

CITY OF YUBA CITY  
STAFF REPORT

**Date:** August 5, 2019  
**To:** Honorable Mayor & Members of the City Council  
**From:** Finance/IT Department  
**Presentation By:** Robin Bertagna, CPA, Finance Director

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**Summary**

**Subject:** Citywide Property Insurance Coverage through Northern California Cities Self Insurance Plan (NCCSIF) Pool for FY 2019-20 Renewal

**Recommendation:** Authorize Supplemental Appropriation to Cover Increased Citywide Property Insurance Premium for FY 2019-20 of \$165,666

**Fiscal Impact:** An Increase in Cost of \$165,666 Compared to Budgeted Amount

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**Purpose:**

To review and discuss the increase in FY 2019-20 Citywide Property Insurance Renewal Cost.

**Background:**

The City participates in pooled property insurance through the City's joint powers agreement for insurance, NCCSIF, and has a variety of property related coverages through the Alliant Property Insurance Program (APIP). By participating in this pool with other agencies, the City has been able to save significant cost over having an independent, standalone policy. Coverages include: all risk real property insurance, personal property insurance, boiler and machinery coverage, etc.; pollution coverage; terrorism coverage; cyber coverage; course of construction; contractor's equipment; vehicle physical damage; flood coverage; and deadly weapon response program coverage.

**Analysis:**

When the City was preparing the FY 2019-20 proposed budget, Alliant Insurance Services, Inc., the NCCSIF administrator warned participating cities via e-mail in April, 2019, that we "may see a property rate increase of 50% or more, based on an increasingly hard market and a few substantial losses that have pushed NCCSIF's loss ratio to 250% over a five-year period. In addition to the impact of this rate increase, many members have seen their insured values increase during the recent appraisal, further amplifying the impact of the rate increase." For Yuba City, the property appraisal caused total insured values to increase by 26%. Additionally, the Town of Paradise is part of the NCCSIF self-insurance fund and participates in the property insurance APIP program. The Camp Fire generated significant insured losses for the Town of Paradise.

Of course, Alliant and the NCCSIF Board wanted to try to minimize the increase for all members participating in APIP and explored increasing deductibles in order to lower the impact of the anticipated increase. In FY 2018-19 the City paid \$256,934 and was invoiced \$448,266 for FY 2019-20 coverage, an increase of \$191,332 year over year (an increase of 81%).

For FY 2018-19, the City budgeted \$245,000 for property insurance. Finance staff increased the amount budgeted through the City's Liability Self Insurance Internal Service Fund (#605 on the City's general ledger) by 15% to a total of \$282,600 for the FY 2019-20 property insurance renewal.

The NCCSIF Board of Directors met on June 13, 2019, and reviewed the projected costs for various renewal options. A copy of the agenda item presented to the NCCSIF Board is attached for informational purposes. Historically, the APIP property insurance program has had a deductible of \$5,000 per occurrence. Options presented to the NCCSIF Board included increasing the deductible to either \$10,000 or \$25,000. Based on the NCCSIF staff report attached, you can see that the cost savings generated by increasing the deductibles was nominal in relation to the premium overall. A \$10,000 per occurrence deductible would have reduced Yuba City's annual cost by approximately \$9,952. A \$25,000 per occurrence deductible would have reduced costs by approximately \$19,904. The NCCSIF Board therefore voted to renew the property insurance coverage and maintain the \$5,000 per occurrence deductible. The \$5,000 deductible has allowed the City to submit property insurance reimbursement claims for vehicle accidents and for theft or break-ins resulting in stolen City equipment items. A higher deductible would likely all but eliminate the City's ability to recover anything for these types of claims (wherein we are unable to go after an independent responsible party for the damages).

City staff inquired of Alliant Insurance Services, Inc., the broker that administers the APIP program regarding the very large increase in premiums. The information provided indicates that the insurance market place has changed drastically due to all of the wildfire events in California. Insurance underwriters are taking a new view of wildfire *exposure* and raising rates, even if there have been no previous claims. As bad as it may seem for us, for those agencies not in the APIP program, Alliant advised that they are seeing non-renewals and rate increases of 100% or more, even for insureds with no claims based on the wildfire *exposure*.

On July 11, 2019, the City received an invoice from NCCSIF for the property insurance renewal for FY 2019-20 for \$448,266. The Citywide premium budgeted was \$282,600. The invoice received exceeds the amount budgeted by \$165,666. Without budgetary authority, City staff cannot process this invoice for payment. The invoice due date is August 9, 2019. Therefore staff is requesting a supplemental appropriation of \$165,666 to account number 6535-64311. As of June 30, 2019, there was \$322,445 in available reserves in the City's Liability Self Insurance Internal Service Fund. These reserve funds can cover the increase in cost for FY 2019-20. However, beginning with the FY 2020-21 budget, Citywide charges distributed from the internal service fund will need to be increased for the general fund, water, wastewater, fleet, etc.

#### **Fiscal Impact:**

An increase in property insurance coverage costs of \$165,666 for FY 2019-20 coverage.

#### **Alternatives:**

- Request that City staff contact insurance brokers to obtain quotes for the FY 2020-21 renewal; or
- Request that City staff provide a Notice of Cancellation to the NCCSIF APIP program and obtain alternate coverage. This alternative is not recommended due to the complex nature of City facilities and City coverages.

**Recommendation:**

Authorize supplemental appropriation of \$165,666 to account number 6535-64311 (General Liability Self Insurance Fund-Insurance Physical Loss).

*Attachments:*

- 1) *Invoice from NCCSIF for FY 2019-20 Property Insurance Program Renewal*
- 2) *10 Year Historical Budget vs. Actual Property Insurance Costs*
- 3) *NCCSIF Board Of Directors June 13, 2019, Agenda Item 1.2.a reviewing FY 19-20 Property Program Renewal Proposal*

Prepared By:

*/s/ Robin Bertagna*

Robin Bertagna, C.P.A.  
Finance Director

Submitted By:

*/s/ Diana Langley*

Diana Langley  
Interim City Manager

Reviewed By:

City Attorney

[SLC by email](#)

# ATTACHMENT 1



**NCCSIF**

# INVOICE

INVOICE #: 2159  
DATE: 07/10/2019  
DUE DATE: 08/09/2019

701 Howe Avenue, Suite E3  
Sacramento, CA 95825  
Phone Fax  
jmartata@jpmcpa.com

TOTAL AMOUNT: \$448,266.00  
TOTAL DUE: \$448,266.00

**BILL TO:** City of Yuba City  
1201 Civic Center Blvd  
Yuba City, CA 95991

DESCRIPTION / MEMO	AMOUNT
Property Premium	\$446,346.00
Alliant Deadly Weapon Reponse Program Premium	\$1,920.00
<b>TOTAL AMOUNT:</b>	<b>\$448,266.00</b>

**NCCSIF**  
701 Howe Avenue, Suite E3  
Sacramento, CA 95825  
Phone Fax  
jmartata@jpmcpa.com

TOTAL DUE: \$448,266.00

AMOUNT ENCLOSED: \_\_\_\_\_

Customer ID - Name: 340 - City of Yuba City  
Invoice #: 2159

**BILL TO:** City of Yuba City  
1201 Civic Center Blvd  
Yuba City, CA 95991

**REMIT TO:** NCCSIF  
701 Howe Avenue, Suite E3  
Sacramento, CA 95825

# ATTACHMENT 2

**City of Yuba City**  
**10 Year Historical Property Insurance Costs**

	<b>Budgeted Amount</b>	<b>Actual Invoice</b>	<b>Actual Invoice \$ % Change From P/Y</b>	<b>Over/(Under) Budget</b>
FY 2010-11	\$ 121,175	\$ 118,010		\$ 3,165
FY 2011-12	\$ 125,000	\$ 118,865	0.7%	\$ 6,135
FY 2012-13	\$ 136,700	\$ 144,811	21.8%	\$ (8,111)
FY 2013-14	\$ 155,000	\$ 166,494	15.0%	\$ (11,494)
FY 2014-15	\$ 176,678	\$ 165,220	-0.8%	\$ 11,458
FY 2015-16	\$ 185,500	\$ 228,232	38.1%	\$ (42,732)
FY 2016-17	\$ 239,750	\$ 122,730	-46.2%	\$ 117,020
FY 2017-18	\$ 216,500	\$ 211,783	72.6%	\$ 4,717
FY 2018-19	\$ 245,000	\$ 247,620	16.9%	\$ (2,620)
FY 2019-20	\$ 282,600	\$ 448,266	81.0%	\$ (165,666)

# ATTACHMENT 3





Agenda Item I.2.a.

**FY 19/20 PROPERTY PROGRAM RENEWAL PROPOSAL**

**ACTION ITEM**

**ISSUE:** The Board annually reviews and approves the Property Renewal Proposal. NCCSIF Property Program members are covered through the Alliant Property Insurance Program (APIP) which renews July 1, 2019.

	FY 18/19 Expiring	FY 19/20 Proposed Property Renewal Options		
	\$5,000 Deductible	\$5,000 Deductible	\$10,000 Deductible	\$25,000 Deductible
Total Insurable Values	\$1,204,173,435	\$1,541,853,618	\$1,541,853,618	\$1,541,853,618
Property Rate*	\$0.0711793	\$0.1122083	\$0.1079489	\$0.1036894
Pollution Rate	\$0.0006139	\$0.0005633	same	same
Cyber Liability Rate	\$0.0004781	\$0.0004605	same	same
Course of Construction Rate	\$0.0650024	\$0.0975044	same	same
Contractors Equipment Rate	\$0.0777278	\$0.0909407	same	same
Vehicle Physical Damage Rate	\$0.2628405	\$0.3075237	same	same
Flood Coverage Rate	\$0.0223927	\$0.0280667	same	same
Total Annual Premium	\$1,157,650	\$2,102,106	\$2,038,838	\$1,975,569

\*Property Rate = All Risk Primary, All Risk Excess, Excess Boiler and Machinery, Cyber Liability, Pollution, and Lloyds Primary Terrorism (no CE, Auto, Flood, EQ).

Total Insurable Values (TIV) increased 28%, from \$1,204,173,435 to \$1,541,853,618, due to new property appraisals and various changes throughout the year. The All Risk\* property rate increased 58% from the prior year, from \$0.071 to \$0.112 per \$100 of TIV. These changes result in a total premium increase of 32.14%, from \$877,725 to \$1,765,907.



Northern California Cities Self Insurance Fund  
 Board of Directors Meeting  
 June 13, 2019

Agenda Item I.2.a. *continued*

The following are the changes in rates per \$100 TIV for the other APIP coverages:

- Pollution coverage rate is decreasing -8.2%, from \$0.00061 to \$0.00056
- Cyber coverage rate down is down -3.7%, from \$0.0004781 to \$0.0004605
- Course of Construction rate up 51%, from \$0.065 to \$0.098
- Contractors Equipment rate up 18%, from \$0.077 to \$0.091
- Vehicle Physical Damage is increasing 17%, from \$0.263 to \$0.308
- Flood coverage rate up 9.23% from \$0.022 to \$0.028

	FY 19/20 Flood Rates		
	Current Members	Current <i>plus</i> Additional Indication for <u>five</u> members at \$10M limit	Current <i>plus</i> Additional Indication for <u>six</u> members at \$10M limit
Flood Rate	\$0.0280667	\$0.0653541	\$0.0664903
Members Cities	Auburn \$17M limit Ione \$10M limit Marysville \$15M limit Yuba City \$10M limit	Auburn \$17M limit Ione \$10M limit Marysville \$15M limit Yuba City \$10M limit Colusa \$10M limit Gridley \$10M limit Lincoln \$10M limit Oroville \$10M limit Red Bluff \$10M limit	Auburn \$17M limit Ione \$10M limit Marysville \$15M limit Yuba City \$10M limit Colusa \$10M limit Gridley \$10M limit Lincoln \$10M limit Oroville \$10M limit Red Bluff \$10M limit Rio Vista \$10M limit

The attached Executive Summary outlines the factors for the current “hard” market and the proposed changes to the coverage for 19/20. Most of the changes are clarifications though the available limit for Tax Interruption is decreasing.

Given the expected increase in rates, the Program Administrators requested options for increasing the \$5,000 deductible to \$10,000 or \$25,000. The totals for each are listed below, along with an analysis of the premium savings compared to the net savings after payment of the expected additional deductibles, based on a five-year average. While the pool overall would see a reduction the net savings to the members may not be worth the risk.



Agenda Item I.2.a. *continued*

**NCCSIF APIP Deductible Options FY 19-20**

Deductibles	\$5,000	\$10,000	\$25,000
<b>Premiums</b>	<b>\$2,102,106</b>	<b>\$2,038,838</b>	<b>\$1,975,569</b>
	Savings	(\$63,268)	(\$126,537)
		Savings	(\$63,269)
Average Increase in Deductibles Paid	FYE 15-19	\$43,590	\$108,383
	Net Savings	(\$19,678)	(\$18,154)

**RECOMMENDATION:** The Program Administrator recommends approval of the FY 19/20 Property Program Renewal with the Alliant Property Insurance Program.

**FISCAL IMPACT:** The projected total premium options below are based on TIV of \$1,541,853,618.

- Option 1** - \$5,000 deductible = \$2,102,106
- Option 2** - \$10,500 deductible = \$2,038,838
- Option 3** - \$25,000 deductible = \$1,975,569

**BACKGROUND:** NCCSIF provides optional property insurance for their members through the Alliant Property Insurance Program. This is a joint purchase insurance program currently providing members up to \$1,000,000,000 in all risk limits. Premiums are based on each member’s exposures which are provided via a schedule of insured locations.

**ATTACHMENT(S):**

1. 19/20 NCCSIF Property Deposit Calculations - 3 Deductible Options: \$5,000; \$10,000; \$25,000)
2. APIP Executive Summary
3. Named Insured List
4. APIP Property Proposal
5. APIP Boiler and Machinery Proposal
6. APIP Pollution Liability Coverage Proposal
7. APIP Cyber Liability Coverage Proposal
8. APIP Schedule of Carriers
9. APIP TRIA Selection Form
10. APIP Disclosures, Disclaimers and Loss Notification Requirements
11. D1 Form Surplus Lines Affidavit
12. Property All Risk Rate & Premium Comparison

FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION  
\$5,000 Property Deductible

Total TIV = All Risk  
TIV + CE Values +  
Vehicles + COC

Formula or Allocation	Member Entity	Property Deductible	All Risk TIV						All Risk TIV x Rate	All Risk TIV x Rate	COC TIV x Rate	
			Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys				
			Real Property Values	Personal Property Values	BI/Rents Values	Tax Interruption Values	Fine Arts Values	Course of Construction (COC) Values	ALL RISK (TIV) (Real, Personal, BI/Rents, and Fine Arts, Minus COC) Values	All Risk Primary Property Premium	All Risk Excess Property Premium*	COC Premium
Rate Per \$100/Amount										\$0.0851898	0.0247193	\$0.0975044
	Anderson	\$5,000	\$28,686,777	\$4,842,521	\$718,467	\$600,000			\$34,847,765	\$29,687	\$8,788	
	Auburn	\$5,000	\$43,319,087	\$8,530,225	\$0				\$51,849,312	\$44,170	\$12,817	
	Colusa	\$5,000	\$38,283,927	\$14,378,462	\$294,732				\$52,957,121	\$45,114	\$13,091	
	Corning											
	Dixon	\$5,000	\$82,997,683	\$18,459,510	\$22,383,420				\$123,840,613	\$105,500	\$30,613	
	Elk Grove											
	Folsom	\$5,000	\$211,349,573	\$19,329,278	\$1,997,954				\$233,254,805	\$198,709	\$57,573	
	Galt	\$5,000	\$72,876,081	\$20,373,673	\$2,228,420	\$578,000	\$19,377		\$95,458,797	\$81,321	\$23,606	\$19
	Gridley	\$5,000	\$22,547,513	\$10,796,791	\$428,720				\$33,773,024	\$28,771	\$9,754	
	Ione	\$5,000	\$22,184,229	\$4,483,711	\$102,520				\$26,770,460	\$22,806	\$6,617	
	Jackson	\$5,000	\$12,848,828	\$22,440,000	\$5,000				\$35,293,828	\$30,067	\$10,846	
	Lincoln	\$5,000	\$165,050,774	\$47,649,661	\$448,106				\$213,148,541	\$181,581	\$52,689	
	Marysville	\$5,000	\$22,999,895	\$4,690,471	\$1,340,407				\$29,030,773	\$24,731	\$7,176	
	Nevada City											
	Oroville	\$5,000	\$51,163,772	\$6,603,486	\$0				\$57,767,258	\$49,212	\$14,280	
	Placerville											
	Paradise	\$5,000	\$10,327,900	\$2,152,044	\$133,751				\$12,613,695	\$10,746	\$4,331	
	Red Bluff	\$5,000	\$46,823,937	\$10,838,817	\$491,139				\$58,153,893	\$49,541	\$14,375	
	Rio Vista	\$5,000	\$35,947,800	\$11,078,250	\$0				\$47,026,050	\$40,061	\$11,625	
	Rocklin	\$5,000	\$68,600,210	\$7,555,782	\$6,200,000				\$82,355,992	\$70,159	\$20,358	
	Willows											
	Yuba City	\$5,000	\$205,300,726	\$28,706,845	\$6,628,952			\$18,860,167	\$221,776,356	\$188,931	\$82,599	\$18,389
	<b>TOTAL</b>		<b>\$1,141,308,712</b>	<b>\$242,909,527</b>	<b>\$43,401,588</b>	<b>\$600,000</b>	<b>\$578,000</b>	<b>\$18,879,544</b>	<b>\$1,409,918,283</b>	<b>\$1,201,107</b>	<b>\$381,138</b>	<b>\$18,408</b>
	<b>Verify Quote Sheet</b>								<b>\$ 1,201,107</b>	<b>\$</b>	<b>381,136</b>	<b>\$</b>
	Don't Participate											
	New Quote/Prospect											

FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION  
\$5,000 Property Deductible

Formula or Allocation	Rating B&M Value x Rate x Member % All Risk TIV	Pulled from Oasys	Total TIV			Total TIV			Total TIV			
			CE x Rate	Total TIV x Rate	Cyber Liability Premium	Pollution Coverage Premium	Lloyds Primary Terrorism Premium	Total TIV x Rate	Total TIV x Rate	Total TIV x Rate	Estimated Surplus Line Taxes & Fees	
<b>Member Entity</b>	<b>Excess Boiler &amp; Machinery Premium</b>	<b>Contractors Equipment (CE) Values</b>	<b>CE Premium</b>	<b>Cyber Liability Premium</b>	<b>Pollution Coverage Premium</b>	<b>Lloyds Primary Terrorism Premium</b>	<b>Estimated Surplus Line Taxes &amp; Fees</b>					
Rate Per \$100/Amount	\$0.0010581	Values	\$0.0909407	\$0.0004605	\$0.0005633	\$0.0002173	\$64,164.35					
Anderson	\$352	\$453,620	\$413	\$164	\$200	\$77	\$810.79					\$1,586
Auburn	\$523	\$46,503	\$42	\$239	\$292	\$113	\$1,206.36					\$2,360
Colusa	\$534	\$0	\$0	\$244	\$298	\$115	\$1,232.13					\$2,410
Corning												
Dixon	\$1,249	\$1,934,027	\$1,759	\$570	\$698	\$269	\$2,881.35					\$5,636
Elk Grove												
Folsom	\$2,353	\$8,624,430	\$7,843	\$1,073	\$1,312	\$506	\$5,427.05					\$10,615
Galt	\$963	\$492,839	\$448	\$440	\$538	\$208	\$2,221.00					\$4,344
Gridley	\$341	\$1,542,000	\$1,402	\$182	\$222	\$86	\$785.78					\$1,537
Ione	\$270	\$648,000	\$589	\$123	\$151	\$58	\$622.86					\$1,218
Jackson	\$356	\$128,500	\$117	\$202	\$247	\$95	\$821.17					\$1,606
Lincoln	\$2,150	\$825,025	\$750	\$982	\$1,201	\$463	\$4,959.24					\$9,700
Marysville	\$293	\$529,842	\$482	\$134	\$164	\$63	\$675.45					\$1,321
Nevada City												
Oroville	\$583	\$990,620	\$901	\$266	\$325	\$126	\$1,344.05					\$2,629
Placerville												
Paradise	\$127	\$3,778,190	\$3,436	\$81	\$99	\$38	\$293.48					\$574
Red Bluff	\$587	\$2,571,157	\$2,338	\$268	\$328	\$126	\$1,353.04					\$2,647
Rio Vista	\$474	\$585,000	\$532	\$217	\$265	\$102	\$1,094.14					\$2,140
Rocklin	\$831	\$10,682,950	\$9,715	\$379	\$464	\$179	\$1,916.14					\$3,748
Willows												
Yuba City	\$2,237	\$4,572,200	\$4,158	\$1,539	\$1,882	\$726	\$5,159.98					\$10,093
<b>TOTAL</b>	<b>\$14,224</b>	<b>\$38,404,903</b>	<b>\$34,926</b>	<b>\$7,100</b>	<b>\$8,685</b>	<b>\$3,351</b>	<b>\$32,804</b>	<b>\$32,804</b>	<b>\$3,351</b>	<b>\$0</b>	<b>\$0</b>	<b>\$64,164.35</b>
<b>Verify Quote Sheet</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Don't Participate	\$0		(\$0)	\$0	\$0	(\$1)	\$0	\$0	\$0	\$0	\$0	\$0
New Quote/Prospect												

FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION  
\$5,000 Property Deductible

Formula or Allocation	2019/20 Total All Risk Property Premium Value	2018/19 Property Premium Value	\$ Change	% Change	% Change in Total TIV	Total TIV (All Risk TIV + CE + Vehicle and NO COC)	Flood Limit	Flood Values Value	Flood Premium Value	Vehicle Deductible	Vehicle Values Value	Vehicle Premium	2019/20 Grand Total Premium All Coverages
Member Entity													
Rate Per \$100/Amount													
Anderson	\$42,077	\$25,238	\$16,839	67%	7%	\$35,552,759			\$0.0280667			\$0.3075237	\$42,077
Auburn	\$61,762	\$21,033	\$40,729	194%	86%	\$51,849,312	\$17,000,000	\$52,600,809	\$14,763	\$10,000	\$704,994	\$2,168	\$78,693
Colusa	\$63,038	\$28,355	\$34,684	122%	43%	\$52,957,121							\$63,038
Corning													
Dixon	\$149,175	\$88,087	\$61,087	69%	9%	\$123,840,613							\$149,175
Elk Grove													
Folsom	\$285,412	\$165,462	\$119,950	72%	10%	\$232,909,088				\$5,000	\$27,038,048	\$83,148	\$368,560
Galt	\$114,108	\$59,613	\$54,495	91%	23%	\$95,497,551				\$5,000	\$232,283	\$714	\$114,822
Gridley	\$43,081	\$20,259	\$22,822	113%	34%	\$39,460,643							\$43,081
Ione	\$32,456	\$9,643	\$22,813	237%	98%	\$26,770,460	\$10,000,000	\$33,106,079	\$9,292	\$5,000	\$5,687,619	\$17,491	\$59,239
Jackson	\$44,357	N/A				\$43,874,871							\$44,357
Lincoln	\$254,475	\$143,044	\$111,431	78%	15%	\$213,148,541				\$7,500	\$8,581,043	\$26,389	\$280,864
Marysville	\$35,039	\$20,781	\$14,258	69%	9%	\$29,030,773	\$15,000,000	\$29,560,615	\$8,297				\$43,336
Nevada City													
Oroville	\$69,665	\$27,901	\$41,764	150%	84%	\$57,767,258					\$8,060,023	\$24,786	\$94,452
Placerville													
Paradise	\$19,725	\$11,948	\$7,777	65%	10%	\$17,520,073							\$19,725
Red Bluff	\$71,563	\$43,227	\$28,335	66%	9%	\$58,153,893				\$5,000	\$4,906,378	\$15,088	\$86,651
Rio Vista	\$56,510	N/A				\$47,026,050							\$56,510
Rocklin	\$107,749	\$63,409	\$44,340	70%	15%	\$82,355,992							\$107,749
Willows													
Yuba City	\$315,715	\$149,725	\$165,990	111%	26%	\$334,147,578	\$10,000,000	\$264,649,223	\$74,278	\$5,000	\$19,440,500	\$59,784	\$449,777
<b>TOTAL</b>	<b>\$1,765,907</b>	<b>\$877,725</b>	<b>\$888,181</b>	<b>101%</b>	<b>28%</b>	<b>\$1,541,862,576</b>		<b>\$379,916,726</b>	<b>\$106,630</b>		<b>\$74,650,888</b>	<b>\$229,569</b>	<b>\$2,102,104</b>
<i>Verify Quote Sheet</i>								\$106,630	\$0			\$0	\$2
Don't Participate													
New Quote/Prospect													

**FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION**  
**\$10,000 Property Deductible**

Total TIV = All Risk  
TIV + CE Values +  
Vehicles + COC

Formula or Allocation	Member Entity	Rate Per \$100/Amount	Property Deductible	All Risk TIV						All Risk TIV x Rate	All Risk TIV x Rate	All Risk Excess Property Premium*
				Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys			
				Real Property Values	Personal Property Values	BI/Rents Values	Tax Interruption Values	Fine Arts Values	Course of Construction (COC) Values	ALL RISK (TIV) (Real, Personal, BI/Rents, and Fine Arts, Minus COC) Values	All Risk Primary Property Premium	All Risk Excess Property Premium*
	Anderson	\$5,000	\$5,000	\$28,686,777	\$4,842,521	\$718,467	\$600,000			\$34,847,765	\$28,202	\$8,788
	Auburn	\$5,000	\$5,000	\$43,319,087	\$8,530,225	\$0				\$51,849,312	\$41,962	\$12,817
	Colusa	\$5,000	\$5,000	\$38,283,927	\$14,378,462	\$294,732				\$52,957,121	\$42,858	\$13,091
	Corning											
	Dixon	\$5,000	\$5,000	\$82,997,683	\$18,459,510	\$22,383,420				\$123,840,613	\$100,225	\$30,613
	Elk Grove											
	Folsom	\$5,000	\$5,000	\$211,349,573	\$19,329,278	\$1,997,954		\$578,000		\$233,254,805	\$188,774	\$57,573
	Galt	\$5,000	\$5,000	\$72,876,081	\$20,373,673	\$2,228,420			\$19,377	\$95,458,797	\$77,255	\$23,606
	Gridley	\$5,000	\$5,000	\$22,547,513	\$10,796,791	\$428,720				\$33,773,024	\$27,333	\$9,754
	Ione	\$5,000	\$5,000	\$22,184,229	\$4,483,711	\$102,520				\$26,770,460	\$21,665	\$6,617
	Jackson	\$5,000	\$5,000	\$12,848,828	\$22,440,000	\$5,000				\$35,293,828	\$28,563	\$10,846
	Lincoln	\$5,000	\$5,000	\$165,050,774	\$47,649,661	\$448,106				\$213,148,541	\$172,502	\$52,689
	Marysville	\$5,000	\$5,000	\$22,999,895	\$4,690,471	\$1,340,407				\$29,030,773	\$23,495	\$7,176
	Nevada City											
	Oroville	\$5,000	\$5,000	\$51,163,772	\$6,603,486	\$0				\$57,767,258	\$46,751	\$14,280
	Placerville											
	Paradise	\$5,000	\$5,000	\$10,327,900	\$2,152,044	\$133,751				\$12,613,695	\$10,208	\$4,331
	Red Bluff	\$5,000	\$5,000	\$46,823,937	\$10,838,817	\$491,139				\$58,153,893	\$47,064	\$14,375
	Rio Vista	\$5,000	\$5,000	\$35,947,800	\$11,078,250	\$0				\$47,026,050	\$38,058	\$11,625
	Rocklin	\$5,000	\$5,000	\$68,600,210	\$7,555,782	\$6,200,000				\$82,355,992	\$66,651	\$20,358
	Willows											
	Yuba City	\$5,000	\$5,000	\$205,300,726	\$28,706,845	\$6,628,952			\$18,860,167	\$221,776,356	\$179,484	\$82,599
	<b>TOTAL</b>			<b>\$1,141,308,712</b>	<b>\$242,909,527</b>	<b>\$43,401,588</b>	<b>\$600,000</b>	<b>\$578,000</b>	<b>\$18,879,544</b>	<b>\$1,409,918,283</b>	<b>\$1,141,053</b>	<b>\$381,138</b>
	<b>Verify Quote Sheet</b>									<b>\$ 1,141,053</b>	<b>\$</b>	<b>381,136</b>
	<b>Don't Participate</b>									<b>(\$0)</b>	<b>\$</b>	<b>\$2</b>
	<b>New Quote/Prospect</b>											

FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION  
\$10,000 Property Deductible

Formula or Allocation	Total TIV		Total TIV		Total TIV		Total TIV		Total TIV		Estimated Surplus Line Taxes & Fees
	COC TIV x Rate	Rating B&M Value x Rate x Member % All Risk TIV	Pulled from Oasys Values	CE x Rate	Total TIV x Rate	Cyber Liability Premium	Pollution Coverage Premium	Lloyds Primary Terrorism Premium	Total TIV x Rate		
<b>Member Entity</b>	<b>COC Premium</b>	<b>Excess Boiler &amp; Machinery Premium</b>	<b>Contractors Equipment (CE) Values</b>	<b>CE Premium</b>	<b>Cyber Liability Premium</b>	<b>Pollution Coverage Premium</b>	<b>Lloyds Primary Terrorism Premium</b>	<b>Estimated Surplus Line Taxes &amp; Fees</b>			
Rate Per \$100/Amount	\$0.0975044	\$0.0010581	Values	Premium	Premium	Premium	Premium	\$31,512.00			\$62,242.63
Anderson		\$352	\$453,620	\$413	\$164	\$200	\$77	\$778.86			\$1,538
Auburn		\$523	\$46,503	\$42	\$239	\$292	\$113	\$1,158.84			\$2,289
Colusa		\$534	\$0	\$0	\$244	\$298	\$115	\$1,183.60			\$2,338
Corning											
Dixon		\$1,249	\$1,934,027	\$1,759	\$570	\$698	\$269	\$2,767.87			\$5,467
Elk Grove											
Folsom		\$2,353	\$8,624,430	\$7,843	\$1,073	\$1,312	\$506	\$5,213.30			\$10,297
Gait	\$19	\$963	\$492,839	\$448	\$440	\$538	\$208	\$2,133.53			\$4,214
Gridley		\$341	\$1,542,000	\$1,402	\$182	\$222	\$86	\$754.83			\$1,491
Ione		\$270	\$648,000	\$589	\$123	\$151	\$58	\$598.33			\$1,182
Jackson		\$356	\$128,500	\$117	\$202	\$247	\$95	\$788.83			\$1,558
Lincoln		\$2,150	\$825,025	\$750	\$982	\$1,201	\$463	\$4,763.92			\$9,410
Marysville		\$293	\$529,842	\$482	\$134	\$164	\$63	\$648.84			\$1,282
Nevada City											
Oroville		\$583	\$990,620	\$901	\$266	\$325	\$126	\$1,291.11			\$2,550
Placerville											
Paradise		\$127	\$3,778,190	\$3,436	\$81	\$99	\$38	\$281.92			\$557
Red Bluff		\$587	\$2,571,157	\$2,338	\$268	\$328	\$126	\$1,299.75			\$2,567
Rio Vista		\$474	\$585,000	\$532	\$217	\$265	\$102	\$1,051.04			\$2,076
Rocklin		\$831	\$10,682,950	\$9,715	\$379	\$464	\$179	\$1,840.68			\$3,636
Willows											
Yuba City	\$18,389	\$2,237	\$4,572,200	\$4,158	\$1,539	\$1,882	\$726	\$4,956.75			\$9,791
<b>TOTAL</b>	<b>\$18,408</b>	<b>\$14,224</b>	<b>\$38,404,903</b>	<b>\$34,926</b>	<b>\$7,100</b>	<b>\$8,685</b>	<b>\$3,350</b>	<b>\$31,512</b>	<b>\$3,351</b>	<b>\$0</b>	<b>\$62,243</b>
<b>Verify Quote Sheet</b>	<b>\$ 18,408</b>	<b>\$ 14,224</b>	<b>\$</b>	<b>\$ 34,926</b>	<b>\$ 7,100</b>	<b>\$ 8,685</b>	<b>\$ 3,351</b>	<b>\$ 31,512</b>	<b>\$ 3,351</b>	<b>\$ 0</b>	<b>\$ 62,242.63</b>
Don't Participate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Quote/Prospect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION  
 \$10,000 Property Deductible

Formula or Allocation	2019/20 Total All Risk Property Premium Value	2018/19 Property Premium Value	\$ Change	% Change	% Change in Total TIV	Total TIV (All Risk TIV + CE + Vehicle and NO COC)	Flood Limit	Flood Values Value	Flood Premium	Vehicle Deductible	Vehicle Values Value	Vehicle Premium	2019/20 Grand Total Premium All Coverages
Member Entity													
Rate Per \$100/Amount													
Anderson	\$40,513	\$25,238	\$15,275	61%	7%	\$35,552,759			\$0.0280667			\$0.3075237	\$40,513
Auburn	\$59,435	\$21,033	\$38,402	183%	86%	\$51,849,312	\$17,000,000	\$52,600,809	\$14,763	\$10,000	\$704,994	\$2,168	\$76,367
Colusa	\$60,662	\$28,355	\$32,307	114%	43%	\$52,957,121							\$60,662
Corning													
Dixon	\$143,617	\$88,087	\$55,530	63%	9%	\$123,840,613							\$143,617
Elk Grove													
Folsom	\$274,945	\$165,462	\$109,483	66%	10%	\$232,909,088				\$5,000	\$27,038,048	\$83,148	\$358,094
Galt	\$109,825	\$59,613	\$50,212	84%	23%	\$95,497,551				\$5,000	\$232,283	\$714	\$110,539
Gridley	\$41,566	\$20,259	\$21,307	105%	34%	\$39,460,643							\$41,566
Ione	\$31,255	\$9,643	\$21,612	224%	98%	\$26,770,460	\$10,000,000	\$33,106,079	\$9,292	\$5,000	\$5,687,619	\$17,491	\$58,037
Jackson	\$42,773	N/A				\$43,874,871							\$42,773
Lincoln	\$244,910	\$143,044	\$101,866	71%	15%	\$213,148,541				\$7,500	\$8,581,043	\$26,389	\$271,299
Marysville	\$33,736	\$20,781	\$12,955	62%	9%	\$29,030,773	\$15,000,000	\$29,560,615	\$8,297				\$42,033
Nevada City													
Oroville	\$67,073	\$27,901	\$39,172	140%	84%	\$57,767,258					\$8,060,023	\$24,786	\$91,859
Placerville													
Paradise	\$19,159	\$11,948	\$7,211	60%	10%	\$17,520,073							\$19,159
Red Bluff	\$68,953	\$43,227	\$25,726	60%	9%	\$58,153,893				\$5,000	\$4,906,378	\$15,088	\$84,041
Rio Vista	\$54,400	N/A				\$47,026,050							\$54,400
Rocklin	\$104,053	\$63,409	\$40,645	64%	15%	\$82,355,992							\$104,053
Willows													
Yuba City	\$305,763	\$149,725	\$156,038	104%	26%	\$334,147,578	\$10,000,000	\$264,649,223	\$74,278	\$5,000	\$19,440,500	\$59,784	\$439,825
<b>TOTAL</b>	<b>\$1,702,639</b>	<b>\$877,725</b>	<b>\$824,914</b>	<b>94%</b>	<b>28%</b>	<b>\$1,541,862,576</b>		<b>\$379,916,726</b>	<b>\$106,630</b>		<b>\$74,650,888</b>	<b>\$229,569</b>	<b>\$2,038,838</b>
<b>Verify Quote Sheet</b>									<b>\$106,630</b>			<b>\$229,569</b>	<b>\$2,038,837</b>
Don't Participate									\$0			\$0	\$0
New Quote/Prospect									\$0			\$0	\$0

**FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION**  
**\$25,000 Property Deductible**

**Total TIV = All Risk  
TIV + CE Values +  
Vehicles + COC**

Formula or Allocation	Property Deductible	All Risk TIV					All Risk TIV		All Risk TIV x Rate	All Risk TIV x Rate
		Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Course of Construction (COC) Values	ALL RISK (TIV) (Real, Personal, BI/Rents, and Fine Arts, Minus COC) Values		
<b>Member Entity</b>										
<b>Rate Per \$100/Amount</b>										
Anderson	\$5,000	\$28,686,777	\$4,842,521	\$718,467	\$600,000			\$34,847,765	\$26,718	\$8,788
Auburn	\$5,000	\$43,319,087	\$8,530,225	\$0				\$51,849,312	\$39,753	\$12,817
Colusa	\$5,000	\$38,283,927	\$14,378,462	\$294,732				\$52,957,121	\$40,603	\$13,091
Corning										
Dixon	\$5,000	\$82,997,683	\$18,459,510	\$22,383,420				\$123,840,613	\$94,950	\$30,613
Elk Grove										
Folsom	\$5,000	\$211,349,573	\$19,329,278	\$1,997,954				\$233,254,805	\$178,839	\$57,573
Galt	\$5,000	\$72,876,081	\$20,373,673	\$2,228,420		\$578,000		\$95,458,797	\$73,189	\$23,606
Gridley	\$5,000	\$22,547,513	\$10,796,791	\$428,720			\$19,377	\$33,773,024	\$25,894	\$9,754
Ione	\$5,000	\$22,184,229	\$4,483,711	\$102,520				\$26,770,460	\$20,525	\$6,617
Jackson	\$5,000	\$12,848,828	\$22,440,000	\$5,000				\$35,293,828	\$27,060	\$10,846
Lincoln	\$5,000	\$165,050,774	\$47,649,661	\$448,106				\$213,148,541	\$163,423	\$52,689
Marysville	\$5,000	\$22,999,895	\$4,690,471	\$1,340,407				\$29,030,773	\$22,258	\$7,176
Nevada City										
Oroville	\$5,000	\$51,163,772	\$6,603,486	\$0				\$57,767,258	\$44,291	\$14,280
Placerville										
Paradise	\$5,000	\$10,327,900	\$2,152,044	\$133,751				\$12,613,695	\$9,671	\$4,331
Red Bluff	\$5,000	\$46,823,937	\$10,838,817	\$491,139				\$58,153,893	\$44,587	\$14,375
Rio Vista	\$5,000	\$35,947,800	\$11,078,250	\$0				\$47,026,050	\$36,055	\$11,625
Rocklin	\$5,000	\$68,600,210	\$7,555,782	\$6,200,000				\$82,355,992	\$63,143	\$20,358
Willows										
Yuba City	\$5,000	\$205,300,726	\$28,706,845	\$6,628,952			\$18,860,167	\$221,776,356	\$170,038	\$82,599
<b>TOTAL</b>		<b>\$1,141,308,712</b>	<b>\$242,909,527</b>	<b>\$43,401,588</b>	<b>\$600,000</b>	<b>\$578,000</b>	<b>\$18,879,544</b>	<b>\$1,409,918,283</b>	<b>\$1,080,997</b>	<b>\$381,138</b>

**Verify Quote Sheet**  
Don't Participate \$0  
New Quote/Prospect \$0

FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION  
 \$25,000 Property Deductible

Formula or Allocation	Total TIV										Total TIV		
	COC TIV x Rate	Rating B&M Value x Rate x Member % All Risk TIV	Pulled from Oasys Values	CE x Rate	Total TIV x Rate	Cyber Liability Premium	Pollution Coverage Premium	Lloyds Primary Terrorism Premium	Estimated ABS Fees	Estimated Surplus Line Taxes & Fees			
Member Entity													
Rate Per \$100/Amount	\$0.0975044	\$0.0010581		\$0.0909407	\$0.0004605	\$0.0005633	\$0.0002173						
Anderson		\$352	\$453,620	\$413	\$164	\$200	\$77	\$746.92	\$1,491				
Auburn		\$523	\$46,503	\$42	\$239	\$292	\$113	\$1,111.33	\$2,218				
Colusa		\$534	\$0	\$0	\$244	\$298	\$115	\$1,135.08	\$2,266				
Corning													
Dixon		\$1,249	\$1,934,027	\$1,759	\$570	\$698	\$269	\$2,654.38	\$5,298				
Elk Grove													
Folsom		\$2,353	\$8,624,430	\$7,843	\$1,073	\$1,312	\$506	\$4,999.55	\$9,979				
Galt	\$19	\$963	\$492,839	\$448	\$440	\$538	\$208	\$2,046.05	\$4,084				
Gridley		\$341	\$1,542,000	\$1,402	\$182	\$222	\$86	\$723.89	\$1,445				
Ione		\$270	\$648,000	\$589	\$123	\$151	\$58	\$573.79	\$1,145				
Jackson		\$356	\$128,500	\$117	\$202	\$247	\$95	\$756.48	\$1,510				
Lincoln		\$2,150	\$825,025	\$750	\$982	\$1,201	\$463	\$4,568.60	\$9,119				
Marysville		\$293	\$529,842	\$482	\$134	\$164	\$63	\$622.24	\$1,242				
Nevada City													
Oroville		\$583	\$990,620	\$901	\$266	\$325	\$126	\$1,238.18	\$2,471				
Placerville													
Paradise		\$127	\$3,778,190	\$3,436	\$81	\$99	\$38	\$270.36	\$540				
Red Bluff		\$587	\$2,571,157	\$2,338	\$268	\$328	\$126	\$1,246.46	\$2,488				
Rio Vista		\$474	\$585,000	\$532	\$217	\$265	\$102	\$1,007.95	\$2,012				
Rocklin		\$831	\$10,682,950	\$9,715	\$379	\$464	\$179	\$1,765.21	\$3,523				
Willows													
Yuba City		\$2,237	\$4,572,200	\$4,158	\$1,539	\$1,882	\$726	\$4,753.52	\$9,488				
<b>TOTAL</b>		<b>\$18,408</b>	<b>\$38,404,903</b>	<b>\$34,926</b>	<b>\$7,100</b>	<b>\$8,685</b>	<b>\$3,351</b>	<b>\$30,220</b>	<b>\$60,320.83</b>				
Verify Quote Sheet	\$	18,408	\$	34,926	\$	7,100	\$	8,685	\$	3,351	\$	30,220	\$
Don't Participate	\$	0	\$	0	\$	0	(\$1)	\$	0	\$	0	\$	0
New Quote/Prospect	\$	0	\$	0	\$	0	(\$1)	\$	0	\$	0	\$	0

FY 19/20 NCCSIF PROPERTY PROGRAM ALLOCATION  
 \$25,000 Property Deductible

Formula or Allocation	2019/20 Total All Risk Property Premium Value	2018/19 Property Premium Value	\$ Change	% Change	% Change in Total TIV	Total TIV (All Risk TIV + CE + Vehicle and NO COC)	Flood Limit	Flood Values Value	Flood Premium	Vehicle Deductible	Vehicle Values Value	Vehicle Premium	2019/20 Grand Total Premium All Coverages
Member Entity													
Rate Per \$100/Amount													
Anderson	\$38,950	\$25,238	\$13,711	54%	7%	\$35,552,759			\$0.0280667			\$0.3075237	\$38,950
Auburn	\$57,109	\$21,033	\$36,076	172%	86%	\$51,849,312	\$17,000,000	\$52,600,809	\$14,763	\$10,000	\$704,994	\$2,168	\$74,040
Colusa	\$58,286	\$28,355	\$29,931	106%	43%	\$52,957,121							\$58,286
Corning													
Dixon	\$138,060	\$88,087	\$49,973	57%	9%	\$123,840,613							\$138,060
Elk Grove													
Folsom	\$264,478	\$165,462	\$99,016	60%	10%	\$232,909,088				\$5,000	\$27,038,048	\$83,148	\$347,626
Galt	\$105,541	\$59,613	\$45,928	77%	23%	\$95,497,551				\$5,000	\$232,283	\$714	\$106,255
Gridley	\$40,050	\$20,259	\$19,791	98%	34%	\$39,460,643							\$40,050
Ione	\$30,053	\$9,643	\$20,410	212%	98%	\$26,770,460	\$10,000,000	\$33,106,079	\$9,292	\$5,000	\$5,687,619	\$17,491	\$56,836
Jackson	\$41,190	N/A				\$43,874,871							\$41,190
Lincoln	\$235,346	\$143,044	\$92,301	65%	15%	\$213,148,541				\$7,500	\$8,581,043	\$26,389	\$261,734
Marysville	\$32,434	\$20,781	\$11,652	56%	9%	\$29,030,773	\$15,000,000	\$29,560,615	\$8,297				\$40,730
Nevada City													
Oroville	\$64,481	\$27,901	\$36,579	131%	84%	\$57,767,258					\$8,060,023	\$24,786	\$89,267
Placerville													
Paradise	\$18,592	\$11,948	\$6,645	56%	10%	\$17,520,073							\$18,592
Red Bluff	\$66,343	\$43,227	\$23,116	53%	9%	\$58,153,893				\$5,000	\$4,906,378	\$15,088	\$81,432
Rio Vista	\$52,290	N/A				\$47,026,050							\$52,290
Rocklin	\$100,358	\$63,409	\$36,949	58%	15%	\$82,355,992							\$100,358
Willows													
Yuba City	\$295,811	\$149,725	\$146,086	98%	26%	\$334,147,578	\$10,000,000	\$264,649,223	\$74,278	\$5,000	\$19,440,500	\$59,784	\$429,873
<b>TOTAL</b>	<b>\$1,639,370</b>	<b>\$877,725</b>	<b>\$761,644</b>	<b>87%</b>	<b>28%</b>	<b>\$1,541,862,576</b>		<b>\$379,916,726</b>	<b>\$106,630</b>		<b>\$74,650,888</b>	<b>\$229,569</b>	<b>\$1,975,569</b>
<i>Verify Quote Sheet</i>													
Don't Participate													\$2
New Quote/Prospect													\$0



# Northern California Cities Self Insurance Fund

**2019 – 2020**

## **Alliant Property Insurance Program (APIP)**

Presented on May 31, 2019 by:

Marcus Beverly, CPCU, AIC, ARM-P  
First Vice President

Raychelle Maranan  
Account Manager

## ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2019 – July 1, 2020

### EXECUTIVE SUMMARY

Attached please find the renewal summary of the Alliant Property Insurance Program (APIP) for the 2019-2020 period. An overview of the most significant issues concerning this year's renewal are discussed here.

Between 2012 and 2017, the property insurance market was in a relatively "soft" cycle with record amounts of capacity entering the market in search of financial return. While members with significant or attritional losses saw increases in an effort to better match premium to losses, there was not a widespread trend in the market to push rate increases on the whole. Rate changes, up or down, were selectively made based on the characteristics of the risk. Late in 2017, the market started to firm due to an increase in catastrophe losses primarily originating from Hurricanes Harvey, Irma and Maria (HIM). Most every insured experienced rate increases in 2018, and now moving into 2019, coupled with the real wildfire risk that has become apparent, the aforementioned catastrophes have effectively changed the market with carriers now pushing meaningful rate increases across the board, and significantly for insureds that have had losses, or appear to be in a position to have such losses. This correction, while unwelcome, is somewhat predictable as on the whole the commercial insurance industry has not been profitable in any of the last three years. Exacerbating the trend, two of the largest writers of commercial property, AIG and FM Global are re-underwriting their entire books of business with a keen eye towards shedding risk. Few underwriters are aggressively pursuing new business in the current environment. Consequently, for the 2019-2020 renewal period, insureds will see rate increases over expiring. For those insureds that have either experienced significant shock losses, or persistent attritional loss activity, rates will increase significantly higher than average in a so called "right sizing" of premium to risk. In keeping with the programs' general history however, we still expect overall rates, in most cases, to remain below that which can be achieved in the open market for similar coverage.

A combination of Lexington, Lloyd's and U.S. domestic underwriters will continue to provide coverage for the first \$25,000,000 of the program. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets, all A.M. Best Rated of at least A- VII. Members should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating members of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. Additional excess options are available, if requested. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1<sup>st</sup> and 3<sup>rd</sup> parties from Illinois Union Insurance Company, A.M. Best Rated A++ XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – please note on the attached proposal whether the vehicle/contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the member must submit a schedule of vehicles or a vehicle valuation reporting form (provided in the pre-renewal packet) and vehicles must be valued at today's Replacement Cost (new). If values are not reported at Replacement Cost (new), the vehicle/contractor's equipment valuation basis will be ACV

Alliant Business Services (ABS) continues to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the program, property valuations continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five to seven years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on a members schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Please review important Disclosure and Loss Notification information included in your renewal materials. Your review and acknowledgement of these documents are required via your signature once you authorize a request to bind coverage with your Alliant representative.

The following table depicts key financial statistics relative to last year:

**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)  
July 1, 2019 – July 1, 2020  
EXECUTIVE SUMMARY**

**Year-over-Year Rate and Premium Comparison**

<u>Northern California Cities Self Insurance Fund</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>Variance</u>
Total Insured Values:	\$ 1,210,768,568	\$ 1,541,853,618	27.34%
Account Rate (per hundred dollars):	0.0956128	0.1363362	42.59%
Earthquake TIV:	\$ 0	\$ 0	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 1,157,649.96	\$ 2,102,104.35	81.58%

\* TOTAL COST includes: all premiums (except Cyber Enhancement option, if purchased), underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

The following pages are coverage items currently under review with the APIP markets to be effective on July 1, 2019.

Thank you for your continued support of APIP. We look forward to working with you this next year. Please let us know if you have any questions about your renewal.

## APIP SUMMARY OF PROPOSED CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Flood A&V sub-limit coverage wording	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.	Per Occurrence and in the Annual Aggregate for <u>scheduled</u> locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.	Clarification
Combined Business Interruption	Combined Business Interruption, Rental Income and Tax Revenue and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 Per Occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.	Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, <u>Per Declaration</u> for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.	Clarification
Tax Revenue sub-limit	Combined Business Interruption, Rental Income and Tax Revenue and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 Per Occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.	Coverage moved to it's own specific field:  <u>\$ 3,000,000 Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.</u>	Update



## APIP SUMMARY OF PROPOSED CHANGES CONTINUED

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Miscellaneous Unnamed Locations	Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Miscellaneous Unnamed Locations for existing Named Insured's <u>excluding</u> Earthquake coverage for Alaska and California <u>locations</u> . If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V	Clarification
Unscheduled Landscaping sub-limit wording	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item <u>for existing Named Insureds excluding Earthquake coverage for Alaska and California locations</u> . If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Update
Unscheduled Infrastructure	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).	Unscheduled <u>infrastructure including but not limited to</u> Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets ( <u>including guardrails</u> ), Sidewalks ( <u>including guardrails</u> ), Culverts, Channels, Levees, Dikes, Berms, Embankments, Street Lights, Traffic Signals, Meters, Roadway or Highway Fencing, and <u>all similar property</u> unless a specific value has been declared. <u>Unscheduled infrastructure coverage is excluded</u> for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).	Clarification
Pollution Policy	Summary of Proposed changes is provided with the Pollution Proposal for those who request the coverage.		
Cyber Policy	Summary of Proposed changes is provided with the Cyber Proposal for those who request the coverage.		

### Master Policy Form Wording Proposed Changes

Coverage	2018-2019	2019-2020 Proposed	Status
Policy Term	July 1, 2018 to July 1,2019	July 1, 2019 to July 1,2020	Update
Section I, E., 2. g.	<p>Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf if specific values for such items have not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;</p>	<p>Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf if specific values for such items have not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc. <u>This coverage extension does not apply to the peril of Earthquake in the states of California, or Alaska. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V;</u></p>	Update
Section I, E., 2. o.	<p>Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless specific values for such items have been reported as part of a Named Insured(s) schedule of values held on file in the offices of Alliant Insurance Services, Inc. excluding Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs;</p>	<p>Unscheduled <u>infrastructure including but not limited to Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets (including guardrails), sidewalks (including guardrails), culverts, channels, levees, dikes, berms, embankments, street lights, traffic signals, meters, roadway or highway fencing, and all similar property</u> unless specific values for such items have been reported as part of a Named Insured(s) schedule of values held on file in the offices of Alliant Insurance Services, Inc. <u>Unscheduled infrastructure coverage is excluded for the peril of Earthquake, and for Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs;</u></p>	Update

**Master Policy Form Wording Proposed Changes Continued**

Coverage	2018-2019	2019-2020 Proposed	Status
Section II, B. 19	The Company retains the right to determine the acceptability of all such property(ies) once it has been reported. Additional premium will be calculated from the date of acquisition.	Replacing complete sentence with:  After the reporting of a location added under automatic acquisition, the Company retains the right to determine acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition, if values are in excess of USD25,000,000.	Enhancement
Section II, B. 20	Coverage is extended to include property at locations (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain insurance) located within the territorial limitations set by this policy. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this policy form. This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Coverage is extended to include property at locations (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain insurance) located within the territorial limitations set by this policy. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this policy form. This coverage extension does not apply to the peril of Earthquake <del>Shock</del> in the states of California, or Alaska. If Flood coverage is purchased for <u>all</u> scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Clarification
Section II, C. 8.	Unscheduled tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sub-limit terms provided on the Declaration Page.	Deleted in its entirety	Clarification

**Master Policy Form Wording Proposed Changes Continued**

<p>Section III, B. 5. (3<sup>rd</sup> paragraph)</p>	<p>If the Named Insured has reported Tax Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:</p> <ol style="list-style-type: none"> <li>1. The sub-limit insured on the Policy;</li> <li>2. The actual loss sustained;</li> <li>3. The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after the loss.</li> </ol> <p>If the Named Insured has not reported Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:</p> <ol style="list-style-type: none"> <li>1. The actual loss sustained;</li> <li>2. USD5,000,000 per occurrence</li> </ol>	<p>If the Named Insured has reported <u>Tax</u> Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:</p> <ol style="list-style-type: none"> <li>1. <u>USD3,000,000 per occurrence</u></li> <li>2. The actual loss sustained;</li> <li>3. The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after the loss.</li> </ol> <p>If the Named Insured has not reported <u>Tax</u> Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:</p> <ol style="list-style-type: none"> <li>1. The actual loss sustained;</li> <li>2. <u>USD1,000,000 per occurrence</u></li> </ol>	<p align="center">Update</p>
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**ALLIANT PROPERTY INSURANCE PROGRAM**

**2019-2020**

**NAMED INSURED SCHEDULE**

**AS OF 05/31/2019**

**THE NAMED INSURED IS:**

Northern California Cities Self Insurance Fund  
c/o Alliant Insurance Services, Inc.  
2180 Harvard St., Ste. 460  
Sacramento, CA 95815

Named Insured shall be deemed the sole agent of each and every Named Insured for the purpose of:

- (1) Giving notice of cancellation,
- (2) Giving instructions for changes in the Policy and accepting changes in this Policy
- (3) The payment of assessments / premiums or receipt of return assessments / premiums.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured has extended coverage is as follows:

**NAMED INSURED MEMBER(S):**

Northern California Cities Self-Insurance Fund

City of Anderson  
City of Auburn  
City of Colusa  
City of Dixon  
City of Folsom  
City of Galt  
City of Gridley  
City of Ione  
City of Lincoln  
City of Marysville  
City of Oroville  
City of Red Bluff  
City of Rocklin  
City of Yuba City  
Town of Paradise

**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**PROPERTY PROPOSAL**

**TYPE OF INSURANCE:**     Insurance    Reinsurance

**NAMED INSURED:**        Northern California Cities Self Insurance Fund

**DECLARATION:**            4-Cities 4

**POLICY PERIOD:**         July 1, 2019 to July 1, 2020

**COMPANIES:**             See Attached List of Companies

**TOTAL INSURED  
VALUES:**                  \$ 1,541,853,618 as of May 31, 2019

**ALL RISK  
COVERAGES &  
LIMITS:**

\$     1,000,000,000    Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.

\$            52,000,000    \$15,000,000 For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Lone only Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).

\$            52,000,000    \$15,000,000 For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Lone only Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.

Not Covered    Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).

**ALL RISK  
COVERAGES &  
LIMITS: (continued)**

\$	100,000,000	Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, Per Declaration for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense.
\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	180 Days	Extended Period of Indemnity
See Policy Provisions	\$25,000,000	Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.

	\$	2,500,000	Money & Securities for named perils only as referenced within the policy.
	\$	2,500,000	Unscheduled Fine Arts.
	\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.
	\$	750,000	Unscheduled infrastructure including but not limited to Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets (including guardrails), Sidewalks (including guardrails), Culverts, Channels, Levees, Dikes, Berms, Embankments, Street Lights, Traffic Signals, Meters, Roadways or Highway Fencing, and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
<b>ALL RISK COVERAGES &amp; LIMITS: (continued)</b>	\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery).
	\$	25,000,000	Transit.
	\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
	\$	2,500,000	Unscheduled Watercraft up to 27 feet.  Included Per Occurrence for Off Premises Vehicle Physical Damage.
	\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..



\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
\$	3,000,000	Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.
\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
\$	1,000,000	Claims Preparation Expenses.
\$	50,000,000	Expediting Expenses.
\$	1,000,000	Personal Property Outside of the USA.
	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
\$	500,000	Per Occurrence and Annual Aggregate per named insured for Communicable Disease subject to an APIP Program aggregate of \$10,000,000 for all declarations combined except Hospital declarations.
\$	100,000	Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.
\$	100,000	Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.

**VALUATION:**

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment /Vehicles either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV)

**EXCLUSIONS**

**(Including but not limited to):**

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

**Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).**

**"ALL RISK"**

**DEDUCTIBLE:**

\$	5,000	Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.
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**DEDUCTIBLES FOR  
SPECIFIC PERILS  
AND COVERAGES:**

\$	100,000	All Flood Zones Per Occurrence excluding Flood Zones A & V.
\$	250,000	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).
	Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.
\$	1,000	Per Occurrence for Specially Trained Animals.
<b>DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES: (continued)</b>	\$	500,000 Per Occurrence for Unscheduled infrastructure including but not limited to Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets (including guardrails), Sidewalks (including guardrails), Culverts, Channels, Levees, Dikes, Berms, Embankments, Street Lights, Traffic Signals, Meters, Roadways or Highway Fencing, and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
\$	5,000	for City of Galt for 2015 Tymco Model 600 Street Sweeper, Yuba City, City of Lone, City of Red Bluff, City of Folsom, City of Oroville; 7,500 for City of Lincoln ONLY; 10,000 for City of

Auburn, Not Covered for all others Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.

See Special Terms Contractor's Equipment/Vehicle Valuation Basis

\$ 5,000 Per Occurrence for Contractor's Equipment.

**SPECIAL TERMS 1:** Valuation for Vehicles and CE is Replacement Cost; except Lincoln is Actual Cash Value, Galt is Replacement Cost for 2015 Tymco Model 600 Street Sweeper and Actual Cash Value for all other Vehicles in Yard, and Paradise is Actual Cash Value for all Vehicles in Yard, Rio Vista Actual Cash Value for CE, and Jackson Actual Cash Value for CE.

Per Policy Limits

Special Terms Limit

Per Policy Deductible

Special Terms Deductible

**The following stand-alone coverages are provided by the APIP program but are not covered in the Limit of Liability or the Sub-Limits of Liability above or attached to the Master Policy Form Wording. However, the coverage costs are included in the APIP Total Cost noted below. Carriers providing these coverages are included in the Schedule of Carriers.**

\$ 100,000,000 Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).

\$ 5,000 Per Occurrence Deductible for Primary Terrorism.

\$ 600,000,000 Per Named Insured for Terrorism (Excess Layer) subject to;

\$ 1,100,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-34 for Terrorism (Excess Layer) subject to;

\$ 1,400,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).

\$ 500,000 Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).

Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles

Included Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles.

**TERMS & CONDITIONS:**

Some sub-limits, terms and conditions will change. Terms and Conditions are per expiring.

25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is calculated on a pro-rata basis, unless there is a claim in which case the premium is deemed fully earned.

Except Pollution Liability Premium is 25% Earned at Inception, unless there is a claim in which premium is deemed fully earned

**NOTICE OF CANCELLATION:**

90 Days except 10 Days for non-payment of premium

	<b>Annual Cost*</b>
<b>Total Property Premium:</b>	\$ 1,990,912.00
<b>Excess Boiler:</b>	\$ 14,224.00
<b>ABS Fee:</b>	\$ 32,804.00
<b>SLT&amp;F's (Estimate)</b>	\$ 64,164.35
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST †: (Including Taxes and Fees)</b>	\$ 2,102,104.35
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.	
† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)	

**PRINT DATE:** May 31, 2019

**PROPOSAL VALID UNTIL:** July 1, 2019

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
**License No.** 0C36861  
 Marcus Beverly, CPCU, AIC, ARM-P  
 First Vice President  
  
 Raychelle Maranan  
 Account Manager

**NOTES:**

- *Major pending and approved changes to the APIP Program are described in the Summary of changes.*
- *Some coverage, sub-limits, terms and conditions could change until negotiations with the insurance carriers have been finalized.*
- *Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions*
- *Change in Total Insurable Values will result in adjustment in premium*
- *Each line of coverage is rated separately therefore increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc may increase the member average account rate*

*The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.*

**ALLIANT INSURANCE SERVICES, INC.**  
**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**  
**BOILER & MACHINERY PROPOSAL**

**NAMED INSURED:** Northern California Cities Self Insurance Fund  
**POLICY PERIOD:** July 1, 2019 to July 1, 2020  
**COMPANIES:** See Attached List of Companies  
**TOTAL INSURED VALUES:** \$ 1,458,820,240 as of May 31, 2019  
**STATUS/RATING:** See Attached List of Companies

**COVERAGES & LIMITS:**

\$	100,000,000	Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
		Included Jurisdictional and Inspections.
\$	10,000,000	Per Occurrence for Service/Utility/Off Premises Power Interruption.
		Included Per Occurrence for Consequential Damage/Perishable Goods/Spoilage.
\$	10,000,000	Per Occurrence for Electronic Data Processing Media and Data Restoration.
\$	2,000,000	Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Named Insureds who purchase Dedicated Earthquake Coverage.
\$	10,000,000	Per Occurrence for Hazardous Substances / Pollutants / Decontamination.
		Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes.

<b>NEWLY ACQUIRED LOCATIONS:</b>	\$ 25,000,000	Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 120 days and must have prior underwriting approval prior to binding
<b>VALUATION:</b>		Repair or Replacement except Actual Loss sustained for all Time Element coverages
<b>EXCLUSIONS (Including but not limited to):</b>		<ul style="list-style-type: none"> <li>• Testing</li> <li>• Explosion, except for steam or centrifugal explosion</li> <li>• Explosion of gas or unconsumed fuel from furnace of the boiler</li> </ul>
<b>OBJECTS EXCLUDED: (Including but not limited to):</b>		<ul style="list-style-type: none"> <li>• Insulating or refractory material</li> <li>• Buried Vessels or Piping</li> </ul>
<b>TERMS &amp; CONDITIONS:</b>		<p>Some sub-limits, terms and conditions will change. Terms and Conditions are per expiring.</p> <p>25% Minimum Earned Premium and cancellations subject to 10% penalty</p>
<b>NOTICE OF CANCELLATION:</b>		90 days except 10 days for non-payment of premium
<b>DEDUCTIBLES:</b>	\$ 2,500	Except as shown for Specific Objects or Perils.
	\$ 2,500	Electronic Data Processing Media.
	\$ 2,500	Consequential Damage.
	\$ 2,500	Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface.
	\$ 50,000	Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface.
	\$ 100,000	Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface.
	\$ 250,000	Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface.
	\$ 350,000	Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface.
	\$ 10 per foot / \$2,500 Minimum	Deep Water Wells.
	24 Hour Waiting Period	Utility Interruption.
	24 Hours	Business Interruption/Extra Expense Except as noted below.
	30 Days	Business Interruption - Revenue Bond.

5 x 100% of Daily Value Business Interruption - All objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 square feet heating surface.

5 x 100% of Daily Value Business interruption - All Objects at Waste Water Treatment Facilities and All Utilities.

**Annual Cost**  
**COST:** Cost is included on Property Proposal

**PRINT DATE:** May 31, 2019

**PROPOSAL VALID UNTIL:** July 1, 2019

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
License No. 0C36861  
Marcus Beverly, CPCU, AIC, ARM-P  
First Vice President  
  
Raychelle Maranan  
Account Manager

**NOTES:**

- *Major pending and approved changes to the APIP Program are described in the Executive Summary.*
- *Change in Total Insurable Values will result in adjustment in premium*
- *Some coverage, sub-limits, terms and conditions could change until negotiations with the insurance carriers have been finalized*
- *Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions*



**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**POLLUTION LIABILITY COVERAGE PROPOSAL**

**TYPE OF INSURANCE:**  Insurance  Reinsurance

**TYPE OF COVERAGE:** Claims Made and Reported Pollution Liability

**PROGRAM:** Alliant Property Insurance Program (APIP)

**NAMED INSURED:** Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

**POLICY PERIOD:** July 1, 2019 to July 1, 2020

**RETROACTIVE DATE:** July 1, 2011 for existing insureds included on the 2011-2012 policy at inception; For all other insureds the retroactive date is the date of addition to the Program.

**COMPANY:** Interstate Fire & Casualty Insurance Company

**A.M. BEST INSURANCE RATING::** A+, Superior, Financial Category XV (\$2 Billion or greater)  
Effective August 30, 2018

**STANDARD & POORS RATING:** AA (Very Strong) as of March 27, 2019

**ADMITTED STATUS:** Non-Admitted in all states

**INSURED'S OWN SITES:** Per the following SOVs submitted and on file with carrier:

1. PEPiP DEC 1 – SOVs
2. PEPiP DEC 2 – SOVs
3. PEPiP DEC 3 – SOVs
4. PEPiP DEC 4 – SOVs
5. PEPiP DEC 5 – SOVs
6. PEPiP DEC 11 – SOVs
7. PEPiP DEC 12 – SOVs
8. PEPiP DEC 14 – SOVs
9. PEPiP DEC 19 – SOVs
10. PEPiP DEC 23 – SOVs
11. PEPiP DEC 24 – SOVs
12. PEPiP DEC 25 – SOVs
13. PEPiP DEC 26 – SOVs
14. PEPiP DEC 27 – SOVs
15. PEPiP DEC 28 – SOVs
16. PEPiP DEC 29 – SOVs
17. PEPiP DEC 30 – SOVs
18. PEPiP DEC 32 – SOVs (Excludes SPIP, except as endorsed)
19. PEPiP DEC 33 – SOVs
20. PEPiP DEC 34 – SOVs

**INSURED'S OWN  
SITES:  
CONTINUED**

Covered locations include any real property owned, managed, leased, maintained or operated by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes that are located within a one thousand (1,000) foot radius of such covered location as of policy inception.

**COVERAGES  
& LIMITS:**

**\$25,000,000 Policy Program Aggregate (all insureds combined)**  
**\$ 2,000,000 Per Pollution Incident**  
**\$ 2,000,000 Per Named Insured Aggregate**  
**\$ 2,000,000 Per JPA/Pool Aggregate**

**SUBLIMITS:**

**\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sublimit\***  
**\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter\***  
**\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sublimit\***  
**\$ 250,000 Per Named Insured Crisis Management Response Costs Sublimit**  
**\$ 50,000 Per Named Insured Crisis Management Loss Sublimit**

\*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Crisis Management sub-limits, which are in addition to the limits of liability.

**EXTENDED  
REPORTING PERIOD:**

For First Named Insured - To be determined at the time of election (additional premium can apply); Ninety (90) day basic extended reporting period available without additional premium

**SPECIFIC  
COVERAGE  
PROVISIONS:**

**CLAIMS MADE AND REPORTED**

**Coverage A – Own Site Clean-up Costs:**

Coverage for claims for clean-up costs resulting from a pollution condition on or under the insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay for cleanup costs..

**Coverage B – Off-Site Clean-Up Costs:**

Coverage for third-party claims resulting from a pollution condition migrating from or through and beyond the boundaries of the Insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay for cleanup costs.

**Coverage C – Third-Party Claims for Bodily Injury or Property Damage:**

Coverage for third-party claims for bodily injury or property damage resulting from a pollution condition on, under or migrating from or through and beyond the boundaries of the Insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay.

**SPECIFIC  
COVERAGE  
PROVISIONS (cont.):**

**Coverage D – Emergency Response Costs:** Coverage for emergency response costs incurred by or on behalf of the Insured in response to a pollution condition on, under or migrating from or through and beyond the boundaries of an Insured's own site or arising from transportation or resulting from a covered operation, provided that the emergency response costs be incurred within one hundred sixty-eight (168) hours of the commencement of such pollution condition, and reported to the Insurer within fourteen (14) days of commencement of such a pollution condition.

**Coverage E – Transportation:** Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition caused by transportation that first commenced on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay.

**Coverage F – Non-Owned Locations:** Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition on, under or migrating from any non-owned location that first commenced on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay.

**Coverage G – Covered Operations:** Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition caused by covered operations on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay. Covered operations are defined as any operations within the capacity of a public entity which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. Covered operations do not include Transportation.

**Coverage H – Business Interruption:** Coverage for the Insured's business interruption expense and extra expense during the interruption period, caused directly by a pollution condition on or under the Insured's own site, on or after the retro date, provided such pollution condition results in clean-up costs covered under this policy, and the first-party claim is made and reported to the Insurer during the policy period.

**Coverage I – Cyber Events:** Coverage for third-party claims for bodily injury, property damage or clean-up costs resulting from a pollution condition arising from a cyber event, provided that the claim is first made and reported to the Insurer during the policy period.

A Cyber Event is defined as any unauthorized processing of data by an Insured; any breach of laws and infringement of regulations pertaining to the maintenance, or protection of data; and any network security failure in any system or device leased, owned, operated or lost by or which is made available or accessible to the Insured for the purpose of processing data. Insured must take reasonable precautions to prevent or cease any activity which may result in a claim, and take all reasonable steps to observe and comply with all statutory or local authority laws obligations and requirements.

**SPECIFIC  
COVERAGE  
PROVISIONS (cont.):**

Coverage for crisis management response costs (including medical expenses, funeral expenses, psychological counseling, travel expenses temporary living expenses, expenses to secure the scene of a crisis management event) included, provided that the costs have been pre-approved by the insurer and are associated with damages that would be covered by this policy.

Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Insured's product must have been manufactured, sold, handled or distributed on or after the retro date and the clean-up costs, bodily injury or property damage must be unexpected and unintended from the standpoint of the Insured. Coverage of lead contamination of potable water is excluded.

All Named Insureds scheduled on this policy have the same rights as the First Named Insured (except for those rights specifically reserved to the first named insured); this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively, for no additional premium, automatically.

Property valued at more than \$25,000,000 but less than \$100,000,000, purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with two (2) years of currently valued property loss runs and shall be added as a covered location upon the closing date of such acquisition for an additional premium.

Property valued at more than \$100,000,000, purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer immediately, along with two (2) years of currently valued property loss runs. Additional premium applies. For acquired locations that have underground storage tanks, the Insured must determine that all operational underground storage tanks are in material compliance with all applicable environmental laws and regulations and must obtain the most recent tank tightness testing or leak detection data conducted within sixty (60) days prior to the effective date that the Insured acquires or leases the subject location.

Illicit Abandonment is included in the definition of pollution condition.

Microbial matter and legionella pneumophila is included in the definition of Pollutant. Microbial matter is defined as mold, mildew and fungi, whether or not such microbial matter is living.

Defense Costs and Expenses are within Limits of Liability.

The insurance afforded by this Policy shall apply as primary to any other valid, collectible insurance, with the exception of the following: policies specifically written to be in excess of this policy, losses due to or associated with products pollution, any tank fund, or any loss arising in whole or in part to microbial matter or legionella pneumophila.

**SPECIFIC  
COVERAGE  
PROVISIONS (cont.):**

Blanket Underground Storage Tank coverage included, with a self-insured retention of \$750,000. **Note: Does not meet financial assurance requirements.**

Loss covered pursuant to any state storage tank fund, state administered insurance program or restoration funding for any underground storage tank(s) whose owners qualify for reimbursement, or any self-insurance fund established for the purpose of funding clean-up costs for pollution conditions from any underground storage tank(s), shall be considered primary insurance, to which the coverage afforded pursuant to this policy shall apply in excess. Under such primary insurance policy shall erode the \$750,000 per pollution condition self-insured retention.

Blanket Coverage included for Non-Owned Locations. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned or operated by the Insured, provided that:

- The waste materials are generated from the Insured's own site, transportation, or covered operations;
- The transfer, storage, treatment or disposal facility is properly licensed and permitted to accept and dispose of such waste and has not filed for bankruptcy as of the date of the transfer, storage, treatment or disposal of such waste;
- The transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.

**EXCLUSIONS  
(including but not  
limited to):**

Coverage does not apply to any claim or loss from:

- Asbestos and Lead Based Paint. *This exclusion does not apply to claims for bodily injury or property damage, or clean-up costs for the remediation of soil, surface water, or groundwater, or clean-up costs that arise out of the inadvertent disturbance of asbestos or asbestos containing materials or lead-based paint.*
- Contractual Liability – *Does not apply liability that the Insured would have had in the absence of the contract or agreement, or the contract or agreement is an insured contract.*
- Employer Liability
- Criminal fines, penalties or assessments
- Internal Expenses - *Does not apply internal expenses incurred in response to emergency response costs, or pursuant to environmental laws that require immediate remediation of a pollution condition.*
- Insured vs. Insured
- Intentional Noncompliance – *does not apply to noncompliance based upon the Insured's good faith reliance upon the written advice of qualified outside counsel received in advance of such noncompliance, or the insured's reasonable response to mitigate a pollution condition or loss, provided that such circumstances are reported in writing to the Insurer within three (3) days of commencement.*

**EXCLUSIONS**  
(including but not limited to, cont.):

Coverage does not apply to any claim or loss from:

- Prior Knowledge / Non-Disclosure
- Known Claims
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities

**EXCLUSIONS**  
(including but not limited to, cont.):

- Ports – *Defined as an Insured's own site on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *Defined as an Insured's own site whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- Change in Intended Use or Operation – *Loss arising from a material change in use or operations. For purposes of determining whether a change is material, any change in use that results in more stringent remediation standards than those imposed on the insured's own site at the effective date of the period of insurance shall be considered material. This exclusion does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a public entity.*
- Professional Liability
- Regulatory Compliance – *Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*
- Cyber Event – *Does not apply to losses covered by the Cyber Event coverage in this policy.*
- Work Product – *Does not apply to covered operations.*
- Sewage Backup – *Does not apply to an Insured's own site.*
- Nuclear fuel, assemblies and components
- Offshore operations
- Property Damage to Conveyances – *does not apply to loss or claims arising from the Insured's negligence*
- Workers Compensation
- Lead Contaminated Water
- War

**RETENTION:**

- \$100,000 Per Pollution Incident retention except for specific retentions below
- \$300,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below
- \$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below
- 5 Days Waiting Period for Business Interruption

**SPECIFIC RETENTION:**

- \$250,000 Per Named Insured retention applicable to microbial matter for K-12 school districts only – *does not erode the Aggregate retention*
- \$750,000 Underground Storage Tanks Specific – *does not erode the Aggregate retention*

### CLAIMS REPORTING NOTICE

PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES. Below please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### THIS IS A CLAIMS MADE POLICY

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

**LOSS REPORTING REQUIREMENTS:**

Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:

1) Allianz Global Corporate & Specialty  
Attn: FNOL Claims Unit  
1 Progress Point Parkway, 2<sup>nd</sup> Floor  
O'Fallon, MO 63368  
In emergency, call: (800) 558-1606  
Fax: (800) 323-6450  
Email: [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)  
Online Claims Reporting form available at:  
[www.agcs.allianz.com/global-offices/united-states](http://www.agcs.allianz.com/global-offices/united-states)

2) Akbar Sharif  
Alliant Insurance Services, Inc.  
1301 Dove Street, Suite 200  
Newport Beach, CA 92660  
949 260-5088  
949 756-2713 – fax  
[Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com)

**NOTICE OF CANCELLATION:**

90 days except 10 days for non-payment of premium

**REINSTATEMENT PROVISIONS:**

Not Provided.

**POLLUTION LIABILITY COST:**

Cost is included in Total Property Premium  
25% Earned Premium at Inception, unless there is a claim in which premium is deemed fully earned

**QUOTE VALID UNTIL:**

July 1, 2019

**BROKER:**

**ALLIANT INSURANCE SERVICES, INC.**  
License No. 0C36861

**Policyholder Information  
Environmental Emergency Response and  
Claim Investigation Services**

**(RETAIN FOR YOUR  
RECORDS)**

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Please read the information below, the Coverage Form and all attached endorsements in their entirety. If you have any questions, please contact your broker.

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**FOR EMERGENCY RESPONSE TO ENVIRONMENTAL  
INCIDENTS**

As part of our commitment to customer service Allianz Global Corporate & Specialty (Allianz) has named HETI as an approved provider of environmental emergency response and claim investigation services to our insureds.

HETI is a full-service environmental company founded in 1986. Their staff of environmental engineers, industrial hygienists, geologists, hydrogeologists and remedial experts has developed specific expertise in environmental incidents.

As an Allianz insured, you can call on **HETI** twenty-four hours a day, seven days a week for emergency response services for environmental incidents.

HETI's 24/7, toll-free, emergency response hotline number is:

**(1-800-347-HETI)**

HETI can also respond to your questions about regulatory reporting issues/requirements, spill containment and remediation techniques. HETI will contact you directly with additional information.

**ALWAYS REPORT THE INCIDENT TO US AND YOUR AGENT OR  
BROKER**

In the event of any incident that may be covered under this policy, whether or not the HETI has been contacted, the incident should be reported to us by phone or email as soon as practicable by phone or email.

Phone: 1-800-557-1606  
Email: [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)

**REFER TO THE CLAIM AND NOTICE REQUIREMENTS WITHIN THE CONDITIONS OF YOUR  
POLICY WITH RESPECT TO ANY POLLUTION CONDITION THAT MAY RESULT IN A CLAIM.**



## SUMMARY OF PROPOSED CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Pollution Liability Policy Term	July 1, 2018 to July 1, 2019	July 1, 2019 to July 1, 2020	Update
Insurer	Illinois Union Insurance Company	Interstate Fire & Casualty Insurance Company	Update
Sub-limits:	<p>\$ 500,000 Per Bacteria/Virus Indoor Environmental Condition Insured Aggregate Sub-limit</p> <p>\$ 250,000 Catastrophe Management Costs Sub-limit</p> <p>*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.</p>	<p>\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sub-limit*</p> <p>\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*</p> <p>\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sub-limit*</p> <p>\$ 250,000 Per Named Insured Crisis Management Response Costs Sub-limit</p> <p>\$ 50,000 Per Named Insured Crisis Management Loss Sub-limit</p> <p>*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Crisis Management sub-limits, which are in addition to the limits of liability.</p>	Update

## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Coverage Provisions: - Continued	<i>Not Covered</i>	<p>Coverage I – Cyber Events: Coverage for third-party claims for bodily injury, property damage or clean-up costs resulting from a pollution condition arising from a cyber event, provided that the claim is first made and reported to the Insurer during the policy period.</p> <p>A Cyber Event is defined as any unauthorized processing of data by an Insured; any breach of laws and infringement of regulations pertaining to the maintenance, or protection of data; and any network security failure in any system or device leased, owned, operated or lost by or which is made available or accessible to the Insured for the purpose of processing data. Insured must take reasonable precautions to prevent or cease any activity which may result in a claim, and take all reasonable steps to observe and comply with all statutory or local authority laws obligations and requirements.</p>	Enhancement
	<p>Coverage for catastrophe management costs (including consulting services, public relations materials, travel expenses, expenses to secure the scene of a pollution condition or indoor environmental condition, psychological counseling, medical costs, funeral costs and temporary living expenses) included, provided that the expenses are approved by the Insurer, in writing, or are incurred within seven (7) days of the discovery of a pollution condition or indoor environmental condition.</p>	<p>Coverage for crisis management response costs (including medical expenses, funeral expenses, psychological counseling, travel expenses temporary living expenses, expenses to secure the scene of a crisis management event) included, provided that the costs have been pre-approved by the insurer and are associated with damages that would be covered by this policy.</p>	Update
Other Insurance	<p>The insurance afforded by this Policy shall apply in excess of any other valid, collectible insurance, with the exception of policies specifically written to be in excess of this policy.</p>	<p>The insurance afforded by this Policy shall apply as primary to any other valid, collectible insurance, with the exception of the following: policies specifically written to be in excess of this policy, losses due to or associated with products pollution, any tank fund, or any loss arising in whole or in part to microbial matter or legionella pneumophila.</p>	Update

## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Non-Owned Locations (Disposal Sites)	Blanket Coverage included for Non-Owned Disposal Sites. Includes Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, CERCLIS list or any functional equivalent of those listings, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal.	<p>Blanket Coverage included for Non-Owned Locations. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned or operated by the Insured, provided that:</p> <ul style="list-style-type: none"> <li>• The waste materials are generated from the Insured's own site, transportation, or covered operations;</li> <li>• The transfer, storage, treatment or disposal facility is properly licensed and permitted to accept and dispose of such waste and has not filed for bankruptcy as of the date of the transfer, storage, treatment or disposal of such waste;</li> <li>• The transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.</li> </ul>	Update
Exclusions:	Criminal Fines and Criminal Penalties	Criminal fines, penalties or assessments	Update
	First Party Property Damage – <i>Does not apply to remediation costs, emergency response costs, business interruption costs or catastrophe management costs.</i>	<i>Not Excluded</i>	Enhancement
	<i>Not Excluded</i>	Known Claims	Update
	<i>Not Covered</i>	Cyber Event – <i>Does not apply to losses covered by the Cyber Event Coverage in this policy.</i>	Enhancement
	<i>Not Excluded</i>	Nuclear fuel, assemblies and components	Update
	<i>Not Excluded</i>	Offshore operations	Update
	Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.	Property Damage to Conveyances – <i>does not apply to loss or claims arising from the Insured's negligence</i>	Enhancement

## SUMMARY OF PROPOSED CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Retention:	<p>\$ 100,000 Per Pollution Condition or Indoor Environmental Condition retention except for Mold or Sewage Backup</p> <p>\$ 300,000 Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions except for Mold or Sewage Backup</p> <p>\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Conditions except for Mold or Sewage Backup</p> <p>5 days Waiting Period for Business Income and Extra Expense</p>	<p>\$ 100,000 Per Pollution Incident retention except for specific retentions below</p> <p>\$ 300,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below</p> <p>\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below</p> <p>5 days Waiting Period for Business Interruption</p>	Update
Specific Retention:	<p>\$ 250,000 Per Named Insured retention applicable to Mold or Sewage Backup – <i>does not erode the Aggregate retention</i></p> <p>\$ 750,000 Underground Storage Tanks Specific</p>	<p>\$ 250,000 Per Named Insured retention applicable to microbial matter for K-12 school districts only – <i>does not erode the Aggregate retention</i></p> <p>\$ 750,000 Underground Storage Tanks Specific – <i>does not erode the Aggregate retention</i></p>	Enhancement
Notice of Cancellation	90 days except 15 days for non-payment of premium	90 days except 10 days for non-payment of premium	Update
Minimum Earned Premium	100% Earned Premium at Inception	25% Earned Premium at Inception	Enhancement
Loss Reporting Requirements	Chubb Environmental Claims & Incident ALERT	Allianz Global Corporate & Specialty Please see page 7 of this proposal for full details	Update

**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**CYBER INSURANCE PROPOSAL**

**TYPE OF COVERAGE:** Information Security & Privacy Insurance with Electronic Media Liability Coverage

**PROGRAM:** Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)

**NAMED INSURED:** Any client(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the ALLIANT PROPERTY INSURANCE PROGRAM (APIP) as their respective rights and interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern (all hereinafter referred to as Client(s) / Entity(ies))

**DECLARATION:** Various Declarations as on file with Insurer

**POLICY PERIOD:** July 1, 2019 to July 1, 2020

**POLICY #:** Per Insured's Evidence of Coverage

**TERRITORY:** WORLD-WIDE

**RETROACTIVE DATE:** APIP/PEPIP  
*For new members – the retro active date will be the date of addition*  
July 1, 2018 For existing members included on the July 1, 2018/19 policy  
July 1, 2017 For existing members included on the July 1, 2017/18 policy  
July 1, 2016 For existing members included on the July 1, 2016/17 policy  
July 1, 2015 For existing members included on the July 1, 2015/16 policy  
July 1, 2014 For existing members included on the July 1, 2014/15 policy  
July 1, 2013 For existing members included on the July 1, 2013/14 policy  
July 1, 2012 For existing members included on the July 1, 2012/13 policy  
July 1, 2011 For existing members included on the July 1, 2011/12 policy  
July 1, 2010 For existing members included on the July 1, 2010/11 policy

CSU  
July 1, 2008 California State University and CSU Auxiliary Organizations

**INSURER:** Lloyd's of London - Beazley Syndicate:  
Syndicates 2623 - 623 - 100%

**COVERAGES & LIMITS:**

Ai	\$	25,000,000	<b>Annual Policy and Program Aggregate Limit of Liability</b> (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following sub-limits as noted.
Ai	\$	2,000,000	<b>Annual Aggregate Limit of Liability</b> for each Insured/Member (Aggregate for all coverages combined, including Claim Expenses) subject to the following sub-limits as noted:

**BREACH RESPONSE**

Breach Response Costs:	\$	500,000	<b>Aggregate Limit of Liability</b> for each Insured/Member (Limit is increased to \$1,000,000 if Beazley Nominated Services Providers are used)
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**FIRST PARTY LOSS**

Business Interruption Loss Resulting from Security Breach:	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
Business Interruption Loss Resulting from System Failure:	\$	500,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
Dependent Business Loss Resulting from Security Breach:	\$	750,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
Dependent Business Loss Resulting from System Failure:	\$	100,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
Cyber Extortion Loss:	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
Data Recovery Costs:	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member

**LIABILITY**

Data & Network Liability:	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
Regulatory Defense & Penalties:	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses

**Payment Card Liabilities & Costs:** \$ 2,000,000 **Aggregate Limit of Liability** for each Insured/Member for all Damages and Claims Expenses

**Media Liability:** \$ 2,000,000 **Aggregate Limit of Liability** for each Insured/Member for all Damages and Claims Expenses

**eCRIME**

**Fraudulent Instruction:** \$ 75,000 **Aggregate Limit of Liability** for each Insured/Member

**Funds Transfer Fraud:** \$ 75,000 **Aggregate Limit of Liability** for each Insured/Member

**Telephone Fraud:** \$ 75,000 **Aggregate Limit of Liability** for each Insured/Member

**CRIMINAL REWARD**

**Criminal Reward:** \$ 25,000 **Aggregate Limit of Liability** for each Insured/Member

**COVERAGE ENDORSEMENT(S)**

**Consequential Reputational Loss:** \$ 50,000 **Aggregate Limit of Liability** for each Insured/Member

**Computer Hardware Replacement Costs:** \$ 75,000 **Aggregate Limit of Liability** for each Insured/Member

**RETENTION:** \$ 25,000 CSU Auxiliary Organizations only  
 \$ 50,000 Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss  
 8 Hour waiting period for first party claims  
 \$ 100,000 Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss  
 8 Hour waiting period for first party claims

*\*Per Insured/Member with TIV below \$250,000,000 have the option to buy-down the retention from \$50,000 to \$5,000 with an additional premium of \$2,500 per entity.*

**NOTICE:** Policy coverage of this policy provides coverage on a claims made and reported basis; except as otherwise provided, coverage under noted coverage schedule applies only to claims first made against the Insured/Member and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

**EXTENDED REPORTING PERIOD:** For Named Insured - To be determined at the time of election (additional premium will apply)

**SPECIFIC COVERAGE PROVISIONS:**

**A. Breach Response** indemnifies the Insured/Member for Breach Response Costs incurred by the Insured/Member because of an actual or reasonably suspected Data Breach or Security Breach that the Insured first discovers during the Policy Period.

**B. First Party Loss**

*Business Interruption Loss* indemnifies the Insured/Member sustains as a result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

*Dependent Business Interruption Loss* indemnifies the Insured/Member sustains as a result of a Security Breach or a System Failure that the Insured first discover during the Policy Period.

*Cyber Extortion Loss* indemnifies the Insured/Member incurs as a result of an Extortion Threat first made against the Insured/Member during the Policy Period.

*Data Recovery Costs* indemnifies the Insured/Member incurs as a direct result of a Security Breach that the Insured first discovers during the Policy Period.

**C. Liability**

*Data & Network Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period

*Regulatory Defense & Penalties* pays Penalties and Claims Expenses, which the Insured is legally obligated to pay because of a Regulatory Proceeding first made against any Insured during the Policy Period for a Data Breach or a Security Breach.

*Payment Card Liabilities & Costs* indemnifies the Insured/Member for PCI Fines, Expenses and Costs which it is legally obligated to pay because of a Claim first made against any Insured during the Policy Period.

*Media Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for Media Liability.

**D. eCrime** indemnifies the Insured/Member for any direct financial loss sustained resulting from:

- *Fraudulent Instruction*
- *Funds Transfer Fraud*
- *Telephone Fraud*

That the Insured first discovers during the Policy Period.

**E. Criminal Reward** indemnifies the Insured/Member for Criminal Reward Funds.



**Coverage  
Endorsement(s)**

**Consequential Reputational** indemnifies the Insured/Member for Consequential Reputational Loss, that the Insured incurs during the Notification Period as a result of (i) an actual or reasonably suspected Data Breach or Security Breach that the Insured first discovers during the Policy Period and (ii) for which individuals have been notified pursuant to the Breach Response Services definition.

**EXCLUSIONS:  
(Including but not  
limited to)**

Coverage does not apply to any claim or loss from;

- Bodily Injury or Property Damage
- Trade Practices and Antitrust
- Gathering or Distribution of Information
- Prior Known Acts & Prior Noticed Claims
- Racketeering, Benefit Plans, Employment Liability & Discrimination
- Sale or Ownership of Securities & Violation of Securities Laws
- Criminal, Intentional or Fraudulent Acts
- Patent, Software Copyright, Misappropriation of Information
- Governmental Actions
- Other Insureds & Related Enterprises
- Trading Losses, Loss of Money & Discounts
- Media-Related Exposures – Contractual liability or obligation
- Nuclear Incident
- Radioactive Contamination
- First Party Loss – with respects: 1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority; 2. costs or expenses incurred by the Insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or Computer Systems to a level beyond that which existed prior to a Security Breach, System Failure, Dependent Security Breach, Dependent System Failure or Extortion Threat; 3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the Insured Organization's direct operational control; or 4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

**NOTICE OF CLAIM:**

- IMMEDIATE NOTICE must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:  
Beazley Group  
Attn: TMB Claims Group  
1270 Avenue of the Americas  
New York, NY 10020  
[tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

**NOTICE OF  
CANCELLATION:**

10 days for non-payment of premium

**REINSTATEMENT  
PROVISIONS:**

Optional reinstatement at 125% of the Annual Policy Premium

**CYBER COST:**

Cost is included in Total Property Premium  
Earned premium is calculated on a pro-rata basis, unless there is a claim in which  
case the premium is deemed fully earned.

**OTHER SERVICES**

Unlimited Access to Beazley Breach Solutions

**BROKER:**

ALLIANT INSURANCE SERVICES HOUSTON, LLC

License No. 0C36861

***NOTES: Coverage outlined in this Proposal are subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions.***

**ALLIANT PROPERTY INSURANCE PROGRAM  
SUMMARY OF CYBER PROPOSED CHANGES**

**THE FOLLOWING ITEMS ARE BOUND CHANGES AS FOR THE 2019-2020 POLICY TERM**

<b>Coverage</b>	<b>2018-2019</b>	<b>2019-2020 Proposed Changes</b>	<b>Status</b>
Business Interruption Loss resulting from System Failure:	\$250,000	\$500,000	Enhancement
Dependent Business Interruption Loss resulting from Dependent System Failure:	N/a	\$100,000	New Coverage
Fraudulent Instruction	\$50,000	\$75,000	Enhancement
Funds Transfer Fraud	\$50,000	\$75,000	Enhancement
Telephone Fraud	\$50,000	\$75,000	Enhancement
Computer Hardware Replacement Costs	N/a	\$75,000	New Coverage

<b>Endorsement Enhancements:</b>			
Voluntary Shutdown Coverage	-	Included	Enhancement
Amend Data Recovery Costs	-	Included	Enhancement
Amend Settlement of Claims	-	Included	Enhancement
Amend Definition of Data	-	Included	Enhancement

**Alliant Property Insurance Program  
2019-2020 Policy Year  
Schedule of Insurers (Prospective)**

<b>Company</b>	<b>A.M. Best's I.D. #</b>	<b>A.M. Best's Guide Rating</b>	<b>Standard and Poor's</b>	<b>State of California</b>
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 10/11/18)	A+ (As of 06/25/18)	Non-Admitted
Aspen Insurance UK Limited	084806	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 03/01/19)	A (As of 06/26/18)	Non-Admitted
Chubb European Group Limited	086485	A++ , Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 12/13/18)	AA (As of 06/24/16)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 07/20/18)	A+ (As of 04/26/18)	Non-Admitted
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/19/18)	A (As of 07/27/17)	Non-Admitted
Hallmark Specialty Insurance Co.	010838	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 08/23/18)	Not Rated (As of 04/22/19)	Non-Admitted
Homeland Insurance Company of New York	010604	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 03/08/19)	Not Rated (As of 04/22/19)	Non-Admitted
Interstate Fire and Casualty Ins. Co.	02267	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 08/30/18)	AA (As of 03/17/16)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 05/16/18)	A (As of 05/02/17)	Non-Admitted
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 10/24/18)	A- (As of 02/28/18)	Non-Admitted

**Alliant Property Insurance Program  
2019-2020 Policy Year  
Schedule of Insurers (Prospective)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 11/02/18)	A+ (As of 04/18/18)	Non-Admitted
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 06/20/18)	A+ (As of 06/06/17)	Non-Admitted
Liberty Mutual Fire Insurance Company	002282	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/16/18)	A (As of 06/17/14)	Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/12/18)	A+ (As of 10/12/17)	Non-Admitted
Maxum Indemnity Company	012563	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 08/02/18)	Not Rated (As of 04/22/19)	Non-Admitted
PartnerRe Ireland Insurance Ltd.	088621	A, Excellent Financial Size Category 15; \$2,000,000,000 or Greater (As of 06/15/18)	A+ (As of 09/07/16)	Non-Admitted
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 06/13/18)	A+ (As of 06/30/18)	Non-Admitted
Westchester Surplus Lines Insurance Company	004433	A++, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/13/18)	AA (As of 06/24/16)	Non-Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/13/18)	AA- (As of 10/28/11)	Admitted
XL Insurance America Inc.	002423	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/06/18)	AA- (As of 11/19/18)	Admitted
United Specialty Insurance Company	013105	A, Excellent; Financial Size Category 9; \$250,000,000 to 500,000,000 (As of 12/19/18)	Not Rated (As of 04/30/19)	Non-Admitted

## ALLIANT INSURANCE SERVICES

### POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

May 31, 2019

Named Insured: **Northern California Cities Self Insurance Fund**

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance. The below is for TRIA coverage as issued by the United States of America and is not tied to or representative of the Terrorism coverage offered in our program.

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *As defined in Section 102(1) of the Act, as amended*: The term "act of terrorism" means 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 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. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 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 IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE CAN BE REQUESTED BELOW AND WILL NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

**SELECTION OR REJECTION OF THE TERRORISM RISK INSURANCE ACT as AMENDED  
(A.K.A.: TRIPRA 2015)**

THIS COVERAGE IS OUTSIDE OF THE PROGRAM'S TERRORISM COVERAGES AND LIMITS. IT IS PROVIDED AND OVERSEEN BY THE U.S. GOVERNMENT.

THIS COVERAGE IS CONSIDERED RESTRICTIVE COMPARED TO THE APIP TERRORISM LIMITS AND COVERAGES AVAILABLE. THIS ACT DOES NOT FOLLOW OUR PROGRAM'S TERRORISM POLICIES.

HOWEVER IF YOU'D LIKE A QUOTE FOR TRIA COVERAGE, PLEASE CHECK THE "I AM INTERESTED" BOX. OTHERWISE, PLEASE CHECK THE "DECLINE" BOX. YOUR SIGNATURE FOR CONFIRMATION OF RECEIPT IS REQUIRED. ANY QUESTIONS? PLEASE CALL YOUR SERVICE TEAM MEMBER.

	I am interested in receiving a quote for Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act. Please provide me with a quote.
	I decline to purchase the Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act.

\_\_\_\_\_  
Policyholder/applicant signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

Northern California Cities Self Insurance Fund

## Disclosures / Disclaimers

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by your organization. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them via this [AmBest Consumer Web link](#). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## NY Regulation 194 and General Broker Compensation Disclosure

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York and other States. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive 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.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including



the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

## Other Disclosures / Disclaimers Cont.

### FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

### NRRA:

*(Applicable if the insurance company is non-admitted)*

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

## Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Mergers and/or acquisition and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

## Loss Notification Requirements:

Your policy will come with specific claim reporting requirements. Please make sure your organization understands these obligations and time limitations which are outlined in the attached Loss Notification documents. Contact your Alliant Service Team with any questions.

## Binding Requirements Recap

Required no later than June 28, 2019:

- Signed and dated Request to Bind Coverage form (below)
- Signed and dated Surplus Lines forms as required by your state and attached to this proposal\*
- Signed and dated APIP Claims Reporting Acknowledgement(s) Receipt Form
- Signed and dated Terrorism Risk Insurance ACT of 2002 as amended (a.k.a. TRIPRA 2015)

\*- only required for coverage in the following states: AR, CA, CT, FL, KS, MA, MT, NE, NY, NC, ND, OH, RI, WV, WY

## Request to Bind Coverage

### **Northern California Cities Self Insurance Fund**

We have reviewed the proposal and agree to the terms and conditions of the coverages presented.

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers, disclosures, and loss notification requirements including exposures used to develop insurance terms, contained within this proposal.*

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**Signature of Authorized Insured Representative**

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**Date**

---

**Title**

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**Printed / Typed Name**

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.***

## LOSS NOTIFICATION REQUIREMENT

### ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Sandra Doig. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Robert A. Frey, RPA  
Senior Vice President, Regional Claims Director  
Voice: (415) 403-1445 Cell: (415) 518-8490  
Email: [rfrey@alliant.com](mailto:rfrey@alliant.com)

Diana L. Walizada, AIC, CPIW, RPA, AINS  
Vice President, Claims Unit Manager  
Voice: (415) 403-1453  
Email: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

Address:

Alliant Insurance Services, Inc.  
100 Pine St, 11<sup>th</sup> Floor  
San Francisco CA 94111  
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include APIP's Claim Administrator as a CC on all Claims correspondence:

Sandra Doig  
McLaren's Global Claims Services

Address:

1301 Dove St., Suite 200  
Newport Beach, CA 92660  
Voice: (949) 757-1413 Fax: (949) 757-1692  
Email: [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com)

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beth Diamond  
Beazley Group  
1270 Avenue of the America's, Suite 1200  
New York, NY 10020  
Fax: (546) 378-4039  
Email: [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

Address:

Elaine G. Tizon, CISR  
Assistant Vice President, Claims Advocate  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101  
Voice: (415) 403-1458 Fax: (415) 403-1466  
Email: [elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com)

Address:

- IV. Pollution Liability Carrier Allianz Global Corporate & Specialty (if purchased):

Allianz Global Corp. & Specialty Att: FNOL Claims Unit  
1 Progress Point Parkway, 2<sup>nd</sup> Floor  
O'Fallon, MO 63368  
In emergency call: (800) 558-1606  
Fax: (800) 323-6450  
Email: [NewLoss@aqcs.allianz.com](mailto:NewLoss@aqcs.allianz.com)

Address:

Akbar Sharif  
Claims Advocate  
1301 Dove St. Ste. 200  
Newport Beach, CA 92646  
Voice: (949) 260-5088 Fax: (415) 403-1466  
Email: [Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com)

Address:

Please include the Insured /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

## APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated as attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned e-mail or mail to have it be included in your insurance records.

- APIP Property Claims Reporting
  
- Cyber Claims Reporting (*this is a claims made policy*) if coverage is purchased
  
- Pollution Liability Claims Reporting (*this is a claims made policy*) if coverage is purchased

**Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2019 until further notice**

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

**Insured Entity Name: Northern California Cities Self Insurance Fund**

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**Authorized Signature:**

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Print Name

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Date

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Title:

IN THE EVENT OF A

## PROPERTY LOSS:

- 1) *Follow your organization procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to Alliant Insurance Services immediately at:*

# 877-725-7695

**All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to McLarens Global Claims Services AND your Alliant representative*

**PROPERTY FIRST NOTICE OF LOSS FORM**

**SEND TO:** Alliant Insurance Services, Inc.  
**BY MAIL:** 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111  
**BY FAX:** (415) 403-1466  
**BY EMAIL:** [rfrey@alliant.com](mailto:rfrey@alliant.com) AND [dwalizada@alliant.com](mailto:dwalizada@alliant.com)  
**Carbon Copy APIP Claims Administrator:** [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com) and your Alliant representative

**Today's Date:** \_\_\_\_\_

**Type of Claim: (check all that apply)**

- Real Property                       Vehicles  
 Personal Property                       Other

**Insured's Name & Contact Information**

**Insured's Name:** \_\_\_\_\_ **Point of Contact:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

**Company Name:** Alliant Insurance Services - Claims      **Point of Contact:** Robert A. Frey & Diana L. Walizada

**Address:** 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

**Phone #:** 1-877-725-7695

**Fax #:** 415-403-1466

**Policy Information**

**Policy Number:** \_\_\_\_\_ **Policy Period:** \_\_\_\_\_

**Limits of Liability:** \_\_\_\_\_ per \_\_\_\_\_ agg    **Self-Insured Retention/Deductible:** \_\_\_\_\_

**Loss Information**

**Date of Incident/Claim:** \_\_\_\_\_ **Location:** \_\_\_\_\_

**Description of Loss:**

\_\_\_\_\_

**Please list all attached or enclosed documentation:**  (check if none provided) \_\_\_\_\_

\_\_\_\_\_

**Name of Person Completing This Form:** \_\_\_\_\_

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

**Per the PEP/IP USA Form Master Policy Wording, Section IV General Conditions;**

**J. NOTICE OF LOSS**

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

IN THE EVENT OF A  
**CYBER LOSS:**

- 1) *Follow your organizations procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

**[tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)**

**All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

***SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:***

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.



**CYBER FIRST NOTICE OF LOSS FORM**

**SEND TO:** Beazley Group

**BY MAIL:** 1270 Avenue of the America's, Suite 1200, New York, NY 10020

**BY FAX:** (546) 378-4039

**BY EMAIL:** [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

**CC Alliant Claims Department:**  
[elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com) , and your Alliant representative

Today's Date: \_\_\_\_\_

**Insured's Name & Contact Information**

Insured's Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

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

Phone #: \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

Company Name: Alliant Insurance Services – Claims Point of Contact: Elaine Tizon

Address: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

Phone #: 877-725-7695 Fax #:415-403-1466

**Policy Information**

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible \_\_\_\_\_

**Loss Information**

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_

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

## A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the **Insured** during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the **Insured**. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the **Policy**, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this **Policy** is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
  - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
  - b. the injury or damage which may result or has resulted from the circumstance; and
  - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.

## ALLIANZ GLOBAL CORPORATE & SPECIALTY

IN THE EVENT OF AN

# ENVIRONMENTAL EMERGENCY:

- 1) *Follow your organization procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident immediately at:*

**800-558-1606**

- 4) *Report the incident to Alliant*

Akbar Sharif  
Claims Advocate  
949-260-5088  
415-403-1466 – fax  
[Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com)

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

DO follow your organization's detailed response plan  
DO contact your management as well as appropriate authorities  
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak  
DO NOT attempt to respond beyond your level of training or certification

**SEND TO:** ALLIANZ GLOBAL CORPORATE & SPECIALTY  
**BY MAIL:** 1 Progress Point Parkway, 2<sup>nd</sup> Floor  
**BY FAX:** (800) 323-6450  
**BY EMAIL:** [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)  
**CC Alliant Insurance:** [Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com) and your Alliant Representative

Today's Date: \_\_\_\_\_

**Notice of: (check all that apply)**

- Pollution Incident                       Potential Claim                       Other \_\_\_\_\_  
 Third-Party Claim                       Litigation Initiated

**Insured's Name & Contact Information**

Company Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

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

Phone #: \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

Company Name: Alliant Insurance Services - Claims Point of Contact: Akbar Sharif

Address: 1301 Dove St. Ste. 200 Newport Beach, CA 92660

Phone #: 1-949-260-5088

**Policy Information**

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible \_\_\_\_\_

**Loss Information**

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Claimant Name/Address: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

\_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

\_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_ Signature: \_\_\_\_\_

## NOTICE:

1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV). ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Date: \_\_\_\_\_

Insured: \_\_\_\_\_

(Authorized Signature)

PROPERTY ALL RISK RATE PREMIUM COMPARISON

APIP 19/20 PROPERTY DEDUCTIBLE OPTION COMPARISON

\$5K DEDUCTIBLE COMPARISON FY 19/20 OPTION 1 \$5,000 Deductible \$5K to \$10K \$10,000 Deductible \$10K to \$25K \$25,000 Deductible OPTION 2

Property Rate\* per \$100 TIV \$0.0711793 \$0.0410290 \$0.1122083 \$0.0042594 \$0.1079489 \$0.0042595 \$0.1036894

Member	FY 18/19	FY 19/20	% Increase	Property	Premium	Difference	Premium	SAVINGS	Premium	SAVINGS	Premium
CITY OF ANDERSON	\$32,967,345	\$35,301,385	7.1%	CITY OF ANDERSON	\$25,238	\$16,839	\$42,077	\$1,564	\$40,513	\$1,564	\$38,950
CITY OF AUBURN	\$28,245,292	\$52,600,809	86.2%	CITY OF AUBURN	\$21,033	\$40,729	\$61,762	\$2,327	\$59,435	\$2,327	\$57,109
CITY OF COLLUSA	\$37,134,742	\$52,957,121	42.6%	CITY OF COLLUSA	\$28,355	\$34,684	\$63,038	\$2,376	\$60,662	\$2,376	\$58,286
CITY OF DIXON	\$115,251,369	\$125,774,640	9.1%	CITY OF DIXON	\$88,087	\$61,087	\$149,175	\$5,557	\$143,617	\$5,557	\$138,060
CITY OF FOLSOM	\$245,131,996	\$268,917,283	9.7%	CITY OF FOLSOM	\$165,462	\$119,950	\$285,412	\$10,467	\$274,945	\$10,467	\$264,478
CITY OF GALT	\$78,175,869	\$96,203,296	23.1%	CITY OF GALT	\$59,613	\$54,495	\$114,108	\$4,284	\$109,825	\$4,284	\$105,541
CITY OF GRIDLEY	\$26,433,103	\$35,315,024	33.6%	CITY OF GRIDLEY	\$20,259	\$22,822	\$43,081	\$1,516	\$41,566	\$1,516	\$40,050
CITY OF IONE	\$16,697,321	\$33,106,079	98.3%	CITY OF IONE	\$9,643	\$22,813	\$32,456	\$1,201	\$31,255	\$1,201	\$30,053
CITY OF JACKSON	n/a	\$35,422,328	n/a	CITY OF JACKSON	n/a	n/a	\$44,357	\$1,584	\$42,773	\$1,584	\$41,190
CITY OF LINCOLN	\$194,061,644	\$222,554,609	14.7%	CITY OF LINCOLN	\$143,044	\$111,431	\$254,475	\$9,565	\$244,910	\$9,565	\$235,346
CITY OF MARYSVILLE	\$27,125,665	\$29,560,615	9.0%	CITY OF MARYSVILLE	\$20,781	\$14,258	\$35,039	\$1,303	\$33,736	\$1,303	\$32,434
CITY OF OROVILLE	\$36,352,896	\$66,817,901	83.8%	CITY OF OROVILLE	\$27,901	\$41,764	\$69,665	\$2,592	\$67,073	\$2,592	\$64,481
TOWN OF PARADISE	\$14,901,388	\$16,391,885	10.0%	TOWN OF PARADISE	\$11,948	\$7,777	\$19,725	\$566	\$19,159	\$566	\$18,592
CITY OF RED BLUFF	\$60,130,202	\$65,631,428	9.1%	CITY OF RED BLUFF	\$43,227	\$28,335	\$71,563	\$2,610	\$68,953	\$2,610	\$66,343
CITY OF RIO VISTA	n/a	\$47,611,050	n/a	CITY OF RIO VISTA	n/a	n/a	\$56,510	\$2,110	\$54,400	\$2,110	\$52,290
CITY OF ROCKLIN	\$80,960,809	\$93,038,942	14.9%	CITY OF ROCKLIN	\$63,409	\$44,340	\$107,749	\$3,696	\$104,053	\$3,696	\$100,358
CITY OF YUBA CITY	\$210,603,794	\$264,649,223	25.7%	CITY OF YUBA CITY	\$149,725	\$165,990	\$315,715	\$9,952	\$305,763	\$9,952	\$295,811
<b>Total</b>	<b>\$1,204,173,435</b>	<b>\$1,541,853,618</b>	<b>28.0%</b>	<b>TOTAL</b>	<b>\$877,725</b>	<b>\$787,314</b>	<b>\$1,765,907</b>	<b>\$63,268</b>	<b>\$1,702,639</b>	<b>\$63,269</b>	<b>\$1,639,370</b>

\*Property Rate = All Risk Primary, All Risk Excess, Excess Boiler and Machinery, Cyber Liability, Pollution, Lloyds Primary Terrorism



**Agenda Item I.2.b.**

**TIME ELEMENT COVERAGE SPECIAL NOTICE**

**INFORMATION ITEM**

**ISSUE:** Board Members were emailed a Special Notice Regarding Time Element Coverages as a way to highlight the need to review the exposure and values reported to the property insurer. The email and notice is included as an attachment to this item for discussion purposes.

Members are encouraged to review their Statement of Values for their own covered property and limits as well as consider lost tax revenue or business income from damage to “contributing property” that generates significant tax or other revenues such as auto malls, major hotels, or major customers for utility services.

**RECOMMENDATION:** Information only - please review your operations and insured values with these exposures and coverages in mind.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Alliant Property Insurance Program (APIP) has a broad coverage form that includes the unique and exclusive coverage for Tax Interruption. In addition, the limits available for the more standard Business and Rental Interruption coverages are greater than typically offered by stand-alone policies. With an increase in large scale property losses the potential for larger time element claims is also increasing, and limits that were adequate for most past losses may not be for future losses. Alliant is encouraging its clients to review their exposures and the coverages available to make sure they are adequate.

**ATTACHMENT(S):** Email - Time Element Coverage Special Notice, with Attachment



**From:** Marcus Beverly  
**To:** Liz Cottrell; Cristina Shafer; Shari Harris; Toni Benson; Kristina Miller; Rachel Ancheta; Kim Stalie; Brad Koehn; Kara Reddig; Jim Ramsey; Julie Rucker; Kristine Haile; "Jim Francis"; Hall, Cora; Elisa Arteaga; Jon Hanken; ykimball@ci.jackson.ca.us; Dalacie Blankenship; Veronica Rodriguez; Ruthann Codina; Jennifer Styczynski; Marti Brown; Loree McCay; "Catrina Olson"; Elizabeth Ehrenstrom; Will, Gina; Peters, Crystal; Dave Warren; Sandra Ryan; Jose Jasso; Jen Lee; Kimberly Sarkovich; Andrew Schiltz; Tim Sailsbery; Natalie Springer; Robin Bertagna  
**Cc:** Michael Simmons; Raychelle Maranan  
**Subject:** Special Notice Regarding Property Insurance - Time Element Coverages  
**Date:** Friday, May 24, 2019 7:02:14 AM  
**Attachments:** Time Element Coverage Special Notice Communication.docx

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Greetings NCCSIF Board Members – sending this to ALL members, not just those in the NCCSIF property program, as the exposure and recommendations apply to all.

Alliant is sending the attached notice to remind Alliant Property Insurance Program (APIP) members to review their operations and Total Insured Values to determine if the limits for various Time Element coverages are sufficient. These coverages – Business, Rental and Tax Interruption – can be overlooked in focusing just on the insured property and contents and not the loss of income that results from the property being out of service for some time.

This is especially important in this current environment where we are seeing more large-scale claims that are impacting broader areas of our members' jurisdictions, resulting in longer periods of recovery and impacts to "contingent" locations that provide tax revenue or receive or supply goods and services from the city. Consider your sources of revenue and potential for loss if a major business or customer was to suffer a property damage claim and not generate revenue or purchase goods or services for an extended period of time.

We have and will continue to discuss these issues at Board meetings and in individual discussions with NCCSIF members. And please contact me or any other member of the NCCSIF service team if you have any questions or would like a review of your coverage.

Regards,

*Marcus Beverly*

Alliant Insurance Services, Inc.  
D 916.643.2704  
C 916.660.2725

# ***SPECIAL NOTICE TO APIP CLIENTS***

## **Are You Covered: Business Interruption, Rental Value & Tax Revenue Interruption**

It's important for APIP members to understand and review their exposures to loss beyond replacement or repair costs caused by direct physical loss or damage to covered property. This includes loss of earnings, rental value, and/or tax revenue incurred while the property is being repaired or replaced (the *period of restoration*), and for up to 180 days after completion if required to restore the insured's business to pre-loss conditions (the *extended period of indemnity*).

Business Interruption (BI) coverage provides financial protection for the loss of revenue resulting directly from the physical damage of an insured property. In addition to the more traditional BI exposures, cities, counties, special districts and other public agencies may have enterprise funds and operational activities that generate revenue. These can include park & recreation activities, water/wastewater, utilities, and commercial/habitational rents. Public entities may also benefit from a *unique* APIP coverage for Tax Interruption.

The following are defined types of coverage available in the APIP policy form:

**Business Interruption (BI)** covers loss of gross earnings *less* expenses that do not continue during the period of restoration due to a covered physical loss at the insured's premises. Coverage for power generation plants is excluded, unless otherwise specified.

**Rental Income (RI)** covers lost rental income, the fair rental value of occupied property, or payment obligations under revenue bonds or certificates of participation where one needs proof of coverage. (Note, although traditional "Loss of Rent" is part of this coverage; Public Entities may use this coverage feature for Revenue Bonds/Certificates of Participation when required by bond underwriters and lenders).

**Tuition Income (TI)** for universities, hospitals or other institutions of learning covers the amount of tuition income and related fees which are prevented from being earned or received along with other income derived from routine and special services, research grants and income under research contracts all dependent on continued operations.

**Contingent Business Interruption (CBI)** covers losses resulting from direct physical loss to property not otherwise excluded at direct supplier or customer locations that prevents the supply of goods and/or services to your entity or that prevents customer acceptance of goods and/or services from your entity. This includes Business Interruption, Rental Income and Extra Expense but not Tax Interruption. It is "contingent" because the damage causing loss is *not* to an owned location.

**Tax Revenue Interruption (TRI)** is also a "contingent" coverage for your agency's revenue that is dependent on businesses/operations that generate sales taxes, transient occupancy taxes (TOT), and/or property taxes. If your entity depends heavily on tax revenue from a major business or businesses, consider whether you would like to cover this business continuity exposure by scheduling the tax revenue associated with those properties on your Statement of Values with an appropriate limit. Separate limitations apply to each category of these coverages

These time element coverages should be considered to determine the extent of the exposure to your agency. Please **contact your broker to review and discussion of the potential losses beyond repair/replacement costs** that can incur from direct physical damage to covered property.



## APIP CLAIMS REPORTING ACKNOWLEDGEMENTS

### INFORMATION ITEM

**ISSUE:** Members are asked to review and acknowledge receipt of the Claims Reporting Requirements for the Alliant Property Insurance Program (APIP). It is critical that members and their staff recognize and respond to property claims in a timely manner so as to mitigate the damages and ensure they receive the full benefits of their property coverage.

**RECOMMENDATION:** Review and acknowledge receipt by each Member signing a copy of the attached notice.

**FISCAL IMPACT:** None.

**BACKGROUND:** Given the importance of responding quickly to property claims, and the threat of reduced or denied coverage for late reporting of claims, Alliant has requested that all APIP members understand and acknowledge the claim reporting requirements. Members can sign and return this document at the meeting, or respond to an email that will be sent later in June to those that have not signed.

**ATTACHMENT(S):** APIP Claims Reporting Acknowledgements Receipt Form

## APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated as attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned e-mail or mail to have it be included in your insurance records.

- APIP Property Claims Reporting
- Cyber Claims Reporting (*this is a claims made policy*) if coverage is purchased
- Pollution Liability Claims Reporting (*this is a claims made policy*) if coverage is purchased

**Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2019 until further notice**

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

**Insured Entity Name: Northern California Cities Self Insurance Fund**

---

**Authorized Signature:**

---

Print Name

---

Date

---

Title:



## APIP BREACH RESPONSE ENDORSEMENT OPTION

### ACTION ITEM

**ISSUE:** Options for excess Cyber coverage have changed for this renewal, with the introduction of the Breach Response Endorsement Option. This Option allows members to increase the coverage and services provided by the APIP program from the insurer, Beazley Breach Solutions. The attached summary of the Option includes a description of the enhancements available, including increased limits, lower deductibles, and post-breach remedial services.

The options are available for NCCSIF members as a group or on a stand-alone basis.

### OPTIONS

1. Maintain standard cyber coverage and limits provided by the APIP policy.
2. Request a quote for or decline the endorsement option for the JPA.
3. Members individually may request a quote for the endorsement - please express interest at the meeting or contact any member of the Administrator team.

**RECOMMENDATION:** Consider request for quote and authorize President to request or decline a proposal for the Beazley Breach Response Endorsement by signing the attached form.

**FISCAL IMPACT:** To be determined

**BACKGROUND:** The JPA's property policy through APIP includes Cyber Liability coverage. Each member of the JPA has its own \$2 million Cyber Liability annual aggregate limit with sublimit of \$1 million for Privacy Notification costs. The Privacy Notification costs erode the annual aggregate. *The Cyber Liability program as a whole has a \$25 million annual aggregate for all insureds or members in the program combined.*

With the increase in cyber-attacks, the Breach Response Endorsement is available and can be purchased at any time throughout the policy period. This replaces the two separate options previously offered to provide dedicated limits for individual members and aggregate limits for the JPA.

### ATTACHMENT(S):

1. Cyber Coverages - presentation outline
2. Beazley (APIP) Breach Response Endorsement - presentation summary
3. APIP Breach Response Endorsement Option Summary and Request/Declination

# Cyber Coverages

## Breach Response

- Legal Services
- Forensics
- Notification
- Credit Monitoring
- Public Relations/Crisis Management

## First-Party

- Business Interruption
- Extortion
- Data Restoration
- eCrime
- Criminal Reward
- Bricking

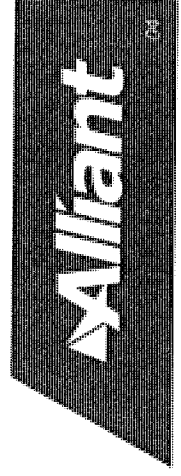
## Third-Party

- Data and Network Liability
- Regulatory
- Payment Card
- Media Liability

## Endorsements

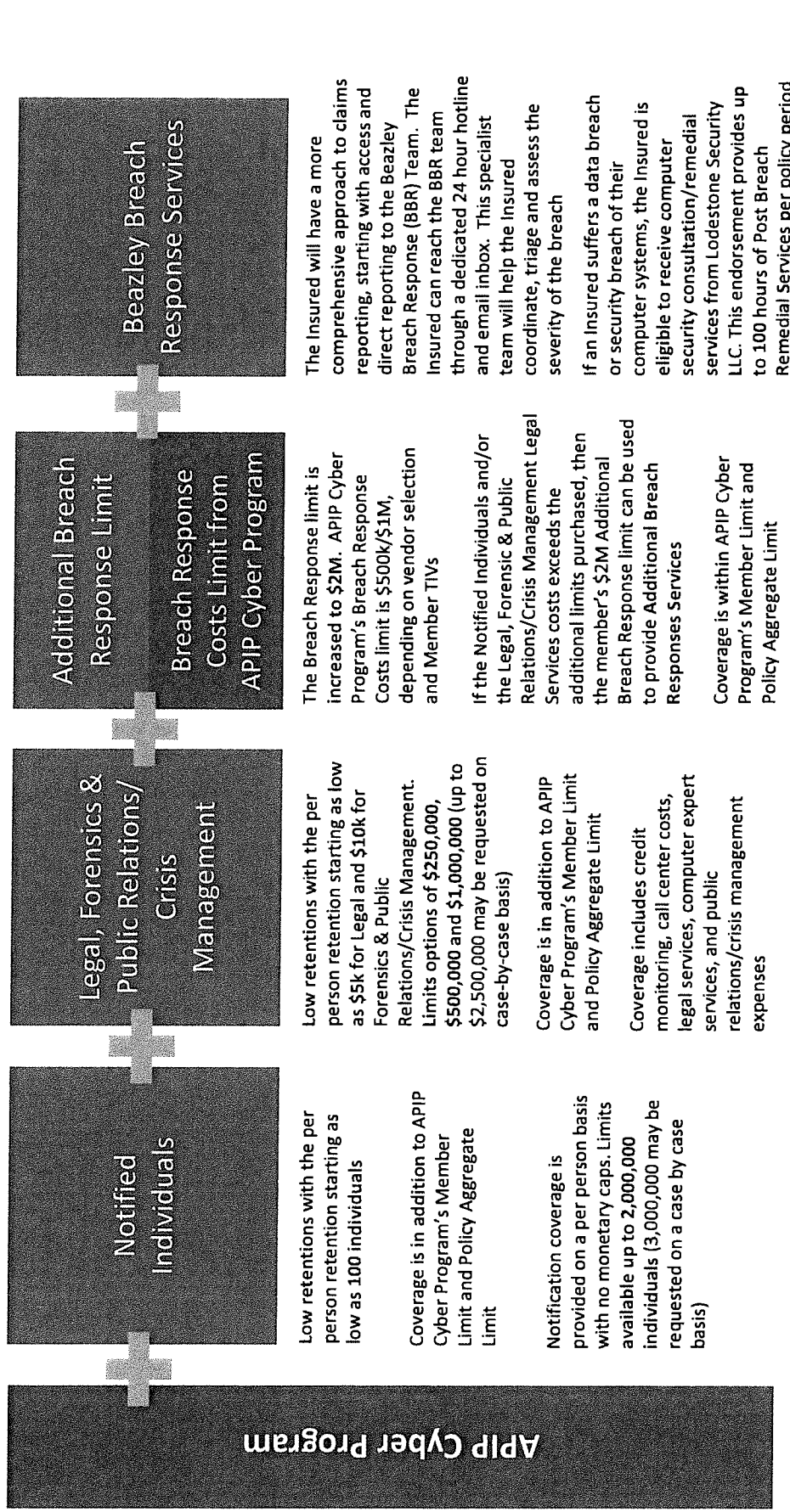
- Breach Response\*
- Technology E&O
- Retention Buy Down
- Reinstatement – Entire Program

Note: Endorsements may require more information and additional premium.  
\* Sub-Limit increase and BBR (fka CEO) endorsements

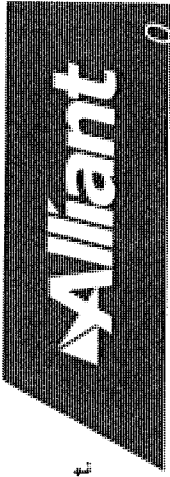


# Beazley Breach Response (BBR) Endorsement

In addition to the APIP Cyber Program, members can purchase additional Breach Response limits and expanded Beazley Breach Response services.



Note: The Breach Response Cost Sub-Limit can be increased to \$1,000,000 (non-Beazley vendors) / \$2,000,000 (Beazley vendors) for those members with TIVs above \$500M, for 10% additional premium. This is not part of the BBR endorsement.



# APIP Breach Response Endorsement Option



Dear valued APIP client:

Beazley Group - Lloyd's of London Syndicate 2623 and 623 (Beazley) has been a trusted partner to the APIP program over 10 years, providing cyber coverage to Insureds at a nominal cost.

In the last few years there has been a noted increase in the number of cyber attacks. Due to the current cyber climate, Alliant believes it is important to review the limits and coverages available to our insureds and to provide additional options and services.

Alliant and Beazley working together have created an option to augment your current cyber coverage Beazley's Breach Response endorsement. Even if you believe the current cyber limits available through APIP are sufficient, it may be worth investing time to have your Alliant broker discuss the benefits of enhanced coverage. Organizations with the most robust cyber security protection are still susceptible to human error, a third party mishandling your information, or a rogue employee.

Currently, APIP insureds have \$2 million in cyber limits which includes services related to a data breach with a sub-limit up to \$1 million for Privacy Notification Costs. More information on the option to enhance your coverage via the Breach Response endorsement is described below:

## **APIP – Beazley Breach Response Endorsement Option**

- Separating privacy notifications from the dollar limit and specifying the number of covered notifications so that notifications do not erode the APIP cyber limit
  - Privacy Notification Costs include notifying individuals affected, credit monitoring and call center services
- Standalone limit for legal, forensics, crisis management or public relations firms which do not erode the APIP cyber limit
- Increase of Breach Response Costs limit to \$2 million (coverage under APIP cyber is \$1 million)
- Lower deductibles for privacy notification services and legal, forensics, crisis management and public relations coverage
- Hands-on pre and post loss consultation from an expert team of cyber risk professionals
- Extensive risk management resources available for your organizations' stakeholders (Legal, IT, Risk, Compliance, etc.)
- Post Breach Remedial Services – 100 hours provided by Lodestone Security
- Short form application required for new Members. Statement of fact required for Members with an existing Breach Response endorsement

**APIP policy excess limits note:** *Quotes for policy excess limits are not included in the above, and can be obtained upon request. Further information may not be required depending on insurance carrier. If needed, it will be the same information as requested for the Breach Response endorsement.*

- *Provides dedicated, excess limits above the APIP cyber program*
- *Provides dedicated, excess limits above the increased Breach Response Costs limit of \$2 million*
  - *Coverage is within the policy limit*
- *Provides dedicated, excess sublimits above privacy notification costs*
  - *Options available for coverage within the policy limit or outside the policy limit*

A Breach Response endorsement indication can be provided in 5-7 business days. Contact your Alliant broker or Account Representative for more information by returning the attached document. Thank you.



**ADDITIONAL EXCLUSIONS RELATING TO  
PROPERTY & BUSINESS INTERRUPTION:**  
(Including But Not Limited To)

- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of Insured Property), jewelry, furs, fine arts and antiques
- Electronic data
- Any property in Transit
- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Fines, penalties or damages incurred by or imposed upon the Named Insured at order of any Government Agency, Court or other Authority
- The Named Insured and any Insured Person must, at all times, restrict knowledge of the existence of this policy to all persons whose knowledge of the policy is necessary. This policy shall become void and all Claims hereunder shall be forfeited if at any time, whether before or after expiry, the existence of this policy is disclosed to a third party, other than to the Named Insured's own professional, financial and legal advisers (on a confidential basis), without the Underwriters' prior written agreement.

**POLICY VOIDANCE CONDITION**



# APIP Breach Response Endorsement Option

**APIP – Beazley Breach Response Endorsement Option:**

Request:

Our Entity requests a proposal for the APIP – Beazley Breach Response Endorsement Option.

Declination:

Our Entity is not interested in the APIP – Beazley Breach Response Endorsement Option that has been offered to us. We understand that Alliant has access to cyber insurance markets and can provide a quote for us in the future if we become interested. We decline to purchase the APIP – Beazley Breach Response Endorsement Option at this time.

Northern California Cities Self Insurance Fund

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title

Please return this page to your Alliant representative.

*Premium for APIP – Beazley Breach Response Endorsement Option is excluded from the APIP Property Proposal.*



## ALLIANT DEADLY WEAPON RESPONSE PROGRAM

### ACTION ITEM

**ISSUE:** For FY 18/19 NCCSIF members purchased a new stand-alone option for Deadly Response Coverage offered to members of APIP. The coverage provides a \$500,000 per claim limit with a \$2,500,000 policy aggregate (and sub-limits for property damage and business interruption, crisis management services, funeral services and counseling services, per the attached summary). *The event must occur at a location on a member's APIP Schedule of Values.*

The coverage is primary for property and business interruption, coverages also provided by APIP, and adds coverage to include the crisis management, counseling and funeral services for events happening on insured property.

**RECOMMENDATION:** Review and discuss option and decide on participation.

**FISCAL IMPACT:** NCCSIF's FY 18/19 premium is \$8,737.94. Premium for FY 19/20 is \$11,491.32.

**BACKGROUND:** This type of insurance, often labeled "Active Shooter" Coverage, is now being offered by a number of insurance companies, and NCCSIF Property Program members purchased the coverage for FY 18/19.

NCCSIF members have also opted to provide themselves a specific type of this coverage tailored to their unique responsibilities in responding to these events. Members added a Violent Event Coverage endorsement to the Liability Program MOC, using a similar "trigger" for coverage, and it is not limited to an event at an insured location. The coverage only requires that a Violent Event occurred requiring emergency response, though it is limited to a Member's Banking Layer.

### ATTACHMENT(S):

1. Alliant Deadly Weapon Response Program (ADWRP) FY 19/20 Renewal Proposal
2. FY 19/20 ADWRP Member allocation of premium
3. ADWRP Brochure

The title "Northern California Cities Self Insurance Fund" is centered on the page. It is overlaid on a black and white photograph of a modern building with a large glass facade. A person is visible walking on a balcony or walkway within the building's structure. The text is in a large, white, sans-serif font.

**2019 – 2020**

**Alliant Deadly Weapon  
Response Program (ADWRP) Proposal**

Presented on May 20, 2019

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

<b>INSURED</b>	Northern California Cities Self Insurance Fund
<b>INSURANCE COMPANY:</b>	Underwriters at Lloyd's of London
<b>A.M. BEST RATING:</b>	A (Excellent) XV; Greater than \$2,000,000,000
<b>STANDARD AND POOR'S RATING:</b>	A+, Strong Financial Security
<b>STATE LICENSE STATUS:</b>	Non-Admitted
<b>POLICY TERM:</b>	July 1, 2019 – July 1, 2020
<b>COVERAGE FORM:</b>	Claims Made & Reported
<b>COVERAGE TYPE:</b>	Third Party Liability, Property Damage, Business Interruption & Crisis Management for events occurring at a location appearing on your Schedule of Values on file with Alliant Insurance Services, Inc.
<b>LIMITS:</b>	
Per Claim	\$ 500,000
Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
<b>DEDUCTIBLE:</b>	\$10,000 Each Event including Claims Expenses
<b>RETROACTIVE DATE:</b>	7/1/2018
<b>SUB-LIMITS:</b>	<b>(Each Sublimit is part of the Overall Limit of Liability and not in addition to it)</b>
	\$ 250,000 Crisis Management Services
	\$ 250,000 Counseling Services
	\$ 250,000 Funeral Expenses
	\$ 250,000 1 <sup>st</sup> Party Property Damage
	\$ 250,000 Business Interruption
	\$ 250,000 Demo/Clearance/ Memorialization

**ENDORSEMENTS:**

(Including But Not Limited To)

- Deadly Weapon & Security Vulnerability
- Deadly Weapon Safety Action Plan Seminar
- Crisis Management Services
- Property Damage Extension
- Counselling Services Sub-Limit
- Funeral Expenses Sub-Limit
- Reinsurers Liability Clause
- Sanction Limitation & Exclusion Clause
- Notice of Terrorism Insurance Coverage
- Business Interruption

**EXCLUSIONS:**

(Including But Not Limited To)

- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Criminal, dishonest, fraudulent or malicious conduct by Named Insured
- Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers, in the discharge of their duties solely in their capacity as Directors or Officers of the Named Insured
- Euthanasia
- Any explosive devices that may have been set-up prior to or after an Active Shooter Event
- Any vehicle not defined as a road vehicle
- Any weapon mounted (or designed to be mounted) on a vehicle
- Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone
- Injury or death to any employees of any third party whom the Named insured has contracted for services.
- Workers Compensation
- Employment Practices

**EXCLUSIONS - CONTINUED:**  
(Including But Not Limited To)

- Attacks by electronic means
- Ionizing radiations or contamination by radioactivity from nuclear waste or fuel
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, assembly or component
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter
- Chemical, biological, bio-chemical or electromagnetic weapon
- Mental injury or mental anguish related claim where no Bodily Injury occurred to claimant (Except as included by endorsement for counselling services)
- Loss, injury or damage caused by or resulting from Named Insured's recklessness or deliberate misconduct
- Mercy Killing(s)
- Cross Suits
- Nuclear reaction, radiation or contamination, however caused
- Any Pollutant or Contaminant however introduced or arisen
- Property Damage in care, custody or control of Named Insured or person under contract
- Punitive or exemplary damages, sanctions or additional damages
- Strikes, labor unrest, riots or civil commotion
- Suicide
- War, insurrection, civil commotion

**ANNUAL PREMIUM:**

\$ 11,135.00	Premium
\$ 334.05	Surplus Lines Taxes
\$ <u>22.27</u>	Surplus Lines Fees
<b>\$ 11,491.32</b>	<b>Total Cost</b>

**DEFENSE INSIDE/OUTSIDE THE LIMITS:**

Inside

**MINIMUM EARNED PREMIUM:**

25% Minimum Earned Premium

**PROPOSAL VALID UNTIL:**

30 Days From Date Issued

**BINDING CONDITIONS:**

- Completed and Signed Request to Bind Coverage Form (See last page)
- Completed and Signed Surplus Lines Document(s) (If applicable)
- Complete Schedule of Values on file to share with the carrier.

**See Disclosures / Disclaimers Pages for Important Notices and Acknowledgement**



## Disclosures / Disclaimers

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## Other Disclosures / Disclaimers - Continued

### NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive 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.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

### FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### NRRA:

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

## Other Disclosures / Disclaimers - Continued

### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

### Certificates / Evidence of Insurance

- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

## Other Disclosures / Disclaimers - Continued

### Commercial Property Coverage

**\*Property Co-insurance:** Most property insurance policies contain a co-insurance clause. In exchange for a reduced rate, the insured agrees to carry at least the stated percentage of insurance to the total insurable value of the property. If, at the time of loss, the amount of insurance carried is less than this percentage, the loss payment will be reduced proportionately.

## Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

## Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information. Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence



## Request to Bind Coverage

### Northern California Cities Self Insurance Fund

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
<b>DEADLY WEAPON RESPONSE PROGRAM</b>	
Per Claim \$500,000 Aggregate (Shared by Members of Pool/JPA) \$2,500,000	<input type="checkbox"/> \$11,491.32

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

_____	_____
<b>Signature of Authorized Insurance Representative</b>	<b>Date</b>
_____	
<b>Title</b>	
_____	
<b>Printed / Typed Name</b>	

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. The actual terms and conditions of the policy will prevail.**

**FY 19/20 ALLIANT DEADLY WEAPON RESPONSE PROGRAM**  
**July 1, 2019 to July 1, 2020**

Formula or Allocation			% Total TIV x Premium
Members in the Property Program (APIP)	Deductible	ALL RISK (TIV) (Real, Personal, BI/Rents, and Fine Arts, Minus COC) Values	Alliant Deadly Weapon Response Program (ADWRP) Premium
			\$ 11,491
Anderson	\$10,000	\$34,847,765	\$ 301.63
Auburn	\$10,000	\$51,849,312	\$ 449
Colusa	\$10,000	\$52,957,121	\$ 458
Corning			
Dixon	\$10,000	\$123,840,613	\$ 1,072
Elk Grove			
Folsom	\$10,000	\$233,254,805	\$ 2,019
Galt	\$10,000	\$95,458,797	\$ 826
Gridley	\$10,000	\$33,773,024	\$ 292
Ione	\$10,000	\$26,770,460	\$ 232
Jackson			
Lincoln	\$10,000	\$213,148,541	\$ 1,845
Marysville	\$10,000	\$29,030,773	\$ 251
Nevada City			
Oroville	\$10,000	\$57,767,258	\$ 500
Placerville			
Paradise	\$10,000	\$12,613,695	\$ 109
Red Bluff	\$10,000	\$58,153,893	\$ 503
Rocklin			
Rocklin	\$10,000	\$82,355,992	\$ 713
Willows			
Yuba City	\$10,000	\$221,776,356	\$ 1,920
<b>TOTAL</b>		<b>\$1,327,598,405</b>	<b>\$ 11,491</b>

Don't Participate



## Deadly Weapons Response Program:

Triggers, Limits, Deductibles and Other Coverage Features for Governmental Pools

### Coverage Trigger

An event occurring at a location appearing on your Schedule of Values on file with Alliant where a weapon has been used or brandished. A weapon is broadly defined as any portable or handheld device, instrument or substance which is used by the Assailant(s) in a manner to deliberately cause death or bodily injury.

“Weapon” can also include any road vehicles (private or commercial land-based vehicle) intended for use on public roads. Some weapons are excluded by the policy such as military vehicles, nuclear weapons and drones.

### ABOUT ALLIANT INSURANCE SERVICES

Alliant Insurance Services is one of the nation’s leading and fastest growing distributors of diversified insurance products and services. In the face of increasing complexity, our approach is simple: bring on the best people and invest more deeply in the industries and clients we serve. We operate through a network of specialized national platforms and regional offices to offer a comprehensive portfolio of services to our clients. Our goal is to ensure that they get the most innovative products—and the most innovative thinking—in the industry. [www.alliant.com](http://www.alliant.com)

### Coverage Limits

- ▶ Self-Insured Governmental Pools: \$500,000 per claim with a \$2,500,000 aggregate shared amongst your pool members
- ▶ Sub-limits Included within Coverage Limit:
  - 1st Party Property Damage: \$250,000 per event
  - Business Interruption: \$250,000 per event
  - Crisis Management: \$250,000 per event
  - Funeral Expenses: \$250,000 per event
  - Counselling Services: \$250,000 per event
  - Demo/Clearance/Memorialization: \$250,000 per event
  - Crisis Services Provided by Firestorm: <https://www.firestorm.com/>

**Deductible: \$10,000**

### Other Coverage Features

- ▶ Automatic coverage for new locations added mid-term, no reporting necessary if value is under \$25,000,000
- ▶ Temporary Locations/Venues can be added if sufficient underwriting information is provided

***Please note: Actual terms and conditions are governed by the policy.***

### CONTACT

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