



Travelers Companies
Public Sector Services
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INSURANCE BINDER

Created for
City of Flagstaff

Effective Date	Expiration Date
July 1, 2016	July 1, 2017

Presented by
Willis of AZ, Inc

Prepared by

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Date Prepared
February 17, 2016

Travelers Companies
A.M. Best Rating A++ (Superior)

IMPORTANT: Proposed coverages are provided by the company's forms, subject to the terms, conditions and limitations of the policy (ies) in current use by the company. The policies themselves must be read for specific details. No warranty is made or implied regarding compliance with any bid specifications, unless such provisions are a part of the proposal.

<i>Line of Business</i>	<i>Company</i>	<i>Policy Number</i>
General Liability, Employee Benefit Plans Liability	Travelers Indemnity Company	ZLP-15P01914
Professional Liability	Travelers Indemnity Company	ZLP-15P01914
Automobile	Travelers Indemnity Company	810-9156P739
Umbrella	Travelers Indemnity Company	ZUP-15P01926
CyberFirst	Travelers Indemnity Company	ZPL-13S47452

ABOUT TRAVELERS

Travelers (NYSE: TRV) is a leading provider of property casualty insurance and surety products and of risk management services to a wide variety of businesses, other organizations and to individuals. The company reported 2014 revenues of \$27 billion and total assets of \$103 billion.

Our products are distributed primarily through U.S. independent insurance agents and brokers. Travelers is the second largest writer of personal insurance through independent agents. Travelers is headquartered in St. Paul, Minnesota, with significant operations in Hartford, Connecticut. The company also has offices in the U.K., Ireland, and Canada. Travelers has about 30,000 employees worldwide. For more information, visit www.travelers.com.

Financial Strength

The financial strength of an insurance company is understandably important to its policyholders. Independent services, such as A.M. Best, Standard & Poor's and Moody's, have consistently given high ratings to our claim-paying ability and financial strength.

The independent financial strength ratings, which reflect the Travelers claims-paying ability, are as follows:

A.M.Best A++ (A++ is the highest of 16)

Standard & Poor's AA (AA is the 3rd highest of 21)

Moody's Aa2 (Aa2 is the 3rd highest of 21)

It is the policy of Travelers to comply with all applicable federal, state and local fair employment laws. In addition, Travelers files appropriate EEO-1 reports and voluntarily subscribes to the principles of affirmative action.

Travelers is the leading provider of property and casualty insurance for public entities. It's a position we've worked hard to earn by building lasting relationships and strong foundations in communities across the country. With our expertise, years of hands-on experience and outstanding financial strength and stability, clients count on us to deliver thoughtfully designed, tailored insurance coverages and risk management solutions for the exposures they face.

Our underwriting, risk control and claim teams work exclusively with public entities. Travelers has impressive capabilities to serve the needs of the market. We're proud to offer:

- Package products for municipalities, counties, water and sewer districts and other selected special districts. For these segments, we deliver a menu of customized offerings and solutions – including property, liability, auto and professional coverages – designed specifically for local governments.
- Large public entity property business – including schedules in excess of \$250 million total insured values – for the segments listed above as well as for schools, excess property and assumed reinsurance.

The team at Travelers takes the time to understand issues affecting local government. They analyze current risks, anticipate those customers may face in the future and create flexible solutions to manage both.

Underwriting

Our underwriters stay abreast of public affairs, as well as evolving legal and social issues. We develop balanced solutions to meet each customer's unique situation and work with agents and brokers to customize the most effective plan for our clients.

Claim Services

When it comes to claim handling, one size doesn't fit all. Travelers has claim professionals dedicated to handling claims for public entities. They understand state-specific issues and have extensive knowledge of the immunities and special defenses afforded to public entities. In addition, Travelers retains defense counsel who specializes in representing public entities and understand the complexity of public entity legislation.

Risk Control Services

Travelers risk control consultants work exclusively with public entity clients. These risk control professionals are dedicated to understanding a customer's unique operations, risks and issues. The value-added risk management programs, seminars and personalized service plans offered by Travelers help prevent losses and reduce overall costs for public entities.

RISK CONTROL RESOURCES

Travelers offers risk control resources that have a proven impact on preventing losses and reducing overall costs for public entities. These resources have been developed for public entity clients to address issues related to general liability, vehicle safety, property protection, law enforcement liability and employment practices liability.

Our goal is to provide public entities with resources to reduce loss-related expenses and enhance delivery of public services. These risk control resources respond to historical losses experienced by public entities and align with "best practices" for government entities, as advocated by the Public Risk Management Association (PRIMA) and the International City/County Management Association (ICMA).

When you select Travelers as your insurance carrier, you will have access to a wealth of risk control resources, including, but not limited to:

- The Public Sector Risk Control Seminars: The value-added risk management programs, seminars and training sessions offered by Travelers help prevent losses and reduce overall costs for public entities.
- Travelers Web Site: As a policyholder, you will have access to our Risk Control Web-site. You will be able to immediately download risk control materials, or order them from our products database. In addition, the site provides a pathway to register for our Safety Academy courses...<http://www.travelers.com/riskcontrol>
- Public Sector Risk Control Answer Line: Have a technical question about a risk control issue? Use the Travelers Public Sector Answer Line. Clients can direct their specific risk control questions to the Answer Line for advice and information. Ask Risk-Control@Travelers.com.
- Employment Practices Liability Risk Management Resources: Our EPL resources include:
 - 1) Free access to an Internet-based resource site with a wealth of employment practices information including emerging issues in employment law, sample handbook, best practices for policies and procedures, articles, searchable library and much more:
 - 2) 800# Hotline for free general guidance from an attorney who specializes in employment law and can answer questions about workplace concerns.
 - 3) Hundreds of vendor web-based risk management training courses which are available from any computer with internet access, anytime 24/7. Travelers clients simply set up an account with the vendor and receive a 15% discount off retail pricing. Additional volume discounts are applied on purchases of \$1,000 or more.
- CyberFirst: eRisk Hub is a private web based portal containing information and technical resources that can assist in the prevention of network, cyber and privacy events and provide timely support if an incident occurs.
- In the Public Interest Newsletter: Each issue of this newsletter addresses risk control concerns for general liability, vehicle operations and employment practices. The newsletter also features risk control and risk management information to minimize the frequency and severity of losses.

At Travelers, we are dedicated to meeting our public entity clients' risk management and risk control needs. We are pleased to offer you these valuable risk control resources as a part of this insurance proposal.

GENERAL LIABILITY - OCCURRENCE

Coverage	Limit
General Aggregate Limit	\$ 2,000,000
Products Completed Operations Aggregate Limit	\$ 2,000,000
Personal and Advertising Injury Liability Any One Person or Organization Limit	\$ 1,000,000
Each Occurrence Limit	\$ 1,000,000
The following limits apply:	
Damage to Premises Rented to You Limit (Any One Premises)	\$ 300,000
Medical Expense Limit (Any One Person)	Excluded
Sewage Back Up	\$ 1,000,000
Failure To Supply Sublimit	\$ 1,000,000
Abuse or Molestation Aggregate Limit	\$ 1,000,000
Each Abuse Or Molestation Offense Limit	\$ 1,000,000
SIR - Each Occurrence Retention - Loss & Loss Expense	\$ 75,000
SIR - Personal & Advertising Injury Each Person or Organization - Loss & Loss Expense	\$ 75,000
SIR - Each Abuse or Molestation Offense Retention - Loss & Loss Expense	\$ 75,000

GENERAL LIABILITY - OCCURRENCE

The following additional coverages are included:

- Amendment of Coverage B - Personal & Advertising Injury
- Amendment - Pollution Exclusion
- Public Entity Xtend
- Products/Completed Operations Hazard Redefined
- Limited Abuse & Molestation Liability
- Mobile Equipment Redefined - Public Entities
- Failure to Supply - Limited Coverage
- Cap on Certified Acts of Terrorism
- Cemetery Professional Services Liability
- Professional Health Care And Social Services Liability Coverage - Designated Professionals - Public Entities

Professional Health Care & Social Services - (CGD481) applies when "Yes" is indicated below:

EMT's Yes

The following additional exclusions apply:

- Employers Liability Exclusion
- Employment-Related Practices Exclusion
- Asbestos
- Injury to Volunteer Firefighters
- Law Enforcement Activities Or Operations
- Medical Payments Exclusion
- Employees And Volunteer Workers As Insureds For Certain Bodily Injury, Personal Injury And Property Damage
- Exclusion - Access or Disclosure of Confidential Or Personal Information
- Designated Activities or Operations
- Unsolicited Communications
- War
- Public Use Of Private Property
- Fungi or Bacteria
- Discrimination
- Professional Health Care Services - Public Entities
- Exclusion - Consumer Financial Protection Laws
- Exclusion - Lead

Excluded Premises & Operations are identified at the end of the proposal.

GENERAL LIABILITY - OCCURRENCE

Features & Benefits

Coverage

Coverage features include:

- Reasonable Force Property Damage – Exception to Expected Or Intended Injury Exclusion;
- Owned Watercraft Less Than 25 Feet - Exception to Aircraft, Auto Or Watercraft Exclusion;
- Damage to Premises Rented to You – Exception to Damage To Property Exclusion;
- Good Samaritan Services Coverage;
- Unintentional Omission will not prejudice rights under insurance;
- Blanket Waiver of Subrogation.
- Non-Owned Watercraft 50 Feet Long or Less – Exception to Aircraft, Auto Or Watercraft Exclusion;
- Aircraft Chartered With Pilot - Exception to Aircraft, Auto Or Watercraft Exclusion;
- Increased Supplementary Payments For Bail Bonds;
- Contractual Liability - Railroads;
- Knowledge and Notice of Occurrence or Offense;

Pollution Coverage - broadening endorsement includes coverage for bodily injury and property damage arising out of certain discharges or releases of pollutants caused by:

- Pesticide, herbicide, fungicide or fertilizer application;
- Chlorine, sodium hypochlorite or any other chemical use in sewage treatment, water purification or swimming pool maintenance;
- Use of substances in providing, or training for, fire-fighting or emergency response services; or
- Sewage back-up into a building from any named insured's sewage treatment facility or sanitary sewer.

Who is an Insured

Public Entity	Owners, Managers or Lessors of Premises
Elected or Appointed Officials	Lessors of Equipment
Board Members	Watercraft Users
Employees and Volunteer Workers	

Other

- ◆ Your Law Enforcement Activities or Operations, including jail premises, are excluded. Coverage may be available under Law Enforcement Liability agreement.
- ◆ Employment-related practices are excluded. Coverage may be available under the Employment-Related Practices Liability - Claims-Made agreement.

EMPLOYEE BENEFIT LIABILITY

Claims Made

Coverage	Limit
Aggregate Limit	\$ 3,000,000
Each Employee Limit	\$ 1,000,000
SIR - Each Employee Retention - Loss & Loss Expense	\$ 75,000
Retroactive Date:	None

Features & Benefits

Coverage

This coverage form is designed to provide coverage for damages that the insured is legally obligated to pay because of a negligent act, error or omission committed in the administration of the named insured's employee benefit program, as that term is defined in the coverage form. Administration includes counseling employees, including their dependents and beneficiaries, with respect to the employee benefit program and handling records in connection with the employee benefit program.

Who is an Insured

- Public Entity
- Employees

LAW ENFORCEMENT LIABILITY

Occurrence

Coverage	Limit
Aggregate Limit	\$ 1,000,000
Each Wrongful Act Limit	\$ 1,000,000
SIR - Each Wrongful Act Retention - Damages and Defense Expenses	\$ 75,000

The Following Endorsements Apply:

- Mobile Equipment Redefined-Exclusion of Vehicles Subject to Motor Vehicle Laws
- Amendment of Common Policy Conditions-Prohibited Coverage-Unlicensed Insurance and Trade or Economic Sanctions
- Fungi or Bacteria Exclusion
- Cap On Losses From Certified Acts of Terrorism

Features & Benefits

Coverage

This coverage is designed to cover the premises and operations exposures and the professional liability of law enforcement agencies, including your jail operations. It covers amounts any insured is legally required to pay as damages for covered bodily injury, property damage or personal injury that is caused by a wrongful act committed by you or on your behalf while conducting law enforcement activities or operations. Wrongful act is defined as any act, error or omission. Insurance applies to:

- Bodily Injury, Personal Injury and Property Damage;
- Injury caused by electric mobility devices not subject to compulsory/financial responsibility law;
- Injury due to the use of mace, pepper spray or tear gas;
- Mental Anguish, Emotional Distress;
- Violation of Civil Rights protected under any federal, state or local law;
- Authorized Moonlighting;
- Canine & Equine Exposures;
- False Arrest, Detention or Imprisonment;
- False or Improper Service of Process;
- Mutual Aid Agreements.

Who Is An Insured

- Public Entity
- Elected and Appointed Officials,
- Executive Officers and Directors
- Employees
- Volunteer Workers
- Legal Representatives

Other

- ◆ Pay on behalf of basis (Deductible Options Only).
- ◆ Duty to defend claims and suits even if allegations are groundless, false, or fraudulent (Deductible Options Only).
- ◆ Additional Supplementary Payment of \$25,000 for personal property of others (Deductible options only).
- ◆ Damages include plaintiff's attorney fees if awarded or paid in settlement.
- ◆ Defense outside limits.
- ◆ Contractual Liability Exclusion does not apply to injury or damage if insured would have liability for damages even without the contract.
- ◆ Professional Health Care Services Exclusion does not apply to providing first aid or to certain services performed by non-medical staff.
- ◆ Coverage for jail nurses providing professional health care services can be added by endorsement.
- ◆ Limits not reduced by payment of deductible or self-insured retention.

PUBLIC ENTITY MANAGEMENT LIABILITY

Claims-Made

Coverage	Limit
Aggregate Limit	\$ 1,000,000
Each Wrongful Act Limit	\$ 1,000,000
SIR - Each Wrongful Act Retention - Damages and Defense Expenses	\$ 75,000

Retroactive Date: 6/1/1995

IMPORTANT NOTICE:

Deductibles apply to damages & defense expenses unless required otherwise by state regulation.

The Following Endorsements are Included:

- Amendment of Network & Information Security Wrongful Act Definition
- Amendment of Common Policy Conditions-Prohibited Coverage-Unlicensed Insurance and Trade or Economic Sanctions
- Cap On Losses From Certified Acts of Terrorism
- Amendment of Coverage - Designated Boards, Commissions, Or Governmental Units or Departments

The Following Are Excluded When “Yes” Is Indicated Below.

If “No” Is Indicated, An Amendment And/Or Manuscript Endorsement May Be Required.

No	Airport	Yes	Transit Authorities
Yes	Health Care Facilities: Clinics	Yes	Gas Utilities
Yes	Health Care Facilities: Hospital	Yes	Electric Utilities
Yes	Health Care Facilities: Blood Banks	Yes	Housing Authorities
Yes	Health Care Facilities: Nursing Homes	Yes	Schools or School Districts
Yes	Health Care Facilities: Rehabilitation Facilities	Yes	Joint Powers Authority
Yes	Port Authorities		

Features and Benefits

Coverage

This coverage is designed to cover damages any insured is legally required to pay for covered loss that is caused by a wrongful act committed while conducting duties by or on behalf of a public entity or its boards. Wrongful act is defined as any act, error or omission. (Excludes coverage for bodily injury, personal injury, advertising injury, property damage and employment-related loss.)

Who Is An Insured

Public Entity	Employees (including employees of the entity’s boards)
Boards and Board Members	Legal Representatives
Elected and Appointed Officials, Executive Officers & Directors	Volunteer Workers

Other

- ◆ Pay on behalf of basis, (Deductible options only).
- ◆ Duty to defend claims and suits even if allegations are groundless, false, or fraudulent (Deductible Options Only).
- ◆ Professional health care services and law enforcement activities or operations exclusions apply.
- ◆ Coverage for insured persons appointed at the named insured’s request to serve on outside nonprofit tax-exempt entity.
- ◆ Coverage for “your boards” operating under your jurisdiction and part of total operating budget.
- ◆ Coverage extends to employed: lawyers, architects, engineers, accountants and other professional “employees” while performing duties related to the conduct of your business (Professional Health Care Services Exclusion and certain other exclusions apply, however).
- ◆ Coverage applies to zoning disputes that seek damages, provided that such claims do not amount to a of “taking or controlling of private property for public use or benefit, including the diminution in value for such property”.
- ◆ Breach of Contract Exclusion does not apply to loss arising out of the breach of a mutual aid agreement.
- ◆ Definition of “suit” includes arbitration/alternative dispute resolution proceeding seeking money damages.
- ◆ Coverage for Limited Special Expense Reimbursement – Key Employees. (Available premium charge required for endorsement).

PUBLIC ENTITY EMPLOYMENT-RELATED PRACTICES LIABILITY

Claims Made

Important Notice:

The Public Entity Employment-Related Practices Liability Form provides claims-made coverage.

Coverage	Limit
Aggregate Limit	\$ 5,000,000
Each Wrongful Employment Practice Offense Limit	\$ 5,000,000
SIR - Each Wrongful Employment Practice Offense Retention - Damages and Defense Expenses	\$ 75,000

Retroactive Date: 6/1/1995

The Following Endorsements Apply

- Exclusion - Other Employment Laws
- Amendment of Common Policy Conditions-Prohibited Coverage-Unlicensed Insurance and Trade or Economic Sanctions
- Amendment of Coverage- Designated Boards, Commissions, or Governmental Units or Departments
- Cap On Losses From Certified Acts of Terrorism

Features and Benefits

Coverage

This coverage is designed to cover damages any insured is legally required to pay for covered employment loss caused by a wrongful employment practice offense. (Excludes coverage for bodily injury and property damage.) Wrongful employment practice offense is defined to include discrimination; wrongful termination; harassment; retaliatory action; wrongful discipline; wrongful hiring, supervision, demotion, or failure to promote; and employment-related misrepresentation, defamation, libel, slander, disparagement, and invasion of privacy.

Who Is An Insured

- | | |
|--------------------------------------------------------------------|--------------------------------------------------------|
| Public Entity | Employees (including employees of the entity's boards) |
| Boards and Board Members | Legal Representatives |
| Elected and Appointed Officials,
Executive Officers & Directors | Volunteer Workers |

Other

- ◆ Pay on behalf of basis (Deductible options only).
- ◆ Duty to defend claims or suits even if allegations are groundless, false, or fraudulent (Deductible Options Only).
- ◆ Broad Definition Wrongful Employment Practice Offense.
- ◆ Duty to defend suits that are governmental administrative hearings seeking injunctive relief, such as EEOC proceedings.
- ◆ Defense expenses are payable within the limits of insurance. Damages include attorneys' fees of the person making or bringing the claim or suit if the insured is legally required to pay them under the law which was violated.
- ◆ Breach of Contract Exclusion applies only to written contracts (not verbal).
- ◆ Damages include Back/Front Pay if awarded.
- ◆ Third Party Sexual Harassment coverage available (Additional premium charge required for endorsement).
- ◆ Defense obligation for criminal, dishonest, fraudulent or malicious wrongful employment practice offenses or knowing violations of rights or laws provided until it has been admitted or determined in a legal proceeding that such wrongful employment practice offense was committed by that insured or with consent or knowledge of that insured.
- ◆ Contractual Liability Exclusion does not apply to employment loss if insured would have liability for damages even without the contract.

The Following Are Excluded When "Yes" Is Indicated Below.

If "No" Is Indicated, An Amendment And/Or Manuscript Endorsement May Be Required.

No	Airport	Yes	Transit Authorities
Yes	Health Care Facilities: Clinics	Yes	Gas Utilities
Yes	Health Care Facilities: Hospital	Yes	Electric Utilities
Yes	Health Care Facilities: Blood Banks	Yes	Housing Authorities
Yes	Health Care Facilities: Nursing Homes	Yes	Schools or School Districts
Yes	Health Care Facilities: Rehabilitation Facilities	Yes	Joint Powers Authority

CYBERFIRST LIABILITY - Claims Made Coverage

IMPORTANT NOTICE:

CYBERFIRST LIABILITY COVERAGE IS PROVIDED ON A CLAIMS-MADE BASIS AND DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN ADDITION TO, THE LIMITS OF INSURANCE. PAYMENTS MADE UNDER YOUR FIRST-PARTY COVERAGE FORM, IF THAT FORM IS PART OF YOUR POLICY, WILL REDUCE THE LIMITS OF INSURANCE.

CyberFirst Liability Limits

Aggregate Limit	\$	1,000,000
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Third-Party Liability

	Third Party Deductible (*)	Each Wrongful Act Limit
Network And Information Security Liability Coverage Form	\$ 5,000	\$ 1,000,000

* Deductible applies to damages & defense expenses unless required otherwise by state regulation.

** Defense expenses within the limits of coverage and deductible unless required otherwise by state regulation.

First-Party Liability

CyberFirst Expense Reimbursement Coverage Form

	First Party Deductible	Sub Limits
Security Breach Notification and Remediation Expenses	\$ 5,000	\$ 50,000
Crisis Management Service Expenses	\$ 5,000	\$ 50,000

Retroactive Date: 6/1/2009

The Following Endorsements Apply

- Cap On Losses From Certified Acts of Terrorism

The Following Exclusions Apply

- Exclusion - Employment Related Practices
- Exclusion - Designated Boards, Commissions or Governmental Units or Departments

The Following Are Excluded When "Yes" Is Indicated Below:

No	Airport	Yes	Transit Authorities
Yes	Health Care Facilities: Clinics	Yes	Gas Utilities
Yes	Health Care Facilities: Hospital	Yes	Electric Utilities
Yes	Health Care Facilities: Blood Banks	Yes	Housing Authorities
Yes	Health Care Facilities: Nursing Homes	Yes	Schools or School Districts
Yes	Health Care Facilities: Rehabilitation Facilities	Yes	Joint Powers Authority
Yes	Port Authorities		

CYBERFIRST Liability (Claims Made)
Program Features & Benefits

This special coverage is an integrated product that provides:

- Cyber liability and first-party coverage provided through a modular policy structure. The policy contains the **CyberFirst General Provisions Form** and the **CyberFirst Network and Information Security Liability Coverage Form**. The insured can also purchase the **CyberFirst Communications and Media Liability Coverage Form** and the **CyberFirst Expense Reimbursement Coverage Form** if first-party coverages are desired;
- Claims-made coverage;
- World-wide coverage – covers wrongful acts committed anywhere and claims made or suit's brought anywhere in the world, unless prohibited by law or regulation;
- Who is Insured:
 - Public Entity;
 - Boards & Board Members;
 - Elected & Appointed Officials
Executive Officers & Directors.
 - Employees (including employees of the entity's boards);
 - Legal Representatives (if the entity becomes insolvent or bankrupt);
 - Volunteer Workers;
- A Supplemental Extended Reporting Period Endorsement (12 months, 24, months, 36 months, 60 months or of unlimited duration) is available for an extra charge if coverage is discontinued or not renewed;
- Applies on an excess basis over any valid and collectible other insurance.

This insurance does not apply to the extent that providing coverage for a loss would expose Travelers or any of its affiliated or parent companies to trade or economic sanctions.

This insurance also does not apply to the extent that providing coverage for a loss would violate the laws or regulations of a foreign country or jurisdiction that apply to unlicensed insurance. In the event of a loss incurred by a foreign insured organization to which the insurance would have applied but for such laws or regulations, we will reimburse a Named Insured other than a foreign insured organization for the amount of such loss because of that Named Insured's financial interest in the foreign insured organization.

CyberFirst Network and Information Security Coverage Form

Coverage for the following wrongful acts committed by or on behalf of an insured in the conduct of your business:

- Failure to prevent the transmission of a computer virus;
- Failure to provide any authorized user of your web-site or your computer or communications network with access to such website or such computer or communication network;
- Failure to prevent unauthorized access to, or use of, electronic data containing private or confidential information of others;
- Failure to provide notification of any actual or potential unauthorized access to, or use of, data containing private or confidential information of others as required by any security breach notification law that applies to you.

CyberFirst Communications And Media Liability Coverage Form (Optional coverage - not included unless noted above)

Covers the following wrongful acts committed by or on behalf of an insured in the conduct of the Named Insured's business:

- Unauthorized use of any advertising material, or any slogan or title, of others in the advertising of the business, premises, products, services, work or complete work of others;
- Infringement of copyright, title, slogan, trademark, trade name, trade dress, service mark, or service name in your covered material;
- Plagiarism or unauthorized use of a literary or artistic format, character or performance in your covered material.

CyberFirst Expense Reimbursement Coverage Form (Optional coverage – not included unless noted above)

Provides the following first-party reimbursement coverages for the Named Insured:

- Security Breach Notification Expenses Coverage;
- Crisis Management Service Expenses Coverage;
- Business Interruption & Additional Expenses Coverage;
- Extortion Expenses Coverage;
- Computer Program and Electronic Data Restoration Expenses Coverage;
- Computer Fraud;
- Funds Transfer Fraud Coverage;
- Telecommunications Service Theft Coverage;

AUTOMOBILE LIABILITY

Liability Coverage	Auto Symbols	Limit
Liability	1 Only	\$ 1,000,000
Personal Injury Protection		Not Covered
Medical Payments		Not Covered
Uninsured Motorist		Not Covered
Underinsured Motorist		Not Covered

Number of autos, excluding trailers: 388

Number of trailers: 51

SIR - Self Insured Retention Each Accident - Liability - Loss and Loss Expense	\$	75,000
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AUTOMOBILE PHYSICAL DAMAGE COVERAGE

Covered Autos Described As		Valuation	Total OCN
Symbol 10	Comprehensive & Collision coverage applies to:		
Any Owned Auto with an Original Cost New greater than:	\$20,000	Actual Cash Value	26,042,498

AUTOMOBILE PHYSICAL DAMAGE DEDUCTIBLES

Deductible Amount - Deductibles shown below apply to each covered auto.

Description of Covered Autos To Which This Insurance Applies		Coverage	Deductible
Owned Covered Autos Not Otherwise Described Below:			
Any Owned Auto with an Original Cost New greater than:	\$20,000	Comprehensive	\$ 1,000
Any Owned Auto with an Original Cost New greater than:	\$20,000	Collision	\$ 5,000

Hired Physical Damage

Deductible

Hired Car Physical Damage Comprehensive

\$ 1,000

Hired Car Physical Damage Collision

\$ 5,000

Automobile Liability and Physical Damage Features & Benefits

Coverage

This coverage is designed to cover amounts any insured is legally required to pay as damages for covered bodily injury and property damage that results from the ownership, maintenance, use, loading or unloading of a covered auto and is caused by an accident. In addition, coverage is provided for covered pollution costs or expense that results from an accident, which also causes bodily injury or property damage. Coverage also applies for physical damage to covered autos, if shown on the previous page.

Who is Insured for Auto Liability

Public Entity	Elected or Appointed Officials
Board Members	Volunteer or Employee Firefighters
Owner of a Commandeered Auto	

Other

Auto Liability coverage if written is extended to provide:

- Bail Bonds \$3,000
- Insureds Expenses - \$500 A Day
- Transit Rodeo
- Expected or Intended Injury if Protecting a Person or Property
- Blanket Waiver or Subrogation
- Unintentional Errors or Omissions

Auto Physical Damage coverage if written is extended to provide:

- Airbags - \$1,000
- Personal Property - \$400
- Waiver of Deductible - Repaired Glass Only
- Transportation Expenses - \$50 A Day / \$1,500 Maximum
- Freezing of Fire Truck Equipment
- Customized Equipment for Emergency Vehicles and Public Transportation Autos
- Hired Auto Physical Damage - Loss of Use \$65 A Day/\$750 Maximum

The Following Endorsements Apply:

- Professional Services Not Covered
- Amendment of Bodily Injury Definition
- Employees As Insureds - CA 99 33
- Blanket Additional Insured - CA T4 37
- Emergency Vehicles - Volunteer Firefighters' & Workers' Injuries Excluded
- Public Entity Auto Extension
- Exclusion - Aviation Emergency or Designated Airport Premises - City of Flagstaff - CA T8 01

Automobile Composite Rating

In order to provide our insureds better service and administrative efficiency, Travelers Public Sector Services is pleased to provide the following process for handling mid-term automobile change requests. All requests will be managed in accordance with the Composite Rate Application outlined below. The insured should continue to submit all change requests to their agent for accurate record keeping and claims verification purposes. Particular attention should be paid to Item 5, which specifies the types of automobiles that will continue to require reporting to the Company.

Composite Rate Application

1. If your policy includes the coverage for which a composite rate is designated in the table below then the premium for that coverage is composite rated. Automobile Liability is rated on a "per unit" basis and Automobile Physical Damage is rated on the basis of the original cost new of the autos. **The composite rates reflect premium charges for any applicable miscellaneous auto coverages, with the exception of Garagekeepers Legal Liability.**
2. The composite rates for Automobile Liability and Physical Damage are the rates applicable at the inception of the policy. Based on the information provided for this proposal and as of the date of this proposal, these rates are as follows:

Liability	Comprehensive	Collision
\$421 per power unit auto	\$ 0.070	\$ 0.051

3. The premium charged at inception is the estimated annual premium based on the number of units and total original cost new for all covered autos on file with the company at inception. The insured is to submit a current schedule of owned automobiles as of the expiration of the policy and the total earned premium will be computed on the basis of the **average net change** in units and their corresponding original cost new for the policy term.
4. All autos added will carry the same Liability limits and Physical Damage deductibles issued at policy inception for autos of the same type.
5. Any new auto requiring valuation other than actual cash value must be reported within 30 days of acquisition. These autos will be added to the policy automobile schedule mid term and a final premium will be determined at policy expiration.

UMBRELLA EXCESS LIABILITY

Coverage	Limit
General Aggregate Limit	\$ 20,000,000
Products / Completed Operations Aggregate Limit	\$ 20,000,000
Personal and Advertising Injury Any One Person or Organization Limit	\$ 20,000,000
Each Occurrence Limit	\$ 20,000,000
Retained Limit Any One Occurrence or Offense	\$ 10,000

General Aggregate

General Liability
 Employee Benefits Liability
 Law Enforcement Liability
 Public Entity Management Liability

Coverage is provided over the following:

Automobile Liability

The Following Endorsements Apply:

- Amendment of Coverage B - Personal & Advertising Injury
- Amendment of Who is an Insured
- Products/Completed Operations Hazard Redefined
- Professional Health Care & Social Services Liability
- Cap on Losses from Certified Acts of Terrorism
- Crisis Management Services Expenses
- Cemetery Professional Services Liability

The Following Exclusions Apply:

- Injury To Volunteer Firefighters Exclusion - Limited Following Form
- Asbestos Exclusion
- War Exclusion
- Amendment of Contractual Liability Exclusion
- Amendment Of Watercraft Or Aircraft Exclusion
- Amendment of Damage to Property Exclusion
- Amendment of Damage To Your Work Exclusion
- Public Use Of Private Property Exclusion
- Exclusion - Access or Disclosure of Confidential Or Personal Information
- Designated Activities or Operations
- Professional Health Care Services Limited Following Form - Public Entities
- Fungi or Bacteria Exclusion
- Unsolicited Communications
- Discrimination
- Abuse or Molestation
- Amendment Pollution Exclusion
- Exclusion - Consumer Financial Protection Laws
- Total Exclusion - Failure to Supply

UMBRELLA EXCESS LIABILITY - OCCURRENCE

Features & Benefits

Coverage

This main purpose of this coverage is to provide excess limits above primary coverage for bodily injury, property damage, personal injury and advertising injury, as well as for other types of coverage when the Umbrella policy includes an excess coverage endorsement for such other coverage. Examples of such other coverage may include Law Enforcement Liability, Public Entity Management Liability, Employment –Related Practices Liability and CyberFirst Liability coverage.

SPECIAL CLAIM HANDLING CONDITIONS

When your coverage is written on a Self-Insured Retention basis:

- The Multiple Self-Insured Retention Endorsement will apply to the following coverages shown below:
- This quote is valid only for claim administrator shown below:

Entity Approved to Handle Claims:	Self-Managed Claim Handling
Coverages:	General Liability Employee Benefit Plan Liability Law Enforcement Liability Public Entity Management Liability Employment-Related Practice Liability Auto Liability

- When Travelers is not the claim administrator, we require:
 - immediate notification of:
 - any claim exceeding 50% of any SIR,
 - the total claim activity exceeding 50% of the total SIR, and
 - serious injury claims outlined in policy forms.
 - quarterly loss runs from the TPA or self administrator that include the date of loss, claimant name, description of the claim, open and closed claim amounts, open and closed expense amounts,
 - cooperation in claim audits (minimum requirement is annual),
 - a copy of the agreement between the TPA and insured, and
 - advance notice of any change in claim administrator.
- Please refer to the coverage forms outlining your responsibilities to report claims.

Terrorism Risk Insurance Act Disclosure

Entity Name: City of Flagstaff

Agency: Willis of AZ, Inc **State:** Arizona

The federal Terrorism Risk Insurance Act of 2002 as amended (“TRIA”) establishes a program under which the Federal Government may partially reimburse “Insured Losses” (as defined in TRIA) caused by “Acts Of Terrorism” (as defined in TRIA). “Act Of Terrorism” is defined in Section 102(1) of TRIA to mean any 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 – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and 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.

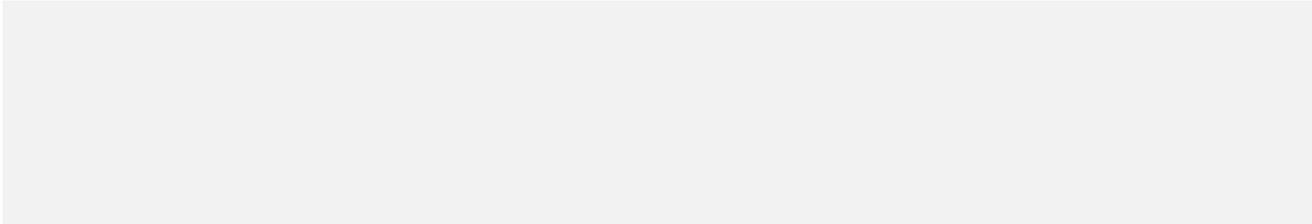
The Federal Government’s share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer’s “Insurer Deductible” (as defined in TRIA), subject to the “Program Trigger” (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

- 85% with respect to such Insured Losses occurring in calendar year 2015.
- 84% with respect to such Insured Losses occurring in calendar year 2016.
- 83% with respect to such Insured Losses occurring in calendar year 2017.
- 82% with respect to such Insured Losses occurring in calendar year 2018.
- 81% with respect to such Insured Losses occurring in calendar year 2019.
- 80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For coverages other than Workers Compensation and Employers Liability that apply to such Insured Losses, the charge for such Insured Losses is included in the premium for such coverage and is listed below. Any charges for Insured Losses, regardless of coverage type, do not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA.

<u>Coverage</u>	<u>Included Charge For Insured Losses</u>
Property	3% of the total Property Coverage premium.
Inland Marine	1% of the applicable premium.
Workers' Compensation	See workers compensation premium schedule. Note – terrorism premium charges are subject to change at any time based on state regulatory action.
All other coverages subject to TRIA	1% of the applicable premium.





Account Executive: ff Godwin, AU, ARM, CPC
 Fax Number: 651-310-5383

ACCOUNT PREMIUM SUMMARY & PROVISIONAL BILL

Entity Name: City of Flagstaff
Agency: Willis of AZ, Inc

State: Arizona

This notice serves as a premium summary and provisional bill. If a delay in the issuing of a policy, endorsement or premium bearing instrument occurs, and we issue either a premium bearing instrument or an individual bill, you are obligated to remit premium to us before we issue the policy or endorsement. Payment from you on individual bills is due on the date specified on the bill. To bind coverage:

- Place a checkmark in the box next to the payment plan and lines of business to be bound;
- Sign this form and fax or email to the underwriter named above.

Note: The estimated premium shown in the Premium Schedule and Quote Options, if any, may differ from actual premiums shown on the

IMPORTANT NOTE REGARDING THE ACCOUNT MINIMUM PREMIUM: The lines of business shown in the *Premium Schedule* and *Quote Options*, if any, are subject to a \$5,000 account minimum premium. If the line(s) of business selected for binding do not total at least \$5,000, then the premiums shown for those lines of business will be adjusted to total \$5,000.

AGENCY BILL PAYMENT PLAN OPTIONS	INSTALLMENT CHARGE	SELECTION
Full Payment - due at inception	None	XXX

COVERAGE	PREMIUM	INSUREDS SELECTION	POLICY NUMBER
General Liability	\$116,082	X	ZLP-15P01914
Employee Benefit Plans Liability	\$191	X	ZLP-15P01914
Law Enforcement Liability	\$142,201	X	ZLP-15P01914
Public Entity Management Liability	\$21,111	X	ZLP-15P01914
Public Entity Employment-Related Practices Liability	\$42,699	X	ZLP-15P01914
Auto Liability	\$163,348	X	810-9156P739
Auto Physical Damage	\$31,609	X	810-9156P739
Umbrella	\$111,300	X	ZUP-15P01926
CyberFirst Liability	\$4,069	X	ZPL-13S47452
Total Premium	\$632,610	X	

Signature: _____ Date: _____

QUOTE OPTIONS AND ADDITIONAL INFORMATION

QUOTE OPTION	PREMIUM	INSUREDS SELECTION
	\$ -	
	\$ -	
	\$ -	
	\$ -	
	\$ -	
	\$ -	
	\$ -	

OTHER INFORMATION

Please provide the following information:

Umbrella: To provide coverage over Employers Liability, the underlying carrier must have a Best Rating of "A- VI " or higher and limits must be at least 500,000/500,000/500,000. Provide a copy of Declarations page for verification of coverage prior to binding.

When available, please provide a complete copy of the state dam inspection for Upper Lake Mary Dam - the inspection should be done this summer.

GENERAL CONDITIONS

THIS BINDER OUTLINES THE COVERAGE FORMS, LIMITS OF INSURANCE, POLICY ENDORSEMENTS AND OTHER PROVISIONS OF YOUR POLICY. THIS IS NOT A COMPLETE LISTING OF ALL THE ENDORSEMENTS INCLUDED IN YOUR POLICY. IN ADDITION TO THE POLICY ENDORSEMENTS OUTLINED IN THIS BINDER, ANY RESULTING INSURANCE POLICY ISSUED BY TRAVELERS MAY INCLUDE ADDITIONAL ENDORSEMENTS, INCLUDING STATE-MANDATED ENDORSEMENTS, THAT MAY AFFECT COVERAGE UNDER THIS BINDER AND THE POLICY. THIS BINDER IS VALID UNTIL YOUR POLICY IS ISSUED OR CANCELLED. WHEN ISSUED, YOUR POLICY WILL, WITHOUT NOTICE, AUTOMATICALLY CANCEL, REPLACE AND SUPERSEDE THIS BINDER AND ANY OTHER CORRESPONDENCE THAT DOCUMENTS THE INSURANCE COVERAGE REFERENCED HEREIN. PLEASE REVIEW THIS BINDER CAREFULLY. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR AGENT OR BROKER.

ANY COVERAGE UNDER THIS BINDER IS SUBJECT TO THE PROVISIONS OF THE ACTUAL FORMS IN CURRENT USE BY US, AS WELL AS PAYMENT OF YOUR PREMIUM. THIS BINDER DOES NOT AMEND, OR OTHERWISE AFFECT, THE PROVISIONS OR COVERAGE OF ANY RESULTING INSURANCE POLICY ISSUED BY US. IT IS NOT A REPRESENTATION THAT COVERAGE DOES OR DOES NOT EXIST FOR ANY PARTICULAR CLAIM OR LOSS UNDER ANY SUCH POLICY. COVERAGE DEPENDS ON THE APPLICABLE PROVISIONS OF THE ACTUAL POLICY ISSUED, THE FACTS AND CIRCUMSTANCES INVOLVED IN THE CLAIM OR LOSS, AND ANY APPLICABLE LAW.

**As Broker/Agent you will be responsible for being aware of and complying with the various legal requirements associated with countersignature in various jurisdictions covered in the policies.
The binder is valid until your policy is issued or cancelled.**



COMMISSION

Entity Name: City of Flagstaff

Agency: Willis of AZ, Inc

COVERAGE	COMMISSION
General Liability	0.0%
Employee Benefit Plans Liability	0.0%
Law Enforcement Liability	0.0%
Public Entity Management Liability	0.0%
Public Entity Employment-Related Practices Liability	0.0%
Auto Liability	0.0%
Auto Physical Damage	0.0%
Umbrella	0.0%
CyberFirst Liability	0.0%



Important Notice Regarding Compensation Disclosure

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website:

http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183

CP-68-20 07-08