2014 Commercial Crime Renewal Proposal

prepared for

The State of Tennessee

Presented by:

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Aon Financial Services Group

In conjunction with:

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Aon Risk Solutions

Carleen Patterson
Aon Risk Solutions

This document has been specifically prepared for the State of Tennessee.

This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

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Table of Contents

- **Current Program Review** 4
- **Renewal Program Option Summary** 5
- **Proposed Renewal Program Options** 7
- **Detailed Terms & Conditions** 9
- **Appendix** 10

Disclosures

Quote Disclosure Report

Acknowledgement & Approval of Insured

Copies of quotations

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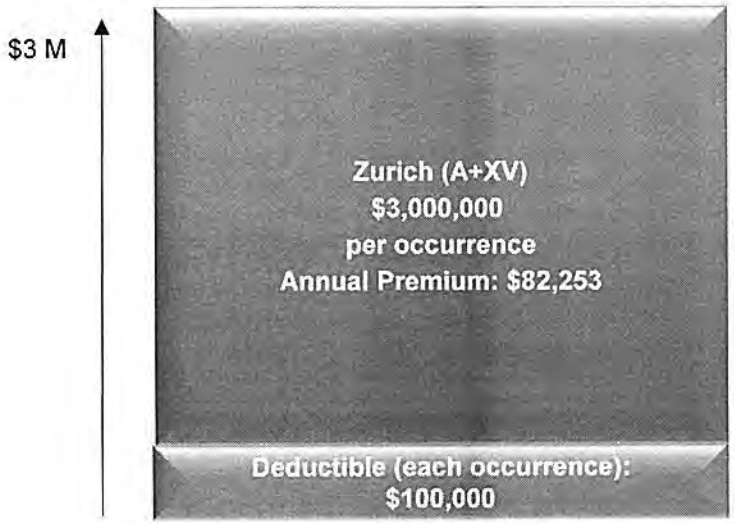
Current Program Review

Policy Period: July 1, 2013 – July 1, 2014

Crime



Total Limit: $3,000,000

Total Premium: $82,253

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Renewal Program Option Summary

Options	Total Limit	Carrier	AM Best Rating	Limit Per Occurrence	Deductible Per Claim	Total Premium
Crime Coverage - Annual Policy Term						
Option 1	$3,000,000	Zurich	A+XV	$3,000,000	$100,000	$82,253
Option 2	$5,000,000	Zurich	A+XV	$5,000,000	$100,000	$92,323
Option 3	$5,000,000	Zurich	A+XV	$5,000,000	$250,000	$88,573
Crime Coverage - Multi-year Policy Term (3 Years) - Premium per annual installment						
Option 4	$3,000,000	Zurich	A+XV	$3,000,000	$100,000	$86,166
Option 5	$5,000,000	Zurich	A+XV	$5,000,000	$100,000	$96,740
Option 6	$5,000,000	Zurich	A+XV	$5,000,000	$250,000	$88,573

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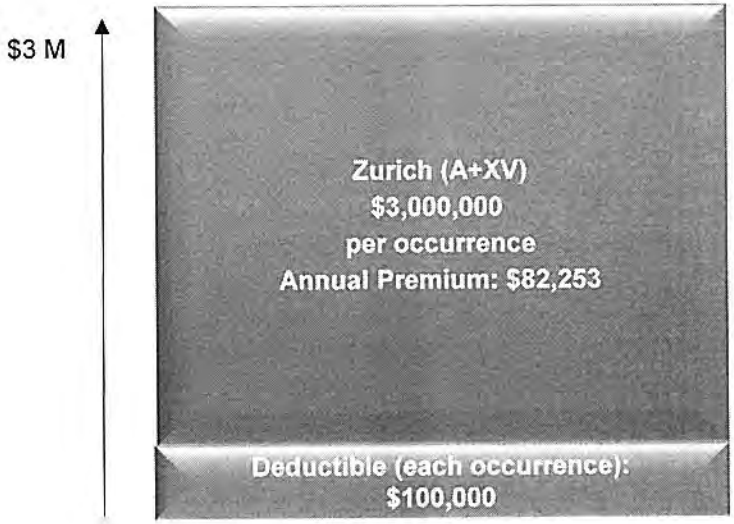
Proposed Program Review: Options 1-6

Policy Period: July 1, 2014 – July 1, 2015

Option #1

(One Year Program)

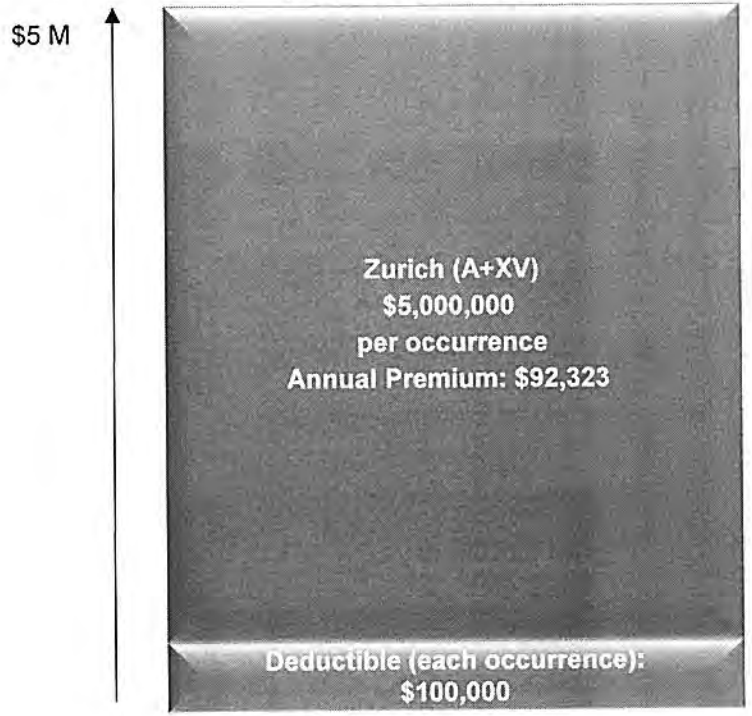


Total Limit: $3,000,000

Total Annual Premium: $82,253

Option #2

(One Year Program)



Total Limit: $5,000,000

Total Annual Premium: $92,323

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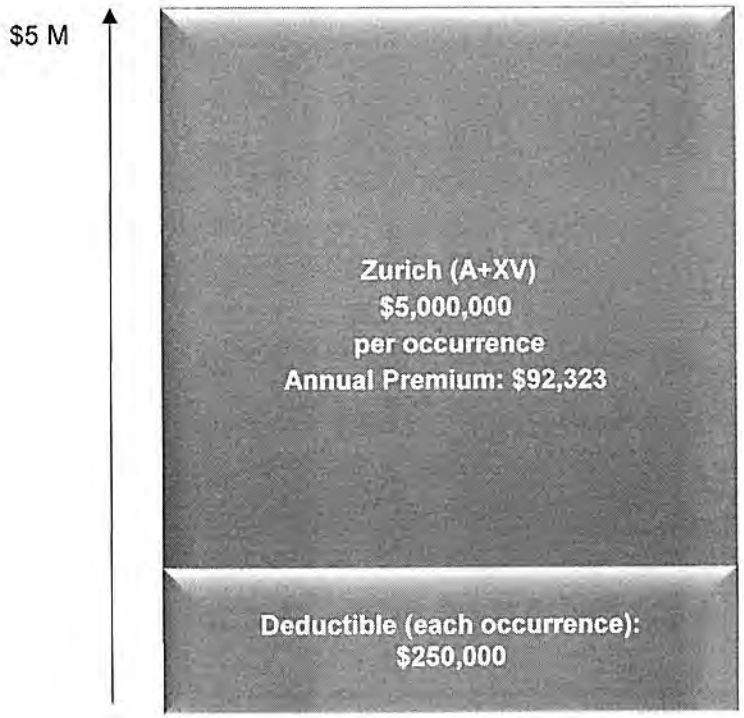
Proposed Program Review: Options 1- 6

Policy Period: July 1, 2014 – July 1, 2015

Option #3

(One Year Program)

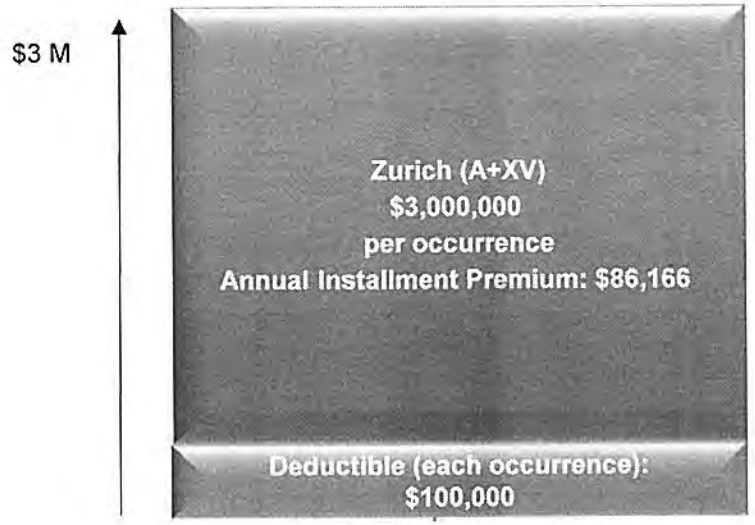


Total Limit: $5,000,000

Total Annual Premium: $88,573

Option #4

(Three Year Program)



Total Limit: $3,000,000

Each Installment Premium: $86,166

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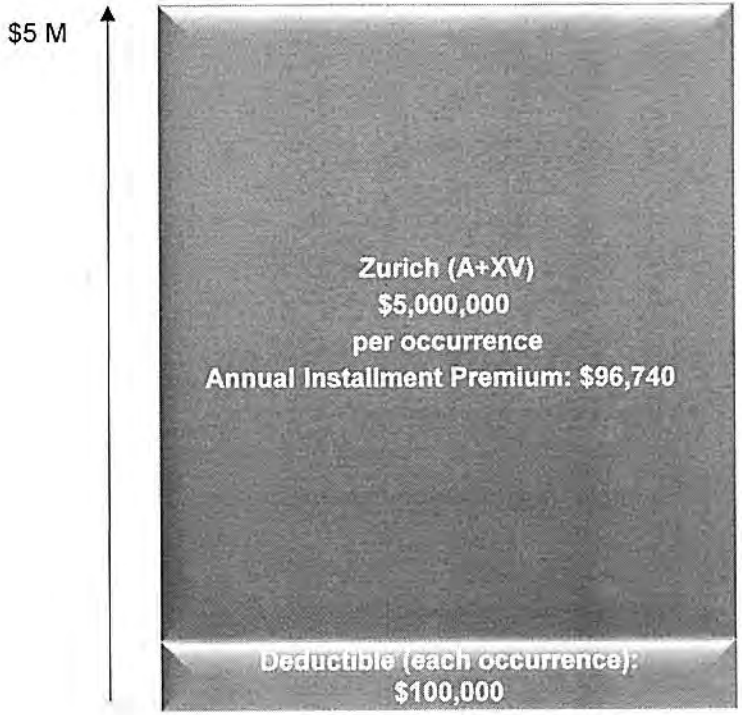
Proposed Program Review: Options 1-6

Policy Period: July 1, 2014 – July 1, 2015

Option #5

(Three Year Program)

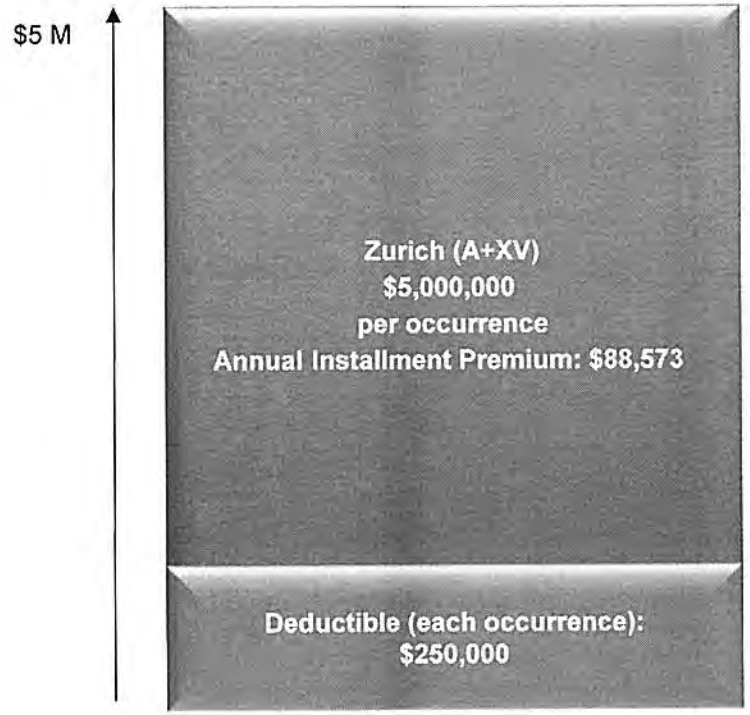


Total Limit: $5,000,000

Each Installment Premium :$96,740

Option #6

(Three Year Program)



Total Limit: $5,000,000

Each Installment Premium : $88,573

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Zurich Detailed Terms & Conditions

Insurer: Zurich American Insurance Company

Policy Period: July 1, 2014 – July 1, 2015

Limits, Deductible, Premium:

Options	Limit of Liability	Deductible Per Claim	Total Premium
Annual Policy Term			
Option 1	$3,000,000	$100,000	$82,253
Option 2	$5,000,000	$100,000	$92,323
Option 3	$5,000,000	$250,000	$88,573
Multi-year Policy Term (3 Years) - Premium per annual installment			
Option 4	$3,000,000	$100,000	$86,166
Option 5	$5,000,000	$100,000	$96,740
Option 6	$5,000,000	$250,000	$88,573

Note: Zurich offered an option to increase the "Expense to Discover a Covered Loss" from $25,00 to $50,000 for a total premium of $4,475 annual or $4,698 per installment

Subjectivities:

Web link for vendor controls

Endorsements:

- Named Insured
- Add Faithful Performance of Duty Coverage for Government Employees
- Include Specified Non-Compensated Officers as Employees
- Include Expenses Incurred to Establish Amount of Covered Loss
- Amend Duties in the Event of Loss
- Amend Cancellation as to Any Employee
- Exclude Certain Risks Inherent in Health Care Operations
- Include Treasures or Tax Collectors as Employees
- Tennessee Changes
- Notice of Disclosure
- Bonded Employee Exclusion Removed
- Annual Review Provision Endorsement (If the State selects a multi-year program.)

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Appendix

Disclosures

Commission

Unless mandated otherwise by applicable state law and regulation or by contractual agreement between ARS and underwriters, ARS's commission shall be deemed fully earned as of the effective date of the insurance programs described in this proposal. Any midterm program or coverage changes that result in a premium bearing endorsement will be negotiated at the same commission rate, as applicable.

Fiduciary Funds

Premiums paid by Client to ARS for remittance to insurers and Client refunds paid to ARS by insurance companies for remittance to Client are deposited into fiduciary accounts in accordance with applicable insurance laws until they are due to be paid to the insurance company or Client. Subject to such laws and the applicable insurance company's consent, where required, ARS will retain the interest or investment income earned while such funds are on deposit in such accounts.

Carrier Insolvency

Aon does not guarantee the solvency of any market with which we place business. Aon encourages our clients to review the publicly available information since only the client can make the ultimate decision to accept or reject a particular market. The decision to accept or reject an underwriter shall be made solely by you, the client.

Administrative Policy Charge

ARS performs various administrative functions related to the procurement of coverage, including, but not limited to, electronic policy filing and storage, expiration tracking, and client data management and administration. Where legally permitted to do so, ARS charges for its own account and collects from its clients, a $300 administrative fee per policy placed. This administrative fee is in addition to and not in lieu of any other service fees agreed to and paid to us by our clients and/or any commissions paid to us by insurers, and this administrative fee appears as a separately billed charge on the invoices we issue.

Quote Disclosure Report

AON

State of Tennessee **Quote Disclosure Report**

Trade ID	Program	Line Of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium[2]	Quoted ARS Commission	National Additional Commission Rate[3]	Intermediary, if applicable	Intermediary Commission	ARS Fee[4]	Total ARS Income[1,5,7]	Total Cost to Client (Premium +Fee)[6]
Policy Term: July 01, 2014 to July 01, 2015													
3801147	Zurich- crime	Crime - Primary	Zurich American Ins Co	Quoted	NA	$82,253.00	NA	0.00%	NA	NA	NA	NA	$82,253.00
3801150	Zurich- Crime	Crime - Primary	Zurich American Ins Co	Quoted	NA	$86,166.00	NA	0.00%	NA	NA	NA	NA	$86,166.00
3801151	Zurich- Crime	Crime - Primary	Zurich American Ins Co	Quoted	NA	$96,740.00	NA	0.00%	NA	NA	NA	NA	$96,740.00
3801148	Zurich-Crime	Crime - Primary	Zurich American Ins Co	Quoted	NA	$92,323.00	NA	0.00%	NA	NA	NA	NA	$92,323.00
3801149	Zurich-Crime	Crime - Primary	Zurich American Ins Co	Quoted	NA	$88,573.00	NA	0.00%	NA	NA	NA	NA	$88,573.00

Presentation Date: 5/27/2014 Currency: USD

Quote Disclosure Report

Disclosures

1. Aon Risk Services is an insurance producer licensed in your state. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction involves one or more of these activities. Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In placing, renewing, consulting on or servicing your insurance coverages, Aon Risk Services and its affiliates ("Aon") may participate in contingent commission arrangements with insurance companies that provide for additional contingent compensation, if, for example, certain underwriting, profitability, volume or retention goals are achieved.

Such goals are typically based on the total amount of certain insurance coverages placed by Aon with the insurance company or the overall performance of the policies placed with that insurance company, not on an individual policy basis. As a result, Aon may be considered to have an incentive to place your insurance coverages with a particular insurance company. The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by contacting your Account Executive or emailing Aon Email Box. Where Aon participates in contingent commission arrangements with insurance companies, Aon may be entitled to additional commission in the range of 0 to 6% depending upon whether and when specified thresholds are achieved.

2. ARS receives premiums Clients pay for remittance to carriers, as well as refunds insurance companies pay for remittance to Clients, and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment income earned while such funds are on deposit pursuant to those laws and carrier agreements.

3. Notwithstanding whether any commission amounts are shown in the Quoted ARS Commission column, ARS has national additional commission rates with some carriers for certain lines of business and or for outsourced administrative services performed on the carrier's behalf. Where there is a National Additional Commission Rate shown, ARS expects to earn this commission rate on the premium amount quoted herein. Collecting this commission will not change in any way the Premium quoted above.

4. When a carrier does not pay ARS an amount sufficient to cover the brokerage and administrative services performed by ARS on the carrier's behalf for the benefit of our clients, ARS may charge such fees to the client as ARS deems necessary and where permitted by applicable law.

5. Total ARS Income equals the sum of the commission ARS will receive from the Carrier, including quoted and national additional commissions (as applicable), and the ARS fee, if any. Commission is calculated by multiplying the Premium amount by applicable commission rates.

6. The Total Cost to Client is Premium (inclusive of all ARS commission) plus ARS Fee (if applicable). Total Cost to Client does not include applicable surplus lines taxes and fees and it does not include applicable state fees, surcharges, or taxes assessed on the policy.

7. ARS performs various administrative functions related to the procurement of coverage, including, but not limited to, electronic policy filing and storage, expiration tracking, client data management, and administration. Where legally permitted to do so, ARS-US charges for its own account and collects from its clients, a $300 policy administrative charge per policy placed. In some countries where legally permitted to do so, ARS charges for its own account and collects administrative fees from its clients. Administrative fees are in addition to and not in lieu of any other service fees agreed to and paid to us by our clients and/or any commissions paid to us by insurers, and these administrative fees appear separately on the invoices we issue.

AON

Acknowledgment & Approval of Insured

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal **("Proposal") dated 6/2/14** and provided in the attached **Quote Disclosure Report dated 5/27/14**. We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal. We also acknowledge that Aon has provided information about its contractual agreements and ownership interest(s), if any, in the insurers listed in this Renewal Proposal through Aon's website at:

http://www.aon.com/market_relationships.

Date: _____ _____

On behalf of **The State of Tennessee**

AON

Copies of quotations

Renewal Proposal

State of Tennessee Cyber Liability Proposal

June 2, 2015

Edition Date: April 23, 2015

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Table of Contents

Executive Summary

Insured's Instruction to Bind

Current Program Review

Appendix

QDR
Quotes

This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in our Compensation Agreement or Engagement Letter.

Executive Summary

Aon Risk Services, Inc. of Washington DC is pleased to present our renewal proposal for the State of Tennessee's Cyber Liability coverage. As discussed during our February renewal strategy meeting, we anticipated pricing increases for the State's cyber liability program and recommended and conducted an underwriting and relationship meeting with State of TN, Aon, NAS, and other carriers, including ACE, Endurance and XL. Due to some last minute scheduling issues, the meeting was conducted via telephone.

We planned to evaluate the State's current business model to discuss any exposures/risks that are of growing concern since the 2014-2015 renewal and review current coverage/limits/retentions, and renew with the most competitive carrier, contingent on the renewal pricing and terms. The general market for this line of coverage is trending up. While there is plenty of capacity and various insurance markets writing this type of coverage, increased activity in claims and payments is leading to significant increases.

Expiring premium for the State's cyber liability program is $242,000. NAS, the incumbent carrier, has proposed a premium of $290,400, which is a 19.8% increase. The following pages outline the two renewal programs as compared to expiring.

In addition to the primary coverage, Aon continues to seek viable excess coverage from the general market. Given the class of business and the pricing of the underlying, the most competitive indication received is from Houston Casualty Company (HCC) for $5M xs $5M with a premium of $800,000. Given the scope of the coverage and the reach of the primary policy, the market has indicated, by declination and pricing, that the primary coverage is extremely competitive and carriers are not willing to provide excess terms based on the primary pricing. Aon can continue to pursue additional excess coverage options, however, the pricing provided by HCC is indicative of what the remaining market will provide.

Insured's Acknowledgement and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated June 2, 2015 for State of Tennessee's Cyber Liability coverage and provided in the attached Quote Disclosure Report (QDR). We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal.

_____

Date

_____

On Behalf of State of Tennessee

_____

Thank You

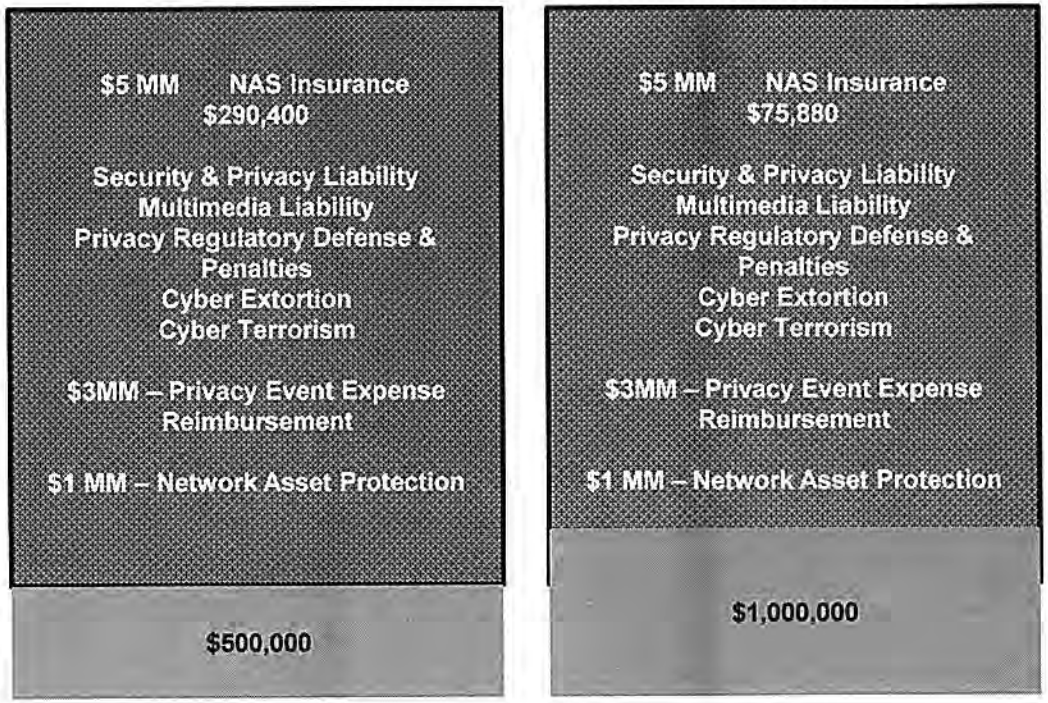
Current Program Review

Policy Period: July 1, 2014 – July 1, 2015

Current Cyber Program

Carrier: NAS Insurance
Limit: $5MM
Retention: $500K
Premium: $242,000

Proposed Program
Cyber Liability 7/1/15-7/1/16



Program Summary

Total Limits:	$5,000,000
Retention Options:	$500,000; $1,000,000
Premium Options:	$290,400; $275,880

Results

(1) Maintained current coverage levels
(2) General market is trending up with the increased activity in claims and payments leading to significant increases
(3) Premium increase of19.8% reflective of the market environment

Premium does not include taxes & fees

NAS Insurance Proposed Program

Coverage Details

EFFECTIVE DATE	EXPIRATION DATE	POLICY NUMBER	INSURANCE COMPANY
07.01.2015	07.01.2016	TBD	NAS Insurance (Underwriters at Lloyd's)
COVERAGE DESCRIPTION			
Subject of Insurance	**Network Security & Privacy Liability, Privacy Regulatory Defense/Penalties; Privacy Breach Response Costs; Network Asset Protection; Cyber Extortion; Cyber Terrorism**		
Policy Limit of Liability (Inclusive of Defense Costs)	**$5,000,000 Each Claim and In the aggregate $3,000,000 Privacy Breach Response Costs $1,000,000 Network Asset Protection**		
Per Claim Retention	**Option 1: $500,000 – Each Claim; Option 2: $1,000,000 – Each Claim; 8 Hr. Waiting Period and 10% co-insurance (special expenses) – Network Asset Protection**		
Premium	**Option 1: $290,400 Option 2: $275,880**		
Retroactive Date	**Inception**		
Policy Form	**NetGuard**		
DEFENSE PROVISIONS			
Type	**Duty to Defend**		
Choice of Counsel	**No**		
Hammer Clause	**70/30 Defense & Settlement**		
Settlement within Retention	**Not Allowed**		
Notice of Claims	**Notice must be made by RM, GC, Senior Officer or Director will provide notice within 60 days such claim is made**		

NAS Insurance Proposed Program

Coverage Details - Continued

EFFECTIVE DATE	EXPIRATION DATE	POLICY NUMBER	INSURANCE COMPANY
07.01.2015	07.01.2016	TBD	NAS Insurance (Underwriters at Lloyd's)
COVERAGE DESCRIPTION			
Subject of Insurance	**Network Security & Privacy Liability, Privacy Regulatory Defense/Penalties; Privacy Breach Response Costs; Network Asset Protection; Cyber Extortion; Cyber Terrorism**		
Endorsements (cont)	1. Nuclear Incident Exclusion Clause 2. War and Terrorism Exclusion Endorsement 3. Cyber Amendatory Endorsement – *Additional $1MM defense expenses; remove exclusion 11* 4. Extended Reporting Period 5. PCI DSS Assessment Extension – *Sublimit of $250K, $100K retention* 6. Blanket Waiver of Subrogation 7. Unencrypted Portable Devices Exclusion 8. Manuscript Endorsement – *Amending Notice, definitions, exclusions, etc.* 9. Telephone & Consumer Protection Act/Telemarketing and Consumer Fraud and Abuse Prevention Act Exclusion		
Subjectivities	1. Resigned and dated application 2. Subject to review and approval of complete details of any new systems/services collecting PII/payment card data in the last 12 months 3. Subject to confirmation of no known material changes to the answers provided to NAS on May 14, 2014 concerning the controls of the government entities not using the OIR network		

Appendix

- QDR
- Disclosures
- Quote

Appendix
QDR

State of Tennessee

Quote Disclosure Report

Trade ID	Program	Line Of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium[2]	Quoted ARS Commission	National Additional Commission Rate[3]	Intermediary, if applicable	Intermediary Commission	ARS Fee[4]	Total ARS Income[3,5,7]	Total Cost to Client (Premium+Fee)[6]
Policy Term: July 01, 2015 to July 01, 2016													
4387670	ACE	Cyber Liability	ACE American Insurance Company	Submitted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4387686	Aegis	Cyber Liability	LLOYDS 9937 AEGIS CYBER CONSORTIUM - GBR	Declined	Class of Business	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387658	Aspen	Cyber Liability	Aspen American Insurance Company	Declined	Class of Business	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387681	Barbican	Cyber Liability	SYN9354 BARBICAN CYBER CONSORTIUM - GBR	Submitted	N/A	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387662	CFC	Cyber Liability	Crum & Forster Insurance Co	Declined	Class of Business	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387660	HCC	Cyber Liability	Houston Casualty Company	Declined	Pricing	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387667	Hiscox	Cyber Liability	Hiscox Insurance Co Ltd	Submitted	N/A	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387657	Lloyd's	Cyber Liability	Underwriters at Lloyds	Quoted	N/A	$280,400.00	15.0000%	N/A	R-T Specialty, LLC	N/A	N/A	$42,060.00	$280,400.00
4387665	Markel	Cyber Liability	Markel Insurance Company	Submitted	N/A	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387677	Novae	Cyber Liability	NOVAE UNDERWRITING LIMITED - GDR	Declined	Class of Business	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387676	Principia	Cyber Liability	PRINCIPIA UNDERWRITING - GDR	Submitted	N/A	N/A	N/A	N/A	RT Specialty, LLC	N/A	N/A	N/A	N/A
4387663	QBE	Cyber Liability	QBE Insurance Corporation	Declined	Class of Business	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4387668	RSUI	Cyber Liability	RSUI Indemnity Company	Declined	Class of Business	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4387659	Starr	Cyber Liability	Starr Insurance & Reinsurance Limited	Declined	Class of Business	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Presentation Date: 5/26/2015

Currency: USD

Disclosures

1. Aon Risk Services is an insurance producer licensed in your state. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts, to offer advice concerning the substantive benefits of particular insurance contracts, to sell insurance, and to obtain insurance for purchasers. The role of the producer in any particular transaction involves one or more of these activities. Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In placing, renewing, consulting on or servicing your insurance coverages, Aon Risk Services and its affiliates ("Aon") may participate in contingent commission arrangements with insurance companies that provide for additional contingent compensation, if, for example, certain underwriting, profitability, volume or retention goals are achieved.

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2. ARS receives premiums Clients pay for remittance to carriers, as well as refunds insurance companies pay for remittance to Clients, and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment income earned while such funds are on deposit pursuant to those laws and carrier agreements.

3. Notwithstanding whether any commission amounts are shown in the Quoted ARS Commission column, ARS has national additional commission rates with some carriers for certain lines of business and/or for outsourced administrative services performed on the carrier's behalf. Where there is a National Additional Commission Rate shown, ARS expects to earn this commission rate on the premium amount quoted herein. Collecting this commission will not change in any way the Premium quoted above.

4. When a carrier does not pay ARS an amount sufficient to cover the brokerage and administrative services performed by ARS on the carrier's behalf for the benefit of our clients, ARS may charge such fees to the client as ARS deems necessary and where permitted by applicable law.

5. Total ARS Income equals the sum of the commission ARS will receive from the Carrier, including quoted and national additional commissions (as applicable), and the ARS fee, if any. Commission is calculated by multiplying the Premium amount by applicable commission rates.

6. The Total Cost to Client is Premium (inclusive of all ARS commission) plus ARS Fee (if applicable). Total Cost to Client does not include applicable surplus lines taxes and fees and it does not include applicable state fees, surcharges, or taxes assessed on the policy.

7. ARS performs various administrative functions related to the procurement of coverage, including, but not limited to, electronic policy filing and storage, expiration tracking, client data management, and administration. Where legally permitted to do so, ARS-US charges for its own account and collects from its clients, a $300 policy administrative charge per policy placed. In some countries where legally permitted to do so, ARS charges for its own account and collects administrative fees from its clients. Administrative fees are in addition to and not in lieu of any other service fees agreed to and paid to us by our clients and of any commissions paid to us by insurers, and these administrative fees appear separately on the invoices we issue.

Appendix

Disclosures

1. Aon Risk Services is an insurance producer licensed in your state. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction involves one or more of these activities. Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In placing, renewing, consulting on or servicing your insurance coverages, Aon Risk Services and its affiliates (\"Aon\") may participate in contingent commission arrangements with insurance companies that provide for additional contingent compensation, if, for example, certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Aon with the insurance company or the overall performance of the policies placed with that insurance company, not on an individual policy basis. As a result, Aon may be considered to have an incentive to place your insurance coverages with a particular insurance company. The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by contacting your Account Executive or emailing Aon Email Box. Where Aon participates in contingent commission arrangements with insurance companies, Aon may be entitled to additional commission in the range of 0 to 6% depending upon whether and when specified thresholds are achieved.

2. ARS receives premiums Clients pay for remittance to carriers, as well as refunds insurance companies pay for remittance to Clients, and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment income earned while such funds are on deposit pursuant to those laws and carrier agreements.

3. Notwithstanding whether any commission amounts are shown in the Quoted ARS Commission column, ARS has national additional commission rates with some carriers for certain lines of business and/or for outsourced administrative services performed on the carrier's behalf. Where there is a National Additional Commission Rate shown, ARS expects to earn this commission rate on the premium amount quoted herein. Collecting this commission will not change in any way the Premium quoted above.

4. When a carrier does not pay ARS an amount sufficient to cover the brokerage and administrative services performed by ARS on the carrier's behalf for the benefit of our clients, ARS may charge such fees to the client as ARS deems necessary and where permitted by applicable law.

5. Total ARS Income equals the sum of the commission ARS will receive from the Carrier, including quoted and national additional commissions (as applicable), and the ARS fee, if any. Commission is calculated by multiplying the Premium amount by applicable commission rates.

Appendix
Disclosures Cont.

6. The Total Cost to Client is Premium (inclusive of all ARS commission) plus ARS Fee (if applicable). Total Cost to Client does not include applicable surplus lines taxes and fees and it does not include applicable state fees, surcharges, or taxes assessed on the policy.

7. ARS performs various administrative functions related to the procurement of coverage, including, but not limited to, electronic policy filing and storage, expiration tracking, client data management, and administration. Where legally permitted to do so, ARS-US charges for its own account and collects from its clients, a $300 policy administrative charge per policy placed. In some countries where legally permitted to do so, ARS charges for its own account and collects administrative fees from its clients. Administrative fees are in addition to and not in lieu of any other service fees agreed to and paid to us by our clients and/or any commissions paid to us by insurers, and these administrative fees appear separately on the invoices we issue.

About Aon

Aon plc (NYSE:AON) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 66,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world's best broker, best insurance intermediary, reinsurance intermediary, captives manager and best employee benefits consulting firm by multiple industry sources. Visit www.aon.com for more information on Aon and www.aon.com/manchesterunited to learn about Aon's global partnership and shirt sponsorship with Manchester United.

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The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

www.aon.com

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Risk. Reinsurance. Human Resources.

Renewal Proposal

State of Tennessee E&O Proposal

June 2, 2015

Edition Date: April 23, 2015

Risk. Reinsurance. Human Resources.

AON

Empower Results®

Table of Contents

Executive Summary

Insured's Instruction to Bind

Current Program Review

Envision CV Starr Proposed Program

Appendix

QDR

This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in our Compensation Agreement or Engagement Letter.

Executive Summary

Aon Risk Services, Inc. of Washington DC is pleased to present our renewal proposal for the State of Tennessee's Errors & Omissions Liability coverage. We did not anticipate any difficulties with the Errors & Omissions renewal, and in fact the incumbent carrier, CV Starr, has proposed a flat renewal with expiring terms and conditions.

Insured's Acknowledgement and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated June 2, 2015 for State of Tennessee's Errors and Omissions coverage and provided in the attached Quote Disclosure Report (QDR). We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal.

_____

Date

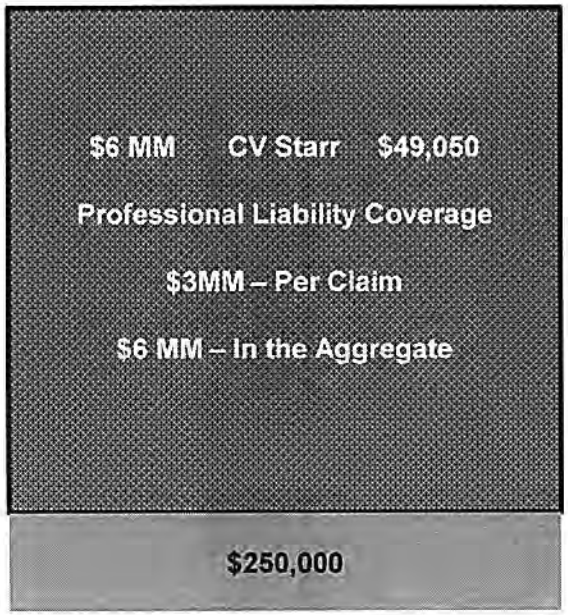
_____

On Behalf of State of Tennessee

_____

Thank You

Proposed Program
Envision CV Starr 7/1/15-7/1/16



Premium does not include taxes & fees

EFFECTIVE DATE	EXPIRATION DATE	POLICY NUMBER	INSURANCE COMPANY
07.01.2015	07.01.2016	TBD	Starr Surplus Lines Insurance Company
COVERAGE DESCRIPTION			
Subject of Insurance		**Miscellaneous Professional Liability**	
Policy Limit of Liability (Inclusive of Defense Costs)		**$3,000,000 Each Claim $6,000,000 In the aggregate**	
Per Claim Retention		**$250,000**	
Premium		**$49,050**	
Retroactive Date		**June 21, 2012**	
Policy Form		**Specialty Professional Liability**	
DEFENSE PROVISIONS			
Type		**Duty to Defend**	
Choice of Counsel		**No**	
Settlement within Retention		**Not Allowed**	
Notice of Claims		**As soon as known by the Insured**	

Appendix

- QDR
- Disclosures

Appendix
QDR

State of Tennessee **Quote Disclosure Report**

Trade ID	Program	Line Of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium[2]	Quoted ARS Commission	National Additional Commission Rate[3]	Intermediary, if applicable	Intermediary Commission	ARS Fee[4]	Total ARS Income[4,5]	Total Cost to Client (Premium +Fee)[6]
Policy Term: July 01, 2015 to July 01, 2016													
4387653	Starr - Option 1	E&O - Miscellaneous Professional-Primary	Starr Surplus Lines Insurance Company	Quoted	N/A	$49,050.00	15.0000%	N/A	N/A	N/A	N/A	$7,357.50	$49,050.00
4387655	Starr - Option 2	E&O - Miscellaneous Professional-Primary	Starr Surplus Lines Insurance Company	Quoted	N/A	$59,752.00	15.0000%	N/A	N/A	N/A	N/A	$8,962.80	$59,752.00

Presentation Date: 5/26/2015 Currency: USD

Disclosures

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Such goals are typically based on the total amount of certain insurance coverages placed by Aon with the insurance company or the overall performance of the policies placed with that insurance company, not on an individual policy basis. As a result, Aon may be considered to have an incentive to place your insurance coverages with a particular insurance company. The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by contacting your Account Executive or emailing Aon Email Box. Where Aon participates in contingent commission arrangements with insurance companies, Aon may be entitled to additional commission in the range of 0 to 6% depending upon whether and when specified thresholds are achieved.

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About Aon

Aon plc (NYSE:AON) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 66,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world's best broker, best insurance intermediary, reinsurance intermediary, captives manager and best employee benefits consulting firm by multiple industry sources. Visit www.aon.com for more information on Aon and www.aon.com/manchesterunited to learn about Aon's global partnership and shirt sponsorship with Manchester United.

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The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Risk. Reinsurance. Human Resources.

Renewal Proposal

State of Tennessee
Excess Quake Renewal Proposal

June 2, 2015

Edition Date: April 23, 2015

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Table of Contents

Executive Summary

Insured's Instruction to Bind

Current Program Overview

Quote Comparison

Additional Indications

Appendix

QDR

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The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in our Compensation Agreement or Engagement Letter.

Executive Summary

Aon Risk Services of Washington, DC is pleased to present our Excess Quake Renewal Proposal for the State of Tennessee. Our report outlines the results of our renewal effort, including a quote comparison, additional excess indications and our Quote Disclosure Report.

As outlined in our renewal strategy meeting, it was our goal to maintain key participants, namely RSUI, at the 'core' of the New Madrid Excess Quake program while minimizing potential premium increases and maintaining overall policy term and conditions.

As illustrated in our Quote Disclosure Report, we conducted an extensive marketing effort in addition to approaching the incumbent carrier RSUI to ensure the most favorable renewal terms and conditions were obtained. Overall we are pleased with the results of our marketing effort. We have secured two renewal options for $25M XS of the $25M per occurrence/ aggregate coverage for New Madrid Quake offered by AIG on the property program.

In the first option, RSUI offers to provide100 percent of the $25M XS of $25M coverage for a total premium of $306,110. RSUI was able to quote this coverage at a flat rate of 0.0088. RSUI felt that this rate and pricing was competitive and so was unwilling to offer any additional premium decrease. While rates quoted for this option were flat there is a slight premium increase for this option over the expiring of $16,110 ($306,110 vs expiring premium of $290,000) due to the 5.7 percent increase in the State's exposure.

The second option available offers $25M XS of $25M coverage with participation from three carriers Partner Re, RSUI and Hiscox who collectively make up 100 percent of the $25M excess layer. With participation from multiple carriers we were able to secure a rate decrease of 18.5 percent and a 13.8 percent premium decrease over expiring. Thus, the total premium for this option is $250,000, a highly competitive price which would provide the State of Tennessee $40,000 in savings over last year's bound coverage even with the increase in the State's total insured value.

In addition to these two renewal options, we secured additional indications for higher excess limits. We have provided an indication of $25M XS $50M , for an additional premium of $195,000; an indication for $25M XS of $75M, for an additional premium of $152,500 and a $100M indication for $597,500.

Insured's Acknowledgement and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated 6/2/15 for State of Tennessee's Excess Quake coverage and provided in the attached Quote Disclosure Report (QDR) dated 4/30/2015. We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal. *[We also acknowledge that, in further consideration of the services provided by ARS in connection with the quoted coverage(s) that we have selected from the QDR, we agree to pay ARS supplemental fee(s) as set forth in the Supplemental Fee Agreement ("Agreement") included in this Proposal]*

_____

Date

_____

On Behalf of State of Tennessee

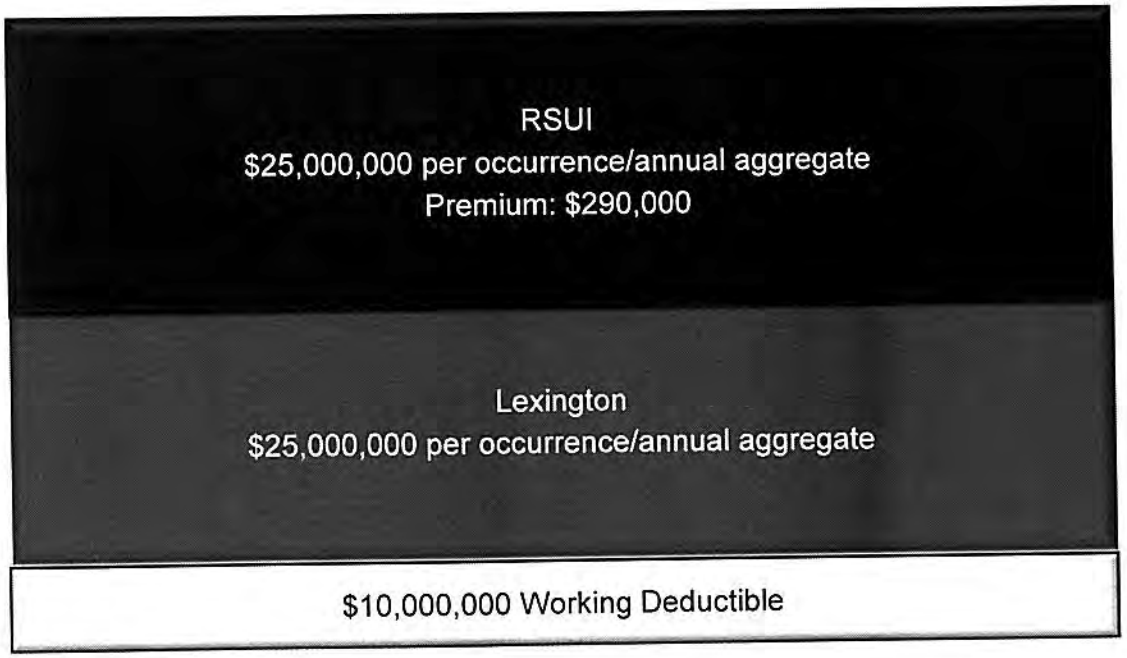
_____

Thank You

Current Program Review

Policy Period July 1, 2014 – July 1, 2015

Current Earthquake Program



*Excludes Taxes and Fees

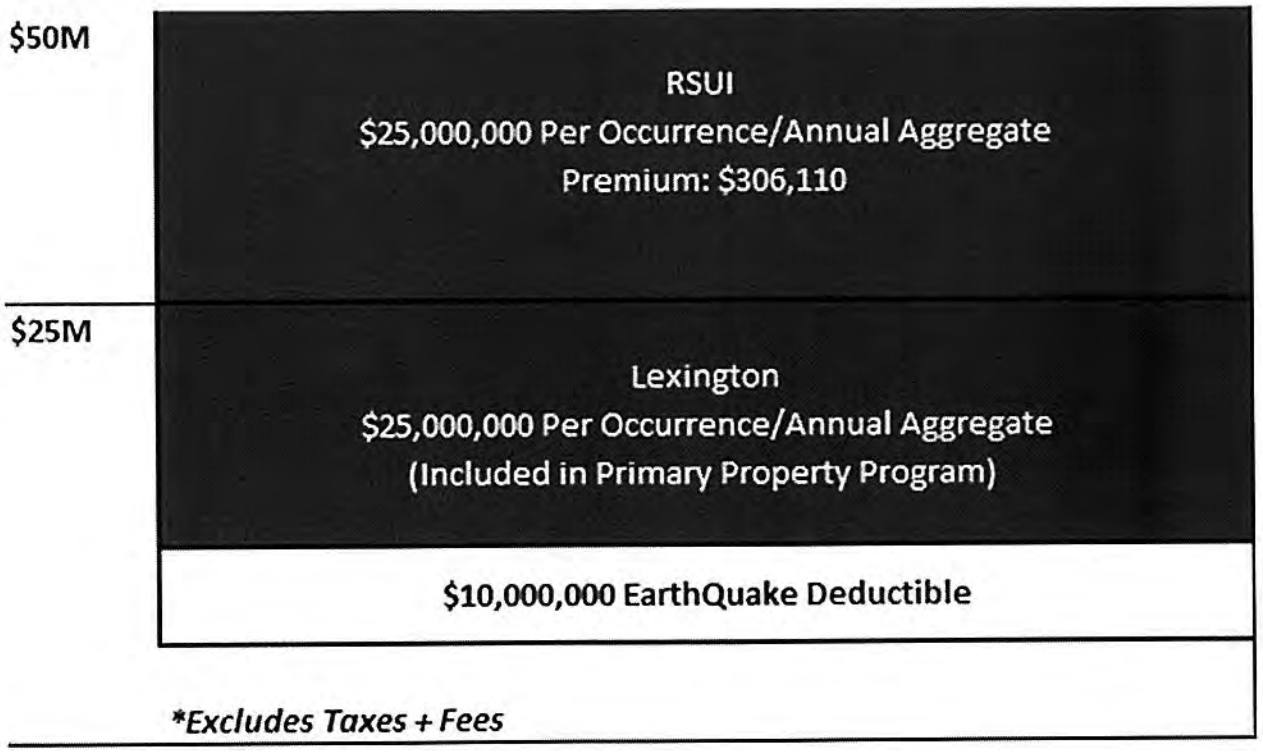
Quote Comparison

Terms	Expiring Program 2014-2015 $25M x/s $25M	Incumbent Renewal Quote 2015-2016 $25M x/s $25M Option 1	Incumbent Renewal Quote 2015-2016 $25M x/s $25M Option 2
Carrier	RSUI (100%)	RSUI (100%)	Partner Re (60%) RSUI (20%) Hiscox (20%)
Limits Insured-Per Occurrence/Annual Aggregate	$25,000,000	$25,000,000	$25,000,000
Notice of Cancellation	90 Days except 10 days for Non-Payment of Premium	90 Days except 10 days for Non-Payment of Premium	90 Days except 10 days for Non-Payment of Premium
Values	$3,289,604,000	$3,478,540,000 *5.7 % Increase in Values*	$3,478,540,000 *5.7 % Increase in Values*
Rate	0.0088	0.0088 *Flat Rate*	0.0072 *18.5% Rate Decrease*
Premium	$290,000	$306,110 *5.7% Increase in Premium*	$250,000 *13.8% Decrease in Premium*
AM Best Rating	A+	A+	Partner Re A+ RSUI A+ Hiscox A
Aon Commission	0%	0%	0%

Quote Comparison

Policy Period July 1, 2015 – July 1, 2016

Option 1



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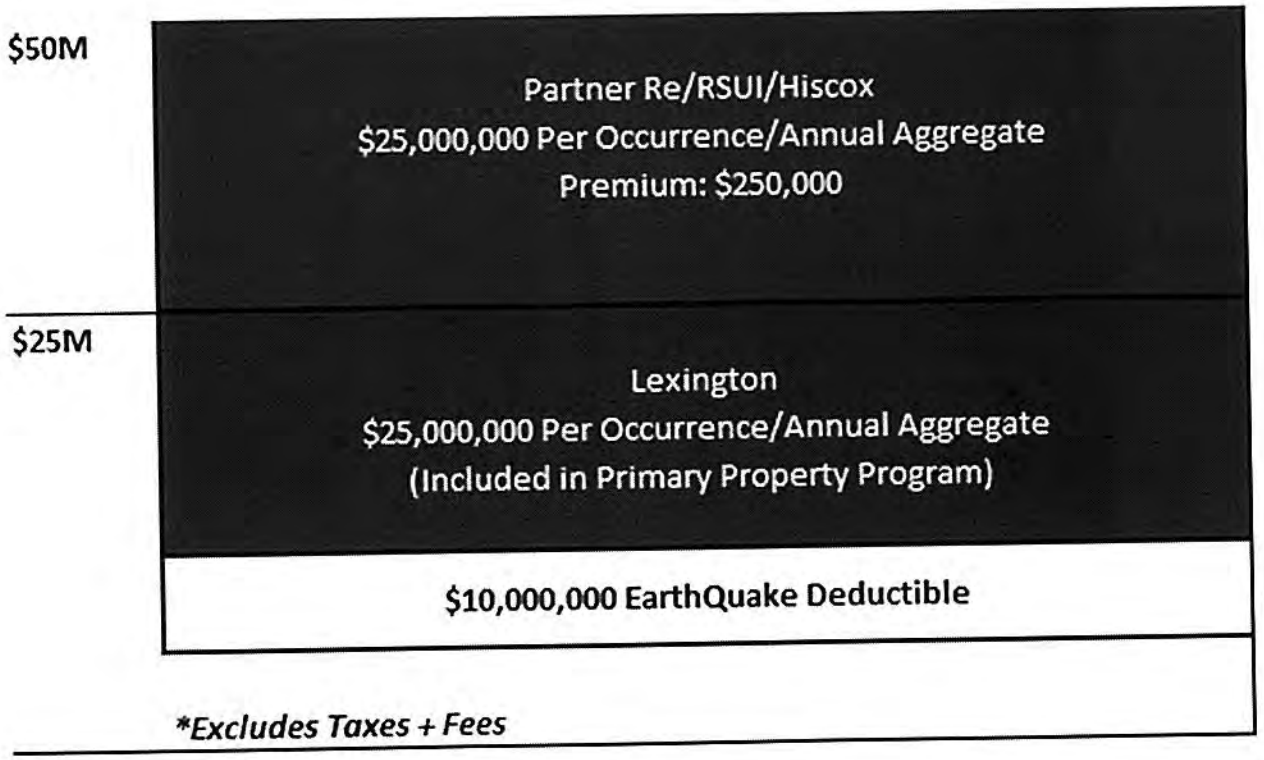
Quote Comparison

Policy Period July 1, 2015 – July 1, 2016

Option 2



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Additional Indications

Note:

$25M x $50M INDICATION – Additional Premium of $195,000 (Surplus Lines Taxes May Apply)

$25M x $75M INDICATION – Additional Premium of $152,500 (Surplus Lines Taxes May Apply)

$100M INDICATION (Including $25M x $25M Option 2, $25M x $50M and $25M x $75M) – $ 597,500 (Surplus Lines Taxes May Apply)

Quote Comparison

Policy Period July 1, 2015 – July 1, 2016

Option 3

$100M	Underwriters at Lloyds (Various Syndicates $25,000,000 Per Occurrence/Annual Aggregate Additional Premium Indication Only: $152,500***
$75M	Underwriters at Lloyds (Various Syndicates) $25,000,000 Per Occurrence/Annual Aggregate Additional Premium Indication Only: $195,000***
$50M	Partner Re/RSUI/Hiscox $25,000,000 Per Occurrence/Annual Aggregate Premium: $250,000**
$25M	Lexington $25,000,000 Per Occurrence/Annual Aggregate (Included in Primary Property Program)
	$10,000,000 EarthQuake Deductible

Excludes Taxes + Fees

***** This is based on Option 2 (Should TN elect)***

****** Indications Only. Premiums subject to adjustment upon formal underwriting by markets***

AON

Appendix

- QDR
- Disclosures

State of Tennessee **Quote Disclosure Report**

Trade ID	Program	Line Of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium [2]	Quoted ARS Commission	National Additional Commission Rate [3]	Intermediary, if applicable	Intermediary Commission	ARS Fee [4]	Total ARS Income [1,5,7]	Total Cost to Client (Premium +Fee) [6]
Policy Term: July 01, 2015 to July 01, 2016													
4357044	Arch-20%or$10Mpo$50Mx$25M	Excess Earthquake	Arch Insurance Company	Indication Only	N/A	$400,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$400,000.00
4357079	Arch-33%or$10Mpo$75Mx$25M	Excess Earthquake	Arch Excess & Surplus Insurance Company	Indication Only	N/A	$500,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$500,000.00
4357047	Endurance-10%or$5Mpo$50Mx$25M	Excess Earthquake	Endurance American Insurance Company	Indication Only	N/A	$400,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$400,000.00
4357080	Endurance-7%or$5Mpo$75Mx$25M	Excess Earthquake	Endurance Specialty Insurance Ltd.	Indication Only	N/A	$500,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$500,000.00
4357051	Hiscox-10%or$5Mpo$50Mx$@5M	Excess Earthquake	Hiscox Insurance Co Ltd.	Indication Only	N/A	$400,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$400,000.00
4357027	Hiscox-20%or$5Mpo$25Mx$25M	Excess Earthquake	Hiscox Insurance Co Ltd.	Quoted	N/A	$50,000.00	N/A	N/A	R-T Specialty, LLC	07.5000%	N/A	N/A	$50,000.00
4357085	Hiscox-7%or$5Mpo$75Mx$25M	Excess Earthquake	Hiscox Insurance Co Ltd.	Indication Only	N/A	$562,500.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$562,500.00
4357029	Ironshore-20%or$5Mpo$25Mx$25M	Excess Earthquake	Ironshore Specialty Insurance Company	Quoted	N/A	$50,000.00	N/A	N/A	R-T Specialty, LLC	07.5000%	N/A	N/A	$50,000.00
4357165	Liberty-13%or$10Mpo$75Mx$25M	Excess Earthquake	Liberty Surplus Insurance Corporation	Indication Only	N/A	$675,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$675,000.00

Appendix
QDR Cont.

Trade ID0	Program	Line Of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium [2]	Quoted ARS Commission	National Additional Commission Rate [3]	Intermediary, if applicable	Intermediary Commission	ARS Fee [4]	Total ARS Income [1,5,7]	Total Cost to Client (Premium +Fee) [6]
Policy Term: July 01, 2015 to July 01, 2016													
4357055	Liberty-20%or$10Mpo$50Mx$25M	Excess Earthquake	Liberty Surplus Insurance Corporation	Indication Only	N/A	$475,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$475,000.00
4357097	PartnerRe-33%or$25Mpo$75Mx$25M	Excess Earthquake	PartnerRe Ireland Insurance Ltd	Indication Only	N/A	$675,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$675,000.00
4357053	PartnerRe-40%or$20Mpo$50Mx$25M	Excess Earthquake	PartnerRe Ireland Insurance Ltd	Indication Only	N/A	$475,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$475,000.00
4357043	PartnerRe-60%or$15Mpo$25Mx$25M	Excess Earthquake	PartnerRe Ireland Insurance Ltd	Quoted	N/A	$150,000.00	N/A	N/A	R-T Specialty, LLC	07.5000%	N/A	N/A	$150,000.00
4357167	RSUI-10%or$7.5Mpo$75Mx$25M	Excess Earthquake	Landmark American Ins Co	Indication Only	N/A	$675,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$675,000.00
4357023	RSUI-100%or$25Mx$25M	Excess Earthquake	Landmark American Ins Co	Quoted	N/A	$306,110.00	N/A	N/A	R-T Specialty, LLC	07.5000%	N/A	N/A	$306,110.00
4357059	RSUI-15%or$7.5Mpo$50Mx$25M	Excess Earthquake	Landmark American Ins Co	Indication Only	N/A	$475,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$475,000.00
4357025	RSUI-20%or$5Mpo$25Mx$25M	Excess Earthquake	Landmark American Ins Co	Quoted	N/A	$50,000.00	N/A	N/A	R-T Specialty, LLC	07.5000%	N/A	N/A	$50,000.00
4357081	Starr-20%or$15Mpo$75Mx$25M	Excess Earthquake	Starr Surplus Lines Insurance Company	Indication Only	N/A	$500,000.00	N/A	N/A	R-T Specialty, LLC	N/A	N/A	N/A	$500,000.00

Presentation Date: 4/30/2015
Disclosures

Currency: USD

Appendix

Disclosures

1. Aon Risk Services is an insurance producer licensed in your state. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction involves one or more of these activities. Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In placing, renewing, consulting on or servicing your insurance coverages, Aon Risk Services and its affiliates (\"Aon\") may participate in contingent commission arrangements with insurance companies that provide for additional contingent compensation, if, for example, certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Aon with the insurance company or the overall performance of the policies placed with that insurance company, not on an individual policy basis. As a result, Aon may be considered to have an incentive to place your insurance coverages with a particular insurance company. The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by contacting your Account Executive or emailing Aon Email Box. Where Aon participates in contingent commission arrangements with insurance companies, Aon may be entitled to additional commission in the range of 0 to 6% depending upon whether and when specified thresholds are achieved.

2. ARS receives premiums Clients pay for remittance to carriers, as well as refunds insurance companies pay for remittance to Clients, and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment income earned while such funds are on deposit pursuant to those laws and carrier agreements.

3. 3. Notwithstanding whether any commission amounts are shown in the Quoted ARS Commission column, ARS has national additional commission rates with some carriers for certain lines of business and/or for outsourced administrative services performed on the carrier's behalf. Where there is a National Additional Commission Rate shown, ARS expects to earn this commission rate on the premium amount quoted herein. Collecting this commission will not change in any way the Premium quoted above.

4. 4. When a carrier does not pay ARS an amount sufficient to cover the brokerage and administrative services performed by ARS on the carrier's behalf for the benefit of our clients, ARS may charge such fees to the client as ARS deems necessary and where permitted by applicable law.

5. 5. Total ARS Income equals the sum of the commission ARS will receive from the Carrier, including quoted and national additional commissions (as applicable), and the ARS fee, if any. Commission is calculated by multiplying the Premium amount by applicable commission rates.

Appendix

Disclosures Cont.

6. The Total Cost to Client is Premium (inclusive of all ARS commission) plus ARS Fee (if applicable). Total Cost to Client does not include applicable surplus lines taxes and fees and it does not include applicable state fees, surcharges, or taxes assessed on the policy.

7. 7. ARS performs various administrative functions related to the procurement of coverage, including, but not limited to, electronic policy filing and storage, expiration tracking, client data management, and administration. Where legally permitted to do so, ARS-US charges for its own account and collects from its clients, a $300 policy administrative charge per policy placed. In some countries where legally permitted to do so, ARS charges for its own account and collects administrative fees from its clients. Administrative fees are in addition to and not in lieu of any other service fees agreed to and paid to us by our clients and/or any commissions paid to us by insurers, and these administrative fees appear separately on the invoices we issue.

About Aon

Aon plc (NYSE:AON) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 66,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world's best broker, best insurance intermediary, reinsurance intermediary, captives manager and best employee benefits consulting firm by multiple industry sources. Visit www.aon.com for more information on Aon and www.aon.com/manchesterunited to learn about Aon's global partnership and shirt sponsorship with Manchester United.

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The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Empower Results®

Risk. Reinsurance. Human Resources.

Renewal Proposal

State of Tennessee Fine Arts Proposal

June 2, 2015

Edition Date: April 23, 2015

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Table of Contents

Executive Summary

Insured's Instruction to Bind

Current Program Review

Renewal Terms vs Expiring

Appendix

QDR
Quotes

This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in our Compensation Agreement or Engagement Letter.

Executive Summary

Aon Risk Services, Inc. of Washington DC is pleased to present our renewal proposal for the State of Tennessee's Fine Arts program. As was discussed during our February renewal strategy meeting, the State of Tennessee's Fine Arts program had not been marketed for a couple of years due to the incumbent's appropriate coverage and fair pricing. While ACE American has provided favorable terms over the past few years, Aon and the State agreed to reach out to the insurance market at large to help ensure the most attractive renewal pricing and coverage terms available was secured for the State. We agreed to approach Ironshore (replacing ACE American as the incumbent), AXA, Berkley and XL to seek pricing at no more than 3% over expiring. Last year the State of Tennessee opted to bind higher program limits with ACE American of $75 million. As the State is comfortable with this limit and $75 million is appropriate for the State's concentrations of total values at risk; we did not pursue any higher limit renewal options this year.

The incumbent carrier agreed to quote again this year. Ironshore has offered a number of favorable coverage terms such as their willingness to include the following expanded location definition "All locations owned, operated, or occupied by the State." Ironshore has also offered all other terms as expiring including the No Claims Bonus and no additional language restricting sublevel storage and/ or limits or excluding water damage, which is particularly positive considering the State's high claims frequency. While the claims have been relatively minor for the most part, with the exception of one, the State's loss ratio is currently at over 53%. Ironshore is concerned with the prevalence of risk and is worried that the high frequency of losses will continue. Thus, Ironshore has quoted a 5% increase over expiring of $1,906 (total premium of $39,906 including terrorism, over the 2014-2015 policy premium of $38,000). In order to reduce the claims frequency and help minimize or avoid further premium increases at future renewals it will be important to try and get a handle on the claim frequency in the coming year to prevent Ironshore from developing further concerns with the program.

Aon, through our fine arts specialty arm Huntington T. Block, also approached AXA, Travelers and XL in their marketing effort in the hopes of obtaining additional quotes that would be competitive with Ironshore's renewal terms. Unfortunately, none of these carriers were able to provide a competitive or viable quote. AXA did express initial interest in quoting the program this year; however, it became apparent that they would not be competitive with the current program. In addition to non-competitive pricing, AXA would have sought a $1,000 deductible for owned and loaned art due to the State's active claims history and would also require extensive additional information about sublevel storage due to the water loss protections in place. Both Travelers and XL were uncomfortable with the State's loss history and declined to provide a quote.

Insured's Acknowledgement and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated June 2, 2015 for State of Tennessee's Fine Arts coverage and provided in the attached Quote Disclosure Report (QDR) dated 5/19/2015. We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal.

_____

Date

_____

On Behalf of State of Tennessee

_____

Thank You

Current Program Review

Policy Period: July 1, 2014 – July 1, 2015

Current Fine Arts Program

Coverage Comparison

Renewal Quote vs. Expiring Coverage

State of Tennessee
Fine Arts Coverage Comparison

Limits	2014-2015 Policy	2015-2016 Renewal Quote
At the Insured's Premises	$75,000,000	$75,000,000
At any of Location	$25,000,000	$25,000,000
In transit on any one conveyance, Worldwide	$25,000,000	$25,000,000
Earthquake	Included	Included
In any one loss or disaster, either in case of partial or total loss, or salvage charges, or expenses, or all combined.	$75,000,000	$75,000,000
Deductible	$0	$0
Premium	$35,190	$36,950
Terrorism Premium	$2,810	$2,956
Total Premium	$38,000	$39,906

Appendix

- QDR
- Disclosures

Appendix
QDR

State of Tennessee

Fine Arts - Quote Disclosure Report

Program	Line of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium [2]	Quoted ARS Commission	Nationally Agreed Commission Rate [3]	Intermediary, if applicable	Intermediary ARS Fee Commission [4]	Total ARS Income [1,5,7]	Total Cost to Client (Premium + Fee) [6]
PolicyTerm: 07/01/2015 to 07/01/2016											
Fine Arts	Fine Arts	Ironshore	Quoted $75M	NA	$39,906	N/A	N/A	HTB	30%	N/A	N/A	$39.906
	Fine Arts	AXA	Declined to quote	Not Competitive	N/A	N/A	N/A	HTB	27.5%	N/A	N/A	N/A
	Fine Arts	Travelers	Declined to quote	Loss History	N/A	N/A	N/A	HTB	25%	N/A	N/A	N/A
	Fine Arts	XL	Declined to quote	Loss History and No Water Restrictions	N/A	N/A	N/A	HTB	27.5%	N/A	N/A	N/A
										5/19/2015	Currency: USD	

Appendix

Disclosures

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Disclosures Cont.

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About Aon

Aon plc (NYSE:AON) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 66,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world's best broker, best insurance intermediary, reinsurance intermediary, captives manager and best employee benefits consulting firm by multiple industry sources. Visit www.aon.com for more information on Aon and www.aon.com/manchesterunited to learn about Aon's global partnership and shirt sponsorship with Manchester United.

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Renewal Proposal

State of Tennessee Property Renewal Proposal

June 2, 2015

Edition Date: April 23, 2015

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Table of Contents

Executive Summary

Insured's Instruction to Bind

Renewal Terms vs Expiring

Appendix

QDR

This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in our Compensation Agreement or Engagement Letter.

Executive Summary

We are pleased to present our marketing results to the State of Tennessee for its Commercial Property and Boiler and Machinery Program. As discussed during our renewal strategy meeting we decided to maintain overall policy terms and conditions and strive to maintain AIG as core to the property placement.

Overall we are very pleased with the renewal terms we have secured from AIG. While the State's total property exposure increased by 6.2 percent AIG afforded a 3.5% rate decrease. This rate decrease is in addition to the AOP Deductible Annual Aggregate dropping from $10M to $7.5 million as per the conditions of the 2 year rate agreement. Thus, with all other coverages/ limits maintained as per expiring AIG has offered very competitive renewal terms.

Insured's Acknowledgement and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated 5/20/15 for State of Tennessee's Property coverage and provided in the attached Quote Disclosure Report (QDR) dated 4/30/2015. We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal. *[We also acknowledge that, in further consideration of the services provided by ARS in connection with the quoted coverage(s) that we have selected from the QDR, we agree to pay ARS supplemental fee(s) as set forth in the Supplemental Fee Agreement ("Agreement") included in this Proposal]*

_____

Date

_____

On Behalf of State of Tennessee

_____

Thank You

Quote Comparison

COVERAGE	LEXINGTON EXPIRING	LEXINGTON RENEWAL
Insured:	The State of Tennessee, including all its departments, agencies, institutions and divisions, including the University of Tennessee system and the Tennessee Board of Regents system, and other subsidiaries, and associated companies and/or corporations and the insured's interest in partnerships and joint ventures as now exist or may hereafter be constituted or acquired and any party in interest to which the insured is responsible to insure.	The State of Tennessee, including all its departments, agencies, institutions and divisions, including the University of Tennessee system and the Tennessee Board of Regents system, and other subsidiaries, and associated companies and/or corporations and the insured's interest in partnerships and joint ventures as now exist or may hereafter be constituted or acquired and any party in interest to which the insured is responsible to insure.
Term:	July 1, 2014 – July 1, 2015	July 1, 2015 – July 1, 2016
Territory:	United States, District of Columbia and Canada	United States, District of Columbia and Canada
Values:	19,362,348,300	$20,566,483,500 ***6.2% Increase***
Perils:	"All Risk" of physical loss or damage including flood, earthquake, including Boiler & Machinery Insurance as more fully stated in the policy form.	"All Risk" of physical loss or damage including flood, earthquake, including Boiler & Machinery Insurance as more fully stated in the policy form.
Valuation:	Property Damage – Replacement Cost Time Element – Actual Cash Value	Property Damage – Replacement Cost Time Element – Actual Cash Value
Limit of Liability: **Per Occurrence**	$750,000,000 EXCEPT;	$750,000,000 EXCEPT;
Flood (Aggregate)	$50,000,000	$50,000,000
Special Flood Hazard Areas (SFHA), areas of 100 Year Flooding (Aggregate)	$25,000,000	$25,000,000
Earth Movement (Aggregate)	$50,000,000	$50,000,000
New Madrid Quake Zones (Aggregate)	$25,000,000	$25,000,000

COVERAGE Cont.	LEXINGTON EXPIRING Cont.	LEXINGTON RENEWAL Cont.
Sub-limits:		
Defense Costs	$2,500,000	$2,500,000
Accounts Receivable	$25,000,000	$25,000,000
EDP- Data and Media - PD & TE Combined	$25,000,000	$25,000,000
Valuable Papers and Records	$25,000,000	$25,000,000
Contingent Time Element	$10,000,000	$10,000,000
Consequential Loss	$50,000,000	$50,000,000
Expediting Expense	$5,000,000	$5,000,000
Property in Transit	$1,000,000	$1,000,000
Civil or Military Authority	$25,000,000	$25,000,000
Ingress/Egress	$25,000,000	$25,000,000
Newly Acquired Property	$25,000,000	$25,000,000
Soft Costs	$1,000,000	$1,000,000
Debris Removal / Cost of Clean-up	$ 50,000,000 or 25% of loss, whichever is less	$ 50,000,000 or 25% of loss, whichever is less
Errors and Omissions	$10,000,000	$10,000,000
Rental Value/Rental Insurance	$1,000,000	$1,000,000
Pollutant Clean-up – Land and Water	$ 1,000,000 Annual Aggregate	$ 1,000,000 Annual Aggregate

COVERAGE Cont.	LEXINGTON EXPIRING Cont.	LEXINGTON RENEWAL Cont.
Decontamination Costs	$25,000,000	$25,000,000
Demolition and Increased Cost of Construction – PD & TE Combined	$50,000,000	$50,000,000
Business Interruption / Extra Expense	$100,000,000	$100,000,000
Service Interruption – PD & TE Combined	$25,000,000, including Transmission and Distribution Lines within 1,000 feet	$25,000,000, including Transmission and Distribution Lines within 1,000 feet
Property in the Course of Construction – PD & TE Combined, excluding Soft Costs	$25,000,000	$25,000,000
Evacuation Expense	$10,000,000	$10,000,000
Loss Adjustment Expense / Professional Fees	$1,000,000	$1,000,000
Fire Brigade and Extinguishing Expenses	$250,000	$250,000
Mold and Fungus Clean Up – Resultant Loss	$1,000,000	$1,000,000
Outdoor Statuary – Bicentennial Park	$26,654,200	$26,654,200
Radioactive Contamination	$25,000,000	$25,000,000
Terrorism	$250,000,000	$250,000,000
Communicable Disease Contamination	$5,000,000	$5,000,000
Exhibitions	$500,000	$500,000
Land Improvements	$1,000,000	$1,000,000

COVERAGE Cont.	LEXINGTON EXPIRING Cont.	LEXINGTON RENEWAL Cont.
Leasehold Interests	$1,000,000	$1,000,000
Miscellaneous Unnamed/Unscheduled Locations	$25,000,000	$25,000,000
Research and Development – Plants and Animals – PD Only	$5,000,000	$5,000,000
State Owned Mobile Equipment	Included	Included
Vehicles	Excluded	Excluded
Royalties	$10,000,000	$10,000,000
Deferred Payments	Included	Included
Loss of Attraction	$1,000,000	$1,000,000
Brands and Labels	Included	Included
Pairs or Sets	Included	Included
Property Removed from Insured Locations	Included	Included
Preservation of Property	Included	Included
Spoilage	Included	Included
Limited Pollution Coverage	Not Available	$1,000,000 Aggregate
Equipment Breakdown: Boiler & Machinery	$100,000,000	$100,000,000
- Extra Expense	$5,000,000	$5,000,000
- Service Interruption	$2,500,000	$2,500,000
- Demolition and Increased Cost of Construction	$1,000,000	$1,000,000
- Data Restoration	$500,000	$500,000

COVERAGE Cont.	LEXINGTON EXPIRING Cont.	LEXINGTON RENEWAL Cont.
- Expediting Expense - Hazardous Substances - Soft Costs - Newly Acquired Property – 180 Days - Perishable Goods / Spoilage - Mold/Fungus, Wet Rot, Dry Rot	$5,000,000 $1,000,000 $50,000 $5,000,000 $2,500,000 $100,000	$5,000,000 $1,000,000 $50,000 $5,000,000 $2,500,000 $100,000
Time Element Limits:	365 Days Extended Period of Indemnity 180 Days Automatic Coverage on Newly Acquired Property 60 Days Interruption by Civil or Military Authority, 1 Statute Mile 60 Days Loss of Ingress or Egress, 1 Statute Mile	365 Days Extended Period of Indemnity 180 Days Automatic Coverage on Newly Acquired Property 60 Days Interruption by Civil or Military Authority, 1 Statute Mile 60 Days Loss of Ingress or Egress, 1 Statute Mile
Deductible(s):	<u>Year 1</u> $25,000, per occurrence and $10,000,000 in the aggregate annually. Losses exceeding $25,000 contributes to the erosion of the annual aggregate retention. After exhaustion of the annual aggregate, a maintenance deductible of $25,000 per occurrence shall apply, **except:** $10,000,000 Per Occurrence as respect to the following perils: **Flood and Earthquake** (Does not contribute towards the erosion of the Annual Aggregate) As respects to Flood: A $50,000 Agency Flood Deductible applies except a $250,000 Agency deductible applies to Flood Zones A and V (does not contribute to the erosion of the annual aggregate)	$25,000 Per Occurrence and $7,500,000 in the Aggregate Annually. Losses exceeding $25,000 per occurrence contributes to the erosion of the Annual Aggregate Retention. After exhaustion of the Annual Aggregate, a Maintenance Deductible of $25,000 Per Occurrence shall apply. $10,000,000 Per Occurrence applies as respects to the perils of Flood and Earthquake (does not contribute to the erosion of the annual aggregate). As respects to Flood: A $50,000 Agency Flood Deductible applies except a $250,000 Agency deductible applies to Flood Zones A and V (does not contribute to the erosion of the annual aggregate) As respects to Earthquake: A $25,000 Agency Earthquake Deductible applies except a $50,000 Agency deductible applies to New Madrid Earthquake Zones (does not contribute to the erosion of the annual aggregate)

COVERAGE Cont.	LEXINGTON EXPIRING Cont.	LEXINGTON RENEWAL Cont.
Deductibles	As respects to Earthquake: A $25,000 Agency Earthquake Deductible applies except a $50,000 Agency deductible applies to New Madrid Earthquake Zones (does not contribute to the erosion of the annual aggregate) Year 2 (If TN meets the conditions of the rate agreement in year one)-See Page 14 of Quote $25,000 Per Occurrence and $7,500,000 in the Aggregate Annually. Losses exceeding $25,000 per occurrence contributes to the erosion of the Annual Aggregate Retention. After exhaustion of the Annual Aggregate, a Maintenance Deductible of $25,000 Per Occurrence shall apply. $10,000,000 Per Occurrence applies as respects to the perils of Flood and Earthquake (does not contribute to the erosion of the annual aggregate). As respects to Flood: A $50,000 Agency Flood Deductible applies except a $250,000 Agency deductible applies to Flood Zones A and V (does not contribute to the erosion of the annual aggregate) As respects to Earthquake: A $25,000 Agency Earthquake Deductible applies except a $50,000 Agency deductible applies to New Madrid Earthquake Zones (does not contribute to the erosion of the annual aggregate) 48 Hour Waiting Period – Service Interruption, Civil or Military Authority, Ingress/Egress Equipment Breakdown: Boiler & Machinery - $10,000 per occurrence, Direct Damage - 24 Hours per occurrence, Indirect Damage - 10% of Loss, $10,000 Minimum, per occurrence for Spoilage - 2 Days per occurrence for Soft Costs - 24 Hour Waiting Period, Service Interruption - $125,000 per occurrence, Gas Turbine Generator - Aggregate deductible does not apply to Equipment Breakdown	48 Hour Waiting Period – Service Interruption, Civil or Military Authority, Ingress/Egress Equipment Breakdown: Boiler & Machinery - $10,000 per occurrence, Direct Damage - 24 Hours per occurrence, Indirect Damage - 10% of Loss, $10,000 Minimum, per occurrence for Spoilage - 2 Days per occurrence for Soft Costs - 24 Hour Waiting Period, Service Interruption - $125,000 per occurrence, Gas Turbine Generator - Aggregate deductible does not apply to Equipment Breakdown

COVERAGE Cont.	LEXINGTON EXPIRING Cont.	LEXINGTON RENEWAL Cont.
Special Conditions	· Occurrence Limit of Liability 2(b) Deleted upon receipt of signed SOV · Mold/Fungus Exclusion · Pollution, Contamination, Debris Removal Exclusion · 25% Minimum Earned Premium · ALL VEHICLES ARE EXCLUDED FROM COVERAGE · Economic Sanctions Endorsement · 2 Year Guaranteed Policy Rate (Unless Loss Ratio is greater than 30%) · Conditional Total Terrorism Exclusion Endorsement (Upon Termination of TRIA) · Vacant/Closed/Unoccupied Locations: The coverage is provided for closed/vacant/unoccupied locations with the following required provisions: Same degree of active fire protection (sprinklers, fire alarms, smoke alarms) and watchman/guard service is maintained as existed before the time of the discontinuance of normal operations.	· Occurrence Limit of Liability 2(b) Deleted upon receipt of signed SOV · Mold/Fungus Exclusion · Pollution, Contamination, Debris Removal Exclusion · 25% Minimum Earned Premium · ALL VEHICLES ARE EXCLUDED FROM COVERAGE · Economic Sanctions Endorsement · Vacant/Closed/Unoccupied Locations: The coverage is provided for closed/vacant/unoccupied locations with the following required provisions: Same degree of active fire protection (sprinklers, fire alarms, smoke alarms) and watchman/guard service is maintained as existed before the time of the discontinuance of normal operations.
Rate (Not Incl. Terror/Engineering):	0.0244	.0236 (**3.5% Rate Decrease)**
Annual Premium: (subject to 25% minimum earned)	<u>Year 1</u> $ 4,729,251 Including Boiler $ 140,740 Terrorism $ 4, 869,991 $ 26,750 Engineering Fee $ 26,550 Appraisal Fee <u>Year 2</u> Premium and Rate will remain the same (subject to conditions of the 2 year rate agreement as attached on the quote)	$ 4,850,000 Including Boiler $ 150,000 Terrorism $5,000,000 $ 39,000 Engineering + Appraisal Fee

COVERAGE Cont.	LEXINGTON EXPIRING Cont.	LEXINGTON RENEWAL Cont.
Surplus Lines Taxes & Fees	Apply, Not included in above premium	Apply, Not included in above premium
AM Best Rating	A p XV	A p XV

Appendix

- QDR
- Disclosures

Appendix
QDR

State of Tennessee

Quote Disclosure Report

Trade ID	Program	Line Of Business	Carrier	Carrier Response	Carrier Declination Reason	Premium [2]	Quoted ARS Commission	National Additional Commission Rate [3]	Intermediary, if applicable	Intermediary Commission	ARS Fee [4]	Total ARS Income [1,5,7]	Total Cost to Client (Premium +Fee) [6]
Policy Term: July 01, 2015 to July 01, 2016													
4380422	TN Property	Commercial Property Coverage	CNA Insurance Co Ltd	Declined	No Response by Carrier	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4299953	TN Property	Commercial Property Coverage	Lexington Insurance Company	Quoted	N/A	$5,000,000.00	N/A	N/A	N/A	N/A	N/A	N/A	$5,000,000.00
4380424	TN Property	Commercial Property Coverage	QBE Insurance Corporation	Declined	Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4380420	TN Property	Commercial Property Coverage	The Travelers Indemnity Co of America	Declined	No Response by Carrier	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4380421	TN Property	Commercial Property Coverage	Underwriters At Lloyds London	Declined	Pricing	N/A	N/A	N/A	AON UK LIMITED LONDON	N/A	N/A	N/A	N/A
4380425	TN Property	Commercial Property Coverage	Westport Insurance Corporation	Declined	No Response by Carrier	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4380423	TN Property	Commercial Property Coverage	XL Insurance America Inc	Declined	No Response by Carrier	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4380405	TN Property	Commercial Property Coverage	Zurich American Ins Co	Declined	Underwriting concerns	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Currency: USD

Appendix

Disclosures

1. Aon Risk Services is an insurance producer licensed in your state. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction involves one or more of these activities. Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In placing, renewing, consulting on or servicing your insurance coverages, Aon Risk Services and its affiliates (\"Aon\") may participate in contingent commission arrangements with insurance companies that provide for additional contingent compensation, if, for example, certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Aon with the insurance company or the overall performance of the policies placed with that insurance company, not on an individual policy basis. As a result, Aon may be considered to have an incentive to place your insurance coverages with a particular insurance company. The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by contacting your Account Executive or emailing Aon Email Box. Where Aon participates in contingent commission arrangements with insurance companies, Aon may be entitled to additional commission in the range of 0 to 6% depending upon whether and when specified thresholds are achieved.

2. ARS receives premiums Clients pay for remittance to carriers, as well as refunds insurance companies pay for remittance to Clients, and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment income earned while such funds are on deposit pursuant to those laws and carrier agreements.

3. 3. Notwithstanding whether any commission amounts are shown in the Quoted ARS Commission column, ARS has national additional commission rates with some carriers for certain lines of business and/or for outsourced administrative services performed on the carrier's behalf. Where there is a National Additional Commission Rate shown, ARS expects to earn this commission rate on the premium amount quoted herein. Collecting this commission will not change in any way the Premium quoted above.

4. 4. When a carrier does not pay ARS an amount sufficient to cover the brokerage and administrative services performed by ARS on the carrier's behalf for the benefit of our clients, ARS may charge such fees to the client as ARS deems necessary and where permitted by applicable law.

5. 5. Total ARS Income equals the sum of the commission ARS will receive from the Carrier, including quoted and national additional commissions (as applicable), and the ARS fee, if any. Commission is calculated by multiplying the Premium amount by applicable commission rates.

Appendix

Disclosures Cont.

6. The Total Cost to Client is Premium (inclusive of all ARS commission) plus ARS Fee (if applicable). Total Cost to Client does not include applicable surplus lines taxes and fees and it does not include applicable state fees, surcharges, or taxes assessed on the policy.

7. 7. ARS performs various administrative functions related to the procurement of coverage, including, but not limited to, electronic policy filing and storage, expiration tracking, client data management, and administration. Where legally permitted to do so, ARS-US charges for its own account and collects from its clients, a $300 policy administrative charge per policy placed. In some countries where legally permitted to do so, ARS charges for its own account and collects administrative fees from its clients. Administrative fees are in addition to and not in lieu of any other service fees agreed to and paid to us by our clients and/or any commissions paid to us by insurers, and these administrative fees appear separately on the invoices we issue.

About Aon

Aon plc (NYSE:AON) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 66,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world's best broker, best insurance intermediary, reinsurance intermediary, captives manager and best employee benefits consulting firm by multiple industry sources. Visit www.aon.com for more information on Aon and www.aon.com/manchesterunited to learn about Aon's global partnership and shirt sponsorship with Manchester United.

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