



Arthur J. Gallagher
Risk Management Services

**PLUM BOROUGH SCHOOL
DISTRICT**

900 Elicker Road, Pittsburgh, PA 15239

PROPOSAL OF BUILDERS RISK INSURANCE

*FOR
New HOLIDAY PARK ELEMENTARY Project*

Date Presented: May 7, 2014

Presented by:

Mike Gleason, CPCU

**Arthur J. Gallagher Risk Management Services, Inc.
210 Industrial Park Road, Suite 130, Johnstown, PA 15904
Mike_Gleason@ajg.com
www.ajg.com**

Premium Summary

Coverages	Premium
Builder's Risk (with terrorism) – Option 1	\$14,603
Builder's Risk (with terrorism) – Option 2	\$16,163

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

Package, Auto, School Leaders E&O, Umbrella, Workers Compensation, Excess Crime, Public Officials Bond, Tax Collector Bond,

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.

Notes and Highlights:

- 1. Premiums for the above policies are due and payable as billed, in full or as insurance company installments. Premiums may be financed, subject to acceptance by an approved finance company. Note: Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required.**
- 2. Quote is valid until 5/12/14**
- 3. Refer to attached carrier quote for coverage limits and exclusions.**



Important Disclosures

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

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

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

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

TRIPRA is set to expire on December 31, 2014. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2014. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. For more information on Gallagher's compensation arrangements, please visit <http://www.ajg.com/compdisclosure>. In general, Gallagher may be compensated as follows:



1. **Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively “insurance coverages”) handled for a client’s account, which such commissions and fees may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent commission arrangements with intermediaries and insurance companies that provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company.**
2. **Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.**
3. **Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client’s account, the facility may have earned and retained customary brokerage commission or fees for its work.**
1. **Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.**

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

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to Compensation_Complaints@ajg.com or send a letter to:

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

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