

Revised 8/27/14

COLLIN COUNTY, TX

2300 Bloomdale Road, #4117
McKinney, TX 75071

Lines of Coverage
Excess Workers Compensation

10/01/2014 to 10/01/2015



Arthur J. Gallagher & Co.

Arthur J. Gallagher Risk Management Services, Inc.
Two Lincoln Centre
5420 LBJ Freeway, Suite 400
Dallas, Dallas 75240

Cyndi_Boehle@ajg.com
www.ajg.com

Collin County, TX

Table of Contents

| | |
|--|-----------|
| Our Team and Commitment | 3 |
| Account Contact Information | 4 |
| Executive Summary | 5 |
| Service Commitment | 6 |
| Your Program | 7 |
| Named Insured | 8 |
| Market Place Review | 9 |
| Insurance Carrier Ratings and Admitted Status | 10 |
| Premium Summary | 12 |
| Payment Plans | 13 |
| Location Schedule | 14 |
| Program Details | 15 |
| Excess Workers Compensation | 15 |
| Changes / Developments | 17 |
| Proposal Disclosures | 18 |
| Proposal Disclosures | 19 |
| Client Signature Requirements | 21 |
| Client Authorization to Bind Coverage | 22 |
| Appendix | 24 |
| Claims Reporting By Policy | 25 |
| Bindable Quotations & Compensation Disclosure Schedule | 26 |

Collin County, TX

Account Contact Information

| NAME / TITLE | PHONE / ALT. PHONE | EMAIL |
|--------------------------|----------------------------------|----------------------|
| Cyndi Boehle Producer | (972) 663-6126 (972) 991-3700 | Cyndi_Boehle@ajg.com |

Arthur J. Gallagher Risk Management Services, Inc.
Main Office Phone Number: 9729913700

Collin County, TX

Executive Summary

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

We are pleased to present your renewal proposal through Midwest Employers Casualty. This year, the rate is up by 6 % and payroll is up 1.6%. We were pleased to see the rate increase stay below 10% which is what we had previously estimated and in line with the market place as medical inflation continues to rise, particularly on the long-term claims.

Here is a comparison of last year's cost versus this year's renewal.

| Year | Rate | change | SIR | Payroll | Change | Premium | Change |
|------|-------|--------|-----------|--------------|--------|----------|--------|
| 2013 | .1063 | | \$500,000 | \$81,140,117 | | \$86,252 | |
| 2014 | .1131 | 6% | \$500,000 | \$82,433,738 | 1.6% | \$93,233 | 7.6 |
| | | | | | | | |

Midwest has also offered two additional offers which follow in the proposal; an option for \$600,000 Self Insured Retention (SIR) and \$750,000 SIR.

Please review the Proposal and let us know if you have any questions.

Sincerely,

Cyndi Boehle, CIC, CRM
Area Senior Vice President
Direct Dial: 972-663-6126
Email: cyndi_boehle@ajg.com

Collin County, TX

Service Commitment

Account Service

At Arthur J. Gallagher & Co., we strive for long-term relationships. Insurance Relationships begin with solid, cost-effective insurance programs, but endure because of excellent service. We will address the day-to-day needs of your organization in a timely manner, and will be proactive regarding your insurance program throughout each insurance term and market cycle. In these ways, we can address your changing insurance needs.

Renewals

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.

Acquisitions

On request, we will perform an insurance due-diligence review on all products and acquisitions.

Profit Center Premium Allocations

We will provide premium breakdown by entities and/or location schedule.

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 receipt.

Quarterly Account Review

Quarterly account reviews will include review of claims, exposures, audits, and service.

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. We will also arrange loss control seminars on topics chosen by you upon request.

Collin County, TX

Your Program

Collin County, TX

Named Insured

| NAMED INSURED | LINE OF COVERAGE |
|-------------------|-----------------------------|
| Collin County, TX | Excess Workers Compensation |

Note: Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

Collin County, TX

Market Place 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 |
|------------------------------------|-----------------------------|-------------------|
| Midwest Employers Casualty Company | Excess Workers Compensation | Recommended Quote |

*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.

Collin County, TX

Insurance Carrier Ratings and Admitted Status

| PROPOSED CARRIERS | A.M. BEST'S RATING | ADMITTED / NON-ADMITTED |
|------------------------------------|--------------------|-------------------------|
| Midwest Employers Casualty Company | A+ XV | Admitted |

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

*The above A.M. Best Rating was verified on the date the proposal document was created.

Guide to Best Ratings Rating Levels and Categories

| LEVEL | CATEGORY | Financial Size Categories <i>(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)</i> | | | |
|---------|------------------------------|--|--------------------|----------|------------------------|
| A++, A+ | Superior | | | | |
| A, A- | Excellent | FSC I | Up to 1,000 | FSC IX | 250,000 to 500,000 |
| B++, B+ | Good | FSC II | 1,000 to 2,000 | FSC X | 500,000 to 750,000 |
| B, B- | Fair | FSC III | 2,000 to 5,000 | FSC XI | 750,000 to 1,000,000 |
| C++, C+ | Marginal | FSC IV | 5,000 to 10,000 | FSC XII | 1,000,000 to 1,250,000 |
| C, C- | Weak | FSC V | 10,000 to 25,000 | FSC XIII | 1,250,000 to 1,500,000 |
| D | Poor | FSC VI | 25,000 to 50,000 | FSC XIV | 1,500,000 to 2,000,000 |
| E | Under Regulatory Supervision | FSC VII | 50,000 to 100,000 | FSC XV | 2,000,000 or more |
| F | In Liquidation | FSC VIII | 100,000 to 250,000 | | |
| S | Suspended | | | | |

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

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

Best's Credit Ratings reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of (Licensee's publication or service) or its recommendations, formulas, criteria or comparisons to any other ratings, rating scales or rating organizations which are published or referenced herein. 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 Company.

Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. 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.

Collin County, TX

Insurance Carrier Ratings and Admitted Status (Cont.)

| GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS | | | |
|--|--|---|---|
| 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. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile. | | | |
| Financial Strength Ratings | | | |
| | Rating | Descriptor | Definition |
| Secure | A++, A+ | Superior | Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations. |
| | A, A- | Excellent | Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations. |
| | B++, B+ | Good | Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations. |
| Vulnerable | B, B- | Fair | Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions. |
| | C++, C+ | Marginal | Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions. |
| | C, C- | Weak | Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions. |
| | D | Poor | Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions. |
| | E | Under Regulatory Supervision | Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations. |
| | F | In Liquidation | Assigned to companies placed in liquidation by a court of law or by a forced liquidation. |
| | S | Suspended | Assigned to rated companies when sudden and significant events affect their balance sheet strength or operating performance and rating implications cannot be evaluated due to a lack of timely or adequate information. |
| Rating Modifiers | | | |
| Modifier | Descriptor | Definition | |
| u | Under Review | Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications. | |
| pd | Public Data | Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010) | |
| s | Syndicate | Indicates rating assigned to a Lloyd's syndicate. | |
| Outlooks | | | |
| Indicates potential direction of a Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months. | | | |
| Positive | Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level. | | |
| Negative | Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level. | | |
| Stable | Indicates low likelihood of a rating change due to stable financial/market trends. | | |
| Not Rated Designation | | | |
| NR: Assigned to companies that are not rated by A.M. Best. | | | |
| Rating Disclosure | | | |
| A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's <i>Terms of Use</i> at www.ambest.com . | | | |
| Best's Financial Strength Ratings are distributed via press release and/or the A.M. Best Web site at www.ambest.com and are published in the <i>Credit Rating Actions</i> section of <i>BestWeek</i> ®. Best's Financial Strength Ratings are proprietary and may not be reproduced without permission. Copyright © 2013 by A.M. Best Company, Inc. | | | |
| | | | Version 021712 |



Collin County, TX

Premium Summary

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

| LINE OF COVERAGE | | EXPIRING PROGRAM | | PROPOSED PROGRAM | |
|-------------------------------------|----------------|------------------------------------|--------------------|------------------------------------|--------------------|
| | Estimated Cost | CARRIER | EXPIRING COST | CARRIER | ESTIMATED COST |
| Excess Workers Compensation | TRIA Premium | Midwest Employers Casualty Company | \$86,252.00 | Midwest Employers Casualty Company | \$93,233.00 |
| | | | Included | | Included |
| Total Estimated Program Cost | | | \$86,252.00 | | \$93,233.00 |

Quote From Midwest Employers Casualty Company is valid until 10/1/2014

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

Collin County, TX

Payment Plans

| CARRIER | LINE OF COVERAGE | PAYMENT SCHEDULE | PAYMENT METHOD |
|------------------------------------|-----------------------------|-------------------|----------------|
| Midwest Employers Casualty Company | Excess Workers Compensation | Annual / Full Pay | Agency Bill |

Collin County, TX

Location Schedule- on file

| LINE OF COVERAGE | LOC # / BLDG # | LOCATION ADDRESS |
|-----------------------------|----------------|--|
| Excess Workers Compensation | 1/1 | 2400 Bloomdale Road, #4117 McKinney, TX 75071 |

Collin County, TX

Program Details

Coverage: Excess Workers Compensation
Carrier: Midwest Employers Casualty Company
Policy Period: 10/1/2014 to 10/1/2015

Coverage (Including Limits/Sub-limits):

| DESCRIPTION | LIMIT |
|---|-------------|
| Coverage A - Workers Compensation | Statutory |
| Employers' Liability Limits: Bodily Injury by Accident | \$1,000,000 |
| Employers' Liability Limits: Bodily Injury by Disease per Employee | \$1,000,000 |
| Employers' Liability Limits: Bodily Injury by Disease - Policy Limit | \$1,000,000 |

Deductibles/SIR:

| COVERAGE | AMOUNT |
|-----------------------------|-----------|
| Excess Workers Compensation | \$500,000 |

States:

| DESCRIPTION | STATE |
|------------------|----------------|
| States Covered: | TX |
| States Excluded: | OH, ND, WA, WY |

Endorsements include, but are not limited to:

| DESCRIPTION |
|---|
| Amendment to Schedule Item 11 |
| Policyholder Disclosure Notice of Terrorism Insurance |
| Texas Important Notice |
| Texas Employers Liability |

Exclusions include, but are not limited to:

| DESCRIPTION |
|--------------------|
| Aircraft Exclusion |

Binding Requirements:

| DESCRIPTION |
|---|
| A signed application must be received prior to policy issuance. |

Collin County, TX

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

| DESCRIPTION |
|---|
| MECC must be notified of any aircraft changes occurring during the policy period. |
| Terrorism Premium included in the total. |

Premium \$93,233

ESTIMATED PROGRAM COST **\$93,233**

Minimum Premium – 83,909

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

Subject to Audit: Annually

Auditable Exposures:

| STATE | DESCRIPTION | EXPOSURE | RATE PER \$100 |
|-------|-------------------|--------------|----------------|
| TX | 2014-2015 Payroll | \$82,433,738 | .1131 |

ADDITIONAL OPTIONS -

OPTION 2 - \$600,000 Self-Insured Retention
 Annual Premium - \$84,802

OPTION 3 - \$750,000 Self-Insured Retention
 Annual Premium - \$68,008

Collin County, TX

Changes / Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operation such as expansion to other states or new products.
2. Mergers and/or acquisition of new companies.
3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
4. Circumstances which may require increased liability insurance limits.
5. Any changes in fire or theft protection, such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to same.
6. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
7. Property of yours that is in transit, unless we have previously arranged for the insurance.
8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.

No Changes and/or Developments

Signature: _____

Title: _____

Date: _____

Collin County, TX

Proposal Disclosures

Collin County, TX

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 is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker/agent, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the 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 from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
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. Contingent commissions provide for additional contingent compensation if 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 and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as "supplemental commissions" are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access 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. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client's account, the facility may have earned and retained customary brokerage commission or fees for its work.
5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order

Proposal Disclosures (Cont.)

to achieve these goals, we gather and analyze data about our customers and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the 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 send an e-mail to Compensation_Complaints@ajg.com or send a letter to:

Compliance Officer
Arthur J. Gallagher & Co.
Two Pierce Place, 20th Floor
Itasca, IL 60143

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 most recent legislation eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the TRIEA legislation 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. The Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) includes a \$100 billion cap on insurers' aggregate liability.

TRIPRA is set to expire on December 31, 2014. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2014. 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.

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc.. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

Collin County, TX

Client Signatory Requirements

Collin County, TX

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 8/25/2014, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

| | LINE OF COVERAGE | CARRIER | MAJOR DIFFERENCES |
|--|---|---------------------------------------|-------------------|
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject INCLUDED | Excess Workers Compensation (\$500,000 SIR) TRIA Coverage | Midwest Employers Casualty Company | No Changes |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject INCLUDED | Excess Workers Compensation (\$600,000 SIR) TRIA Coverage | Midwest Employers Casualty Company | Increased SIR |
| <input type="checkbox"/> Accept <input type="checkbox"/> Reject INCLUDED | Excess Workers Compensation (\$750,000 SIR) TRIA Coverage | Midwest Employers Casualty Company | Increased SIR |

Producer/ Insured Coverage Amendments and Notes:

Client Initials

Collin County, TX

Client Authorization To Bind Coverage

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

By:

Specify: owner, partner or corporate officer

Print Name

Date:

Appendix

Collin County, TX

Claims Reporting By Policy

All Excess Workers Comp claims should be reported directly to your Third Party Claims Administrator.

Note the Following Requirements:

1. Catastrophic and Serious Injury Claims- Requiring First Notice of Loss Within Five (5) Days. You must send us a First Notice of Loss within five (5) days after the occurrence of any accident or disease exposure involving an Employee who sustained any of the following injuries, even if you are contesting your liability:
 - a. Fatality;
 - b. Brain injury;
 - c. Spinal cord injury;
 - d. Paralysis of any part of the body;
 - e. Serious burn injury (burns over 25% or more of the body);
 - f. Amputation of a major extremity;
 - g. Crushing or massive internal injury; or
 - h. Partial or total loss of vision in one or both eyes.
2. Employer Liability Claims- First Notice of Loss Within Thirty (30) Days. You must send us a First Notice of Loss within thirty (30) days of your notice of a Claim that may fall under Part Two- Employers Liability of this Policy.
3. Other Claims Requiring Reporting by First Notice of Loss Within Thirty (30) Days. You must send us a First Notice of Loss within thirty (30) days after the occurrence of any of the following events on an individual Claim:
 - a) The total paid Loss exceeds \$250,000 or the total incurred amount of Loss (paid and reserves) exceeds 50% of your Specific Retention, whichever event occurs first;
 - b) An injured Employee misses fifty-two (52) weeks of work as a result of the injury, even if the Claim is being contested by you;
 - c) An injured Employee has petitioned to be deemed, is accepted as, awarded, or found to be catastrophically or permanently and totally disabled under the Workers' Compensation Law;
 - d) An accident or disease exposure involving injury to two or more Employees; or
 - e) An Employee is diagnosed with cancer, heart disease, lung disease, infectious disease or other disease that is presumed to be, or found to be, compensable under the Workers' Compensation Law.
4. Consequence of Your Failure to Send Us A Timely First Notice of Loss. If you do not send us a First Notice of Loss of an injury or Claim within the time specified in this Section and we are prejudiced as a result, we may deny you indemnification under this Policy for Loss that arises out of or results from that injury or Claim.

Midwest Employers: Claims Dept.
14755 North Outer Forty Drive, Suite 300
Chesterfield, MO 63017
Toll Free: 877/WRK-COMP or 877/975-2667

Collin County, TX

Bindable Quotations & Compensation Disclosure Schedule

Client Name: Collin County, TX

| COVERAGE(S) | CARRIER NAME(S) | ESTIMATED ANNUAL PREMIUM ¹ | COMM. % OR FEE ² | WHOLESALE, MGA OR INTERMEDIARY | | |
|---|------------------------------------|---------------------------------------|-----------------------------|--------------------------------|------------------------------------|-------------------|
| | | | | NAME ³ | COMMISSION % / FEE \$ ⁴ | AJG OWNED? YES/NO |
| Excess Workers Compensation (\$500,000 SIR) | Midwest Employers Casualty Company | \$93,233 | 15% | N/A | N/A | N/A |
| Excess Workers Compensation (\$600,000 SIR) | Midwest Employers Casualty Company | \$84,082 | 15% | N/A | N/A | N/A |
| Excess Workers Compensation (\$750,000 SIR) | Midwest Employers Casualty Company | \$68,008 | 15% | N/A | N/A | N/A |

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the Compensation Disclosure or contact your Gallagher representative for additional information.

1A written quotation was received from this carrier. 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.

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

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

4 The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.