

**SMALL CITIES ORGANIZED RISK EFFORT
BOARD OF DIRECTORS
MEETING**

Date: Thursday, June 25, 2021
Time: 10:00 AM

Location: TELECONFERENCE
Call in number: 877-853-5257 (Toll Free) or 669-900-6833
Conference Code: 968 3355 2861

A Action
I Information

1 Attached
2 Hand Out
3 Separate Cover
4 Verbal

<https://alliantinsurance.zoom.us/j/96833552861?pwd=N0dmV3IwS0NYZUlxdmFXdmgvYlVKZz09>

- PAGE* **A. CALL TO ORDER**
- B. ROLL CALL**
- C. APPROVAL OF AGENDA AS POSTED** A 1
- D. PUBLIC COMMENTS**
This time is reserved for members of the public to address the Board of Directors on matters of SCORE that are of interest to them.
- E. CONSENT CALENDAR**
All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request an item to be considered separately. If not, the Board will take action to accept and file the items below. A 1
- Pg. 6* 1. Board of Directors Meeting *Draft* Minutes – June 11, 2021
- F. ADMINISTRATIVE REPORTS**
- 1. President’s Report** I 4
Wes Heathcock will address the Board on items pertaining to SCORE.
- 2. Excess Pool Reports**
The Board will receive updates from the Excess Representative of each Pool.
- a) CJPRMA (Rep. Roger Carroll) Minutes of the last meeting can be found at**
www.cjprma.org.
- b) ERMA Update (Rep. Roger Carroll) Minutes of the last meeting can be found at**
www.ermajpa.org. I 4
- c) LAWCX Update (Rep. Wes Heathcock) Minutes of the last meeting can be found at**
lawcx.org.

- 3. Alliant Update** I 4
Marcus Beverly will update the Board on Alliant matters pertinent to SCORE.

G. FINANCIAL

- Pg. 14 **1. Premium Payment Plan Requests for FY 21/22**
The Board has received premium payment plan requests for FY 21/22 from three members. The Board will review and may approve the proposed Premium installment payment plans. A 1
a. City of Isleton

- Pg. 17 **2. Change Bank Accounts to Wells Fargo**
The Board will be asked to approve the change from Mechanics Bank to Wells Fargo Bank for the claims accounts.

H. JPA BUSINESS

- Pg. 20 **1. Resolution Delegation of Treasurer Responsibilities**
The Board will review and may approve a resolution for the Treasurer's responsibilities and providing signature authority for SCORE accounts. A 1

- 2. FY 21/22 Property Program Renewal** A 1

- Pg. 22 **a. SCORE Property Program Renewal Proposal**
The Board of Directors will be asked to review and approve the renewal of the FY 21/22 Property coverage with Alliant Property Insurance Program.

- Pg. 181 **b. Pollution**
The Board will receive and consider Pollution coverage in the APIP Program and will consider binding coverage.

- Pg. 182 **c. Cyber**
The Board will receive a Cyber Liability proposal for consideration and may consider binding coverage.

- Pg. 183 **d. APIP Claims Reporting Acknowledgements**
The Board of Directors will be provided with and be asked to acknowledge the reporting procedure guidelines that should be followed immediately after a Property, Pollution or Cyber Liability loss or incident.

- Pg. 185 **3. Excess Cyber Liability Options**
The Board will review and members may decide to purchase additional cyber liability coverage. A 1

- Pg. 186 **4. Alliant Deadly Weapons Program Optional**
The Board will be presented with a proposal for Deadly Weapons Coverage. A 1

Pg. 200	5. CoreLogic Wildfire Risk Scoring <i>The Board will receive a summary of the wildfire risk scores from CoreLogic.</i>	I 1
Pg. 202	6. PRISM Pollution Program Proposal and FY 20/21 Claims Reporting <i>The Board will receive the FY 21/22 Pollution Proposal as well as information about the Claims Reporting process for the current policy period FY 20-21.</i>	A 1
Pg. 217	7. CJPRMA Excess Liability Update <i>The Board members will receive an update of significant changes to the excess coverage available to CJRPMA from its reinsurer, including possible aggregate limits.</i>	I 1
Pg. 219	8. Crime Coverage for SCORE Treasurer <i>The Board will review pricing for a \$3M limit and will consider binding coverage at either \$1M limit or \$3M.</i>	A 1
Pg. 231	9. FY 21/22 SCORE Program Budget <i>Annually, the Board reviews and adopts the Program Budget which includes Administrative Operating expenses and expense of retaining risk and risk transfer.</i>	
	a. Administrative Expenses	A 1
	b. Liability Program Funding	
	c. Workers' Compensation Program Funding	
	d. ERMA Employment Practices Liability Funding	
	I. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES	I 4
	J. INFORMATION ITEMS	I 1
Pg. 242	1. SCORE Glossary of Terms	
Pg. 252	2. SCORE Resource Contact Guide	
Pg. 261	3. CAJPA 2021 Conference – South Lake Tahoe, September 21-24, 2021	
Pg. 266	K. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 **REQUESTING AUTHORITY	A 1
	1. Workers Compensation	
	a. SCWA-556100 v. City of Tulelake**	
Pg. 267	L. REPORT FROM CLOSED SESSION	I 4
	M. CLOSING COMMENTS	
	N. ADJOURNMENT	

UPCOMING MEETING

Board of Directors Teleconference Meeting – August 27, 2021

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715. The Agenda packet will be posted on the SCORE website at www.scorejpa.org. Documents and material relating to an open session agenda item that are provided to the SCORE Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815. Access to some buildings and offices may require routine provisions of identification to building security. However, SCORE does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.



CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Board, and if any item requires clarification or amendment, such item(s) should be pulled from the agenda for separate discussion.

Items pulled from the Consent Calendar will be placed back on the agenda in an order determined by the President.

RECOMMENDATION: Adoption of the Consent Calendar after review by the Board.

FISCAL IMPACT: None

BACKGROUND: Items of importance that may not require discussion are included on the Consent Calendar for adoption.

ATTACHMENTS:

1. Board of Directors Meeting *Draft* Minutes – June 11, 2021



Small Cities Organized Risk Effort (SCORE) Board of Directors Meeting Minutes June 11, 2021

Member Cities Present:

Mark Sorensen, City of Biggs
John Busch, City of Biggs
Wes Heathcock, City of Colfax
Todd Juhasz, City of Dunsmuir
Blake Michaelsen, City of Dunsmuir
Aaron Palmer, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton
David Dunn, City of Montague

Muriel Howarth Terrell, City of Mt. Shasta
Lauren Knox, City of Portola
Kyle Knopp, City of Rio Dell
Wendy Howard, City of Shasta Lake
Penny Velador, City of Tulelake
Jenny Coelho, City of Tulelake
Emily Coulter, City of Weed
Steve Baker, City of Yreka

Member Cities Absent:

City of Etna
City of Susanville

City of Isleton

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Jennifer Zraick, Gilbert Associates, Inc.

Dori Zumwalt, Sedgwick
Jill Petrarca, Sedgwick
Ariel Leonhard, Sedgwick

A. CALL TO ORDER

Mr. Steve Baker called the meeting to order at 10:03 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent from this meeting were Etna, Isleton and Susanville.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Kathy LeBlanc

SECOND: Lauren Knox

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – March 26, 2021
2. US Bank Custodial Account Statement –March – May 2021
3. Investment Statements from Chandler Asset Management – March – May 2021
4. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – March 31, 2021
5. Treasurer’s Report as of March 31, 2021
6. Target Solutions Utilization Report Summary – January – May 2021
7. ACI Utilization Report – January – March 2021

A motion was made to approve the Consent Calendar as presented.

MOTION: Penny Velador

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. President’s Report

Mr. Steve Baker reminded the Board that he will be retiring at the end of the month, mentioned that he will miss the Board and expressed gratitude for allowing him to serve as President.

F.2.A. CJPRMA Update

Mr. Marcus Beverly noted the pricing indications for the group’s reinsurance s are increasing and we will discuss in a later item as to how it affects the SCORE pool.

F.2.B. ERMA Update

The Board was reminded that ERMA is currently setting up their training schedule for FY 21/22 and encouraged cities to consider hosting a training at their site. Members were also reminded to complete the Compliance Survey to ensure their SIR is not increased because of not being at least 90% compliance for EPL Training.

F.2.C. LAWCX Update

Wes Heathcock provided a brief discussion regarding the excess Workers’ Compensation pool and their recent approval to study forming a captive insurance company to improve capital returns, improve access to reinsurance, and provide additional options for coverage.



F.3. Alliant Update

- a) **State of the Market** – members are reminded the property program will see significant increases in deductibles, and the Program Managers are working with members to review options for vehicle coverage with lower deductibles.

- b) **Crime Renewals** – renewal proposals for crime insurance are in process and members will receive those individually.

G. FINANCIAL

G.1.a. Quarterly Financials for QE March 31, 2021

Jennifer Zraick presented a summary of the Quarterly Financial Report for the Period Ended March 31, 2021. Highlights include Net Income of \$361,072, with an increase in Total Assets of \$1.8M and an increase in Total Liabilities from \$5.3M to \$6.7M. The increase in liabilities is mostly due to an increase in IBNR of \$1.1M, with essentially no change to current liabilities. LAIF has increased by \$1.5M due to transfers into LAIF from the investment account to maintain cash flow while staggering any new investments.

A motion was made to accept and file the Quarterly Financial Report for the Period Ended March 31, 2021.

MOTION: Wes Heathcock SECOND: Roger Carroll MOTION CARRIED UNANIMOUSLY

G.2. Premium Payment Plan Requests for FY 21/22

G.2.A. City of Isleton

Marcus Beverly noted that the City has fallen behind in their previous payment plan invoices and recommended approval of a plan for FY 21/22 contingent on bringing the premium invoices current.

A motion was made to approve the payment plan contingent upon their bringing their funding current.

MOTION: Wes Heathcock SECOND: Kathy LeBlanc MOTION CARRIED UNANIMOUSLY

G.2.B. City of Loyalton

Marcus Beverly presented the letter from the City of Loyalton requesting a payment plan for FY 21/22 and mentioned that they would like to fund half of their premium up front and pay the remainder over the course of the year in monthly installments.

The Board asked to review the City of Tulelake’s request before making a motion on both items.



G.2.C. City of Tulelake

The Board asked Marcus Beverly to review the City of Tulelake request letter and noted that the city has requested quarterly payments for the Liability Program for FY 21/22. He mentioned that both Loyalton and Tulelake are current with the FY 20/21 payment plans.

A motion was made to approve both payment plans for City of Tulelake and City of Loyalton as presented.

MOTION: Wes Heathcock

SECOND: Kyle Knopp

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H.1. LAWCX Excess Workers' Compensation Audit

Marcus Beverly provided a review of the Excess Workers' Compensation Claims Audit. The overall score is 98.1%, reflecting 100% compliance in most categories and 95% in other critical areas. The two categories below 95% were related to documentation of reserve amounts that were not material. Overall another excellent audit and thanks to Ariel for her continued efforts. One of the categories measured is ongoing employee contact, and Marcus encouraged members to continue reaching out to their employees while they are out on Workers' Compensation leave as it helps the employee feel valued and included in the process.

A motion was made to accept and file the report.

MOTION: Kyle Knopp

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**

H.2. Identity Fraud Coverage FY 21/22

Marcus Beverly provided a review of the Travelers ID Fraud coverage that is provided to SCORE member employees as well as their spouse and children under 18. After a brief review of the coverage members agreed the purchase would benefit SCORE's members.

A motion was made to approve the purchase of the ID Fraud coverage for FY 21/22.

MOTION: Wendy Howard

SECOND: Blake Michaelson

**MOTION CARRIED
UNANIMOUSLY**

H.3. Crime Coverage for SCORE Treasurer

The Board was presented with the ACIP Crime Proposal with a limit of \$1M and a deductible of \$2,500. After a general discussion of the amounts available to the SCORE Treasurer it was requested



that the Program Administration request a quote for a \$3M and \$5M limit with a \$25,000 deductible to be presented at the next meeting.

H.4. Delegation of Investment Authority to SCORE Treasurer

Marcus Beverly presented the Resolution which delegates investment authority to the SCORE Treasurer to invest funds in LAIF. It was noted that if SCORE only had our money in LAIF we wouldn't need this but as there are investments in other places we need this annually to ensure we have authority.

A motion was made to approve the Resolution as presented.

MOTION: Wendy Howard SECOND: Kathy LeBlanc MOTION CARRIED UNANIMOUSLY

H.5. Nomination & Selection of SCORE Officer Positions- President and Secretary.

Marcus Beverly noted that there are two recent vacancies due to member retirements and the Board was asked to nominate and select a new President and Secretary to complete the current two-year term of office which began July 1, 2020 (concludes July 1, 2022). Given the change in President and Vice President a new Member-at-Large is also needed to complete the Executive Committee. The following is the slate of nominated officers:

Wes Heathcock - President Muriel Howarth Terrell - Secretary
Blake Michaelsen - Vice President Wendy Howard - Member at Large

A motion was made to approve the slate of officers.

MOTION: Roger Carroll SECOND: Lauren Knox MOTION CARRIED UNANIMOUSLY

H.6. Selection of ERMA Board Representative

Marcus Beverly noted that due to the recent retirement of John Duckett we are seeking a replacement as the ERMA Representative. After a brief discussion Roger Carroll has volunteered to move up from Alternate to become the ERMA Board Representative. Wendy Howard volunteered to be the ERMA Alternate Representative.

Roger Carroll – Board Representative Wendy Howard –Board Alternate Representative

A motion was made to approve the slate.

MOTION: Wes Heathcock SECOND: Kyle Knopp MOTION CARRIED UNANIMOUSLY



H.7. Risk Control Update – DKF

Marcus Beverly noted that we are planning to meet in person for the October 28-29, 2021 Board meeting and members were asked to consider planning and training topics for discussion.

H.8. Loss Control Grant Fund

Michelle Minnick provided the Board with a review of the current FY 20/21 Loss Control Grant Funds available. Members were encouraged to review the current amount available and consider using the funds now, or, if a larger project is on the horizon to make a request to roll over FY 20/21 funds into FY 21/22.

A motion was made to approve the Loss Control Grant Funds

MOTION: Jenny Coelho

SECOND: Lauren Knox

**MOTION CARRIED
UNANIMOUSLY**

H.9. CJPRMA Update

Marcus Beverly noted that CJPRMA will be increasing their SIR from \$5M to \$7.5M and those numbers have been included in the budget. Final terms are still being negotiated and will be presented at the next Board meeting on June 25.

H.10. Memoranda of Coverage (MOC)

H.10.a. Liability MOC

The SCORE Liability MOC has no changes. Any changes to the excess MOC will be presented when received. It was noted that the SCORE MOC requires notice and certain conditions to add a skate park, as Colfax is preparing to approve one. The Cities of Weed & Mt. Shasta have skate parks that are not listed in the MOC since separate Park & Recreation and it was noted the Districts own those.

A motion was made to approve the SCORE MOC as presented.

MOTION: Wes Heathcock

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

H.10.b. Workers' Compensation MOC

No changes are recommended to the SCORE MOC. It was noted that the excess coverage will apply to out of state workers if they choose CA benefits.

A motion was made to approve the Workers' Compensation MOC as presented.

MOTION: Roger Carroll

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**



H.11. FY 21/22 SCORE Preliminary Administration Budget

Marcus Beverly presented the Board with the preliminary budget and reviewed the changes to the Administrative Budget – he also noted that this is presented as preliminary summary but is subject to change as information from the carriers is released. Program Administration was provided with direction to bring the final Proposed Budget to the next meeting for final approval.

A motion was made to approve the SCORE Program Budget for FY 21/22.

MOTION: Roger Carroll

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**

H.12. FY 21/22 APIP Property Changes

The Executive Summary and red-lined version of the Property MOC were presented for brief discussion, centered on the change in deductibles and working with members to review vehicle schedules to obtain the best options for coverage. The allocation of premium and more details fo the coverage terms will be provided at the next meeting.

I. GENERAL RISK MANAGEMENT ISSUES

J. INFORMATION ITEMS

J.1. Glossary of Terms

This was provided as an information item only.

J.2. FY 20/21 Resource Contact Guide

This was provided as an information item only.

K. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

****REQUESTING AUTHORITY**

1. Liability

a. SCGA02015A2 v. City of Yreka**

2. Workers Compensation

a. SCWA-556100 and SCWA-556174 v. City of Weed**

L. REPORT FROM CLOSED SESSION

The Board returned from closed session at 12:29 P.M. Mr. Beverly reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.



M. CLOSING COMMENTS

N. AJOURNMENT

The meeting was adjourned at 12:30 PM

NEXT MEETING DATE: June 25, 2021 Teleconference

Respectfully Submitted,

Muriel Howarth Terrell, Secretary

Date

DRAFT



PREMIUM PAYMENT PLAN REQUESTS

FOR FY 21/22 - ISLETON

ACTION ITEM

ISSUE: Isleton has requested a payment plan for FY 21/22. The Board reviewed the request at the last meeting and requested it be placed on this agenda for approval pending a report concerning payment of prior premium invoices.

The Program Managers have spoken to the City Manager about the request and outstanding premium invoices and received assurance they would be caught up. The latest accounting of Isleton's invoices will be presented at the meeting.

OPTIONS:

1. Approve as requested
2. Deny request
3. Approve alternate payment plan per review and discussion.

RECOMMENDATION: Review and approve as presented or revised, deny, or provide direction.

FISCAL IMPACT: To be determined

BACKGROUND: Isleton has requested payment plans in the past due to financial hardships that have begun to ease. They have fallen behind on premium payments at times and have an outstanding balance for past assessments.

ATTACHMENT(S): Proposed Isleton Payment Plan.

**Small Cities Organized Risk Effort
A/R Aging QuickZoom
As of June 11, 2021**

Type	Date	Num	P. O. #	Name	Terms	Due Date	Class	Aging	Open Balance
Isleton									
Invoice	03/30/2016	1516-136		Isleton		03/30/2016		1899	32,236.00
Invoice	03/01/2016	1516-141		Isleton		03/30/2016		1899	34,473.50
Invoice	03/31/2017	1617-97		Isleton		03/31/2017	Liability	1533	14,823.00
Invoice	07/01/2018	FY19 Prem 6		Isleton		07/01/2018		1076	8,554.67
Invoice	07/01/2019	Annual-Isle		Isleton		07/01/2019		711	16,592.00
Invoice	07/01/2020	Annual-Isle		Isleton	Due July 1	07/31/2020		315	36,044.92
Invoice	02/01/2021	ILiab2-21		Isleton		02/01/2021	Liability	130	1,811.52
Invoice	02/03/2021	I-DAP		Isleton		02/03/2021	Liability	128	3,039.00
Invoice	05/01/2021	ILiab 5-21		Isleton		04/30/2021	Liability	42	52.76
Total Isleton									147,627.37
TOTAL									147,627.37

**PREMIUM PAYMENT PLAN REQUEST FOR FY 21/22
CITY OF ISLETON**

Total Liability Premium		\$40,439
		Due Date
Down Payment	\$20,220	7/1/2021
Remaining Unpaid Balance		\$20,220
Unpaid Balance including 3% Interest		\$20,826
Installment 1	\$2,083	Due Date 8/1/21
Installment 2	\$2,083	Due Date 9/1/21
Installment 3	\$2,083	Due Date 10/1/21
Installment 4	\$2,083	Due Date 11/1/21
Installment 5	\$2,083	Due Date 12/1/21
Installment 6	\$2,083	Due Date 1/1/22
Installment 7	\$2,083	Due Date 2/1/22
Installment 8	\$2,083	Due Date 3/1/22
Installment 9	\$2,083	Due Date 4/1/22
Installment 10	\$2,083	Due Date 5/1/22
Total Paid		\$41,046



Agenda Item G.2.

CHANGE BANK ACCOUNTS TO WELLS FARGO

ACTION ITEM

ISSUE: Due to the purchase of York Claims Services by Sedgwick the claims team has been working to migrate the claims management system and banking accounts from York’s legacy system to Sedgwick’s system. One aspect of this migration is a request to move the current accounts with Mechanics Bank to Wells Fargo.

The Board is asked to provide authorization for the Treasurer and President to transfer the two claims accounts and one general administration account from Mechanic’s Bank to Wells Fargo to facilitate the change to the new claims system and provide more convenient access to banking services. The Mechanic’s Bank accounts will be closed once the new accounts are set up.

Attached are two resolutions which will be used to complete the process – one to close the Mechanic’s Bank accounts and one to open the Wells Fargo Bank accounts.

RECOMMENDATION: Approve SCORE Treasurer Roger Carroll and President Wes Heathcock as designated signers on the SCORE bank accounts in order to transfer the Mechanic’s Bank accounts and banking services to Wells Fargo.

FISCAL IMPACT: None from this item. Banking fees are not expected to change.

BACKGROUND: SCORE maintained bank accounts with Scotts Valley Bank since inception. That bank was purchased by Mechanic’s Bank several years ago and the accounts stayed with them. However, given the change in Treasurer and the more recent change in claims administrators a change to Wells Fargo will result in better coordination of the banking services and more convenient access for the Treasurer to conduct business.

ATTACHMENT(S):

1. SCORE Resolution 21-04 – Delegation of Signature Authority Mechanic’s Bank
2. SCORE Resolution 21-05 – Delegation of Signature Authority Wells Fargo Bank



RESOLUTION 21-04

DELEGATION OF SIGNATURE AUTHORITY

WHEREAS, The Small Cities Organized Risk Effort (SCORE) Board of Directors does hereby find that the elected position of Treasurer shall act in accordance with the provisions of Sections 6505.5 or 6505.6 of the California Government Code for the purposes of investment stated therein is in the best interest of Small Cities Organized Risk Effort.

WHEREAS, Pursuant to California Government Code 53607, the authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

NOW THEREFORE, BE IT RESOLVED, that the SCORE Board of Directors does hereby authorize the President and Treasurer authority to deposit and withdraw Small Cities Organized Risk Effort monies from the Mechanics Bank accounts (SCORE Worker’s Compensation/02027379 and SCORE Liability/02027380).

BE IT FURTHER RESOLVED, that the following Small Cities Organized Risk Effort officers or their successors in office shall be authorized to sign checks, and order the deposit or withdrawal of Small Cities Organized Risk Effort monies effective immediately:

- SCORE President – Wes Heathcock
- SCORE Treasurer – Roger Carroll

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 21-04 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Small Cities Organized Risk Effort held on the 25th day of June 2021, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SCORE President, Wes Heathcock

SCORE Secretary, Muriel Howarth Terrell



RESOLUTION 21-05

DELEGATION OF SIGNATURE AUTHORITY

WHEREAS, The Small Cities Organized Risk Effort (SCORE) Board of Directors does hereby find that the elected position of Treasurer shall act in accordance with the provisions of Sections 6505.5 or 6505.6 of the California Government Code for the purposes of investment stated therein is in the best interest of Small Cities Organized Risk Effort.

WHEREAS, Pursuant to California Government Code 53607, the authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

NOW THEREFORE, BE IT RESOLVED, that the SCORE Board of Directors does hereby authorize the President and Treasurer authority to establish accounts with Wells Fargo Bank and to deposit and withdraw monies from the established Small Cities Organized Risk Effort bank accounts.

BE IT FURTHER RESOLVED, that the following Small Cities Organized Risk Effort officers or their successors in office shall be authorized to sign checks, and order the deposit or withdrawal of Small Cities Organized Risk Effort monies effective immediately:

- SCORE President – Wes Heathcock
- SCORE Treasurer – Roger Carroll

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 21-05 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Small Cities Organized Risk Effort held on the 25th day of June 2021, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SCORE President, Wes Heathcock

SCORE Secretary, Muriel Howarth Terrell



TREASURER DELEGATION OF RESPONSIBILITIES

ACTION ITEM

ISSUE: Annually, the Board is asked to review and approve a resolution authorizing the SCORE Treasurer to invest or reinvest funds, including the sale or exchange of securities.

RECOMMENDATION: Delegate authority to the Treasurer by approving Resolution 21-06.

FISCAL IMPACT: None

BACKGROUND: Government Code 53607 provides for delegation of the authority of the legislative body of a local agency to invest funds to the Treasurer. However, such delegation cannot exist beyond one year, so the Board needs to re-authorize the Treasurer to invest the funds for SCORE.

ATTACHMENTS: SCORE Resolution 21-06 – Delegation of Treasurer Responsibilities

REFERENCE: Government Code Sections:

- 53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.
- 16429.1.(b) Notwithstanding any other law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.



RESOLUTION 21-06

DELEGATION OF TREASURER RESPONSIBILITIES

WHEREAS, The Small Cities Organized Risk Effort (SCORE) Board of Directors does hereby find that the elected position of Treasurer shall act in accordance with the provisions of Sections 6505.5 or 6505.6 of the California Government Code for the purposes of investment stated therein is in the best interest of Small Cities Organized Risk Effort.

WHEREAS, Pursuant to California Government Code 53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

NOW THEREFORE, BE IT RESOLVED, that the SCORE Board of Directors does hereby authorize the President and Treasurer authority to deposit and withdraw Small Cities Organized Risk Effort monies.

BE IT FURTHER RESOLVED, that the following Small Cities Organized Risk Effort officers or their successors in office shall be authorized to sign checks, and order the deposit or withdrawal of Small Cities Organized Risk Effort monies effective immediately:

- SCORE President – Wes Heathcock
- SCORE Treasurer – Roger Carroll

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 21-06 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Small Cities Organized Risk Effort held on the 25th day of June 2021, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SCORE President, Wes Heathcock

SCORE Secretary, Muriel Howarth Terrell



PROPERTY PROGRAM RENEWAL PROPOSAL

ACTION ITEM

ISSUE: The Board of Directors annually reviews and approves SCORE’s Property Program renewal, currently placed through the Alliant Property Insurance Program (APIP). For FY 21/22 SCORE’s Total Insurable Values (TIV) increased 3%, to \$362,826,666. SCORE’s recent loss history has improved and with had a small increase in TIV but due to hardening market of the industry as a whole, the Program Administrator’s previously budgeted for approximately 20% increase - the total increase to renew is 49%. For comparison, the values and premiums for a \$5,000 property deductible are listed below, but note the FY 21/22 Deductible is increasing to \$25,000:

<u>Small Cities Organized Risk Effort (SCORE)</u>	<u>2019/20</u> <u>\$5,000 Deductible</u>	<u>2020/21</u> <u>\$5,000 Deductible</u>	<u>2021/22</u> <u>\$25,000 Deductible</u>	<u>Variance</u> <u>2020 to 2021</u>
Total Insurable Values:	\$ 350,006,110	\$ 352,181,876	\$ 362,826,666	\$10,644,790
Total Annual Premium:	\$610,849	\$744,146	\$1,108,290	\$326,029

The attached Executive Summary provides a listing of changes to the Property coverage for FY 21/22. In addition, a redline strikeout version of the master wording is included for review of the changes.

The most significant changes include an increase in the All Risk Deductible from \$5,000 to \$25,000 as well as an increase in the vehicle deductible as follows: \$10,000 for City of Isleton, City of Montague, City of Portola, City of Loyaltan, City of Dunsmuir, Town of Loomis, City of Rio Dell, City of Shasta Lake, and City of Weed for vehicles with ACV valuation; \$25,000 for all other members with RCV, Except \$50,000 for police vehicles with RCV under \$250,000, \$100,000 for All Vehicles with RCV of \$250,000 to \$750,000; \$250,000 for All vehicles with RCV in Excess of \$750,000. There is no change to the Contractor’s Equipment Deductible.

***NOTE:** There are still some members that are making a final decision about where their vehicles will be placed (either AMVP or the APIP Program) and any changes to the property schedule requested after 6/18/21 will change the total premium.

RECOMMENDATION: Approve the FY 21/22 Property Insurance Renewal and the FY 21/22 Property Premium Deposit Calculations per the attached.



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 25, 2021**

Agenda Item H.2.a. (Continued)

FISCAL IMPACT: The projected total premium for a \$25,000 property deductible, with \$25,000 auto physical damage deductible, is \$1,108,290.

BACKGROUND: SCORE 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 \$500,000,000 in all risk limits. Premiums are based on each member's exposures which are provided via a schedule of insured locations.

For the last four years SCORE has received notices to anticipate rates increasing as a result of the group's loss history – while this year SCORE did receive notice of rates increasing due to loss history the market has continued to harden and rates are increasing, even for insureds with good loss history. In 2017 SCORE increased the deductible from \$5,000 to \$10,000 *and* received a 20% increase due to losses coupled with an increase in Total Insured Values. In 2018 members elected to decrease their deductible back to \$5,000. The Program Administrators requested proposals for a \$5,000 property and \$10,000 auto deductible for FY 21/22 but all options were declined due to the increase in minimum deductible for the program overall.

ATTACHMENT(S):

\$25,000 Deductible

1. Property Deposit Calculations
2. Executive Summary
3. SCORE Property Proposal
4. SCORE Boiler and Machinery Proposal
5. SCORE Pollution Liability Proposal
6. SCORE Cyber Liability Proposal
7. Surplus Lines Disclosure
8. TRIA Selection
9. List of Named Insureds
10. SCORE – TIV as of 6-18-21
11. Claims Acknowledgement and Procedures
12. APIP Proposal Schedule of Carriers
13. APIP Proposal Invoice
14. PEPiP USA FORM No 16 Red Line Strike Out (RLSO)

SCORE APIP Property Renewal FY 2021-2022

**\$25K All Risk
DEDUCTIBLE**

Formula/Allocation	Determined by BOD vote	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys		
	Property Deductible	Real Property Values	Personal Property Values	Income & Rents (incl Tax Interruption)		Total Values (NOT incld Vehicles & Contractor Eq)	Total Insured Values incld Real, Personal, BI, COC (TIV) (includes Vehicles & CE)	Actual Course of Construction (COC) Values
Rate/Amount								
Biggs	\$25,000	\$7,427,478	\$2,830,788	\$0		\$10,258,266	\$11,065,566	\$0
Colfax	\$25,000	\$9,850,351	\$3,556,485	\$0		\$13,406,836	\$15,989,972	\$0
Dunsmuir	\$25,000	\$16,187,567	\$2,434,808	\$18,000		\$18,640,375	\$19,605,375	\$0
Etna	\$25,000	\$8,282,849	\$636,149	\$8,000		\$8,926,998	\$9,478,745	\$0
Isleton	\$25,000	\$4,938,077	\$652,719	\$0		\$5,590,796	\$6,780,446	\$0
Live Oak	\$25,000	\$25,171,484	\$10,900,786	\$131,000		\$36,203,270	\$39,134,464	\$0
Loomis	\$25,000	\$2,978,148	\$1,077,715	\$0		\$4,055,863	\$4,397,801	\$0
Loyalton	\$25,000	\$8,020,048	\$1,630,172	\$10,000		\$9,660,220	\$13,757,207	\$0
Montague	\$25,000	\$9,849,144	\$3,492,646	\$0		\$13,341,790	\$15,216,790	\$0
Mt. Shasta	\$25,000	\$12,257,626	\$3,394,297	\$459,000		\$16,110,923	\$16,118,723	
Portola	\$25,000	\$6,290,647	\$1,055,282	\$0		\$7,345,929	\$9,005,929	\$0
Rio Dell	\$25,000	\$9,831,001	\$6,190,544	\$5,000		\$15,204,842	\$16,557,896	\$821,703
Shasta Lake	\$25,000	\$43,613,885	\$20,126,285	\$50,874		\$54,886,544	\$66,468,290	\$8,904,500
Susanville	\$25,000	\$19,102,603	\$5,687,031	\$139,000		\$24,928,634	\$31,661,276	\$0
Tulelake	\$25,000	\$8,228,949	\$2,547,742	\$161,334		\$10,488,025	\$11,113,025	\$450,000
Weed	\$25,000	\$12,284,390	\$2,550,062	\$0		\$14,834,452	\$18,188,898	\$0
Yreka	\$25,000	\$41,179,987	\$12,227,290	\$47,300		\$53,454,577	\$58,286,263	\$0
Grand Total		\$245,494,234	\$80,990,801	\$1,029,508		\$317,338,340	\$362,826,666	\$10,176,203
Grand Total FY 20-21		\$234,834,085	\$79,361,574	\$996,076		\$305,697,891	\$352,181,876	\$9,493,844
\$ Change		\$10,660,149	\$1,629,227	\$33,432		\$11,640,449	\$10,644,790	\$682,359
% Change		5%	2%	3%		4%	3%	7%

SCORE APIP Property Renewal FY 2021-2022

	Total Values x Rate	TIV x Excess Rate		Pulled from Oasys	B&M Values x Rate	Pulled from Oasys	CEV x Rate		Pulled from Oasys	Auto Values x Rate
Course of Construction Premium	Property Premium	Excess Property Premium	Boiler & Machinery Deductible	Boiler & Machinery Values	Excess Boiler & Machinery Premium	Contractor's Equipment Values (CEV)	Contractor's Equipment Premium	Auto Physical Damage Deductible	Auto Physical Damage Values	Auto Physical Damage Premium
0.1606319	0.1703704	0.0721884			0.0012782		0.1216921			0.82454
\$0	\$17,477	\$7,988	\$10,000	\$10,258,266	\$131	\$297,300	\$362	\$25,000	\$510,000	\$4,205
\$0	\$22,841	\$11,543	\$10,000	\$13,406,836	\$171	\$1,015,521	\$1,236	\$25,000	\$1,567,615	\$12,926
\$0	\$31,758	\$14,153	\$10,000	\$18,640,375	\$238	\$0	\$0	\$25,000	\$965,000	\$7,957
\$0	\$15,209	\$6,843	\$10,000	\$8,926,998	\$114	\$0	\$0	\$25,000	\$551,747	\$4,549
\$0	\$9,525	\$4,895	\$10,000	\$5,590,796	\$71	\$207,468	\$252	\$25,000	\$982,182	\$8,098
\$0	\$61,680	\$28,251	\$10,000	\$36,203,270	\$463	\$855,600	\$1,041	\$25,000	\$2,075,594	\$17,114
\$0	\$6,910	\$3,175	\$10,000	\$4,055,863	\$52	\$0	\$0	\$25,000	\$341,938	\$2,819
\$0	\$16,458	\$9,931	\$10,000	\$9,660,220	\$123	\$380,000	\$462	\$25,000	\$3,716,987	\$30,648
\$0	\$22,730	\$10,985	\$10,000	\$13,341,790	\$171	\$84,000	\$102	\$25,000	\$1,791,000	\$14,768
\$0	\$27,448	\$11,636	\$10,000	\$16,110,923	\$206	\$7,800	\$9	N/A	\$0	\$0
\$0	\$12,515	\$6,501	\$10,000	\$7,345,929	\$94	\$510,000	\$621	\$25,000	\$1,150,000	\$9,482
\$1,320	\$25,905	\$11,953	\$10,000	\$16,026,545	\$205	\$360,720	\$439	\$25,000	\$170,631	\$1,407
\$14,303	\$93,510	\$47,982	\$10,000	\$63,791,044	\$815	\$236,603	\$288	\$25,000	\$2,440,643	\$20,124
\$0	\$42,471	\$22,856	\$10,000	\$24,928,634	\$319	\$1,162,300	\$1,414	\$25,000	\$5,570,342	\$45,930
\$723	\$17,868	\$8,022	\$10,000	\$10,938,025	\$140	\$0	\$0	\$25,000	\$175,000	\$1,443
\$0	\$25,274	\$13,130	\$10,000	\$14,834,452	\$190	\$1,426,409	\$1,736	\$25,000	\$1,928,037	\$15,897
\$0	\$91,071	\$42,076	\$10,000	\$53,454,577	\$683	\$2,450,445	\$2,982	\$25,000	\$2,381,241	\$19,634
\$16,346	\$540,651	\$261,919		\$327,514,543	\$4,186	\$8,994,166	\$10,945		\$26,317,957	\$217,002
\$11,481	\$416,894	\$129,700		\$315,191,735	\$3,597	\$15,856,460	\$14,528		\$21,133,681	\$131,443
\$4,865	\$123,757	\$132,219		\$12,322,808	\$589	-\$6,862,294	-\$3,582		\$5,184,276	\$85,559
42%	30%	102%		4%	16%	-43%	-25%		25%	65%

SCORE APIP Property Renewal FY 2021-2022

TIV x Rate	TIV x Rate	TIV x Rate	% of TIV	% of TIV					
Terrorism Premium	Cyber Liability Premium	Pollution Premium	SL Taxes & Fees	ABS Fees	2021-2022 TOTAL PROPOSED DEPOSIT @ \$25K Deductible	2020-2021 ACTUAL Deposit	\$ Change Overall	% Change Overall	% of Total TIV
0.00077795	0.002807	0.0006832	\$34,601	\$9,038					
\$86	\$311	\$76	\$1,055	\$276	\$31,966	\$21,068	\$10,899	0.517327	0.030498
\$124	\$449	\$109	\$1,525	\$398	\$51,323	\$35,876	\$15,446	0.430542	0.044071
\$153	\$550	\$134	\$1,870	\$488	\$57,300	\$41,022	\$16,278	0.396816	0.054035
\$74	\$266	\$65	\$904	\$236	\$28,260	\$19,710	\$8,549	0.433749	0.026125
\$53	\$190	\$46	\$647	\$169	\$23,947	\$18,106	\$5,841	0.322584	0.018688
\$304	\$1,099	\$267	\$3,732	\$975	\$114,926	\$75,941	\$38,985	0.513352	0.10786
\$34	\$123	\$30	\$419	\$110	\$13,673	\$8,365	\$5,308	0.634536	0.012121
\$107	\$386	\$94	\$1,312	\$343	\$59,865	\$28,560	\$31,305	1.096109	0.037917
\$118	\$427	\$104	\$1,451	\$379	\$51,235	\$35,765	\$15,470	0.432548	0.04194
\$125	\$452	\$110	\$1,537	\$402	\$41,926	\$22,291	\$19,635	0.88083	0.044425
\$70	\$253	\$62	\$859	\$224	\$30,681	\$22,015	\$8,666	0.393614	0.024822
\$129	\$465	\$113	\$1,579	\$412	\$43,926	\$30,353	\$13,574	0.447195	0.045636
\$517	\$1,866	\$454	\$6,339	\$1,656	\$187,855	\$127,548	\$60,307	0.472814	0.183196
\$246	\$889	\$216	\$3,019	\$789	\$118,149	\$78,292	\$39,857	0.509082	0.087263
\$86	\$312	\$76	\$1,060	\$277	\$30,007	\$23,259	\$6,748	0.290142	0.030629
\$142	\$511	\$124	\$1,735	\$453	\$59,191	\$43,942	\$15,248	0.347011	0.050131
\$453	\$1,636	\$398	\$5,558	\$1,452	\$165,944	\$112,031	\$53,913	0.481235	0.160645
\$2,823	\$10,185	\$2,479	\$34,601	\$9,038	\$1,110,175	\$744,146	\$366,029	8.599486	1
\$782	\$1,744	\$2,075	\$23,148	\$8,754	\$744,146	\$744,146	\$143,508	4.09464	1
\$2,040	\$8,442	\$404	\$11,453	\$284	\$366,029				
261%	484%	19%	49%	3%	49%				

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2021 – July 1, 2022

EXECUTIVE SUMMARY

Attached please find the renewal summary of the Alliant Property Insurance Program (APIP) for the 2021-2022 period. An overview of the most significant issues are discussed here.

The challenging market conditions that began in 2018 have continued into the 2021 renewal. While we do believe the market may be close to peaking (assuming no major catastrophe events), the APIP renewal has proven difficult. While the market has not experienced a single catastrophe event on par with Hurricane Katrina in 2005 over the past few years, natural catastrophe losses such as Hurricanes Harvey, Irma and Maria in 2017, California Wildfires in 2018, 2019 and 2020, Winter Storm Uri in 2021, and the Coronavirus Pandemic are key drivers of continuing rate pressure. These catastrophes along with increased attritional losses resulted in another unprofitable year for most property insurers in 2020. Lack of profitability has resulted in carriers continuing to re-evaluate their books and seeking increased pricing and reduced terms and conditions. Those insureds that have significant shock loss(es) or persistent attritional losses will experience larger rate increases. In keeping with the programs' general history; however, we still expect overall rates to, in many cases, remain below that which can be achieved in the open market for similar coverage.

For the 2021/22 renewal, Lexington will provide the first \$25,000,000 of the program. Maximum program limits between \$800,000,000 and \$1,000,000,000 will be placed with worldwide markets rated at A.M. Best A- VII or higher. Insureds should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating insureds 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 provided. Additional excess options are available, if requested. The Cyber market has become extremely volatile in the past year primarily due to a pronounced increase in ransomware claims. Due to the difficulty of even maintaining Cyber coverage for many public entities, we believe the Cyber coverage provided by APIP represents one of the best values in the marketplace. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1st and 3rd parties from Ironshore Specialty Insurance Company, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. **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 insured 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 seven to ten 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 an insureds 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.

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
July 1, 2021 – July 1, 2022
EXECUTIVE SUMMARY

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

Year-over-Year Rate and Premium Comparison

<u>Small Cities Organized Risk Effort</u>	<u>2020-2021</u> (at 10/29/2020)	<u>2021-2022</u>	<u>Variance</u>
Total Insurable Values (TIV):	\$ 352,222,099	\$ 362,826,666	3.01%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 739,798.81	\$ 1,095,214.58	48.04%
Cyber Liability Annual Cost:	\$ 2,204.68	\$ 10,516.01	376.98%
Pollution Liability Annual Cost:	\$ 2,142.44	\$ 2,559.57	19.46%
Total Account Rate (\$/100):	0.2112718	0.3054600	44.58%
**Total Annual Cost:	\$ 744,145.93	\$ 1,108,290.16	48.93%

*Property Annual Cost includes: all premiums (except Cyber Liability and Pollution Liability), underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

** Total Annual Cost includes: Property Annual Cost, Cyber Liability Annual Cost and Pollution Liability Annual Cost (except Cyber BBR option, if purchased).

The following pages are coverage items currently under review with the APIP markets to be effective on July 1, 2021. Cyber and Pollution Liability coverage items currently under review will be noted under these specific proposal documents.

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 SUB-LIMIT & DEDUCTIBLE CHANGES

BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2021-2022 POLICY PERIOD AS OF MAY 28, 2021

Coverage	2020-2021 Sub-limit / Deductible	2021-2022 Sub-limit / Deductible	Status
Miscellaneous Unnamed Locations	\$25,000,000 Miscellaneous Unnamed Locations or 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.	<u>\$25,000,000 Miscellaneous Unnamed Locations for Named Insureds with total insurable values greater than or equal to \$500,000,000 at time of binding or \$10,000,000 Miscellaneous Unnamed Locations for Named Insureds with total insurance values less than \$500,000,000 at time of binding</u> 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. <u>Vacant and Unoccupied Buildings are sub-limited to \$10,000,000.</u>	As expiring except for vacant properties and Named Insureds with TIV < \$500M
Automatic Acquisition	\$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.	<u>\$25,000,000 Automatic Acquisition for Named Insureds with total insurable values greater than or equal to \$500,000,000 at time of binding or \$10,000,000 Automatic Acquisition for Named Insureds with total insurable values less than \$500,000,000 at time of binding 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. Vacant and Unoccupied Buildings are sub-limited to \$10,000,000.</u>	As expiring except for vacant properties and Named Insureds with TIV < \$500M
Money & Securities	\$2,500,000 Money and Securities for named perils only as referenced within the policy.	<u>\$500,000 Money and Securities for named perils only as referenced within the policy, however fraudulent impersonation fraudulent instruction or similar events are excluded.</u>	Reduced sub-limit
Accidental Contamination	\$250,000 Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.	<u>\$250,000 Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration. Coverage shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.</u>	Clarification
Transit	\$25,000,000 Transit for Physical Damage and Business Interruption combined.	\$25,000,000 Transit Physical Damage only	Business Interruption excluded
Off Premises Vehicle Physical Damage Deductible	Deductibles varied by named insured	<i>For Insureds who purchase this coverage with replacement cost valuation, the following minimum deductibles apply:</i> <ul style="list-style-type: none"> • For vehicles with replacement cost value under \$250,000, \$25,000 deductible, except \$50,000 for all police vehicles; • For vehicles with replacement cost value of \$250,000 to \$750,000, \$100,000 deductible; • For vehicles with replacement cost value in excess of \$750,000, \$250,000 deductible the stated deductible will apply to vehicle physical damage both on and off-premises on a per occurrence basis, unless otherwise stated.	Update

APIP SUMMARY OF PROPOSED SUB-LIMIT & DEDUCTIBLE CHANGES

BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2021-2022 POLICY PERIOD AS OF MAY 28, 2021

Coverage	2020-2021 Sub-limit / Deductible	2021-2022 Sub-limit / Deductible	Status
Course of Construction	\$25,000,000 Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.	\$25,000,000 Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued greater than \$15,000,000 require underwriting approval and a premium charge.	Update

KEY MASTER POLICY FORM PROPOSED CHANGES

PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS

Coverage	2020-2021	2021-2022	Status
Policy Period	July 1, 2020 to July 1, 2021	July 1, 2021 to July 1, 2022	Update
Section I, E., 2. k. Money and Securities	Money and Securities for Fire, Wind, Hail, Explosion, Smoke, Lightning, Riot, Civil Commotion, Impact by Aircraft or Objects falling there from, Impact by Vehicles, Water Damage and Theft (other than by an employee of the Named Insured(s)).	Money and Securities for Fire, Wind, Hail, Explosion, Smoke, Lightning, Riot, Civil Commotion, Impact by Aircraft or Objects falling there from, Impact by Vehicles, Water Damage and Theft (other than by an employee of the Named Insured(s)), <u>however fraudulent impersonation, fraudulent instruction or similar events are excluded.</u>	Clarification
Section II, B. 4. Off Premises Service Interruption	It is understood and agreed that coverage under this Policy is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period of any suppliers furnishing <u>incoming electricity, fuel, gas, water, steam or refrigeration or outgoing sewerage, heat light, power, telephone or similar services to a Named Insured's premises.</u> The coverage provided by this clause is sub-limited to USD as per Declaration Page.	It is understood and agreed that coverage under this Policy is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period of any suppliers furnishing (1.) Incoming electricity, fuel, gas, water, steam, or refrigeration; (2.) <u>Data, voice or video service;</u> or (3.) Outgoing sewerage to an Insured's Location. The coverage provided by this clause is sub-limited to <u>USD as per Declaration Page</u>	Clarification
Section II, B. 8. Building Laws	See Red Line Strike Out of Master Policy Form for full wording.	The Building Law section has been deleted in its entirety. Coverage is provided under Increased Cost of Construction, Section II, B. 10.	Update
Section II, B. 19. Automatic Acquisition and Reporting Conditions	See Red Line Strike Out of Master Policy Form for full wording	<i>See Red Line Strike Out of Master Policy Form for full wording. Partial wording changes provided below.</i> This Policy is automatically extended to insure additional property and/or interests as described in this Policy, which may be acquired or otherwise become at the risk of the Named Insured, during the policy period, within the United States of America, subject to the values of such additional property and/or interests not exceeding a. <u>USD25,000,000 for Named Insureds with total insurable values greater than or equal to USD500,000,000 at time of binding;</u> b. <u>USD10,000,000 for Named Insureds with total insurable values less than \$500,000,000 at time of binding.</u> c. Named Insured's Policy Limit of Liability if less than USD25,000,000.	As expiring except for Named Insureds with TIV < \$500M

KEY MASTER POLICY FORM PROPOSED CHANGES CONTINUED
PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS

Coverage	2020-2021	2021-2022	Status
<p>Section II, B. 20. Miscellaneous Unnamed Locations</p>	<p>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 scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.</p>	<p>Subject to the Miscellaneous Unnamed Locations sub-limit shown on the Declaration Page, this policy is extended to insure property of type not excluded located at Miscellaneous Unnamed Locations. Miscellaneous Unnamed Locations means a property that has not been included in the Schedule of Values on file with Alliant Insurance Services, Inc. as may be required in the Policy provisions elsewhere.</p> <p>There is no coverage under this paragraph for loss or damage which is covered under the Errors and Omissions or Automatic Acquisition provisions of this Policy.</p> <p>This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska or Flood coverage for any property situated in Flood Zones A or V.</p>	<p>Clarification</p>
<p>Section II, B. 21 Accidental Contamination</p>	<p>See Red Line Strike Out of Master Policy Form for full wording</p>	<p><i>New paragraph added at the end of item:</i></p> <p>In accordance with Section IV, Item T., Other Insurance, coverage provided under this paragraph shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.</p>	<p>Clarification</p>
<p>Section II, C. 3 Property Not Covered</p>	<p>Land (including land <u>on which covered property is located</u>), and land values (except athletic fields, landscaping, artificial turf, sand traps, tees and greens).</p>	<p>Land (including land <u>underneath or adjacent to a covered building or structure, and including costs to replace, repair, or stabilize any land, unless when necessary to protect a covered building or structure</u>), and land values (except athletic fields, landscaping, artificial turf, sand traps, tees and greens). <u>However, this policy does insure fill beneath any buildings or structures.</u></p>	<p>Clarification</p>
<p>Section II, D. 4. Loss Payment Basis / Valuation</p>	<p>On antique, restored or historical buildings, the cost of acquisition, relocation to the site and renovation or reconstruction. In the event of a partial loss, replacement cost for antique, restored or historical buildings shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is less) the property on the same site using materials of like kind and quality necessary to preserve or maintain a buildings' historical significance without deduction for depreciation.</p>	<p>On antique, restored or historical buildings, the cost of acquisition, relocation to the site and renovation or reconstruction <u>without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair.</u> In the event of a partial loss, Replacement Cost for antique, restored or historical buildings shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is less) the property on the same site using materials of like kind and quality necessary to preserve or maintain a buildings' historical significance without deduction for depreciation <u>or allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair.</u></p>	<p>Clarification</p>

KEY MASTER POLICY FORM PROPOSED CHANGES CONTINUED
PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS

Coverage	2020-2021	2021-2022	Status
Section II. D. Loss Payment Basis / Valuation	"Replacement Cost" shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation subject to the following:	<p><i>Replacement Cost definition has been modified to allow increased cost of construction to be covered under Section II, B. 10.:</i></p> <p>"Replacement Cost" shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation <u>or allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair.</u> subject to the following:</p>	Clarification
Section III. A. 2. Extra Expense	See Red Line Strike Out of Master Policy Form for full wording.	<p><i>New wording added:</i></p> <p>With respect to Power Generating Facilities, Extra Expense shall also include any extra expense incurred resulting from the purchase of electrical power from any other power source, the coverage provided hereunder is sub-limited to USD as per Declaration Page.</p> <p>However, this Policy shall not cover loss of Bonus Capacity Payments, performance Guarantee penalties or any other indirect or remote loss of whatever nature.</p>	Clarification
Section III. B. 4. Contingent Time Element Coverage	See Red Line Strike Out of Master Policy Form for full wording.	<p><i>New wording added to the end of this item:</i></p> <p>This coverage applies to the Insured's direct suppliers or direct customers located in the Coverage Territory.</p> <p>Notwithstanding the foregoing, this Additional Coverage does not apply to:</p> <p>a. Any supplier of electricity, gas, fuel, steam, water, refrigeration, sewerage service, Cloud Computing Service or data, voice or video service; or</p> <p>b. The Insured's customers, if the Insured is a supplier of electricity, gas, fuel, steam, water, refrigeration, sewerage service, Cloud Computing Service or data, voice or video service.</p> <p><i>(A Cloud Computing Service definition has been added under Section II. E. 6.)</i></p>	Clarification

KEY MASTER POLICY FORM PROPOSED CHANGES CONTINUED
PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS

COVERAGE	2020-2021	2021-2022	STATUS
Section IV, B. 15.	Notwithstanding Section IV, Item T., Other Insurance, coverage provided under this paragraph shall apply as primary. Nothing herein contained shall be held to waive, vary, alter or extend any condition or provision of the Policy other than as above stated.	In accordance with Section IV, Item T., Other Insurance, coverage provided under this paragraph shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not. Nothing herein contained shall be held to waive, vary, alter or extend any condition or provision of the Policy other than as above stated.	Clarification
Section IV, B. 22.	No exclusion.	<p><i>Addition of the following item to the General Conditions Section ...:</i></p> <p>For buildings that are purchased, acquired or leased with the following conditions existing at the time of acquisition:</p> <ul style="list-style-type: none"> a. Building or any part of a building that is in danger of falling down or caving in, or b. Any part of a building that has separated from another part of the building. <p>Loss or damage arising out of the above conditions is excluded;</p> <p>However, the Company does cover loss or damage arising out of Collapse. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.</p>	Clarification
Section IV, H. 5.	If a building becomes vacant or unoccupied, notice is to be given to the Company prior to the one-hundred twentieth (120th) consecutive day of vacancy or lack of occupancy. The giving, or failure to give such notice will not constitute a condition precedent to the Company's liability, but the Named Insured shall make a reasonable effort to comply with such requirement.	<p><i>Addition of the following item to the General Conditions Section:</i></p> <p>5. The Insured has permission to cease business operations or to have any insured building remain vacant or unoccupied, provided that fire protection, security and alarm services are maintained and written notice is given to the Company prior to the one-hundred twentieth (120th) consecutive day of cessation of business operations, vacancy. The insured building is considered vacant when:</p> <ul style="list-style-type: none"> a. Such building does not contain adequate Insured Property to conduct customary business operations; or b. Such building is no longer used by the Insured, a lessee or a sub-lessee to conduct customary business operations; c. 70% or more of its total square footage is "vacant"; <p>provided however, this provision shall not apply to any time period when customary business operations are suspended due to circumstances that are usual to such business operations.</p>	Update

KEY MASTER POLICY FORM PROPOSED CHANGES CONTINUED
PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS

Coverage	2020-2021	2021-2022	Status
Section IV, AH. 4. Location	No Insured Location definition	<p><i>Addition of the following definition to the General Conditions Section which replaced “premises of the Named Insured”, “covered location” and “Named Insured’s Location”.</i></p> <p>Insured Location(s) means:</p> <ol style="list-style-type: none"> The location(s) within the Coverage Territory described in the most recent Statement of Values held on file with the Alliant Insurance Services, Inc., Miscellaneous Unnamed Locations and locations as covered by the Errors and Omissions and Automatic Acquisition Additional Coverages; Unless otherwise set forth in the Statement of Values, each such Insured Location(s) shall be comprised of any building, yard, dock, wharf, pier or bulkhead or any group of the foregoing bounded on all sides by property lines, public streets, clear land space or open waterways, each not less than fifty (50) feet wide. Any bridge or tunnel crossing such street, space or waterway shall render such separation inoperative for the purpose of this definition. 	Clarification
Endorsement 5 LMA 5400, Cyber Exclusion	Applicable to specific carriers	<p>Applicable to all carriers. This exclusion replaces the previous Cyber exclusion in the policy (Section IV, AE) which will be deleted.</p> <p>Please note that LMA 5400 excludes Cyber Loss and any loss or damage directly or indirectly caused by that Cyber Loss. This includes any resultant physical damage as a result of a malicious Cyber Act. See Red Line Strike Out of Master Policy Form for full wording.</p>	Restriction



Small Cities Organized Risk Effort

2021 – 2022

Alliant Property Insurance Program (APIP)

Presented on June 18, 2021 by:

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

Michelle Minnick
Account Manager

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

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: Small Cities Organized Risk Effort

DECLARATION: 4-Cities 4

POLICY PERIOD: July 1, 2021 to July 1, 2022

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 362,826,666 as of June 18, 2021

**ALL RISK
COVERAGES &
LIMITS:**

\$	500,000,000	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.
	Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
	Not Covered	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 Applicable	Per Occurrence for losses to locations in Tier 1 and/or Tier 2 Counties and resulting from a Named Windstorm.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	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.

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

Per Bound TIV	\$25,000,000	Miscellaneous Unnamed Locations for existing Named Insureds with total insurable values greater than or equal to \$500,000,000 at time of binding or \$10,000,000 Miscellaneous Unnamed Locations for existing Named Insureds with total insurable values less than \$500,000,000 at time of binding 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. Vacant and Unoccupied Buildings are further sub-limited to \$10,000,000.
180 Days	Extended Period of Indemnity	
See Policy Provisions	\$25,000,000	Automatic Acquisition for Named Insureds with total insurable values greater than or equal to \$500,000,000 at time of binding or \$10,000,000 Automatic Acquisition for Named Insureds with total insurable values less than \$500,000,000 at time of binding 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, automatic coverage is granted for up to 60 days, subject to a sub-limit of \$2,500,000 for additional property and/or interests in Tier 1 Wind Counties, Parishes and Independent Cities 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 Earthquake 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. Vacant and Unoccupied Buildings are further sub-limited to \$10,000,000.
\$	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. Projects valued greater than \$15,000,000 require underwriting approval and a premium charge.

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

\$	500,000	Money & Securities for named perils only as referenced within the policy, however fraudulent impersonation, fraudulent instruction or similar events are excluded.
\$	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. Coverage shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.
\$	750,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), 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.
\$	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 - Physical Damage only.
\$	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..

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

\$	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.
	Not Covered	for Communicable Disease.
\$	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.
\$	100,000,000	Ingress/Egress Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property by this Policy is prevented.
\$	100,000,000	Interruption By Civil Authority Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority.

VALUATION:

- Repair or Replacement Cost (RCV)
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment /Vehicles either Replacement Cost (RCV) or Actual Cash Value (ACV) as declared by each insured. 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:

\$ 25,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

Not Covered All Flood Zones Per Occurrence excluding Flood Zones A & V.

Not Covered Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES: (continued)

Not Applicable for losses to locations in Tier 1 and/or 2 Counties and resulting from a Named Windstorm.

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.

\$ 500,000 Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), 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.
	24 Hour	Waiting Period for Ingress/Egress
	24 Hour	Waiting Period for Civil Authority
\$	10,000	for City of Isleton, City of Montague, City of Portola, City of Loyalton, City of Dunsmuir, Town of Loomis, City of Rio Dell, City of Shasta Lake, and City of Weed for vehicles with ACV valuation; \$25,000 for all other members with RCV, Except \$50,000 for police vehicles with RCV under \$250,000, \$100,000 for All Vehicles with RCV of \$250,000 to \$750,000; \$250,000 for All vehicles with RCV in Excess of \$750,000. 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.
		Vehicle Valuation Basis
\$	10,000	except \$5,000 for the City of Isleton Per Occurrence for Contractor's Equipment.
		Contractor's Equipment Valuation Basis

SPECIAL TERMS 1:

Vehicle Valuation is Split as Follows:

-Actual Cash Value for City of Isleton, City of Montague, City of Portola, City of Loyalton, City of Dunsmuir, Town of Loomis, City of Rio Dell, City of Shasta Lake, and City of Weed.

-Replacement Cost for all other members.

Per Policy Limits

Special Terms Limit

Per Policy Deductibles

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 32-35 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
- \$ 25,000 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 32-35 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 32-35, 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 attached Cyber Coverage Summary for applicable Limits. (Cyber Liability) If, insured purchases such coverage.
- Included Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles. If, insured purchases such coverage. If, insured purchases such coverage.

TERMS & CONDITIONS:

Sub-limits, terms and conditions are subject to change.

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. If, insured purchases such coverage.

Except Pollution Liability Premium is 100% Earned at Inception, unless there is a claim in which premium is deemed fully earned. If, insured purchases such coverage.

NOTICE OF CANCELLATION:

90 Days except 10 Days for non-payment of premium

	Annual Cost*
Total Property Premium:	\$ 1,047,801.00
Excess Boiler:	\$ 4,186.00
Cyber Liability Premium:	\$ 10,185.00
Pollution Liability Premium:	\$ 2,479.00
ABS Fee:	\$ 9,038.00
SLT&F's (Estimate)	\$ 34,601.16
Broker Fee:	\$ 0.00
TOTAL COST †: (Including Taxes and Fees)	\$ 1,108,290.16
<p>*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.</p> <p>† 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)</p>	

PRINT DATE: June 18, 2021

PROPOSAL VALID UNTIL: July 1, 2021

BROKER: **ALLIANT INSURANCE SERVICES, INC.**

License No. 0C36861

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

Michelle Minnick
Account Manager

NOTES:

- ***Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2021 bound terms.***
- ***Maximum All Risk limits estimated to bind between \$500,000,000 and \$1,000,000,000. If your All Risk limits are less than \$500,000,000 they are not expected to change.***
- ***Major pending and approved changes to the APIP Program are described in the Executive Summary for renewing insureds.***
- ***This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event***
- ***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 – not yet finalized.***
- ***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 insured's 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: Small Cities Organized Risk Effort

POLICY PERIOD: July 1, 2021 to July 1, 2022

COMPANIES: See Attached List of Companies

TOTAL INSURED VALUES: \$ 362,826,666 as of June 18, 2021

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.

NEWLY ACQUIRED LOCATIONS:

\$ 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

VALUATION:

Repair or Replacement except Actual Loss sustained for all Time Element coverages

EXCLUSIONS (Including but not limited to):

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

OBJECTS EXCLUDED: (Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping

NOTICE OF CANCELLATION:

90 days except 10 days for non-payment of premium

DEDUCTIBLES:

- \$ 10,000 Except as shown for Specific Objects or Perils.
- \$ 10,000 Electronic Data Processing Media.
- \$ 10,000 Consequential Damage.
- \$ 10,000 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: June 18, 2021

PROPOSAL VALID UNTIL: July 1, 2021

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

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

Michelle Minnick
Account Manager

NOTES:

- **Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2021 bound terms.**
- **Maximum All Risk limits estimated to bind between \$500,000,000 and \$1,000,000,000. If your All Risk limits are less than \$500,000,000 they are not expected to change.**
- **Major pending and approved changes to the APIP Program are described in the Executive Summary for renewing insureds.**
- **This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event**
- **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 – not yet finalized.**
- **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 insured's 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)**

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, 2021 to July 1, 2022

RETROACTIVE DATE:

- July 1, 2011 for Waste Disposal;
- July 1, 2021 for Products Pollution and Exposure Liability;
- July 1, 2021 for Contractor's Pollution
- July 1, 2021 for Mold Matter
- July 1, 2011 Disinfection Event

This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later.

COMPANY: Ironshore Specialty Insurance Company

**A.M. BEST
INSURANCE RATING::** A, Excellent, Financial Category XV
(\$2 Billion or greater)
Effective June 26, 2020

**STANDARD & POORS
RATING:** A (Strong) as of November 25, 2020

ADMITTED STATUS: Non-Admitted in all states.

COVERED PROPERTY: Per the following SOVs submitted and on file with carrier:

- | | |
|-------------------------|--|
| 1. PEPIC DEC 1 – SOVs | 12. PEPIC DEC 25 – SOVs |
| 2. PEPIC DEC 2 – SOVs | 13. PEPIC DEC 26 – SOVs |
| 3. PEPIC DEC 3 – SOVs | 14. PEPIC DEC 27 – SOVs |
| 4. PEPIC DEC 4 – SOVs | 15. PEPIC DEC 28 – SOVs |
| 5. PEPIC DEC 5 – SOVs | 16. PEPIC DEC 29 – SOVs |
| 6. PEPIC DEC 11 – SOVs | 17. PEPIC DEC 30 – SOVs |
| 7. PEPIC DEC 12 – SOVs | 18. PEPIC DEC 32 – SOVs (Excludes SPIP,
except as endorsed) |
| 8. PEPIC DEC 14 – SOVs | 19. PEPIC DEC 33 – SOVs |
| 9. PEPIC DEC 19 – SOVs | 20. PEPIC DEC 34 – SOVs |
| 10. PEPIC DEC 23 – SOVs | 21. PEPIC DEC 35 – SOVs |
| 11. PEPIC DEC 24 – SOVs | |

Covered locations include any real property owned, leased, rented, operated or occupied by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered property 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

SUB-LIMITS:

\$ 100,000 Disinfection Event Expenses Per Pollution Incident*
\$ 100,000 Disinfection Event Expenses Program Aggregate*
\$ 500,000 Mold Matter Per Named Insured Aggregate Sublimit (K-12 Schools Only)*
\$ 1,000,000 Restoration Costs Program Aggregate (Mold Matter Only)*
\$ 1,000,000 Legionella Per Pollution Incident*
\$ 2,000,000 Sewer Backup or Overcharge Per Pollution Incident*
\$ 250,000 Any Punitive, Exemplary and Multiplied Damages and Civil Fines, Penalties and Assessments Fines*
\$ 2,000,000 Products Pollution and Exposure Liability Per Pollution Incident*
\$ 2,000,000 Products Pollution and Exposure Liability Program Aggregate*
\$ 2,000,000 Business Interruption per incident*
\$ 1,000,000 Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
\$ 2,000,000 Contractor's Pollution Per Pollution Incident - All other Operations*
\$ 2,000,000 Contractors Pollution Program Aggregate*

*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.

EXTENDED REPORTING PERIOD:

Automatic Extended Reporting Period

The Named Insured shall be entitled to an Automatic Extended Reporting Period for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This automatic ERP does not apply if the insured has purchased other insurance to replace the insurance provided by this policy.

SPECIFIC COVERAGE PROVISIONS:

CLAIMS MADE AND REPORTED

Coverage A.1 – Onsite Pollution:

Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are on or under a Covered Property, provided such Remediation Expenses arise from Onsite Pollution and result from New Conditions.

Coverage A.2 – Offsite Costs:

Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are beyond the boundaries of the Covered Property, provided such Remediation Expenses arise from Offsite Pollution and result from New Conditions.

SPECIFIC COVERAGE PROVISIONS - CONTINUED:

Coverage B – Emergency Response Expenses

To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment. The Emergency Response Expenses must: (i) arise from a Pollution Incident that first commenced during the Policy Period; (ii) be incurred within seven (7) days of the commencement of such Pollution Incident; and (iii) be reported to the Company within fourteen (14) days of the commencement of such Pollution Incident. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.

Coverage C.1 – Third Party Claims - Onsite Pollution

Onsite Pollution resulting from New Conditions. if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.

Coverage C.2 – Third Party Claims -Offsite Pollution

Offsite Pollution resulting from New Conditions. if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.

Coverage D – Transportation

To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses resulting from New Conditions, which arise from Transportation, provided such Claims are first made against the Insured and reported to the Company in writing during the Policy Period.

Coverage E – Waste Disposal Activities:

To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses that arise from a Pollution Incident resulting from Waste Disposal Activities. The Waste Disposal Activities must take place on or after the Waste Disposal Retroactive Date set forth in Item 10. of the Declarations, or the date that the Insured first began operations if no Waste Disposal Retroactive Date is indicated in the Declarations. This Coverage shall apply only if such Claims are first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.

Coverage F – Business Interruption:

To pay the Insured's Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly results from Onsite Pollution resulting from New Conditions. This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Company during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the Period of Interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident.

Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of "your work", provided the claim is first made and reported during the policy period. The Contractor's Pollution must have commenced on or after the retroactive date.

Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after the 7/1/2021.

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**

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, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.

Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$0.0002 per dollar of Total Insurable Values, pro-rated with a minimum premium of \$425. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.

Illicit Abandonment is included in the definition of pollution condition.

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

Other Insurance Condition

Any Loss covered under any other valid and collectible insurance, whether primary, excess, contingent, self-insurance, deductible or any other basis, including but not limited to the policies scheduled below and any renewals or replacements thereof; however, this insurance shall apply in excess of any such other valid and collectible insurance. Maintenance of underlying insurance (APIP property and standalone primary) wording applies and is pending negotiations.

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.

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**

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

The BKK Landfill located at 2210 South Azusa Avenue, West Covina, CA is specifically excluded from coverage.

Sudden and Accidental Coverage Only (loss must be discovered within 7 days of commencement and reported no later than 21 days following the discovery, and within the policy period) applies for the following locations:

1. Any location with current or historic use as an airport;
2. MAPLE (SOUTH) - 519 ENTRANCE OFF POMONA CORONA CA 92880
3. 1018 COTTONWOOD CORONA CA 92879
4. 1200 TENTH ST. (WEST) CORONA CA 92882
5. 102 LINCOLN (NORTH) CORONA CA 92882
6. 1052 QUARRY CORONA CA 92879
7. 34 CRESTRIDGE CORONA CA 92880
8. 219 GRAND (WEST) CORONA CA 92882
9. 25225 MAITRI RD. CORONA CA 92883
10. 24650 GLEN IVY RD. CORONA CA 92883
11. 405 SIERRA VISTA AVE. CORONA CA 92882
12. 315 MERILL ST (SOUTH) CORONA CA 92882
13. 310 VICENTIA (SOUTH) CORONA CA 92882
14. 710 CORPORATION YARD WAY CORONA CA 92880
15. 2581 MANGULAR CORONA CA 92882
16. 202 BUENA VISTA AVE. (NORTH) CORONA CA 92882
17. 240 BUENA VISTA AVE. CORONA CA 92882
18. 211 BUENA VISTA AVE. (SOUTH) CORONA CA 92882
19. 9865 GLEN IVY RD. CORONA CA 92883
20. 917 CIRCLE CITY DR. CORONA CA 92879
21. 219 JOY (SOUTH) CORONA CA 92879
22. 505 VICENTIA (SOUTH) CORONA CA 92882
23. 1865 POMONA RD CORONA CA 92880

EXCLUSIONS (including but not limited to):

Coverage does not apply to any claim or loss from:

- Asbestos and Lead Based Paint – Any asbestos, asbestos containing materials or lead-based paint in, on, or applied to any building or other structure. This exclusion does not apply to Third-Party Claims, or to Remediation Expenses for the remediation of soil, surface water or groundwater, or for the remediation of asbestos, asbestos containing materials or lead based paint which has been inadvertently displaced by an accident which occurs, in its entirety, during the policy period. Lead in water is excluded.
- Contractual Liability – This exclusion does not apply to liability that the Insured would have had in the absence of the contract or agreement or to liability assumed in an Insured Contract.
- Criminal Punishments
- Employer Liability - This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of such Bodily Injury.
- Insured's Internal Expenses
- Insured's Non-Compliance
- Insured vs. Insured
- Material Change In Use - This exclusion shall not apply if the Insured submits prior written notice no less than thirty (30) days prior to such material change, and the Company approves such material change in an endorsement to this Policy issued within thirty (30) days of such notice.
- Non-Disclosure
- Prior Claims
- Nuclear and Radiological Material
- Property Damage to Conveyances
- War
- Workers Compensation, Unemployment, Social Security, Disability and Similar Laws
- Airports, Landfills and/or Recycling Facilities, Oil and/or Gas Producing or Refining Facilities
- Firing Ranges
- Activity Use Limitation
- Prior Claims
- Landfill Closure, Post-Closure and Reclamation Costs
- Odor
- Impoundments
- Discharge Control
- Engineering Controls / Operation and Maintenance (O&M) Costs
- Upgrades
- Groundwater and Surface Water Monitoring Costs
- Known Pollution Incidents (known prior to July 1, 2021)
- COVID-19
- Capital Improvement- Applies to any auto repair facility, airport, golf course, fuel depot, fuel storage, shooting ranges only.
- Voluntary Site Investigation (any pollutant discovered during voluntary investigation is excluded at any auto repair facility, airport, golf course, fuel depot, fuel storage, shooting ranges only)
- Expected or Intended Injury or Damage (Product Pollution and Covered Operations only)

EXCLUSIONS (including but not limited to):

- Known Injury or Damage (Product Pollution and Covered Operations only)
- Product Disposal (Product Pollution Only)
- Products as Waste (Product Pollution Only)
- Transportation (Product Pollution and Covered Operations only)
- Business Interruption (Covered Operations Only)
- Damage to Your Product (Product Pollution Only)
- Damage to Property (Covered Operations Only)
- Damage to Your Work (Covered Operations Only)
- Products Pollution (Covered Operations Only)
- Waste Products, Treatment or Disposal (Covered Operations Only)
- Any perfluoroalkyl or polyfluoroalkyl substance (PFAS), including but not limited to perfluoroalkyl acids (PFAAs), perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorohexanesulfonic acid (PFHxS), GenX, C8, ADONA, perfluoroalkane sulfonyl fluoride (PASF), perfluorobutanesulfonic acid (PFBS), polytetrafluoroethylene (PTFE), perfluoropolyethers (PFPEs), fluoropolymers, perfluorononanoic acid, ammonium perfluorooctanoate, or any associated salts, acids, alcohols, precursor chemicals or related higher homologue chemicals. This also includes aqueous film forming foam (AFFF) containing PFAS (at any concentration) or any additives or component materials contained therein or degradation byproducts thereof.

DEDUCTIBLE:

- \$250,000 Each Pollution Incident After July 1, 2021
- \$500,000 Each Pollution Incident Prior to July 1, 2021
- \$500,000 Sewage Backup and Overcharge

SPECIFIC DEDUCTIBLES:

- \$250,000 Disinfection Event Expenses
- \$250,000 Products Pollution and Exposure Liability
- \$250,000 Covered Operations
- \$250,000* Mold Matter (*or \$50,000 per room impacted, whichever is greater – a room is considered equal to 250 sq ft of floor space)
- \$250,000 Legionella
- \$500,000 Sewer Backup or Overcharge deductible
- \$750,000 Underground Storage Tanks (less than 25 years old)
- \$1,000,000 Underground Storage Tanks (more than 25 years old)

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) Ironshore Environmental Claims CSO
28 Liberty Street, 5th Floor
New York, NY 10005 Office
By phone via: 24 Hour Claims Phone Number (888) 292-0249
FAX to: 646-826-6601
Email: USClaims@ironshore.com

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

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
100% Earned Premium at Inception

QUOTE VALID UNTIL:

July 1, 2021

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

Coverage	2020-2021	2021-2022 Proposed Changes
Pollution Liability Policy Term	July 1, 2020 to July 1,2021	July 1, 2021 to July 1,2022
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.	<ul style="list-style-type: none"> • July 1, 2011 for Waste Disposal; • July 1, 2021 for Products Pollution and Exposure Liability; • July 1, 2021 for Contractor's Pollution • July 1, 2021 for Mold Matter <p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later.</p>
Company	Interstate Fire & Casualty Insurance Company	Ironshore Specialty Insurance Company
A.M. Best Insurance Rating	A+, Superior, Financial Category XV (\$2 Billion or greater) Effective September 5, 2019	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective June 26, 2020
Standard and Poor's Rating	AA (Very Strong) as of May 30, 2019	A (Strong) as of November 25, 2020
Covered Property	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.	Covered locations include any real property owned, leased, rented, operated or occupied by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered property that are located within a one thousand (1,000) foot radius of such covered location as of policy inception.

Coverage	2020-2021	2021-2022 Proposed Changes	
Sub-limits:	N/A	\$ 100,000 Disinfection Event Expenses Per Pollution Incident*	
	N/A	\$ 100,000 Disinfection Event Expenses Program Aggregate*	
	N/A	\$ 1,000,000 Restoration Costs Program Aggregate (Mold Matter Only)*	
	N/A	\$ 1,000,000 Legionella Per Pollution Incident*	
	N/A	\$ 250,000 Per Claim for Any Punitive, Exemplary and Multiplied Damages and Civil Fines, Penalties and Assessments Fines Per Claim	
	\$2,000,000	Products Pollution Each Incident Limit	\$ 2,000,000 Products Pollution Program Aggregate Limit
	\$ 100,000	Per Named Insured Per Pollution Incident Dedicated Legal Defense Outside the Per Named Insured limit*	No Coverage
	\$ 250,000	Per Named Insured Crisis Management Response Costs Sub-limit	No Coverage
	\$ 500,000	Per Named Insured Crisis Management Response Costs Aggregate	No Coverage
	\$ 50,000	Per Named Insured Crisis Management Loss Sub-limit	No Coverage
			\$ 2,000,000 Business Interruption per incident*
			\$ 1,000,000 Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
	N/A		\$ 2,000,000 Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
			\$ 2,000,000 Contractor's Pollution Per Pollution Incident - All other Operations* Contractors Pollution Aggregate*
<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 and aggregate, which are in addition to the limits of liability.</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>	

Coverage	2020-2021	2021-2022 Proposed Changes
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. This automatic ERP does not apply if the insured has purchased other insurance to replace the insurance provided by this policy.	<p>Automatic Extended Reporting Period The Named Insured shall be entitled to an Automatic Extended Reporting Period for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This automatic ERP does not apply if the insured has purchased the optional extended reporting period, the policy is terminated for fraud or nonpayment or if the insured has purchased other insurance to replace the insurance provided under this policy.</p>
Coverages	<p>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..</p>	<p>Coverage A.1 – Onsite Pollution: Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are on or under a Covered Property, provided such Remediation Expenses arise from Onsite Pollution and result from New Conditions.</p>
	<p>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.</p>	<p>Coverage A.2 – Off Site Costs: Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are beyond the boundaries of the Covered Property, provided such Remediation Expenses arise from Offsite Pollution and result from New Conditions.</p>
	<p>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.</p>	<p>Coverage C.1 – Onsite Pollution Onsite Pollution resulting from New Conditions. if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.</p>
		<p>Coverage C.2 – Offsite Pollution Offsite Pollution resulting from New Conditions. if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.</p>
<p>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.</p>	<p>Coverage B – Emergency Response Expenses To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment. The Emergency Response Expenses must: (i) arise from a Pollution Incident that first commenced during the Policy Period; (ii) be incurred within seven (7) days of the commencement of such Pollution Incident; and (iii) be reported to the Company within fourteen (14) days of the commencement of such Pollution Incident. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.</p>	

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	<p>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.</p>	<p>Coverage D – Transportation To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses resulting from New Conditions, which arise from Transportation, provided such Claims are first made against the Insured and reported to the Company in writing during the Policy Period.</p>
	<p>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.</p>	<p>Coverage E – Waste Disposal Activities: To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses that arise from a Pollution Incident resulting from Waste Disposal Activities. The Waste Disposal Activities must take place on or after the Waste Disposal Retroactive Date set forth in Item 10. of the Declarations, or the date that the Insured first began operations if no Waste Disposal Retroactive Date is indicated in the Declarations. This Coverage shall apply only if such Claims are first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.</p>
	<p>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.</p>	<p>Coverage F – Business Interruption: To pay the Insured’s Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly results from Onsite Pollution resulting from New Conditions. This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Company during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the Period of Interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident.</p>

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	<p>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.</p>	<p>Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of "your work", provided the claim is first made and reported during the policy period. The Contractor's Pollution must have commenced on or after the retroactive date of July 1, 2021.</p>
	<p>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.</p>	<p>Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after the 7/1/2021.</p>
	<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>	<p>Not Covered</p>

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	<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>	Not Covered
	<p>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.</p>	<i>Listed. Broad language pending negotiation.</i>
	<p>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.</p> <p>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.</p> <p>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.</p>	<p>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, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.</p> <p>Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$.0006832 per \$100 of Total Insurable Values, pro-rated with a minimum premium of \$425. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.</p>

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	<p>Defense Costs and Expenses are an additional \$100,000 outside the per member limit and within the overall policy aggregate limit.</p>	<p>Defense is within the limits of liability</p>
	<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"> • 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. 	<p>Blanket Coverage included for Non-Owned Disposal Sites. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned, operated or rented by the Insured, provided that 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.</p> <p>The BKK Landfill located at 2210 South Azusa Avenue, West Covina, CA is specifically excluded from coverage.</p>
Exclusions:	<p>Virus and Communicable Disease</p>	<p>COVID-19</p>
	<p>Ports – <i>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.</i></p>	<p><i>Not covered. Pending wording to add ports.</i></p>
	<p><i>Not Previously Excluded</i></p>	<p>Odor</p>
	<p>Cyber Event – <i>Does not apply to losses covered by the Cyber Event coverage in this policy.</i></p>	<p><i>Silent</i></p>
	<p>Work Product – <i>Does not apply to covered operations</i></p>	<p><i>Work Product – excluded</i></p>
	<p>Sewage Backup Coverage Exclusion – <i>Does not apply to an Insured's own site.</i></p>	<p><i>Sewage Backup- sewage backup on to 3rd party sites excluded. Coverage applies for sewage backup on to an insured site only.</i></p>
	<p>Offshore operations</p>	<p><i>Not Excluded</i></p>

Coverage	2020-2021	2021-2022 Proposed Changes
Exclusions: (Continued)	<i>Landfills, recycling facilities</i>	Landfill Closure, Post-Closure and Reclamation Costs
	<i>Not Previously Excluded</i>	Discharge Control
	<i>Not Previously Excluded</i>	Engineering Controls / Operation and Maintenance (O&M) Costs
	<i>Not Previously Excluded</i>	Groundwater and Surface Water Monitoring Costs
	<i>Arising from a known claim or legal action existing prior to the first date of the period of insurance and known by a responsible insured as disclosed in the application or submission materials including, but not limited to: Open claims provided within the submission and re-evaluated at policy inception pending updated loss runs.</i>	Known Pollution Incidents (known prior to July 1, 2021)
	<i>Not Previously Excluded</i>	Capital Improvement- Applies to any auto repair facility, airport, golf course, fuel depot, fuel storage, shooting ranges only
	<i>Not Previously Excluded</i>	Expected or Intended Injury or Damage (Product Pollution and Covered Operations only)
	<i>Known Injury or Damage</i>	Known Injury or Damage (Product Pollution and Covered Operations only)
	<i>Not Previously Excluded</i>	Product Disposal (Product Pollution Only)
	<i>Products as Waste (Product Pollution Only)</i>	Products as Waste (Product Pollution Only)
	<i>Not Previously Excluded</i>	Transportation (Product Pollution and Covered Operations only)
	<i>Not Previously Excluded</i>	Damage to Your Work (Covered Operations Only)
<i>Insured's products does not include waste materials unless such waste materials are sold, furnished or supplied to a third party for beneficial reuse pursuant to applicable environmental law.</i>	Waste Products, Treatment or Disposal (Covered Operations Only)	

Coverage	2020-2021	2021-2022 Proposed Changes
Exclusions: (Continued)	<p>Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and Related Chemicals or Products – <i>includes any precursors, additives, daughter compounds or degradation by-products.</i></p>	<p>Any perfluoroalkyl or polyfluoroalkyl substance (PFAS), including but not limited to perfluoroalkyl acids (PFAAs), perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorohexanesulfonic acid (PFHxS), GenX, C8, ADONA, perfluoroalkane sulfonyl fluoride (PASf), perfluorobutanesulfonic acid (PFBS), polytetrafluoroethylene (PTFE), perfluoropolyethers (PFPEs), fluoropolymers, perfluorononanoic acid, ammonium perfluorooctanoate, or any associated salts, acids, alcohols, precursor chemicals or related higher homologue chemicals. This also includes aqueous film forming foam (AFFF) containing PFAS (at any concentration) or any additives or component materials contained therein or degradation byproducts thereof.</p>
	<p><i>Voluntary clean-up promulgated, adopted, or implemented by an insured during the period of insurance and applicable to pollution conditions at an insured's own site are excluded.</i></p>	<p>Voluntary Site Investigation applies to any auto repair facility, airport, golf course, fuel depot, fuel storage, shooting ranges only</p>
	<p><i>Claims or loss arising for property damage to the insured's products are excluded.</i></p>	<p>Damage to Your Product (Product Pollution Only)</p>
	<p><i>Claims or loss arising for property damage to the insured's products or for property damage to that particular part of real property on which the insured, or any persons or entities acting on the insured's behalf, are performing covered operations, including any property damage caused by materials, parts or equipment furnished in connection with such covered operations.</i></p>	<p>Damage to Property (Covered Operations Only)</p>

Coverage	2020-2021	2021-2022 Proposed Changes
Retentions / Deductibles:	<p>\$150,000 Overall Policy Deductible Per Pollution Incident retention except for specific retentions below (all pollution incidents except where noted below)</p> <p>Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below</p> <p>\$450,000</p> <p>\$250,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below</p> <p>\$250,000 Each Pollution Incident Prior to July 1, 2021</p>	<p>\$250,000 Overall Policy Deductible (Each Pollution Incident After July 1, 2021 and except where noted below)</p> <p>N/A</p> <p>\$500,000 Each Pollution Incident Prior to July 1, 2021</p>
Retentions / Deductibles (Continued)	<p>\$500,000 Per Named Insured retention applicable to microbial matter for K-12 school districts only – <i>does not erode the Aggregate retention</i></p> <p>\$150,000 Sewage Backup</p> <p>\$750,000 Underground Storage Tanks Specific – <i>does not erode the Aggregate retention</i></p>	<p>\$500,000* Per Named Insured applicable to mold in K-12 schools (*or \$50,000 per room impacted, whichever is greater – a room is considered equal to 250 sq ft of floor space)</p> <p>\$500,000 Sewage Backup and Overcharge</p> <p>\$750,000 Underground Storage Tanks (less than 25 years old)</p> <p>\$1,000,000 Underground Storage Tanks (more than 25 years old)</p>
Minimum Earned Premium	25% Earned Premium at Inception; deemed 100% fully earned in the event of claim or loss	100% Earned Premium at Inception
Claim Reporting	<p>Allianz Global Corporate & Specialty Attn: FNOL Claims Unit 1 Progress Point Parkway, 2nd Floor O’Fallon, MO 63368 In emergency, call: (800) 558-1606 Fax: (800) 323-6450 Email: NewLoss@agcs.allianz.com Online Claims Reporting form available at: www.agcs.allianz.com/global-offices/united-states</p>	<p>Ironshore Environmental Claims CSO 28 Liberty Street, 5th Floor New York, NY 10005 Office By phone via: 24 Hour Claims Phone Number (888)292-0249 FAX to: 646-826-6601 Email: USClaims@ironshore.com</p>

ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
CYBER INSURANCE SUMMARY 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 member(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), inclusive of PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP) and HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP) 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 Member(s) / Entity(ies)).

DECLARATION: Various Declarations as on file with Insurer

POLICY PERIOD: July 1, 2021 to July 1, 2022

POLICY #: TBD

TERRITORY: WORLD-WIDE

RETROACTIVE DATE: **APIP/PEPIP**
For new members – the retro active date will be the date of addition

July 1, 2021 For existing members included on the July 1, 2021/22 policy

July 1, 2020 For existing members included on the July 1, 2020/21 policy

July 1, 2019 For existing members included on the July 1, 2019/20 policy

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:		\$	40,000,000	Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following limits and sub-limits as noted.
	Ai.			
		\$	2,000,000	Insured/Member Annual Aggregate Limit of Liability (subject to policy exclusions) for each Insured/Member, within the Annual Policy and Program Aggregate Limit of Liability (Aggregate for all coverages combined, including Claim Expenses) subject to the following limits and sub-limits as noted.
	Aii.			

BREACH RESPONSE

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

Data & Network Liability:		\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses
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Regulatory Defense & Penalties:		\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
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Payment Card Liabilities & Costs:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
Media Liability:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses
<i>eCRIME</i>			
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
<i>CRIMINAL REWARD</i>			
Criminal Reward:	\$	25,000	Aggregate Limit of Liability for each Insured/Member
<i>COVERAGE ENDORSEMENT(S)</i>			
Reputation Loss:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
Claims Preparation Costs for Reputation Loss Claims Only:	\$	50,000	Aggregate Limit of Liability for each Insured/Member
Computer Hardware Replacement Costs:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
Invoice Manipulation:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
Cryptojacking:	\$	25,000	Aggregate Limit of Liability for each Insured/Member

RETENTION:	\$	TBD	CSU Auxiliary Organizations only
	\$	50,000	Per Claim for each Member/Insured with Total Insured Value (TIV) up to \$250,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$250,000,000 and up to \$750,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss
	\$	250,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$750,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss

NOTICES: **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.

This is a shared limit policy among the Named Insureds. The per Insured/Member policy limits are on a per claim or incident for each Insured/Member basis, sub-limits listed are aggregated per Insured/Member and are within the total Insured/Member aggregate limit. In the event of a claim/incident with multiple Insureds/Members exhausting the program aggregate limit provided by the Insurer to Insureds/Members, payment to all Insureds/Members for the claim/incident will be determined by the Insurer. Where coverages are aggregated, sub-limit and limits apply to all Insureds/Members for the entire Policy Period unless specifically stated otherwise. The policy aggregate limit is not a per Insured/Member maximum limit.

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 for a Business Interruption Loss sustained 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 for a Dependent Business Interruption Loss sustained 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 for a Cyber Extortion Loss incurred as a result of an Extortion Threat first made against the Insured/Member during the Policy Period.

Data Recovery Costs indemnifies the Insured/Member for Data Recovery Costs incurred as a direct result of a Security Breach or System Failure 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 for a Data Breach, a Security Breach, the Insured's failure to disclose a Data Breach or Security Breach, or failure of the Insured to comply with the part of a Privacy Policy that specifically is related to disclosure, access or procedures related to Personally Identifiable Information.

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 electronic 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.

Reputational Loss indemnifies the Insured Organization for Reputation Loss that the Insured Organization sustains solely as a result of an Adverse Media Event that occurs during the Policy Period, concerning: a Data Breach, Security Breach, or Extortion Threat that the Insured first discovers during the Policy Period

Computer Hardware Replacement Costs is part of the Extra Expense coverage. Extra Expense means reasonable and necessary expenses incurred by the Insured Organization during the Period of Restoration to minimize, reduce or avoid Income Loss, over and above those expenses the Insured Organization

**Coverage
Endorsement(s)**

would have incurred had no Security Breach, System Failure, Dependent Security Breach or Dependent System Failure occurred; and includes reasonable and necessary expenses incurred by the Insured Organization to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the Insured Organization that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a Security Breach

Invoice Manipulation indemnifies the Insured Organization for Direct Net Loss resulting directly from the Insured Organization's inability to collect Payment for any goods, products or services after such goods, products or services have been transferred to a third party, as a result of Invoice Manipulation that the Insured first discovers during the Policy Period. Invoice Manipulation means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a third party as a direct result of a Security Breach or a Data Breach.

Cryptojacking indemnifies the Insured Organization for any direct financial loss sustained resulting from Cryptojacking that the Insured first discovers during the Policy Period. Cryptojacking means the Unauthorized Access or Use of Computer Systems to mine for Digital Currency that directly results in additional costs incurred by the Insured Organization for electricity, natural gas, oil, or internet.

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
- Sanctions Limitation
- War and Civil War
- Asbestos, Pollution and 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
bbr.claims@beazley.com

NOTICE OF CANCELLATION:

10 days for non-payment of premium

CYBER COST:

Cost is included in Total Property Premium

OTHER SERVICES

Unlimited Access to Beazley Breach Solutions website

BROKER:

ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

NOTES:

- ***Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2021 bound terms.***
- ***Major pending and approved changes to the APIP Program are described in the Executive Summary for renewing insureds.***
- ***This indication is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event***
- ***Coverage outlined in this Summary is subject to the terms and conditions set forth in the policy.***
- ***Please refer to Policy for specific terms, conditions and exclusions – not yet finalized.***
- ***Change in Total Insurable Values and loss experience will result in adjustment in premium***

SUMMARY OF CYBER INSURANCE CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2021-2022 POLICY TERM

Coverage	2020-2021	2021-2022 Proposed Changes	Status
Beazley Breach Response Endorsement	Coverage offered	Underwriting required	Change in Availability
Retention Buy-Down Endorsement	Coverage offered	Underwriting required	Change in Availability
Increase Breach Response Cost	Coverage offered	Underwriting required	Change in Availability
Tech Errors & Omissions	Coverage offered	Underwriting required	Change in Availability
Retention	Retention Level either \$50k or \$100k based on TIV	Retention Level either \$50k, \$100k, or \$250k based on TIV	Change in Retention
Computer Hardware Replacement Costs	\$75,000 per Member annual aggregate sublimit	\$100,000 per Member annual aggregate sublimit	Increase in Sublimit
Reputation Loss	\$50,000 per Member annual aggregate sublimit	\$100,000 per Member annual aggregate sublimit	Increase in Sublimit
Business Interruption – Security Failure	\$2,000,000 per Member annual aggregate Limit	\$750,000 per Member annual aggregate sublimit	Decrease in Sublimit
Cyber Extortion	\$2,000,000 per Member annual aggregate Limit	\$750,000 per Member annual aggregate sublimit	Decrease in Sublimit
Data Recovery Costs	\$2,000,000 per Member annual aggregate Limit	\$750,000 per Member annual aggregate sublimit	Decrease in Sublimit
War and Civil War Exclusion	Not Excluded	Exclusion Added	Excluded

Asbestos, Pollution and Contamination Exclusion	Not Excluded	Exclusion Added	Excluded
New Member Rating Endorsement	Per Policy	Endorsement Language Revised	Language Revision
Bordereaux Reporting Endorsement	Per Policy	Endorsement Language Revised	Language Revision
Members with no TIV Endorsement	Per Policy	Endorsement Language Revised	Language Revision
Caps on Losses Arising out of Certified Acts of Terrorism	N/A	Newly Added	New
Employee Device Endorsement	N/A	Newly Added	Coverage Enhancement
Amend Notice of Circumstance (Compliance with Law Enforcement)	N/A	Newly Added	Coverage Enhancement
Recognize Erosion of Retention for Crime Insuring Agreement	N/A	Newly Added	Coverage Enhancement
State Amendatory Inconsistency Endorsement	N/A	Newly Added	Coverage Enhancement
Amend Data Breach Definition	N/A	Newly Added	Coverage Enhancement
Consolidated Claims Handling	APIP Core and BBR claims handled by separate teams	All claims have been consolidated under one team at Beazley	Administrative
Policy Aggregate Limit	\$45,000,000	\$40,000,000	Decrease in policy aggregate limit

IMPORTANT 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 toll-free number 1-800-927-4357 or internet website 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 visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 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. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**

1. 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.

2. California maintains a “List of Approved Surplus Line Insurers (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

3. If you, as the applicant, required that the insurance policy you have purchased be effective 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)

D-1 (Effective January 1, 2020)

ALLIANT INSURANCE SERVICES

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

June 18, 2021

Named Insured: **Small Cities Organized Risk Effort**

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 property insurance program.

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury--- in consultation with the Secretary of Homeland Security, and the Attorney General of the United States--- to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government 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 the formula, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the federal government under the act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

COVERAGE OF "ACTS OF TERRORISM" AS DEFINED BY THE REAUTHORIZATION ACT WILL BE PROVIDED FOR THE PERIOD FROM THE EFFECTIVE DATE OF YOUR NEW OR RENEWAL POLICY THROUGH THE EARLIER OF THE POLICY EXPIRATION DATE OR DECEMBER 31, 2027. EFFECTIVE DECEMBER 31, 2027 THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT EXPIRES.

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.: TRIA, TRIEA, TRIPRA, TRIP OR TRIPA. We refer to these collectively as "TRIA".)**

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 hereby decline to purchase Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act.

Policyholder/applicant signature

Print Name

Date

Small Cities Organized Risk Effort

NAMED INSURED MEMBER(S)

Small Cities Organized Risk Effort

City of Biggs

City of Colfax

City of Dunsmuir

City of Etna

City of Isleton

City of Live Oak

City of Loyalton

City of Montague

City of Mt. Shasta

City of Portola

City of Rio Dell

City of Shasta Lake

City of Susanville

City of Tulelake

City of Weed

City of Yreka

Town of Loomis

Trended Values

Not Trended

SUMMARY OF VALUES
AS OF JUNE 18, 2021

Filter: Selected records

MEMBER	REAL PROPERTY	PERSONAL PROPERTY	BI / RENTS	VEHICLES	MOBILE EQUIPMENT	FINE ARTS	TAX INTERRUPTION	TOTAL VALUES	EARTHQUAKE	FLOOD
SMALL CITIES ORGANIZED RISK EFFORT										
CITY OF BIGGS	\$7,427,478	\$2,830,788	\$0	\$510,000	\$297,300	\$0	\$0	\$11,065,566	\$0	\$0
CITY OF COLFAX	\$9,850,351	\$3,556,485	\$0	\$1,567,615	\$1,015,521	\$0	\$0	\$15,989,972	\$0	\$0
CITY OF DUNSMUIR	\$16,187,567	\$2,434,808	\$18,000	\$965,000	\$0	\$0	\$0	\$19,605,375	\$0	\$0
CITY OF ETNA	\$8,282,849	\$636,149	\$8,000	\$551,747	\$0	\$0	\$0	\$9,478,745	\$0	\$0
CITY OF ISLETON	\$4,938,077	\$652,719	\$0	\$982,182	\$207,468	\$0	\$0	\$6,780,446	\$0	\$0
CITY OF LIVE OAK	\$25,171,484	\$10,900,786	\$131,000	\$2,075,594	\$855,600	\$0	\$0	\$39,134,464	\$0	\$0
TOWN OF LOOMIS	\$2,978,148	\$1,077,715	\$0	\$341,938	\$0	\$0	\$0	\$4,397,801	\$0	\$0
CITY OF LOYALTON	\$8,020,048	\$1,630,172	\$10,000	\$3,716,987	\$380,000	\$0	\$0	\$13,757,207	\$0	\$0
CITY OF MONTAGUE	\$9,849,144	\$3,492,646	\$0	\$1,791,000	\$84,000	\$0	\$0	\$15,216,790	\$0	\$0
CITY OF MOUNT SHASTA	\$12,257,626	\$3,394,297	\$34,000	\$0	\$7,800	\$0	\$425,000	\$16,118,723	\$0	\$0
CITY OF PORTOLA	\$6,290,647	\$1,055,282	\$0	\$1,150,000	\$510,000	\$0	\$0	\$9,005,929	\$0	\$0
CITY OF RIO DELL	\$9,831,001	\$6,190,544	\$5,000	\$170,631	\$360,720	\$0	\$0	\$16,557,896	\$0	\$0
								\$821,703		
								* Value includes COC of		
CITY OF SHASTA LAKE	\$43,613,885	\$20,126,285	\$50,874	\$2,440,643	\$236,603	\$0	\$0	\$66,468,290	\$0	\$0
								\$8,904,500		
								* Value includes COC of		
CITY OF SUSANVILLE	\$19,102,603	\$5,687,031	\$139,000	\$5,570,342	\$1,162,300	\$0	\$0	\$31,661,276	\$0	\$0
CITY OF TULE LAKE	\$8,228,949	\$2,547,742	\$161,334	\$175,000	\$0	\$0	\$0	\$11,113,025	\$0	\$0
								\$450,000		
								* Value includes COC of		
CITY OF WEED	\$12,284,390	\$2,550,062	\$0	\$1,928,037	\$1,426,409	\$0	\$0	\$18,188,898	\$0	\$0
CITY OF YREKA	\$41,179,987	\$12,227,290	\$47,300	\$2,381,241	\$2,450,445	\$0	\$0	\$58,286,263	\$0	\$0
SMALL CITIES ORGANIZED RISK EFFORT TOTALS:										
	\$245,494,234	\$80,990,801	\$604,508	\$26,317,957	\$8,994,166	\$0	\$425,000	\$362,826,666	\$0	\$0
GRAND TOTALS:										
	\$245,494,234	\$80,990,801	\$604,508	\$26,317,957	\$8,994,166	\$0	\$425,000	\$362,826,666	\$0	\$0

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. 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 www.AmBest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at 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.

New York 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.

Disclosures / Disclaimers Cont.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

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, 2021:

- 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, ND, OH, RI, WV, WY

Request to Bind Coverage

Small Cities Organized Risk Effort

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.

Signature of Authorized Insured Representative

Date

Title

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.*

Did you know that Alliant works with premium financing companies?

Are you interested in financing your annual premium?

**Yes, please provide us with
a financing quote.**

**No, we do not wish to
finance our premium.**

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

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

Address: Alliant Insurance Services, Inc.
100 Pine St, 11th 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
1301 Dove St., Suite 200
Newport Beach, CA 92660
Voice: (949) 757-1413 Fax: (949) 757-1692
Email: sandra.doig@mcclarens.com

Address:

- 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

Address:

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

Address:

- IV. Pollution Liability Carrier Ironshore Specialty Insurance Company (if purchased):

Ironshore Environmental Claims CSO
28 Liberty Street, 5th Floor
New York, NY 10005
In emergency call: (888) 292-0249
Fax: (646) 826-6601
Email: USClaims@ironshore.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

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, 2021 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: Small Cities Organized Risk Effort

Authorized Signature:

Print Name

Date

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, 11th Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: rfrey@alliant.com AND dwalizada@alliant.com

Carbon Copy APIP Claims Administrator: 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 #: _____ Email Address: _____

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, 11th 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 PEPIP USA Form Master Policy Wording, Section IV General Conditions;

K. 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

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
CC Alliant Claims Department:
elaine.tizon@alliant.com , and your Alliant representative

Today's Date: _____

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____ Email Address: _____

Broker/Agent's Name & Contact Information

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

Address: 100 Pine Street, 11th 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.

IRONSHORE SPECIALTY INSURANCE COMPANY

IN THE EVENT OF AN

ENVIRONMENTAL EMERGENCY:

1) Follow your organization procedures for reporting and responding to an incident

1) Alert local emergency authorities, as appropriate

2) Report the incident immediately at:

888-292-0249

4) Report the incident to Alliant

Akbar Sharif
Claims Advocate
949-260-5088
415-403-1466 – fax
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: IRONSHORE ENVIRONMENTAL CLAIMS CSO
BY MAIL: 28 Liberty Street, 5th Floor, New York, NY 10005
BY FAX: (646) 826-6601
BY EMAIL: USClaims@ironshore.com
CC Alliant Insurance: 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 #: _____ **Email Address:** _____

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:** _____

Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 12/04/20)	A+ (As of 03/26/20)
Aspen Specialty Insurance Company	012630	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 04/30/21)	Not Rated (As of 05/18/21)
Ategrity Specialty Insurance Company	020603	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 10/27/20)	Not Rated (As of 05/18/21)
Berkshire Hathaway Specialty Insurance Company	000864	A++ (Superior) Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/09/20)	Not Rated (As of 05/18/21)
Chubb Bermuda Insurance Ltd.	086361	A++ (Superior) Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/17/20)	AA (As of 06/24/16)
Endurance Worldwide Insurance Limited	083234	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 08/14/20)	A+ (As of 04/26/18)
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 09/11/20)	A (As of 07/27/17)
Everest Indemnity Insurance Company	012096	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 05/07/21)	A+ (As of 12/22/15)
Fidelis Underwriting Limited	093764	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 06/03/20)	A- (As of 12/17/19)
Hallmark Specialty Insurance Co.	010838	A- u, (Excellent); Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 04/20/21)	Not Rated (As of 05/18/21)
Homeland Insurance Company of New York	010604	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 04/22/21)	Not Rated (As of 05/18/21)
International General Insurance Co.	091476	A (Excellent) Financial Size Category 4; \$250,000,000 to \$500,000,000 (As of 10/09/20)	A- (As of 03/31/15)

Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 06/26/20)	A (As of 05/02/17)
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 09/22/20)	A- (As of 02/28/18)
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 10/29/20)	A+ (As of 04/18/18)
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 08/19/20)	A+ (As of 10/27/20)
Liberty Mutual Fire Insurance Company	002282	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 06/26/20)	A (As of 07/17/14)
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/15/20)	A+ (As of 06/14/19)
PartnerRe Ireland Insurance Ltd.	088621	A+ u, (Superior); Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/12/21)	A+ (As of 08/07/20)
Princeton Excess & Surplus Lines Ins. Co.	012170	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/17/20)	AA- (as of 12/22/06)
RSUI Indemnity Company	012603	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 10/29/20)	A+ (As of 04/18/18)
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 03/11/21)	A+ (As of 01/30/18)
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/17/20)	AA- (As of 05/07/20)
XL Insurance America Inc.	002423	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 09/29/20)	AA- (As of 11/19/18)

Alliant Insurance Services Inc.
2180 Harvard Street, Ste 460 Sacramento, CA 95815

NAMED INSURED: Small Cities Organized Risk Effort	INVOICE DATE: June 18, 2021 CUSTOMER NUMBER: SMALCIT-02 EFFECTIVE DATE: July 1, 2021
---	---

INSURANCE CO: Various	INVOICE NUMBER: 10124225
POLICY NUMBER: PPROP2122	
Total Property Premium:	\$ 1,060,465.00
ABS Fee:	\$ 9,038.00
Estimated SLT&F's	\$ 34,601.16
Broker Fee:	\$ 0.00
ALL RISK PROPERTY SUBTOTAL	\$ 1,104,104.16

INSURANCE CO: Various	INVOICE NUMBER: 20124225
POLICY NUMBER: PBOILER2122	
EXCESS BOILER & MACHINERY SUBTOTAL	\$ 4,186.00

TOTAL DUE AT THIS TIME	\$ 1,108,290.16
-------------------------------	------------------------

Total Due includes Premiums, Taxes and Fees where applicable. The Cyber Enhancement premium, should you have elected to purchase this coverage, is not included as part of this invoice.

Please return a copy of the invoice with your payment. Premiums are due and payable upon receipt of this invoice but no later than July 20, 2021. If payment is not received by the due date, policies may be subject to cancellation.

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. 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, Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Coverages, limits, sub-limits, terms and conditions could change. All changes will be advised prior to binding and accompany the Binder Confirmation for July 1, 2021 bound terms.

Important Notice of Remittance Payment Address Change

We have implemented lockbox deposit services with our Bank. Please use this new address to avoid delays in processing your payments.

Effective Immediately, please mail all future checks along with your remittance detail invoice to the following:

Standard Mail Remittance Address:

Alliant Insurance Services, Inc. – NPB Main
P.O. Box 8473
Pasadena, Ca 91109-8473

Overnight/Courier Remittance Address:

Alliant Insurance Services, Inc. – Lockbox # 8473 – NPB Main
Comerica Bank
5th Floor
2321 Rosecrans Avenue
El Segundo, CA 90245



PEPIP USA FORM No. ~~1617~~
MASTER POLICY WORDING

COVERAGE INCEPTING
FROM JULY 1, ~~2020-2021~~ TO JULY 1,
~~2021~~2022

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SECTION I

GENERAL PROVISIONS

A. INSURING AGREEMENT

In consideration of the premium paid by the Named Insured to the Company, the Company agrees to insure the following per the terms and conditions herein.

B. NAMED INSURED

As shown on the Declaration page, or as listed in the Declaration Schedule Addendum attached to this Policy.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required or has agreed to provide coverage, or as so named in the "Named Insured Schedule" on file with Alliant Insurance Services, Inc., as their 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, are covered within the limits provided to the individual Named Insured.

Lessors of interest in all property of every description covered hereunder are included herein as Insured's for their respective rights and interests, it being understood that the inclusion hereunder of more than one covered party shall not serve to increase the Company's limit of liability.

Mortgagees to whom certificates of coverage have been issued are covered hereunder as Insured's in accordance with the terms and conditions of Form 438 BFU NS, CP12 18 1091, or equivalent as required by the mortgagee.

C. MAILING ADDRESS OF NAMED INSURED

AS PER DECLARATION PAGE

D. POLICY PERIOD

AS PER DECLARATION PAGE

E. LIMITS OF LIABILITY

Subject to specific exclusions, modifications, and conditions hereinafter provided, the liability of the Company in any one occurrence regardless of whether one or more of the coverages of this Policy are involved shall not exceed:

1. LIMITS OF LIABILITY

The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise.

2. SUB-LIMITS OF LIABILITY

The following sub-limits of liability are provided as described in the Declaration Page and apply per occurrence unless indicated otherwise. Coverage is provided only if a sub-limit of liability is shown in the Declaration Page for that item, and do not increase the specific limits of liability. The absence of a sub-limit of liability amount in the Declaration Page means that no coverage is provided for that item. When a sub-limit refers to a covered peril, the sub-limit applies to all loss and expense resulting from said peril, regardless of the number of coverages that may apply to such loss or expense. In the event that a claim involves both a coverage that is sub-limited and a peril that is sub-limited, the lesser of the two will apply.

- a. Per occurrence, and in the annual aggregate as respects the peril of flood (for those Named Insured(s) that participate in this optional dedicated coverage);
- b. Per occurrence, and in the annual aggregate as respects the peril of earthquake shock for those Named Insured(s) that participate in this optional dedicated coverage;
- c. Combined Business Interruption, Rental Income, Tax Interruption and Tuition income (and related fees) ;
- d. Extra Expense;
- e. Miscellaneous Unscheduled Property/Unnamed Locations;
- f. Automatic Acquisition. As per policy provisions;
- g. 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. 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 scheduled locations this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V;
- h. Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf if specific values for such items have been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;
- i. Errors and& Omissions;
- j. Course of Construction and Additions;
- k. Money and Securities for Fire, Wind, Hail, Explosion, Smoke, Lightning, Riot, Civil Commotion, Impact by Aircraft or Objects falling there from, Impact by Vehicles, Water Damage and Theft (other than by an employee of the Named Insured(s)); however fraudulent impersonation fraudulent instruction or similar events are excluded;
- l. Prize Giveaways solely as respects Named Insured(s) that participate in this optional coverage;
- m. Unscheduled Fine Arts (as more fully defined herein);
- n. Accidental Contamination including owned land, land values and water owned by the Named Insured(s);
- o. Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills, docks, piers, wharves, street lights, traffic signals, meters, road way or highway fencing (including guardrails), and all similar property 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. Unscheduled Infrastructure coverage is excluded for the peril of Earthquake Shock, 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. Landfills include underground liners, installed liners, or liners while being installed; installed geotextile mats or geotextile mats while being installed; installed collection pipes or collection pipes while being installed; any material or substance that make up the landfill; embankments; or material deposited or disposed thereon. Landfills do not include the following located at a landfill site:

1. Buildings

2. Machinery and equipment
 3. Stock and supplies
 4. Contractor's equipment
 5. Vehicles
- p. Increased Cost of Construction due to the enforcement of building codes / ordinance or law. [As per policy provisions;](#)
 - q. Transit [physical damage only;](#)
 - r. Unscheduled Animals;
 - s. Unscheduled Watercraft; up to 27 feet. Unscheduled watercraft over 27 feet if held for sale by the insured.
 - t. Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated location(s);
 - u. Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;
 - v. Per occurrence and in the annual aggregate as respects the peril of Earthquake Shock for licensed vehicles, unlicensed vehicles, contractors equipment and fine arts combined for all Named Insured(s) of 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.;
 - w. Per occurrence and in the annual aggregate as respects the peril of Flood for licensed vehicles, unlicensed vehicles, contractors equipment and fine arts combined for all Named Insured(s) of this Declaration combined that do not purchase optional 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.;
 - x. Claim Preparation Expenses;
 - y. Expediting Expenses;
 - z. Separately as respects furs, jewelry, precious metals and precious stones;
 - aa. Business Interruption for Power Generation Facilities, which is understood to be part of and not additional to the sub-limit of liability set forth in Item 2 c. above;
 - ab. Personal Property outside the U.S.A.;
 - ac. Unmanned Aircraft. As per policy provisions
 - ad. Mold/Fungus Resultant Damage. As per policy provisions
 - ae. Boiler Explosion and Machinery Breakdown (for those Named Insured(s) that participate in this optional dedicated coverage).

F. OPTIONAL COVERAGE PARTICIPATION

It is understood and agreed that certain Named Insured's participate in Optional Coverage on this Policy as set forth below.

OPTIONAL COVERAGES IDENTIFICATION:

1. Earthquake Shock
2. Licensed Vehicles – Off Premises
3. Scheduled Fine Arts
4. Flood
5. Boiler Explosion ~~and~~ Machinery Breakdown

Such participation in the optional coverage(s) by the Named Insured is indicated in the Declaration Page, and/or by endorsement to this Policy.

G. DEDUCTIBLE PROVISIONS

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.

Deductibles are shown on the Declaration Page, or by endorsement and may vary by member of a joint powers authority (JPA) or risk sharing pool (Pool), or the coverage part pertaining to the loss.

Unless a more specific deductible is applicable for a particular loss, the “Basic Deductible” shown in the Declaration Page, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable deductible.

The “JPA/Pool Basic Deductible” – when applicable will be in excess of a JPA or Pool member’s deductible amount. The Named Insured(s) deductible amount will be agreed upon between the JPA or Pool and its members. The “JPA/Pool Basic Deductible” shown in the Declaration Page, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable constituent members’ deductible and the “JPA/Pool Basic Deductible”, until the “JPA/Pool Annual Aggregate Amount” is exhausted.

The “JPA/Pool Annual Aggregate Amount” - when applicable is the accumulation of payments made by the JPA or Pool that are categorized as “JPA/Pool Basic Deductibles” above. Once the annual aggregate amount is reached, all subsequent losses in chronological order are subject to the “JPA/Pool Maintenance Deductible” indicated in the Declaration Page. As with the “JPA/Pool Basic Deductible” this maintenance deductible will be applicable in excess of the applicable JPA or Pool constituent member’s deductible.

“Vehicle Physical Damage deductible” - 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”.

H. UNIT OF INSURANCE DEFINED

In the application of the Earthquake Shock, or specified Wind deductibles, in accordance with the provisions of this Policy, each of the following shall be considered a Separate Unit of Insurance:

1. Each Separate Building or Structure;
2. The Contents of each Building or Structure;
3. Applicable Time Element Coverage of each separate Building or Structure; and
4. Property in each Yard.

The Company shall not be liable for loss to any Unit of Insurance covered hereunder unless such loss exceeds the percentages stated in this Policy of the replacement values of such Unit of Insurance at the time when such loss shall happen, and then only for its proportion of such excess.

I. PRIORITY OF PAYMENTS

In the event of loss caused by or resulting from more than one peril or coverage, the limit of liability of the primary / underlying coverage shall apply first to the peril(s) or coverage(s) not insured by the excess layers and the remainder, if any, to the peril(s) or coverage(s) insured hereunder. Upon exhaustion of the limit of liability of the primary / underlying coverage, the excess layers shall then be liable for loss uncollected from the peril(s) or coverage(s) insured hereunder, subject to the limit of liability and the other terms and conditions as specified.

SECTION II

PROPERTY DAMAGE

A. COVERAGE

Subject to the terms, conditions and exclusions hereinafter contained, this Policy insures all property of every description both real and personal (including improvements, betterments and remodeling), of the Named Insured, or property of others in the care, custody or control of the Named Insured, for which the Named Insured is liable, or under the obligation to insure.

B. EXTENSIONS OF COVERAGE

All coverage extensions are subject to the terms, conditions and exclusions of the Policy except insofar as they are explicitly providing additional coverage.

1. PERSONAL EFFECTS

This Policy is extended to cover only such personal effects and wearing apparel of any of the officials, employees, students and personal effects of the Named Insured named in this Policy for which the Named Insured may elect to assume liability while located in accordance with the coverage hereof, but loss, if any, on such property shall be adjusted with and payable to the Named Insured.

2. PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS

It is understood and agreed that as respects course of construction projects and additions, this Policy will provide automatic coverage subject to the following conditions:

- a. Project involves only real property on new or existing locations (excluding dams, roads, and bridges).
- b. Value of the project at the location does not exceed USD as per Declaration Page. Projects that exceed this amount are subject to underwriting approval, prior to binding. However, inadvertent failure to report projects within USD as per Declaration Page shall not void coverage of said Project.

Additional Expenses - Soft Costs: This extension applies to new buildings or structures in the course of construction up to the time that the new building(s) or structure(s) is initially occupied or put to its intended use whichever occurs first.

The Company will cover the additional expenses (soft costs) of the Named Insured as defined below for up to 25% of the estimated completed value of the project which results from a delay in the completion of the project beyond the date it would have been completed had no loss or damage occurred. The delay must be due to direct physical loss or damage to property insured and be caused by or result from a peril not excluded by this Policy. The Company will pay covered expenses when they are incurred.

- a. Additional Interest Coverage – The Company will pay the additional interest on money the Named Insured borrows to finance construction or repair.
- b. Rent or Rental Value Coverage – The Company will pay the actual loss of net rental income that results from delay beyond the projected completion date. But the Company

will not pay more than the reduction in rental income less charges and expenses that do not necessarily continue.

- c. Additional Real Estate Taxes or Other Assessments – The Company will pay the additional real estate taxes or other assessments the Named Insured incurs for the period of time that construction is extended beyond the completion date.
- d. Additional Advertising and Promotional Expenses – The Company will pay the additional advertising and promotional expense that becomes necessary as a result of a delay in the completion of the project.
- e. Additional Commissions Expense – The Company will pay the additional expenses, which result from the renegotiating of leases following an interruption in the project.
- f. Additional Architectural and Engineering Fees – The Company will pay the additional architectural and engineering fees that become necessary as a result of a delay in the completion of the project.
- g. Additional License and Permit Fees – The Company will pay the additional license and permit fees that become necessary as a delay in the completion of the project.
- h. Legal and Accounting Fees – The Company will pay the additional legal and accounting fees the Named Insured incurs as a result of a delay in the completion of the project.

3. FIRE FIGHTING EXPENSES

It is understood and agreed that the Company shall be liable for the actual charges of fire fighting expenses including but not limited to those charged by municipal or private fire departments responding to and fighting fire in / on, and/or protecting property included in coverage provided by this Policy.

4. OFF PREMISES SERVICES INTERRUPTION

It is understood and agreed that coverage under this Policy is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period of any suppliers furnishing

(1.) Incoming electricity, fuel, gas, water, steam, or refrigeration;

(2.) Data, voice or video service; ~~telephone or similar services, refrigeration~~ or

(3.) Outgoing sewerage ~~to a Named Insured's premises.~~

to an Insured Location. The coverage provided by this clause is sub-limited to USD as per Declaration Page

5. ARCHITECTS AND ENGINEERS FEES ~~AND LOSS ADJUSTMENT EXPENSES~~

This Policy also insures as a direct result of physical loss or damage insured hereunder, ~~any of the following;~~ any architects and engineers' fees.

a. ~~Architects and engineers fees~~

~~b. Loss adjustment expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded.~~

6. CLAIM PREPARATION EXPENSES

~~This Policy also insures as a direct result of physical loss or damage insured hereunder any claim preparation expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded.~~

76. EXPEDITING EXPENSES

In the event of physical loss or damage insured hereunder, it is understood and agreed that coverage under this Policy includes the reasonable extra cost of temporary repair and of expediting the repair of such damaged property of the Named Insured, including overtime and the extra costs of express or other rapid means of transportation. This coverage provided by this clause is sub-limited to USD as per the Declaration Page.

87. DEBRIS REMOVAL

This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the ~~premises of the Named Insured~~ Location that may be destroyed or damaged by a covered peril(s). This debris removal coverage does not apply to the cost to extract pollutants from land or water, or to remove, restore or replace polluted land or water.

8. BUILDING LAWS

~~This Policy is extended to include physical damage, business interruption loss, loss of interest and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period and occasioned by the enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).~~

~~The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.~~

~~The Company shall not be liable under this clause for more than the limit of liability as shown elsewhere in this Policy.~~

9. DEMOLITION COST

In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the cost of, and the additional period of time required for, demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this Policy and resulting from enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.

10. INCREASED COST OF CONSTRUCTION

In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of, and the additional period of time required for, repair or replacement caused by the enforcement of any ordinance or law (including written guidelines used by the

department of corrections in any state) regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited however, to the minimum requirements of such ordinance or law.

Insurance under this section does not apply to:

- a. Costs associated with the enforcement of any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or
- b. Loss due to any ordinance or law that:
 - i. The Named Insured was required to comply with before the loss even if the building was undamaged; and
 - ii. The Named Insured failed to comply with.

The coverage provided by this clause is sub-limited to USD as per Declaration Page.

11. **ERRORS AND OMISSIONS**

No unintentional errors or unintentional omissions in description, location of property or valuation of property will prejudice the Named Insured's right of recovery but will be reported to the Company as soon as practicable when discovered. The coverage provided by this clause is sub-limited to USD as per Declaration Page. This extension does not increase any more specific limit stated elsewhere in this Policy or Declaration.

12. **ANIMALS**

This Policy is extended to cover retraining expenses associated with the loss of specially trained animals. Retraining expenses are included within the sub-limit provided, unless otherwise scheduled.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals, or other institutions of learning the following shall apply:

This Policy is extended to cover physical loss or damage to animals used for research subject to applicable exclusions under Section IV (General Conditions) B. Exclusions.

13. **VALUABLE PAPERS**

This Policy is extended to cover Valuable Papers or the cost to reconstruct valuable papers (including but not limited to research, redrawing or duplicating) physically lost or damaged by a peril insured against during the term of this Policy.

14. **TRANSIT**

This Policy is extended to cover Personal Property of the Named Insured or property held by the Named Insured in trust or on commission or on consignment for which the Named Insured may be held legally liable while in due course of transit, worldwide, against all risks of Direct Physical Loss or Damage not excluded by this Policy to the property insured occurring during the period of this Policy.

Permission is hereby granted to the Named Insured without prejudice to this insurance to accept the ordinary Bill-of-Lading used by carriers, including released and/or under-valued Bill-of-Lading and/or Shipping or Messenger receipts; and the Named Insured may waive subrogation

against railroads under side track agreements; and except as otherwise provided, the Named Insured shall not enter into any special agreement with carriers releasing them from their common law or statutory liability.

This Policy also covers damage and loss of use:

- a. Occasioned by the acceptance by the Named Insured, Insured's agent, customer or consignee(s) or others of fraudulent Bill-of-Lading, Shipping or Messenger receipts;
- b. Obtained by fraud or deceit, perpetrated by any person(s) who may represent themselves to be the proper party or parties to receive the property for shipment or to accept it for delivery.

The coverage provided by this clause is sub-limited to USD as per Declaration Page.

15. VEHICLES WHILE ON INSURED PREMISES

This Policy is extended to cover vehicles while ~~on at an premises of the Named~~ Insured Location against physical loss or damage by a peril insured against during the term of this Policy.

16. ASBESTOS CLEAN UP AND REMOVAL

This Policy specifically excludes asbestos materials clean up or removal, unless asbestos is itself damaged by a peril covered by this Policy, then asbestos cleanup or removal within the damaged area, and applicable time element coverages, will be covered by this Policy.

In no event will coverage be extended to cover undamaged asbestos, including undamaged asbestos in any portion of the building mandated by any governmental direction or request declaring that asbestos material present in any undamaged portion of the Named Insured's property must be removed or modified, or;

any loss or expense including investigation or defense costs, caused by, resulting from, or arising out of asbestos, exposure to asbestos, or any product containing asbestos, or;

any loss or expense normally provided by demolition, increased cost or building ordinance.

The Named Insured must report to Underwriters the existence of the damage as soon as practicable after the loss. However, this Policy does not insure any such damage first reported to the Underwriters more than thirty six (36) months after the expiration, or termination, of this Policy.

17. PROTECTION AND PRESERVATION OF PROPERTY

In the event of loss likely to be covered by this Policy, the Named Insured shall endeavor to protect covered property from further damage and shall separate the damaged and undamaged personal property and store in the best possible order, and shall furnish a complete inventory of the destroyed, damaged and undamaged property to the Insurer.

In case of actual or imminent physical loss or damage of the type insured against by this Policy, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy.

Due to the unique nature of Educational Facilities, Health Care Facilities and Jails where it is

deemed necessary to evacuate designated persons from the premises in order to reduce the physical loss potential from an actual or imminent loss or damage by a peril not excluded herein, the Company will pay reasonable and necessary evacuation expenses incurred by the Named Insured. The following additional definitions apply to this Additional Time Element Coverage:

- a. Designated persons means:
 - (1) Patients, residents and lawful occupants at an ~~Insured Location-covered location~~, and/or
 - (2) Those employees who are essential to implement the mandatory evacuation order at an ~~covered-Insured Location~~.
- b. Evacuation expenses means expenses incurred during the evacuation period to:
 - (1) Transport designated persons to another location;
 - (2) House and maintain designated persons at another location;
 - (3) Return designated persons to the ~~covered-Insured Location~~ or, if the ~~covered-Insured Location~~ is not habitable, to a suitable alternative location.

18. LEASEHOLD INTEREST

In the event of physical loss or damage of the type insured against by this Policy to real property of the type insured this Policy, which is leased by the Named Insured, this Policy is extended to cover:

- ~~a.(1)~~ If as a result of such loss or damage the property becomes wholly un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the actual rent payable for the unexpired term of the lease; or
- ~~b.(2)~~ If as a result of such loss or damage the property becomes partially un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the proportion of the rent applicable thereto; or
- ~~c.(3)~~ If as a result of such loss or damage the lease is cancelled by the lessor pursuant to the lease agreement or by operation of law, the Company shall indemnify the Named Insured for its Lease Interest for the first three months following such loss or damage and for its Net Lease Interest for the remaining unexpired term of the lease;

provided, however, that the Company shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Named Insured exercising an option to cancel the lease; or from any act or omission of the Named Insured which constitutes a default under the lease; and provided further that the Named Insured shall use any suitable property or service owned or controlled by the Named Insured or obtainable from another source to reduce the loss hereunder.

The following definitions shall apply to this coverage:

- (1) Lease Interest means the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Named Insured's lease.
- (2) Net Lease Interest means that sum which placed at 8% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

This Policy is automatically extended to insure additional property and/or interests as described in this Policy, which may be acquired or otherwise become at the risk of the Named Insured, during the

policy period, within the United States of America, subject to the values of such additional property and/or interests not exceeding

a. USD25,000,000 for Named Insureds with total insurable values greater than or equal to USD500,000,000 at time of binding;

b. USD10,000,000 for Named Insureds with total insurable values less than USD500,00,000 at time of binding; or

c. Named Insured's Policy Limit of Liability if less than USD25,000,000

any one acquisition excluding licensed vehicles, for which a limit of USD10,000,000 applies or Named Insured's Policy Limit of Liability if less than USD10,000,000. Additionally, automatic coverage is granted for up to 60 days, subject to a sub-limit of USD2,500,000 for additional property and/or interests in Tier 1 wind counties, parishes and independent cities 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.

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. In the event that coverage for Flood for any location situated in Flood Zones A or V is required, it is to be agreed by the Company prior to attachment hereunder.

This coverage extension does not apply to the peril of Earthquake Shock in the States of California, or Alaska except as follows:

- (1) At Policy inception, for those Named Insureds that purchase the earthquake shock peril, per the sub-limit that appears on the Declaration Page, automatic coverage applies for the peril of earthquake shock for a period of 30 days from date of contractual requirement by any bond, certificate of participation or any similar investment, for any new locations where there is such a contractual requirement to provide earthquake shock coverage. Otherwise there is no Automatic Coverage for Earthquake Shock for any other new locations in California and Alaska.

In the event of coverage being required for additional property and/or interest where the value exceeds

a. USD25,000,000 for Named Insureds with total insurable values greater than or equal to USD500,000,000 at time of binding;

b. USD10,000,000 for Named Insureds with total insurable values less than USD500,00,000 at time of binding; or

c. Named Insured(s) Policy Limit of Liability if less than USD25,000,000

any one acquisition details of said property and/or interest are to be provided to the Company for its agreement not later than one hundred and twenty (120) days from the date of the said additional property and/or interest have become at the risk of the Named Insured, this Policy providing coverage automatically for such period of time up to a maximum limit of USD100,000,000 or Named Insured(s) Policy Limit of Liability if less than USD100,000,000.

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 for Named Insureds with total insurable

values greater than or equal to USD500,000,000 at time of binding or USD10,000,000 for Named Insureds with total insurable values less than USD500,00,000 at time of binding.

In the event that the Named Insured fails to comply with the above reporting provision, then coverage hereunder is sub-limited to USD25,000,000 for Named Insureds with total insurable values greater than or equal to USD500,000,000 at time of binding or USD10,000,000 for Named Insureds with total insurable values less than USD500,00,000 at time of binding or Named Insured's Policy Limit of Liability if less than USD25,000,000 any one occurrence.

Additional, or return premium due for endorsements issued during the policy period, such as those for additions or deletions of values within or greater than as that which is provided in any "Automatic Acquisition sub-limit" (including those for existing Named Insureds, new Named Insureds to the PEPPI program, or new members to existing JPA Named Insureds) will be processed on a quarterly basis. Issuance of the endorsements and calculation of pro-rata or return premium, for these changes will be processed as of, and at the time of the transaction.

This Policy covers real or personal property of the type insured under this Policy that is rented, leased, or purchased by the Insured after the inception date of this Policy, subject to the sub-limits shown on the Declaration page. Coverage under this additional coverage ceases at the earlier of the following dates:

A. One hundred twenty (120) days from the date of acquisition or lease of such property or such other number of days shown in Section I for Automatic Acquisition, if applicable, or

B. When the automatic acquisition location is bound by Alliant Insurance Services, Inc.; or

C. Alliant Insurance Services, Inc. notifies the Insured that it will not bind the automatically acquired location.

There is no coverage for any property that is partially or wholly insured under any other insurance.

There is no coverage under this paragraph for loss or damage, which is covered under the Error and Omissions or Miscellaneous Unnamed Locations provisions of this Policy.

20. MISCELLANEOUS UNNAMED LOCATIONS

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 scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. Subject to the Miscellaneous Unnamed Locations sub-limit shown on the Declaration Page, this policy is extended to insure property of type not excluded located at Miscellaneous Unnamed Locations. Miscellaneous Unnamed Locations means property that has not been included in the Schedule of Values on file with Alliant Insurance Services, Inc. as may be required in the Policy provisions elsewhere.

There is no coverage under this paragraph for loss or damage which is covered under the Errors and Omissions or Automatic Acquisition provisions of this Policy.

This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska or Flood coverage for any property situated in Flood Zones A or V.

21. ACCIDENTAL CONTAMINATION

This Policy is hereby extended to cover the reasonable and necessary cost for the cleanup, removal and disposal of the actual not suspected presence of Pollutants or Contaminant(s) from any source to Covered Property so as to restore the Covered Property to the same condition as existed prior to loss. The coverage provided is sub-limited to USD as per Declaration page.

If such contamination or dispersal is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon this extension shall provide coverage up to full limit of liability provided by this Policy.

For the purposes of this Accidental Contamination clause only, the term "Covered Property", as covered by this Policy, is held to include Land (and Land Values) on which Covered Property is located whether or not the same are excluded by this Policy.

Pollutants or Contaminants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances listed in applicable environmental state, federal or foreign law or regulation, or as designated by the U.S. Environmental Protection Agency or similar applicable state or foreign governmental authority. Waste includes materials to be recycled, reconditioned or reclaimed. Pollutants or Contaminants does not include Fungus, Mold or Spore.

It is further understood and agreed that this coverage clause shall not override anything contained in Asbestos Clean Up and Removal in this Policy.

In accordance with Section IV, Item T., Other Insurance, coverage provided under this paragraph shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.

C. PROPERTY NOT COVERED

Except as for that which may be provided as an Extension of Coverage, this Policy does not cover:

1. Aircraft, Watercraft over 27 feet in length (other than watercraft held for sale by the insured), and rolling stock, except scheduled watercraft, and rolling stock, light rail vehicles, subway trains and related track maintenance vehicles for light rail and subway lines.
2. Standing timber, growing crops, water, except water which is normally contained within any type of tank, piping system or other process equipment.
3. Land (including land ~~on which covered property is located~~ underneath or adjacent to a covered building or structure, and including costs to replace, repair, or stabilize any land, unless when necessary to protect a covered building or structure), and land values (except athletic fields, landscaping, artificial turf, sand traps, tees and greens). However, this policy does insure fill beneath any buildings or structures.
4. Property in due course of ocean marine transit.
5. Shipment by mail after delivery into the custody of the United States Post Office.

6. Power transmission lines and feeder lines more than 1,000 feet from ~~the premises of the Named~~ Insured Location unless scheduled and specifically approved by the Company.
7. Underground pipes more than 1,000 feet from ~~the premises of the Named~~ Insured Location unless scheduled and specifically approved by the Company.
8. Offshore property, oilrigs, underground mines, caverns, or underground storage facilities and their contents. Railroad track is excluded unless values have been reported by the Named Insured.
9. Trees, plants, and shrubs unless their position and planting was undertaken by human agency, such as landscaping.

D. LOSS PAYMENT BASIS / VALUATION

In case of loss to property of an Named Insured covered hereunder, the basis of adjustment shall be as of the time and place of loss as follows:

1. On all real and personal property, including property of others in the care or control of the Named Insured at the Rreplacement Ccost (as defined below) at the time of the loss. ~~without deduction for depreciation~~—If property is not replaced within a reasonable period of time, then the actual cash value shall apply.
2. On improvements and betterments at the Rreplacement Ccost at time of loss. without deduction for depreciation. If property is not repaired or replaced within a reasonable period of time, then the actual cash value shall apply. If replaced or repaired by others for the use of the Named Insured, there shall be no liability hereunder. The Company agrees to accept and consider the Named Insured as sole and unconditional owner of all improvements and betterments, any contract or lease the Named Insured may have made to the contrary notwithstanding.
3. On manuscripts, mechanical drawings, patterns, electronic data processing media, books of accounting and other valuable papers, the full Rreplacement Ccost of the property at the time of loss (including expenses incurred to recreate the information lost, damaged or destroyed, except as may be limited by any separate policy provision) or what it would then cost to repair, replace or reconstruct the property with other of like kind and quality. If not repaired, replaced or reconstructed within a reasonable period of time, then not to exceed the cost of blank or unexposed material.
4. On antique, restored or historical buildings, the cost of acquisition, relocation to the site and renovation or reconstruction without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair. In the event of a partial loss, Rreplacement Ccost for antique, restored or historical buildings shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is less) the property on the same site using materials of like kind and quality necessary to preserve or maintain a buildings' historical significance without deduction for depreciation or allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair.
5. On property of others for which the Named Insured is liable under contract or lease agreement the Company's liability in the event of loss is limited to the Named Insured's obligation as defined in said contract or lease agreement but not to exceed the Rreplacement Ccost.

6. On library contents, at Replacement Cost, or as follows, whichever is greater:

Category	Value (per item)	
Juvenile Materials	USD	50.52
Pamphlets	USD	6.50
Magazines	USD	13.10
Fiction	USD	24.43
Non-Fiction	USD	87.97
Dictionary	USD	128.03
Encyclopedia	USD	306.41
Thesaurus	USD	46.83
Reference (other)	USD	122.96
Abstracts	USD	301.10
Textbook	USD	111.38
Art Books	USD	66.34
Film	USD	295.41
Book/Diskette	USD	111.52
Vinyl Records	USD	88.63
DVD/VHS	USD	59.08
Audio Cassette	USD	32.49
Compact Discs	USD	25.93
CD ROM	USD	41.97
Books/Audio	USD	79.46
Medical Atlas	USD	189.85
Technical Law	USD	161.11
Nanotechnology	USD	186.04
Biotechnology	USD	176.03

The above valuation is predicated on the values provided by the Library of Congress Dewey Decimal system and adjusted for inflation.

The figures above do not include the “shelving cost” of each book. Therefore, the formula for adjusting a library contents loss is:

“Number of items in a category that are replaced multiplied by the valuation figure plus associated shelving costs”.

The actual cost per item in the final adjustment is to be computed as of the time and place of loss or damage.

7. On Vehicles, on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Vehicle and/or Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation based on Replacement Cost (New), then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be Actual Cash Value.

8. Animals: The stated value as per schedule on file with the Named Insured.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:

The stated value as per schedule on file with the Named Insured except Research Animals shall be valued at the cost to replace with like kind and quality; including the increased value as a result of prior research or experiments performed on the animal(s), accumulated cost of care and maintenance, and the value of labor expended by research assistants and/or laboratory technicians.

9. Landscaping, artificial turf, sand traps, tees, putting greens and athletic fields; the actual Rreplacement Cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD25,000 per item.

~~For the purpose of determining coverage under this Policy landscaping, trees, plants and shrubs are only insured if their position and planting was undertaken by human agency for cosmetic effect.~~

The aforementioned valuations shall also be used for the purpose of any minimum earned premium and/or quarterly adjustments incurred.

Wherever the term "actual cash value" is used as respects real property or improvements and betterment's in this clause, or elsewhere herein, it shall mean Rreplacement Cost less depreciation.

"Replacement Cost" shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation or allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, subject to the following:

- a. Until the property is actually repaired, replaced or reconstructed, the maximum amount recoverable shall be the actual cash value of the lost or damaged property;
- b. Replacement shall be effected by the Named Insured with due diligence and dispatch;
- c. Replacement need not be on same site, or of same or similar construction or occupancy provided that the Company shall not be liable for any additional costs that are directly attributable to the inclusion of this provision.
- d. For historical buildings as more specifically defined in this Section.
- e. In no event shall the Company's liability exceed the amount actually and necessarily expended in repairing or replacing (whichever is less) Covered Property or any part thereof.

It is understood and agreed that as respects Rreplacement Cost, the Named Insured shall have the option of replacement with electrical and mechanical equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the Company's liability. The Company shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Named Insured.

In the event the Named Insured should fail to comply with any of the foregoing provisions settlement shall be made as if this Replacement Cost provision had not been in effect.

SECTION III

BUSINESS INTERRUPTION, EXTRA EXPENSE, RENTAL INCOME, TAX REVENUE INTERRUPTION AND TUITION INCOME

Subject to the terms, conditions and exclusions stated elsewhere herein, this Policy provides coverage for:

A. COVERAGE

1. BUSINESS INTERRUPTION

Against loss resulting directly from interruption of business, services or rental value caused by direct physical loss or damage, as covered by this Policy to real and/or personal property insured by this Policy, occurring during the term of this Policy.

In the event of such loss or damage the Company shall be liable for the actual loss sustained by the Named Insured for gross earnings as defined herein and rental value as defined herein resulting from such interruption of business, services, or rental value; less all charges and expenses which do not necessarily continue during the period of restoration. Due consideration shall be given to the continuation of normal charges and expenses including payroll expenses to the extent necessary to resume operations of the Named Insured with the same quality of service which existed immediately preceding the loss.

With respect to business interruption for power generation facilities, the coverage provided hereunder is sub-limited to USD as per Declaration Page.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:

In determining the amount of tuition income and related fees covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to:

- a. Tuition income and related fees which are prevented from being earned or received.
- b. Other income derived from:
 - i. routine and special services;
 - ii. other operating and non-operating revenues, including but not limited to:
 - (1) research grants
 - (2) income under research contracts all dependent on continued operations.
- c. Donations and fund raising proceeds:
 - i. If a regularly scheduled fund raising drive for the sole benefit of the Named Insured occurs during the period of interruption of operations, the revenue produced by such drive shall be considered as follows in determining the amount of loss:
 - (1) If the drive fails to produce an amount at least equal to the same drive in the most recent prior solicitation, the shortage, to the extent that it can be attributed to the interruption of the Named Insured's operations, shall be considered as loss of income;

- (2) If the drive produces an amount equal to the same drive in the most recent prior solicitation, there shall be considered no loss of income from this source of revenue;
- (3) If the drive produces an amount larger than the same drive in the most recent prior solicitation, the excess shall be applied to reduce the loss from other sources of revenue;
- (4) If the drive is cancelled or postponed, such loss of revenue shall not be considered as loss of income.

ii. The following shall be disregarded in determining the amount of loss:

- (1) Donations and contributions which are a direct result of the interruption of the Named Insured's operations and are received by the Named Insured during the period of interruption.
- (2) Proceeds for fund raising drives or solicitations which are for the sole benefit of the Named Insured and occur as a result of interruption of the Named Insured's operations.

2. EXTRA EXPENSE

This Policy is extended to cover the necessary and reasonable extra expenses occurring during the term of this Policy at any location as hereinafter defined, incurred by the Named Insured in order to continue as nearly as practicable the normal operation of the Named Insured's business following damage to or destruction of covered property by a covered peril which is on premises owned, leased or occupied by the Named Insured. In the event of such damage or destruction, the Company shall be liable for such necessary extra expense incurred for only such length of time as ~~would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been damaged or destroyed commencing with the date of damage or destruction and not limited by the date of expiration of this Policy (hereinafter referred to as the~~ period of Restoration).

With respect to Power Generating Facilities, Extra Expense shall also include any extra expense incurred resulting from the purchase of electrical power from any other power source, the coverage provided hereunder is sub-limited to USD as per Declaration Page.

However, this Policy shall not cover loss of Bonus Capacity Payments, performance Guarantee penalties or any other indirect or remote loss of whatever nature.

B. EXTENSIONS OF COVERAGE

1. INGRESS / EGRESS

This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.

2. INTERRUPTION BY CIVIL AUTHORITY

This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.

3. DEMOLITION AND INCREASED TIME TO REBUILD

The Company shall, in the case of loss covered under this Policy, be liable also for loss to the interest covered by the Policy, occasioned by the enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.

THE COMPANY SHALL NOT BE LIABLE UNDER THIS CLAUSE FOR:

- a. More than the limit of liability as shown elsewhere in this Policy.
- b. Any greater proportion of any loss to the interest covered by this Policy than the amount covered under this Policy on said interest bears to the total insurance and coverage on said interest, whether all such insurance contains this clause or not.

4. CONTINGENT TIME ELEMENT COVERAGE

Business interruption, rental income, tuition income and extra expense coverage provided by this Policy is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this Policy at direct supplier or direct customer locations that prevents a supplier of goods and/or services to the Named Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Named Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sub-limited to USD as per Declaration Page.

[This coverage applies to the Insured's direct suppliers or direct customers located in the Coverage Territory.](#)

[Notwithstanding the foregoing, this Additional Coverage does not apply to:](#)

- a. [Any supplier of electricity, gas, fuel, steam, water, refrigeration, sewerage service, Cloud Computing Service or data, voice or video service; or](#)
- b. [The Insured's customers, if the Insured is a supplier of electricity, gas, fuel, steam, water, refrigeration, sewerage service, Cloud Computing Service or data, voice or video service.](#)

5. TAX REVENUE INTERRUPTION

Except as hereinafter or heretofore excluded, this Policy insures against loss resulting directly from necessary interruption of sales, property or other tax revenue including, but not limited to Tribal Incremental Municipal Services Payments collected by or due the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period which is not operated by the Named Insured and which wholly or partially prevents the generation of revenue for the account of the Named Insured.

The Company shall be liable for the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property commencing with the date of damage to the contributing property, but not limited by the expiration date of this Policy.

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:

1. The sub-limit USD3,000,000 insured on the Policy;

2. The actual loss sustained;
3. The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after the loss.

If the Named Insured has not reported Tax Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:

1. The actual loss sustained;
2. USD1,000,000 per occurrence

DEDUCTIBLE: Each loss or series of losses arising out of one event at each location shall be adjusted separately and from the aggregate amount of all such losses 2.50% of the annual revenue value shall be deducted.

6. EXTENDED PERIOD OF INDEMNITY

Business interruption including rental income, tax interruption, tuition income and extra expense coverage provided by this Policy is extended for the additional length of time required to restore the business of the Named Insured to the condition that would have existed had no loss occurred commencing on either;

- a. the date on which the Company's liability would otherwise terminate or;
- b. the date on which rebuilding, repairing or replacement of such property as has been lost, damaged or destroyed is actually completed, whichever is later.

The Company's liability under this extension shall terminate no later than the number of days indicated in the Declaration Page for this item:

7. EXPENSES TO REDUCE LOSS

This Policy also covers such expenses as are necessarily incurred for the purpose of reducing loss under this section (except incurred to extinguish a fire); but in no event to exceed the amount by which loss is thereby reduced.

C. EXCLUSIONS

1. The Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless such suspension, lapse, or cancellation results directly from the interruption of business caused by direct physical loss or damage covered by this Policy and, then the Company shall only be liable for such loss as affects the Named Insured's earnings during and limited to, the period of indemnity covered under this Policy.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against, the length of time for which the Company shall be liable hereunder shall not exceed:
 - a. thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,

- b. the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding eighteen (18) calendar months, whichever is the greater length of time.

D. CONDITIONS APPLICABLE TO THIS SECTION

If the Named Insured could reduce the loss resulting from the interruption of business:

1. by complete or partial resumption of operation of the property whether or not such property be lost or damaged, or;
2. by making use of merchandise or other property at the ~~Named Insured's~~ Location or elsewhere;

such reduction shall be taken into account in arriving at the amount of the loss hereunder.

E. DEFINITIONS

1. GROSS EARNINGS

“Gross Earnings” is defined as the sum of:

- a. total net sales and;
- b. other earnings derived from the operation of the business
less the cost of;
- c. merchandise sold including packaging materials and;
- d. materials and supplies consumed directly in supplying the service(s) sold by the Named Insured, and;
- e. service(s) purchased from outside (not employees of the Named Insured) for resale that does not continue under contract.

No other cost shall be deducted in determining gross earnings.

In determining gross earnings, due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter, had no loss occurred.

In the event that Real and/or Personal Property that does not normally produce an income, sustains damage covered under this Policy, the actual recovery under this Policy shall be the continuing fixed charges and expenses directly attributable to such non-productive property.

2. MERCHANDISE

Shall be understood to mean, goods kept for sale by the Named Insured, which are not the products of manufacturing operations conducted by the Named Insured.

3. EXTRA EXPENSE

The term “extra expense”, whenever used in this Policy, is defined as the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the Named Insured’s business over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Any salvage

value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

4. RENTAL VALUE

The term “rental value” is defined as the sum of:

- a. the total anticipated gross rental income from tenant occupancy as furnished and equipped by the Named Insured, and;
- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Named Insured, and;
- c. the fair rental value of any portion of said property which is occupied by the Named Insured, and;
- d. any amount in excess of a., b. and c. (above) which is an obligation due under the terms and conditions of any revenue bond, certificate of participation or other financial instrument.

In determining rental value, due consideration shall be given to the experience before the date of loss or damage and the probable experience thereafter had no loss occurred.

5. PERIOD OF RESTORATION

The period during which business interruption, extra expense, and or rental interruption applies will begin on the date direct physical loss occurs and interrupts normal business operations and ends on the date that the damaged property ~~should~~would have been repaired, rebuilt or replaced with due diligence and dispatch, but not limited by the expiration of this Policy.

6. CLOUD COMPUTING SERVICE

The term Cloud Computing Service means a service (i) in the business of storing, managing and processing electronic data for which the Insured has a written contract and (ii) that provides access to and use of: software and/or a network of remote servers hosted away from an Insured Location to store, manage or process such data.

SECTION IV
GENERAL CONDITIONS

A. PERILS COVERED

Subject to the terms, conditions and exclusions stated elsewhere herein, this Policy provides insurance against all risk of direct physical loss or damage occurring during the period of this Policy.

B. EXCLUSIONS

This Policy does not insure against any of the following:

1. Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.
2. Physical loss or damage by settling, cracking, shrinkage, bulging, or expansion of pavements, foundations, walls, floors, roofs or ceilings; all unless physical damage not otherwise excluded by this Policy ensues, in which event, this Policy will cover only such ensuing damage.
3. Delay or loss of markets (this exclusion shall be inapplicable to the extent inconsistent with any time element coverage provided elsewhere herein).
4. Breakdown or derangement of machinery and/or steam boiler explosion, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss.
5. Loss or damage caused by or resulting from misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act on the part of the Named Insured, it's employees or agents or others to whom the property may be entrusted (bailees and carriers for hire excepted) or other party of interest.
6. Loss or damage caused by or resulting from electrical injury or disturbance from artificial causes to electrical appliances, devices of any kind or wiring, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss. This exclusion does not apply to data processing equipment or media.
7. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot, or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft, attempted theft, flood or earthquake shock (Earthquake Shock, and Flood, in the states of Alaska, or California shall only apply to locations that are scheduled for Earthquake Shock and Flood).
8. Loss or damage caused by rain, sleet or snow to personal property in the open (except in the custody of carriers or bailees for hire).
9. Loss caused directly or indirectly, by:

- a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack
 - i. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or
 - ii. by military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
 - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
10. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
- a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
 - b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on ~~the an Named~~ Insured ~~Location~~premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on ~~the Named an~~ Insured ~~Location~~premises.
11. As respects course of construction, the following exclusions shall apply:
- a. The cost of making good: faulty or defective workmanship, materials, construction and/or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, materials, construction and/or design.
 - b. The cost of non-compliance of, or delay in completion of contract.
 - c. The cost of non-compliance with contract conditions.
 - d. Contractors' equipment or tools not a part of or destined to become a part of the installation.
12. Loss or damage caused by Earthquake Shock unless a limit is shown on the Declarations for Earthquake Shock this exclusion will apply.
13. Loss or damage caused by Flood unless a limit is shown on the Declarations for Flood this exclusion will apply.
14. Loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a. the recognition, interpretation, calculation, comparison, differentiation, sequencing or processing of data involving one or more dates or times, by any computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Named Insured or not; or
- b. any change, alteration, correction or modification involving one or more dates or times, to any such computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Named Insured or not.

Except as provided in the next paragraph, this Electronic Date Recognition Clause shall apply regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

If direct physical loss or damage not otherwise excluded by this Policy results, then subject to all its terms and conditions, this Policy shall be liable only for such resulting loss or damage. Such resulting loss or damage shall not include physical loss or damage to data resulting directly from a) or b) above, nor the cost, claim or expense, whether preventative, remedial, or otherwise, arising out of or relating to any change, alteration, correction or modification relating to the ability of any damaged computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment to recognize, interpret, calculate, compare, differentiate sequence or process any data involving one or more dates or times.

15. Loss or damage in the form of, caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;
 - a. fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
 - b. mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
 - c. spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the Insured establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus, mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy. Notwithstanding Section IV, Item T., Other Insurance, coverage provided under this paragraph shall apply as primary. In accordance with Section IV, Item T., Other Insurance, coverage provided under this paragraph shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether

collectible or not. Nothing herein contained shall be held to waive, vary, alter or extend any condition or provision of the Policy other than as above stated.

16. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.
17. The following additional exclusions apply to animals covered under this Policy:
 - a. Death of any animal(s) from natural causes.
 - b. Death of any animal(s) that dies from an unknown cause unless:
 - i. upon the death of such animal a post-mortem examination conducted on the animal by a licensed veterinarian, and if
 - ii. the veterinarian's post-mortem report shows the cause of death to clearly fall within the coverages of this Policy.
 - c. Death of any animal(s) as a result of surgical operation, including inoculation, unless the necessity for same arises from a loss otherwise covered by this Policy.
 - d. The death or destruction of any animal(s) caused by, resulting from, or made necessary by physical injury caused by or resulting from the activities of the injured animal or other animals unless such death or destruction is the result of a loss otherwise covered by this Policy.
 - e. The death of any animal(s) caused directly or indirectly by the neglect or abuse of the Named Insured, his agent, employees or bailees (carriers for hire excepted) unless such death is a result of a loss otherwise covered by this Policy.
 - f. The loss by death of any animal(s) as a result of parturition or abortion.
 - g. Loss resulting from depreciation in value caused by any animal(s) covered hereunder becoming unfit for or incapable of filling the function or duties for which it is kept, employed or intended unless such depreciation is a result of a loss otherwise covered by this Policy.
 - h. Loss by destruction of any animal(s) on the order of the federal or any state government, or otherwise as a result of having contracted or been exposed to any contagious or communicable disease.
 - i. The removal or disposal of the remains of any animal(s) or the expense thereof unless such removal or disposal is the result of a loss otherwise covered by this Policy.
 - j. The loss of any animal(s) that has been unnerved (the term "unnerved" to be considered as meaning the operation of neurotomy for lameness).
 - k. Any claim consequent upon delay, deterioration, or loss of use or loss of market arising from an event covered by this Policy.
18. Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever, except as provided in Section II Property Damage, B. Extension of Coverage, 21. Accidental Contamination.

Nevertheless, if fire is not excluded from this Policy and a fire arises directly or Indirectly from seepage and/or pollution and/or contamination, any loss or damage covered under this Policy arising directly from that fire shall (subject to the terms, conditions and limitations of the Policy) be covered.

However, if the covered property is the subject of direct physical loss or damage for which the Company has paid or agreed to pay, then this Policy (subject to its terms, conditions and limitations) insures against direct physical loss or damage to the property covered hereunder caused by resulting seepage and/or pollution and/or contamination.

The Named Insured shall give notice to the Company of intent to claim NO LATER THAN TWELVE (12) MONTHS AFTER THE DATE OF THE ORIGINAL PHYSICAL LOSS OR DAMAGE.

Notwithstanding the provisions of the preceding exclusions or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of clean up in the Policy, in the event of direct physical loss or damage to the property covered hereunder, this Policy (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible) also insures, within the sum covered:

- (a) expenses reasonably incurred in removal of debris of the property hereunder destroyed or damaged from ~~the premises of the Named-an~~ Insured Location; and/or;
- (b) cost of clean up at ~~the premises of the Namedan~~ Insured Location made necessary as a result of such direct physical loss or damage;

PROVIDED that this Policy does not insure against the costs of decontamination or removal of water, soil or any other substance on or under such premises.

19. Authorities Exclusion:

Fines, penalties or cost incurred or sustained by the Named Insured or imposed on the Named Insured at the order of any Government Agency, Court or other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.

20. The following exclusion applies to Terrorism:

Any act of terrorism. An act of terrorism means an act, including but not limited to the use of the force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Policy also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the paragraph above.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Named Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. All other terms and conditions remain unaltered.

21. Lack of the following services:
- a. incoming electricity, fuel, gas, water, steam or refrigeration;
 - b. outgoing sewerage; or
 - c. incoming or outgoing ~~telephone or similar services;~~ data, voice or video service;
- all when caused by loss or damage to any property outside Insured Location(s).

However, the above do not apply to ~~Off~~ PREMISES ~~Premises~~ SERVICE ~~service~~ Interruption ~~NTERRUPTION~~.

22. For buildings that are purchased, acquired or leased with the following conditions existing at the time of acquisition:

- a. Building or any part of a building that is in danger of falling down or caving in, or
- b. Any part of a building that has separated from another part of the building.

Loss or damage arising out of the above conditions is excluded;

However, the Company does cover loss or damage arising out of Collapse. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.

C. STATUTES

If any of the articles of this Policy conflict with the laws or statutes of any jurisdictions in which this Policy applies this Policy is amended to conform to such laws or statutes.

D. TERRITORIAL LIMITS

This Policy insures Real and Personal Property within the United States of America. Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sub-limited to USD as per Declaration Page.

E. REINSTATEMENT

Any reduction in the amount insured hereunder due to payment of any loss or losses shall be automatically reinstated for the balance of the term of this contract except as respects to the perils of Earthquake Shock and Flood.

F. FREE ON BOARD (F.O.B.) SHIPMENTS

The Company shall be liable for the interest of the Named Insured at sole option of the Named Insured, the interest of the consignee in merchandise, which has been sold by the Named Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating shippers' responsibility short of point of delivery.

G. BREACH OF CONDITIONS

If any breach of a clause, condition or warranty of this Policy shall occur prior to a loss affected thereby under this Policy, such breach shall not void the Policy nor avail the Company to avoid liability unless such breach shall exist at the time of such loss under this contract or Policy, and be a contributing factor to the loss for which claim is presented hereunder, it being understood that such breach of clause or condition is applicable only to the property affected thereby. Notwithstanding the foregoing, if the Named Insured establishes that the breach, whether contributory or not, occurred without its knowledge or permission or beyond its control, such breach shall not prevent the Named Insured from recovering under this Policy.

H. PERMITS AND PRIVILEGES

Anything in the printed conditions of this Policy to the contrary notwithstanding, permission is hereby granted:

1. to maintain present hazards and hazards which are consistent with the current operation of insured facilities;
2. to make additions, alterations, extensions, improvements and repairs, to delete, demolish, construct and reconstruct, and also to include all materials, equipment and supplies incidental to the foregoing operations of the property covered hereunder, while in, on and/or about the premises or adjacent thereto;
3. for such use of the premises as usual and/or incidental to the business as conducted therein and to keep and use all articles and materials usual and/or incidental to said business in such quantities as the exigencies of the business require;
4. ~~to be or become vacant or unoccupied. If a building becomes vacant or unoccupied, notice is to be given to the Company prior to the one hundred twentieth (120th) consecutive day of vacancy or lack of occupancy. The giving, or failure to give such notice will not constitute a condition precedent to the Company's liability, but the Named Insured shall make a reasonable effort to comply with such requirement.~~If a vacant location has not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc., the coverage provided by this clause is sub-limited to the Miscellaneous Unnamed Location – Vacant and Automatic Acquisition – Vacant Sub-limit of USD as per Declaration Page.
5. The Insured has permission to cease business operations or to have any insured building remain vacant or unoccupied, provided that fire protection, security and alarm services are maintained and written notice is given to the Company prior to the one-hundred twentieth (120th) consecutive day of cessation of business operations, vacancy. The insured building is considered vacant when:
 - a. Such building does not contain adequate Insured Property to conduct customary business operations; or
 - b. Such building is no longer used by the Insured, a lessee or a sub-lessee to conduct customary business operations;
 - c. 70% or more of its total square footage is “vacant”;

provided however, this provision shall not apply to any time period when customary business operations are suspended due to circumstances that are usual to such business operations.

This Policy shall not be prejudiced by:

1. any error in stating the name, number, street, or location of any building(s) and contents covered hereunder, or any error or omission involving the name or title of the Named Insured;
2. any act or neglect of the owner of the building, if the Named Insured hereunder is not the owner, or of any occupant of the within described premises other than the Named Insured, when such act or neglect is not within the control of the Named Insured, named herein; or
3. by failure of the Named Insured to comply with any of the warranties or conditions endorsed hereon in any portion of the premises over which the Named Insured has no control.

I. PROTECTIVE SAFEGUARDS

The Named Insured shall exercise due diligence in maintaining in complete working order all protective safeguard equipment and services.

J. NO BENEFIT TO BAILEE

This Policy shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

K. NOTICE OF LOSS

In the event of loss or damage insured against under this Policy, the Named 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 after the inception of loss upon knowledge within the risk management or finance division of the insured that a loss has occurred.

L. ARBITRATION OF VALUE

If the Named Insured and the Company fail to agree as to the amount of loss, each shall on the written demand of other, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Named Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the fair market value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Named Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal.

M. PROOF OF LOSS

The Named Insured shall render a signed and sworn proof of loss as soon as practical after the occurrence of a loss, stating the time, place and cause of loss, the interest of the Named Insured and of all others in the property, the value thereof and the amount of loss or damage thereto.

N. SETTLEMENT OF LOSS

All adjusted claims shall be paid or made good to the Named Insured within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Named Insured has collected the same from others.

O. SUBROGATION

In the event of any loss payment under this Policy, the Company, shall be subrogated to all the Named Insured's rights of recovery thereof against any person or organization and the Named Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

As respects subrogation it is agreed that, after expenses incurred in subrogation are deducted, the Named Insured and the Company shall share proportionately to the extent of their respective interests as determined by the amount of their net loss. Any amount thus found to be due to either party from the other shall be paid promptly.

Notwithstanding the above wording, the Named Insured has the right to enter into an agreement that releases or waives the Named Insured's right to recovery against third parties responsible for the loss if made before the loss occurred.

P. CANCELLATION

This Policy may be cancelled by the Named Insured at any time by written notice or surrender of this Policy. This Policy may also be cancelled by or on behalf of the Company by delivering to the Named Insured or by mailing to the Named Insured, by registered, certified or other first class mail at the Named Insured's address as shown in this Policy, written notice, not less than ninety (90) days prior to the effective date of cancellation. The mailing of such notice as aforesaid shall be sufficient proof and this Policy shall terminate at the date and hour specified in such notice. Notwithstanding what has been stated above, however, should this Policy be cancelled for non-payment of assessment, the Company shall only be required to give the Named Insured ten (10) days notice.

If this insurance in total shall be cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium hereon. If the Company elects to cancel coverage mid-term, then such cancellation shall be handled on a pro-rata basis without short rate penalty.

In the event of cancellation the aggregate retention and specific limit amount shall be applied pro rata with the balance, if any, to be paid to the Named Insured.

Payment or tender of any unearned premium by the Company shall not be condition precedent to the effectiveness of cancellation but such payment shall be made forthwith.

Cancellation shall not affect coverage on any shipment in transit on date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

It is understood and agreed that if the Named Insured cancels this Policy, the Policy is subject to 25% minimum earned premium regardless of the length of time coverage is in force.

Q. ABANDONMENT

There shall be no abandonment to the Company of any property.

R. ASSIGNMENT

Assignment or transfer of this Policy shall not be valid except with the written consent of the Company.

S. SALVAGE

When, in connection with any loss hereunder, any salvage is received prior or subsequent to the payment of such loss, the loss shall be figured on the basis on which it would have been settled had the amount of salvage been known at the time the loss was originally determined. The salvage value will be deducted from the claim or returned to the Company.

T. OTHER INSURANCE

Permission is hereby granted to the Named Insured to carry more specific insurance on any property covered under this Policy. This Policy shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not. This Policy, subject to its conditions and limitations, shall attach and become insurance upon such property as respects any peril not covered by such other insurance and not otherwise excluded herein.

In the event of a loss that is covered by other insurance, wherein this Policy is excess of any amount paid by such other insurer, the other insurance shall be applied to the deductible amount stated elsewhere. Should the amount paid by such other insurance exceed these deductibles, no further deductibles shall be applied under this Policy.

U. EXCESS INSURANCE

Permission is granted for the Named Insured to maintain excess insurance over the limit of liability set forth in this Policy without prejudice to this Policy and the existence of such insurance, if any, shall not reduce any liability under this Policy. Also it is understood and agreed as respects earthquake shock or flood, that in the event of reduction or exhaustion of the aggregate limits of liability under the underlying Policy(s) by reason of loss(es) hereunder, this Policy shall:

1. in the event of reduction, pay out excess of the reduced underlying limit and;
2. in the event of exhaustion, continue in force as the underlying Policy.

V. RIGHT TO REVIEW RECORDS FOLLOWING AN INSURED LOSS

The Named Insured as often as may be reasonably required, shall submit and so far as within their power, cause all other persons interested in the property or employees to submit to examination under oath by any person named by the Company relative to any and all matters in connection with a claim, and produce for examination all books of account, bills, invoices and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or their representatives and shall permit extracts and copies thereof to be made.

W. CONCEALMENT AND FRAUD

This entire Policy shall be void, if whether before or after a loss, the Named Insured has willfully concealed or misrepresented any material facts or circumstance concerning this Policy of the subject thereof, or the interest of the Named Insured therein, or in case of any fraud or false swearing by the Named Insured relating thereto.

X. FULL WAIVER

The terms and conditions of this form and any approved endorsements supersede any policy jacket that may be attached hereto.

Y. SUIT AGAINST COMPANY

No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the Named Insured shall have complied with all the requirements of this Policy, nor unless the suit is commenced within twelve (12) months after the date that the Company has made its final offer of settlement or denial of the loss. However, that if under the laws of the jurisdiction in which the property is located such limitation is invalid, then any such claims shall be void unless such action, suit or proceedings be commenced within the shortest limit of time permitted by the laws of such jurisdiction.

Z. JOINT LOSS ADJUSTMENT – BOILER AND MACHINERY

In the event of damage to or destruction of property, at a location designated in this Policy and also designated in a boiler and machinery insurance policy, and there is a disagreement between the Company and the Named Insured with respect to:

- (i) Whether such damage or destruction was caused by a peril covered against by this Policy or by an accident covered against by such boiler and machinery insurance policy(ies) or;
- (ii) The extent of participation of this Policy and of such boiler and machinery insurance policy in a loss that is covered against, partially or wholly, by one or all of said policy(ies).

The Company shall, upon written request of the Named Insured, pay to the Named Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company would have paid if there had been no boiler and machinery insurance policy(ies) in effect, subject to the following conditions:

- (i) The amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Named Insured and the Boiler and Machinery Insurer and the Company is limited to the minimum amount remaining payable under either the boiler and machinery insurance policy(ies).
- (ii) The boiler and machinery insurer(s) shall simultaneously pay to the Named Insured, one-half of the said amount, which is in disagreement.
- (iii) The payments by the Company and acceptance of the same by the Named Insured signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments:

The arbitrators shall be three (3) in number, one of whom shall be appointed by the boiler insurer(s) and one of whom shall be appointed by the Company hereon and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the insurer(s) and the Named Insured and that judgment upon such award may be entered in any court of competent jurisdiction.

(iv) The Named Insured agrees to cooperate in connection with such arbitration but not to intervene therein.

(v) This agreement shall be null and void unless the Policy of the boiler and machinery Insurer is similarly endorsed.

In no event shall an Insurer be obligated to pay more than their total single limit.

AA. JOINT LOSS ADJUSTMENT – EXCESS PROPERTY

In the event of damage to or destruction of property at a location designated in this Policy and also designated in an excess insurance policy(ies) and if there is disagreement between the insurers with respect to:

- (1) whether such damage or destruction was caused by a single event or by multiple events or;
- (2) the extent of participation of this Policy and any excess insurance policy in a loss covered against partially or wholly, by one of said Policy or policy(ies).

The Company shall, upon written request of the Named Insured, pay to the Named Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company would have paid if there had been no excess insurance or policy(ies) in effect, subject to the following conditions:

- (1) the amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Named Insured and the Company is limited to the minimum amount remaining payable under either the primary insurance policy or excess insurance policy(ies);
- (2) the excess insurers shall simultaneously pay to the Named Insured one-half of the said amount which is in disagreement, and;
- (3) the payments by the Company hereunder and acceptance of the same by the Named Insured signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments.

The arbitrators shall be three (3) in number, one of whom shall be appointed by the excess insurer(s) and one of whom shall be appointed by the Company and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the Company and the Named Insured, and that judgment upon such award may be entered in any court of competent jurisdiction.

- (4) The Named Insured agrees to cooperate in connection with such arbitration but not to intervene therein.

AB. LENDER'S LOSS PAYABLE

The following provisions (or equivalent) apply as required by "mortgages" and "lenders" to whom certificates of coverage have been issued.

1. Loss or damage, if any, under this Policy, shall be paid to the Payee named on the first page of this Policy, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this Policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended:
 - (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;
 - (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this Policy by virtue of any mortgage or trust deed;
 - (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this Policy, including any and all riders now or hereafter attached thereto, by the Named Insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this Policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the Named Insured, excluding here from, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the Named Insured to pay any premium or additional premium which shall be or become due under the terms of this Policy or on account of any change in occupancy or increase in hazard not permitted by this Policy, the Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the Named Insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefore. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever the Company shall pay to the Lender any sum for loss or damage under this Policy and shall claim that as to the Named Insured no liability therefore exists, the Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the Named Insured, whether secured or unsecured, (with refund of all interest not accrued), and the Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.

5. If there be any other insurance upon the within described property, the Company shall be liable under this Policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the Named Insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate the Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.
6. The Company reserves the right to cancel this Policy at any time, as provided by its terms, but in such case this Policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This Policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss there under payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this Policy become vested in the Lender or its agents, insurance under this Policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the Named Insured under the terms and conditions of this Policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this Policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the Policy.

Approved: Board of Fire Underwriters of the Pacific; California Bankers' Association – Committee on Insurance

AC. SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several, not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

AD. LOSS PAYABLE PROVISIONS

A. LOSS PAYABLE

For covered property in which both insured and a Loss Payee have an insurable interest, the Company will:

1. Adjust losses with the Named Insured, and;

2. Pay any claim for loss or their damage jointly to the Named Insured and the Loss Payee, as interests may appear.

B. LENDER'S LOSS PAYABLE

1. The Loss Payee is a creditor, including a mortgage holder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements or;
 - e. Mortgages, deeds of trust or security agreements.
2. For Covered Property in which both the Named Insured and a Loss Payee have an insurable interest:
 - a. The Company will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If the Company deny the Named Insured claim because of the insured act or because the Named Insured have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at the Company's request if the Named Insured have failed to do so;
 - (2) Submits a signed, sworn proof of loss within ninety (90) days after receiving notice from the Company of the Named Insured failure to do so, and;
 - (3) Has notified the Company of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If the Company pays the Loss Payee for any loss or damage and deny payment to the Named Insured because of the Named Insured acts or because the Named Insured have failed to comply with the terms of this Coverage Part:
 - (1) The Loss Payee's rights will be transferred to the Company to the extent of the amount the Company pays and;
 - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At the Company's option, the Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Named Insured will pay the insureds' remaining debt to the Company

3. If the Company cancels this Policy, the Company will give written notice to the Loss Payee at least:

- a. Ten (10) days before the effective date of cancellation if the Company cancels for the insured non-payment of premium or;
 - b. Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
4. If the Company elects not to renew this Policy, the Company will give written notice to the Loss Payee at least ten (10) days before the expiration date of this Policy.

C. CONTRACT OF SALE

1. The Loss Payee is a person or organization the Named Insured have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both the Named Insured and the Loss Payee have an insurable interest the Company will:
 - a. Adjust losses with the Named Insured and;
 - b. Pay any claim for loss or damage jointly to the Named Insured and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "the Insured" includes the Loss Payee.

~~AE. ELECTRONIC DATA~~

~~A. ELECTRONIC DATA EXCLUSION~~

~~Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-~~

- ~~1) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.~~

~~ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes program, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.~~

~~COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.~~

- ~~2) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions,~~

~~will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.~~

~~Listed Perils:~~

~~Fire, Explosion~~

~~B. — ELECTRONIC DATA PROCESSING MEDIA VALUATION~~

~~Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-~~

~~Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed USD10,000,000 any one loss, incurred by the Named Insured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Named Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.~~

AEF. LOSS ADJUSTMENT SERVICES

McLarens Young, International, 180 Montgomery Street, Suite 2100, San Francisco, California 94104-4231 is hereby authorized to represent the Company in the investigation and adjustment of any loss or damage under this Policy at the expense of the Company and without regard to the amount of loss or damage and/or applicable deductible if any.

However, the Company reserves the right to utilize other adjusting firms at its discretion.

AFG. SERVICE OF SUIT CLAUSE (USA) APPLICABLE TO EXCESS CARRIERS

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Named Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon:

1. Lloyd's America Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, NY 10017 in respect of Insurers identified in Security Details section as "Lloyd's Stamp:" followed by 4 digits.

Mendes and Mount, 750 Seventh Avenue, New York, NY 10019-6829 are the nominee in respect of any non-Lloyd's participation on this Contract.

Note FLWAService Corp, c/o Foley and Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520 are the nominee for CA (applicable to all markets except as noted below)

2. Counsel, Legal Department, Lexington Insurance Company, 99 High Street, Boston, Massachusetts, 02110 (applicable to Lexington Insurance Company)
3. XL Catlin Insurance Company UK Limited, LIRMA C7509: Sarah Mims, XL Global Services Inc., 505 Eagleview Boulevard, Exton, PA 19341

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA1998 (amended)

AGH. DEFINITIONS

1. OCCURRENCE

Each occurrence is defined as a loss, incident or series of losses or incidents not otherwise excluded by this Policy and arising out of a single event or originating cause and includes all resultant or concomitant insured losses. When the term applies to loss or losses from earthquake shock, flood and/or windstorm, the following provisions shall apply:

a. Windstorm

Each loss by windstorm shall constitute a single claim hereunder; provided, if more than one windstorm shall occur within any period of seventy-two (72) hours during the term of this Policy, such windstorm shall be deemed to be a single windstorm within the meaning thereof. The Named Insured may elect the moment from which each of the aforesaid periods of seventy-two (72) hours shall be deemed to have commenced but no two such seventy-two (72) hour periods shall overlap. The Company shall not be liable for any loss occurring before the effective date and time of the Policy. The Company will be liable for any losses occurring for a period of up to seventy-two (72) hours after the expiration of this Policy provided that the first windstorm loss or damage within that seventy-two (72) hours occurs prior to the date and time of expiration of this Policy.

In the event of there being a difference of opinion between the Named Insured and the Company as to whether or not all windstorm losses sustained by the Named Insured during an elected period of seventy-two (72) hours arose out of, or was caused by a single atmospheric disturbance, the stated opinion of the National Weather Service or comparable Authority in any other country or locality shall govern as to whether or not a single atmospheric disturbance continued throughout the period at the location(s) involved.

b. Flood

Each loss by flood shall constitute a single loss hereunder.

1. If any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s) or;

2. If any flood results from any tidal wave or series of tidal waves caused by any one disturbance;

such flood shall be deemed to be a single occurrence within the meaning of this Policy.

Should any time period referred to above extend beyond the expiration date of this Policy and commence prior to expiration, the Company shall pay all such flood losses occurring during such period as if such period fell entirely within the term of this Policy.

The Company shall not be liable, however, for any loss caused by any flood occurring before the effective date and time of this Policy or commencing after the expiration date and time of this Policy.

Flood shall mean a general condition of partial or complete inundation of normally dry land area from:

1. overflow of inland or tidal water;

2. unusual and rapid accumulation or run off of surface waters from any natural source.

Flood shall also mean mudslide or mudflow, which is a river or flow of liquid mud caused by flooding as defined in 1. or 2. above.

The definition of flood does not include ensuing loss or damage by fire, explosion, or sprinkler leakage.

c. Flood Zone A and V

Flood zones A and V as referenced in this Policy is defined by FEMA as being inclusive of all 100 year high risk flood areas. A one-hundred-year flood is a flood event that has a 1% probability of occurring in any given year.

d. Earthquake Shock

With respect to the peril of earthquake shock, any and all losses from this cause within a one hundred sixty-eight (168) hour period shall be deemed to be one loss. The Named Insured may elect the moment from which each of the aforesaid periods of one hundred sixty eight (168) hours shall be deemed to have commenced but no two such one hundred sixty eight (168) hour periods shall overlap.

The Company shall not be liable for any loss caused by an earthquake shock occurring before the effective date and time of this Policy. The Company will be liable for any losses occurring for a period of up to one hundred sixty eight (168) hours after the expiration of this Policy provided that the first earthquake shock loss or damage within that one hundred sixty eight (168) hours occurs prior to the date and time of the expiration of this Policy.

In the event of there being a difference of opinion between the Named Insured and the Company as to whether or not all earthquake shock losses sustained by the Named Insured during an elected period of one hundred sixty eight (168) hours arose out of, or were caused by a single earthquake shock, the stated opinion of the National Earthquake Information Center of the United States Department of the Interior or comparable Authority in any other country or locality shall govern as to whether or not a single earthquake shock continued throughout the period at the locations involved.

The term earthquake shock is defined as: earth movement meaning natural faulting of land masses, but not including subsidence, landslide, rock slide, earth rising, earth sinking, earth shifting or settling unless as a direct result of such earth movement. The definition of earthquake shock does not include ensuing loss or damage by fire, explosion or sprinkler leakage. Further Earthquake Sprinkler Leakage is covered outside of the "Earthquake Shock" definition and subject to the basic peril deductible.

2. PERSONAL PROPERTY OF OTHERS

Means, any property (other than real property) belonging to others for which a Named Insured has assumed liability. This includes but is not limited to:

- Articles of Clothing
- Jewelry
- Sound Equipment
- Fine Arts (up to the sub-limit of unscheduled fine arts)
- EDP Media ~~&~~ Hardware
- Valuable Papers
- Portable Electronic Equipment
- Employee Tools

3. IMPROVEMENTS AND BETTERMENTS

Means, additions or changes made by a Named Insured / lessee at their own expense to a building they are occupying that enhance the building's value.

4. INSURED LOCATION(S) means:

1. The location(s) within the Coverage Territory described in the most recent Statement of Values held on file with the Alliant Insurance Services, Inc., Miscellaneous Unnamed Locations and locations as covered by the Errors and Omissions and Automatic Acquisition Additional Coverages;
2. Unless otherwise set forth in the Statement of Values, each such Insured Location(s) shall be comprised of any building, yard, dock, wharf, pier or bulkhead or any group of the foregoing bounded on all sides by property lines, public streets, clear land space or open waterways, each not less than fifty (50) feet wide. Any bridge or tunnel crossing such street, space or waterway shall render such separation inoperative for the purpose of this definition.

4.5. VALUABLE PAPERS AND RECORDS

Means, all inscribed, printed, or written; documents, manuscripts or records; including but not limited to abstracts, books, deeds, drawing, films, maps, or mortgages. Valuable Papers are not money, securities, stamps or converted data program or instructions used in the

Named Insured's data processing operations including the materials on which data is recorded.

56. TIER I WINDSTORM COUNTIES

State	Tier I Counties, Parishes or Independent Cities
Alabama	Baldwin, Mobile
Connecticut	Fairfield, Middlesex, New Haven, New London
Delaware	Entire State, All Counties
Florida	Entire State, All Counties
Georgia	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh,
Hawaii	Entire State, All Counties
Louisiana	Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion
Maine	Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York
Maryland	Anne Arundel, Baltimore, Baltimore City, Calvert, Cecil, Dorchester, Harford, Kent, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, Worcester
State	Tier I Counties, Parishes or Independent Cities Cont.
Massachusetts	Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk
Mississippi	Hancock, Harrison, Jackson
New Hampshire	Rockingham, Strafford
New Jersey	Atlantic, Burlington, Cape May, Cumberland, Middlesex, Monmouth, Ocean, Salem, Union
New York	Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk
North Carolina	Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrell, Washington
Rhode Island	Entire State, All Counties
South Carolina	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper
Texas	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris (entire County), Jackson, Jefferson, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy
Virginia	Accomack, Charles City, Chesapeake City, Gloucester, Hampton City, Isle of Wight, James City, Lancaster, Mathews, Middlesex, New Kent, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Prince George, Suffolk City, Sussex, Surry, Virginia Beach City, Westmoreland, Williamsburg City, York

67. TIER 2 WINDSTROM COUNTIES

State	Tier II Counties, Parishes or Independent Cities
Georgia	Brantley, Charlton, Effingham, Long, Wayne
Louisiana	Acadia, Ascension, East Baton Rouge, Iberville, Jefferson Davis, Lafayette, St. Martin (North), Washington, West Baton Rouge
Mississippi	George, Pearl River, Stone
North Carolina	Bladen, Duplin, Gates, Hertford, Lenoir, Martin, Pitt
South Carolina	Florence, Marion, Williamsburg
Texas	Bee, Brooks, Fort Bend, Goliad, Hardin, Hidalgo, Jasper, Jim Wells, Wharton

AH. ADDITIONAL INSURED'S / LOSS PAYEES

It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included, as per schedule held on file with Alliant Insurance Services, Inc.

SECTION V

FINE ARTS

A. COVERAGE

This Policy insures against all risks of direct physical loss of or damage except as hereafter excluded occurring during the policy period to fine arts, which are the property of the Named Insured or the property of others in the custody or control of the Named Insured while on exhibition or otherwise within the limits of the United States.

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

1. PROPERTY COVERED

Objects of art of every kind and description, and property incidental thereto, which are the property of the Named Insured, or the property of others in the custody and control of the Named Insured, or in transit at the Named Insured's risk, and property in which the Named Insured shall have a fractional ownership interest which are owned by or have been leased, loaned, rented or otherwise made available to the Named Insured. "Property" shall mean paintings, drawings, etchings, prints, rare books, manuscripts, rugs, tapestries, furniture, pictures, bronzes, potteries, porcelains, marbles statuary and all other bonafide works of art and other objects of rarity, historic value, cultural interest or artistic merit, which are part of the collections of the Named Insured, or in the care, custody or control of the Named Insured, and their frames, glazing and shadow boxes.

2. "WALL TO WALL" ("NAIL TO NAIL") COVERAGE

This Section covers the Named Insured's property on a "Wall to Wall" ("Nail to Nail") basis, or domicile to domicile basis, as applicable, from the time said property is removed from its normal repository incidental to shipment until returned thereto or other point designated by the owner or owner's agent prior to return shipment, including while in transit to or from points of consolidation or deconsolidation, packing, repacking or unpacking, while at such locations during such processes or awaiting shipment.

Coverage shall terminate upon arrival of the covered property at the final destination designated by the owner or owner's agent, or upon expiration of this Policy, whichever may occur first, except that expiration of this Policy shall not prejudice coverage of any risk then in transit.

B. EXCLUSIONS

1. Loss or damage occasioned by: wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained due to and resulting from any repairing, restoration or retouching process;
2. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack;

- i. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces or;
 - ii. by military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
 - b. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
3. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
 - a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
 - b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on ~~an the Named~~ Insured ~~premises~~Location, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on ~~the Named~~an Insured ~~premises~~Location.
4. Any dishonest, fraudulent or criminal act by the Named Insured, a partner therein or an officer, director employee or trustee thereof, whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

C. LOSS PAYMENT BASIS / VALUATION

The valuation of each article of property covered by this Section shall be determined as follows:

- a. Property of the Named Insured shall be covered for and valued at the current fair market value of each article indicated on the books and records of the Named Insured prior to loss, according to the Named Insured's valuation of each object covered.
- b. Property of others loaned to the Named Insured and for which the Named Insured may be legally liable, or which the Named Insured has been instructed to insure, shall be covered for and valued at the amount agreed upon for each article by the Named Insured and owner(s) as recorded on the books and records of the Named Insured prior to loss.
- c. Otherwise, in the absence of recorded current fair market values or agreed values for each article covered, the Company shall not be liable beyond the fair market value of the property at the time any loss or damage occurs. Said value shall be ascertained by the Named Insured and the Company or, if they differ, then the amount of value or loss shall be determined as provided in the following appraisal clause.

D. SPECIAL CONDITIONS

1. **Misrepresentation and Fraud:** This entire Section shall be void if, whether before or after a loss, the Named Insured has concealed or misrepresented any material fact or circumstance concerning this Policy or the subject thereof, or the interest of the Named Insured therein, or in case of any fraud or false swearing by the Named Insured relating thereto.
2. **Notice of Loss:** The Named Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this Section and shall also file with the Company or its agent within ninety (90) days from the date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.
3. **Examination under Oath:** The Named Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within its power cause its employees, Named Insured and others to submit to examination under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any act of the Named Insured or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Named Insured might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.
4. **Settlement of Loss:** All adjusted claims shall be paid or made good to the Named Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Named Insured has collected the same from others.
5. **No Benefit to Bailee:** This Section shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.
6. **Subrogation or Loan:** If in the event of loss or damage the Named Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Named Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Named Insured's name under the direction of and at the expense of the Company.
7. **Protection and Preservation of Property:** In case of actual or imminent physical loss or damage of the type insured against by this Policy, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy.
8. **Appraisal:** If the Named Insured and the Company fail to agree as to the amount of loss, each shall on the written demand of other, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be

made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Named Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the fair market value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Named Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal.

9. **Civil Authority:** Property covered under this Section against the peril of fire is also covered against the risk of damage or destruction by Civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by a peril otherwise excluded herein.
10. **Changes:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Section or stop the Named Insured from asserting any right under the terms of this Section, nor shall the terms of this Section be waived or changed except by endorsement issued to form a part of this Section.
11. **Additional Covered Party(ies):** Corporations, associations, firms, institutions, museums, persons and others who own or control collections, objects or articles who make them available to the Named Insured, and temporary borrowers or custodians (but not carriers, packers or shippers) of property covered, are additional Named Insured(s) hereunder, but only as respects coverage afforded to said Named Insured's property.
12. **Packing:** It is agreed by the Named Insured that the property covered hereunder be packed and unpacked by competent packers.
13. **Other Insurance:** This fine arts floater Section is excess coverage over any other valid and collectible insurance which may apply to any objects of art for which coverage would apply under this Policy.
14. **Pair And Set:** In the event of the total loss of any article or articles which are a part of a set, the Company agrees to pay the Named Insured the full amount of the value of such set and the Named Insured agrees to surrender the remaining article or articles of the set to the Company.

SECTION VI

CONTRACTORS EQUIPMENT

A. COVERAGE

This Policy insures contractors equipment, whether self propelled or not, including equipment thereof while attached thereto or located thereon, such as bulldozers, drag lines, power shovels, derricks, drills, concrete mixers and other machinery of a similar nature, and not subject to motor vehicle registration.

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

B. PERILS EXCLUDED

This Section insures against all risks of direct physical loss or damage occurring during the policy period to the above described property from any external cause except as provided below.

1. Loss or damage due to wear, tear, rust, corrosion, latent defect, mechanical breakage or improper assemblage.
2. Loss or damage due to the weight of the load imposed on the machine exceeding the capacity for which such machine was designed.
3. Loss or damage to crane or derrick boom(s) and jib(s) of lattice construction while being operated unless directly caused by fire, lightning, hail, windstorm, earthquake shock, explosion, riot, riot attending a strike, civil commotion, actual physical contact with an aircraft or airborne missile including objects falling therefrom, collision with other vehicles or other contractors equipment whether or not such other equipment is covered hereunder, landslide, or upset of the unit of which it is a part (but only when and to the same extent that such other perils are covered by the Policy).
4. Loss or damage due to explosion arising from within steam boilers.
5. Loss or damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices, including wiring, caused by lightning or other electrical currents (artificial or natural) unless fire ensues and then for the loss by fire only.
6. Loss or damage due to dishonesty of Named Insured's employees or persons to whom the Named Insured's property is entrusted.
7. Loss or damage caused by or contributed to failure of the Named Insured to keep and maintain the property in a thorough state of repair.

8. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack;
 - i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces or;
 - ii. any military, naval or air forces or;
 - iii. by an agent of any such government, power, authority or forces;
 - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
9. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) covered against in this endorsement; however, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered against by this Policy.

C. PROPERTY EXCLUDED

1. Automobiles, motorcycles, motor trucks, or parts thereof.
2. Buildings
3. Machinery or equipment or building materials to be installed in any building for the purpose of becoming a part thereof; nor on any property which has become a permanent part of any structure.
4. Property that is located underground.
5. Property while waterborne except while being transported on any regular ferry.
6. The storage risk of property not owned or required to be insured by the Named Insured at ~~premises controlled or leased by the Named an~~ Insured Location, except where incidental to the regular or frequent use of the equipment or property.
7. Plans, blue prints, designs or specifications.

D. LOSS PAYMENT BASIS / VALUATION

On Contractors Equipment (whether self propelled or not), on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Contractors Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation based on Replacement Cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

E. SPECIAL CONDITIONS

This section covers property only within the limits of the United States of America.
It is a condition of this Policy that all articles covered hereunder are in sound condition at the time of attachment of this Policy.

SECTION VII

ACCOUNTS RECEIVABLE

A. COVERAGE

This Policy covers the loss of or damage resulting from insured perils to the Named Insured's records of accounts receivable as defined below, occurring during the policy period.

B. EXCLUSIONS

In addition to the exclusions in the General Conditions, this coverage does not apply:

1. To loss due to any fraudulent, dishonest or criminal act by the Named Insured, a partner therein, or an officer, director, employee or trustee thereof, while working or otherwise and whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

2. To loss due to bookkeeping, accounting or billing errors or omissions.
3. To loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support if claim for loss which the Named Insured can prove through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.
4. To loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

C. LOSS PAYMENT BASIS / VALUATION

When there is proof that a loss covered by this Policy has occurred but the Named Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Named Insured's monthly statements and shall be computed as follows:

1. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
2. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs as compared with such average for the months of the preceding year;
3. The amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;

4. The amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged or otherwise established or collected by the Named Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Named Insured. All unearned interest and service charges shall be deducted.

D. DEFINITIONS:

ACCOUNTS RECEIVABLE

1. All sums due to the Named Insured from customers provided the Named Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable.
2. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
3. Collection expense in excess of normal collection cost and made necessary because of such loss or damage.
4. Other expenses, when reasonably incurred by the Named Insured, in re-establishing records of accounts receivable following such loss or damage.

SECTION VIII

UNMANNED AIRCRAFT

A. COVERAGE

This Policy insures against all risks of direct physical loss of or damage except as hereafter excluded occurring during the policy period to **Unmanned Aircraft**, that are usual to the Named Insured's business and that the Named Insured own or are required to insure, sustained while not **In Flight** or **In Motion** and which are not the result of fire or explosion following crash or collision while the **Unmanned Aircraft** was **In Flight** or **In Motion** that are:

1. Listed on the schedule which is a part of this Policy or which is on file with the Company;
2. Unscheduled but for an amount not to exceed the limit shown on the Declarations

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

B. PERILS EXCLUDED

This Section insures against all risks of direct physical loss or damage occurring during the policy period to **Unmanned Aircraft** from any external cause except as provided below.

1. Loss or damage due to the **Unmanned Aircraft** being **In Flight** or **In Motion** including during propulsion system startup or any time the propulsion system is operating.
2. Loss or damage due to wear, tear, rust, corrosion, latent defect, mechanical breakage, freezing or improper assemblage.
3. Loss or damage due to the weight of the load imposed on the **Unmanned Aircraft** exceeding the capacity for which such **Unmanned Aircraft** was designed.
4. Loss or damage to tires except where such loss or damage is caused by fire, theft, windstorm or vandalism or is the direct result of physical damage covered by this Policy.
5. Loss or damage to **Unmanned Aircraft** while being worked upon except for direct loss or damage caused by resulting fire or explosion.
6. Loss or damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices, including wiring, caused by lightning or other electrical currents (artificial or natural) unless fire ensues and then for the loss by fire only.
7. Loss or damage due to conversion, embezzlement or secretion by any person or organization with legal right to possession of such **Unmanned Aircraft** under bailment, lease, conditional sale, purchase agreement, mortgage or other legal agreement that governs the use, sale or lease of the **Unmanned Aircraft**, nor for any loss or damage during or resulting therefrom.
8. Loss or damage due to dishonesty of Named Insured's employees or persons to whom the Named Insured's property is entrusted.

9. Loss or damage caused by or contributed to failure of the Named Insured to keep and maintain the property in a thorough state of repair.
10. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack,
 - i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces; or
 - ii. any military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
 - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;

C. PROPERTY EXCLUDED

1. **Unmanned Aircraft** that are located in underground mines, caverns or underground storage facilities.
2. **Unmanned Aircraft** while waterborne except while being transported on any regular ferry.
3. The storage risk of **Unmanned Aircraft** not owned or required to be insured by the Named Insured at ~~premises controlled or leased by the Named Insured~~ an Insured Location, except where incidental to the regular or frequent use of the equipment or property.

D. LOSS PAYMENT BASIS / VALUATION

On **Unmanned Aircraft**, on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the **Unmanned Aircraft**. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation other than ~~R~~replacement ~~C~~cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

E. SPECIAL CONDITIONS

This section covers property only within the limits of the United States of America.

It is a condition of this Policy that all articles covered hereunder are in sound condition at the time of attachment of this Policy.

F. DEFINITIONS

1. UNMANNED AIRCRAFT

Means a powered aerial vehicle that does not carry a human operator, uses aerodynamic forces to provide vehicle lift, can fly autonomously or be piloted remotely, is recoverable and in some cases can carry a non-lethal payload including the propulsion system and equipment usually installed in the vehicle (1) while installed in the vehicle, (2) while temporarily removed from the vehicle and (3) while removed from the aircraft for replacement until such time as replacement by a similar item has commenced; also tools and equipment which are specially designed for the aircraft and which are ordinarily carried therein.

2. IN FLIGHT

Means, with respect to fixed wing **Unmanned Aircraft**, the time commencing with the actual take-off run or launch and continuing thereafter until it has completed its landing run; or capture; and if the **Unmanned Aircraft** is a rotorcraft, from the time the rotors start to revolve under power for the purpose of flight until they subsequently cease to revolve after landing; and if the **Unmanned Aircraft** is a balloon, while it is inflated or being inflated or deflated.

3. IN MOTION

Means while the **Unmanned Aircraft** is moving under its own power or the momentum generated therefrom or while it is **In Flight** and, if the **Unmanned Aircraft** is a rotorcraft, any time the rotors are rotating or while it is **In Flight** and, if the **Unmanned Aircraft** is a glider or balloon, any time it is being transported, towed or while it is **In Flight**.

SECTION IX

BOILER AND MACHINERY BREAKDOWN EXTENSION

1. Perils Insured

In consideration of the premium paid and subject to the terms, conditions and Exclusions of the Policy to which this Extension is attached, and to the following terms and conditions, this Insurance is extended to cover direct damage to Covered Property caused by a Covered Cause of Loss.

2. Additional Coverage

(a) Hazardous Substance

The additional expense incurred for cleanup, repair or replacement or disposal of damaged, contaminated or polluted Covered Property as a result of an Accident, which causes property to become damaged, contaminated or polluted by a substance declared hazardous to health by an authorized governmental agency. The coverage provided by this clause is sub-limited to USD as per Declaration Page. For the purpose of this coverage “Additional expense” means any expense that would not have incurred, if no substance hazardous to health had been involved in the accident

(b) Ammonia Contamination

The loss, including salvage expense, incurred with respect to damage by ammonia contacting or permeating Covered Property under refrigeration or in process requiring refrigeration, as a result of any one Accident to one or more Objects. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(c) Water Damage

The loss, including salvage expense, with respect to Covered Property damaged by water, resulting from any one Accident. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(d) Media Coverage

The loss to all forms of electronic, magnetic and optical tapes and discs used in any electronic computer or electronic data processing equipment directly damaged by an Accident to an Object. The coverage provided by this clause is sub-limited to USD as per Declaration Page. For the purpose of this coverage, the valuation basis for “Media” is as follows:

- i. For “Media” that are mass-produced and commercially available, at the Replacement Cost.
- ii. For all other “Media”, at the cost of blank material for reproducing the records.

(e) Consequential Damage

The “Consequential Damage” to refrigerated and frozen goods of the Named Insured or for which the Named Insured is legally liable or under the Named Insured’s care, custody or control caused solely by an Accident to an Object. For the purpose of this coverage, “Consequential Damage” is defined as loss due to spoilage from lack of power, light, heat, steam or refrigeration, resulting from Accident. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(f) Utility Interruption

The loss caused by an Accident to an Object that is owned, operated or controlled by a public or private entity that the Named Insured has contracted with to furnish them with electrical utility service including all direct electrical suppliers. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(g) CFC Refrigerants and Halon

The replacement of any CFC (chlorofluorocarbon) refrigerant used in refrigeration or air conditioning equipment or Halon used in a fire suppression system due to an "Accident" to an Object.

(h) Ordinance or Law

If an Accident to an Object at the Named Insured's Location damages a building that is "Covered Property", the Company will pay for

- i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:
 - a. Requires the demolition of parts of the same building not damaged by the Accident to an Object; or
 - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the location of the building.
- ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by the enforcement of building, zoning, or land ordinance or use.
- iii. Increased Cost of Construction, meaning the increased cost to:
 - a. Repair or reconstruct damaged portions of the building; and
 - b. Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law. But the Company will only pay for this increased cost if the building is repaired, reconstructed or remodeled. Also, if the building is repaired, reconstructed or remodeled, it must be intended for similar occupancy as the current building, unless such occupancy is not permitted by zoning or land use ordinance or law.

Insurance under this section only applies with respect to ordinance or law that is in force at the time of the Accident to an Object. Insurance under this section does not apply to:

- a. Costs associated with the enforcement of any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or
- b. Loss due to any ordinance or law that:

- i. The Named Insured was required to comply with before the Accident to an Object even if the building was undamaged; and
- ii. The Named Insured failed to comply with.

The coverage provided by this clause is sub-limited to USD as per Declaration Page.

3. Definition of Accident

Accident shall mean a sudden and accidental breakdown of the Object, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but Accident shall not mean:

- a. depletion, deterioration, corrosion, or erosion of material;
- b. wear and tear;
- c. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d. the breakdown of any vacuum tube, gas tube or brush;
- e. the breakdown of any structure or foundation supporting the Object or any part thereof;
- f. the functioning of any safety device or protective device.

4. Definition of Object

Except as otherwise specifically designated herein, Object as described below shall mean any equipment or apparatus which is owned by, leased by or operated under the control of the Named Insured subject to the Exclusions and Special Provisions specified herein:

- a. Any boiler, any fired vessel, any unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating and air conditioning vessels, or any piping and its accessory equipment, but such Object shall not include:
 - i. Any boiler setting, any insulating or refractory material,
 - ii. Any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than
 - a. Feed water piping between any boiler and its feed pumps or injectors
 - b. Boiler condensate returning piping
- b. Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power, but Object shall not include
 1. Any structure or foundation other than a bedplate of a machine,
 2. Any vehicle, elevator, crane, hoist, power shovel or drag line, but not excluding any electrical equipment used with said machine or apparatus,
 3. Any refractory material, or
 4. Any penstock or draft tube.

5. Covered Cause of Loss

A Covered Cause of Loss is an "Accident" to an Object insured hereon. An Object must be in use or connected ready for use at the time of the Accident.

6. Covered Property

Covered Property, as used in this Extension, means any property not otherwise excluded in this Policy that:

- a. The Named Insured owns; or
- b. Is in the Named Insured's care, custody or control and for which they are legally liable

7. Special Provisions

- a. As respects any boiler, fired or unfired vessel, refrigerating system or piping, the Company shall not be liable for loss from an Accident while said Object is undergoing a hydrostatic, pneumatic or gas pressure test that exceeds manufacturers recommended limits.
- b. As respects any boiler of fired vessel, the Company shall not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such Object or within the passages from the furnace to the atmosphere, whether or not such explosion (a) is contributed to or aggravated by an Accident to any part of said Object that contains steam or water, or (b) is caused in whole or in part, directly or indirectly, by any Accident to any Object, or part thereof, nor shall the Company be liable for any loss from an Accident caused directly or indirectly by such explosion.
- c. As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel shall be considered as "connected ready for use" within the terms of this Extension of the Policy.
- d. As respects any Object or part of an Object that is being dismantled, reassembled or is in storage, will be considered as "connected ready for use" within the terms of this Extension of the Policy.
- e. As respects any gas turbine of the internal combustion type, (a) the combustor or such Object shall not be considered to be a "furnace" as the word is used in the Definition of Accident or in Special Provision 2 above and (b) the Definition of Accident shall not mean the cracking of any part of the Turbine exposed to the production of combustion.
- f. As respects new turbine generator units, coverage shall not apply until the unit has been contractually accepted by the Named Insured, that all tests required by the contractor have been performed and satisfied and the unit has been placed in commercial operation.

8. Valuation

- a. The Company will pay the Named Insured the amount the Named Insured spends to repair or replace the property directly damaged by an Accident. The Company payment will be the smallest of:
 - 1) The Limit of Insurance;
 - 2) The cost at the time of the Accident to repair the damaged property with property of like kind, capacity, size and quality;
 - 3) The cost at the time of the Accident to replace the damaged property on the same site with other property;

- a) Of like kind, capacity, size and quality; and
 - b) Used for the same purpose
- 4) The amount the Named Insured actually spends that is necessary to repair or replace the damaged property.
- b. As respects any Object if the cost of repairing or replacing only a part of the Object is greater than:
- 1) the cost of repairing the Object; or
 - 2) the cost of replacing the entire Object on the same site;
- The Company will pay only the smaller of (1) or (2). The repair parts or replacement Object must be:
- 1) of like kind, capacity, size and quality; and
 - 2) used for the same purpose.
- c. The Company will not pay:
- 1) if the loss or damage is to property that is obsolete or useless to the Named Insured; or
 - 2) for any extra cost if the Named Insured decides to repair or replace the damaged property with property of a better kind or quality or of larger capacity,
- d. If the Named Insured does not repair or replace the damaged property within 18 months after the date of the Accident then the Company will pay on the smaller of the:
- 1) cost it would have taken to repair; or
 - 2) actual cash value;
- at the time of the “accident”.

Paragraph (d) does not apply to any time period beyond the 18 months that the Company agrees to in writing.

- e. As respects CFC (chlorofluorocarbon) refrigerant or Halon, the following valuation basis is applicable:
- 1) If the CFC refrigerant or Halon is replaceable, the Named Insured may, at their option, elect to:
 - a) Repair or replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system and replace the lost CFC refrigerant or Halon subject to it being of like kind, capacity, size and quality and used for the same purpose; or
 - b) Change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to:

- i. Refrigeration or air conditioning equipment that uses an approved non - CFC refrigerant; or
- ii. A fire suppression system that uses an approved non – Halon agent.

But this option is available only if the change to the equipment or system is made within 18 months after the date of the Accident or within any extended time period that the Company agrees to in writing.

If Option 1) b) above is elected, the Company will not pay more than the least of the following amounts:

- a) The Limit of Insurance;
 - b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
 - c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;
 - d) The amount that the Named Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant; or
 - e) One hundred twenty-five percent (125%) of the amount the Company otherwise would have paid for loss to the refrigeration equipment, air conditioning equipment or fire suppression system.
- f. If the CFC refrigerant or Halon is not replaceable and:
- 1) The Named Insured repairs or replaces the damaged equipment within 18 months after the date of the Accident or within any extended time that the Company agrees to in writing, the Company will pay the least of the following amounts:
 - a) The Limit of Insurance;
 - b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
 - c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;

- d) The amount that the Named Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant.
- 2) If the Named Insured does not replace the damaged equipment within 18 months after the date of the Accident or within the extended time period that the Company agrees to in writing, the Company will not pay more than the lesser of:
- a) The amount that the Company would have paid if repair or replacement of the damaged equipment had been made as determined in F 1 above; or
 - b) The actual cash value of the damaged equipment at the time of the Accident.
- g. As respects Insurance under Ordinance and Law, the most the Company will pay as a result of any one Accident for:
- a) Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to enforcement of an ordinance or law to which this coverage applies, exceed:
 - i. The amount that the Named Insured actually spend to repair, rebuild or replace the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - ii. The actual cash value of the building at the time of loss if the building is not repaired or replaced.
 - b) Demolition and Increased Cost of Construction is USD as per Declaration Page, subject to the following:
 - i. With respect to the coverage provided for Demolition Cost, the Company will not pay more than the amount the Named Insured actually spend to demolish and clear the site of the undamaged parts of the building;
 - ii. With respect to the coverage provided for Increased Cost of Construction:
 - (a) The Company will not pay for the Increased Cost of Construction:

Until the building is actually repaired or replaced at the same or another premises; and

Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 18 months. The Company may extend this period in writing during the 18 months.
 - (b) If the building is repaired or replaced at the same location, or if the Named Insured elect to rebuild at another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the same location.

- (c) If the ordinance or law requires relocation to another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the new location.
- h. If a claim or “suit” is brought against the Named Insured alleging that the Named Insured is liable for damage to property of another that was caused by an Accident to an Object, the Company will either:
 - 1. Settle the claim or “suit”, or
 - 2. Defend the Named Insured against the “suit” but reserve the right for themselves to settle at any point.

9. Exclusions

- a. To loss:
 - 1) from explosion of an Object other than:
 - a) Any steam boiler, steam piping, steam turbine, gas turbine, steam engine, or
 - b) Any machine when such loss is caused by centrifugal force or mechanical breakdown,
- b. Nuclear reaction or radiation or radioactive contamination however caused, however this exclusion shall not apply to nuclear medicine at covered hospitals,
- c. From fire concomitant with or following an Accident.
- d. From an Accident caused directly or indirectly by fire
- e. From a combustion explosion outside the Object concomitant with or following an Accident,
- f. From an Accident caused directly or indirectly by a combustion explosion outside an Object

10. Conditions:

- a. Inspection

The Company shall be permitted but not obligated to inspect the Named Insured’s property and operations at any reasonable time. Neither the right to make inspections nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the Named Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

- b. Suspension

Upon the discovery of a dangerous condition with respect to any Object, Alliant Insurance Services, Inc., may immediately suspend the insurance, with respect to an Accident to said Object, by written notice mailed or delivered to the Named Insured at the address of the Named Insured stated in the Declaration Page, or at the location of the Object, as stated for it in a schedule or endorsement. The insurance so suspended may be reinstated by the Company but only by an endorsement issued to form a part of this Policy. The Named

Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.

c. Notice of Accident and Adjustments

When an Accident occurs, written notice shall be given to the Company as soon as practicable. The Company shall be given like notice of any claim made on account of such Accident. The Company or their representative shall have reasonable time and opportunity to examine the property, and the ~~Named Insured's~~ Location of Risk, before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made in such form as the Company may require. If suit is brought against the Named Insured for loss to which this Section of the Policy is applicable, any summons or other process served upon the Named Insured shall be forwarded immediately to the Company.

d. Deductible

In the event of an Accident to an Object as insured under this Extension that is concomitant with or followed by physical loss or damage incurred under the All Risk policy that this Extension attached to, the deductible to be applied to the total loss shall be the highest applicable deductible.

**PROGRAM AND/OR NAMED INSURED AND/OR DECLARATION SPECIFIC
ENDORSEMENTS TO BE PROVIDED AFTER THE ABOVE PAGE**

ENDORSEMENT 1

CANCELLATION CLAUSE AMENDMENT DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT

It is hereby understood and agreed that Section IV, General Conditions, Clause N, Cancellation of this Policy is amended.

This endorsement modifies insurance provided by the Policy:

The Cancellation Provision, Cancellation Condition, or Cancellation Clause, whichever is applicable, is amended by adding the following paragraph to the end thereof:

Notwithstanding any other terms or conditions of this Policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the **Credit Rating Downgrade**), this Policy may be canceled by the **FIRST NAMED INSURED** by mailing prior written notice to the Company or by surrender of this Policy to the **Company**.

If this Policy is canceled by the **First Named Insured** due to such **Credit Rating Downgrade**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

The following definitions apply to this endorsement:

1. **Company** means Lexington Insurance Company.
2. **First Named Insured** means the first Named Insured as shown on the Declarations page of this Policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

ENDORSEMENT 2

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

PR4225 (07/13)

ENDORSEMENT 3

WAR AND TERRORISM EXCLUSION ENDORSEMENT (applies to locations outside the USA, its territories and possessions)

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

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ENDORSEMENT 4

COMMUNICABLE DISEASE EXCLUSION

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393
25 March 2020

ENDORSEMENT 5

PROPERTY CYBER AND DATA ENDORSEMENT

~~(This endorsement only applies to capacity placed in the Lloyd's of London market and replaces all references to Cyber coverage within the policy)~~

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

- 7 Cyber Act means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
- 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the insured or nay other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400

11 November 2019

LMA 5401

Cyber Clause	“Cyber Act” Attack/Malicious			“Cyber Incident” Errors/Omission/Operator Error		
LMA 5401	Fire	Explosion	Other Peril	Fire	Explosion	Other Peril

CLAIMS EXAMPLE

A school suffers a serious fire as the result of computer overheating due to operator error, thus causing a fire to start – This is covered under the property policy. This would be a “Cyber Incident” (a computer failure) which has led to a fire. **NOT COVERED**

A malicious actor gets into a school’s building control systems and removes safety features of the air conditioning and/or servers which are kept onsite. They then instruct the computer system to work continuously until it overheats and causes a fire. This would be a “Cyber Act”. **NOT COVERED**



LMA 5400

Cyber Clause	"Cyber Act" Attack/Malicious			"Cyber Incident" Errors/Omission/Operator Error		
LMA 5400	Fire	Explosion	Other Peril	Fire	Explosion	Other Peril

CLAIMS EXAMPLE

A school suffers a serious fire as the result of computer overheating due to operator error, thus causing a fire to start – This is covered under the property policy. This would be a "Cyber Incident" (a computer failure) which has led to a fire. **COVERED**

A malicious actor gets into a school's building control systems and removes safety features of the air conditioning and/or servers which are kept onsite. They then instruct the computer system to work continuously until it overheats and causes a fire. This would be a "Cyber Act". **NOT COVERED**





APIP POLLUTION RENEWAL

INFORMATION ITEM

ISSUE: The APIP program has traditionally included pollution coverage as part of its group purchase of property coverage. **This year the policy is renewing with a new insurer, Ironshore Specialty, so members have been advised to report any potential claims to the expiring insurer prior to July 1.**

The attached Proposal includes the coverage terms as well as an extensive summary of proposed changes for the FY 21/22 coverage period. Most notably, the overall policy deductible is increasing from \$150,000 to \$250,000, with the deductible for sewage backup increasing from \$150,000 to \$500,000.

The remaining changes per the attached will be reviewed during the meeting.

RECOMMENDATION: Review and continue to include purchase of the APIP Pollution coverage as part of the annual renewal.

FISCAL IMPACT: None from this item. Total cost of \$2,560 included in the overall APIP renewal.

BACKGROUND: The APIP program has provided pollution coverage along with the standard property coverage for the last ten years. The insurance includes both first and third-party coverages for sudden and accidental events as well as claim arising from certain activities or locations.

ATTACHMENT(S): Pollution Liability Coverage Proposal



APIP CYBER COVERAGE RENEWAL

INFORMATION ITEM

ISSUE: Members of the Property Program are also provided Cyber Coverage with a \$2M Insured/Member aggregate limit of liability. Various sublimits apply to certain coverages including Cyber Extortion, Business Interruption from a Security Breach, and Hardware Replacement Costs.

The Cyber Coverage proposal is attached and contains a review of all the changes in the coverage for FY 21/22. In spite of an incredibly hard market for cyber coverage some of the coverages have been enhanced. However, *there will be a reduction in some limits, most notably Cyber Extortion and Data Recovery Costs dropping from \$2M to \$750k.*

The proposal and remaining changes will be reviewed during the meeting.

RECOMMENDATION: Review and continue to include purchase of the APIP Cyber coverage as part of the annual renewal.

FISCAL IMPACT: None from this item. Total cost of \$10,516 included in the overall APIP renewal.

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 \$40M annual aggregate for FY 21/22 for all insureds or members in the program combined, a reduction from \$45M for FY 20/21.*

ATTACHMENT(S): APIP Cyber Insurance Summary Proposal



Agenda Item H.2.d.

APIP CLAIMS REPORTING ACKNOWLEDGEMENTS

ACTION ITEM

ISSUE: The Alliant Property Insurance Program (APIP) requires its members to sign the Acknowledgement Form which outlines the steps that should be taken at the time a property, cyber liability or pollution loss occurs to assure that the claim is managed effectively from the start. **The notice requirements must be met to be sure that insurance coverage available through APIP remains in force and available for claims payment.** The Board is asked to acknowledge receipt of the Claims Reporting Information and Requirements.

FISCAL IMPACT: None.

RECOMMENDATION: Authorize President to sign on behalf of SCORE and provide individual member signed acknowledgements to the Program Administrator.

BACKGROUND: The Alliant Property Insurance Program (APIP or PEP/IP) includes property coverage for Member owned locations, Cyber Liability coverage and Pollution coverage. This Program has developed APIP Claims Reporting Procedures for Property, Cyber Liability and Pollution claims. These Reporting Requirements, as well as the applicable disclosures and signature forms, have been distributed to Members in advance of this meeting for their review. Members were instructed to retain these documents in their records so as to assist them in the event that a claim needs to be filed. The Administrators have asked that each Member sign and return the signature forms indicating that they acknowledge receipt of the information.

ATTACHMENT(S): APIP Claims Reporting Acknowledgement 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, 2021 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: Small Cities Organized Risk Effort

Authorized Signature:

Print Name

Date

Title:



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 25, 2021**

Agenda Item H.3.

EXCESS CYBER LIABILITY OPTION

ACTION ITEM

ISSUE: Members of the Property Program are also provided Cyber Coverage with up to \$2M in aggregate limits (\$40M for ALL members in the program). Various sublimits apply for coverages including Cyber Extortion and Business Interruption from a Security Breach.

The Program Administrators have recommended members obtain options for Excess Cyber Coverage due to ongoing concerns about the adequacy of the limits given the frequency and severity of claims. This year underwriters required applications for the coverage, and only seven members submitted an application. At the time of the agenda preparation quotes had not been received but will be provided under separate cover and discussed at the meeting.

OPTIONS

1. Purchase excess cyber coverage as presented.
2. Decline the excess option for the group.
3. Members individually may request coverage based on the attached quote or other available options. Please express interest at the meeting or contact the Administration team.

RECOMMENDATION: Consider options and authorize the President to request or decline any proposal for the group for excess cyber coverage.

FISCAL IMPACT: To be determined

BACKGROUND: The JPA's property policy through APIP includes Cyber coverage. Each member of the JPA has their own \$2 million Cyber Liability annual aggregate limit with sublimit of up to \$1 million for Privacy Notification costs. The Privacy Notification costs erode the annual aggregate. *The Cyber Liability program for FY 21/22 as a whole has a \$40 million annual aggregate for all insureds or members in the program combined.*

ATTACHMENT(S): *Provided under separate cover*



Agenda Item H.4.

**DEADLY WEAPONS RESPONSE
OPTIONAL COVERAGE PROGRAM**

ACTION ITEM

ISSUE: Deadly Weapons Coverage was offered to members of APIP for the first time in FY 18/19 and continues to be offered for FY 21/22. The coverage provides a \$500,000 per claim limit with a \$2,500,000 pool aggregate and sublimits for property damage and business interruption, crisis management services, funeral services and counseling services, per the attached summary. The deductible is \$10,000 Each Event including Claims Expenses. *The event must occur at a location on a member's APIP Schedule of Values.*

The Deadly Weapons Response insurance is primary for property and business interruption, coverages also provided by APIP, but it extends coverage to include benefits to those impacted by an event, including crisis counseling, medical and funeral expenses, and Accidental Death and Dismemberment coverage. The premium for SCORE members is \$6,750.

RECOMMENDATION: Review and discuss option and decide on participation.

FISCAL IMPACT: SCORE's premium is \$6,750

BACKGROUND: This type of insurance, often labeled "Active Shooter" Coverage, is the result of the need for specific coverage and services in the aftermath of a covered event or attack.

ATTACHMENT(S):

1. Deadly Weapons Coverage Option Summary
2. Proposed Premium Allocation

2021 – 2022

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

Issued on June 4, 2021

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

INSURED	Small Cities Organized Risk Effort
INSURANCE COMPANY:	Underwriters at Lloyd's of London
A.M. BEST RATING:	A (Excellent) XV; Greater than \$2,000,000,000
STANDARD AND POOR'S RATING:	A+, Strong Financial Security
STATE LICENSE STATUS:	Non-Admitted
POLICY TERM:	July 1, 2021 – July 1, 2022
COVERAGE FORM:	Claims Made & Reported
COVERAGE TYPE:	Third Party Bodily Injury Liability, First Party 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.
LIMITS:	
Per Occurrence	\$ 500,000
Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
DEDUCTIBLE:	\$10,000 Each Event including Claims Expenses
RETROACTIVE DATE:	To be determined

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

SUB-LIMITS:

(Each Sublimit is part of the Overall Limit of Liability and not in addition to it)

\$ 250,000	Crisis Management Services - specified in endorsement
\$ 250,000	Crisis Management Services – unspecified
\$ 250,000	Counseling Services (\$15,000 per person maximum)
\$ 250,000	Funeral Expenses (\$1M Aggregate; \$15,000 per person maximum)
\$ 250,000	Business Interruption
\$ 250,000	Demo/Clearance/Memorialization
\$ 250,000	Extra Expense
\$ 250,000	Threat
\$ 25,000	Per Person for Medical Expenses with a \$500,000 annual aggregate
\$ 50,000	Per Person Accidental Death and Dismemberment with a \$500,000 annual aggregate
Included	Circumstantial Costs for Prevention Services (\$0 Deductible)

ENDORSEMENTS:

(Including But Not Limited To)

- Deadly Weapon & Security Vulnerability Post Underwriting Review
- Deadly Weapon Safety Action Plan Webinar
- Crisis Management Services
- Circumstance Extension
- Property Damage Extension
- Counselling Services
- Funeral Expenses
- Short Rate Cancellation Table
- Premium Payment Clause
- Reinsurers Liability Clause
- Lloyd’s Privacy Policy
- Sanction Limitation & Exclusion Clause
- Notice of Terrorism Insurance Coverage
- Business Interruption (*if applicable*)
- Automatic Acquisitions limit – locations up to \$25,000,000
- 90 day grace period for reporting of new locations

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ENDORSEMENTS - CONTINUED:

(Including But Not Limited To)

EXCLUSIONS:

(Including But Not Limited To)

- Offsite events coverage for K-12 School insureds (Field Trips) only – No Liability coverage applies.
- E&O clause – to cover locations not exceeding \$10,000,000 in value unintentionally not included in SOV provided to insurer
- **Crisis Management/Event Responder Fees** *do not erode policy limits*
- **Crisis Services Provided by CrisisRisk:**
<https://www.crisisrisk.com/>
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Any explosive devices unless used in conjunction with a Deadly Weapon Event.
- Euthanasia
- Fraudulent Claims
- 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
- 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.
- Any claim or claims made by or on behalf of an Assailant.

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

- Use or operation as a means to inflict harm of any computer, computer system, computer software, malicious code, computer virus or any other electronic system.
- Workers Compensation
- Employment Practices
- 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
- Mercy Killing(s)
- Cross Suits
- Strikes, labor unrest, riots or civil commotion
- Suicide
- War, insurrection, civil commotion
- Mental injury or mental anguish related claim where no Bodily Injury occurred to claimant (Except as included by endorsement for counselling services)
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- Loss, injury or damage caused by or resulting from Named Insured's recklessness or deliberate misconduct
- Chemical, biological, bio-chemical or electromagnetic weapon
- 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 (except as maybe provided by the 1st Party Property coverage)
- Punitive or exemplary damages, sanctions or additional damages

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

ADDITIONAL EXCLUSIONS RELATING TO PROPERTY & BUSINESS INTERRUPTION:

(Including But Not Limited To)

- COVID19
- Any Deadly Weapon Event that occurs at a Location(s) which has been specifically leased or loaned by the Named Insured to any other entity or individual to host a permitted event planned and ticketed for more than 500 attendees over the duration of the event, except with the prior written agreement of the Underwriters. Agreement to add any event as covered may incur additional premium.
- 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

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ANNUAL PREMIUM:	\$ 6,537.00	Premium
	\$ 196.11	Surplus Lines Taxes
	\$ <u>16.34</u>	Surplus Lines Fees
	\$ 6,749.45	Total Cost
DEFENSE INSIDE/OUTSIDE THE LIMITS:	Inside	
MINIMUM EARNED PREMIUM:	25% Minimum Earned Premium	
PROPOSAL VALID UNTIL:	30 Days From Date Issued	
SUBJECTIVITIES:	<ul style="list-style-type: none">• 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.• No known or reported losses or incidents likely to give rise to a claim over the last 12 months.	

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

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. 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. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at 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

Small Cities Organized Risk Effort

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	Annual Premium	Bind	Decline
DEADLY WEAPON RESPONSE PROGRAM			
Limit \$500,000 Aggregate (Shared by Members of Pool/JPA) \$2,500,000	\$6,749.45	<input type="checkbox"/>	<input type="checkbox"/>
<i>Premium will be prorated based on join date</i>			

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.

Signature of Authorized Insurance Representative

Date

Title

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.*

Alliant Deadly Weapon Response Program Proposal FY 21/22		
MEMBER ENTITY	Total Insured Values	Allocation
Rate/Amount		\$6,750
Biggs	\$ 11,065,566	\$206
Colfax	\$ 15,989,972	\$297
Dunsmuir	\$ 19,605,375	\$365
Etna	\$ 9,478,745	\$176
Isleton	\$ 6,780,446	\$126
Live Oak	\$ 39,134,464	\$728
Loomis	\$ 4,397,801	\$82
Loyalton	\$ 13,757,207	\$256
Montague	\$ 15,216,790	\$283
Mt. Shasta	\$ 16,118,723	\$300
Portola	\$ 9,005,929	\$168
Rio Dell	\$ 16,557,896	\$308
Shasta Lake	\$ 66,468,290	\$1,237
Susanville	\$ 31,661,276	\$589
Tulelake	\$ 11,113,025	\$207
Weed	\$ 18,188,898	\$338
Yreka	\$ 58,286,263	\$1,084
Grand Total	\$ 362,826,666	\$6,750



CORELOGIC WILDFIRE RISK SCORING INFORMATION ITEM

ISSUE: Members agreed to use Core Logic’s service to provide a relative wildfire risk score to select member properties and locations. The Program Administrators have attached a summary of the initial results and will provide more details at the meeting along with plans for follow-up activities.

RECOMMENDATION: None – information only.

FISCAL IMPACT: None from this item. Previous budget of up to \$3,000 approved.

BACKGROUND: SCORE’s property schedule contains 438 addresses and a total 980 buildings. The Program Managers reviewed and reduced the list based on the type of property and/or number of locations at a particular address to reduce the number of risk scores produced and therefore the cost of the reports. The scores will be used to identify the member properties that may be most at risk to prioritize mitigation efforts in those areas. The data may also be used in the future to present the relative risk of wildfire to member properties and highlight mitigation efforts.

ATTACHMENTS: Summary of Ranked Scores in Total and By Member

Core Logic Wildfire Risk Scores - Summary

Risk Score	# Locations	Member/Risk Score	# Scores
95	2	Biggs	8
90	1	6	7
89	1	11	1
84	1	Colfax	9
82	2	46	1
80	2	56	3
78	1	61	1
76	2	76	2
75	1	80	1
73	1	90	1
71	1	Dunsmuir	8
69	2	58	1
67	2	63	3
65	1	67	1
63	5	82	1
61	4	84	1
60	1	95	1
58	1	Etna	7
57	1	20	2
56	3	26	2
53	1	31	2
48	2	33	1
46	2	Isleton	5
45	1	6	3
44	1	8	1
41	3	10	1
40	1	Live Oak	13
36	1	6	12
35	2	8	1
33	5	Loomis	7
31	14	6	6
28	2	8	1
26	11	Loyalton	6
20	4	18	1
19	1	26	2
18	2	31	2
16	7	36	1
11	2	Montague	11
10	1	6	3
8	12	8	6
6	37	11	1
Grand Total	147	20	1
		Mount Shasta	7
		31	3
		35	2
		40	1
		53	1

Member/Risk Score	# Scores
Portola	8
41	1
46	1
61	2
65	1
73	1
78	1
82	1
Rio Dell	3
26	1
33	1
57	1
Shasta Lake	14
18	1
19	1
26	3
31	2
33	1
44	1
48	1
63	1
67	1
89	1
95	1
Susanville	11
8	1
16	1
20	1
26	1
31	3
33	1
41	1
45	1
80	1
Tulelake	8
6	6
8	2
Weed	8
41	1
48	1
61	1
63	1
69	2
71	1
75	1
Yreka	14
16	6
26	2
28	2
31	2
33	1
60	1
Grand Total	147



Agenda Item H.6.

**PRISM POLLUTION PROPOSAL
AND FY 20/21 CLAIMS REPORTING**

ACTION ITEM

ISSUE: Most SCORE members purchase additional pollution coverage for their closed landfills and to provide coverage and limits in addition to the APIP pollution coverage that is part of that program.

NOTE: This coverage is being non-renewed by the current insurer, Illinois Union (Chubb), and will be replaced by Ironshore Insurance Company, with a change in the retroactive date to July 1, 2021. This means that **all claims and all known incidents that could give rise to a claim must be reported to the expiring insurance company during the policy period** or during any extended reporting period (ERP) in order for coverage to apply. Please share this information with those in your city who may be in a position to know of a claim or incident and report to the insurer and Alliant prior to July 1.

RECOMMENDATION: Approve the PRISM Pollution Proposal as presented.

FISCAL IMPACT: The proposed PRISM Pollution premium is \$26,753 for FY 21/22, an increase of \$20,764 or 347%.

BACKGROUND: The hard insurance market has affected the PRISM Pollution Program, with increased pricing and coverage changes. Please refer to the attached proposal for an outline of the renewal changes. March premium estimate reflected a +30-40% increase against your expiring annual (one-year) premium of the three-year term. Due to loss development and hard market conditions the policy term was reduced from a three year term to an annual term causing significant rate increases over the prior estimates.

Pollution/Remediation Legal Liability policies are written on a “Claims Made and Reported” coverage form, which means that all claims and all known incidents that could give rise to a claim must be reported to the company during the policy period or during any extended reporting period (ERP) in order for coverage to apply. The change in the retroactive date removes coverage for any known and unknown conditions and provides new conditions coverage only for claims involving mold, restoration costs and legionella and sewage backup claims. Additionally, the renewal carrier, Ironshore, excludes all pollution conditions that occurred prior to the renewal policy’s inception and any known or pre-existing pollution conditions will not be covered by the renewal policy.

ATTACHMENTS:

1. SCORE - 21-22 PRISM Pollution June 2021 V4 Premium Estimate - *allocation in Liability budget*
2. SCORE – 21-22 PRIMS Pollution Proposal



Public Risk Innovation, Solutions, and Management (PRISM)

2021/22 Premium Summary, June 2021

SCORE

Premiums for the majority of 2021/22 renewals are essentially final. Additional detail has been provided for programs with pending renewals. For those programs that are subject to a premium audit or dividend, and the member has requested that the audit/dividend be applied to the premium, the amount is shown below and has been applied to the 2021/22 collection shown. If you have elected to receive a check or invoice, no amount will be shown for the audit/dividend.

Program	Premium Audit	Dividend	2021/22 Total Collectible	2020/21 Premium
Pollution Program			\$26,753	\$5,989

Your March premium estimate reflected a +30-40% increase against your expiring annual (one-year) premium of the three-year term. Since the last version of estimates was released in March, the program renewal quote was received and unfortunately, the renewal premium came in higher than anticipated. Due to loss development and hard market conditions the policy term was reduced from a three year term to an annual term causing significant rate increases over the prior estimates. Please note, the Executive Committee reviewed and approved the renewal terms on May 6, 2021 as this was the only option available due to hard market conditions.



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POLLUTION PROGRAM I
2021/2022 INDIVIDUAL MEMBER RENEWAL TERMS
SMALL CITIES ORGANIZED RISK EFFORT (SCORE)**



	PRESENT	PROPOSED
COVERAGE TERM	July 1, 2018 to July 1, 2021 Three-year policy term	July 1, 2021 to July 1, 2022
COMPANY AFFORDING COVERAGE	Illinois Union Insurance Company (Chubb)	Ironshore Specialty Insurance Company
A.M. BEST'S GUIDE RATING	A++ (Superior); Financial Category XV (\$2 Billion or greater) as of April 13, 2018	A (Excellent); Financial Category XV (\$2 Billion or greater) as of April 26, 2021
STANDARD & POOR'S RATING	AA (Stable) as of April 13, 2018	A (Stable) as of April 26, 2021
CALIFORNIA STATUS	Non-admitted	Non-admitted
CHOICE OF LAW	California	Silent
RETROACTIVE DATE	July 1, 2001 Except Products; water products sold or distributed by the named insured will have a retro date of July 1, 2006 and bio-solid derived fertilizer products sold or distributed by the named insured with have a retro date of July 1, 2009	July 1, 2021 for the following: Legionella, Mold and Restoration costs, Products Pollution Liability and Exposure, Legionella, Contractors Environmental Legal Liability (CELL) and Sewer Backup claims. July 1, 2001 applies for all other coverages, a \$500,000 sublimit applies to all claims for pre-existing conditions.
COVERAGE PROVIDED	CLAIMS MADE AND REPORTED POLICY Products Pollution Bodily Injury and associated legal defense expenses coverage for water products sold or distributed by a named insured. A retro date of July 1, 2006 will apply. Products pollution includes water product pollution and Bodily injury, property damage, remediation costs and associated legal defense for bio-solid derived fertilizer products sold or distributed by a named insured. A retro date of July 1, 2009 will apply.	CLAIMS MADE AND REPORTED POLICY Products Pollution July 1, 2021 retroactive date applies with a \$5,000,000 each incident/\$10,000,000 aggregate sublimit. Coverage applies for loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expense but only if: i. The Bodily Injury, Property Damage or Remediation Expense arises from Products Pollution;

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	PRESENT	PROPOSED
<p>COVERAGE PROVIDED <i>Continued</i></p>	<p>Mold \$5,000,000 sublimit applies</p>	<p>ii. The Products Pollution commenced on or after the PRODUCTS POLLUTION AND EXPOSURE LIABILITY RETROACTIVE DATE of July 1, 2021, as amended by this endorsement; and</p> <p>iii. A Claim for such Bodily Injury, Property Damage or Remediation Expense is first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.</p> <p>PFOS/PFAS excluded.</p> <p>Bio solid fertilizer from wastewater treatment plants is covered with a retroactive date of July 1, 2021. \$5,000,000 each incident/\$10,000,000 aggregate sublimit applies.</p> <p>Mold No sublimit however a Retroactive date of 7/1/2021 applies. Elevated retention applies. The Company will pay all Loss in excess of the greater of: (i) \$1,000,000; or (ii) \$100,000 multiplied by the number of rooms impacted by the same, related or continuous Pollution Incident(s). For areas which are not used as guest rooms, each 250 square feet of floor space of the entire section of the location impacted, as determined in the Company's reasonable discretion, shall be deemed a room for purposes of calculating the deductible. The deductible is the obligation of the Named Insured and applies to all Loss arising out of the same, related or continuous Pollution Incident(s). Restoration costs for claims associated with mold are sub limited to \$1,000,000 each incident aggregate.</p>

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	PRESENT	PROPOSED
<p>COVERAGE PROVIDED <i>Continued</i></p>	<p>Sewage Backup Included. "Sewage Backup" means the reverse flow of sewage via subsurface sewer lines, to or from a "covered location", into or onto locations that are not "covered locations", including, but not limited to, third party residences, businesses, or any other structures on land or into any soil, groundwater, surface water or air associated with such third party residences, businesses, or any other structures.</p> <p>Legionella Policy deductible and limits apply</p> <p>Landfills Giveback to the landfill exclusion applies to provide for "claims" for "bodily injury" or "property damage" arising out of "pollution conditions" allegedly migrating from Landfills or Recycling Facilities that are specifically scheduled as "covered locations" pursuant to an endorsement attached to this Policy.</p>	<p>Sewage Backup Included. \$1,000,000 deductible/\$2,000,000 program aggregate sublimit applies.</p> <p>Sewer Backup means wastewater that enters into a building or basement as a result of a blockage in trunk sewer lines or lateral sewer lines, to the extent connected to trunk sewer lines, owned by the Named Insured.</p> <p>Overcharge means a condition in which the wastewater or storm water flow rate in trunk sewer lines or lateral sewer lines, to the extent connected to trunk sewer lines, owned by the Named Insured, exceeds 100% of the hydraulic capacity of the sewer lines and is a result of excess precipitation or groundwater entering the sewer lines.</p> <p>Legionella \$500,000 deductible applies/\$1,000,00 each incident sublimit</p> <p>Landfills Landfills excluded however a giveback to the exclusion applies for Remediation Expenses incurred exclusively for remediation of pollutants that are beyond the boundaries of the Covered Property.</p> <p>"Any landfill material which is on or under the Covered Property(ies); any waste material which has been intentionally deposited on or under any Covered Property; or any Fill Material deposited on or under a Covered Property. However, this paragraph shall not apply to Remediation Expenses incurred exclusively for remediation of Pollutants that are beyond the boundaries of the Covered Property".</p>

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	PRESENT	PROPOSED
COVERAGE PROVIDED <i>Continued</i>	<p>Business Interruption 3 day waiting period</p> <p>Covered Operations Included. Covered Operations – 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”</p> <p>Automatic Acquisition</p> <ul style="list-style-type: none"> Automatic Coverage for Newly Acquired Locations for 365 days. <ul style="list-style-type: none"> New conditions covered subject to a retroactive date of the purchase, however full coverage can be granted subject to additional underwriting data and Phase I within one year A list of scheduled locations to be provided annually to the carrier 	<p>Business Interruption 5 day waiting period</p> <p>Covered Operations Included via CELL Coverage. Work covered includes: Land-based pesticide/herbicide spraying, household hazardous waste collection events, weatherization assistance programs; and Materials, parts or equipment furnished by the Insured or a subcontractor working on its behalf in connection with such work or operations. Sublimits apply.</p> <p>Automatic Acquisition Any real property newly acquired, owned, leased, managed, rented or occupied by the Insured during the Policy Period (hereinafter “Acquired Real Property”), subject to all of the following conditions: a. Within one hundred eighty (180) days from the effective date of the Named Insured taking title to or its occupancy of such real property, the Named Insured must give notice of such taking title or occupancy in writing to the Company’s underwriter and provide the underwriter with a properly completed and signed Site Pollution Incident Legal Liability Select Application. The Named Insured thereafter must provide any supporting documentation reasonably requested by the underwriter; b. If and when the Named Insured timely complies with paragraph 2.a. above, the Company shall within thirty (30) days thereafter either: i) approve the location and schedule the location by endorsement as a Covered Property; ii) approve the subject property(s) as a Covered Property with additional specific coverage conditions or</p>

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	PRESENT	PROPOSED
COVERAGE PROVIDED <i>Continued</i>		<p>exclusions; or iii) inform the Named Insured that the subject real property(s) is(are) not approved and will not be included as a Covered Property(s). If the subject real property(s) is(are) approved, to be scheduled to this Policy as a Covered Property(s), such scheduling shall be subject to an additional premium of \$TBD per dollar of Total Insurable Values.</p> <p>This premium shall be pro-rated during the Policy Period subject to a minimum premium of \$450. However, there shall be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000. Coverage hereunder for any property added as a Covered Property shall only apply if the additional premium set forth above is paid when due;</p> <p>c. Coverage under this Policy shall only apply to Loss, Business Interruption Expense or Extra Expense arising out of a Pollution Incident(s) that commences on or subsequent to the earlier of the Named Insured's taking title or its occupancy of such property. In the event that the Company provides written notice that the property will not be scheduled as a Covered Property, there shall be no coverage for any Pollution Incident or Claim unless written notice of such Pollution Incident or Claim was received by the Company prior to the Company's issuance of its notification that the property will not be scheduled as a Covered Property; and</p> <p>d. The material use of the property must conform to the intended use description set forth in the Declarations.</p>

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	PRESENT	PROPOSED
COVERAGE PROVIDED <i>Continued</i>	<p>Underground Storage Tanks Coverage included for scheduled underground storage tanks--Blanket coverage for underground storage tanks installed on or after January 1, 1995. USTs installed prior to January 1, 1995 must be scheduled to be covered and require a tank tightness test or auto tank gauging report performed in the last 18 months.</p> <ul style="list-style-type: none"> Cannot be used for filing financial assurance <p>Airports and Dams Airports Sudden and Accidental- Discovered in 7 days/ 21 days Reporting. No restrictions for dams.</p>	<p>Underground Storage Tanks UST's are excluded except exclusion does not apply to any Underground Storage Tank:</p> <ol style="list-style-type: none"> Which has been closed or abandoned in place in accordance with all applicable Environmental Laws prior to the Inception Date; Removed prior to the Inception Date; Which is in full compliance with 40 CFR Part 280 and any state regulations applicable to Underground Storage Tanks; or Which is in full compliance with federal, provincial or territorial or local technical standards applicable to Underground Storage Tanks. <p>\$500,000 deductible applies for UST's. A \$1,000,000 deductible applies for UST's that are older than 25 years and that are discovered during a Voluntary Investigation; or that is encountered, disturbed or discovered while an Insured or any other party is performing a Capital Improvement (regardless of whether such Pollution Incident was previously known or unknown by any Insured).</p> <ul style="list-style-type: none"> Cannot be used for filing financial assurance, coverage is excess of state tank funds/coverage <p>Airports and Dams Sudden and accidental coverage only. The Pollution Incident giving rise to such Loss must be discovered by the Insured within seven (7) days of its commencement and the Pollution Incident is demonstrable as commencing on a specific date; <u>and</u> the Pollution Incident must be reported to the Company in writing no later than twenty-one (21) days following the discovery of such Pollution Incident, and in any event during the Policy Period.</p>

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	PRESENT	PROPOSED
COVERED LOCATIONS	<ul style="list-style-type: none"> All locations within the portfolio, whether owned, leased, rented or occupied by the insured at the inception date and listed on the property schedule, including, but not limited to, associated streets, roads, storm drains/outfalls, easements and rights of ways, sanitary sewer trunk lines, wastewater treatment plants, water treatment plants, portable water wells, municipal airports, lift and pump stations, parks, civic or community centers, schools, donated land, easements for utility lines, roadways or bridges, landfills, maintenance garages, libraries, police and fire stations or other government buildings, and including related and associated shoreline and beaches Automatic Coverage for Newly Acquired Locations. - reported annually and not a landfill or not a RCRA or Superfund site <ul style="list-style-type: none"> New conditions covered subject to a retroactive date of the purchase, however full coverage can be granted subject to additional underwriting data and Phase I within one year A list of scheduled locations to be provided annually to the carrier Divested Locations (3rd party coverage from the retro date of July 1, 2001 to date of divestiture) The 23 mile portion of the Santa Ana Regional Interceptor Line (SARI) as owned by the Orange County Sanitation District 	<ul style="list-style-type: none"> Any location owned, leased, rented, operated or occupied by a Named Insured as of Inception Date, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines to or from a Covered Property provided that such pipes are located within a one thousand (1,000) foot radius of such Covered Property. Any real property newly acquired, owned, leased, managed, rented or occupied by the Insured during the Policy Period (hereinafter "Acquired Real Property"), subject to all of the following conditions: <ul style="list-style-type: none"> Within one hundred eighty (180) days from the effective date of the Named Insured taking title to or its occupancy of such real property, the Named Insured must give notice of such taking title or occupancy in writing to the Company's underwriter and provide the underwriter with a properly completed and signed Site Pollution Incident Legal Liability Select Application. The Named Insured thereafter must provide any supporting documentation reasonably requested by the underwriter
LIMITS	<p>\$10,000,000 per Pollution Condition \$10,000,000 per Member Aggregate Limit of Liability</p> <p>\$50,000,000 Policy Aggregate Limit of Liability for all Members combined</p> <ul style="list-style-type: none"> Three year term (Limits do not reinstate annually) 	<p>\$10,000,000 per Pollution Condition \$10,000,000 per Member Aggregate Limit of Liability</p> <p>\$50,000,000 Policy Aggregate Limit of Liability for all Members combined</p> <ul style="list-style-type: none"> Annual term

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	PRESENT	PROPOSED
LIMITS <i>Continued</i>	<ul style="list-style-type: none"> All members of a JPA will share the \$10,000,000 per Pollution Condition Limit and \$10,000,000 per Member Aggregate Limit of Liability 	<ul style="list-style-type: none"> All members of a JPA will share the \$10,000,000 per Pollution Condition Limit and \$10,000,000 per Member Aggregate Limit of Liability
SUBLIMITS/ELEVATED DEDUCTIBLES	<ul style="list-style-type: none"> Image Restoration \$500,000 per contamination incident Decontamination Costs subject to a sublimit of \$5,000,000 aggregate - applies to healthcare and educational facilities 	<ul style="list-style-type: none"> Fines and penalties \$250,000 aggregate limit Disinfection Event Expenses \$25,000 each incident/program aggregate Legionella \$500,000 deductible and \$1,000,000 each incident limit Mold excess of \$1,000,000 deductible or 100,000 multiplied by the number of rooms impacted by the same, related or continuous pollution Incident(s) Restoration Costs shall not exceed \$1,000,000 each incident aggregate Sewer Backup \$1,000,000 deductible and \$2,000,000 each incident sublimit Products Pollution- sublimit of \$5M each incident/\$10M program aggregate applies. UST's, \$500,000/\$1,000,000 depending on age/circumstance, see above for further detail Contractors Environmental Legal Liability (CELL): <ul style="list-style-type: none"> \$1,000,000 each incident/\$2,000,000 program aggregate for Herbicide, Insecticide and Pesticide Applications \$5,000,000 each incident/\$10,000,000 program aggregate for All other operations with the exception of above
SELF-INSURED RETENTION	<p>\$75,000</p> <p>3 Days Business Interruption Waiting Period</p> <p>\$75,000 SIR for all UST's</p> <p>\$250,000 SIR for third party sewage backup</p>	<p>\$250,000</p> <p>5 Days Business Interruption Waiting Period</p> <p>\$500,000 Deductible for UST's < 25 years of age</p>

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	PRESENT	PROPOSED
SELF-INSURED RETENTION <i>Continued</i>		\$1,000,000 Deductible for UST's > 25 years of age and those discovered during voluntary site investigation and capital improvements \$1,000,000 Deductible for sewer backup
EXTENDED REPORTING PERIOD	<ul style="list-style-type: none"> 60 days automatic Extended Reporting Period Three years Supplemental Extended Reporting Period for not more than 100% of the term premium 	<ul style="list-style-type: none"> 90 days automatic Extended Reporting Period Four years Supplemental Extended Reporting Period for no more than 200% of term premium
INSURING AGREEMENT	Pay on behalf of the insured for a loss, in excess of the self-insured retention, resulting from a pollution condition, an indoor environmental condition, transportation or a pollution condition from a non-owned disposal site	Pay on behalf of the insured for Loss, Remediation Expenses, Emergency Response Expenses, Third Party Claims, Transportation, Waste Disposal Activities, and Business Interruption
DEFENSE COSTS AND EXPENSES	Defense Costs and Expenses are included in the Self-Insured Retention and within Limits of Liability	Defense Costs and Expenses are included in the Self-Insured Retention and within Limits of Liability
MAJOR EXCLUSIONS (Included but not limited to)	<ul style="list-style-type: none"> Asbestos Contractual Liability Criminal Fines and Penalties Divested Property Employers Liability First-Party Property Damage Fraud or Misrepresentation Insured's Internal Expenses Insured vs. Insured Intentional Non-Compliance Known Conditions Lead-Based Paint Lead Contaminated Water Material Change in Risk, does not apply to covered operations that are performed with respect to uses 	<ul style="list-style-type: none"> Asbestos and Lead Based Paint Activity Use Limitation Capital Improvement Criminal Punishment Closure, Post Closure and Reclamation Costs Contractual Liability Discharge Control Employer Liability Engineering Controls/Operation and Maintenance (O&M) Costs Firing Ranges Groundwater & Surface Water Monitoring Costs Impoundments Insured's Non-Compliance Insured vs. Insured Known Pollution Incident

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	PRESENT	PROPOSED
MAJOR EXCLUSIONS <i>Continued</i>	<p>and operations that are within the capacity of a Public Entity</p> <ul style="list-style-type: none"> • Non-Owned Disposal Sites • Underground Storage Tanks • Vehicle Damage • War or Terrorism • Workers' Compensation • Product Liability (except bodily injury and associated legal defense expenses coverage for water products sold or distributed by named insured, retro date of July 1, 2006. Bodily injury, property damage, remediation costs and associated legal defense for bio-solid derived fertilizer products sold or distributed by named insured, retro date of July 1, 2009) 	<ul style="list-style-type: none"> • Landfill Material • Material Change In Use • Non-Disclosure • Nuclear and Radiological Material – Intentional or Unlawful Release • Odor • PFOS/PFAS excluded • Product as waste (giveback applies to biosolid derived from fertilizer that is sold/distributed by the named insured, provide 180 • it was processed by a covered property used as a wastewater treatment plant) • Prior Claims • Property Damage to Conveyances • Underground Storage Tanks • Upgrades • Voluntary Site Investigation • War • Workers Compensation, Unemployment, Social Security, Disability and Similar Laws
ENDORSEMENTS	<ul style="list-style-type: none"> • Schedule of Named Insured • Asbestos and/or Lead-Based Paint Coverage (Inadvertent Disturbance) • Indoor Environmental Conditions Amendatory (Bacteria and Virus) • Jurisdiction and Venue/Choice of Law • Lead Exclusionary (Potable Water) • Notice of Cancellation • Premium Earned-Out (Staggered – One Year – Acceleration) • Schedule of Covered Locations • Schedule of Underground Storage Tanks • Self-Insured Retention Amendatory (Generic) 	<ul style="list-style-type: none"> • Insurer Address Change • Claim and Notice Reporting • Sanction Limitation and Exclusion Clause • Service of Suit Clause - California • California – Cancellation and Nonrenewal • Disclosure – Terrorism Risk Insurance Act (Subject to TRIA purchase) • Cap on Losses From Certified Acts of Terrorism (Subject to TRIA purchase) • Disinfection Event Expenses • COVID-19 Exclusion • Named Insured • Additional Insured

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 SMALL CITIES ORGANIZED RISK EFFORT (SCORE)**



	PRESENT	PROPOSED
ENDORSEMENTS <i>Continued</i>	<ul style="list-style-type: none"> • Self-Insured Retention Amendatory (Scheduled Conditions) • Specific Pollution Conditions or Indoor Environmental Conditions – City of Santa Monica • Sudden and Accidental Coverage Limitation <ul style="list-style-type: none"> ○ No Indoor Environmental Conditions ○ Applies to Airports • Waiver of Subrogation (By Contract) • Additional Named Insured Confirmation • Automatic Acquisition (New Conditions Coverage Only) • Definition of Pollution Condition • Exposure-Specific Aggregated Self-Insured Retention (No Sewage Back-Up or Storage Tanks) • Other Insurance Amendatory • Per Named Insured Aggregate Submit of Liability • Per Named Insured Sublimits of Liability (Bacteria/Virus and Catastrophe Management Costs) • Products Pollution Coverage (Public Entity) • Public Entity Coverage Amendatory (Sewage Back-Up) • Supplemental Extended Reporting Period • Disclosure Pursuant to Terrorism Risk Insurance Act • Service of Suit • Terrorism Risk Insurance Act • Trade or Economics Sanctions • Signatures 	<ul style="list-style-type: none"> • Waiver of Subrogation • Prior Claims Exclusion • Covered Property Definition • Exclusions Endorsement • Limits of Liability and Deductible • Asbestos and Lead Based Paint Exclusion • Choice of Forum/Law Deletion • Retroactive Date • Coverage Amendatory • Capital Improvement Exclusion • Voluntary Site Investigation Exclusion • Conditions Amendatory • Per Named Insured Aggregate • Underground Storage Tanks Exclusion • Excess of Tank Fund • Non-Owned Disposal Sites Definition • Loss Definition • Products Pollution and Exposure Liability • Contractors Environmental Legal Liability (CELL)
MINIMUM EARNED PREMIUM	25% at inception, 50% earned at end of first policy year, 100% at end of second policy year	100% earned at inception
CANCELLATION	90 days written notice to First Named Insured in the case of material misrepresentation, breach or failure to comply	<ul style="list-style-type: none"> • 90 days written notice to First Named Insured • 10 days for non-payment of premium

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.



PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
POLLUTION PROGRAM I
2021/2022 INDIVIDUAL MEMBER RENEWAL TERMS
SMALL CITIES ORGANIZED RISK EFFORT (SCORE)



	PRESENT	PROPOSED
CANCELLATION <i>Continued</i>	with policy terms, or failure to pay premium or self-insured retentions; 10 days' notice only for non-payment	<ul style="list-style-type: none"> • Fraud or misrepresentation • Any "insured's" failure to comply with the terms, conditions or contractual obligations under this policy including failure to pay the deductible when due • Nonpayment of premium when due
CLAIMS REPORTING REQUIREMENTS	All claims must be reported to the carrier as soon as practicable, regardless if under Self Insured Retention	Same as Present
PREMIUM	\$17,960 Three year premium	\$26,753 Annual Premium
<p>NOTE: Coverage has been bound with Ironshore for the 2021/2022 policy term. As noted on Page 1 under the Retroactive Date section of the proposal, Ironshore is not providing full retroactive date of coverage dating back to July 1, 2001. Chubb has agreed to provide Extended Reporting Period (ERP) for the Program. ERP premium and financing options will be provided to all members in the Program by PRISM.</p> <ul style="list-style-type: none"> • Premiums noted above are for the expiring and renewal terms. **These <u>do not</u> included ERP premium (ERP premium options will be provided separately)** 		

ALLIANT INSURANCE SERVICES, INC.
 Nazie Arshi, Senior Vice President
 Katrina Seese, Assistant Vice President
 Marcus Beverly, First Vice President
 Armando Vieyra, Program Specialist – Lead

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
POLLUTION PROGRAM I
2021/2022 INDIVIDUAL MEMBER RENEWAL TERMS
SMALL CITIES ORGANIZED RISK EFFORT (SCORE)**



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. 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. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at 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.

IMPORTANT NOTICE: The Non-Admitted and Reinsurance Reform Act (NRRRA) 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.

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.



CJPRMA UPDATE EXCESS LIABILITY COVERAGE CHANGES

INFORMATION ITEM

ISSUE: This year we are facing very difficult insurance renewals due to the state of the insurance market, and a reaction to many large claim values, both within CJPRMA and in the market. The placement of reinsurance for SCORE's excess Pool, CJPRMA, continues to be a challenge. The results likely to be an increase in their Self-Insured Retention (SIR) from \$5M to \$7.5M, additional exclusions for communicable disease and wildfire, with carrier aggregate limits on Law Enforcement (LE) and Sexual Abuse and Molestation (SAM) claims, and other aggregates at higher limit attachments.

The impact of these new aggregates to CJPRMA, and how they plan to self-fund the gap, will be explained once final details are known, but a general discussion is included below as an attachment to this item to document the concept for greater understanding of how it could impact a Pool's limits.

At this time, the final terms are not secured, and the Program Administrators will have the latest update at the time of the meeting. However, the coverage may not be bound with final terms until after the Board meeting, and a complete review of the final terms will be provided at that time.

RECOMMENDATION: Review and discuss potential changes to the excess coverage.

FISCAL IMPACT: None for this item. Increasing the SIR to \$7.5M has resulted in an increase to the overall funding that is reflected in the current liability funding estimates.

BACKGROUND: SCORE has been a member of CJPRMA for excess coverage since that pool's inception in 1986. Munich Re has been a steady partner in providing reinsurance but given the group's loss history, and overall market conditions, the terms of coverage are being restricted and pricing is increasing.

ATTACHMENTS: Understanding Policy Aggregation

UNDERSTANDING POLICY AGGREGATION

This issue can be complex and difficult to explain depending on how it is structured, though we have a simple example with the current CJPRMA coverage - for Employment Practices Liability (EPL) the limit of coverage in the pool layer is \$5M with a \$5M annual aggregate in the first reinsurance layer. *There is no more EPL coverage in the higher reinsurance layers.* This means once a total of \$5M is paid in the first reinsurance layer for EPL claims occurring during the year the reinsurance ends. *Members would still have \$5M per occurrence available in the pool layer.*

The aggregates being proposed for FY 21/22 would work in a similar fashion, as they would apply to LE and SAM claims only. Considering CJPRMA reinsurers offer LE coverage up to the full \$40M limit, placing an aggregate limit on that coverage could result in exhaustion of the first layer of reinsurance and a gap of up to \$7.5M (currently proposed limit) to reach the higher reinsurer limits. If that were to happen, and additional claims were payable within that gap, CJPRMA would be asked to fund it.

Although it's subject to approval, CJPRMA management understands the issue and is coming to the conclusion that they will recommend **self-funding any losses excess of aggregate exhaustion within that program.** Meaning, if the first layer of reinsurance has a \$5M xs of a \$7.5M SIR limit with a "2 times aggregate" (\$10M), and that aggregate was exhausted by multiple member claims, then they would be self-insured by the pool for a number of reasons, including:

1. In the past, carriers in excess positions have "dropped down" when lower layer carriers' aggregates were exhausted. That is no longer the case.
2. You can't tell the last city that has a claim that there's no more coverage left in the \$5M xs \$7.5M layer, and,
3. Therefore, you would have to pro-rate the \$40 million many years down the road, and possibly ask members to return some money already paid if the aggregate were exhausted; not a very practical solution!

So a pool like CJPRMA really has no choice but to solve this by self-funding after aggregates are exhausted; it's just the right solution to the problem for them, and most other Pools. This process has to go all the way up through their insured excess layers, or they have to tell members when the aggregates may be exhausted and what that means to the members' coverage limits at higher layers.



Agenda Item H.8.

CRIME COVERAGE FOR SCORE TREASURER

ACTION ITEM

ISSUE: The Board is asked to review and consider renewing ACIP Crime Policy for the JPA itself, including the SCORE Treasurer.

The attached proposal provides more details regarding the coverages provided, with a \$1,000,000 limit and \$2,500 deductible for Employee Theft, Forgery or Alteration, Robbery, and Computer Fraud, among others. The policy also includes sublimits for impersonation fraud, loss or damage to client property, and expenses incurred in establishing a loss.

The Board has also requested a quote for a limit of \$3,000,000 with a deductible of \$25,000 to compare the cost. The minimum deductible in the ACIP Program for a \$3M limit is \$25,000.

RECOMMENDATION: Approve purchase of Crime Policy with either a limit of \$1 million dollars and deductible of \$2,500 or a limit of \$3 million dollars and deductible of \$25,000 for the SCORE JPA, including the SCORE Treasurer.

FISCAL IMPACT: For a \$1M limit (\$2,500 deductible) the premium is \$1,213, for a \$3M limit (\$25,000 deductible) the premium is \$3,500.

BACKGROUND: Since 2005 the SCORE JPA has purchased a Crime Bond in the amount of \$250,000 with a \$1,000 deductible for the SCORE Treasurer and the duties associated with the position. Given the coverage provided by the bond was limited as compared to the ACIP Crime Program the board approved the purchase of the ACIP Crime coverage effective FY 19/20 and again in FY 20/21. At the June 11, 2021 meeting the Board requested pricing for a \$3M limit of coverage to compare costs.

ATTACHMENTS: SCORE ACIP 2021-2022 Proposal

The background of the top half of the page is a photograph of a modern glass building facade. The glass reflects the sky and surrounding structures. A person is visible walking on a balcony or walkway on the right side of the building. The text "Small Cities Organized Risk Effort (SCORE)" is overlaid in white on the right side of the image.

Small Cities Organized Risk Effort (SCORE)

2021 – 2022

ALLIANT CRIME INSURANCE PROGRAM (ACIP) Government Crime Insurance Proposal

Presented by:

Tom E. Corbett, Senior Vice President
Mariana C. Salyer, CISR, Program Specialist- Lead

Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660
O 949 756 0271
F 619 699 0906
CA License No. 0C36861

www.alliant.com

2021-2022 Alliant Crime Insurance Program Government Crime Insurance Proposal Small Cities Organized Risk Effort (SCORE)

Named Insured / Additional Named Insureds

First Named Insured(s)

Small Cities Organized Risk Effort (SCORE)

Additional Named Insured(s)

See attached Named Insured List

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Small Cities Organized Risk Effort (SCORE)

Line of Coverage
Government Crime Coverage

INSURANCE COMPANY:	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	
A.M. BEST RATING:	A+ (Excellent); Financial Size Category: XV (\$2 Billion or greater) Verified on May 7, 2021	
STANDARD & POOR'S RATING:	A+, Strong Financial Security Verified on May 7, 2021	
STATE STATUS:	Admitted	
PROGRAM POLICY/COVERAGE TERM:	July 1, 2021 – July 1, 2022	
RETROACTIVE DATE:	N/A	
COVERAGE:	Government Crime Policy on Discovery form including the following coverages: <ul style="list-style-type: none"> • Employee Theft – Per Loss Coverage - including Faithful Performance of Duty • Forgery or Alteration - including Credit, Debit, or Charge Card Forgery • Inside the Premises – Theft of Money and Securities • Inside the Premises – Robbery & Safe Burglary of Other Property • Outside the Premises - Money, Securities and Other Property • Computer Fraud • Funds Transfer Fraud • Money Orders & Counterfeit Money 	
	<u>2020-2021 CURRENT</u>	<u>2021-2022 PROPOSED</u>
LIMITS:	\$1,000,000	\$1,000,000
DEDUCTIBLE:	\$2,500	\$2,500
ANNUAL PREMIUM:	\$1,155	\$1,213

2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Small Cities Organized Risk Effort (SCORE)

Line of Coverage

Government Crime Coverage - Continued

MINIMUM EARNED PREMIUM:	None
POLICY AUDITABLE:	No
DESIGNATED AGENTS AS ENDORSED:	<p>None Reported</p> <p>If your entity has a written agreement in place with any person, partnership or corporation to act as your Designated Agent and needs to be included for coverage, please contact Alliant to request approval.</p>
ENDORSEMENTS (including but not limited to):	<ul style="list-style-type: none"> • California Changes • Additional Named Insured – Identifies individual member limit and deductible • Add Faithful Performance of Duty Coverage for Government Employees – Employee Theft Per Loss Limit • Revision of Discovery and Prior Theft or Dishonesty \$25,000 Sub-Limit, Risk Management Department or other department designated to handle insurance matters for the named insured. • Cancellation of Policy Amended –120 Days • Bonded Employees Exclusion Deleted endorsement • Add Credit, Debit or Charge Card Forgery • Include Specified Non-Compensated Officers as Employees - ALL • Include Chairperson and Members of Specified Committees – ALL • Include Designated Persons or Classes of Persons as Employees – Any Directors or Trustees of any of those named as insured; Any board members of any of those named as insured, Any elected or appointed officials • Include Volunteer Workers as Employees • Include Treasurers or Tax Collectors as Employees • Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000 Sub-limit • Employee Post Termination Coverage – 90 Days • Cancellation Amendatory (Return Pro-Rata) • Include Leased Workers as Employees Endorsement • Notice of Claim Reporting by Email • Economic Sanctions (excludes loss payments in violation of economic or trade sanctions)

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Small Cities Organized Risk Effort (SCORE)**

ENDORSEMENTS (including but not limited to) Cont.:

- Omnibus Named Insured
- Vendor Theft - \$1,000,000 Limit excess of vendor insurance policy limit (\$500,000 minimum) required by contract Coverage not applicable if crime insurance is not required in a written agreement.
- Conditions Amended – Subrogation of Faithful Performance of Duty Claims
- Third Party Coverage – Loss of or damage to ‘Client Property’– Sublimit \$250,000 with a \$25,000 Deductible.
- Impersonation Fraud Endorsement –Sublimit \$250,000 with \$25,000 Retention – Does not apply to any losses prior to 07/01/2015
- Blanket Joint Loss Payable- Where legally permissible

EXCLUSIONS (Including but not limited to):

- Unauthorized disclosure of confidential information
- Governmental Action
- Indirect or Consequential Loss
- Protected Information (Carveback)
- Legal Fees and Expenses
- Nuclear Hazard
- Pollution
- War and Military Action
- Inventory Shortages
- Trading losses
- Accounting or Arithmetical Errors or Omissions
- Exchanges or Purchases
- Fire
- Money Operated Devices
- Motor Vehicles or Equipment and Accessories
- Transfer or Surrender or Property
- Vandalism
- Voluntary Parting of Title to Possession of Property

PROPOSAL VALID UNTIL:

June 30, 2021

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Small Cities Organized Risk Effort (SCORE)**

CLAIMS REPORTING PROCEDURE:

AIG
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225
Fax: 866-227-1750
Email: c-claim@aig.com

Please forward a copy of the loss to the following Alliant Claim Advocates:

Alliant Insurance Services, Inc.
Attn: Robert Frey, Senior Vice President
100 Pine Street, 11th Floor
San Francisco, CA 94111
Phone: 415-403-1400
Fax: 415-403-1466
E-Mail: rfrey@alliant.com

Alliant Insurance Services, Inc.
Attn: Elaine Tizon, Assistant Vice President
100 Pine Street, 11th Floor
San Francisco, CA 94111
Phone: 415-403-1400
Fax: 415-403-1458
E-Mail: etizon@alliant.com

SUBJECTIVITIES:

- Signed and currently dated "Request to Bind" page.
- Payment to Alliant is due within 25 Days of Binding

BROKER:

**ALLIANT INSURANCE SERVICES, INC.
Newport Beach, CA**

Tom E. Corbett, Senior Vice President
Mariana C. Salyer, CISR, Program Specialist- Lead

See Disclaimer Page for Important Notices and Acknowledgement

2021-2022 Alliant Crime Insurance Program Government Crime Insurance Proposal Small Cities Organized Risk Effort (SCORE)

Disclosures

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. 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. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at 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.

2021-2022 Alliant Crime Insurance Program Government Crime Insurance Proposal Small Cities Organized Risk Effort (SCORE)

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.

Other Disclosures / Disclaimers

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.

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.

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Small Cities Organized Risk Effort (SCORE)**

Other Disclosures / Disclaimers - Continued

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.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Small Cities Organized Risk Effort (SCORE)**

Request to Bind Coverage

Small Cities Organized Risk Effort (SCORE)

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:	Annual Premium
ACIP Government Crime Program Policy Period: July 1, 2021- July 1, 2022	<input type="checkbox"/> \$2,500 Deductible \$1,000,000 Limit	\$1,213

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.

Signature of Authorized Insurance Representative	Date
Title	
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.*

COVERAGE EFFECTIVE DATE: 07/01/2021

INSURED: Small Cities Organized Risk Effort (SCORE)
2180 Harvard Street, Ste. 460
Sacramento, CA 95815

NAMED INSURED:
Small Cities Organized Risk Effort (SCORE)



ADOPTION OF THE FY 21/22 SCORE PROGRAM BUDGET

ACTION ITEM

ISSUE: The Board of Directors annually adopts the program budget for each fiscal year.

The administrative expense budget is largely unchanged for next year with the following exceptions:

ADMINISTRATIVE EXPENSES

1. **Program Administration** *increased* 6% per contract terms.
2. **Claims Administration** *increased* \$5,978 (3%) per contract terms.
3. **Claims Audit** *increased* by \$4,900 (148%) based on the difference in the cost of the Liability audit in 2020/21 (\$3,100) versus the Workers' Compensation audit in 2021/22 (\$8,000).
4. **Actuarial Services** increased 2%, or \$340, per contract terms.
5. **Financial Audit Services** decreased \$431, or 2%.
6. **Accounting Services** increased by \$2,000, or 3%.
7. **CA DIR OSIP Self Insurance Assessment** increased \$3,236 or 9%.

RECOMMENDATION: Approve the FY 21/22 admin budget as presented or revised by the members.

FISCAL IMPACT: The FY 21/22 admin budget is \$889,027 an *increase* of \$31,609 (4%).

BACKGROUND: The budget uses estimates of payroll, property values and auto values, where appropriate, to calculate premium and expenses for SCORE member cities. The budget also recognizes the calculation of experience modification factors as adopted by the program's Master Plan Documents. The format of the budget discloses administrative expenses, the loss funding for the banking and shared risk layers, and the excess coverage for liability and worker's compensation. It includes other group purchase programs, i.e. the Property (APIP) program, Employee Assistance Program (EAP), Employment Practices Liability (EPL) coverage, and Pollution Liability program.

ATTACHMENTS: SCORE 21/22 Administration Budget

FY 2021/22 SCORE - PROPOSED General Administration Budget

	Category	Work Comp	Liability	Total FY 21-22	Prior Year FY 20-21	% Change
Revenues						
400	Program Administration	\$81,895	\$193,494	\$275,389	\$259,157	6%
400	Claims Administration	\$104,590	\$86,095	\$190,685	\$184,707	3%
400	Other Expenses	\$228,479	\$194,473	\$422,953	\$413,554	2%
400	Banking Layer Deposit	\$485,000	\$297,000	\$782,000	\$801,636	-2%
400	Shared Risk Layer Deposit	\$1,241,000	\$573,000	\$1,814,000	\$1,812,632	0%
400	Excess Coverage Deposit (LAWCX and CJPRMA)	\$415,907	\$534,903	\$950,810	\$653,456	46%
400	Group Purchase Coverage - Property			\$1,110,175	\$744,146	49%
400	Group Purchase Coverage - ERMA			\$120,849	\$120,849	0%
400	Group Purchase Coverage - PRISM Pollution			\$26,753	\$5,792	362%
400	Group Purchase Coverage - ACI EAP			\$13,824	\$13,824	0%
400	Group Purchase Covearge - ACIP (Crime for BOD incl. Treasurer)			\$1,156	\$1,156	0%
499	Reimbursement from CJPRMA for Liability Safety Training					
	Total Revenues	\$ 2,556,871	\$ 1,878,965	\$5,708,594	\$5,010,910	14%

	Category	Work Comp	Liability	Total FY 21-22	Prior Year FY 20-21	% Change	\$ Change
Expenses							
710	Program Administration	\$ 81,895	\$ 193,494	\$275,389	\$259,157	6%	\$16,232
720	Claims Administration (ULAE) Per Member Annual Fee	\$ -	\$ -	\$0	\$0		\$0
721	Claims Administration WC (Unallocated Claims Expense)	\$ 104,590		\$104,590	\$103,555	1%	\$1,035
722	Claims Administration GL (Unallocated Claims Expense)		\$ 83,587	\$83,587	\$81,152	3%	\$2,435
Other Expenses							
505	Accounting Services	\$ 31,000	\$ 31,000	\$62,000	\$60,000	3%	\$2,000
506	Financial Audit	\$ 11,035	\$ 11,035	\$22,069	\$22,500	-2%	(\$431)
507	Actuarial Review and Studies	\$ 7,250	\$ 7,250	\$14,500	\$14,160	2%	\$340
508	Bill.com	\$ 360	\$ 360	\$720	\$720	0%	\$0
509	Legal Expenses	\$ 2,250	\$ 5,250	\$7,500	\$7,500	0%	\$0
510	Investment Management Fees	\$ 7,250	\$ 7,250	\$14,500	\$14,500	0%	\$0
511	Claims Audit (WC in Fall 2021 \$8,000, GL in Fall 2020 \$3,100)	\$ 8,000		\$8,000	\$3,100	158%	\$4,900
512	Custodial Account Bank Fees	\$ 125	\$ 125	\$250	\$250	0%	\$0
601	Checking Account Bank Fees	\$ 125	\$ 125	\$250	\$250	0%	\$0
605	Board Meeting Expenses	\$ 5,425	\$ 5,425	\$10,850	\$10,850	0%	\$0
606	LRP and Training Day Meeting Expenses	\$ 10,000	\$ 10,000	\$20,000	\$20,000	0%	\$0
607	Company Nurse	\$ -	\$ -	\$0	\$0		\$0
608	Treasury Services (provided by Loomis)	\$ 500	\$ 500	\$1,000	\$1,000	0%	\$0
609	Website	\$ -	\$ -	\$0	\$0		\$0
610	Member Conference Reimbursements	\$ 9,500	\$ 9,500	\$19,000	\$19,000	0%	\$0
612	Contingent Reserve	\$ 12,500	\$ 12,500	\$25,000	\$25,000	0%	\$0
615	Dues & Subscriptions - CAJPA and PARMA (usually \$2,250)*	\$ 3,625	\$ 3,625	\$7,250	\$7,250	0%	\$0
625	Crime Insurance - ACIP for SCORE Treasurer	\$ 578	\$ 578	\$1,156	\$1,156	0%	\$0
626	ID Fraud Coverage	\$ -	\$ 3,091	\$3,091	\$3,399	-9%	(\$308)
670	CAJPA Accreditation (completed in 2020 - next up 2024)	\$ -	\$ -	\$0	\$0		\$0
675	Loss Control Services DKF	\$ 55,000	\$ 55,000	\$110,000	\$110,000	0%	\$0
676	Lexipol Law Enforcement Policy Manual	\$ 9,139	\$ 20,000	\$29,139	\$28,290	3%	\$849
677	Target Solutions	\$ 13,868	\$ 13,868	\$27,736	\$26,415	5%	\$1,321
699	CA DIR OSIP Self Insurance Assesment	\$ 40,450	\$ -	\$40,450	\$37,214	9%	\$3,236
999	Miscellaneous Expenses	\$ 500	\$ 500	\$1,000	\$1,000	0%	\$0
	Total Administration Expenses	\$ 414,964	\$ 474,062	\$ 889,027	\$ 857,418	4%	\$31,609

SCORE - DRAFT Summary of Deposits FY 2021-2022

MEMBER ENTITY	TOTAL Liability Deposit \$500K SIR (at 75% CL)	\$25K All Risk Deductible Property Premium Due 7/1/2021	TOTAL Work Comp Deposit (at 80% CL)	ERMA EPLI Deposit Due 7/1/2021	EAP Premium Due 7/1/2021	2021-2022 Total Deposit	2020-2021 Total Deposit	% Change	Liability Deposit Due 7/1/2021	WC Quarterly Installment Due 7/1/2021	Crime Coverage Due 7/1/2021
Biggs	\$46,756	\$31,966	\$56,552	\$2,459	\$351	\$138,084	\$111,623	24%	\$46,756	\$14,138	\$2,199
Colfax	\$65,181	\$51,323	\$75,634	\$4,419	\$486	\$197,043	\$170,338	16%	\$65,181	\$18,909	\$1,047
Dunsmuir	\$83,762	\$57,300	\$92,107	\$4,602	\$513	\$238,284	\$229,088	4%	\$83,762	\$23,027	\$1,047
Etna	\$62,182	\$28,260	\$76,149	N/A	\$513	\$167,103	\$115,281	45%	\$62,182	\$19,037	N/A
Isleton	\$40,431	\$23,947	N/A	N/A	\$378	\$64,756	\$53,633	21%	\$40,431	N/A	N/A
Live Oak	\$101,688	\$114,926	\$123,652	\$9,119	\$702	\$350,086	\$270,026	30%	\$101,688	\$30,913	\$1,100
Loomis	\$81,965	\$13,673	\$100,263	\$6,752	\$540	\$203,193	\$197,916	3%	\$81,965	\$25,066	\$1,100
Loyalton	\$23,634	\$59,865	\$28,181	N/A	\$270	\$111,950	\$77,058	45%	\$23,634	\$7,045	\$1,100
Montague	\$42,533	\$51,235	\$59,235	N/A	N/A	\$153,003	\$117,609	30%	\$42,533	\$14,809	\$1,100
Mt. Shasta	\$219,725	\$41,926	\$185,794	\$23,153	\$1,296	\$471,894	\$456,518	3%	\$219,725	\$46,449	\$1,800
Portola	\$69,180	\$30,681	\$106,382	\$4,707	\$648	\$211,598	\$200,734	5%	\$69,180	\$26,595	\$1,800
Rio Dell	\$80,179	\$43,926	\$118,850	\$6,690	N/A	\$249,646	\$199,436	25%	\$80,179	\$29,713	\$1,100
Shasta Lake	\$234,844	\$187,855	\$282,649	\$26,161	\$1,755	\$733,264	\$613,067	20%	\$234,844	\$70,662	\$1,100
Susanville	\$263,140	\$118,149	\$508,917	\$41,477	\$2,700	\$934,383	\$764,089	22%	\$263,140	\$127,229	N/A
Tulelake	\$39,388	\$30,007	\$54,250	\$2,333	\$513	\$126,491	\$109,672	15%	\$39,388	\$13,562	N/A
Weed	\$175,220	\$59,191	\$188,397	\$7,905	\$972	\$431,684	\$458,806	-6%	\$175,220	\$47,099	\$3,666
Yreka	\$275,911	\$165,944	\$519,713	\$22,021	\$1,944	\$985,534	\$884,322	11%	\$275,911	\$129,928	\$2,930
Grand Total	\$1,905,718	\$1,110,175	\$2,576,725	\$161,798	\$13,581	\$5,767,997	\$5,029,216	15%	\$1,905,718	\$644,181	\$21,089

Paid by member
direct to ACIP
Program

**SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
Fiscal Year PROPOSED 2021-2022
Funding (75% CL) - \$500k SIR**

Total Admin Expenses:	\$889,027	CJPRMA Premium:	\$ 534,903
Total Liability Admin Expenses:	\$474,062	CJPRMA Refund:	\$0
Total WC Admin Expenses:	\$414,964	Rate Per \$100 Payroll:	\$ 1.96
Liability Participants	17		

A	B	C	D	E	F	G	H	I	J
Formula/Allocation	CY 2020 Payroll x 3% Inflation Factor	Relative Loss Rate x Credibility Factor	Projected Payroll x Ex Mod	(ExP/\$100) x Rate	(ExP/\$100) x Rate	(ExP/\$100) x Rate	Banking + Shared + Excess Layers	(PP/\$100) x Banking, Shared and Excess Rates	(H) - (I)
MEMBER ENTITY	Projected Payroll (PP)	Ex Mod	Ex-Mod Adjusted Payroll (ExP)	BANKING LAYER at 75% CL \$0 to \$25,000	SHARED LAYER at 75% CL \$25,000 to \$500,000	EXCESS LAYER \$500k TO \$40M CJPRMA PREMIUM	LOSS FUNDING (LF)	UNADJUSTED LOSS FUNDING (ULF)	Ex Mod Impact on Loss Funding Increase or (Decrease)
Rate Per \$100 or Amount	1.03	Calc		\$ 1.09	\$ 2.10	\$ 1.96	Calc		Calc
Biggs	\$450,915	1.23	\$552,601	\$ 6,011	\$ 11,597	\$ 10,826	\$ 28,435	\$ 23,203	\$ 5,232
Colfax	\$810,291	1.04	\$842,867	\$ 9,169	\$ 17,689	\$ 16,513	\$ 43,371	\$ 41,695	\$ 1,676
Dunsmuir	\$843,834	1.42	\$1,197,629	\$ 13,028	\$ 25,135	\$ 23,464	\$ 61,626	\$ 43,421	\$ 18,205
Etna	\$836,969	0.95	\$796,253	\$ 8,662	\$ 16,711	\$ 15,600	\$ 40,973	\$ 43,068	\$ (2,095)
Isleton	\$425,423	1.04	\$442,981	\$ 4,819	\$ 9,297	\$ 8,679	\$ 22,794	\$ 21,891	\$ 903
Live Oak	\$1,672,079	0.83	\$1,389,715	\$ 15,117	\$ 29,166	\$ 27,227	\$ 71,510	\$ 86,040	\$ (14,530)
Loomis	\$1,238,021	0.88	\$1,088,323	\$ 11,839	\$ 22,841	\$ 21,322	\$ 56,002	\$ 63,705	\$ (7,703)
Loyalton	\$157,657	1.01	\$158,580	\$ 1,725	\$ 3,328	\$ 3,107	\$ 8,160	\$ 8,113	\$ 47
Montague	\$479,468	0.97	\$465,146	\$ 5,060	\$ 9,762	\$ 9,113	\$ 23,935	\$ 24,672	\$ (737)
Mt. Shasta	\$2,547,103	1.38	\$3,518,518	\$ 38,275	\$ 73,843	\$ 68,934	\$ 181,052	\$ 131,066	\$ 49,986
Portola	\$863,029	1.06	\$910,632	\$ 9,906	\$ 19,112	\$ 17,841	\$ 46,858	\$ 44,409	\$ 2,450
Rio Dell	\$1,226,542	0.86	\$1,055,793	\$ 11,485	\$ 22,158	\$ 20,685	\$ 54,328	\$ 63,114	\$ (8,786)
Shasta Lake	\$4,796,767	0.71	\$3,387,859	\$ 36,854	\$ 71,101	\$ 66,374	\$ 174,329	\$ 246,827	\$ (72,498)
Susanville	\$4,562,934	0.87	\$3,981,894	\$ 43,315	\$ 83,568	\$ 78,012	\$ 204,896	\$ 234,794	\$ (29,899)
Tulelake	\$427,806	0.97	\$413,762	\$ 4,501	\$ 8,684	\$ 8,106	\$ 21,291	\$ 22,014	\$ (723)
Weed	\$1,926,183	1.44	\$2,770,770	\$ 30,141	\$ 58,150	\$ 54,284	\$ 142,575	\$ 99,115	\$ 43,460
Yreka	\$4,037,510	1.07	\$4,329,207	\$ 47,094	\$ 90,857	\$ 84,817	\$ 222,767	\$ 207,758	\$ 15,010
Grand Total	\$27,302,531		\$27,302,531	\$ 297,000	\$ 573,000	\$ 534,903	\$ 1,404,903	\$ 1,404,903	\$ 0

**SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
Fiscal Year FINAL 2021-2022
Funding (75% CL) - \$500k SIR**

PRISM Pollution Premium: \$26,753
 PRISM Pollution Payroll: \$26,063,297
 Rate per \$100: 0.102646263

A	K	L	M	N	O	P	Q	R	S	T
Formula/Allocation	(PP/100) x Rate	(Total Admin/2)/ Number of Members	(Total Admin/2)/ %PP	(L) + (M)	Loss Funding + Pollution + Admin					Member PP/ Total PP
MEMBER ENTITY	PRISM Pollution Coverage	50% ADMIN FIXED EXPENSE	50% ADMIN % PAYROLL	Proposed FY 21-22 Admin Total	Proposed FY 21-22 TOTAL FINAL DEPOSIT	FY 20-21 TOTAL DEPOSIT	\$ Change Overall	% Change Overall	% Change in Payroll	% Payroll (%PP)
Rate Per \$100 or Amount	\$ 0.1027366	\$237,031	\$237,031	\$474,062	75% CL	75% CL				
Biggs	\$463	\$13,943	\$3,915	\$17,858	\$46,756	\$39,940	\$6,816	17%	7%	1.65%
Colfax	\$832	\$13,943	\$7,035	\$20,978	\$65,181	\$55,354	\$9,828	18%	-1%	2.97%
Dunsmuir	\$867	\$13,943	\$7,326	\$21,269	\$83,762	\$87,695	-\$3,933	-4%	-3%	3.09%
Etna		\$13,943	\$7,266	\$21,209	\$62,182	\$40,374	\$21,808	54%	56%	3.07%
Isleton		\$13,943	\$3,693	\$17,636	\$40,431	\$35,175	\$5,256	15%	9%	1.56%
Live Oak	\$1,718	\$13,943	\$14,516	\$28,459	\$101,688	\$78,543	\$23,145	29%	20%	6.12%
Loomis	\$1,272	\$13,943	\$10,748	\$24,691	\$81,965	\$87,361	-\$5,396	-6%	5%	4.53%
Loyalton	\$162	\$13,943	\$1,369	\$15,312	\$23,634	\$22,259	\$1,375	6%	-3%	0.58%
Montague	\$493	\$13,943	\$4,163	\$18,106	\$42,533	\$35,064	\$7,469	21%	17%	1.76%
Mt. Shasta	\$2,617	\$13,943	\$22,113	\$36,056	\$219,725	\$208,216	\$11,508	6%	2%	9.33%
Portola	\$887	\$13,943	\$7,493	\$21,436	\$69,180	\$58,812	\$10,368	18%	-5%	3.16%
Rio Dell	\$1,260	\$13,943	\$10,648	\$24,591	\$80,179	\$70,081	\$10,099	14%	1%	4.49%
Shasta Lake	\$4,928	\$13,943	\$41,644	\$55,587	\$234,844	\$198,951	\$35,893	18%	12%	17.57%
Susanville	\$4,688	\$13,943	\$39,614	\$53,557	\$263,140	\$206,633	\$56,507	27%	3%	16.71%
Tulelake	\$440	\$13,943	\$3,714	\$17,657	\$39,388	\$35,518	\$3,869	11%	1%	1.57%
Weed	\$1,979	\$13,943	\$16,722	\$30,665	\$175,220	\$168,535	\$6,685	4%	-15%	7.05%
Yreka	\$4,148	\$13,943	\$35,052	\$48,995	\$275,911	\$216,600	\$59,310	27%	6%	14.79%
Grand Total	\$26,753	\$237,031	\$237,031	\$474,062	\$1,905,718	\$1,645,113	\$260,605	16%	5%	100.00%

**SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION PROGRAM
PROPOSED Fiscal Year 2021-22
Funding 80% CL**

Total Admin Expenses:	\$889,027	Liability Participants	17
Total Liab Admin Expenses:	\$474,062	WC Participants	16
Total WC Admin Expenses:	\$414,964	WC members (Mini-Cities as on	13
		Mini-Cities Members	4

A	B	C	D	E	F	G	H	I	J
Formula/Allocation	CY 2020 Payroll + 3% Inflation Factor	Relative Loss Rate x Credibility Factor	(Projected Payroll x Ex Mod)/ExP Adjustment Factor	(ExP/\$100) x Rate	(ExP/\$100) x Rate	(ExP/\$100) x Rate	Banking + Shared + Excess Layers	(PP/\$100) x Banking, Shared and Excess Rates	(H) - (I)
MEMBER ENTITY	Projected Payroll (PP)	EX MOD	Ex-Mod Adjusted Payroll (ExP)	BANKING LAYER 80% CL \$0 to \$25K	SHARED LAYER 80% CL \$25K to \$250K	EXCESS LAYER \$250K TO STATUTORY LAWCX PREMIUM	Loss Funding	Unadjusted Loss Funding	Ex Mod Impact on Loss Funding Increase or (Decrease)
Rate/Amount	1.03	Calc		\$ 1.80	\$ 4.62	\$ 1.55	Calc	Calc	Calc
Colfax	\$810,291	0.86	\$ 705,884	\$ 12,738	\$ 32,593	\$ 10,923	\$ 56,254	\$ 64,574	\$ (8,320)
Dunsmuir	\$843,834	1.06	\$ 906,620	\$ 16,360	\$ 41,861	\$ 14,029	\$ 72,251	\$ 67,247	\$ 5,004
Etna	\$836,969	0.84	\$ 711,733	\$ 12,843	\$ 32,863	\$ 11,014	\$ 56,720	\$ 66,700	\$ (9,980)
Live Oak	\$1,672,079	0.72	\$ 1,226,923	\$ 22,140	\$ 56,651	\$ 18,986	\$ 97,777	\$ 133,252	\$ (35,476)
Loomis	\$1,238,021	0.78	\$ 972,685	\$ 17,552	\$ 44,912	\$ 15,052	\$ 77,516	\$ 98,661	\$ (21,145)
Mt. Shasta	\$2,547,103	0.74	\$ 1,906,976	\$ 34,412	\$ 88,051	\$ 29,509	\$ 151,972	\$ 202,985	\$ (51,013)
Portola	\$863,029	1.24	\$ 1,086,472	\$ 19,605	\$ 50,166	\$ 16,812	\$ 86,584	\$ 68,777	\$ 17,807
Rio Dell	\$1,226,542	0.86	\$ 1,062,056	\$ 19,165	\$ 49,038	\$ 16,435	\$ 84,638	\$ 97,746	\$ (13,108)
Shasta Lake	\$4,796,767	0.60	\$ 2,902,601	\$ 52,378	\$ 134,022	\$ 44,916	\$ 231,316	\$ 382,267	\$ (150,951)
Susanville	\$4,562,934	1.24	\$ 5,745,401	\$ 103,676	\$ 265,283	\$ 88,907	\$ 457,866	\$ 363,632	\$ 94,234
Weed	\$1,926,183	1.03	\$ 2,004,661	\$ 36,174	\$ 92,561	\$ 31,021	\$ 159,757	\$ 153,503	\$ 6,254
Yreka	\$4,037,510	1.46	\$ 5,956,444	\$ 107,485	\$ 275,028	\$ 92,172	\$ 474,685	\$ 321,760	\$ 152,925
Subtotal Members	\$25,361,262	0.95	\$ 25,188,458	\$ 454,528	\$ 1,163,030	\$ 389,776	\$ 2,007,334	\$ 2,021,105	\$ (13,771)
Isleton (do not participate)									
Biggs	\$450,915	1.10	\$ 502,319	\$ 9,064	\$ 23,194	\$ 7,773	\$ 40,031	\$ 35,935	\$ 4,097
Loyalton	\$157,657	1.10	\$ 175,630	\$ 3,169	\$ 8,109	\$ 2,718	\$ 13,996	\$ 12,564	\$ 1,432
Montague	\$479,468	1.10	\$ 534,126	\$ 9,638	\$ 24,662	\$ 8,265	\$ 42,566	\$ 38,210	\$ 4,356
Tulelake	\$427,806	1.10	\$ 476,575	\$ 8,600	\$ 22,005	\$ 7,375	\$ 37,980	\$ 34,093	\$ 3,887
Subtotal Mini Cities	\$1,515,845	1.10	\$ 1,688,650	\$ 30,472	\$ 77,970	\$ 26,131	\$ 134,573	\$ 120,802	\$ 13,771
Grand Total	\$26,877,108	0.98	\$ 26,877,108	\$ 485,000	\$ 1,241,000	\$ 415,907	\$ 2,141,907	\$ 2,141,907	\$ 0

**SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION PROGRAM
PROPOSED Fiscal Year 2021-22
Funding 80% CL**

Total Admin Expenses:	\$889,027	Liability Participants	17
Total Liab Admin Expenses:	\$474,062	WC Participants	16
Total WC Admin Expenses:	\$414,964	WC members (Mini-Cities)	13
		Mini-Cities Members	4

A	K	L	M	N	O	P	Q	R	S	T	U	V
Formula/Allocation	10-year Assessment Allocation	(Total Admin x .5)/ Number of Members	(Total Admin x .5)/ %PP	(L) + (M)			(H) + (K) + (N)					Member PP/Total PP
MEMBER ENTITY	LAWCX ASSESSMENT	50% ADMIN FIXED EXPENSE	50% ADMIN % PAYROLL	Proposed Admin Total FY 21-22	Admin Total FY 20-21	% Change ADMIN	Proposed FY 21-22 TOTAL DEPOSIT	Prior Year FY 20-21 DEPOSIT	\$ Change Overall	% Change Overall	% Change in Payroll	% Projected Payroll (%PP)
Rate/Amount	Calc	\$207,482	\$207,482	\$414,964	\$394,847	5.1%	80% CL	80% CL				
Colfax	\$ 158	\$12,968	\$ 6,255	\$19,223	\$18,621	3.2%	\$75,634	\$75,086	\$548	1%	-1%	3.0%
Dunsmuir	\$ 374	\$12,968	\$ 6,514	\$19,482	\$19,023	2.4%	\$92,107	\$94,007	-\$1,900	-2%	-3%	3.1%
Etna	\$ -	\$12,968	\$ 6,461	\$19,429	\$16,469	18.0%	\$76,149	\$54,737	\$21,411	39%	56%	3.1%
Live Oak	\$ -	\$12,968	\$ 12,908	\$25,876	\$23,065	12.2%	\$123,652	\$107,600	\$16,052	15%	20%	6.2%
Loomis	\$ 223	\$12,968	\$ 9,557	\$22,525	\$21,443	5.0%	\$100,263	\$96,541	\$3,722	4%	5%	4.6%
Mt. Shasta	\$ 1,192	\$12,968	\$ 19,663	\$32,630	\$31,633	3.2%	\$185,794	\$209,890	-\$24,096	-11%	2%	9.5%
Portola	\$ 168	\$12,968	\$ 6,662	\$19,630	\$19,308	1.7%	\$106,382	\$115,496	-\$9,114	-8%	-5%	3.2%
Rio Dell	\$ 112	\$12,968	\$ 9,468	\$22,436	\$21,705	3.4%	\$107,186	\$118,850	-\$11,665	-10%	1%	4.6%
Shasta Lake	\$ 1,336	\$12,968	\$ 37,029	\$49,997	\$45,414	10.1%	\$282,649	\$265,537	\$17,112	6%	12%	17.8%
Susanville	\$ 2,859	\$12,968	\$ 35,224	\$48,192	\$46,345	4.0%	\$508,917	\$450,644	\$58,272	13%	3%	17.0%
Weed	\$ 803	\$12,968	\$ 14,869	\$27,837	\$29,805	-6.6%	\$188,397	\$236,503	-\$48,106	-20%	-15%	7.2%
Yreka	\$ 893	\$12,968	\$ 31,168	\$44,136	\$41,740	5.7%	\$519,713	\$536,926	-\$17,212	-3%	6%	15.0%
Subtotal Members		\$155,612	\$ 195,780	\$351,392	\$334,571	5.0%	\$2,366,843	\$2,361,817	\$5,026	0%	5%	94.4%
Isleton (do not participate)												
Biggs	\$ 72	\$12,968	\$ 3,481	\$16,449	\$15,589	5.5%	\$56,552	\$48,133	\$8,418	17%	7%	1.7%
Loyalton	\$ -	\$12,968	\$ 1,217	\$14,185	\$13,593	4.4%	\$28,181	\$25,996	\$2,185	8%	-3%	0.6%
Montague	\$ -	\$12,968	\$ 3,701	\$16,669	\$15,488	7.6%	\$59,235	\$46,779	\$12,455	27%	17%	1.8%
Tulelake	\$ -	\$12,968	\$ 3,303	\$16,270	\$15,605	4.3%	\$54,250	\$48,240	\$6,009	12%	1%	1.6%
Subtotal Mini Cities		\$51,871	\$ 11,702	\$63,572	\$60,275	5.5%	\$198,217	\$169,150	\$29,067	17%	7%	5.6%
Grand Total	\$ 8,189	\$207,482	\$ 207,482	\$414,964	\$394,847	5.1%	\$2,565,061	\$2,530,967	\$34,093	1%	5%	100.0%

A	W	X
Formula/Allocation	MC Member PP/Total MC PP	Relative Loss Rate x Credibility Factor
MEMBER ENTITY	% MC Projected Payroll	MC Indivi. Ex Mods
Rate/Amount		
Colfax		
Dunsmuir		
Etna		
Live Oak		
Loomis		
Mt. Shasta		
Portola		
Rio Dell		
Shasta Lake		
Susanville		
Weed		
Yreka		
Subtotal Members		
Isleton (do not participate)		
Biggs	29.7%	0.90
Loyalton	10.4%	0.95
Montague	31.6%	1.02
Tulelake	28.2%	1.18
Subtotal Mini Cities	100.0%	1.10
Grand Total		

SCORE ERMA FY 2021-2022

MEMBER ENTITY	Calendar Year 2020 DE9 Payroll (P)	Calendar Year 2019 DE9 Payroll (P)	% CHANGE IN PAYROLL	DEDUCTIBLE	Premium before Retro Adjustment	RETRO ADJUSTMENT	2021-2022 PREMIUM (Net of Retro. Adj.)	2020-2021 NET PREMIUM	% Change
Rate/Amount						TBD			
Biggs	\$437,782	\$409,035	7.03%	\$25,000	\$2,362		\$2,459	\$2,131	13%
Colfax	\$786,691	\$791,853	-0.65%	\$25,000	\$4,244		\$4,419	\$3,563	19%
Dunsmuir (eff. 1/1/20)	\$819,256	\$842,510	-2.76%	\$25,000	\$4,420		\$4,602	\$5,851	-27%
Etna	N/A	N/A	N/A	N/A		N/A	N/A	N/A	
Isleton	N/A	N/A	N/A	N/A		N/A	N/A	N/A	
Live Oak	\$1,623,377	\$1,352,814	20.00%	\$25,000	\$8,758		\$9,119	\$5,917	35%
Loomis	\$1,201,962	\$1,148,076	4.69%	\$25,000	\$6,484		\$6,752	\$5,244	22%
Loyalton	N/A	N/A	N/A	N/A		N/A	N/A	N/A	
Montague	N/A	N/A	N/A	N/A		N/A	N/A	N/A	
Mt. Shasta	\$2,472,916	\$2,434,448	1.58%	\$25,000	\$13,341		\$23,153	\$14,878	36%
Portola	\$837,892	\$878,576	-4.63%	\$25,000	\$4,520		\$4,707	\$4,032	14%
Rio Dell	\$1,190,818	\$1,181,113	0.82%	\$25,000	\$6,424		\$6,690	\$5,295	21%
Shasta Lake	\$4,657,055	\$4,174,281	11.57%	\$25,000	\$25,124		\$26,161	\$19,600	25%
Susanville	\$4,430,033	\$4,291,749	3.22%	\$25,000	\$23,899		\$41,477	\$26,791	35%
Tulelake	\$415,345	\$411,085	1.04%	\$25,000	\$2,241		\$2,333	\$2,141	8%
Weed	\$1,870,081	\$2,203,702	-15.14%	\$100,000	\$7,591		\$7,905	\$8,665	-10%
Yreka	\$3,919,913	\$3,710,444	5.65%	\$25,000	\$21,147		\$22,021	\$16,740	24%
Grand Total	\$24,663,120	\$23,829,685	3.50%		\$130,555	\$0	\$161,798	\$120,848	25%



TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

INFORMATION ITEM

ISSUE: Time is reserved for members to discuss items of concern or interest to other members.

RECOMMENDATION: None – information only.

FISCAL IMPACT: None

BACKGROUND: None

ATTACHMENTS: None



INFORMATION ITEMS

INFORMATION ITEM

ISSUE: The following items are being presented as information for SCORE members.

RECOMMENDATION: None. This item is offered as information only.

BACKGROUND: None

FISCAL IMPACT: None

ATTACHMENT(S):

1. SCORE Resource Contact Guide
2. SCORE Glossary of Terms
3. CAJPA Conference – Taking Pooling to New Heights

Term	Definition
4850	Labor Code 4850
AB 1234	Ethics Education for Local Officials
AB 1825	Harassment Prevention Training for Supervisors
Active Negligence	The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in
ACV (Actual Cash Value)	The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it
Additional Insured	A type of status associated with general liability insurance policies that provides coverage to other individuals/groups that were not initially named. After endorsement, the additional insured will then be protected under the named insurer's policy and can file a claim in the event that they are sued.
Adhesion	When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party—the insurer. The other party the insured does not take part in the preparation of the contract)
ATD (Aerosol Transmissible Diseases)	An epidemiologically significant disease that is transmitted via droplet or airborne route
Aggregate	The term used to describe the cumulative amount of all losses for a period of time.
Aggregate Stop Loss	A financial arrangement with a JPA's excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would "drop down" and pay losses within the JPIA's SIR, or pooled layer
AME (Agreed Upon Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim.
Aleatory	An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties
ACIP (Alliant Crime Insurance Program)	Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job.
APIP (Alliant Property Insurance Program)	The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities
ADA (American Disability Act)	A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669-4000 or 1-800-669-6820 (TTY).
Assessment company	Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period)
AIS (Associate in Insurance Services)	Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance

AGRIP (Association of Governmental Risk Pools)	A national organization of JPA's and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA
ALCM (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).
ARM (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better
Binder	A legal agreement issued by either an agent or an insurer to provide temporary evidence of insurance until a policy can be issued. Binders should contain definite time limits, should be in writing, and should clearly designate the insurer with which the risk is bound.
BOD/BD (Board of Directors)	body of elected or appointed members who jointly oversee the activities of a company or organization
BI (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
CAJPA (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs
CIPRA (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
CJPRMA (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to SCORE's Liability Program
California State Association of Governments (CSAC)	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
California State Association of Governments - Excess Insurance Authority (CSAC-EIA)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures
CalTIP (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987

Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members
CIC (Certified Insurance Counselor)	an insurance agent professional certification designation
Certificate Of Insurance	A certificate of insurance is a document issued by an insurance company/broker that is used to verify the existence of insurance coverage under specific conditions granted to listed individuals.
Certified Industrial Hygienist (CIH)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them
Chartered Property Casualty Underwriter (CPCU)	CPCU is a professional designation in property-casualty insurance and risk management
Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
Compromise and Release (C&R)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	an insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	describe the responsibilities and the obligations of both the insured and the insurance company
Confidence Level (CL)	an estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL
Contract	a legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration
Contract of Utmost Good Faith	as the insurance company relies on the truthfulness and integrity of the applicant when an issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims
Certified Safety Professional (CSP)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
California State Association of Counties Excess Insurance Authority (CSAC-EIA)	SCORE participates in a group purchase of pollution liability coverage with CSAC-EIA
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis</i>

	<i>counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action
Definitions	clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
Difference In Conditions (DIC)	A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses
Directors and Officers (D&O)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
Date of Loss (DOL)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
Earthquake (EQ)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers' Liability	Included as part of a worker's compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers' compensation benefits
Employment Practices Liability (EPL)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc
Endorsement	any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as "Pollution" and "Pollution Legal" Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
Employment Risk Management Authority (ERMA)	ERMA provides employment practices Liability coverage to SCORE members desiring such coverage

Errors and Omissions Insurance (E&O)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	describe the losses for which the insured is not covered
Executive Committee (EC)	committee within that organization which has the authority to make decisions and ensures that these decisions are carried out
Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL)
Exposure	a condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage)
Financial Accounting Standards Board (FASB)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission
Fidelity Bonds	Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds
Generally Accepted Accounting Principles (GAAP)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
Governmental Accounting Standards Board (GASB)	GASB) is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organization
General Liability	Written to protect the member’s assets against liability for property damage of or bodily injury to third parties (see definition of parties)
Hazard	anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard)
Health Insurance Portability and Accountability Act (HIPAA)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and secure
Incurred But Not Reported (IBNR)	It is that part of the total claims that is unknown at any point in time. At any time, SCORE has claims that have not been reported or recognized by SCORE or has claims recognized by SCORE but without knowledge of the cost when such claim is finally closed. SCORE uses an actuary to project the costs of these unknown liabilities to SCORE <ul style="list-style-type: none"> - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or SCORE and expected future development on claims already reported

Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
Injury Illness Prevention Program (IIPP)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	a contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
Insurance Requirements in Contracts (IRIC)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.
Insurance Services Office, Inc. (ISO)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers
Insuring agreements	state in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages
Limit	The most that will be paid in a loss
Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)	LAWCX provides excess coverage to SCORE's workers' compensation pool
Long Range Planning (LRP)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short-term (operational or tactical plans) for achieving interim goals.
Loss Adjustment Expense (LAE)	administrative expense to manage a claim to conclusion- Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees- Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental
Loss Payee	The party to whom the claim from a loss is to be paid. Loss payee can mean several different things; in the insurance industry, the insured or the party entitled to payment is the loss payee. The insured can expect reimbursement from the insurance carrier in the event of a loss.
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
Maximum Medical Improvement (MMI)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once

	an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
Memorandum of Coverage (MOC)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	a person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new)
Morale Hazard	an individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs)
Mutual interest company	the insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation
Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	a total contribution for losses less excess insurance costs
Non Vacant land	refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches)
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation
Occurrence	A) In order for SCORE to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in
Peril	Cause of a loss
Permanent and Stationary (P&S)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
Permanent Disability (PD)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached

Personal Protective Equipment (PPE)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury
Physical Hazard	a hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps)
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. SCORE's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised
Principle of Indemnity	when a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less
Property Insurance	This covers the member for damage to its own property, sometimes called first-party coverage
Public Agency Risk Managers Association (PARMA)	A statewide association for risk managers in the public sector. Educational and lobbying activities
Public Entity Property Insurance Program (PEPIP)	A group purchase program from which many SCORE members purchase their insurance
Public Risk Management Association (PRIMA)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes
Pure Risk	involves only the possibility of loss
QME (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal
Replacement Cost (RC)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, SCORE estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, SCORE collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	the chance or uncertainty of loss (also see Speculative Risks and Pure Risks)

Risk and Insurance Management Society (RIMS)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
Self-Insured Retention (SIR)	the maximum amount of exposure to a single loss retained by SCORE
Severability of Interests Clause	An insurance policy provision clarifying that the word "insured," as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies' loss integrity. Another type of special event coverage, known as a "tenants and permittees" policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	the greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer's right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the

	surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages
Temporary Disability Benefits (TD)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering
Third Party Administrator (TPA)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits
Total Insured Values (TIV)	The values shown on a member city's schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss
Terrorism Risk Insurance Act (TRIA)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal "backstop" for insurance claims related to acts of terrorism.
Vacant land	refers to land that is unoccupied and unused, and/or has no structures on it
Vehicle Identification Number (VIN)	unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833

PROGRAM ADMINISTRATION

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www.Alliant.com

SUBJECT	MAIN CONTACT	PHONE	EMAIL
<p>JPA MANAGEMENT ISSUES –coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant</p>	<p>Marcus Beverly</p> <p>Conor Boughey</p> <p>Michael Simmons</p> <p>Michelle Minnick</p>	<p>(916) 643-2704 (916) 660-2725 (cell)</p> <p>(415) 403-1411</p> <p>(415) 403-1425 (925) 708-3374 (cell)</p> <p>(916) 643-2715</p>	<p>Marcus.Beverly@alliant.com</p> <p>cboughey@alliant.com</p> <p>msimmons@alliant.com</p> <p>Michelle.Minnick@alliant.com</p>
<p>JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.</p>	<p>Michelle Minnick</p> <p>Marcus Beverly</p>		
<p>COVERAGE / RISK MANAGEMENT ISSUES –</p> <ul style="list-style-type: none"> ➤ Certificates of coverage, additions/deletions of coverage’s, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review 	<p>Michelle Minnick</p> <p>Marcus Beverly</p>		

CLAIMS ADMINISTRATION
 York Risk Services Group, Inc.
 P.O. Box 619079
 Roseville, CA 95678
 Main: (800) 922-5020 Fax: (866) 548-2637
www.yorkrisk.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIMS ADMINISTRATION – questions regarding liability and Workers’ Compensation claims handling can be forwarded to York Risk Services Group</p> <p>Property Recovery Program This program is designed to recover damages from a third party when a member has incurred a loss caused by a third party who was determined to be liable.</p> <p style="text-align: center;"><u>Liability Claims</u></p> <p style="text-align: center;"><u>Workers’ Compensation Claims</u></p> <p style="text-align: center;"><u>Subrogation</u></p>	<p>Jill Petrarca, Senior Manager Property & Casualty Adjuster</p> <p>Shawn Millar, Property & Casualty Adjuster</p> <p>Caroline Sbabo, Property & Casualty Adjuster</p> <p>Alex Davis, Property & Casualty Adjuster</p> <p>Ariel Leonhard, Claims Examiner</p> <p>John Peshkoff, Senior Claims Manager</p> <p>Alicia Veloz, Senior Claims Examiner</p> <p>Jill Petrarca, Senior Manager Property & Casualty Adjuster</p>	<p>(916) 746-8849</p> <p>(916) 746-8820 C:530-210-4910</p> <p>(916) 746-6340</p> <p>(925) 349-3890</p> <p>(916) 960-0974</p> <p>(916) 960-0956</p> <p>(916) 960-0982</p> <p>(916) 746-8849</p>	<p>jill.petrarca@sedgwick.com</p> <p>shawn.millar@sedgwick.com</p> <p>caroline.sbabo@sedgwick.com</p> <p>alex.davis@sedgwick.com</p> <p>ariel.leonhard@sedgwick.com</p> <p>john.peshkoff@sedgwick.com</p> <p>alicia.veloz@sedgwick.com</p> <p>jill.petrarca@sedgwick.com</p>
<p>ADMINISTRATIVE ISSUES - annual contracts for services, IT issues, reports, service issues</p> <p>COMPUTER SERVICES, TRUST ACCOUNT SERVICES – loss runs, special reports, check registers, bank reconciliations</p>	<p>Dori Zumwalt, Account Executive, Client Services</p> <p>Kelly Stewart, Vice President Property and Casualty Claims</p>	<p>(916) 960-1017</p> <p>(714) 620-1302</p>	<p>dorienne.zumwalt@sedgwick.com</p> <p>kelly.stewart@sedgwick.com</p>

CLAIM REPORTING AND TRIAGE SERVICES

Company Nurse Injury Hotline

Main: (888) 817-9282

<https://companynurse.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIM REPORTING AND TRIAGE SERVICES –Company Nurse strives to streamline injury reporting and reduce injury reporting lag time and overall cost</p> <ul style="list-style-type: none"> • Quick, easy, cost efficient way to immediately report workplace injuries • 24/7 Nurse Triage Hotline 1-888-545-9154 (Please ensure to use the city code specific to your member) 	<p>Chris Park, Account Executive</p>	<p>(480) 717-6842</p>	<p>service@companynurse.com</p>

ACCOUNTING SERVICES

Gilbert Associates, Inc.

Main: (916) 646-6464 Fax: (916) 929-6836

www.gilbertcpa.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ACCOUNTING SERVICES – any questions regarding accounting, accounts payable, invoicing, and checks can be forwarded to Gilbert Associates</p>	<p style="text-align: center;">Kevin Wong Jennifer Zraick</p>	<p>(916) 646-6464</p>	<p>kswong@gilbertcpa.com JZraick@gilbertcpa.com</p>

POLICE AND FIRE RISK MANAGEMENT SERVICES

Lexipol

Main: (949) 484-4444 Fax: (949) 484-4443

<http://www.lexipol.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>POLICE RISK MANAGEMENT SERVICES – Lexipol helps to review members’ Police and Fire Risk Management policies and offers state-specific policy manuals that are integrated with scenario-based daily training on high-risk, low frequency events</p>	<p>Dale Cephers, West Region Market Development Executive Sarah Graham, Marketing Campaign Manager</p>	<p>(469) 731-4685 (949) 325-1237</p>	<p>dcephers@lexipol.com sgraham@lexipol.com</p>

ERMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.ermajpa.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ERMA – provides loss prevention services designed to minimize employment practices liability (EPL) exposure of members</p> <p align="right">Board Member - John Duckett</p> <p align="right">Alternate - Roger Carroll</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Employee Reporting line • Attorney Hotline • Employment Practices Training 	<p>Jennifer Jobe, Executive Director</p> <p>Mona Hedin, Analyst & Training Coordinator</p>	<p>(530) 275-7427</p> <p>(916) 652-1840</p> <p>(916) 244-1141</p> <p>(916) 290-4645</p>	<p>info@ermajpa.org</p> <p>jduckett@cityofshastalake.org</p> <p>rcarroll@loomis.ca.gov</p> <p>jennifer.jobe@sedgwick.com</p> <p>mona.hedin@sedgwick.com</p>

LAWCX POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.lawcx.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LAWCX – Provides Excess Workers’ Compensation coverage and additional training resources</p> <p align="right">Board Member - Steve Baker</p> <p align="right">Alternate - Roger Carroll</p> <p>Online Risk Control Services</p> <ul style="list-style-type: none"> • Employees can access online training courses by registering online at www.lawcx.org. • Video/Webinars – There are over 300 Training videos and over 30 recorded webinars available. Live Webinars are also available • Training Tools – Sample Training Matrices, Safety Communications, Safe Practices Guidelines • Programs/Forms Comprehensive Sample Programs with implementation guides and Sample Forms • Blog – Timely and informational reports from Risk Control Experts • Can you Risk It? Liability Exposures- real questions from actual members are answered 	<p>Jim Elledge, Executive Director</p> <p>Tammy Vitali, Workers’ Compensation Program Manager</p> <p>Terrie Norris, Risk Control Services Manager</p> <p>Kim Sackett, Board Secretary & Analyst</p>	<p>(530) 841-2321</p> <p>(916) 652-1840</p> <p>(916) 244-1124</p> <p>(916) 244-1114</p> <p>(916) 290-4655</p> <p>(916) 290-4601</p>	<p>sbaker@ci.yreka.ca.us</p> <p>rcarroll@loomis.ca.gov</p> <p>jim.elledge@sedgwick.com</p> <p>tammy.vitali@sedgwick.com</p> <p>terrie.norris@sedgwick.com</p> <p>kim.sackett@sedgwick.com</p>

CJPRMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (925) 837-0667 Fax: (925) 290-1543

<http://www.cjprma.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CJPRMA – Provides Excess Liability coverage and additional training resources</p> <p align="center">Board Member - Roger Carroll</p> <p align="center">Alternate - John Duckett</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Five annual regional training workshops throughout California-previous years topics include Contractual Risk Transfer, Police Liability, Parks and Recreation Liability, and Sidewalk Liability Controls. • Two to four training sessions per year available at no charge. Topics include: police liability, tort issues, streets and sidewalks, contractual liability, employment practices • Personal assistance available to review contracts and to help look at any risk related issues (Contact Tony Giles General Manager or Marinda Griese) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Certificates of Insurance tracking through Risk Console (cost for each user is \$100/year) • Pins Advantage (alternative to Risk Console) is available to all members at a reduced rate is provided on a month to month basis and can be canceled at any time. 	<p align="center">Marinda Griese, Claim Administrator</p> <p align="center">Tony Giles, General Manager</p>	<p align="center">(916) 652-1840</p> <p align="center">(530) 275-7427</p> <p align="center">(925) 290-1315</p> <p align="center">(925) 290-1316</p>	<p align="center">rcarroll@loomis.ca.gov</p> <p align="center">jduckett@cityofshastalake.org</p> <p align="center">marinda@cjprma.org</p> <p align="center">tony@cjprma.org</p>

LOSS CONTROL SERVICES

DKF Solutions

Fax: (707) 647-7200

www.dkfsolutions.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LOSS CONTROL SERVICES – DKF Solutions is the Loss Control Service Provider responsible for coordination for all Risk Management Training for SCORE. DKF has completed Risk Assessments for all members and is currently working on the approved Risk Control Plans for SCORE.</p> <p>Services available to all SCORE members Maintenance Training & Sewer Management Plans Phone and email hotline (contact David Patzer) On-Site Visit with Biomechanics Training & Review of Operations/Current Practices Online Training: Employees can access online training courses by going to: www.mysafetyofficer.com/employeetraining and entering the username “employee” and password “safety” which will grant access to the following training:</p> <ul style="list-style-type: none">• Interactive Training: Free self-paced web training modules which include quiz questions are available to help facilitate knowledge about different topics ranging from Bloodborne Pathogens to Respiratory Protection. * requires Adobe Flash software• Tailgate Training: Free downloadable tailgate training materials covering topics from Aerial Lift Safety to Zoonotics• Webinar archive: access to one-hour webinars in your web browser covering topics ranging from Bloodborne Pathogens Regulations to SSO Volume Estimation * requires Adobe Flash software• ***NOTE: Monthly news update with a different article each month at http://www.dkfsolutions.com/blog/	<p>David Patzer</p> <p>John Balestrini</p> <p>Katie Frassinelli</p>	<p>(707) 373-9709</p> <p>(916) 532-5802</p>	<p>dpatzer@dkfsolutions.com</p> <p>john@dkfsolutions.com</p> <p>Kfrassinelli@dkfsolutions.com</p>

EMPLOYEE ASSISTANCE PROGRAM
 ACI Specialty Benefits Corporation
 Main: (800) 932-0034 Fax: (858) 452-7819
www.acieap.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>EMPLOYEE ASSISTANCE PROGRAM - EAP provides 24 hour/365 day assistance to employees and their family members who can receive up to three counseling visits per year by contacting 1-800-932-0034 or by visiting the following website http://score.acieap.com</p> <ul style="list-style-type: none"> • Each city has 4 hours per year for On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch ‘n Learn Seminars Per City per year • <i>Unlimited</i> Critical Incident Stress Management (CISM) Telephonic Consultation for Crisis response • Each city has 1 On-Site Critical Incident Stress Debriefing (CISD) per year for Crisis response • Legal and Financial Hardship Services- Employees and their family members have limited access to telephonic legal and financial hardship services (first 60 minutes are free and if they retain the attorney then additional time is offered at a discounted rate) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Wellness Resources The Core Platform wellness program is available to employees which includes workshops, personalized meal and exercise plans, articles about health, health logs, recipes, exercise tracker and log and blogs about wellness 	Sasha Abrams	(858) 736-3976	sabrahms@acieap.com

AQUATICS RISK MANAGEMENT
 Total Aquatic Management
 Main: (510) 523-3155
www.totalaquaticmanagement.webs.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<ul style="list-style-type: none"> • Aquatic Safety services • Certified Pool Operator (CPO) Trainings 	Jim Wheeler	(510) 523-3155	jim@totalaquaticmanagement.com swimnjim@hotmail.com

TRAINING SERVICES

Target Solutions

Main: (800) 840-8048 Fax: (858) 487-8762

www.targetsolutions.com

app.targetsolutions.com/score

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
TRAINING SERVICES – a Web-based Safety Training Platform Services Offered <ul style="list-style-type: none">• OSHA Training Documentation• Online Video Library http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&ustomerid=19258&customerpath=score• Policy Templates (IIPP examples, Bloodborne Pathogens, HAZWOPER, Emergency Response Plans)• Training Records management (i.e. Diplomas, Certificates of Completion)• Continuing Education Courses for Fire and Safety Personnel	Jenna Davis , Customer Success Manager	(858) 924-8386	jenna.davis@vectorsolutions.com

CONCRETE CUTTING

Precision Concrete Cutting

Main: (866) 792-8006 Fax: (650) 240-3866

www.dontgrind.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
SIDEWALK TRIP HAZARD SERVICES Services Offered <ul style="list-style-type: none">• Sidewalk Asset Management• Surveying Sidewalk Infrastructure• Repairing Uneven Sidewalk Panels	Joseph Ortega Katrina Lynch	(650) 576-4303 (916) 847-7346	jortega@DontGrind.com Klynch@dontgrind.com

JURASSIC PARLIAMENT

Main: (206) 542-8422

<https://jurassicparliament.com>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
Jurassic Parliament is a service that allows members to understand Roberts Rules of Order. The website offers free webinar trainings as well as free resources available for download.	Ann Macfarlane	(206) 542-8422	info@jurassicparliament.com

LEAGUE OF CALIFORNIA CITIES

Main: (916) 658-8200 Fax: (866) 593-2927

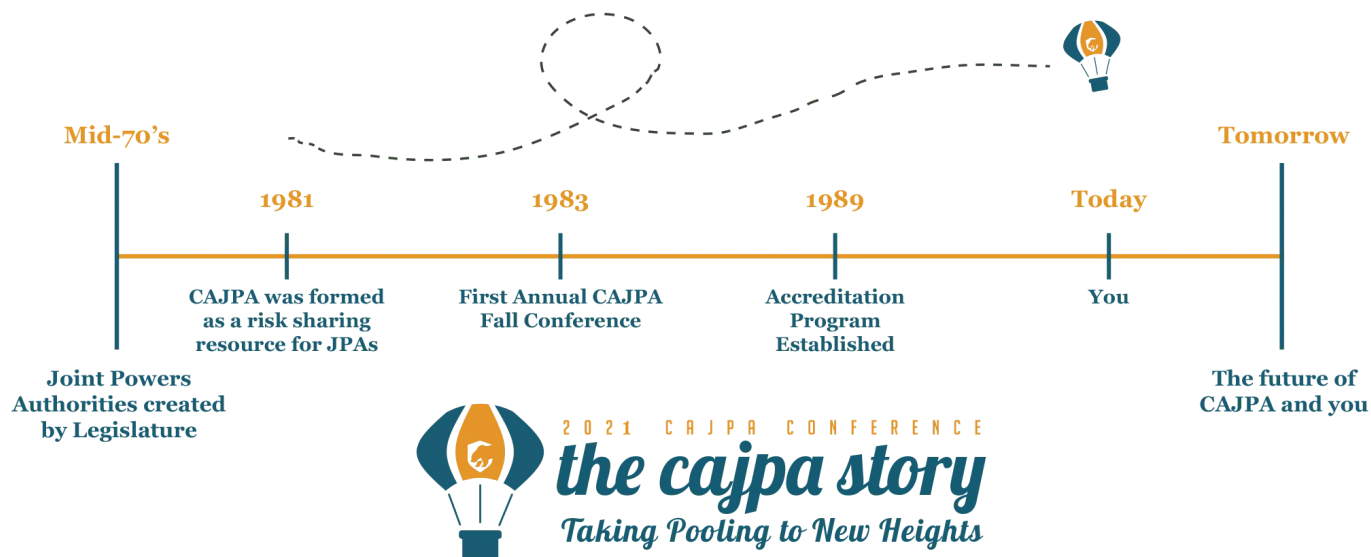
www.cacities.org

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<ul style="list-style-type: none">The League of California Cities is an association of California city officials who work together to enhance their knowledge and skills, exchange information, and combine resources so that they may influence policy decisions that affect cities.	Charles W. Anderson, Regional Public Affairs Manager	(916) 798-2231	canderson@cacities.org



ABOUT HOTEL ACCOMMODATIONS EXHIBITORS & SPONSORS

ATTENDEE REGISTRATION



SEPTEMBER 21-24, 2021 | SOUTH LAKE TAHOE, CA



PROFESSIONAL DEVELOPMENT

The conference offers something for everyone who is involved with risk pool operations and leadership. Executive, administrative, finance, technology and risk management professionals will all walk away better educated and inspired. Board members will learn more about the current challenges and opportunities facing the agencies they govern. CAJPA's conference truly has something for everyone serving risk sharing pools.

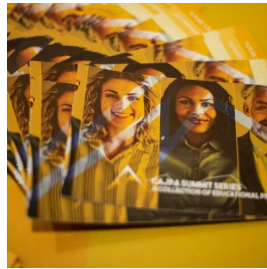


REAL-WORLD EXAMPLES

Our sessions are selected by a hard working committee comprised of experts in every pool profession. Specific learning outcomes are identified to ensure attendees take away knowledge that they will be able to immediately apply to their job.

ATTENDEE REGISTRATION

TAKING POOLING TO NEW HEIGHTS





Taking Pooling to New Heights

SOUTH LAKE TAHOE, CA



BOOK YOUR ROOM!

2021 EXHIBITOR & SPONSOR OPPORTUNITIES

YOUR PERFECT TARGET AUDIENCE: DECISION MAKERS



When you exhibit at the CAJPA Fall Conference, you will be provided with many opportunities to build and develop quality relationships with current clients and new prospects. You will meet face-to-face with general managers, executive directors, board members, workers' compensation and liability claims managers, risk managers, loss control personnel, business managers, accounting personnel and other JPA staff. Those who attend the CAJPA Fall Conference are the leaders and decision makers in the risk management pooling industry.



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SPONSOR/EXHIBITOR REGISTRATION

CAJPA was formed to meet the need for communication and cooperation among the newly formed JPAs. Its founders structured an association that serves as an information and educational network; one that has grown to also promote unique insurance and risk management concepts and services for its members.

- [Exhibitor/Sponsor Prospectus](#)
- [Hotel Information](#)
- [Attendee Registration](#)

ATTEND THE CONFERENCE!

Those who attend the CAJPA Fall Conference are the leaders and decision makers in the risk management pooling industry.

GALLERY FROM PREVIOUS CONFERENCES



[Become a member of CAJPA.](#)



BACK TO AGENDA

**Small Cities Organized Risk Effort
Board of Directors Meeting
June 25, 2021**

Agenda Item K.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54956.95, the Board will hold a Closed Session to discuss the following claims:

**Request for Authority

1. Workers Compensation

- a. SCWA-556100 v. City of Tulelake****



BACK TO AGENDA

**Small Cities Organized Risk Effort
Board of Directors Meeting
June 25, 2021**

Agenda Item L.

**REPORT FROM CLOSED SESSION
INFORMATION ITEM**

ISSUE: Any reportable action taken in closed session will be announced.

RECOMMENDATION: None

FISCAL IMPACT: None

BACKGROUND: None.

ATTACHMENTS: None.