



ARTHUR J. GALLAGHER & CO. - LITTLE ROCK

PROPOSAL

CITY OF JONESBORO

PUBLIC OFFICIALS LIABILITY INSURANCE

Renewal of Policy #POS 590631
Expiration Date: September 1, 1997

Proposed Insurer: Scottsdale Ins. Co., an approved surplus lines carrier
A.M. Best Rating: A+ XV

This proposal is for a CLAIMS MADE policy. This policy provides coverage for claims first made and reported during the policy year for "Wrongful Acts" including but not limited to:

- Policy is "Pay on Behalf of" not "Indemnity"
- Defense and Loss Adjustment Expense in addition to policy limits
- Insured persons include all elected and appointed officials, and all employees both paid and volunteer
- Land Use and Zoning
- Employment related claims - wrongful termination, negligent hiring
- Discrimination (age, sex, race)
- Licenses and permits
- Punitive damages may be included if allowed in your state - will quote upon request
- A written request to bind coverage is required

The extended reporting period option in the event of a cancellation or non-renewal by either the Insured or the Insurer is three (3) years at a cost of: Twelve month option - 70% of Annual Premium, Twenty four month option - 120% of Annual Premium and Thirty six month option - 150% of Annual Premium

Limits:	\$1,000,000	each loss/annual aggregate
Deductible*:	\$15,000	each loss, including LAE
Annual premium:	\$21,778.00	excluding punitive damages
Engineering Fee:	\$150.00	
Ark. Tax	\$877.12	
TOTAL:	\$22,805.12	

*Deductible applies to both Loss and Loss Adjustment Expense which includes defense costs, court costs, expert witnesses and other expenses related to defending you in the event of a claim or a suit.

CONDITIONS:

1. General Liability coverage must be maintained throughout the life of the POL coverage
2. Prior to binding, please forward the following:
 1. Please advise whether the municipal engineer is elected or appointed
 2. Forward a copy of the letter referenced in Section IV
 3. Details as to the "yes" response to Section V#3
 4. Confirm no EEOC complaints or claims have been filed against the entity within the last 5 years
3. It is recommended that the entity maintain signed acknowledgments of sexual harassment training