



TWFG GENERAL AGENCY, INC.  
1201 Lake Woodlands Drive, Suite 4020  
The Woodlands, TX 77380  
(281) 466-1154 Fax: (281) 298-8626

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Enclosed you will find an annual non-admitted Commercial Property quote for Children's Fountain of Knowledge Learning Center, Inc. The quote number is MPR012N0033 Version 2 .

- Section I- Details the premiums, taxes and fees associated with this account. In addition, it provides the Underwriting Notes and covers any of the additional underwriting information that might be needed prior to binding or within 21 days of the inception date.
- Section II- Summarizes the locations, building information, property coverages, warranties, and the corresponding classifications with the exposures and rates.
- Section III- Lists the required coverage forms, notices, endorsements and exclusions.
- Section IV- Offers optional coverages that are available to the applicant but are not currently included in the quote.

In addition we have included some materials that will assist in the evaluation of this offer of coverage.

- A pre-filled application that includes the information you have already provided.
- Endorsement TRIADN Disclosure Notice of Terrorism Insurance Coverage for your review.

For your convenience, an area on page 1 of the quote has been provided to record your requested effective date and which optional coverages you might want to include when you are ready to bind coverage.

We invite you to contact us to discuss the benefits of any coverages, the costs associated or simply to provide feedback! We welcome the opportunity to talk with you about this quote.

Thank you for the opportunity to quote this account!

Sincerely,  
Jack Rush  
TWFG GENERAL AGENCY, INC.  
(281) 466-1154



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MPR012N0033 Version 2

Quote is valid until 12/31/2012

Re: Children's Fountain of Knowledge Learning Center,  
 Inc

To:

Attn: Commission: \_\_\_\_\_%

From: Jack Rush

agentinfo@twfg.com / (281) 466-1154

Please bind effective: \_\_\_\_\_

Confirm optional coverages:

- Do not include any optional coverages.
- Include the following optional coverages from Section IV  
 (Taxes & Fees may apply to optional premium if purchased)
  - Option 1 - (add: \*\$264.00) - Terrorism Coverage  
 \*See Terrorism Section for Exact Pricing and Terms

Signature: \_\_\_\_\_

I. PREMIUM AND UNDERWRITING NOTES/REQUIREMENTS

COMMERCIAL PROPERTY POLICY INFORMATION	
Carrier:	Mount Vernon Fire Insurance Company
Status:	Non-admitted
A.M. Best Rating:	A++ (Superior) - IX
Term Quoted:	Annual
Minimum Earned Premium:	25%
COVERAGE PART	PREMIUM
Commercial Property	\$5,271.00
<b>TOTAL PREMIUM DUE TO CARRIER</b>	<b>\$5,271.00</b>
ADDITIONAL COSTS	
Wholesaler Broker Fee	\$85.00
Texas Surplus Lines Tax (4.850%)	\$259.77
Texas Stamping Fee (.060%)	\$3.21
<b>TOTAL AMOUNT DUE</b>	<b>\$5,618.98</b>

Please note that we will not be able to bind coverage until we satisfy all Prior to Binding requirements.

**Prior to binding, this account is subject to the following:**

- No Property losses/claims incurred in the past 3 years (excluding closed no pay)

**Within 21 days of the inception date of coverage, this account will be subject to the following:**

- Our completed & signed application; or
- A completed & signed ACORD application as long as all underwriting information needed has been provided to us; or
- A completed & signed application from another company as long as all underwriting information needed has been provided to us.

Please contact us with any questions regarding the terminology used or the coverages provided.

\*\*Read the quote carefully, it may not match the coverages requested\*\*

**Underwriting Notes:**

- Risk may be eligible for a reduction in premium if the applicant has been in business for more than 3 years at the current location.
- If any location is fully protected by an operational sprinkler system covering 100% of the premises, please let us know.
- **Revision sent to include the optional coverages.**

**II. COVERED LOCATION(S) AND CORRESPONDING CLASSIFICATIONS**

Location #1 - 9109 Mcpherson Rd, Laredo, TX 78045

Construction: Frame / Protection Class: 4

Property Coverage

Perils: Special

Coverage	Limit	Coinsurance	Deductible	Valuation	Rate	Premium
Building	\$1,200,000	80%	\$1,000	Replacement Cost	0.357	\$4,284
Business Personal Property	\$100,000	80%	\$1,000	Replacement Cost	0.388	\$388
Equipment Breakdown	Included		\$1,000		424	\$424
Value Plus	See CP108	100%	\$1,000	See CP108	175	\$175

Property Coverage Premium for Location #1: \$5,271

Coverage provided by Equipment Breakdown

Mechanical Breakdown,Electrical Arcing

Loss or damage to hot water boilers & steam equipment

Steam explosion of boilers, piping, engines & turbines

\$250,000 limit for Perishable Goods Spoilage

\$250,000 limit for Refrigeration Contamination

Coverage provided by Value Plus

Valuable Papers and Records (Other than Electronic Data)	\$25,000	Accounts Receivable	\$25,000
Fine Arts	\$25,000	Electronic data	\$25,000
Property Off-premises	\$15,000	Outdoor Property	\$10,000
Signs	\$10,000	Water Back-up at Sewer, Drain or Sump	\$5,000
Money and Securities	\$5,000	Employee Dishonesty	\$5,000
Property In Transit	\$10,000	Fire Extinguishing Equipment Recharge	\$5,000
Arson Reward	\$5,000	Fire Department Service Charge	\$2,500
Personal Effects	\$100,000		

Warranted Property Conditions

- All electric is on functioning and operational circuit breakers [P-6]
- Functioning and operational central station burglar alarms with a monitoring contract.[P-7]
- Functioning and operational smoke/heat detectors in all units or occupancies [P-5]

Please contact us with any questions regarding the terminology used or the coverages provided.

\*\*Read the quote carefully, it may not match the coverages requested\*\*

### III. REQUIRED FORMS & ENDORSEMENTS

#### Property Endorsements

2110	(09/10) Service Of Suit	CP1030	(06/07) Causes Of Loss - Special Form
CP 112	(06/09) Equipment Breakdown Enhancement Endorsement	CP1032	(08/08) Water Exclusion Endorsement
CP 137	(02/08) Asbestos Material Exclusion	IL0017	(11/98) Common Policy Conditions
CP 138	(02/08) Lead Exclusion	Jacket	(09/10) Commercial Insurance Policy Jacket
CP 141	(04/08) Actual Cash Value Definition	L-367	(02/11) Minimum Earned Premium Endorsement
CP 142	(07/08) Protective Devices Or Services Provisions	NTP TX	(04/09) Important Notice To Policyholders
CP 212	(03/10) Absolute Pollution Exclusion - Property	P 246	(01/08) Exclusion Of War, Military Action And Terrorism
CP 227	(02/11) Mold, Fungus, Bacteria, Virus Or Organic Pathogen Exclusion	TRIADN	(01/08) Disclosure Notice of Terrorism Insurance Coverage
CP0010	(06/07) Building And Personal Property Coverage Form	TX NOTICE	(07/07) Texas Notice To Policyholders
CP0090	(07/88) Commercial Property Conditions		

#### IV. OFFER OF OPTIONAL COVERAGE(S)

Based on the information provided, the following additional coverages are available to this applicant but are not currently included in the quotation. The additional premium may be subject to taxes & fees. For a firm final amount please contact us and we will revise the quote.

Coverage	Additional Premium
Option 1 Terrorism Coverage	\$264.00

##### Important Information

- If this coverage is purchased, add L-541 Extension of Terrorism Coverage
- Terrorism coverage is available per the Terrorism Risk Insurance Program Reauthorization Act of 2007. If not purchased, please provide the signed TRIADN Disclosure Notice or add form NTE - Notice of Terrorism Exclusion. When making your decision to purchase Terrorism Coverage, please be aware that coverage for "insured losses" as defined by the Act is subject to the coverage terms, conditions, amount, and limits in this policy applicable to losses arising from events other than acts of terrorism.
- The Terrorism premium shown above has been calculated as a percentage of the quoted coverages. If any coverages are added or removed at binding, the additional premium shown above is subject to change.
- This coverage cannot be added mid-term.

Please contact us with any questions regarding the terminology used or the coverages provided.

\*\*Read the quote carefully, it may not match the coverages requested\*\*

Commercial Property Application

MPR012N0033  
Version 2

You or your agent provided the information used to complete the questions below. Please answer all remaining questions in the space provided. By signing this application you are warranting that all information on this application is true and correct.

I. General Information

Applicant's Name: Children's Fountain of Knowledge Learning Center, Inc

Form Of Business:  Individual  Corporation  Partnership  LLC  Other: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Web Address: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Inspection Contact: \_\_\_\_\_

Coverage Desired:  Monoline Liability  Monoline Property  Monoline Liquor  Package

Policy Term:  3 Months  6 Months  9 Months  Annual

Has coverage been cancelled or non-renewed in the last 3 years (not applicable in the state of MO)?  Yes  No

If Yes, provide complete details: \_\_\_\_\_

What year did the business start? 2008

Loss Information for the past 3 years:  None or provide details below

Description of Operations:

child care center

No Property losses/claims incurred in the past 3 years (excluding closed no pay)  True  False

Has Insurance coverage been cancelled or non-renewed in the past 3 years? (not applicable in MO)  Yes  No

In the past 3 years, no more than 1 Property loss (excluding closed no pay), no open claims and no one loss over \$10,000  True  False

In the past 3 years, no more than 1 Theft Property loss (excluding closed without payment)  True  False

No past, pending or planned foreclosure and/or bankruptcy or judgment for unpaid taxes against the named insured or any officer, partner, member or owner of the applicant individually within the past five (5) years.  True  False

III. Locations of Coverage and Corresponding Classifications

Location #1

Address City State Zip  
9109 Mcpherson Rd Laredo TX 78045

Years At Current Location: \_\_\_\_\_

Construction: Frame Protection Class: 4

No. of Stories: \_\_\_\_\_ Year Built: 2007 Total Square Footage: 9,740

Years at this location: \_\_\_\_\_

Roof Age: 5 Roof Type:  Flat  Shingle  Wood Shake  Metal  Tile  Slate  Other \_\_\_\_\_

Plumbing:  PVC  Copper  Lead  Iron  Galvanized  Other \_\_\_\_\_

Updates: Plumbing: \_\_\_\_\_ Electrical: \_\_\_\_\_ Heating: \_\_\_\_\_

Protective Devices:	<input type="checkbox"/> Functional & operational smoke detectors		
	<input checked="" type="checkbox"/> Burglar Alarm	<input checked="" type="checkbox"/> Central Station	<input type="checkbox"/> Local
	<input type="checkbox"/> Fire Alarm	<input type="checkbox"/> Central Station	<input type="checkbox"/> Local
	<input type="checkbox"/> Sprinkler System - _____ % of the building		
Cause of Loss:	<input checked="" type="checkbox"/> Special Form <input type="checkbox"/> Broad Form <input type="checkbox"/> Basic Form		
Exclusions:	<input type="checkbox"/> Wind & Hail <input type="checkbox"/> Sprinkler Leakage <input type="checkbox"/> Theft <input type="checkbox"/> Water Damage		

Deductible:  \$500  \$1,000  \$2,500  \$5,000  Other \_\_\_\_\_

	Coverage	Limit	Additional Information
<input checked="" type="checkbox"/>	Building	\$1,200,000	Co-Insurance: <input checked="" type="checkbox"/> 80% <input type="checkbox"/> 90 <input type="checkbox"/> 100% Valuation: <input checked="" type="checkbox"/> Replacement Cost <input type="checkbox"/> Actual Cash Value
<input checked="" type="checkbox"/>	Business Personal Property	\$100,000	Co-Insurance: <input checked="" type="checkbox"/> 80% <input type="checkbox"/> 90 <input type="checkbox"/> 100% Valuation: <input checked="" type="checkbox"/> Replacement Cost <input type="checkbox"/> Actual Cash Value
<input checked="" type="checkbox"/>	Equipment Breakdown	Included in Building and Personal Property	Co-Insurance: <input type="checkbox"/> 80% <input type="checkbox"/> 90 <input type="checkbox"/> 100% Valuation: <input type="checkbox"/> Replacement Cost <input checked="" type="checkbox"/> Actual Cash Value
<input checked="" type="checkbox"/>	Value Plus	See CP108	Co-Insurance: <input type="checkbox"/> 80% <input type="checkbox"/> 90 <input checked="" type="checkbox"/> 100%

Is there a wading pool? No

Is the applicant open for more than 14 hours or on an overnight basis? No

Is this a 100% Drop-in Center? i.e.: short term care, parents on premises or easily accessible, any one child in care < 4 hours. No

**Property**

For any building built prior to 1978, no building with knob-and-tube or aluminum wiring on premises  True  False

For any building built prior to 1978, 100% of the wiring is on functioning and operational circuit breakers  True  False

Functioning and operational smoke and/or heat detectors in all units and/or occupancies  True  False

Functioning and operational fire extinguishers readily available  True  False

Any seasonal exposure is reviewed and accepted by Home Office  True  False

**V. Additional Eligibility Information**

Does the Applicant engage in any operations or have any classifications on their premise(s) other than those listed in Item II Locations of Coverage and Corresponding Classifications?  Yes  No

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 may subject such person to criminal and/or civil penalties and other sanctions.

Applicant's Warranty Statement: I warrant that the information provided in this Application, and any amendments or modifications to this Application are true and correct. I acknowledge that the information provided in this Application is material to acceptance of the risk and the issuance of the requested policy by Company. I agree that any claim, incident, occurrence, event or material change in the Applicant's operation taking place between the date this application was signed and the effective date of the insurance policy applied for which would render inaccurate, untrue or incomplete, any information provided in this Application, will immediately be reported in writing to the Company and the Company may withdraw or modify any outstanding quotations and/or void any authorization or agreement to bind the insurance. Company may, but is not required, to make investigation of the information provided in this Application. A decision by the Company not to make or to limit such investigation does not constitute a waiver or estoppel of Company's rights.

I acknowledge that this Application is deemed incorporated by reference in any policy issued by Company in reliance thereon whether or not the Application is attached to the policy.

I acknowledge and agree that a breach of this WARRANTY STATEMENT is grounds for Company to declare void any policy or policies issued in reliance thereon and/or deny any claim(s) for coverage thereunder.

Applicants Signature\*: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
(Must be Owner, Officer or Partner) (Required) (Required)  
Brokers Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
If your state requires that we have the name and address of your (insured's) authorized Agent or Broker.  
Name of Authorized Agent or Broker: \_\_\_\_\_  
Address: \_\_\_\_\_

**SUBMITTING THIS APPLICATION DOES NOT BIND THE APPLICANT TO PURCHASE INSURANCE.  
ACCEPTANCE OF THIS APPLICATION DOES NOT BIND THE COMPANY TO ISSUE INSURANCE.**

## DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("the Act"), effective December 26th, 2007, you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102(1) of the Act*. The term "act of terrorism" 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 an air carrier or vessel 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.

You should know that any coverage for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage for each Program Year (January 1 through December 31). The premium charged for this coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

Coverage for "insured losses", as defined in the Act, is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than acts of terrorism.

You should know that the 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 for all insurers exceeds \$100 billion, your coverage may be reduced.

You should also know that, under federal law, you are not required to purchase coverage for losses caused by certified acts of terrorism.

### **REJECTION OR SELECTION OF TERRORISM INSURANCE COVERAGE**

Please "X" one of the boxes below and return this notice to the Company.

	<b>I decline to purchase Terrorism Coverage. I understand that I will have no coverage for losses arising from acts of Terrorism.</b>
	<b>I elect to purchase coverage for certified acts of Terrorism for a premium of \$_____.</b>

**Note: if you do not respond to our offer and do not return this notice to the Company, you will have no Terrorism Coverage under this policy.**

\_\_\_\_\_  
Applicant Name (Print)

\_\_\_\_\_  
Named Insured

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date



# SMALL BUSINESS RESOURCE CENTER

We provide our USLI policyholders access to these benefits and features...



## Human Resources Services – FREE!

- Unlimited access to trained representatives available to assist you with your Human Resources questions and concerns
- Use this service as many times as you need with no limit on the length of the call
- 24/7 access to an online library of Human Resources information

## Workers Compensation Services – FREE!

- Unlimited access to trained representatives available to assist you with your Workers' Compensation questions
- No limit on the number of times you can call or the length of the call

## Background Check Services – First one FREE, and the rest are discounted!

- You will have access to order a free background check and subsequent checks for a substantially discounted price

## Recruiting and Interviewing Training Module – Free!

- You will have access to an online training module 24/7 from the convenience of your office or home

**Purchasing this policy can provide your business with significant savings when utilizing these services!**