



Wrap+®

**Taylor E Young**  
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June 19, 2019

Melody Mallory  
GALLAGHERIA JRMS  
1300 S MAIN ST  
TULSA, OK 74119

**RE: Insured Name:** TRUCKEE TAHOE AIRPORT DISTRICT  
10356 TRUCKEE AIRPORT ROAD  
TRUCKEE, CA 96161  
**Expiring Policy Number:** 106327713  
**Policy Period:** July 1, 2019 to July 1, 2020

Dear Melody Mallory:

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.

Please note that we require a response to this document within 30 days in order to facilitate policy renewal. The insured's current policy will expire and not be renewed in the absence of a request, and Travelers' agreement, to bind coverage.

Travelers is pleased to offer Risk Management PLUS+ Online<sup>®</sup>, 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](http://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,

**Taylor E Young**  
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](http://www.travelers.com). Ratings listed herein are as of October 2018, are used with permission, and are subject to changes by the rating services. For the latest rating, access [www.ambest.com](http://www.ambest.com).

**Travelers Casualty and Surety Company of America**  
**QUOTE OPTION #1**

**CYBER COVERAGE:**

Third Party Liability Insuring Agreements	Limit	Retention	Continuity Date	Prior & Pending Proceeding Date
A. Network and Information Security	\$2,000,000 for each Claim	\$25,000 for each Claim	07/01/2015	07/01/2015
B. Communication and Media Liability	\$2,000,000 for each Claim	\$25,000 for each Claim		
C. Regulatory Defense Expenses	\$1,000,000 for each Regulatory Claim	\$10,000 for each Regulatory Claim		

CyberRisk Retroactive Date: 07/01/2015

First Party Insuring Agreements	Limit of Insurance	Retention
D. Crisis Management Event Expenses	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
E. Security Breach Remediation and Notification Expenses	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
F. Computer Program and Electronic Data Restoration Expenses	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
G. Computer Fraud	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
H. Funds Transfer Fraud	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
I. E-Commerce Extortion	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
J. Business Interruption and Additional Expenses	\$1,000,000 for each Single First Party Insured Event	

CyberRisk Waiting Period (hours): with respect to Insuring Agreement J:8

**TOTAL ANNUAL PREMIUM - \$3,592.00**

(Other term options listed below, if available)

**LIMIT DETAIL:**

Shared Additional Defense Limit of Liability: N/A

CyberRisk Policy Aggregate Limit: \$2,000,000

**EXTENDED REPORTING PERIOD AND RUN-OFF:**

Extended Reporting Period for Cyber Coverage:

Additional Premium Percentage: 75%  
Additional Months: 12

Run-Off Extended Reporting Period for Cyber Coverage:

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

**PREMIUM DETAIL:**

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	\$3,592.00	\$0.00	\$0.00	\$3,592.00	\$3,592.00

**POLICY FORMS APPLICABLE TO QUOTE OPTION # 1:**

CYB-2001-0710 CyberRisk Declarations  
 CYB-3001-0710 CyberRisk Policy

**ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 1:**

ACF-7006-0511 Removal of Short-Rate Cancellation Endorsement  
 AFE-19004-0115 Cap on Losses From Certified Acts of Terrorism Endorsement  
 AFE-19008-0115 Federal Terrorism Risk Insurance Act Disclosure  
 CYB-19001-0817 Final Non-Appealable Adjudication in the Underlying Action Exclusion Endorsement  
 CYB-19005-0217 Fines And Penalties/Consumer Redress Funds/Payment Card Expenses Insuring Agreement Endorsement – Including Chargebacks  
 CYB-19017-0315 Global Coverage Compliance Endorsement  
 CYB-19019-0217 Privacy Policy Endorsement  
 CYB-19025-0815 Amend Acquisition or Creation of Subsidiaries Condition Endorsement  
 CYB-19039-0217 180 Day Business Interruption Period Of Disruption Endorsement  
 CYB-19042-0217 Designated Officer Endorsement  
 CYB-19047-0217 Indemnified Independent Contractors Endorsement  
 CYB-19048-0217 Expand E-Commerce Extortion To Include Acts By Employees Endorsement  
 CYB-19050-0817 Business Interruption - System Failure Endorsement  
 CYB-19051-0817 Social Engineering Fraud Insuring Agreement Endorsement  
 CYB-19052-0817 Telecommunications Fraud Insuring Agreement Endorsement  
 CYB-19053-0817 Reputational Harm Insuring Agreement Endorsement  
 CYB-19055-0817 Payment on Behalf of the Insured Endorsement  
 CYB-19056-0817 Amend Definition of Claim to Include Civil Investigative Demands and Requests for Information Endorsement  
 CYB-19057-0817 Remove Specific Target Requirement for Computer System Disruption Endorsement  
 CYB-19058-0817 Virtual Currency Coverage Endorsement  
 CYB-19059-0817 Cyber Terrorism Carveback to War Exclusion Endorsement  
 CYB-19060-0817 Business Interruption Wage and Overhead Coverage Endorsement  
 CYB-19063-0817 Suspend Notice Requirement for Information Subject to Law Enforcement or Court Order Endorsement  
 CYB-19064-0817 State Inconsistency Endorsement  
 CYB-19065-0817 Expand Definition of Communications and Media Wrongful Act 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.*

None

**COMMISSION:** 15.00%

**Travelers Casualty and Surety Company of America**  
**QUOTE OPTION #2**

**CYBER COVERAGE:**

Third Party Liability Insuring Agreements	Limit	Retention	Continuity Date	Prior & Pending Proceeding Date
A. Network and Information Security	\$2,000,000 for each Claim	\$20,000 for each Claim	07/01/2015	07/01/2015
B. Communication and Media Liability	\$2,000,000 for each Claim	\$20,000 for each Claim		
C. Regulatory Defense Expenses	\$2,000,000 for each Regulatory Claim	\$20,000 for each Regulatory Claim		

CyberRisk Retroactive Date: Inception

First Party Insuring Agreements	Limit of Insurance	Retention
D. Crisis Management Event Expenses	\$2,000,000 for each Single First Party Insured Event	\$20,000 for each Single First Party Insured Event
E. Security Breach Remediation and Notification Expenses	\$2,000,000 for each Single First Party Insured Event	\$20,000 for each Single First Party Insured Event
F. Computer Program and Electronic Data Restoration Expenses	\$2,000,000 for each Single First Party Insured Event	\$20,000 for each Single First Party Insured Event
G. Computer Fraud	\$2,000,000 for each Single First Party Insured Event	\$20,000 for each Single First Party Insured Event
H. Funds Transfer Fraud	\$2,000,000 for each Single First Party Insured Event	\$20,000 for each Single First Party Insured Event
I. E-Commerce Extortion	\$2,000,000 for each Single First Party Insured Event	\$20,000 for each Single First Party Insured Event
J. Business Interruption and Additional Expenses	\$2,000,000 for each Single First Party Insured Event	

CyberRisk Waiting Period (hours): with respect to Insuring Agreement J:8

**TOTAL ANNUAL PREMIUM - \$3,965.00**

(Other term options listed below, if available)

**LIMIT DETAIL:**

Shared Additional Defense Limit of Liability: N/A

CyberRisk Policy Aggregate Limit: \$2,000,000

**EXTENDED REPORTING PERIOD AND RUN-OFF:**

Extended Reporting Period for Cyber Coverage:

Additional Premium Percentage: 75%  
Additional Months: 12

Run-Off Extended Reporting Period for Cyber Coverage:

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

**PREMIUM DETAIL:**

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	\$3,965.00	\$0.00	\$0.00	\$3,965.00	\$3,965.00

**POLICY FORMS APPLICABLE TO QUOTE OPTION # 2:**

CYB-2001-0710 CyberRisk Declarations  
CYB-3001-0710 CyberRisk Policy

**ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 2:**

ACF-7006-0511 Removal of Short-Rate Cancellation Endorsement  
AFE-19004-0115 Cap on Losses From Certified Acts of Terrorism Endorsement  
AFE-19008-0115 Federal Terrorism Risk Insurance Act Disclosure  
CYB-19001-0817 Final Non-Appealable Adjudication in the Underlying Action Exclusion Endorsement  
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CYB-19064-0817 State Inconsistency Endorsement  
CYB-19065-0817 Expand Definition of Communications and Media Wrongful Act 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.*

None

**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](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 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.**

**Affiliate (non-Subsidiary) Coverage Disclaimer:**

Regardless of the submission of information or typical availability of coverage for any entity that is not a Subsidiary of the Named Insured, **such entity is not covered by the Policy unless an endorsement is provided that specifically schedules it.** Under the Wrap+® policy, coverage is generally afforded to the following entities (unless otherwise excluded): (1) the Named Insured and (2) its majority-owned Subsidiaries. A Subsidiary is defined in each coverage part of the Wrap+® policy and the definition can vary between coverage parts. An affiliate is not defined but generally has some ownership and/or management in common with the Named Insured or its Subsidiaries (but itself is not a Subsidiary of either one). Affiliate coverage will not be considered on a blanket basis nor will an individual entity be scheduled without proper underwriting information (please contact your underwriter to discuss specific requirements). For an actual description of coverages, terms and conditions, refer to the Policy. Sample policies can be found on the [travelers.com](http://travelers.com) website or contact your underwriter.