TRAVELERS

Wrap+®
for Governmental Plans

Anthony Hoffman
385 Washington St.
SB-02U Central Underwriting Facility
ST. PAUL, MN 55102
Phone: (651) 310-2851
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June 19, 2018

ERIK JOHNSON
AMP INSURANCE
920 PEBBLE LAKE RD

RE: **Benefit Plan:** PELICAN RAPIDS SCHOOL DISTRICT 548 OPEB PLAN
PO BOX 642
PELICAN RAPIDS, MN 565720642

Insurance Representative: TBD
123 street
PELICAN RAPIDS, MN 56572

Expiring Policy Number: N/A

Policy Period: June 19, 2018 to June 19, 2019

Dear ERIK JOHNSON:

On behalf of **Travelers Casualty and Surety Company of America** we are pleased to provide the attached proposal of insurance for your review.

The quotes contained in this document are valid for 30 days, and are subject to the provision of, and Travelers' review and acceptance of, the required underwriting information noted in the Contingencies section. Travelers reserves the right to change the quotes in this document, or to refuse to bind coverage entirely, based on review of the required underwriting information or based on adverse change in the risk(s) to be insured prior to the quote expiration date noted in this document.

Travelers is pleased to offer Risk Management PLUS+ Online®, the industry's most comprehensive program for mitigating your management liability exposures, which is available to you at no additional cost. Please visit **www.rmplusonline.com** to view the services that are available. If you have additional questions about the site please contact your Underwriter.

Travelers Casualty and Surety Company of America, a subsidiary of The Travelers Companies, Inc., has consistently earned high ratings for financial strength and claims-paying ability from independent rating services, including a current A.M. Best rating of A++*. Founded in 1853, The Travelers Companies, Inc. is a Fortune 500 company, a component of the Dow Jones Industrial Average, and a leading provider of property casualty insurance for businesses.

Thank you for considering Travelers for your client's insurance coverages. We look forward to discussing this opportunity with you.

Sincerely,

Anthony Hoffman
Travelers Bond & Specialty Insurance

*A.M. Best's rating of A++ applies to Travelers Casualty and Surety Company of America as well as to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of May 2014, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.ambest.com.

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Travelers Casualty and Surety Company of America
QUOTE OPTION #1

LIABILITY COVERAGES:

Coverage	Limit	Additional Defense Limit	Retention	Continuity Date	Prior & Pending Proceeding Date
Designated Benefit Plan Fiduciary Liability	$250,000 for all Claims	N/A	$0(A) for each **Claim** under Insuring Agreement A	Inception	Inception

TOTAL ANNUAL PREMIUM - $599.00

(Other term options listed below, if available)

COVERAGE DETAILS:

Settlement Program Limit of Liability:	$250,000 for each **Settlement Program Notice**, which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability
HIPAA Limit of Liability:	$250,000 which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability
502(c) Penalties Limit of Liability:	$250,000 which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability

EXTENDED REPORTING PERIOD AND RUN-OFF:

Extended Reporting Period for Liability Coverages:

Additional Premium Percentage:	75%
Additional Months:	12

Run-Off Extended Reporting Period for Liability Coverages:

Additional Premium Percentage:	N/A
Additional Months:	N/A

CLAIM DEFENSE FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES AND/OR CYBER COVERAGE:

Duty to Defend

ANNUAL REINSTATEMENT:

Liability Coverage Limit of Liability: N/A

PREMIUM DETAIL:

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	$599.00	$0.00	$0.00	$599.00	$599.00

POLICY FORMS APPLICABLE TO QUOTE OPTION # 1:

DBP-15001-1112	Designated Benefit Plan Fiduciary Liability Coverage Declarations
DBP-16001-1112	Designated Benefit Plan Fiduciary Liability Coverage

ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 1:

AFE-19004-0115	Cap on Losses From Certified Acts of Terrorism Endorsement
AFE-19008-0115	Federal Terrorism Risk Insurance Act Disclosure
DBP-17025-1112	Minnesota Changes Endorsement

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DBP-19001-1112	Designation of Insurance Representative Endorsement
DBP-19003-1112	Governmental Plan Endorsement
DBP-19083-0315	Global Coverage Compliance Endorsement

CONTINGENCIES APPLICABLE TO QUOTE OPTION # 1:

This quote is contingent on the acceptable underwriting review of the following information prior to the quote expiration date.

1 Please advise on the insurance representative, the individual designated by the Applicant to act as the exclusive contact with this insurance, including paying premiums & the giving or receiving of cancellation, nonrenewal, or change of coverage notices.
2 Please have the app signed and dated by Trustee or Fiduciary.

COMMISSION: 12.50%

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Travelers Casualty and Surety Company of America
QUOTE OPTION #2

LIABILITY COVERAGES:

Coverage	Limit	Additional Defense Limit	Retention	Continuity Date	Prior & Pending Proceeding Date
Designated Benefit Plan Fiduciary Liability	$1,000,000 for all Claims	N/A	$0(A) for each **Claim** under Insuring Agreement A	Inception	Inception

TOTAL ANNUAL PREMIUM - $1,013.00

(Other term options listed below, if available)

COVERAGE DETAILS:

Settlement Program Limit of Liability:	$250,000 for each **Settlement Program Notice**, which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability
HIPAA Limit of Liability:	$250,000 which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability
502(c) Penalties Limit of Liability:	$250,000 which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability

EXTENDED REPORTING PERIOD AND RUN-OFF:

Extended Reporting Period for Liability Coverages:

Additional Premium Percentage:	75%
Additional Months:	12

Run-Off Extended Reporting Period for Liability Coverages:

Additional Premium Percentage:	N/A
Additional Months:	N/A

CLAIM DEFENSE FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES AND/OR CYBER COVERAGE:

Duty to Defend

ANNUAL REINSTATEMENT:

Liability Coverage Limit of Liability: N/A

PREMIUM DETAIL:

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	$1,013.00	$0.00	$0.00	$1,013.00	$1,013.00

POLICY FORMS APPLICABLE TO QUOTE OPTION # 2:

DBP-15001-1112	Designated Benefit Plan Fiduciary Liability Coverage Declarations
DBP-16001-1112	Designated Benefit Plan Fiduciary Liability Coverage

ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 2:

AFE-19004-0115	Cap on Losses From Certified Acts of Terrorism Endorsement
AFE-19008-0115	Federal Terrorism Risk Insurance Act Disclosure
DBP-17025-1112	Minnesota Changes Endorsement

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DBP-19001-1112	Designation of Insurance Representative Endorsement
DBP-19003-1112	Governmental Plan Endorsement
DBP-19083-0315	Global Coverage Compliance Endorsement

CONTINGENCIES APPLICABLE TO QUOTE OPTION # 2:

This quote is contingent on the acceptable underwriting review of the following information prior to the quote expiration date.

1 Please advise on the insurance representative, the individual designated by the Applicant to act as the exclusive contact with this insurance, including paying premiums & the giving or receiving of cancellation, nonrenewal, or change of coverage notices.
2 Please have the app signed and dated by Trustee or Fiduciary.

COMMISSION: 12.50%

QUOTE NOTES:

NOTICES:

It is the agent's or broker's responsibility to comply with any applicable laws regarding disclosure to the policyholder of commission or other compensation we pay, if any, in connection with this policy or program.

Important Notice Regarding Compensation Disclosure
For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

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

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

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

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds $100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed $100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.
For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for the terrorism coverage required by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall

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premium.

Coverage Disclaimer:
THIS QUOTE DOES NOT AMEND, OR OTHERWISE AFFECT, THE PROVISIONS OR COVERAGE OF ANY RESULTING INSURANCE POLICY ISSUED BY TRAVELERS. IT IS NOT A REPRESENTATION THAT COVERAGE DOES OR DOES NOT EXIST FOR ANY PARTICULAR CLAIM OR LOSS UNDER ANY SUCH POLICY. COVERAGE DEPENDS ON THE APPLICABLE PROVISIONS OF THE ACTUAL POLICY ISSUED, THE FACTS AND CIRCUMSTANCES INVOLVED IN THE CLAIM OR LOSS AND ANY APPLICABLE LAW.

THE PRECEDING OUTLINES THE COVERAGE FORMS, LIMITS OF INSURANCE, POLICY ENDORSEMENTS AND OTHER TERMS AND CONDITIONS PROVIDED IN THIS QUOTE. ANY POLICY COVERAGES, LIMITS OF INSURANCE, POLICY ENDORSEMENTS, COVERAGE SPECIFICATIONS, OR OTHER TERMS AND CONDITIONS THAT YOU HAVE REQUESTED THAT ARE NOT INCLUDED IN THIS QUOTE HAVE NOT BEEN AGREED TO BY TRAVELERS. PLEASE REVIEW THIS QUOTE CAREFULLY AND IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR TRAVELERS REPRESENTATIVE.

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TRAVELERS

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Designated Benefit Plan
Fiduciary Liability Coverage
Renewal Information Request

Travelers Casualty and Surety Company of America

NOTICE

THE LIABILITY COVERAGE FOR WHICH APPLICATION IS MADE APPLIES, SUBJECT TO ITS TERMS, ONLY TO CLAIMS FIRST MADE OR DEEMED MADE AGAINST INSUREDS DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSSES WILL BE REDUCED BY THE AMOUNTS INCURRED AS DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION AMOUNT. THE COMPANY HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY–TO-DEFEND COVERAGE IS SPECIFICALLY PROVIDED.

Answer each question on behalf of all entities seeking insurance coverage, unless specifically requested otherwise.

An Additional Information section is provided at the end of this document for any information that exceeds the space provided.

GENERAL INFORMATION

The term **Applicant** means all plans, trusts, organizations or other entities proposed for this insurance.

Name of **Applicant**:		Today's Date:
Independent School District 548		6/18/2018
Street Address:		
310 S Broadway		
Renewal Effective Date *(mm/dd/yyyy:)*	Renewal Expiration Date *(mm/dd/yyyy):*	Expiring Policy Number

Information for Insurance Representative (the individual or entity designated by the **Applicant** to act as the **Applicant's** exclusive agent with respect to this insurance, including paying premiums and the giving or receiving of notices of cancellation, nonrenewal, or change of coverage):

Name of Insurance Representative:	
Street Address:	City, State, ZIP Code:

REQUIRED ATTACHMENTS

As part of this application, please submit the following documents (*these documents, and the representations and facts they contain, are made a part of this application, whether such documents are physically delivered to the Company by the **Applicant** or are obtained by the Company from any public source, including the Internet*):

- ☐ Financial statements for all trusts or plans
- ☐ Most recent 5500 of all ERISA plans
- ☐ Schedule of trust and plan trustees
- ☒ Sponsor financial statement if the **Applicant** is a multiple employer, government, or quasi-governmental plan

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TRUST/PLAN INFORMATION

1. Designated Benefit Plan Fiduciary Liability Coverage premium to be paid by trust or plan for which coverage is requested: ..... ☐ Yes ☒ No

2. Complete the chart for all trusts or plans for which coverage is requested:

Full Trust or Plan Name	**Type*	*Current Asset Value*	*Latest FYE Annual Contributions*	*Current # of Participants*	***Status*
OPEB Trust	O	$ 430,664	$ 04		A
		$	$		
		$	$		
		$	$		
		$	$		

* Types: Defined Benefit (DB) Defined Contributions (DC) Welfare Benefit Plan (W) Other (O) – Attach Explanation

** Status: Active (A) Frozen (F) Terminated (T) (If any trust or plan has been terminated, indicate date of transaction)

List any additional trusts or plans in the Additional Information section at the end of this document.

3. Please provide name of firm(s) providing the following services:

CPA	*Attorney*	*Actuary*	*Investment Advisor*
Eide Bailley	Rupp, Anderson, Squires PA	Hildi, Inc	PFM

4. Has the **Applicant** changed outside auditors in the last 12 months? ..... ☐ N/A ☐ Yes ☒ No
If yes, use the Additional Information section for explanation.

UNDERWRITING INFORMATION

5. Does any trust or plan not conform to the standards of eligibility, participation, vesting, blackout notification requirements or other provisions of ERISA or any similar or related federal, state, local, or foreign law or regulation governing employee benefits? ..... ☐ Yes ☐ No
If yes, use the Additional Information section for explanation.

6. Has any trust or plan:
   (a) been the subject of an investigation by the DOL, IRS, or any similar state agency;
   (b) had its tax exempt status withdrawn or threatened to be withdrawn by the IRS;
   (c) filed for an exemption from a prohibited transaction; or
   (d) received an adverse opinion as to its financial condition by an independent public accountant? ..... ☐ Yes ☒ No
   If yes, use the Additional Information section for explanation.

7. If any trust or plan is a defined benefit trust or plan, has such trust or plan:
   (a) experienced an event reportable to the PBGC;
   (b) not been certified by an actuary to be adequately funded in accordance with the minimum funding standard of ERISA or any similar or related federal, state, local, or foreign law or regulation governing employee benefits; or
   (c) been converted into a cash balance plan or is any such conversion expected in the next 12 months?
   If there are no defined benefit trusts or plans, please check "N/A" ..... ☐ N/A ☐ Yes ☒ No
   If yes, use the Additional Information section for explanation.

8. Has any trust or plan:
   (a) been amended within the last 12 months in a way that will result in the reduction of benefits or are any such amendments anticipated within the next 12 months; or

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(b) been merged with another trust or plan or terminated within the past 2 years, or is any such merger or termination anticipated in the next 12 months? ..... ☐ Yes ☒ No

If yes, use the Additional Information section at the end of this document for explanation detailing the implementation, disclosure and any relevant blackout periods.

9. Are there any outstanding or delinquent trust or plan contributions or trust or plan loans, leases or debt obligations that are in default or classified as uncollectible? ..... ☐ Yes ☒ No

If yes, use the Additional Information section for explanation.

INSURANCE TERMS INFORMATION

11. Do you desire any changes to the expiring policy limit or retention? ..... ☐ Yes ☒ No

If yes, please indicate the desired changes in the table below:

Expiring Limit (A)	*Requested Limit (B)*	*Expiring Retention (C)*	*Requested Retention (D)*
$	$	$	$

Do not answer the next question unless the Requested Limit in Column (B) exceeds the Expiring Limit in Column (A).

12. Solely with respect to the higher limits requested or that may ultimately be issued for the proposed renewal, is the **Applicant** or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim against them under the Designated Benefit Plan Fiduciary Liability Coverage? ..... ☐ Yes ☐ No

If yes, use the Additional Information section at the end of this document for explanation.

*Solely with respect to any portion of the Limit for this proposed Designated Benefit Plan Fiduciary Liability Coverage that exceeds the amount of the Expiring Limit for this Designated Benefit Plan Fiduciary Liability Coverage in the expiring policy, the proposed insurance will not afford coverage for any claim arising from any fact, circumstance, situation, event or act about which any natural person officer, including any executive director or functional equivalent thereof; member of the board of trustees; in-house risk manager; or in-house general counsel of the **Applicant** had knowledge prior to the issuance of the proposed policy, nor for any person or entity who knew of such fact, circumstance, situation, event or act prior to the issuance of the proposed policy.*

Important Notice Regarding Compensation Disclosure

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

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

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

This application, including any material submitted in conjunction with the application or any renewal, does not amend the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

FRAUD STATEMENTS – Attention Applicants in the Following Jurisdictions:

ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, MARYLAND, NEW MEXICO, AND RHODE ISLAND: Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

COLORADO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard

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to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

FLORIDA: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

KENTUCKY, NEW JERSEY, NEW YORK, OHIO, AND PENNSYLVANIA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. (In New York, the civil penalty is not to exceed five thousand dollars ($5,000) and the stated value of the claim for each such violation.)

LOUISIANA, MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

OREGON: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

PUERTO RICO: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years; if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

SIGNATURES

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE (TRUSTEE OR FIDUCIARY) OF THE APPLICANT DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS SET FORTH IN THE ATTACHED TRAVELERS NEW BUSINESS OR RENEWAL APPLICATION FOR INSURANCE ARE TRUE AND COMPLETE AND MAY BE RELIED UPON BY TRAVELERS. IF THE INFORMATION IN ANY APPLICATION CHANGES PRIOR TO THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION. THE COMPANY IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS APPLICATION.

THE SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO PURCHASE, THE INSURANCE. IT IS AGREED THAT THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, SHALL BE THE BASIS OF THE INSURANCE AND SHALL BE, IN ALL STATES OTHER THAN NC AND UT, CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY, IF ISSUED. THE COMPANY WILL HAVE RELIED UPON THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, IN ISSUING THE POLICY.

ELECTRONICALLY REPRODUCED SIGNATURES WILL BE TREATED AS ORIGINAL.

PRODUCER INFORMATION (ONLY REQUIRED IN FLORIDA, IOWA, AND NEW HAMPSHIRE

Signature* of **Applicant's** Authorized Representative: (Trustee or Fiduciary) **X**	Authorized Representative Name - Printed:	Date:
Producer Signature*: **X**Erik A. Johnson	State Producer License No. (required in FL): 20195632	Date:
Agency: AMP Insurance	Agency Code: OZX626	Agency Phone Number: 2187393316

* If you are electronically submitting this document, apply your electronic signature to this form by checking the Electronic Signature and Acceptance box below. By doing so, you agree that your use of a key pad, mouse, or other device to check the Electronic Signature and Acceptance box constitutes your signature, acceptance, and agreement as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.

☐ Electronic Signature and Acceptance – Authorized Representative

☒ Electronic Signature and Acceptance – Producer

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ADDITIONAL INFORMATION

This area may be used to provide additional information to any question. Please reference the question number.

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TRAVELERS

Travelers Designated Benefit Plan Fiduciary Liability Coverage for Governmental Plans

COVERAGE HIGHLIGHTS

Fiduciaries be aware – your personal assets are at risk. If you are a trustee or you're involved in any way in the management or administration of a government-sponsored retirement or health plan, then you are likely considered a "fiduciary" and can be held personally liable for breaches of fiduciary duty and other acts, as well as errors and omissions that harm the plan's participants. Fiduciaries and administrators of governmental employee benefit plans are not subject to the Employee Retirement Income Security Act of 1974 (ERISA), but they can still be held liable under state laws, including the common law of trusts and specific statutes governing the conduct of public employee benefit plan trustees.

While state laws vary, fiduciaries are generally obligated to exercise the following duties:

- **Duty of loyalty –** Fiduciaries must carry out their duties with respect to a benefit plan solely in the interest of its participants.
- **Duty of prudence –** Fiduciaries must act with the care, skill and diligence that a prudent person would exercise in a similar situation.

The failure to carry out these duties can result in a claim by a plan participant. Defending a claim, even if it is without merit, is expensive and time consuming. According to the latest Tillinghast Survey*, the average cost of paid claims was $994,000, with an average reported defense cost of approximately $365,000.

Fiduciaries in some jurisdictions have argued they cannot be sued because of governmental immunity, but plaintiffs can oftentimes overcome this hurdle by alleging gross negligence. Travelers Designated Benefit Plan Fiduciary Liability policy covers your specified benefit plans and protects its fiduciaries from costly litigation.

*Tillinghast Fiduciary Liability Survey Report

Get the right coverage

Travelers Designated Benefit Plan Fiduciary Liability Coverage is specifically designed to cover defense costs and liability of fiduciaries and protect government plans from costly litigation.

Claim scenarios

Benefits misclassification - $1 million

A suit was filed by plaintiffs asserting that they were eligible to participate in the insured's sponsored employee benefit plans. The plaintiffs, who were landscapers, were hired as independent contractors during the summer, spring and fall seasons, but argued that under the terms of the plan, they met eligibility requirements. The plaintiffs sought retroactive benefits, including matching contributions in the retirement plan, and earnings on those contributions. The court granted summary judgment to the insured. However, Travelers paid more than $1 million in defense costs on behalf of the insured.

Failure to pay - $250,000

A Northeastern city's life insurance plan failed to submit the requisite forms for an employee's life insurance policy, but continued to deduct the premium from the employee's paycheck. When the employee died, the life insurer denied the claim. The employee's heirs sued the plan fiduciary and Travelers paid $250,000 on behalf of its insureds to resolve the claim.

Risk management service included at no additional cost

As part of your coverage, membership is included to *Risk Management Plus+ Online*℠, an online resource that provides a useful set of tools to help protect your organization from costly litigation. To learn more visit rmplusonline.com.

Why Travelers

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries.
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability.
- With offices nationwide, we possess national strength and local presence.
- Our dedicated underwriters and claim professionals offer extensive industry and product knowledge.

Travelers knows Fiduciary Liability Coverage.

To learn more, talk to your independent agent or broker or visit travelersbond.com.

TRAVELERS

Available through the *Wrap+*® suite of products.

travelersbond.com

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

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