



McGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC.

5949 Sherry Lane, Suite 1300 • Dallas, TX 75225 • TEL - (469) 232-2100 • FAX - (469) 232-2101

August 18, 2004

Mr. Bill Cody
Risk Manager
City of College Station
1101 Texas Avenue
College Station, TX 77842

Re: Excess Workers Compensation and Casualty Renewal

Dear Bill:

Subsequent to our providing your Excess renewal quotation, the company has again offered a continuing three-year rate agreement. This means that your rate would not increase and your premiums would only increase in direct relation to the exposure. So if your payroll increases 5%, the premium could increase 5%. State National Insurance Company is the only market we are currently aware of that offers this type of agreement.

Please feel free to call us if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Day". The signature is written in black ink and is positioned above the printed name and title.

Jackie Day, CPCU, CIC, AAI
Vice President
Marketing Account Executive

JD