FIDUCIARY LIABILITY
COVERAGE PROPOSAL FOR

Warehouse Employees Local 730

911 Ridgebrook Road
Sparks, MD 21152

Prepared by:
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TABLE OF CONTENTS

PAGE

Agency Contacts..2

Important Information..3

Coverage Proposal..4

Financial Strength Rating Guide..6

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COMMERCIAL INSURANCE – BETHESDA, MD

Reginald Moses, Senior Account Executive Management Liability 301-214-7097
Tina Robinson, Account Manager Management Liability 301-581-7371

CLAIMS SERVICES

Jeffrey T. Stagg, MBA, Senior Vice President...516-327-2875
Christopher J. Krako, Senior Liability Specialist..516-327-2819
Tracy-Ann Dowding, Liability Specialist 516-327-2853
James T. Volpe, Senior Property Specialist...516-327-2818
Gale M. Hamilton, Assistant Vice President..516-327-2744

PERSONAL INSURANCE

Kim Holmes, Assistant Vice President 301-214-7023

IMPORTANT INFORMATION

Please review the proposal carefully as terms and conditions may differ from your current insurance program and also differ from the insurance specifications submitted by you or your representative.

All premiums and proposed are based on information provided by you at the time of quotation and are subject to adjustment. Rates are those offered at the time of quotation and may be subject to change based on carrier considerations prior to policy inception. Electing to buy or renew only some of the types of coverage may result in changes to the terms, conditions and premiums of the remaining insurance lines.

When this proposal contains references to liability limits, please note that other limits may be available. Please advise us if you would like premium indications for alternate liability limits. Please note that limits may extend through excess and/or umbrella policies and this should be factored into your decision concerning the appropriate limits.

When this proposal contains references to property limits it is understood that it is the insured's responsibility to determine the replacement cost of such property and to select an appropriate limit. We would be pleased to assist in helping to determine property values however the ultimate decision on limits purchased is the insured's.

INSURANCE COMPENSATION DISCLOSURE

As an insurance broker/agent, NFP Property & Casualty Services, Inc. (NFP P&C) is licensed as an insurance broker/agent, in all fifty states. Our insurance producers are authorized by their license to confer with the insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

NFP P&C may receive compensation in the form of commissions of either a specific dollar amount or a percentage of premium set at the time of the purchase, renewal or servicing of a particular insurance policy; therefore, the amount of commissions we receive will depend on the policies and the insurance company you select. We may also receive contingent commissions based on the volume of business placed with the insurance company, the profitability of that business and other factors. We generally do not know if a contingent payment will be made, or the amount of any such contingent payment, at the time the insurance contract is placed with an insurance company. In addition to the compensation that NFP P&C receives, our corporate parent or affiliates may receive contingent payments from insurance companies based on factors that are not client-specific, such as the performance or size of the overall book of business produced with an insurance company. We may also participate in insurer-sponsored events such as trips, seminars, and advisory council meetings, based on the volume of business placed with the insurance company you select.

You may receive information about NFP P&C's expected compensation on the policy or policies you select and about any policies we have presented to you which you did not select by asking for the information.

FIDUCIARY LIABILITY COVERAGE – HEALTH AND WELFARE TRUST FUND

CARRIER Markel American Insurance Company - Admitted

A.M. BEST RATING A (Excellent) XV $2 Billion or Greater

POLICY PERIOD July 26, 2020 – July 26, 2021

COVERAGE SECTION	LIMITS OF LIABILITY	RETENTION OPTION 1
Fiduciary Liability Coverage Section		
Fiduciary	$5,000,000	$0
Voluntary Compliance Program Expenditures	$250,000	$0
Sub-Limit for all Loss in the form of civil penalties or excise tax imposes pursuant to Section 502© of ERISA and the PPA of 2006	$250,000	
Sub-Limit of Liability for all Loss in form of civil fines and penalties imposed under Section 203 of the Bipartisan Act of 2013	$250,000	$0

BASIC PREMIUM **$ 10,387.00**
WAIVER OF RECOURSE (NOT TO BE PAID BY THE TRUST OR PLAN) ***$200.00***
TOTAL PREMIUM **$10,587.00**

POLICY OVERVIEW

- Duty to Defend – Yes
- Claims Made – Yes
- Defense Costs are Included in Policy Limits
- Prior & Pending Proceeding Date – 07/26/2017

ENDORSEMENTS/TERMS TO BE ADDED TO THE BASIC POLICY INCLUDE BUT ARE NOT LIMITED TO

MPIL 1121 (01/20) Notice to Policyholders of Potential Restrictions of Terrorism Coverage
MIL 1214 (09/17) Trade or Economic Sanctions
MIL 1217 (01/20) Extended Reporting Period for Terrorism Coverage
MIL 1310 (01/20) Conditional Exclusion of Terrorism
TRIA (06/15) Cap on Losses from Certified Acts of Terrorism
FID-MD (04/15) Maryland Amendatory Endorsement
FID-004 (06/15 Renewal Guarantee
FID-045 (05/19) Modification Endorsement

INFORMATION REQUIRED PRIOR TO BINDING COVERAGE – PLEASE NOTE THAT COVERAGE OR PREMIUM MAY CHANGE BASED ON THE INFORMATION PROVIDED

- None

BEST'S FINANCIAL STRENGTH RATING GUIDE

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

**Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".*

Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurance companies that are publicly placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal ongoing insurance operations; an impaired insurer.
F	Status assigned to insurance companies that are publicly placed in liquidation by a court of law or by a forced liquidation; an impaired insurer.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AMBRS.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AMBRS) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AMBRS.

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