

RESOLUTION NO. _____

A RESOLUTION APPROVING PAYMENT TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC. FOR RENEWAL OF PROPERTY, EQUIPMENT, AND FLEET INSURANCE FOR 2014 FOR AN ANNUAL PREMIUM OF THREE HUNDRED TWENTY-SIX THOUSAND FIVE HUNDRED THIRTY-THREE AND 75/100 DOLLARS (\$326,533.75).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby approving payment to Arthur J. Gallagher Risk Management Service, LLC for renewal of property, equipment, and fleet insurance for 2014 for an annual premium of \$326,533.75.

ADOPTED: _____, 2014

/mms

City of Chattanooga



Resolution/Ordinance Request Form

Date Prepared: January 2, 2014

Preparer: Cary Bohannon

Department: General Services

Brief Description of Purpose for Resolution/Ordinance: Res./Ord. # _____ Council District # _____

A RESOLUTION AUTHORIZING PAYMENT TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC. FOR RENEWAL OF PROPERTY, EQUIPMENT AND FLEET INSURANCE FOR 2014 FOR AN ANNUAL PREMIUM OF THREE HUNDRED TWENTY SIX THOUSAND FIVE HUNDRED THIRTY THREE AND 75/100 DOLLARS (\$326,533.75).

Name of Vendor/Contractor/Grant, etc.	<u>Arthur J. Gallagher</u>	New Contract/Project? (Yes or No)	<u>NO</u>
Total project cost \$	<u>326,533.75</u>	Funds Budgeted? (YES or NO)	<u>YES</u>
Total City of Chattanooga Portion \$	<u>326,533.75</u>	Provide Fund	<u>1100</u>
City Amount Funded \$	<u>326,533.75</u>	Provide Cost Center	<u>D00301</u>
New City Funding Required \$	_____	Proposed Funding Source if not budgeted	_____
City's Match Percentage %	_____	Grant Period (if applicable)	_____

List all other funding sources and amount for each contributor.

Amount(s)	Grantor(s)
\$ _____	_____
\$ _____	_____
\$ _____	_____

Agency Grant Number _____

CFDA Number if known _____

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

Approved by: 

DESIGNATED OFFICIAL/ADMINISTRATOR

Reviewed by: FINANCE OFFICE

Please submit completed form to @budget, City Attorney and City Finance Officer

Revised: 1/26/09



Arthur J. Gallagher Risk Management Services, Inc.

200 S. Orange Avenue
Orlando, FL 32801

ALBMA1

Phone: (407)370-2320

Fax: (407)370-3057

Invoice # 765417	Page 1 of 1
Account Number	Date
CHATTAN-01	1/2/2014
BALANCE DUE ON	
1/13/2014	
AMOUNT PAID	Amount Due
	\$45,207.75

City of Chattanooga
Gail Hart
Dept of General Services/Real Property Div
274 E. 10th Street
Chattanooga, TN 37402

Difference in Conditions PolicyNumber: HCS100681

Company: Hudson Specialty Insurance Company

Effective: 1/13/2014 to 1/13/2015

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
3744820	1/13/2014	1/13/2014	RENB	Hudson Renewal Premium	\$38,555.00
3744831	1/13/2014	1/13/2014	TERR	Terrorism Charge	\$4,500.00
3744837	1/13/2014	1/13/2014	SLTX	Surplus Lines Taxes	\$2,152.75
Total Invoice Balance:					\$45,207.75

2014 Hudson DIC Renewal Program

Please include invoice number with your remittance to expedite processing.

Please send your remittance to:

Arthur J. Gallagher Risk Management Services, Inc.
PO Box 532143
Atlanta, GA 30353



\$ 25,000 Professional Fees
\$ 25,000 Claims Preparation
30 Days Extended Period of Indemnity
30 Days Ordinary Payroll Expense

No step down/drop down over any limits/sublimits contained in the primary or underlying layers except for the aggregated perils of Earthquake and Flood.

DEDUCTIBLES: Per Axis Primary Policy, as expiry.

TOTAL INSURED VALUES: \$512,564,009 100% Property Damage, 100% Time Element values as required to be reported by the Insured and on file with the company.

TERRITORY: United States

VALUATION: Per Axis Primary Policy, as expiry

FORM AND ENDORSEMENTS:

Hudson Excess Following Form
HUD CWP 3076 02 12 Limited Exclusion for Certified Acts of Terrorism
HUD CWP 4126 01 12 NCB Exclusion Endt - June 11 2008 Revision NB V003
HUD CWP 6011 02 12 Seepage Pollution Contamination DIC and Named Perils
HUD CWP 6006 02 12 Mold Exclusion - Absolute
HUD CWP 6004 02 12 Electronic Data (Cyber) End DIC - A Limited
HUD CWP 4102 02 12 Joint Loss Adjustment Agreement Endorsement
HUD CWP 8020 02 12 Hudson Version Boiler Exclusion ENDORSEMENT
HUD CWP 6007 02 12 Municipal Land Exclusion
SS-TN Service of Suit Tennessee
HUD AA 0013 02 12 Hudson TN Exempt Policy Holder Disclosure
125% Margin Clause

COMMISSION: 15.00%



ADDITIONAL
CONDITIONS:

3% annual premium swing clause to apply.
Quarter reporting to apply.



Arthur J. Gallagher Risk Management Services, Inc.

200 S. Orange Avenue
Orlando, FL 32801

ALBMA1

Phone: (407)370-2320

Fax: (407)370-3057

Invoice # 765414	Page 1 of 1
Account Number	Date
CHATTAN-01	1/2/2014
BALANCE DUE ON	
1/13/2014	
AMOUNT PAID	Amount Due
	\$281,326.00

City of Chattanooga
Gail Hart
Dept of General Services/Real Property Div
274 E. 10th Street
Chattanooga, TN 37402

Property	PolicyNumber: MAF75724414	Company: AXIS Insurance Company	Effective: 1/13/2014 to 1/13/2015
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Item #	Trans Eff Date	Due Date	Trans	Description	Amount
3744815	1/13/2014	1/13/2014	RENB	Renewal Premium	\$255,769.00
3744816	1/13/2014	1/13/2014	TERR	Terrorism Charge	\$25,557.00
Total Invoice Balance:					\$281,326.00

2014 Axis Insurance Company Property Program

Please include invoice number with your remittance to expedite processing.

Please send your remittance to:

Arthur J. Gallagher Risk Management Services, Inc.
PO Box 532143
Atlanta, GA 30353



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Please review this binder carefully as its terms and conditions supercede any terms and conditions that are proposed in the submission or elsewhere.

Policy Number:	MAF757244-14
Named Insured:	City of Chattanooga
	And/or any owned, controlled, associated, affiliated, joint venture, or any subsidiary companies or corporations as now or may hereafter be constituted, as their respective rights and interests may appear.
	274 E. 10th Street Department of General Services/Real Property Divis Chattanooga, TN 37402
Producer:	Jami Holland Risk Placement Services, Inc. [Alpharetta] 2400 Lakeview Parkway, Suite 675 Georgia 400 Business Center Alpharetta, GA 30009
Policy Period:	January 13, 2014 through January 13, 2015 (12:01 AM local standard time)
Covered Locations:	Except as specifically provided elsewhere, coverage applies to locations identified on the Statement of Values on file with the company.
Perils Covered:	Risk of direct physical loss or damage to covered property except as excluded within the policy.
Property Covered:	Real and Personal Property owned by the Insured including Real and Personal Property of Others in the Insured's care, custody or control of which the Insured is legally liable to insure.
Policy Territory:	United States of America, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, and Canada
Issuing Company:	AXIS Insurance Company - Admitted Coverage
Policy Form:	AXIS Premier Property Form - GUA0106-001
Limits of Liability:	\$100,000,000 Per occurrence
Sub-Limits of Liability:	All are per Occurrence and are part of, not in addition to, the Limits of Liability stated above. Sub-limits will be applied per policy form.
Accounts Receivable	\$5,000,000
Business Interruption	\$2,000,000
Civil Authority	4 Week(s) not to exceed \$2,500,000
Contingent Business Interruption	No Coverage
Debris Removal	\$2,500,000 or 25% of the combined amount of covered direct physical damage and Time Element loss, whichever is greater.



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Sub-Limits of Liability:	All are per Occurrence and are part of, not in addition to, the Limits of Liability stated above. Sub-limits will be applied per policy form.
Demolition & Increased Cost of Construction	No Coverage
Earthquake	
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations in California, Alaska, Hawaii and Puerto Rico which is caused by or results from Earthquake	No Coverage
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations in the Pacific Northwest Earthquake Territory which is caused by or results from Earthquake	No Coverage
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations in the New Madrid Earthquake Territory which is caused by or results from Earthquake	No Coverage
As respects all loss, damage or expenses caused by or resulting from physical damage to all other Locations which is caused by or results from Earthquake	\$25,000,000 Annual Aggregate
Maximum as respects all loss, damage or expenses caused by or resulting from physical damage to all Locations which is caused by or results from Earthquake	\$25,000,000 Annual Aggregate
Electronic Data Processing Equipment Breakdown	No Coverage
Electronic Data Processing Media Breakdown	Included
Equipment Breakdown Endorsement	\$100,000,000
Time Element	\$2,000,000
Extra Expense	Included in Equipment Breakdown Time Element Sub-Limit
Ammonia Contamination	\$100,000
Consequential Damage	\$100,000
Expediting Expense	\$100,000
Hazardous Substance	\$100,000
Service Interruption - Property Damage	No Coverage
Service Interruption - Time Element	No Coverage
Water Damage	No Coverage



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Sub-Limits of Liability:	All are per Occurrence and are part of, not in addition to, the Limits of Liability stated above. Sub-limits will be applied per policy form.
Water Damage	included
Service Interruption PD and TE	included in Time element
Extended Business Income	\$5 days
Newly Acquired Locations - 120 days	\$10,000,000
Interruption of Service waiting period	\$24 hours
Extended period of Indemnity	\$30 days
Expediting Expense	\$100,000
Extended Period of Indemnity	30 Day(s)
Extra Expense	\$10,000,000
Fine Arts	\$1,000,000
Fire Extinguishing Service Charge	\$25,000
Flood	
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations wholly or partially in a High Hazard Flood Zone which is caused by or results from Flood	\$5,000,000 Annual Aggregate
As respects all loss, damage or expenses caused by or resulting from physical damage to all other Locations which is caused by or results from Flood	\$25,000,000 Annual Aggregate
Maximum as respects all loss, damage or expenses caused by or resulting from physical damage to all Locations which is caused by or results from Flood	\$25,000,000 Annual Aggregate
Ingress / Egress	4 Week(s) not to exceed \$2,500,000
Limited Coverage for Mold, Fungi, Wet or Dry Rot and Bacteria:	\$1,000,000 Annual Aggregate
Leasehold Interest	\$25,000
Miscellaneous Unnamed Locations	\$5,000,000
Newly Acquired Property	\$10,000,000 120 Day(s) Reporting
Ordinary Payroll Expense	30 Day(s)
Personal Property of Employees	\$100,000
Pollutant Cleanup and Removal	\$100,000 Annual Aggregate
Professional Fees	\$25,000
Property in the Course of Construction	\$1,000,000
Property in Transit	\$1,000,000
Loss of Rental Value	Included
Research & Development	No Coverage
Service Interruption	\$2,500,000
Trees and Shrubs	\$2,500,000
Unintentional Errors and Omissions	\$2,500,000
Valuable Papers	\$5,000,000



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Sub-Limits of Liability:	All are per Occurrence and are part of, not in addition to, the Limits of Liability stated above. Sub-limits will be applied per policy form.
Professional Fees/Claims preparation	\$25,000
Ordinance or Law A, B and C combined	\$5,000,000
Personal Property of Others	\$100,000
Contractors Equipment	\$2,500,000
Auto Physical Damage (excluding over the road coverage)	\$10,000,000
Auto Physical Damage (including over the road coverage)	\$1,000,000
EDP Medial and Data	\$10,000,000
Covered Property at Undescribed locations	\$1,000,000
Personal Effects of Officers and others	\$100,000/1,000 max per employee or officer
Equipment Rental Ezpense	\$100,000

Deductibles:	
For each and every loss or damage to covered property to all Locations, except as specifically stated below	\$25,000
Earthquake:	
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations in California, Alaska, Hawaii or Puerto Rico which is caused by or results from Earthquake.	No coverage
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations in the Pacific Northwest Earthquake Territory which is caused by or results from Earthquake.	No coverage
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations in the New Madrid Earthquake Territory which is caused by or results from Earthquake.	No coverage
As respects all loss, damage or expenses caused by or resulting from physical damage to all other Locations which is caused by or results from Earthquake.	\$50,000 per occurrence
Flood:	



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Deductibles:	
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations wholly or partially located in a High Hazard Flood Zone which is caused by or results from Flood.	\$500,000 each Separate Building or Structure \$500,000 Personal Property at each Separate Building or Structure \$100,000 Time Element per occurrence.
As respects all loss, damage or expenses caused by or resulting from physical damage to all other Locations which is caused by or results from Flood.	\$50,000
Named Windstorm:	
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations in Florida, Hawaii or Tier 1 Windstorm Areas which is caused by or results from the peril of wind from any Named Storm.	No coverage
As respects all loss, damage or expenses caused by or resulting from physical damage to Locations in Puerto Rico or U.S. Virgin Islands which is caused by or results from the peril of wind from any Named Storm.	No coverage
All other wind and hail	\$50,000 per occurrence
Miscellaneous:	
Property in Transit	\$25,000
Service Interruption	24 Hours
Auto Physical Damage	\$100,000 per occurrence
Equipment Breakdown	
Property Damage	\$25,000
TIME ELEMENT	24 hours
EXTRA EXPENSE	Included in Time element
Service Interruption	Follows deductible for Time element and Consequential Damage
Waiting Period	For the purposes of of applying Accident to Utility Object coverage, if any, the waiting period is 24 hours
Valuation:	
Real Property	The lesser cost to repair, rebuild or replace and as per Policy Form.
Raw Stock, Supplies, Other Merchandise Not Manufactured by Insured	Replacement Cost
Stock in Process	Value of raw stock and labor expended, plus the proper proportion of overhead charges.
Finished Stock	Regular cash selling price, less discounts and charges per the Policy Form.
Mobile or Contractors Equipment; Motor Vehicles	Actual Cash Value
All Other Personal Property	See Policy Form



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Valuation:	
Electronic Data Processing Media	Cost of blank Electronic Data Processing Media plus the cost of copying Electronic Data and Electronic Computer Programs from back-up or from originals of the previous generation.
Stated Amount	Fine Arts
Actual Cash Value	Auto Physical Damage - Vehicles and Equipment less than \$100,000 in value
Agreed Amount	Auto Physical Damage - Vehicles and Equipment more than \$100,000 in value
Time Element	Actual Loss Sustained
Equipment Breakdown Inspections:	Jurisdictionally required inspections of pressure vessels, electrical and/or mechanical equipment are included in the coverage and service provided. Please provide a list of contacts for inspections to Hartford Steam Boiler Insurance Company as soon as possible. If you should have an immediate need, please contact Hartford Steam Boiler Insurance Company at 1-800-333-4677.
Other Conditions:	-125% Margin Clause (except vehicles) -3% Premium Swing Clause -Quarterly Reporting
Cancellation Clause:	Ninety (90) days notice of cancellation, except ten (10) days for non-payment of premium.



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Terrorism:	<p>You have accepted our offer for coverage for "acts of terrorism" as defined in the Terrorism Risk Insurance Act, as amended (the "Act"). By accepting this binder, you acknowledge and agree: (1) that you received the Policyholder Disclosure notice notifying you that any losses resulting from such "acts of terrorism" under your policy coverage may be partially reimbursed by the United States Government, may be subject to a \$100 Billion cap that may reduce your coverage and that you have been notified of the portion of the premium attributable to such coverage, (2) all terms and conditions in our policy still apply, (3) in consideration for such coverage, you have agreed to pay the additional premium shown on this binder; and (4) failure to pay such additional premium will result in cancellation of your policy.</p> <p>Endorsement Numbers IL 09 52 03 08, AXIS NON-US TERRORISM EXCLUSION 01 07 and IL 09 95 01 07 apply.</p> <p>If the Act is not continued by Congress past December 31, 2014, or if the level or terms of federal participation change, an adjustment to the premium for coverage afforded by the Act may be necessary for the period between December 31, 2014 and the end of the policy period. If the Act is not continued past December 31, 2014, then coverage provided by the Act will expire at December 31, 2014 and a refund of excess premium may be due.</p>
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NOTICE TO BROKER

**MANDATORY POLICYHOLDER DISCLOSURE
RE: TERRORISM INSURANCE COVERAGE**

We are required by the Terrorism Risk Insurance Act, as amended (the "Act"), to provide policyholders with clear and conspicuous disclosures. This notice must be provided at the time of offer, purchase and renewal of the policy.

We have provided you with a notice that meets the Act's requirements. You are instructed to deliver a copy of this notice to our prospective insured when you forward our quote.

Underwriter Comments:	Named Insured to read: City of Chattanooga, and its wholly or majority owned subsidiaries and any interest which may now exist or hereinafter be created or acquired which are owned, controlled by any one or more of those named insured's
Annual Premium:	
Property Premium	\$255,769
TRIA Premium	\$25,577
Total Premium	\$281,346
Surcharges	Any surcharges, taxes or fees would be additional.
Total values for rating purposes	\$512,564,009
Commission:	17.50 %
Financial Information - AXIS Capital Holdings	"A+ XV" Rating by A.M. Best "A+" Rating by Standard & Poor's \$5.6 Billion in Shareholders' Equity as of June 30, 2013



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Definitions of AXIS Retail Property Terms

<p>Flood</p>	<p>The term "Flood" shall be held to mean a general and temporary condition of partial or complete inundation of normally dry land areas from (1) the rising or overflow of inland or tidal waters, (2) the unusual and rapid accumulation of runoff of surface waters from any source, or (3) mud slide (i.e., mud-flow), meaning a river or flow or liquid mud proximately caused by flooding as defined in (1) above or by the accumulation of water under the ground (4) water that backs up from a sewer or drain. Each loss by flood shall constitute a single claim hereunder; provided, if more than one flood shall occur within any period of 72 hours during the term of this Policy, such floods shall be deemed to be a single flood.</p>
<p>High Hazard Flood Zone</p>	<p>High Hazard Flood Zone means</p> <ol style="list-style-type: none"> 1. areas which at the time of loss or damage have been designated by the Federal Emergency Management Agency to be in a Special Flood Hazard Area (SFHA) , or 2. areas outside the United States which are equivalent to 1. above. <p>Special Flood Hazard Area (SFHA) means an area having special flood, mudflow, or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map as Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V.</p>
<p>Earthquake</p>	<p>Earthquake means any natural or man-made earth movement (except mudslide or mud flow caused by accumulation of water on or under the ground) including, but not limited to earthquake and resultant earthquake sprinkler leakage, volcanic action, landslide, subsidence or tsunami, regardless of any other cause or event contributing concurrently or in any other sequence of loss.</p> <p>Notwithstanding anything in the above to the contrary, to the extent mudslide or mud flow caused by accumulation of water on or under the ground is caused by or results from a tsunami, it shall be considered to be Earthquake as defined in this quotation.</p>
<p>New Madrid Earthquake Territory</p>	<p>The following counties within these states.</p>
	<p>ARKANSAS: Clay, Craighead, Crittenden, Cross, Greene, Independence, Jackson, Lawrence, Lee, Mississippi, Monroe, Phillips, Poinsett, Prairie, Randolph, St. Francis, White, Woodruff</p>
	<p>ILLINOIS: Alexander, Franklin, Jackson, Johnson, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Union, Washington, Williamson</p>
	<p>KENTUCKY: Ballard, Calloway, Carlisle, Crittenden, Fulton, Graves, Hickman, Livingston, Lyon, Marshall, McCracken</p>
	<p>MISSISSIPPI: DeSoto, Marshall, Tate, Tunica</p>
	<p>MISSOURI: Bollinger, Butler, Cape Girardeau, Carter, Dunklin, Iron, Madison, Mississippi, New Madrid, Pemiscot, Perry, Reynolds, Ripley, St. Francis, St. Genevieve, Scott, Stoddard, Wayne</p>
	<p>TENNESSEE: Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Henry, Lake, Lauderdale, Obion, Shelby, Tipton, Weakley</p>



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Named Storm	<p>A storm or weather disturbance that is named by the National Weather Service or other recognized authority. Such storm or weather disturbance includes all weather phenomenon associated with or occurring in conjunction with the storm or weather disturbance, including, but not limited to, Flood, wind, hail, sleet, tornadoes, hurricane or lightning. Such storm or weather disturbance shall also include storm or weather disturbance occurring during the 72 hours immediately following the time when such storm or weather disturbance has been downgraded, meaning that the storm or weather disturbance is no longer considered by the weather services or authorities described above to be a hurricane, typhoon, tropical storm or cyclone.</p>
Occurrence	<p>All covered loss, damage, or a sequence of losses or damages, casualties or disasters arising from a single event or catastrophe. When the term applies to loss or losses from the perils of Earthquake, Flood, Named Storm, wind, hurricane, tornado, cyclone, hail, riot, riot attending a strike, civil commotion, or vandalism and malicious mischief, a single event or catastrophe shall be construed to be all losses arising during a continuous period of seventy-two (72) hours. When filing proof of loss, the Insured may elect the moment at which the seventy-two (72) hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to the covered property occurs.</p> <p>However, the Company shall not be liable hereunder for any loss or damage:</p> <ol style="list-style-type: none"> 1. occurring before this Policy becomes effective; or 2. arising from an Occurrence which is in progress at the time this Policy becomes effective, even if such loss or damage occurs after this Policy becomes effective; or 3. occurring after the expiration of this Policy, except loss or damage arising from an Occurrence in progress at the time this Policy expires.
Pacific Northwest Earthquake Territory	<p>The following counties within the following state.</p>
	<p>WASHINGTON: Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, Whatcom</p>
Tier 1 Windstorm Areas	<p>All Locations that are in the following counties, parishes and independent cities including barrier islands within these states.</p>
	<p>ALABAMA: Baldwin, Mobile</p>
	<p>GEORGIA: Bryan, Camden, Chatham, Glynn, Liberty, McIntosh</p>
	<p>LOUISIANA: Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Martin, St. Mary, St. Tammany, Terrebonne, Vermillion</p>
	<p>MISSISSIPPI: Hancock, Harrison, Jackson</p>
	<p>NORTH CAROLINA: Beaufort, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dane, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell, Washington</p>
	<p>SOUTH CAROLINA: Beaufort, Berkeley, Charleston, Colleton, Georgetown, Horry, Jasper</p>
	<p>TEXAS: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kennedy, Kleberg, Matagorda, Nueces, Refugio, Orange, San Patricio, Willacy</p>
	<p>VIRGINIA: Accomack, Gloucester, Isle of Wight, James City, Lancaster, Matthews, Middlesex, Northampton, Northumberland, Surry, York and Independent Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach</p>
100% Value of the Property Insured	<p>100% value of the property insured at the time of loss or damage at the Locations where the physical damage occurred.</p>



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Full 12 Months Time Element Values	full 12 months Time Element values that would have been earned in the 12 month period following the occurrence by use of the facilities at the Location where the physical damage occurred and all other Locations where Time Element loss ensues.
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Property Binder

Issued 12/30/2013 Valid through 3/14/2014

STATE FRAUD STATEMENTS

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

Applicable in Alabama

Alabama Fraud Statement

"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 is guilty of a crime and may be subject to restitution fines or confinement in prison or any combination thereof."

Applicable in Arkansas

Arkansas Fraud Statement

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

Applicable in Colorado

Colorado Fraud Statement

"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 to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies."

Applicable in District of Columbia

District of Columbia Fraud Statement

"Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant."

Applicable in Florida

Florida Fraud Statement

"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."

Applicable in Kansas

Kansas Fraud Statement

"Any person who knowingly and with intent to defraud any insurance company or another person files an application for the issuance of, or the rating of, an insurance policy or statement of claim or any written statement 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 the person to criminal penalties."

Applicable in Kentucky

Kentucky Fraud Statement

"Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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."

Applicable in Louisiana

Louisiana Fraud Statement

"Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties."



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Applicable in Maine

Maine Fraud Statement

"It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits."

Applicable in Maryland

Maryland Fraud Statement

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

Applicable in New Jersey

New Jersey Fraud Statement

"Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties."

Applicable in New Mexico

New Mexico Fraud Statement

"Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties."

Applicable in New York

New York Fraud Statement

"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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation."

Applicable in Ohio

Ohio Fraud Statement

"Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud."

Applicable in Oklahoma

Oklahoma Fraud Statement

"Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony."



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Applicable in Oregon

Oregon Fraud Statement

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

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

- A. The misinformation is material to the content of the policy;
- B. We relied upon the misinformation; and
- C. The information was either:
 - 1. Material to the risk assumed by us; or
 - 2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

Applicable in Pennsylvania

Pennsylvania Fraud Statement

"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."

Applicable in Puerto Rico

Puerto Rico Fraud Statement

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.

Applicable in Rhode Island

Rhode Island Fraud Statement

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

Applicable in Tennessee

Tennessee Fraud Statement

"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."

Applicable in Virginia

Virginia Fraud Statement

"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."



Property Binder

Issued 12/30/2013 Valid through 3/14/2014

Applicable in Washington

Washington Fraud Statement

"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."



Property Binder

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POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that an "act of terrorism", as defined in Section 102(1) of the Terrorism Risk Insurance Act, as amended (the "Act"), means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, 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 of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

If the Act is not continued by Congress past December 31, 2014, or if the level or terms of federal participation change, an adjustment to the premium for coverage afforded by the Act may be necessary for the period between December 31, 2014 and the end of the policy period. If the Act is not continued past December 31, 2014, then coverage provided by the Act will expire at December 31, 2014 and a refund of excess premium may be due.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$25,577 and does not include any charges for the portion of losses covered by the United States government under the Act.

NOTICE TO BROKER

MANDATORY POLICYHOLDER DISCLOSURE RE: TERRORISM INSURANCE COVERAGE

We are required by the Terrorism Risk Insurance Act, as amended (the "Act"), to provide policyholders with clear and conspicuous disclosures. This notice must be provided at the time of offer, purchase and renewal of the policy.

We have provided you with a notice that meets the Act's requirements. You are instructed to deliver a copy of this notice to our prospective insured when you forward our quote.



Hudson Insurance Company
Hudson Specialty Insurance Company
Hudson Excess Insurance Company

An OdysseyRe Fairfax Company

Based on the information provided in your submission we are able to bind coverage on our non admitted paper as follows.

BROKER: Jami Holland
Risk Placement Services Incorporated
Alpharetta, GA

INSURED: City of Chattanooga, and its wholly or majority owned subsidiaries and any interest which may now exist or hereinafter be created or acquired which are owned, controlled by any one or more of those named insureds

MAILING ADDRESS: Department of General Services/Real Property Division
274 E 10th Street Chattanooga, TN 37402

COMPANY: Hudson Specialty Insurance Company

TERM: Effective Date: 01/13/2014 Expiration Date: 01/13/2015

POLICY NUMBER: HCS100681

PREMIUM / RATE: \$38,555 100% Gross Annual Layer Premium \$38,555 / 0.0075%

TERRORISM PREMIUM: \$4,500

TOTAL PREMIUM \$43,055

MINIMUM EARNED PREMIUM: 25%

INTERESTS: Including
All Real Property
All Personal Property
Time Element - Business Income
Time Element - Extra Expense
Time Element - Rental Value
Mobile Equipment
Vehicles

PERILS: Named Perils

Including
Flood
Earthquake

Excluding
Flood in High Hazard Flood Zones
California Earthquake
Equipment Breakdown



LIMIT OF LIABILITY:	\$25,000,000	part of
	\$25,000,000	per occurrence and in the aggregate annually separate for Earthquake and Flood, excess of
	\$25,000,000	per occurrence and in the aggregate annually separate for Earthquake and Flood, excess of deductibles

It is understood and agreed that this Limit is inclusive of all sublimits, costs, fees, charges and expenses.

PROGRAM SUB LIMITS: All sublimits are per occurrence unless otherwise noted. Sublimits are part of and not in addition to the Limit stated above.

\$ 10,000,000	Vehicle Damage (excluding over the road coverage)
\$ 10,000,000	Extra Expense
\$ 10,000,000	Newly Acquired Locations – 120 Day Reporting / Incl Contractors Equipment
\$ 10,000,000	EDP Media and Data
\$ 5,000,000	Valuable Papers and Records
\$ 5,000,000	Accounts Receivable
\$ 5,000,000	Ordinance or Law – A, B & C Combined
\$ 2,500,000	Service Interruption
\$ 2,500,000	Unintentional Errors & Omissions
\$ 2,500,000	Contractors Equipment
\$ 2,500,000	Trees and Shrubs
\$ 2,500,000	Civil or Military Authority – 4 weeks
\$ 2,500,000	Ingress/Egress- 4 weeks
\$ 2,500,000	Debris Removal or 25% of the combined amount of covered direct physical damage and Time Element loss, whichever is greater
\$ 2,000,000	Business Interruption
\$ 1,000,000	Fine Arts
\$ 5,000,000	Miscellaneous Unnamed Locations
\$ 1,000,000	Covered property at undescribed property
\$ 1,000,000	Property in the Course of Construction / Maximum all sites
\$ 1,000,000	Vehicles - Over the road coverage
\$ 1,000,000	Property in Transit
\$ Included	Loss of Rental Value
\$ 1,000,000	Limited Coverage for Mold, Fungi, Wet or Dry Rot and Bacteria – Annual Aggregate
\$ 100,000	Pollutant Cleanup and Removal -Annual Aggregate
\$ 100,000	Personal Property of Others
\$ 100,000	Personal Property of Employees
\$ 100,000	Expediting Expense
\$ 100,000	/\$1,000 per employee Personal Effects of Officers & Employees
\$ 100,000	Equipment Rental Expense
\$ 25,000	Fire Extinguishing Service Charge
\$ 25,000	Leasehold Interest