



Proposal of Insurance

Texas Workforce Commission

300 West 15th Street, 6th Floor
Austin, TX 78701

Presented: September 21, 2022

Effective: October 1, 2022

Paul D. Pousson, ARM, DRM

Area Executive Vice President

Managing Director – Higher Education Practice

Arthur J. Gallagher Risk Management Services, Inc.

9442 Capitol of TX Hwy. N., Suite 950

Austin, TX 78759

(512) 652-2443

Paul_Pousson@ajg.com



ajg.com

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



Gallagher

Insurance | Risk Management | Consulting

Table of Contents

Executive Summary	3
Service Team	4
Program Structure	5
Named Insured	6
Program Details	7
Blanket Automobile - No Liability Deductible - Berkshire Hathaway Homestate Insurance Company	7
Premium Summary	12
Payment Plans	13
Carrier Ratings and Admitted Status	14
Proposal Disclosures	15
Proposal Disclosures	16
Client Signature Requirements	19
Client Authorization to Bind Coverage	20
Appendix	22
Bindable Quotations & Compensation Disclosure Schedule	23
Claims Reporting By Policy	24
CORE360™ Loss Control Flyer	25
Cyber Liability eRiskHub Features	26

Executive Summary

Gallagher appreciates the opportunity to continue our partnership with the State as its insurance broker for the Statewide Automobile Insurance Program.

At SORM's direction, Gallagher negotiated a quote with the State's incumbent carrier, Berkshire Hathaway Homestate Insurance Company ("BHHC"). There are very few carriers that are willing to offer auto insurance coverage on a monoline basis. BHHC is a leading carrier for large fleets for both institutions of higher education and state entities. The combined efforts of the State Office of Risk Management (SORM) and Gallagher team have resulted in the most competitive automobile insurance coverage available given the overall loss experience in the program.

We have included a brief summary of the marketplace and renewal terms below:

Automobile Insurance Marketplace

- Total miles driven is almost back to pre-pandemic levels. In particular, large jury awards in Commercial Auto insurance (in excess of \$10 million) are becoming increasingly prevalent.
- Entities with large fleets or poor loss history are experiencing more significant rate increases.
- Social inflation is leading to larger and catastrophic claims, particularly affecting entities with large fleets.
- With the rise in inflation, Auto claim costs are more expensive than ever.
- New cars are also less available as automakers faced semiconductor chip shortages and supply chain disruptions, including bottlenecks at ports, that have made it hard to meet demand. Prices for both new and used cars have skyrocketed. This ultimately drives up claim costs and Auto insurance rates.
- Labor shortages meant that repairs took longer than before, and were worsened by shortages of replacement parts.
- We expect to see third-party litigation continue to drive up claim costs and prices in the coming years.

Renewal Terms

- 53.41% premium increase
- Liability – the policy provides liability limits and deductibles per expiring with coverage for bodily injury and property damage to third parties. The coverage applies to Symbol 1 autos. The Hired and Non-owned coverage provides excess liability and physical damage coverage for hired vehicles, and excess liability coverage for other non-owned vehicles when being used in State business.
- Physical Damage - the policy provides physical damage coverage for scheduled autos (Symbol 7), hired autos (Symbol 8) and other autos with gross vehicle weights at or below 10,000 pounds provided to a named insured's athletic department or temporary use or newly acquired or replacement "autos" of the type currently scheduled for automobile physical damage coverage (Symbol 10). Bi-monthly reporting of additions or deletions to the vehicle inventory as it relates to physical damage coverage are required.

Gallagher will work with SORM to evaluate alternative structures for the auto program. We will also continue working with SORM to offer fleet safety resources to assist you with risk mitigation efforts. Please reach out to SORM if you would like any assistance.

We encourage you to thoroughly review the materials presented and request clarification as may be needed. If there are any questions, please let us know.

Paul Pousson

Wednesday, September 21, 2022

Service Team

A service team approach will be implemented for Texas Workforce Commission to provide a senior level availability for all of your services and risk management needs as well as daily service requirements.

SERVICE TEAM – STATE OFFICE OF RISK MANAGEMENT		
NAME / TITLE	PHONE / ALT. PHONE	EMAIL
Chris Martin, MBA, CSRM Director of Enterprise Risk	(512) 936-1555	chris.martin@sorm.texas.gov
Patrick E. Juren Insurance Account Manager	(512) 936-1521	patrick.juren@sorm.texas.gov
Shelly Milvo, ARM, AIS Risk Manager – Insurance Specialty	(512) 936-1561	shelly.milvo@sorm.texas.gov
Jorge Hallon, MBA Risk Manager – Insurance Specialty	(512) 936-1787	jorge.hallon@sorm.texas.gov

ADDITIONAL SERVICE CONTACTS – ARTHUR J. GALLAGHER & CO.			
NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
Paul Pousson, ARM, DRM Area Executive Vice President	(512) 652-2443 (512) 844-8087	paul_pousson@ajg.com	Producer
Therese O'Brien Area Vice President	(414) 378-5720	therese_o'brien@ajg.com	Account Executive
Cheryl Kelley, CISR Area Vice President	(512) 652-2461 (972) 467-7295	cheryl_kelley@ajg.com	Client Service Executive
Shirley Qualls Client Service Associate, Senior	(972) 663-6173 (972) 663-6074	shirley_qualls@ajg.com	Client Service Assistant
Marcy Mayfield Claims Advocate	(972) 663-6188	marcy_mayfield@ajg.com	Casualty Claims Advocate
Troy Guidry, CSP Senior Risk Control Consultant	(281) 655-6770	troy_guidry@ajg.com	Risk Control

Arthur J. Gallagher Risk Management Services, Inc.

Main Office Phone Number: (512) 652-2443

Program Structure

Named Insured

Named Insured Schedule:

Add / Change / Delete	Named Insured	Blanket Automobile - No Liability Deductible
	320 - Texas Workforce Commission	X
	479 - State Office of Risk Management	X

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

Program Details

Coverage: Blanket Automobile - No Liability Deductible
Carrier: Berkshire Hathaway Homestate Insurance Company
Policy Period: 10/1/2022 to 10/1/2023

Coverage:

DESCRIPTION	AMOUNT	COVERED AUTOS
Automobile Liability including Hired/Non Owned Liability	Texas Tort Claims Act "TTCA" \$250,000 Bodily Injury per person \$500,000 Bodily Injury per accident \$100,000 Property Damage All Other: \$1,000,000 Combined Single Limit applies if the Texas Tort Claims Act is not applicable	1
Comprehensive	ACV, cost to repair or replace, or stated amount, whichever is less	7
Collision	ACV, cost to repair or replace, or stated amount, whichever is less	7
Hired Car Liability	Covered	8
Hired Car Physical Damage Value	\$100,000	8, 10
- Comprehensive	Covered	8, 10
- Collision	Covered	8, 10
Non Owned Liability	Covered	9

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Deductible	Comprehensive / Other Than Comprehensive - per vehicle	\$1,000
Deductible	Collision - per vehicle	\$1,000
Deductible	Physical Damage Coverage: Estimated Annual Cost Of Hire: Comprehensive: State - TX	\$1,000
Deductible	Physical Damage Coverage: Estimated Annual Cost Of Hire: Collision: State - TX	\$1,000

Covered Autos:

SYMBOL	SYMBOL NAME	DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS
1	Any Auto	
2	Owned Autos Only	Only those autos you own (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos you acquire ownership of after the policy begins.
3	Owned Private Passenger Autos Only	Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.

Texas Workforce Commission

**Covered Autos:**

SYMBOL	SYMBOL NAME	DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS
4	Owned Autos Other Than Private Passenger Autos Only	Only those autos you own that are not of the private passenger type (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos not of the private passenger type you acquire ownership of after the policy begins.
5	Owned Autos Subject To No-Fault	Only those autos you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those autos you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	Owned Autos Subject To A Compulsory Uninsured Motorists Law	Only those autos you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists' requirement.
7	Specifically Described Autos	Only those autos described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any trailers you don't own while attached to any power unit described in Item Three).
8	Hired Autos Only	Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent, or borrow from any of your employees, partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Nonowned Autos Only	Only those autos you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes autos owned by your employees, partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.
19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those autos that are land vehicles and that would qualify under the definition of mobile equipment under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

Additional Coverage:

DESCRIPTION	AMOUNT
Golf Carts And Low-Speed Vehicles-Included	\$1,000,000

DESCRIPTION
Policy Jacket – M-5603 03/2017
Business Auto Coverage Declarations – M-5596 07/2019
Common Policy Conditions – IL 00 17 11 98
Schedule of Forms and Endorsements at Policy Inception – M-4572 12/1994
Schedule of Covered Autos – M-5171 06/2004
Supplemental Coverage Declarations – M-5747 01/2013
Business Auto Coverage Form – CA 0001 10/2013
Changes to Common Policy Conditions – Cancellation – M-5872 04/2016
Stated Amount Insurance – M-3912b 08/2001
M 5876 05/2016 Blanket Additional Insured – M-5876 05/2016
General Change Endorsement – M-2904 11/1980
Elimination of Limited Worldwide Coverage For Hired Autos – M-5676 01/2012



Texas Workforce Commission



DESCRIPTION
Nuclear Energy Liability Exclusion Endorsement (Broad Form) – IL 0021 09/2008
Towing and Storing Costs – M-5479 04/2010
Texas Changes and Cancellation or Non-Renewal Endorsement – M-5399 08/2013
Additional Insured Endorsement – M-5887 05/2016
Texas Changes – CA 0196 10/2013
Hired Autos Endorsement – M-5871 04/2016
Hired or Borrowed Autos Amendatory Endorsement – M-5616 03/2011
Texas Notice to Insurance Claimants for Motor Vehicle Repairs – ILN 101 11/2015
Punitive Damage Exclusion Duty to Defend Amendment – M-3795 03/1987
Limited Mexico Coverage – CA 0121 10/2013
Waiver of Transfer of Rights of Recovery Against Others To Us – M-5144a 06/2007
Abuse or Molestation Exclusion – M 5283 08/2007
Golf Carts and Low-Speed Vehicles - CA0445 10/2013
Mobile Equipment - CA2015 10/2013
Covered Auto Designation Symbol - CA9954 07/1997
Designated Insured for Covered Autos Liability Coverage - CA2048 10/2013
Primary and Noncontributory - Other Insurance Condition - CA0450 11/2016
Employees as Insureds - CA9933 10/2013
Employee Hired Autos - CA2054 10/2013
Loss Payable Clause - CA9944 10/2013
Hired Autos Specified as Covered Autos You Own – CA9916 12/1993

Exclusions include, but are not limited to:

DESCRIPTION
Expected or Intended Injury
Contractual
Workers' Compensation
Employers' Liability
Property Damage to Property Owned or Transported by you
Pollution
Other standard policy exclusions apply
Terrorism

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Hired/Borrowed Liability , TX: Cost of Hire - If any basis



Texas Workforce Commission



Premium	\$41,664.26
ESTIMATED PROGRAM COST	\$41,664.26

Subject to Audit: Bi Monthly for Physical Damage only

Exposures:

DESCRIPTION	EXPOSURES	CARRIER RATE	PREMIUM
Liability – Power Unit	37	\$796.00	\$29,452.00
Low Speed Vehicles	0	\$254.00	\$0.00
Trailers	3	\$86.00	\$258.00
Physical Damage	38	\$275.00	\$10,450.00
Total			\$40,160.00

Summary:

DESCRIPTION	PREMIUM
Premium	\$40,160.00
Discount / Loss Ratio Surcharge	\$1,504.26
Total Premium	\$41,664.26

Any changes going forward will be adjusted on the carrier rates



Texas Workforce Commission



Vehicles:

Entity/Location	Year	Make	Model	VIN#	Cost New	Out Fitting Cost	Total Cost	Vehicle Count	Physical Damage Y/N?
Texas Workforce Commission	2008	Ford	E250/Van	1FTNE24L38DB04347	\$16,198.11	\$3,879.85	\$20,077.96	1	Y
Texas Workforce Commission	2010	International	4300M7 SBA 4x2	1HTJTSKR1AH234575	\$71,765.00	\$1,167.58	\$72,932.58	1	Y
Texas Workforce Commission	2010	Ford	E250/Cargo Van	1FTNE2EL5ADA61666	\$16,640.61	\$0.00	\$16,640.61	1	Y
Texas Workforce Commission	2010	Chevrolet	Express/Cargo Van	1GCZGFBG5A1168065	\$19,818.31	\$0.00	\$19,818.31	1	Y
Texas Workforce Commission	2008	Chevrolet	Express/Cargo Van	1GCFG154581216391	\$17,208.27	\$2,935.00	\$20,143.27	1	Y
Texas Workforce Commission	2008	Ford	E150/Cargo Van	1FTNE14W08DB33647	\$15,662.50	\$0.00	\$15,662.50	1	Y
Texas Workforce Commission	2008	Chevy	Silverado Truck	1GCEC19078E182526	\$19,067.00	\$0.00	\$19,067.00	1	Y
Texas Workforce Commission	1998	Ford	Bobtail Truck	1FDYF80C6WVA25647	\$48,683.13	\$0.00	\$48,683.13	1	Y
Texas Workforce Commission	2009	Chevy	Express/Cargo Van	1GCFG154891144748	\$16,520.27	\$3,620.00	\$20,140.27	1	Y
Texas Workforce Commission/DARS	2009	Chevy	Silverado Truck	1GCEC19039E161531	\$20,296.46	\$100.00	\$20,396.46	1	Y
Texas Workforce Commission/DARS	2010	Chevy	Traverse (SUV)	1GNLREED3AJ197728	\$22,842.63	\$52.00	\$22,894.63	1	Y
Texas Workforce Commission/DARS	2010	Chevy	Traverse (SUV)	1GNLREEDXAJ197869	\$22,870.63	\$52.00	\$22,922.63	1	Y
Texas Workforce Commission/DARS	2010	Chevy	Traverse (SUV)	1GNLREED2AJ198949	\$22,842.63	\$52.00	\$22,894.63	1	Y
Texas Workforce Commission/DARS	2010	Chevy	Traverse (SUV)	1GNLREED3AJ196823	\$22,842.63	\$52.00	\$22,894.63	1	Y



Texas Workforce Commission



Vehicles:

Entity/Location	Year	Make	Model	VIN#	Cost New	Out Fitting Cost	Total Cost	Vehicle Count	Physical Damage Y/N?
Texas Workforce Commission/DARS	2010	Dodge	Grand Caravan	2D4RN4DE7AR245328	\$20,839.00	\$52.00	\$20,891.00	1	Y
Texas Workforce Commission/DARS	2010	Chevy	Traverse (SUV)	1GNLREED8AJ206021	\$22,842.63	\$52.00	\$22,894.63	1	Y
Texas Workforce Commission/DARS	2011	Ford	E350/Passenger Van (12)	1FBSS3BL8BDA12439	\$22,873.10	\$90.00	\$22,963.10	1	Y
Texas Workforce Commission/DARS	2012	Chevy	Traverse (SUV)	1GNKREED8CJ136115	\$22,842.63	\$136.67	\$22,979.30	1	Y
Texas Workforce Commission/DARS	2008	Chevy	Uplander	1GNDV23W88D144339	\$18,089.25	\$0.00	\$18,089.25	1	Y
Texas Workforce Commission/DARS	2007	Dodge	Caravan	1D4GP24E07B179668	\$16,736.00	\$0.00	\$16,736.00	1	Y
Texas Workforce Commission/DARS	2016	Chevy	Traverse (SUV)	1GNKRFED8GJ187254	\$23,685.00	\$0.00	\$23,685.00	1	Y
Texas Workforce Commission/DARS	2008	Chevy	Uplander	1GNDV23W58D107037	\$20,641.00	\$0.00	\$20,641.00	1	Y
Texas Workforce Commission/DARS	2010	Dodge	Grand Caravan	2D4RN4DE1AR385178	\$20,839.60	\$90.00	\$20,929.60	1	Y
Texas Workforce Commission/DARS	2010	Dodge	Grand Caravan	2D4RN4DE4AR245383	\$42,118.78	\$67.50	\$42,186.28	1	Y
Texas Workforce Commission/DARS	2011	Chevy	Silverado Truck	1GCRCPE02BZ100499	\$21,127.95	\$2,734.09	\$23,862.04	1	Y
Texas Workforce Commission/DARS	2012	Chevy	Traverse (SUV)	1GNKREED6CJ138784	\$22,842.63	\$136.67	\$22,979.30	1	Y
Texas Workforce Commission/DARS	2007	Chevy	Express/Passenger Van (15)	1GAHG39U671180054	\$21,735.00	\$1,304.64	\$23,039.64	1	Y
Texas Workforce Commission/DARS	2006	Dodge	Caravan	1D4GP24E66B636627	\$16,736.00	\$0.00	\$16,736.00	1	Y



Texas Workforce Commission



Vehicles:

Entity/Location	Year	Make	Model	VIN#	Cost New	Out Fitting Cost	Total Cost	Vehicle Count	Physical Damage Y/N?
Texas Workforce Commission/DARS	2008	Chevy	Uplander	1GNDV23W08D10683 2	\$20,641.00	\$0.00	\$20,641.00	1	Y
Texas Workforce Commission/DARS	2008	Chevy	Uplander	1GNDV23W58D14422 0	\$18,089.25	\$0.00	\$18,089.25	1	Y
Texas Workforce Commission/DARS	2001	Dodge	Ram P/U Truck	1B7KC23Z91J262262	\$20,740.00	\$0.00	\$20,740.00	1	Y
Texas Workforce Commission/DARS	2009	Chevy	Express/Passenger Van (15)	1GAHG39KX91154543	\$21,174.00	\$0.00	\$21,174.00	1	Y
Texas Workforce Commission/DARS	2010	Chevy	Traverse (SUV)	1GNLREED9AS152481	\$22,842.63	\$100.00	\$22,942.63	1	Y
Texas Workforce Commission/DARS	2010	Chevy	Traverse (SUV)	1GNLREED6AS154852	\$22,866.38	\$100.00	\$22,966.38	1	Y
Texas Workforce Commission/DARS	2008	Chevy	Uplander	1GNDV23W88D20867 1	\$18,490.71	\$0.00	\$18,490.71	1	Y
Texas Workforce Commission/DARS	2012	Chevy	Traverse (SUV)	1GNKREED6CJ138655	\$22,842.63	\$136.67	\$22,979.30	1	Y
Texas Workforce Commission/DARS	2011	Ford	F650 Box Truck	3FRNF6FA2BV616884	\$54,138.08	\$1,362.00	\$55,500.08	1	Y
Texas Workforce Commission/DARS	2013	Wells Cargo Utility Trailer	Magnum/13' Front Road Force Single Axel Model RF6X121	1W4200E19D2027842	\$3,883.00	\$0.00		T	N
Texas Workforce Commission/DARS	2008	Wells Cargo Utility Trailer	Magnum/16' Less Than 18" Front Road Force Tandem Axel (2) Model RF7142V /Weight (2050)	1W4200G2182062192	\$5,939.75	\$0.00	\$5,939.75	T	Y
Texas Workforce Commission	2007	Wells Cargo	Wells Cargo Utility Trailer 12' to 14' Single Axle /Weight Empty = (1400-Lbs) Carrying Capacity (1590-Lbs) Gross Weight = (2990-Lbs)	1WF200F1572059715	\$4,000.00	\$0.00		T	N



Texas Workforce Commission



Vehicles:

					\$902,854.18	\$18,272.67	\$913,243.85	37	38
--	--	--	--	--	--------------	-------------	--------------	----	----



Premium Summary

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

LINE OF COVERAGE		EXPIRING PROGRAM		PROPOSED PROGRAM	
		CARRIER	EXPIRING COST	CARRIER	ESTIMATED COST
Blanket Automobile - No Liability Deductible	Premium	Berkshire Hathaway	-	Berkshire Hathaway	\$41,664.26
	Estimated Cost	Homestate Insurance	\$27,158.50	Homestate Insurance	\$41,664.26
	Annualized Cost	Company (Berkshire Hathaway Insurance Group)	\$27,158.50	Company (Berkshire Hathaway Insurance Group)	-
Total Estimated Program Cost			\$27,158.50		\$41,664.26

Quote from **Berkshire Hathaway Homestate Insurance Company (Berkshire Hathaway Insurance Group)** is valid until **10/1/2022**

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

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

Blanket Automobile - No Liability Deductible

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

Payment Plans

CARRIER / PAYABLE CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
Berkshire Hathaway Homestate Insurance Company (Berkshire Hathaway Insurance Group)	Blanket Automobile - No Liability Deductible	Due 30 days	Agency Bill

Carrier Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING & FINANCIAL SIZE CATEGORY *	ADMITTED/NON-ADMITTED **
Berkshire Hathaway Homestate Insurance Company	A++XV	Admitted

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

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

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

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

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

Proposal Disclosures

Proposal Disclosures

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

Proposal Disclaimer

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

Compensation Disclosure

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

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

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

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

TRIA/TRIPRA Disclaimer

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

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

Terms and Conditions

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

Services

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

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

Treatment of Information

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

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

Dispute Resolution

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

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

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

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

Electronic Delivery

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

Texas Workforce Commission



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

Miscellaneous Terms

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

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

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

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

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



Client Signature Requirements

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 9/21/2022, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	COVERAGE/CARRIER
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Blanket Automobile - No Liability Deductible
	Berkshire Hathaway Homestate Insurance Company

Exposures and Values

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

Additional Terms and Disclosures

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

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

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

You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or

Texas Workforce Commission



provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By: Lowell Keig, Business Operations Director

Print Name (Specify Title)

Texas Workforce Commission

Company

Lowell Keig

Signature

Date: 9/27/2022



Appendix

Bindable Quotations & Compensation Disclosure Schedule

Client Name: Texas Workforce Commission

COVERAGE(S)	CARRIER NAME(S)	WHOLESALE, MGA, OR INTERMEDIARY NAME ¹	EST. ANNUAL PREMIUM ²	COMM.% OR FEE ³	GALLAGHER U.S. OWNED WHOLESALE, MGA, OR INTERMEDIARY %
Blanket Automobile - No Liability Deductible	Berkshire Hathaway Homestate Insurance Company (Berkshire Hathaway Insurance Group)	N/A	\$41,664.26	5 %	

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

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

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

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

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

Claims Reporting By Policy

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

If you are using a third party administrator ("TPA"), your TPA may or may not report claims to an insurer on your behalf. Although we will assist you where requested, it is important that you understand whether your TPA will be completing this notification.

Reporting to Gallagher or Assistance in Reporting

COVERAGE(S):	IMMEDIATELY REPORT CLAIMS DIRECTLY TO:
Gallagher Claim Center Policy Number: TBD Policy Term: October 1, 2022 – October 1, 2023	Phone: 855-497-0578 Fax: 225-663-3224 Email: ggb.nrcclaimscenter@ajg.com

CORE360™

Loss Control Portal



Insurance | Risk Management | Consulting



CORE360™

Reduce Your Risk and Simplify Training

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

Gallagher's CORE360™ Loss Control Portal is our proprietary Learning Management System (LMS) that supports your safety program, provides real time access to your loss control plans and keeps employees up to date with the latest safety standards.

Key benefits of CORE360™ Loss Control Portal:

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

Please visit
ajg.com/LossControlPortal to learn more.

Most Popular Training Modules:

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



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



To access the Gallagher | eRiskHub® now:

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

The Gallagher Way. Since 1927.

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

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

Cyber Liability

© 2019 Arthur J. Gallagher & Co. | GGB34479A

eRiskHub® Overview and Login Information

The evolution of the cyber risk landscape has brought with it broad, sweeping regulations to address cybersecurity exposures. This digital transformation also presents new risks, including financial losses, for every industry. Gallagher's Cyber Practice delivers expertise alongside cyber risk management and insurance placement services, as well as a better way to construct risk management solutions. CORE360™ — our comprehensive approach of evaluating our client's risk management program — leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk. First, we consult with you to understand all of your actual and potential costs, then find the best options to reallocate these costs based on strategic actionable insights empowering you to know, control and minimize your total costs increasing profitability.

Additionally, our data-driven CORE360™ approach allows us to implement programs for your business that will increase safety, minimize losses, mitigate claims and proactively analyze your cyber risk posture.

Key Features of the Gallagher | eRiskHub®

- Gallagher Cyber Risk Due Diligence — A six-step process designed to walk clients through a simple, thought-provoking framework to encourage organizational communication, establish clear direction and highlight priorities to better understand your cyber risk profile.
- Risk Manager Tools — A collection of tools with many different purposes such as researching known breach events, calculating your potential cost of a breach event and downloading free sample policies your organization can use as templates.
- News Center — Keeps you up to date on what is going on in the world of cyber risk through handpicked articles, feeds and blogs.
- Learning Center — An extensive collection of white papers, articles, webinars, videos and blog posts on a variety of topics. (Looking for something specific? Try the search box at the top right of the page to search the entire Gallagher | eRiskHub®).
- Security & Privacy Training — An overview of best practices for creating an effective security training program for employees.
- Strategic Third-Party Relationships and Partner Resources — Information on third-party vendors that can assist your organization with improving your overall cyber risk.

As cyber risk evolves, so does our commitment to thought leadership. Our global cyber teams focus exclusively on cyber risk, and uniquely position Gallagher to share our knowledge, expertise and experience for the benefit of our clients.

If you have any questions about the Gallagher | eRiskHub®, please reach out to your broker.