

SIMPSON COUNTY BOARD OF EDUCATION PROPOSAL

PREPARED FOR:

SIMPSON COUNTY BOARD OF EDUCATION
430 S COLLEGE ST
FRANKLIN, KY 42134

SUBMITTED BY:

FRANKLIN INSURANCE INC

PROVIDED BY:



Liberty Mutual.[®]
INSURANCE

PROVIDED ON: 6/12/2024

PROPOSAL EXPIRATION DATE: 7/1/2024

Liberty Mutual Insurance is the marketing name for the property and casualty insurance operations of Liberty Mutual Insurance Company and its' affiliates, 175 Berkeley Street, Boston, MA 02116. Not all insurance coverages are available in all states and policy terms may vary based on individual state requirements. This proposal may include a policy from a Liberty Mutual nonadmitted surplus lines affiliate that is not licensed in your state. Surplus lines insurers generally do not participate in state guaranty funds and coverage may only be obtained through duly licensed surplus lines brokers.

Table of Contents

| | |
|----------------------------------------------|-----------|
| Account Team | 4 |
| Summary..... | 5 |
| Billing Estimate..... | 7 |
| Commercial Auto..... | 8 |
| Premium Details | 8 |
| Forms & Endorsements | 9 |
| General Liability | 12 |
| Premium Details | 12 |
| Forms & Endorsements | 13 |
| School Leaders Errors Omissions | 18 |
| Premium Details | 18 |
| Forms & Endorsements | 19 |
| Law Enforcement Liability | 21 |
| Premium Details | 21 |
| Forms & Endorsements | 22 |
| Property..... | 24 |
| Premium Details | 24 |
| Limits of Insurance..... | 25 |
| Equipment Breakdown | 26 |
| Industry Coverage Extensions | 27 |
| Coverage Extensions | 28 |
| Catastrophe Coverages..... | 33 |

Table of Contents

| | |
|-----------------------------------------------------|-----------|
| Endorsements | 34 |
| Deductibles & Waiting Period | 35 |
| Election Forms | 37 |
| Crime | 38 |
| Premium Details | 38 |
| Forms & Endorsements | 39 |
| Umbrella | 40 |
| Premium Details | 40 |
| Underlying Schedule | 41 |
| Forms & Endorsements | 42 |
| Estimated Exposures | 45 |
| The Liberty Mutual Advantage | 46 |
| Services | 47 |
| Terms & Conditions | 49 |
| Terrorism Insurance Premium Disclosure | 55 |

Account Team

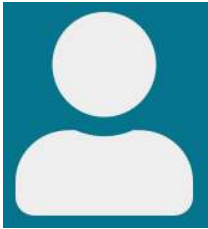


Johna Garry Neu
Underwriter

513-603-2303
[Email me](#)

Responsible for account underwriting and a liaison for the Broker/Customer

- Account Pricing
- Business Coordination
- Policy Coverage
- Risk Evaluation/Loss and Hazard Analysis



Willie Williams
Account Analyst

469-997-6520
[Email me](#)

Responsible for underwriting support

- Policy Change and Transaction Requests
- Signature Documents
- State Filing, Inquiries and Criticisms

Summary

| Line of Coverage | Effective Date | Rating Plan | Underwriting Company | Pay Plan | Commission Rate | Estimated Premium* |
|---------------------------------|-------------------------|-----------------|-----------------------------------------|---------------|-----------------|--------------------|
| Commercial Auto | 07/01/2024 - 07/01/2025 | Guaranteed Cost | The First Liberty Insurance Corporation | Annual 100%/0 | 15.0% | \$145,686 |
| General Liability | 07/01/2024 - 07/01/2025 | Guaranteed Cost | LM Insurance Corporation | Annual 100%/0 | 15.0% | \$42,130 |
| School Leaders Errors Omissions | 07/01/2024 - 07/01/2025 | Guaranteed Cost | Liberty Mutual Fire Insurance Company | Annual 100%/0 | 15.0% | \$22,631 |
| Law Enforcement Liability | 07/01/2024 - 07/01/2025 | Guaranteed Cost | Liberty Mutual Fire Insurance Company | Annual 100%/0 | 15.0% | \$2,241 |
| Property | 07/01/2024 - 07/01/2025 | Guaranteed Cost | Liberty Mutual Fire Insurance Company | Annual 100%/0 | 15.0% | \$162,744 |
| Crime | 07/01/2024 - 07/01/2025 | Guaranteed Cost | Employers Insurance Company of Wausau | Annual 100%/0 | 15.0% | \$845 |
| Umbrella | 07/01/2024 - 07/01/2025 | Guaranteed Cost | Liberty Insurance Corporation | Annual 100%/0 | 15.0% | \$39,354 |
| Total Estimated Premium | | | | | | \$415,631 |

*Estimated premium includes Terrorism Risk Insurance Act (TRIA) premium, taxes, assessments and surcharges.

This proposal may vary from your original request for coverage. Please review the proposal carefully for any variances. The terms, conditions and premiums included in this proposal contemplate the sale or renewal of all the quoted insurance lines. Electing to buy or renew only some of the lines of coverage may result in changes to the terms, conditions and premiums of the remaining insurance lines.

Summary

Payment Terms:

- Commissions will be paid in accordance with the payment plans established for the customer.
- Mid-Term premium endorsements will be: **Bill All Adjustments - Adjust Remaining Bill Plan**
- **Customer** will be billed for premium, taxes, assessments, and surcharges.
- Pay Terms Offered: **ACH**

Billing Estimate

Simpson County Board of Education

Automated Clearing House (ACH) Pay Terms Offered*

Effective: 07/01/2024 to 07/01/2025

| Line of Coverage | Pay Plan | Deposit Amount | Installment Amount | Grand Total |
|---------------------------------|---------------|---------------------|--------------------|---------------------|
| Commercial Auto | Annual 100%/0 | \$145,686.00 | \$0.00 | \$145,686.00 |
| General Liability | Annual 100%/0 | \$42,130.00 | \$0.00 | \$42,130.00 |
| School Leaders Errors Omissions | Annual 100%/0 | \$22,631.00 | \$0.00 | \$22,631.00 |
| Law Enforcement Liability | Annual 100%/0 | \$2,241.00 | \$0.00 | \$2,241.00 |
| Property | Annual 100%/0 | \$162,744.00 | \$0.00 | \$162,744.00 |
| Crime | Annual 100%/0 | \$845.00 | \$0.00 | \$845.00 |
| Umbrella | Annual 100%/0 | \$39,354.00 | \$0.00 | \$39,354.00 |
| Total Amount | | \$415,631.00 | \$0.00 | \$415,631.00 |

*Billing will also be set up in your online portal. Please contact your Client Service Representative for access.

This is not your actual invoice. It is an estimate based on proposed exposures, coverages, and is subject to change when the actual invoice is mailed by Customer Accounting Services under separate cover. We are offering this estimate for your information and planning.

Customer will be billed for premium, taxes, assessments, and surcharges.

Mid-Term premium endorsements will be: **Bill All Adjustments - Adjust Remaining Bill Plan**

Commercial Auto

Premium Details

Underwriting Company: **The First Liberty Insurance Corporation**
 Rating Plan: **Guaranteed Cost**
 Named Insured: **Simpson County Board of Education**

| Premium | |
|-----------------------------------------------------------------------------|------------------|
| Estimated Premium | \$145,686 |
| Taxes, Assessments & Surcharges | \$0 |
| Michigan Catastrophic Claims Association (MCCA) | \$0 |
| Total Estimated Premium with Taxes, Assessments & Surcharges | \$145,686 |

May be subject to audit.

| Coverages | Symbols | Limits | Deductibles | Premium |
|----------------------------------|---------|-------------------------------------|-------------|-----------|
| Liability | 01 | \$2,000,000 | N/A | \$107,281 |
| Personal Injury Protection | 05 | N/A | N/A | \$3,863 |
| Added Personal Injury Protection | N/A | N/A | N/A | N/A |
| Auto Medical Payments | N/A | N/A | N/A | N/A |
| Uninsured Motorist | 02 | \$500,000 | N/A | \$1,400 |
| Underinsured Motorist | 02 | \$500,000 | N/A | \$10,516 |
| Physical Damage | | | | |
| Comprehensive | 07, 08 | Actual Cash Value or Cost of Repair | \$5,000 | \$6,536 |
| Collision | 07, 08 | Actual Cash Value or Cost of Repair | \$5,000 | \$13,925 |
| Towing and Labor | N/A | N/A | N/A | N/A |
| Hired Liability | N/A | \$2,000,000 | N/A | \$449 |
| Hired Physical Damage | | | | |
| Comprehensive | N/A | N/A | \$100 | \$183 |
| Collision | N/A | N/A | \$1,000 | \$183 |
| Endorsements | N/A | Various | Various | \$1,350 |

Commercial Auto

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|-----------------------------------------------------------------------------------------------------|-----------------|----------|
| 2016 Commercial Auto Miscellaneous Form Revisions Advisory Notice To Policyholders | CNA 90 15 11 16 | |
| Alaska Exclusion of Terrorism Above Minimum Statutory Limits | CA 23 88 10 13 | |
| All Purpose Schedule | ACS 84 02 07 13 | |
| Assault, Battery, Abuse or Molestation Exclusion | AC 20 01 11 16 | |
| Business Auto Coverage Form | CA 00 01 10 13 | |
| Business Auto Declarations | AC 00 03 02 13 | |
| Business Auto Declarations Extension Schedule - Hired or Borrowed Autos and Nonowned Autos | ACS 00 03 11 11 | |
| Changes In Your Policy | AC 00 30 10 13 | |
| Changes in Item Two of the Declarations - Physical Damage Coverages | ACS 00 25 04 13 | |
| Common Policy Conditions | IL 00 17 11 98 | |
| Exclusion of Terrorism | CA 23 84 01 06 | |
| Exclusion of Terrorism | CA 23 84 10 13 | |
| Exclusion of Terrorism Above Minimum Statutory Limits | CA 23 86 01 06 | |
| Exclusion of Terrorism Above Minimum Statutory Limits | CA 23 86 10 13 | |
| Forms Inventory | ACS 00 26 04 13 | |
| Insured Mailer | CNI 90 04 01 12 | |
| Item 3 - Schedule of Covered Autos You Own | ACS 00 24 04 13 | |
| Kentucky Anti-Theft Device Discount | SNA 16 01 05 11 | |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

Commercial Auto

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|---------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------|
| Kentucky Changes | CA 01 25 10 13 | |
| Kentucky Changes-Cancellation and Nonrenewal | IL 02 63 09 08 | |
| Kentucky Important Notice Concerning Uninsured Motorists, Underinsured Motorists And Personal Injury Protection Coverages | SNA 16 02 07 16 | |
| Kentucky No-Fault - Tort Limitations | SNA 16 03 10 16 | |
| Kentucky No-Fault Rejection Form | PIPKY020318 | |
| Kentucky Personal Injury Protection | CA 22 16 10 13 | |
| Kentucky Personal Injury Protection Amendatory Endorsement | AC 22 10 12 20 | |
| Kentucky Standard School Bus Endorsement | SNA 16 04 12 20 | |
| Kentucky Underinsured Motorists Coverage | AC 21 06 08 15 | |
| Kentucky Uninsured Motorists Coverage | CA 21 76 10 13 | |
| Liberty Mutual Group Privacy Notice | SNI 04 01 06 24 | |
| Named Insured Endorsement | AC 84 13 01 11 | Named Insured: Simpson County Board of Education |
| Nuclear Energy Liability Exclusion Endorsement (Broad) | IL 00 21 09 08 | |
| Participating Provision | LIL 90 05 06 13 | |
| Producer Mailer | CNI 90 05 01 12 | |
| Public Entity Immunity And Tort Cap Preservation Endorsement | LIL 90 09 05 17 | |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

Commercial Auto

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|-------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Transportation Autos | CA 24 02 10 13 | |
| Public or Livery Passenger Conveyance and On-Demand Delivery Services Exclusion | CA 23 45 11 16 | |
| Replacement Cost Coverage - School Buses | AC 84 54 06 14 | Collision Model Years Old: 5 Collision Deductible: 5,000 Comprehensive Model Years Old: 5 Comprehensive Deductible: 5,000 |
| School Business Auto Extension Endorsement | AC 84 52 12 16 | |
| State Application of Terrorism Exclusion Endorsements | AC 84 27 08 15 | |
| Stated Amount Insurance | CA 99 28 10 13 | |
| Stated Amount Schedule | ACS 99 12 07 13 | |
| Temporary Substitute Auto - Physical Damage Insurance | AC 84 73 01 16 | |
| U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders | IL P 001 01 04 | |
| Uninsured/Underinsured Motorists Insurance (UM/UIM) Schedule | ACS 21 02 04 13 | |
| Washington Exclusion of Terrorism | CA 23 92 10 13 | |

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

General Liability

Premium Details

Underwriting Company: **LM Insurance Corporation**
 Rating Plan: **Guaranteed Cost**
 Named Insured: **Simpson County Board of Education**

| Premium | |
|--------------------------------------------------------------------------------|-----------------|
| Estimated Coverage Premium | \$20,238 |
| Estimated Endorsement Premium | \$21,361 |
| Total Estimated Premium | \$41,599 |
| Terrorism Risk Insurance Act (TRIA) Premium | \$531 |
| Taxes, Assessments & Surcharges | \$0 |
| Total Estimated Premium with TRIA, Taxes, Assessments & Surcharges* | \$42,130 |

*TRIA Premium, Taxes, Surcharges & Assessments are estimates and are subject to change based upon coverage changes, exposure changes, and/or written premium. May be subject to audit.

| Coverages | Limits of Liability |
|----------------------------------------------------|---------------------|
| General Aggregate Limit | \$2,000,000 |
| Products/ Completed Operations Limit | \$2,000,000 |
| Personal and Advertising Injury Limit | \$1,000,000 |
| Each Occurrence Limit | \$1,000,000 |
| Damage to Premises Rented to You (or any premises) | \$100,000 |
| Medical Expense Limit (any one person) | \$5,000 |
| Employee Benefits Liability* | \$1,000,000 |
| Employee Benefits Aggregate* | \$3,000,000 |

* Employee Benefits Liability Retroactive Date: 7/1/1995

General Liability

Additional Insured

| Form Name | Form Number | Fill-Ins |
|------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additional Insured - Managers Or Lessors Of Premises | CG 20 11 12 19 | Premises: All Premises leased to you, where required by written contract or agreement entered into prior to loss. Name: All person(s) or organization(s) leasing premises to you, where required by written contract or agreement entered into prior to loss. |

Common Policy Form

| Form Name | Form Number | Fill-Ins |
|----------------------------------------------------------|----------------|----------|
| Common Policy Conditions | IL 00 17 11 98 | |
| Inventory Coverage Forms/Parts, Endorsements, Enclosures | IC 00 42 07 09 | |
| Kentucky Changes-Cancellation and Nonrenewal | IL 02 63 09 08 | |

Coverage

| Form Name | Form Number | Fill-Ins |
|--------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commercial General Liability Coverage Form | CG 00 01 04 13 | |
| Corporal Punishment | CG 22 67 10 93 | |
| Cyber Suite Coverage Endorsement | LC 04 74 02 20 | Fill-In: Cyber Suite Annual Aggregate Limit: First Party Annual Aggregate Limit: \$100,000 Third Party Annual Aggregate Limit: \$100,000 Cyber Suite Deductible Per Occurrence: \$1,000 Data Compromise Response Expenses: Included Forensic IT Review Sublimit: \$50,000 Legal Review Sublimit: \$50,000 |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

General Liability

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|-----------------------------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Public Relations Sublimit: \$5,000 Regulatory Fines and Penalties Sublimit: \$50,000 PCI Fines and Penalties Sublimit: \$50,000 Computer Attack: Included Loss of Business Sublimit: \$50,000 Public Relations Sublimit: \$5,000 Cyber Extortion: Included Cyber Extortion Sublimit Per Occurrence: \$10,000 Misdirected Payment Fraud: Included Misdirected Payment Fraud Sublimit Per Occurrence: \$10,000 Computer Fraud: Included Computer Fraud Sublimit Per Occurrence: \$10,000 Data Compromise Liability: Included Network Security Liability: Included Electronic Media Liability: Included |
| Employee Benefits Liability Coverage | CG 04 35 12 07 | Retroactive Date: 07/01/1995 Aggregate Limit: \$3,000,000 Deductible: 1000 Limit: \$1,000,000 |
| Non-Cumulation Of Liability (Same Occurrence) | LC 25 13 08 08 | |
| Occurrence - Resulting Property Damage | LC 99 56 04 16 | |
| Personal And Advertising Injury - Occurrence Redefined | LC 29 06 08 08 | |
| Personal And Advertising Injury Redefined - Definition Of Publication | LC 29 04 08 08 | |
| Premium Responsibility | LC 99 36 02 13 | |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

General Liability

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|--------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Entity Immunity And Tort Cap Preservation Endorsement | LIL 90 09 05 17 | |
| School Amendatory Endorsement | LC 99 44 07 18 | |
| Sexual Misconduct Liability Coverage | LC 04 91 07 21 | Fill-In: Sexual Misconduct Liability (Occurrence) Each Sexual Misconduct: \$1,000,000 Aggregate Sexual Misconduct: \$1,000,000 Sexual Misconduct Liability Deductible:\$0 |
| Violent Event Response Coverage For Schools | LC 04 78 02 20 | Fill-In: Each Violent Event Limit - Response Expenses and Loss: \$300,000 Aggregate Limit - Response Expense and Loss: \$300,000 Each Person Limit - Loss: \$25,000 Each Person Limit - Death Benefits: \$15,000 |

Declaration

| Form Name | Form Number | Fill-Ins |
|---------------------------------------------------------------|-----------------|----------|
| Commercial General Liability Declarations | LC 00 04 08 12 | |
| Declarations Extension Schedule | LCS 00 02 05 12 | |
| Declarations Extension Schedule - Classification Descriptions | LCS 00 01 05 12 | |
| Declarations Extension Schedule - Miscellaneous Charges | LCS 00 03 05 12 | |

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

General Liability

Notice to Policyholder

| Form Name | Form Number | Fill-Ins |
|-------------------------------------------------------------------------------------------------------|-----------------|----------|
| Kentucky Notice To Policyholders | EN 90 09 01 10 | |
| Liberty Mutual Group California Privacy Notice | SNI 04 01 01 23 | |
| Policyholder Disclosure Terrorism Risk Insurance Act | SNI 90 02 01 20 | |
| U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders | IL P 001 01 04 | |

Other Exclusion

| Form Name | Form Number | Fill-Ins |
|--------------------------------------------------------------------------------------|-----------------|----------|
| Asbestos Exclusion | LC 21 01 06 05 | |
| Cyber Suite Amendatory Endorsement | LC 21 201 12 23 | |
| Discrimination Exclusion | LC 21 04 06 05 | |
| Employment - Related Practices Exclusion | CG 21 47 12 07 | |
| Exclusion - Access Or Disclosure of Confidential or Personal Material or Information | CG 21 06 12 23 | |
| Exclusion - Cyber Incident | CG 40 35 12 23 | |
| Exclusion - Failure To Supply | CG 22 50 04 13 | |
| Exclusion - Firearms | LC 21 155 08 18 | |
| Exclusion - Law Enforcement Professional Liability | LC 21 110 08 18 | |
| Exclusion - Medical Payments - Day Care Centers | CG 22 40 01 96 | |
| Exclusion - Silica (Schools) | LC 21 111 02 14 | |
| Exclusion - Trampolines | LC 21 112 02 14 | |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

General Liability

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|-------------------------------------------------------------|----------------|----------|
| Exclusion - Violation of Law Addressing Data Privacy | CG 00 69 12 23 | |
| Fungi or Bacteria Exclusion (Legionella Bacterium Excluded) | LC 21 91 09 12 | |
| Lead Exclusion | LC 21 06 06 07 | |
| Nuclear Energy Liability Exclusion Endorsement (Broad) | IL 00 21 09 08 | |

Policy Cover

| Form Name | Form Number | Fill-Ins |
|-------------------------|-----------------|----------|
| Participating Provision | LIL 90 05 06 13 | |

TRIA Exclusions

| Form Name | Form Number | Fill-Ins |
|--------------------------------------------------------------------------------|----------------|----------|
| Alaska Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism | CG 26 93 01 15 | |
| Arkansas Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism | CG 26 86 01 15 | |
| Cap On Losses From Certified Acts Of Terrorism | CG 21 70 01 15 | |
| Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism | CG 21 76 01 15 | |

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

School Leaders Errors Omissions

Premium Details

Underwriting Company: Liberty Mutual Fire Insurance Company
 Rating Plan: Guaranteed Cost
 Named Insured: Simpson County Board of Education

| Coverages | Premium |
|------------------------------------------------------------------------------------|-----------------|
| School Leaders Errors & Omissions (SLEO) Premium | \$22,407 |
| Non-Monetary Relief Defense Coverage | Included |
| Terrorism Risk Insurance Act (TRIA) Premium | \$224 |
| Total Estimated Premium with TRIA, Taxes, Assessments & Surcharges* | \$22,631 |

*TRIA Premium, Taxes, Surcharges & Assessments are estimates and are subject to change based upon coverage changes, exposure changes and/or final written premium.
 May be subject to audit.

| Coverages | Limits of Liability | Deductibles |
|--------------------------------------|---------------------|-------------|
| Each Wrongful Act | \$1,000,000 | \$10,000 |
| Aggregate | \$1,000,000 | - |
| Non-Monetary Relief Defense Coverage | \$100,000 | \$10,000 |

This insurance does not apply to "wrongful acts" committed prior to the **Retroactive Date: 07/01/1995. Claims-made Inception Date: 07/01/2016.**

School Leaders Errors Omissions

| Form Name | Form Number | |
|----------------------------------------------------------------------------------------------------|-----------------|--|
| Amendment of Other Insurance Condition | LC 24 33 02 14 | |
| Annual Meeting Notice | LIL 90 04 06 13 | |
| Cap On Losses From Certified Acts Of Terrorism | LC 21 128 05 17 | |
| Common Policy Conditions | IL 00 17 11 98 | |
| Declarations Extension Schedule | LCS 00 02 05 12 | |
| Declarations Extension Schedule - Classification Descriptions | LCS 00 01 05 12 | |
| Deductible Insurance - Non-Monetary Relief Claims | LC 03 50 02 20 | |
| Defense Erodes Deductible - Monetary Damages Claims | LC 03 71 12 23 | |
| Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data RelatedLiability | LC 21 174 12 21 | |
| Exclusion - Biometric Information Privacy Claim | LC 21 191 11 22 | |
| Exclusion - Cyber Incident | LC 21 203 12 23 | |
| Exclusion - Eminent Domain, Inverse Condemnation, Adverse Possession | LC 21 113 02 14 | |
| Exclusion - Law Enforcement Professional Liability | LC 21 115 08 18 | |
| Exclusion - Recording And Distribution Of Material In Violation Of Law | LC 21 175 12 21 | |
| Exclusion - Tax Assessment | LC 21 114 02 14 | |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

School Leaders Errors Omissions

| Form Name | Form Number | |
|-------------------------------------------------------------------------------------------------------|-----------------|--|
| Exclusion - Violation of Law Addressing Data Privacy | LC 21 204 12 23 | |
| Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism | LC 21 130 05 17 | |
| Form Inventory | IC 00 42 07 09 | |
| Insured Mailer | CNI 90 04 01 12 | |
| Kentucky Changes - Cancellation and Nonrenewal | LC 32 650 02 20 | |
| Liberty Mutual Group Privacy Notice | SNI 04 01 06 24 | |
| Policyholder Disclosure Terrorism Risk Insurance Act | SNI 90 02 01 20 | |
| Producer Mailer | CNI 90 05 01 12 | |
| Public Entity Immunity And Tort Cap Preservation Endorsement | LIL 90 09 05 17 | |
| School Leaders Errors and Omissions Liability Coverage Form | LC 00 12 02 20 | |
| School Leaders Errors and Omissions Liability Declarations | LC 00 18 07 20 | |
| U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders | IL P 001 01 04 | |

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

Law Enforcement Liability

Premium Details

Underwriting Company: Liberty Mutual Fire Insurance Company
 Rating Plan: Guaranteed Cost
 Named Insured: Simpson County Board of Education

| Coverages | Premiums |
|--------------------------------------------------------------------------------|----------------|
| Law Enforcement / Security Guards Personal Liability Premium | \$2,219 |
| Non-Monetary Relief Defense Premium | Included |
| Terrorism Risk Insurance Act (TRIA) Premium | \$22 |
| Total Estimated Premium with TRIA, Taxes, Assessments & Surcharges* | \$2,241 |

*TRIA Premium, Taxes, Surcharges & Assessments are estimates and are subject to change based upon coverage changes, exposure changes and/or final written premium. May be subject to audit.

| Coverages | Limits of Liability | Deductibles |
|--------------------------------------|---------------------|-------------|
| Each Wrongful Act | \$1,000,000 | \$5,000 |
| Aggregate | \$1,000,000 | - |
| Non-Monetary Relief Defense Coverage | \$100,000 | N/A |

The insurance does not apply to "wrongful acts" committed prior to the **Retroactive Date: 7/1/2012. Claims-made Inception Date: 7/1/2016.**

Law Enforcement Liability

| Form Name | Form Number | |
|----------------------------------------------------------------------------------------------------|-----------------|--|
| Annual Meeting Notice | LIL 90 04 06 13 | |
| Cap On Losses From Certified Acts Of Terrorism | LC 21 128 05 17 | |
| Common Policy Conditions | IL 00 17 11 98 | |
| Declarations Extension Schedule | LCS 00 02 05 12 | |
| Declarations Extension Schedule - Classification Descriptions | LCS 00 01 05 12 | |
| Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data RelatedLiability | LC 21 174 12 21 | |
| Exclusion - Biometric Information Privacy Claim | LC 21 191 11 22 | |
| Exclusion - Cyber Incident | LC 21 203 12 23 | |
| Exclusion - Firearms | LC 21 154 08 18 | |
| Exclusion - Recording And Distribution Of Material In Violation Of Law | LC 21 175 12 21 | |
| Exclusion - Violation of Law Addressing Data Privacy | LC 21 204 12 23 | |
| Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism | LC 21 130 05 17 | |
| Form Inventory | IC 00 42 07 09 | |
| Insured Mailer | CNI 90 04 01 12 | |
| Kentucky Changes - Cancellation and Nonrenewal | LC 32 650 02 20 | |
| Law Enforcement Professional Liability Coverage Form | LC 00 13 02 20 | |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

Law Enforcement Liability

| Form Name | Form Number | |
|-------------------------------------------------------------------------------------------------------|-----------------|--|
| Law Enforcement Professional Liability Declarations | LC 00 16 02 20 | |
| Liberty Mutual Group Privacy Notice | SNI 04 01 06 24 | |
| Non-Monetary Relief Defense Coverage | LC 99 49 02 20 | |
| Policyholder Disclosure Terrorism Risk Insurance Act | SNI 90 02 01 20 | |
| Producer Mailer | CNI 90 05 01 12 | |
| Public Entity Immunity And Tort Cap Preservation Endorsement | LIL 90 09 05 17 | |
| U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders | IL P 001 01 04 | |

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

Property

Premium Details

Underwriting Company: **Liberty Mutual Fire Insurance Company**
 Rating Plan: **Not Applicable**
 Named Insured: **Simpson County Board of Education**

| Premium Type | Premium Amount |
|------------------------------------------------------------|------------------|
| Policy Premium | |
| Excluding premium for certified act(s) of terrorism (TRIA) | \$161,265 |
| Certified act(s) of terrorism (TRIA) | \$1,479 |
| | \$0 |
| Total Policy Premium | \$162,744 |

The premiums shown for State or Municipal Taxes, Surcharges or Other are estimates only and are subject to adjustment. Final numbers will be reflected on the actual policy.

If you change your coverage election for "certified act(s) of terrorism" (TRIA), the Total Policy Premium amount shown on the proposal will be recalculated.

*Terrorism Risk Insurance Act

Insured Property Values

| Description of Property | Insurable Values |
|-------------------------|----------------------|
| Real Property | \$172,475,449 |
| Personal Property | \$18,249,236 |
| Total | \$190,724,685 |

A properly executed Loss of Income Worksheet must be received within 30 days of binding. Additional premium may be required at that time.

Property

Limits of Insurance

| Coverages | Limits of Insurance* |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Insurance applies on a BLANKET basis only to a coverage or type of property shown below for which a Limit of Insurance is shown below, and then only at the Covered Locations for which a value for such coverage is shown below or for locations subsequently reported to and insured by us. | See Statement of Values |
| All locations | |
| Real Property and Personal Property | \$189,765,377 |
| Extra Expense | \$5,000,000 |
| 4.3 - 4.4 | |
| Real Property and Personal Property | \$959,308 |

*Limits of Insurance apply in any one occurrence, unless otherwise stated.

Valuation Provision:

Replacement cost (subject to limitations) applies to covered property.

| Valuation Exception(s): | Covered Locations |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Real Property Actual Cash Value applies to Covered Locations: | 4.3, 4.4 |
| Personal Property Actual Cash Value applies to Covered Locations: | 4.3, 4.4 |
| Actual Cash Value - Roof(s) applies to Covered Locations: | 9.1, 3.1 - 3.4, 7.1 - 7.5, 1.1 - 2.17, 8.1 - 8.13, 4.1 - 4.5, 5.1 - 5.2, 6.1 - 6.14 |

Property

Equipment Breakdown

| Coverage or Covered Equipment | Limits of Insurance* |
|-------------------------------|--------------------------------------------------------------------|
| All Locations | |
| Covered Equipment | Equipment Breakdown Cause of Loss applies to all Covered Locations |
| Extra Expense | Equipment Breakdown Cause of Loss applies to all Covered Locations |

*Limits of Insurance are in any one Equipment Breakdown Accident, unless otherwise stated

| Coverage Extensions | Limits of Insurance* |
|-------------------------------------------------------|----------------------|
| All Locations | |
| Ammonia Contamination | \$250,000 |
| Expediting Expense | \$250,000 |
| Hazardous Substances Contamination other than Ammonia | \$250,000 |
| Spoilage | \$250,000 |

*Limits of Insurance are in any one Equipment Breakdown Accident, unless otherwise stated

Property

Industry Coverage Extensions

| Coverage Name | Limits of Insurance, Limits of Coverage Period or Insurance, Coverage Radius Period or Coverage Radius* |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Educational Institutions | |
| Animals | \$25,000 \$1,500 any one animal |
| Broadened Covered Location Distance | 1250 feet |
| Classroom Chemical Spills | \$50,000 in any one policy period |
| Fire Protective Equipment Recharging | Real Property limit applicable in any one policy period |
| Land Improvement | \$973,929 |
| Miscellaneous School Property at School Sponsored Events Away from a Covered Location | \$410,000 |
| Personal Effects of your Students | \$100,000 max in any one policy period \$5,000 any one student |

*Limits of Insurance are in any one occurrence, unless otherwise stated

Property

Coverage Extensions

| Coverage Name | Limits of Insurance, Limits of Coverage Period or Insurance, Coverage Radius Period or Coverage Radius* |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Accounts Receivable | \$250,000 |
| Arson Reward | \$50,000 |
| Contract Penalties | \$25,000 |
| Course of Construction | |
| Physical Damage | \$500,000 |
| Number of consecutive days that Physical Damage applies | 180 days |
| Cyber Incident | \$25,000 |
| Debris Removal | \$1,000,000 |
| Windblown Debris | \$50,000 |
| Deferred Payments | \$50,000 |
| Electronic Data | \$25,000 |
| Errors and Omissions | \$250,000 |
| Exhibitions, Expositions, Trade Shows, Fairs | \$100,000 |
| Fire Department Service Charges | \$25,000 |
| Fine Arts | |
| Physical Damage | \$100,000 |
| For any one item | \$10,000 |
| Fungus, Wet Rot, Dry Rot or Bacteria | |
| Physical Damage | \$250,000 |
| Extra Expense | Included in Fungus PD limit |
| Number of consecutive days that Extra Expense applies | 180 days |
| Installation of Personal Property | \$250,000 |
| Lock and Key Replacement | \$50,000 |
| Mobile Equipment or Tools | |
| Mobile Equipment or Tools will be valued at | Actual Cash Value (ACV) |
| Physical Damage | \$100,000 |
| Newly acquired Mobile Equipment or Tools you own or you rent | \$100,000 |

Continued on next page...

Property

Coverage Extensions

| Coverage Name | Limits of Insurance, Limits of Coverage Period or Insurance, Coverage Radius Period or Coverage Radius* |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Miscellaneous Unnamed Locations | |
| Physical Damage | \$100,000 |
| Business Income | EXCLUDED |
| Causes of Loss Flood | Does not apply |
| Causes of Loss Earth Movement | Does not apply |
| Causes of Loss Earthquake | Does not apply |
| Newly Acquired Locations | |
| Physical Damage | \$2,500,000 |
| Number of consecutive days that Physical Damage applies | 180 days |
| Extra Expense | Included in Newly Acquired Locations PD limit |
| Causes of Loss Flood | Does not apply |
| Causes of Loss Earth Movement | Does not apply |
| Causes of Loss Earthquake | Does not apply |
| Ordinance or Law | |
| Demolition & Increased Cost of Construction | \$5,000,000 |
| Value of the Undamaged Portion of Real Property | INCLUDED |
| Personal Effects of Employees | |
| Physical Damage | \$100,000 |
| For any one employee | \$10,000 |
| Pollutant Clean Up Expense | |
| Physical Damage | \$100,000 |
| Protection and Preservation of Property | |
| Physical Damage | \$100,000 |
| Number of consecutive days that Physical Damage applies | 30 days |
| Professional Fees | \$250,000 |
| Salespeople Personal Property | \$50,000 |
| Transit | |

Continued on next page...

Property

Coverage Extensions

| Coverage Name | Limits of Insurance, Limits of Coverage Period or Insurance, Coverage Radius Period or Coverage Radius* |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Personal Property | \$100,000 |
| Trees, Shrubs, Plants | |
| Physical Damage | \$250,000 |
| For any one item | \$10,000 |
| Utility Services | |
| Coverage for Above Ground and Underground Transmission Lines: | |
| Physical Damage | EXCLUDED |
| Physical Damage | \$250,000 |
| Causes of Loss Cloud | Applies |
| Causes of Loss Internet | Applies |
| Causes of Loss Power Supply | Applies |
| Causes of Loss Communication Supply | Applies |
| Causes of Loss Water Supply | Applies |

*Limits of Insurance are in any one occurrence, unless otherwise stated

Time Element Coverage Extensions

| Coverage Name | Limits of Insurance, Limits of Coverage Period or Insurance, Coverage Radius Period or Coverage Radius* |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Attraction Property | EXCLUDED |
| Contingent Property | |
| Actual loss of Extra Expense incurred due to loss or damage at Contingent Properties within the coverage territory | EXCLUDED |
| Actual loss of Extra Expense incurred due to loss or damage at Contingent Properties outside of the coverage territory | EXCLUDED |
| Causes of Loss Named Storm | Does not apply |

Continued on next page...

Property

Coverage Extensions

| Coverage Name | Limits of Insurance, Limits of Coverage Period or Insurance, Coverage Radius Period or Coverage Radius* |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Causes of Loss Flood | Does not apply |
| Causes of Loss Earth Movement | Does not apply |
| Causes of Loss Earthquake | Does not apply |
| Causes of Loss Equipment Breakdown Accident | Does not apply |
| Crisis Event Caused By Violent Crime | |
| Crisis Event Extra Expense | \$250,000 |
| Number of consecutive days that Crisis Event Extra Expense applies | 30 days |
| Civil or Military Authority | |
| Extra Expense | INCLUDED |
| Coverage Period: | 30 days |
| Coverage Radius Distance: | 1 miles |
| Qualifying Period: | 72 hours |
| Causes of Loss Flood | Does not apply |
| Causes of Loss Earth Movement | Does not apply |
| Causes of Loss Earthquake | Does not apply |
| Ingress/Egress | |
| Extra Expense | \$50,000 |
| Number of consecutive days that Extra Expense applies | 30 days |
| Coverage Radius Distance: | 1 miles |
| Qualifying Period: | 24 hours |
| Causes of Loss Named Storm | Does not apply |
| Causes of Loss Flood | Does not apply |
| Causes of Loss Earth Movement | Does not apply |
| Causes of Loss Earthquake | Does not apply |
| Secondary Contingent Property | |

Continued on next page...

Property

Coverage Extensions

| Coverage Name | Limits of Insurance, Limits of Coverage Period or Insurance, Coverage Radius Period or Coverage Radius* |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Actual loss of Extra Expense incurred due to loss or damage at Secondary Contingent Property within the coverage territory | EXCLUDED |
| Actual loss of Extra Expense incurred due to loss or damage at Secondary Contingent Property outside of the coverage territory | EXCLUDED |
| Causes of Loss Named Storm | Does not apply |
| Causes of Loss Flood | Does not apply |
| Causes of Loss Earth Movement | Does not apply |
| Causes of Loss Earthquake | Does not apply |
| Causes of Loss Equipment Breakdown Accident | Does not apply |

*Limits of Insurance are in any one occurrence, unless otherwise stated

Property

Catastrophe Coverages

| Coverage | Limits of Insurance* |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Earthquake Coverage | |
| Total Earthquake Policy Period Limit of Insurance is the maximum amount payable in this policy for all covered loss or damage for the Cause of Loss Earthquake regardless of the number of occurrences during the Policy Period | \$5,000,000 |
| All Earthquake losses in the following States, Territory, Earthquake Hazard Zones or specific Covered Locations as described below are included in and not in addition to the Total Earthquake Policy Period Limit of Insurance | |
| All Locations | \$5,000,000 Policy Period |
| AK, CA, HI, PR | Excluded |
| New Madrid - Zone 1 and Zone 2 | Excluded |
| Pacific NW Zone | Excluded |
| Nevada | Excluded |
| Flood Coverage | |
| Total Flood Policy Period Limit of Insurance is the maximum amount payable in this policy for all covered loss or damage for the Cause of Loss Flood regardless of the number of occurrences during the Policy Period | \$1,000,000 |
| All Flood losses in the following Flood Hazard zones are included in and not in addition to the Total Flood Policy Period Limit of Insurance. | |
| Flood Hazard - Low | \$1,000,000 Policy Period |
| Flood Hazard - High and Moderate | Excluded |

*Limits of Insurance are in any one occurrence, unless otherwise stated

Property

Endorsements

| Form Name | Form Number | Limits of Insurance and/or Deductibles(s)* |
|--------------------------------------------------------------|----------------|--------------------------------------------|
| Actual Cash Value Roofs | LPP 3000 12 21 | See Endorsement |
| Property At a Miscellaneous Unnamed Location | LPP 3009 12 21 | See Endorsement |
| Roof Surfacing Cosmetic Loss Exclusion | LPP 4005 12 21 | See Endorsement |
| Cap On Losses From Certified Act(s) Of Terrorism | LPP 1034 12 21 | |
| Cause Of Loss - Earthquake | LPP 2002 12 23 | |
| Equipment Breakdown - Cause Of Loss | LPP 2005 12 21 | |
| Cause of Loss - Flood | LPP 2006 12 23 | |
| Liberty Mutual Property Protector - Educational Institutions | LPP 5002 12 21 | |

*Limits of Insurance are in any one occurrence, unless otherwise stated

Refer to Draft Policy for additional endorsements not shown

Property

Deductibles & Waiting Period

Policy

| Coverage Name | Deductible Amount* |
|----------------------|--------------------|
| All Locations | |
| All locations | \$10,000 |

*Deductibles apply in any one occurrence unless otherwise stated.

Catastrophe Coverage

| Coverage Name | Deductible Amount* |
|----------------------------------------------|--------------------------------------------------------------------------|
| Earthquake | |
| All locations | 10% Subject to a minimum deductible of \$100,000 |
| Flood | |
| Flood Hazard - Low | \$100,000 |
| Named Storm | |
| All Locations | 2% Subject to a minimum deductible of \$100,000 at each Covered Location |
| Water Damage | |
| All Locations | \$50,000 |
| Hail/Windstorm other than Named Storm | |
| All Locations | 2% Subject to a minimum deductible of \$100,000 at each Covered Location |

*Deductibles apply in any one occurrence unless otherwise stated.

Equipment Breakdown

| Coverage Name | Deductible Amount* |
|---------------|--------------------|
| | |

*Deductibles apply in any one occurrence unless otherwise stated.

Coverage Extensions

| Coverage Name | Deductible Amount* |
|---------------------------|--------------------|
| Mobile Equipment or Tools | |
| Mobile Equipment or Tools | \$1,000 |
| Miscellaneous Deductible | |

Continued on next page...

Property

Deductibles & Waiting Period

| Coverage Name | Deductible Amount* |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| To Each of your cellular phones, laptop computers, or other personal electronic devices while in the possession of You, Your Employees, or Your Assigned Students, in any one occurrence, in any one occurrence: | \$1,000 |
| To Each item of Miscellaneous School Property , in any one occurrence: | \$1,000 |

*Deductibles apply in any one occurrence unless otherwise stated.

TERRORISM COVERAGE ELECTION FORM

Simpson County Board of Education
430 S College St
Franklin KY 42134

Effective: 07/01/2024

Please indicate your election to accept or reject this offer below:

I hereby elect to purchase coverage for "certified acts of terrorism" for the policy period for \$1,479.

I hereby reject this offer of coverage for the policy period. I understand that by rejecting this offer, I will have no coverage for losses arising from "certified acts of terrorism".

Mandatory Premium Disclosure Statement

Fire insurance is mandatory in some states. The premium charge for fire losses that result from "certified acts of terrorism" and occur in states that require this coverage is \$0 and is included in the total premium amount shown above. This mandatory premium will be charged whether you accept or reject terrorism coverage.

Policyholder Acknowledgement

I hereby acknowledge that I have received notice of TRIA, the federal share of compensation for "certified acts of terrorism," the premium charge for losses covered by TRIA, and the Company's limit of liability should losses covered by TRIA exceed \$100 billion.

Policyholder/Applicant Signature

Date

Policyholder/Applicant Signature

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.

If you have any questions regarding this notice, please contact your sales representative or agent.

Crime

Premium Details

Underwriting Company: **Employers Insurance Company of Wausau**
 Rating Plan: **Guaranteed Cost**
 Named Insured: **SIMPSON COUNTY BOARD OF EDUCATION**

| | |
|-----------------------------------------------------------------------------|--------------|
| Premium | |
| Estimated Premium | \$845 |
| Taxes, Assessments & Surcharges | \$0 |
| Total Estimated Premium with Taxes, Assessments & Surcharges | \$845 |

| Coverages | Limits of Insurance | Deductibles |
|-----------------------------------------|---------------------|-------------|
| Employee Theft - Per Employee | \$250,000 | \$2,500 |
| Government Faithful Performance of Duty | \$250,000 | \$2,500 |

Any other requested coverages not included will require further discussion prior to providing.

Crime

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|-------------------------------------------------------------------------------------------------------|-----------------|----------|
| Reporting A Commercial Claim 24 Hours A Day | CNI 90 11 07 18 | |
| Add Faithful Performance Of Duty Coverage For Government Employees | CR 25 19 08 13 | |
| Annual Meeting Notice | LIL 90 04 06 13 | |
| CommonPolicyDeclarations | IC0002 03 05 | |
| Crime Declarations | EY DS 01 03 13 | |
| Exclusion of Terrorism | EY 07 01 04 19 | |
| Form Inventory | IC 00 42 07 09 | |
| Government Crime Policy (Loss Sustained Form) | CR 00 27 08 13 | |
| Kentucky Changes | CR 02 32 10 10 | |
| Kentucky Changes - Termination Of Employee | CR 02 53 10 10 | |
| Kentucky Local Government Premium Tax Schedule | IC 00 43 12 08 | |
| Kentucky Notice To Policyholders | EN 90 09 01 10 | |
| Liberty Mutual Group Privacy Notice | SNI 04 01 06 24 | |
| Notice To Policyholders-Restriction Of Coverage | CNC 90 02 04 19 | |
| Property/Crime/Inland Marine Schedule | IC 00 40 07 15 | |
| U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders | IL P 001 01 04 | |

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

Umbrella

Premium Details

Underwriting Company: **Liberty Insurance Corporation**
Rating Plan: **Guaranteed Cost**
Named Insured: **SIMPSON COUNTY BOARD OF EDUCATION**

| Premium | |
|--------------------------------------------------------------------------------|-----------------|
| Estimated Coverage Premium | \$38,394 |
| Terrorism Risk Insurance Act (TRIA) Premium | \$960 |
| Taxes, Assessments & Surcharges | \$0 |
| Total Estimated Premium with TRIA, Taxes, Assessments & Surcharges* | \$39,354 |

*TRIA Premium, Surcharges & Assessments are estimated and are subject to change based upon coverage changes, exposure changes, and/or written premium. May be subject to audit.

Tax calculation for the purpose of KY will be calculated at time of binding.

| Coverage | Limits of Liability |
|-------------------------------------------------|---------------------|
| Each Occurrence Limit | \$10,000,000 |
| General Aggregate Limit | \$10,000,000 |
| Products - Completed Operations Aggregate Limit | \$10,000,000 |
| Self-Insured Retention - Each Occurrence | \$10,000 |

Umbrella

Underlying Schedule

| Underlying Schedule | Limits | Writing Company & Effective Date |
|----------------------------------------------|-------------|--------------------------------------------------------------------|
| Auto Liability | | |
| Combined Single Limit | \$2,000,000 | The First Liberty Insurance Corporation 07/01/2024 - 07/01/2025 |
| General Liability | | |
| Each Occurrence | \$1,000,000 | LM Insurance Corporation 07/01/2024 - 07/01/2025 |
| General Aggregate | \$2,000,000 | |
| Products/Completed Operations Aggregate | \$2,000,000 | |
| Personal & Advertising Injury Limit | \$1,000,000 | |
| Employee Benefits Liability | | |
| Each Employee | \$1,000,000 | LM Insurance Corporation 07/01/2024 - 07/01/2025 |
| Aggregate | \$3,000,000 | |
| School Leaders Errors & Omissions | | |
| Each Wrongful Act | \$1,000,000 | Liberty Mutual Fire Insurance Company 07/01/2024 - 07/01/2025 |
| Aggregate | \$1,000,000 | |
| Law Enforcement Liability | | |
| Each Wrongful Act | \$1,000,000 | Liberty Mutual Fire Insurance Company 07/01/2024 - 07/01/2025 |
| Aggregate | \$1,000,000 | |
| Sexual Misconduct Liability | | |
| Each Sexual Misconduct | \$1,000,000 | LM Insurance Corporation 07/01/2024 - 07/01/2025 |
| Aggregate Sexual Misconduct | \$1,000,000 | |

Umbrella

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|---------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability Exclusion | LCU 21 84 12 23 | |
| Cap On Losses From Certified Acts Of Terrorism | LCU 60 04 01 18 | |
| Climbing Or Rappelling Walls Exclusion | LCU 21 105 01 18 | |
| Commercial Liability - Umbrella Coverage Form | LCU 00 01 01 18 | |
| Commercial Liability - Umbrella Declarations | LCU 00 02 01 18 | |
| Crisis Management Coverage | LCU 04 11 01 18 | Liberty Mutual Preferred Public Relations Vendor: Weber Shandwick Liberty Mutual Claims: 1-800-362-0000 Crisis Management Expense Aggregate Limit: \$250,000 |
| Cyber Incident Exclusion | LCU 21 222 12 23 | |
| Employer's Liability Exclusion | LCU 21 12 01 18 | |
| Failure To Supply Exclusion | LCU 21 02 01 18 | |
| Failure To Supply Exclusion - Tangible Property Exception | LCU 21 75 01 18 | |
| Firearms Exclusion - Schools | LCU 21 159 08 18 | |
| Foreign Liability Limitation | LCU 24 09 09 19 | |
| Fungi or Bacteria Exclusion (Legionella Bacterium Excluded) | LCU 21 203 11 22 | |
| Kentucky Changes - Cancellation And Nonrenewal | LCU 02 10 01 18 | |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

TRIA: See the Terms & Conditions section for a list of endorsements that will be added to your policy depending on whether TRIA is accepted or rejected.

Umbrella

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|---------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------|
| Kentucky Notice to Policyholders (when KY surcharge on policy) | EN 90 09 01 10 | |
| Lead Exclusion | LCU 21 122 01 18 | |
| Liberty Mutual Group Privacy Notice | SNI 04 01 06 24 | |
| Non-Cumulation Of Liability (Same Occurrence) | LCU 25 09 01 18 | |
| Occurrence - Resulting Property Damage | LCU 29 17 02 20 | |
| Participating Provision | LIL 90 05 06 13 | |
| Personal and Advertising Injury Redefined - Definition of Publication | LCU 29 19 04 22 | |
| Policyholder Disclosure Terrorism Risk Insurance Act | SNI 90 02 01 20 | |
| Public Entity Immunity And Tort Cap Preservation | LCU 22 04 01 18 | |
| Punitive Damages Related To A Certified Act Of Terrorism Exclusion | LCU 60 06 01 18 | |
| Schedule of Forms and Endorsements | LCS 00 16 10 23 | |
| School Amendatory Endorsement | LCU 04 20 02 20 | |
| School Law Enforcement Professional Liability Coverage Limitation (Claims-Made) | LCU 04 22 02 20 | Claims-Made Inception Date: 07-01-2016 Retroactive Date: 07-01-2012 |
| School Leaders Errors And Omissions Liability Coverage Limitation (Claims Made) | LCU 04 19 12 22 | Claims-Made Inception Date: 07-01-2016 Retroactive Date: 07-01-1995 |

Continued on next page...

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

TRIA: See the Terms & Conditions section for a list of endorsements that will be added to your policy depending on whether TRIA is accepted or rejected.

Umbrella

Forms & Endorsements

| Form Name | Form Number | Fill-Ins |
|-----------------------------------------------------------------|------------------|----------|
| Schools-Unlawful Discrimination Limitation | LCU 04 38 04 22 | |
| Sexual Misconduct Liability Coverage Limitation | LCU 04 13 07 21 | |
| Silica Or Silica-Related Dust Exclusion | LCU 21 19 01 18 | |
| Total Pollution Exclusion | LCU 26 01 01 18 | |
| Trampoline Exclusion | LCU 21 106 01 18 | |
| Underlying Coverage Requirement For Certified Acts Of Terrorism | LCU 60 01 01 18 | |
| Violation of Law Addressing Data Privacy Exclusion | LCU 21 223 12 23 | |

Note: Endorsement numbers listed above may be replaced with/or used in conjunction with State Specific endorsements. The forms listed on this proposal are not all inclusive of the forms that will be included in the published policy.

TRIA: See the Terms & Conditions section for a list of endorsements that will be added to your policy depending on whether TRIA is accepted or rejected.

Umbrella

Estimated Exposures

| Estimated Exposures | | |
|---------------------|-----------------------------------------------------------------|-----------|
| | Revenue | \$150,000 |
| | Students | 3,053 |
| | Grandstands or Bleachers - Not-For-Profit only | 10 |
| | Schools - faculty liability for corporal punishment of students | 250 |
| | Power Units | |
| | Heavy Trucks | 1 |
| | Light Trucks | 19 |
| | Passenger Transport | 35 |
| | Private Passenger Type | 1 |
| | Medium Trucks | 0 |
| | Extra Heavy Trucks | 0 |
| | Tractor | 0 |
| | Total: | 56 |

The Liberty Mutual Advantage



Experience the Liberty Mutual Difference.

Industries evolve. Market conditions shift. Risks change. That's why you need the stable partnership of a global leader with strength in every corner. When you work with Liberty Mutual you can expect industry-leading coverages delivered by a team that is empowered to provide a superior experience. With experts in underwriting, risk control, claims, and more, we harness innovation to address your concerns at each touch point. Look to Liberty if you value long-term partnership and want a carrier with the expertise and stability to adapt as your business changes.

The Liberty Mutual Advantage

Financial Strength

Working with a Fortune 100 company, you get the advantage of more: more industry-leading resources and deeper expertise in more areas, including outstanding access to quality care and powerful return-to-work strategies and risk control strategies.

Industry Expertise

With 100+ years in business, we have deeply earned experience in your industry. At every touch point – from how we underwrite to how we manage claims – we have the experience you need. It's our business to know your business. Our experts understand the challenges you face and are ready to help mitigate risk at every level.

A Superior Customer Service Experience

Work with engaged, responsive professionals, from onboarding to claims management. We collaborate constantly to ensure your program is designed and operating for optimal results. We back this with technologies that maximize agility and efficiency – plus the steadfastness of an established partner. Count on us to stay focused on you.

Industry-leading Claims Handling

Our specialized approach leads to better outcomes and a better overall experience. Superior claims experience enabled by unparalleled focus on exceptional people, innovation and harnessing data to put your business ahead.

Advanced Risk Control and Engineering*

We can help lower your total cost of risk by providing access to resources that can help you identify exposures and practical ways to mitigate them. You benefit from relevant insights and practical programs that address your areas of greatest loss, such as workplace injuries, product recalls, and property damage.

*Our risk control services are advisory only. We assume no responsibility for management or control of customer safety activities nor implementation of recommended corrective measures.

Services

Providing you with a great experience is important to us. Here are some of the services that you'll receive when you join us:

Account Management Services

- Designated Account Management Team
- Seamless onboarding to Liberty Mutual
 - Policy number assignment and signature documents
 - Claim intake procedures
 - Policy issuance
 - Quick action on state reporting and posting notices
 - Set up and training for Liberty Mutual's online portal and Risk Management Information System
- Facilitation/Navigation of a smooth claims experience by quickly addressing questions and resolving issues

Claims Services

- 24 Hour Emergency Claims Service Center
- 24 Hour Claim Reporting – Internet & Telephonic
- Claimant and Customer contact on Liability Bodily Injury claims in 1 business day
- Injured Worker, Employer, and Medical Provider contact on WC Indemnity claims
- Claims Acknowledgements within 24 hours
- Comprehensive Liability and/or Compensability Investigations
- Customer Specific Location Coding for WC
- Designated National Claims Service Teams
- Notification of relevant claims team changes
- Fraud Investigations and Handling
- Index Bureau Reporting
- On-line Medical Provider Referral Service
- Catastrophic Case Management Unit available for WC when referral is needed
- Second Injury Fund Recovery for WC
- Notification of reserve changes equal to or exceeding \$20,000
- Notification of settlements equal to or exceeding \$20,000

Litigation Management Services

Liberty Mutual reserves the right to retain and direct legal counsel:

Liberty Mutual Staff Counsel or Managed Panel Counsel will be used unless otherwise directed by Liberty Mutual or agreed upon.

A Defense Cost Containment fee (3.2% of paid) will be charged when any non-Liberty Mutual Staff Counsel is retained.

Services

Risk Control Services

On-demand Risk Control resources including:

- Risk Control Consulting Center
- Access to comprehensive safety and health resources through Liberty Mutual SafetyNet (an online destination for safety tools, training, and resources)

Technology Services

- Access to Liberty Mutual's online portal to include:
 - o Account and billing information
 - o Risk control services and medical providers
 - o Reporting and tracking claim activity through RISKTRAC
- Access to RISKTRAC, Liberty Mutual's Risk Management Information System
 - o View adjuster claim notes and monitor activity
 - o Create watch lists to keep track of important claims
 - o Set alerts to be notified of reserve and payment activity

Please speak with your Underwriter if additional services are needed.

Terms & Conditions

This proposal is valid for 60 days from the Date of Proposal or until the Effective Date (whichever is earlier) and is solely an estimate of premium, based on the information provided, and all amounts are subject to change. This proposal does not bind or provide actual coverage and is not an offer of insurance. Specific terms of coverage, exclusions, and limitations are contained solely in a completed insurance policy for which a premium has been paid.

This proposal may vary from your original request for coverage. Please review the proposal carefully for any variances. The terms, conditions and premiums included in this proposal contemplate the sale or renewal of all the quoted insurance lines. Electing to buy or renew only some of the lines of coverage may result in changes to the terms, conditions and premiums of the remaining insurance lines.

We are willing to provide only the coverage described by this document. This document is a proposal to provide coverage based solely on these specifications. We will not be bound or obligated by proposals, specifications, or requests prepared by any other party. Further, this coverage is not bound until expressly accepted, in writing, by a Liberty Mutual Insurance employee who is authorized to bind these coverages. Finally, this document is not a policy of insurance. Coverage will be determined by the terms and conditions of the policy or policies issued by us. This document was created and distributed to you solely for information purposes only. You must look to and rely upon the full terms and conditions of the policy to determine the nature and extent of coverage.

To learn more about Liberty Mutual's privacy policy, go to libertymutual.com/privacy

This proposal and any policy or contract that may be issued pursuant to this proposal, is based on the information you or your authorized representative provided regarding named and additional insureds. In the event that individuals, entities, vessels or countries that have a direct or indirect interest in the quoted insurance coverage are subject to U.S. or foreign financial sanctions laws, or appear on any domestic or foreign list of persons with whom we are prohibited from doing business or conferring financial benefit, Liberty Mutual Insurance reserves the right to amend this proposal or to withdraw it in its entirety; and, in the event a policy of insurance or a contract for other benefits is issued by us prior to or after learning that any subject persons or entities appear on the prohibited list, or otherwise are identified in connection with an economic sanctions program, Liberty Mutual Insurance reserves the right to declare any such issued policy or contract null, void and without legal or binding effect, such voiding to be effective from the otherwise effective date of such issued policy or contract and regardless of whether any circumstance has arisen, or there has been an occurrence since such issuance that would be material to the duties and responsibilities set forth in such policy or contract.

Terms & Conditions

Property: Offer of Coverage for "Certified Acts of Terrorism"

This proposal includes an offer of coverage for "Certified Acts of Terrorism" (as defined by the Terrorism Risk Insurance Act).

You can elect to:

- Accept the offer of coverage at the indicated premium as stated in this Proposal, or
- Reject the offer of coverage for "Certified Acts of Terrorism".

If you reject this coverage, then an exclusion for "Certified Acts of Terrorism" (as defined by the Terrorism Risk Insurance Act) will apply.

Please refer to the Terrorism Insurance Premium Disclosure within this proposal and return the completed Terrorism Coverage Election Form to the Liberty Mutual Underwriting Team listed in the insurance proposal.

Quote Stipulations

We reserve the right, but are not required, to inspect any location insured hereunder. This proposal is subject to favorable inspections and compliance with any recommendations made as a result of such inspections. We stress that inspections are not made for life safety, but for the sole purpose of our property underwriting. Not all hazards and conditions are evaluated. It is not to be inferred from our visits that all hazards are under control nor that the properties and operations are safe or healthful or are in compliance with laws, rules, or regulations.

We have provided a draft property policy to help you make an informed decision regarding your insurance needs, but it is for informational purposes only and is not a final policy of insurance. Your coverage will be determined only by the terms and conditions of a final policy and not by the linked draft policy.

A properly executed SOV and, if applicable, Loss of Income Worksheet must be received within 30 days of binding. Additional premium may be required at that time.

All policy coverages, terms, and conditions are subject to applicable State Amendatory Endorsements.

If the Named Insured's signature is required for any of the policies or coverages included in this proposal, they must be signed by the proposed Named Insured and returned to us by the effective date of the policy, or within 30 days of receipt, whichever is later. Failure to execute and return any required signature documents within the specified time frame may result in withdrawal of the proposed payment plan, or cancellation or rescission where allowed by law, and/or coverage changes and corresponding premium increase(s) required by law as a result of not having signed forms.

Services

Terms & Conditions

These services are provided during the effective period, unless otherwise specified. Services will convert to our standard claims and other services, except as otherwise agreed in writing or stated below, if:

- 1) all of the policies described, including any renewals and rewrites of those policies, are cancelled or non-renewed by you or by us,
- 2) losses are projected to exceed a rating plan maximum, or
- 3) you become insolvent or file for bankruptcy.

We may modify our standard services at any time without notice.

Claim Service Definitions

Notification: the formal act of alerting the customer/broker when a specific claim action is taking place. Specific actions can include but are not limited to Nurse Case Manager, Field Investigation, Surveillance, Third Party, Reserves and Settlement. No response from customer is required in order for Claims to proceed with their action plan.

Risk Control Services

Our risk control service is advisory only and does not include:

- Providing for the health and safety of your employees or the public
- Managing or controlling your safety activities or implementing recommended corrective measures
- Identifying all hazards
- Warranting that requirements of any federal, state, or local law, regulation, or ordinance have or have not been met.

To order a jurisdictional inspection contact LMEBInspections@libertymutual.com or 877-526-0020.

Regulatory Service Requirements

After the effective date of this policy, we may be required to provide certain services (e.g., managed care) or to re-classify/re-code certain services - under the policy in accordance with filed rating and statistical plans. If this happens, we will align the charges with the filed rating and statistical plans (e.g., medical loss, indemnity loss, allocated loss adjustment expense, or unallocated loss adjustment expense).

Terms & Conditions

Risk Management Information Systems (RMIS)

You will have access to certain claims information ("DATA") from the electronic data processing files of the member companies of the Liberty Mutual Insurance. This DATA pertains to claims made against some of the insurance policies or claims service agreements issued to you by our member companies through the risk management information systems (collectively "RMIS").

Access to DATA or media is based on your ongoing acceptance of the terms and conditions listed on the portal used to access RMIS, as well as the following:

- We do not warrant that operation of the RMIS or the DATA provided will be error-free. We make no warranties, express or implied, and further, we DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- You understand and agree that the limit of our liability for any cause of action arising from, or related in any way to RMIS and/or DATA, is for direct damages only. We are not liable to you for any indirect, consequential, punitive, or special damages of any kind or nature.

To the extent that we provide DATA to you through RMIS and/or through any other means or media otherwise, the following terms shall apply:

a. We and you (the "Parties") shall comply with all laws and regulations governing the confidentiality, security, transmission, retransmission, copying, disclosure, and use of information pertaining to individuals, including but not limited to any medical information or non-public information as individually identifiable medical information and non-public, protected personal information of persons as defined in applicable law or regulation.

b. Access to RMIS is restricted to employees for whom the applicable subscription fees have been paid. You shall restrict access to RMIS and DATA to those employees who may lawfully access and use such information unless they agree otherwise in writing.

c. You shall instruct all employees accessing RMIS and DATA with regard to the obligations imposed under paragraphs a. and b. and ensure that your employees fully comply.

Each party agrees to defend, indemnify, and hold harmless the other party and its officers, directors, subsidiaries, affiliates, and employees from and against any third-party claims* that the party seeking indemnification may suffer or incur that arises out of:

- Any allegation that the other party's possession of or access to DATA violates any statute or regulation
- Any allegation that the other party's treatment or use of any DATA including, by way of example and not limitation, the transmission, retransmission, communication, or other publication of such DATA, was negligent, grossly negligent or intentionally improper
- The other party's breach of any representation or other obligation arising under this agreement with regard to DATA or RMIS

*Claims collectively refers to losses, damages, suits, fees, judgments, costs, and expenses, including reasonable attorneys' fees, made by the directors, officers, and employees of the party responsible for indemnification.

Terms & Conditions

The party seeking indemnification will:

- Promptly let the other party know in writing of any claim for which it is seeking indemnification
- Forward to the other party all documents in its possession related to the matter

Failure to provide prompt notice of a claim for indemnification will not prevent the party's claim for indemnification unless the other party is negatively impacted.

With regard to DATA and RMIS provided according to this section, your obligations and ours will survive indefinitely regardless of the termination of our partnership, any insurance policy, this or any other agreement between the parties.

Broker/Third-Party Access

If you want to extend access to RMIS and/or DATA to your broker/consultant or any third party, they must enter into a separate agreement with us that includes the terms and conditions of such access

New Mexico Limitation Of Uninsured/Underinsured Motorist Coverage

On October 4, 2021, the New Mexico Supreme Court issued an opinion titled *Crutcher v., Liberty Mutual Insurance Company et al* (No. S-1-SC-37478). As a result of the Court's decision, we are required to provide the following clarification of the limitation of Uninsured/Underinsured Motorist Coverage (UM/UIM). In the event of a loss from a motor vehicle accident in which the total reimbursement you receive from the other parties' insurance policies is equal to or in excess of your UM/UIM limit, you may not have any UIM coverage available to you.

An Underinsured Motorist is NOT simply a motorist who does not have sufficient insurance coverage to pay for all of your injuries and/or damages. Rather, an Underinsured Motorist is an operator of a motor vehicle for which the sum of the Limits Of Liability under all bodily injury liability insurance applicable at the time of the accident is less than the Limits Of Liability under all Uninsured/Underinsured Motorist Coverage applicable to you. This means that if you have the same amount of Underinsured Motorist Coverage that an at fault driver carries in liability limits, you may not have any Underinsured Motorist Coverage available to you. For example, if you receive \$25,000 in liability bodily injury benefits from an at fault driver and you have \$25,000 per person in UM/UIM Coverage available to you under your own or someone else's policy, you may not receive any benefits for UIM Coverage under the Policy because that driver would most likely not be an Underinsured Motorist. Similarly, if you received \$50,000 in liability bodily injury benefits from the at fault driver and you have a total of \$50,000 per person in UM/UIM Coverage available to you under your own or someone else's policy, you may not receive any benefits for UIM Coverage under your policy(ies) because that driver would most likely not be an Underinsured Motorist. This is because under New Mexico law, Underinsured Motorist Coverage pays the 'gap' between the at fault driver's liability insurance limits and the limits of Underinsured Motorist Coverage available to you. It does not pay the 'excess' of damages you suffer that are above the at fault driver's liability limits – only the difference between that person's liability limits and the limits of all Underinsured Motorist Coverage available to you, if there is any difference.

Please note that the above example applies only to situations involving UIM coverage and not UM coverage.

Therefore, it is very important to consider this when selecting UM/UIM coverage limits.

Terms & Conditions

Umbrella Terrorism Risk Insurance Act, Including all Amendments, ("TRIA" or the "Act")

If you ACCEPT TRIA: The following endorsements will be added to your policy:

Underlying Coverage Requirement for Certified Acts of Terrorism - LCU 60 01

Cap on Losses from Certified Acts of Terrorism - LCU 60 04

Punitive Damages Related to a Certified Act of Terrorism Exclusion - LCU 60 06

Punitive Damages Related to a Certified Act of Terrorism Exclusion - LCU 60 10
(This endorsement applies only in Arkansas.)

If you REJECT TRIA: The following endorsement will be added to your policy:

Certified Acts of Terrorism Exclusion - LCU 60 05

Please note TRIA does not apply to Commercial Automobile.

Umbrella Important Considerations:

Please read this proposal carefully, as the terms and conditions may differ from those in the submission.

We reserve the right to amend premium, terms & conditions or withdraw the proposal if underlying carriers, pricing or terms change. All underlying carriers must be rated A- V or better by A.M. Best.

Underlying policy numbers must be received upon binding for policy issuance.

The Terrorism Risk Insurance Act offer letter is included in this document.

Copies of all non-Liberty Mutual underlying policies must be received within 60 days of binding.

To learn more about Liberty Mutual's privacy policy,
go to: <https://www.libertymutualgroup.com/about-lm/corporate-information/privacy-policy>

Terrorism Insurance Premium Disclosure

This notice contains important information about the Terrorism Risk Insurance Act and its effect on your policy. Please read it carefully.

The premium charge for coverage for "Certified Acts of Terrorism" will appear in this Proposal as a separate line item charge. If you choose to accept this proposal, you will have the opportunity to reject this coverage and premium charge. This offer applies to all lines except Workers Compensation, Crime, Professional Liability and Commercial Automobile.

The Terrorism Risk Insurance Act

The Terrorism Risk Insurance Act, including all amendments ("TRIA" or the "Act"), establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from "certified acts of terrorism" exceed a specified deductible amount, the government will generally reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per calendar year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

Beginning in calendar year 2020, the Federal Share is 80% and the Program Trigger is \$200,000,000.

Mandatory Availability of Coverage For "Certified Acts of Terrorism"

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under your policy.

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States

- i. to be an act of terrorism;
- ii. to be a violent act or an act that is dangerous to –
 - I. human life;
 - II. property; or
 - III. infrastructure;
- iii. to have resulted in damage within the United States, or outside of the United States in the case of –
 - I. an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
 - II. the premises of a United States mission; and
- iv. to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.