

## **Informational Items**

June 2020

Requesting Department: Finance / Risk Management

Description: For the Tollway's estimated requirement of Contract 20-0097 for Equipment Breakdown Insurance Services (insurance carrier Federal Insurance Company (Chubb) through insurance broker Mesirow) for a one-year period.

Awarded to: Mesirow Insurance Services, Inc.

Amount: \$14,120.00

Procurement Method: Order Against Master Contract

# THA - Toll Highway Authority

## Purchase Order

Release Order Number
19-416CMS-BOSS4-P-11024:20
Master Contract? Y
Master Con/Ref #: 9100000831
Contract/PO #: 4100130599

VENDOR	Vendor Number: V00005036
	Mesirow Insurance Services, Inc.
	353 North Clark Street
	Floor 10
	Chicago, IL 60654
	libby.fischer@alliant.com (312) 595-6200

SHIP TO	Ship To - CA
	2700 Ogden Avenue
	Central Administration
	Downers Grove, IL 60515
	US
	Email: (630) 241-6800

**VENDOR INSTRUCTIONS:**  
**PURCHASE ORDER REQUIREMENTS - STATE OF ILLINOIS AGENCIES**

Prior to commencement of billable work, delivery of supplies or rendering of any service on a Purchase Order:  
 --Initial Purchase Order/Contract - All parties, including the State and vendor, must fully execute the contract in its entirety.  
 --Release from an existing Purchase Order/Contract - The vendor must receive a Purchase Order signed by the State Agency and attached in BidBuy. Note, for any additional requirements see specific State Agency instruction.

**PURCHASE ORDERS REQUIREMENTS - OTHER PURCHASING ENTITIES**  
 --Please see specific requirements provided by the purchasing entity.

BILL TO	Contract Administrator
	PO Box 3094
	Lisle, IL 60532-8094
	US
	Email: ProInvoices@getipass.com
	(630) 241-6800

Shipping Method:	Freight Terms:
Shipping Terms:	Payment Terms: NA
Solicitation (Bid) No.: N/A	Delivery Calendar Day(s) A.R.O.: 1
Release Begin Date: 08/01/2020	Release End Date: 08/01/2021

Item # 1								
Class-Item 958-61								
Insurance Brokerage per attached proposal: include any fees, benefits, premiums from the Statement of Work or invoices for tracking purposes. User Agencies should attach for type of insurance, amount, etc.								
Quantity	Unit Price	UOM	Discount %	Total Discount Amt.	Tax Rate	Tax Amount	Freight	Total Cost
1.00	\$ 14,120.00	EA	0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 14,120.00

TAX: \$ 0.00  
 FREIGHT: \$ 0.00  
 TOTAL: \$ 14,120.00

The undersigned agree to the Terms and Conditions as acknowledged by the Vendor and maintained in the State of Illinois' e-procurement system. This agreement consists of all terms as maintained in the state's e-procurement system inclusive of attached documents. The Vendor affirms that the Certifications and Financial Disclosures and Conflicts of Interest are true and accurate as of the date of the Vendor's execution of this Agreement. State documents will prevail in the event of a conflict between State and Vendor documents and information. The undersigned agree to the Terms and Conditions of this agreement:

OFFICIAL SIGNATURES:

Vendor Name: Mesirow Insurance Services, Inc.

Vendor Signature: \_\_\_\_\_

Printed Name: John Harn

Title: EVP, MD

Phone #: 312.595.7347

Email: john.harney@alliant.com

Date: 07/16/2020

State of Illinois Agency or Other Purchasing Entity Procuring \_\_\_\_\_ Illinois State Toll  
\_\_\_\_\_ way Authority

Official Signature \_\_\_\_\_

Printed Name: José R. Alvarez

Title: Executive Director

Designee Signature: \_\_\_\_\_

Printed Name: Eric Occomy

Title: Chief of Contract Services

Date: 07/30/2020

Legal Signature: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

Fiscal Signature: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

FOR STATE OF ILLINOIS USE ONLY:

Acq. Type: \_\_\_\_\_ Source Sel. Method: \_\_\_\_\_  
Using Agency Funding Source: \_\_\_\_\_  
Detailed Expenditure Object Code: \_\_\_\_\_  
Approp. Acct Code: \_\_\_\_\_  
Award Code: \_\_\_\_\_  
Original Proc. Method: \_\_\_\_\_  
Subcontractors Disclosed: \_\_\_\_\_  
Subcontractors Utilized: \_\_\_\_\_  
Publication Date: \_\_\_\_\_ Financing Needed: \_\_\_\_\_  
IPG Cert/Disclosure Yes \_\_\_\_\_ No \_\_\_\_\_

APPROVED

By: Jennifer Soldat

Phone#: (630) 241-6800

BUYER

**Signature:** [REDACTED] (DT)

**Email:** EOocomy@getipass.com

# INSURANCE PROPOSAL

## Illinois State Toll Highway Authority



## Equipment Breakdown Insurance Proposal August 1, 2020 – August 1, 2021

Presented by:

**Michael J. Mackey**  
Executive Vice President - Producer  
Insurance Services

**Michael J. Alesia**  
First Vice President – Producer  
Insurance Services

**Elizabeth Strahan**  
Account Manager - Lead  
Insurance Services

353 N. Clark St.  
Chicago, IL 60654  
P (312) 595-6200

This proposal is prepared for the confidential use of our clients. All rights reserved. No part of this proposal may be reproduced in any form or by any means without the prior written permission of Mesirow Insurance Services, Inc., an Alliant-owned company

**Insurance services provided by Mesirow Insurance Services, Inc.,  
an Alliant-owned company**

## Table of Contents

<b>1. Overview</b>	<b>3</b>
Your Service Team	3
Executive Summary	4
Market Responses	5
Loss Summary	6
Named Insured / Additional Named Insured's	7
<b>2. Premium Summary</b>	<b>8</b>
Statement of Values	11
Equipment Breakdown Coverage	12
<b>3. Disclosures</b>	<b>16</b>
Claims Made Policy:	18
Claims Made Policy (D&O/EPL):	19
NRRA:	19
Changes and Developments	20
Certificates / Evidence of Insurance	21
<b>4. About Alliant, Other Services and Binding Information</b>	<b>22</b>
Company Profile	22
AlliantConnect	23
Optional Coverages	24
Glossary of Insurance Terms	24
Request to Bind Coverage	25
<b>5. Best's Financial Strength Rating</b>	<b>26</b>
Best's Financial Strength Rating (FSR) Scale:	26
Financial Strength Rating	27
Rating Modifier	27

## Overview

### Your Service Team

**Michael J. Mackey**

Executive Vice President - Producer

[Michael.Mackey@alliant.com](mailto:Michael.Mackey@alliant.com)

Phone: 312.595.7900

Fax: 312.595.7163

---

**Michael Alesia**

First Vice President – Producer

[Michael.Alesia@alliant.com](mailto:Michael.Alesia@alliant.com)

Phone: 312.595.7161

Fax: 312.595.7163

---

**Elizabeth Strahan**

Account Manager – Lead

[Elizaeth.Strahan@alliant.com](mailto:Elizaeth.Strahan@alliant.com)

Phone: 312.595.7148

Fax: 312.595.71639

---

**Bruce Slayter, ARM**

First Vice President, Unit Manager -

Risk Management Services

[Bruce.Slayter@alliant.com](mailto:Bruce.Slayter@alliant.com)

Phone: 312.595.6295

Fax: 312.595.6506

---

**Dane Mall**

Loss Control Consultant -

Risk Management Services

[Dane.Mall@alliant.com](mailto:Dane.Mall@alliant.com)

Phone: 312.837.4415

Fax: 312.595.6506

---

**Jacqui Norstrom**

Senior Vice President –

Unit Manager Surety

[Jacqui.Norstrom@alliant.com](mailto:Jacqui.Norstrom@alliant.com)

Phone: 312.595.6976

Fax: 312.595.4374

## Executive Summary

The Public Entity Professionals of Alliant Insurance Services, Inc. appreciate the opportunity to present the following Equipment Breakdown insurance proposal to the Illinois State Toll Highway Authority (ISTHA) for the 8/1/20 – 21 policy term.

### Equipment Breakdown

Over the past year, the ISTHA's total insured Equipment Breakdown values have decreased from \$2,266,145,000 to \$2,191,347 or -.3.30%. The value decrease is a result of estimated revenue decrease. With the exception of revenue, the values used were taken from the Insurance Report, dated 2019.

We marketed the ISTHA's Equipment Breakdown Program to multiple carriers that we felt would provide the most comprehensive and cost effective program available in the marketplace. Only one carrier provided a quotation: Federal Insurance Company (Chubb). The results are as follows:

1. Chubb: \$125,000,000 limit for a premium of \$14,120
2. Liberty Mutual: declined as pricing is too competitive
3. Nationwide: declined as pricing is too competitive

Please note that Chubb's quotation does include jurisdictional inspections.

In summary, the premium is increasing from \$13,275 to \$14,120 or a 6.36% increase.

The current property market is the hardest that it has been since 2001. Record disasters in 2017, 2018, 2019 and now 2020 are the reason for rate increase.

In accordance with the State of Illinois Master Insurance Brokerage contract, we have marketed this policy to a minimum of three insurance carriers. Please see the section Market Responses within this proposal for complete details.

We truly appreciate the opportunity to present our proposal and look forward to discussing our enclosed comprehensive Property program to you.



## Market Reponses

### Excess Casualty

Carrier Approached	Response
Federal Insurance Company (Chubb)	Incumbent Quoted - \$125,000,000 Limit - \$14,120
Liberty Mutual Insurance	Declined – pricing too competitive
Nationwide Insurance Company	Declined – pricing is too competitive



# Loss Summary

## Equipment Breakdown

	Carrier	Policy #	# of Claims	Amount Paid	Amount Reserved	Total Incurred	Premium
8/1/19 - 20	Federal Insurance Co.	7643-88-72	0	\$ -	\$ -	\$ -	\$ 13,275
8/1/18 - 19	Federal Insurance Co.	7643-88-72	0	\$ -	\$ -	\$ -	\$ 11,014
8/1/17 - 18	Federal Insurance Co.	7643-88-72	0	\$ -	\$ -	\$ -	\$ 10,750
8/1/16 - 17	Federal Insurance Co.	7643-88-72	0	\$ -	\$ -	\$ -	\$ 10,292
8/1/15 - 16	Hartford Steam Boiler	FBP2343804	0	\$ -	\$ -	\$ -	\$ 9,904
8/1/14 - 15	Federal Insurance Co.	Unknown	0	\$ -	\$ -	\$ -	\$ 9,278
8/1/13 - 14	Federal Insurance Co.	Unknown	0	\$ -	\$ -	\$ -	\$ 8,862
8/1/12 - 13	Hartford Steam Boiler	FBP2343804	0	\$ -	\$ -	\$ -	\$ 9,144
8/1/11 - 12	Hartford Steam Boiler	FBP2343804	0	\$ -	\$ -	\$ -	\$ 9,427
8/1/10 - 11	Federal Insurance Co.	76403306	0	\$ -	\$ -	\$ -	\$ 9,200
						\$ -	\$ <b>101,146</b>

## Named Insured / Additional Named Insured's

### Named Insured:

Named Insured	Equipment Breakdown
---------------	---------------------

Illinois State Toll Highway Authority

### Insured's Designated Mailing Address

- 2700 Ogden Ave.  
Downers Grove, IL 60515

---

### NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) a person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

## Premium Summary

### Recommended Excess Casualty Program

Coverage	Chubb \$125,000,000 8/1/17 – 8/1/18 Premium	Chubb \$125,000,000 8/1/18 – 8/1/19 Premium	Chubb \$125,000,000 8/1/19 – 8/1/20 Premium	Chubb \$125,000,000 8/1/20 – 8/1/21 Premium
Equipment Breakdown	\$10,750	\$11,014	\$13,275	\$14,120

### Payment Terms

#### Agency Bill

- Agency Bill Annual
- Payment in Full

#### Minimum Earned: This is the Minimum to Be Applied if Cancelled Mid-Term

- 25% Fully Earned
- No Minimum Deposit: Because Payment is Due in Full

### Explanation of Payment Terms

#### Minimum and Deposit

- This is the amount of premium due at inception. Although the policy is subject to adjustment based on a rate per exposure unit, under no circumstances will the annual earned premium be less than the minimum premium. Therefore, the policy may generate an additional premium on audit, but not a return.
- If such a policy is cancelled mid-term, the earned premium is the GREATER of the annual minimum times the short rate or pro-rata factor, or the actual earned premium as determined by audit, subject to a short rate penalty if applicable.

#### Minimum Earned Premium

- A minimum earned premium endorsement can be attached to either a flat charge policy or an adjustable policy. In either case, this amount is the LEAST that will be retained by the GREATER of the actual earned premium whether calculated on a pro-rate or short rate basis, or the minimum earned premium.

#### Flat Cancellations

- Surplus lines insurance companies normally do not allow flat cancellations. Once the policy is in effect, some premium will be earned. The Payment of premium is your responsibility.

## Carrier Information

- All proposed coverages are offered by Insurance Companies that may be licensed (**Admitted**) insurers in your state and/or excess or surplus lines insurers (**Non-Admitted**) approved for use in your state.

### Admitted

- The term Admitted carrier refers to an insurer which has been approved (**Admitted**) by a given state's insurance department to write business in that state. Should an insolvency (bankruptcy) of an **Admitted** carrier occur, the insurer is protected by the State Guaranty Fund for a maximum per claim limit – subject to the rules of the State Fund where applicable.
- The scope and eligibility of protection afforded by each state's Insurance Guaranty Fund varies. For example, in Illinois, you are not eligible for participation for any first party or third party claim, by or against an Insured, if the aggregate net worth of the insured organization (including its affiliates and any person with direct or indirect 10% controlling interest as calculated on a consolidated basis on December 31 of the year next preceding the date the Insurer becomes an insolvent insurer) exceeds \$25,000,000.
- Please ask us for a copy of the specific Insurance Guaranty Fund statute for your state. We welcome the opportunity to discuss this in greater detail with you and/or your counsel, if you wish.

### Non-Admitted

- A Non-Admitted carrier in a given state is not protected by the Guaranty Fund in that state should insolvency (bankruptcy) occur. Surplus lines taxes and fees will normally apply to any coverage/premiums provided by a Non-Admitted carrier.

## Subjectivities

### Federal Insurance Company:

- None

## Statement of Values

*Note: All coverages and exclusions are not included on this page. Please refer to policy for all applicable terms and conditions.  
Additional limits and/or changes may be available after review and acceptance by insurer.*

	2019-20 Replacement Cost	2020-2021 Replacement Cost
<b>Table 3.1 Toll Plazas</b>		
Tri-State (I-294 & I-94)	\$ 143,953,000	\$ 148,459,000
Edens Spur (I-94)	Included Above	Included Above
Jane Addams (I-90)	\$ 113,500,000	\$ 117,071,000
Reagan Memorial (I-88)	\$ 104,773,000	\$ 108,106,000
Veterans Memorial (I-355)	\$ 80,789,000	\$ 83,308,000
Elgin-O'Hare (I-390)	\$ 15,139,000	\$ 15,595,000
<b>TOTAL PLAZAS</b>	<b>\$ 458,154,000</b>	<b>\$ 472,539,000</b>
<b>Table 3.2 Central Administration Facility</b>	<b>\$ 62,515,000</b>	<b>\$ 64,571,000</b>
<b>Table 3.3 Maintenance Facilities</b>		
Tri-State (I-294 & I-94)	\$ 65,566,000	\$ 67,389,000
Edens Spur (I-94)	\$ 23,086,000	\$ 23,679,000
Jane Addams (I-90)	\$ 67,473,000	\$ 70,377,000
Reagan Memorial (I-88)	\$ 72,969,000	\$ 81,362,000
Veterans Memorial (I-355)	\$ 34,618,000	\$ 35,551,000
Elgin-O'Hare (I-390)	\$ 1,505,000	\$ 1,543,000
Davey Road - Warehouse and Office	\$ -	\$ 13,579,000
<b>TOTAL Maintenance Facility</b>	<b>\$ 265,217,000</b>	<b>\$ 293,480,000</b>
<b>TOTAL REAL PROPERTY</b>	<b>\$ 785,886,000</b>	<b>\$ 830,590,000</b>
<b>Table 3.4 Information Technology</b>	<b>\$ 80,259,000</b>	<b>\$ 82,289,000</b>
<b>Total</b>	<b>\$ 866,145,000</b>	<b>\$ 912,879,000</b>
plus Estimated Income	<b>\$ 1,400,000,000</b>	<b>\$ 1,278,468,000</b>
<b>Values % increase: -3.30%</b>	<b>TOTAL TIV \$ 2,266,145,000</b>	<b>\$ 2,191,347,000</b>

## Equipment Breakdown Coverage

<b>INSURANCE COMPANY:</b>	Federal Insurance Company
<b>A.M. BEST RATING:</b>	A++ XV
<b>STANDARD &amp; POOR'S RATING:</b>	N/A
<b>POLICY/COVERAGE TERM:</b>	8/1/20 – 21

### Coverage Highlights

- Locations: Per Statement of Values
- Broad Form
- Perils Covered: Electrical Injury Including Artificially Generated Current  
Mechanical Breakdown Explosion of Steam Vessels and Piping
- Objects Covered: Heating, Air Conditioning, Cooling, Freezers, Boilers, Miscellaneous Electrical Apparatus Panels, Generators, Motors, Etc.
- Joint Loss Agreement With Property Carrier **(Included)**
- Subject to the Terms, Conditions, Limitations and Exclusions In The Policy

### Limits of Insurance

Subject of Insurance	Chubb 8/1/19 – 8/1/20 Limits	Chubb 8/1/20 – 8/1/21 Limits
Total Insurable Values	\$2,266,145,000	\$2,191,347,000
Property Damage	\$125,000,000	\$125,000,000
Business Income/Extra Expense – 365 Days	Included	Included
Contingent Business Income	Included	Included
Building Ordinance	Included	Included
Deductible – Per Accident	\$25,000	\$25,000
Deductible – Business Income / Extra Expense	24 Hours	24 Hours
Ammonia Contamination	\$100,000	\$100,000
Debris Removal	25% of Damage plus \$100,000	25% of Damage plus \$100,000
Dependent Business Premises	\$250,000	\$250,000
Electronic Data	p/o \$250,000 Blanket Limit	p/o \$250,000 Blanket Limit

All coverages and exclusions are not included on this page. Please refer to policy for all applicable terms and conditions. Additional limits and/or changes may be available after review and acceptance by insurer.



Subject of Insurance	Chubb 8/1/19 – 8/1/20 Limits	Chubb 8/1/20 – 8/1/21 Limits
Expediting Expenses	p/o \$250,000 Blanket Limit	p/o \$250,000 Blanket Limit
Fungus Clean up or Removal	\$50,000	\$50,000
Ingress and Egress	\$50,000	\$50,000
Loss of Utilities	\$1,000,000	\$1,000,000
Off Premises Property Damage	\$50,000	\$50,000
Pair and Set	\$50,000	\$50,000
Pollutant Clean up or Removal – Property Damage	\$50,000	\$50,000
Pollutant Clean up or Removal – Business Income	\$50,000	\$50,000
Preparation of Loss Fees – Property Damage	\$50,000	\$50,000
Preparation of Loss Fees – Business Income	\$50,000	\$50,000
Public Safety Service Charges	p/o \$250,000 Blanket Limit	p/o \$250,000 Blanket Limit
Spoilage – Schedule Location	p/o \$250,000 Blanket Limit	p/o \$250,000 Blanket Limit
Spoilage – Utility Owned Equipment	p/o \$250,000 Blanket Limit	p/o \$250,000 Blanket Limit
Unintentional Errors or Omissions Property Damage	\$50,000	\$50,000
Water Damage	p/o \$250,000 Blanket Limit	p/o \$250,000 Blanket Limit
Green Standards Upgrade	25% / maximum \$250,000 Limit	25% / maximum \$250,000 Limit

### Deductibles

Coverages	Deductible	Deductible
Property	\$25,000	\$25,000
Business Income	Included in Property Damage	Included in Property Damage
Extra Expense	N/A	N/A
Dependent Business Premises	Included in BI	Included in BI
Loss of Utilities	24 Hours	24 Hours

All coverages and exclusions are not included on this page. Please refer to policy for all applicable terms and conditions. Additional limits and/or changes may be available after review and acceptance by insurer.

## Additional Features

Coverage	Chubb 8/1/19 – 8/1/20 Limits	Chubb 8/1/20 – 8/1/21 Limits
Alternative Power Generating Systems	Included in Business Income with Extra Expense	Included in Business Income with Extra Expense
Alternative Water Systems	Included in Business Income with Extra Expense	Included in Business Income with Extra Expense
Brands and Labels	Included in Property Damage	Included in Property Damage
Coinsurance	N/A	N/A
Civil Authority	Included – 30 Days	Included – 30 Days
Diagnostic Equipment	Included	Included
Elevators, escalators, conveyors & hoist equipment	Included	Included
Enhanced Safety Valuation	25% of the loss amount to repair or replace subject to Property Damage Limit	25% of the loss amount to repair or replace subject to Property Damage Limit
Existing Green Standards	Included	Included
Extended Warranties Valuation	Included	Included
Joint Loss Agreement	Included	Included
Newly Acquired Premises – 180 Days or # of days shown in Declarations	Included	Included
Notice of Cancellation	60 Days, except 20 days for non-payment of premium, subject to state regulations	60 Days, except 20 days for non-payment of premium, subject to state regulations
Ordinance or Law Valuation	Included	Included
Pollutants (Hazardous Substances)	Included in Property Damage Limit	Included in Property Damage Limit
Replacement Cost	Included	Included

All coverages and exclusions are not included on this page. Please refer to policy for all applicable terms and conditions. Additional limits and/or changes may be available after review and acceptance by insurer.

### **Other Conditions**

- Newly Acquired Locations: 90 Days
- “Covered Equipment” does not include any Antenna, Aerial, Dish, Tower or any Equipment Mounted on an Antenna, Aerial, Dish or Tower
- Extended Period of Restoration: 180 Days

### **Notable Exclusions Include, But Are Not Limited To The Following:**

- Fungus, Spores and Mold Exclusion
- Nuclear and Biological Agents Exclusion
- War Exclusion
- Terrorism Included

## Disclosures

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform.

Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## **NY Regulation 194**

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

## **FATCA:**

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

## Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

## Claims Made Policy:

*(Applicable to any coverage that is identified as claims made)*

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

## Claims Made Policy (D&O/EPL):

*(Applicable to any coverage that is identified as claims made)*

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

## NRRA:

*(Applicable if the insurance company is non-admitted)*

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

## Changes and Developments

It is important that we be advised of any changes in your operations, which 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:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- 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 the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.



## Certificates / Evidence of Insurance

- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.
- In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.
- By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:
  - Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
  - Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
  - There may be conflicts in defense when your insurer has to defend both you and the additional insured.

***See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.***

## About Alliant, Other Services and Binding Information

### Company Profile

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant offers a comprehensive portfolio of services to clients, including:

- Risk Solutions
  - Employee Benefits
  - Strategy
  - Employee Engagement
  - Procurement
  - Analytics
  - Wellness
  - Compliance
  - Benefits Administration
  - Global Workforce
- Industry Solutions
  - Construction
  - Energy and Marine
  - Healthcare
  - Law Firms
  - Public Entity
  - Real Estate
  - Tribal Nations
  - And many other industries
- Co-Brokered Solutions
  - Automotive Specialty
  - Energy Alliance Program
  - Hospital All Risk Property Program
  - Law Firms
  - Parking/Valet
  - Public Entity Property Insurance Program
  - Restaurants/Lodging
  - Tribal Nations
  - Waste Haulers/Recycling
- Business Services
  - Risk Control Consulting
  - Human Resources Consulting
  - Property Valuation

The knowledge that Alliant has gained in its more than eight decades of working with many of the top insurance companies in the world allows us to provide our clients with the guidance and high-quality performance they deserve. Our solution-focused commitment to meeting the unique needs of our clients assures the delivery of the most innovative insurance products, services, and thinking in the industry. Alliant ranks among the 15 largest insurance brokerage firms in the United States

## AlliantConnect

AlliantConnect is an online portal created especially for you to access and manage your insurance information in real time.

### What is AlliantConnect?

This secure, easy-to-use portal enables you to easily access and manage your insurance information from any Internet connection at any time. Your customized portal provides you with the following:

- A transparent view into your insurance business
- Easy management of your documents, including certificate issuance
- Help with risk control through a comprehensive library of fact sheets, white papers, presentations, and training videos
- An easy place for clients to find a summary of their policy coverages
- A single source to track important dates and announcements
- Access to your Alliant service team

All client data is secured to the appropriate account teams, and the database itself and all backups are stored in a highly encrypted format. In addition, all document changes are archived for audit history.

**Contact your service team to set up AlliantConnect today**



## Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

## Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

## Request to Bind Coverage

### Illinois State Toll Highway Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Equipment Breakdown	<input type="checkbox"/>

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed / Typed Name

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.***

## Best's Financial Strength Rating

*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 (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. The Best's Financial Strength Rating is based on analysis, which gives consideration to a number of factors of varying importance. While the analysis is believed to be reliable, we cannot guarantee the accuracy of the rating or the financial stability of the insurance company.

A copy of the *Best's Insurance Report* on the insurance companies quoted is available upon request.

## Best's Financial Strength Rating (FSR) Scale:

Rating Symbol	Rating Category
■ A++, A+	Superior
■ A, A-	Excellent
■ B++, B+	Good
■ B, B-	Fair
■ C++, C+	Marginal
■ C, C-	Weak
■ D	Poor
■ E	Under Regulatory Supervision
■ F	In Liquidation
■ S	Rating Suspended
■ NR	Not Rated

## Financial Strength Rating

Financial Class	Description			
■ Class I	\$	0	to	\$ 1,000,000
■ Class II		1,000,000	to	2,000,000
■ Class III		2,000,000	to	5,000,000
■ Class IV		5,000,000	to	10,000,000
■ Class V		10,000,000	to	25,000,000
■ Class VI		25,000,000	to	50,000,000
■ Class VII		50,000,000	to	100,000,000
■ Class VIII		100,000,000	to	250,000,000
■ Class IX		250,000,000	to	500,000,000
■ Class X		500,000,000	to	750,000,000
■ Class XI		750,000,000	to	1,000,000,000
■ Class XII		1,000,000,000	to	1,250,000,000
■ Class XIII		1,250,000,000	to	1,500,000,000
■ Class XIV		1,500,000,000	to	2,000,000,000
■ Class XV		2,000,000,000	to	or more

## Rating Modifier

Modifier	Descriptor	Definition
■ u	Under Review	A modifier that generally is event-driven (positive, negative or developing) and is assigned to a company whose Best's rating opinion is under review and may be subject to change in the near-term, generally defined as six months.
■ pd	Public Data	Assigned to insurers that do not subscribe to Best's interactive rating process. Best's "pd" Ratings reflects qualitative and quantitative analyses using public data and information.
■	Syndicate	Assigned to syndicates operating at Lloyd's.

Best's Ratings for proposed company(ies) at time of presentation are indicated on each page for each individual coverage.