. "Personal Injury" means:

1. False arrest, detention, imprisonment, abuse of process or malicious prosecution.
2. Wrongful entry or eviction, or other invasion of the right of private occupancy.
3. Defamation in any form or oral or written publication, in any manner, of material that violates a person's right of privacy;

L. "Property Damage" means:

1. Physical injury to tangible property including all resulting loss of use of that property; or
2. Loss of use of personal property that is not physically injured; or
3. Disappearance of tangible property (including money).
4. Impairment, deprivation or destruction of property, including loss of use thereof, resulting from proceedings in eminent domain, adverse possession, unlawful or unconstitutional taking of property or inverse condemnation, by whatever name called.

M. "Suit(s)" means a civil proceeding in which "damages" to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which "damages" are claimed and to which the insured must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which "damages" are claimed and to which the insured submits with our consent.

N. "Volunteer" means a person who:

1. Is not an "employee" of any insured; and
2. Donates his or her work; and
3. Acts at the direction of, and within the scope of duties determined by, an insured; and
4. Is not paid a fee, salary or other compensation by any insured or anyone else for their work performed for the insured.

O. "Wrongful Act" means any actual or alleged error, omission or breach of duty committed by any insured. All acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related -- either logically, causally or temporally -- shall be deemed to constitute one wrongful act, regardless of the number of "claims" or claimants.