

A large, modern glass building with a blue-tinted 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.

# City of Merced

**2018 – 2019**

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

Presented on May 27, 2018 by:

Kevin J. Bibler  
Senior Vice President

Evan Washburn  
Account Executive

## ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2018 – July 1, 2019

### EXECUTIVE SUMMARY

Attached please find materials associated with the renewal of the Alliant Property Insurance Program for the 2018-2019 period. An overview of the most significant issues concerning this years' renewal are discussed here.

Over the past few years, the property insurance market has been in a "soft" cycle with record amounts of capacity entering the market in search of financial return. This past year has seen an increase in the number of catastrophe losses primarily originating from Hurricanes Harvey, Irma and Maria (HIM). These events have effectively changed the marketplace with carriers now pushing for rate increases based on excessive losses to the industry in 2017. We would still call the current market "correcting" vs. "hard" because capacity is still available at levels close to pre-HIM levels. Consequently, for the 2018-2019 renewal, most insureds will see rate increases over expiring. For those insureds that have either experienced significant shock losses, or persistent attritional loss activity, rates may increase higher than average to maintain their rates relative to the risk they present. In keeping with the programs' general history; however, we expect overall rates to remain below that which can be achieved in the market for similar coverage.

The primary \$2,500,000 layer will be renewed with the program's long-term partner, Lexington Insurance Company, A.M. Best Rated A XV. Lexington will also continue to provide significant capacity in the \$22,500,000 x/s \$2,500,000 layer, sharing the layer with Lloyd's of London, A.M. Best Rated A XV. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets, all A.M. Best Rated of at least A- VII. Members should note several key highlights for this year's renewal:

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

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2018-2019 policy year, property valuations will continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five to seven years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on a members schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

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

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

**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**  
**July 1, 2018 – July 1, 2019**  
**EXECUTIVE SUMMARY**

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

<u>City of Merced</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>Variance</u>
Total Insured Values:	\$ 237,641,185	\$ 268,432,128	12.95%
Account Rate (per hundred dollars):	0.0813942	0.0925936	13.75%
Earthquake TIV:	\$ 0	\$ 0	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 193,426.15	\$ 248,551.05	28.49%

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

The following pages are coverage items currently under review with the APIP markets to be effective on July 1, 2018.

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

## APIP SUMMARY OF PROPOSED CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2018-2019 POLICY TERM

Coverage	2017-2018	2018-2019 Proposed Changes	Status
Unscheduled Infrastructure sub-limit	\$2,000,000 Sublimit  Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).	<u><b>Sub-limit Reduction to \$750,000</b></u>  This reduction in limit is due to significant claims activity for unscheduled infrastructure over the last two years, and is reflective of the limit that was provided by the program in earlier years.	Update
Terrorism Policies	Endorsement NMA 2914 Electronic Data included as part of policies	Endorsement NMA 2914 Electronic Data deleted from policies	Clarification
Cyber Policy Form	Information Security & Privacy (Beazley InfoSec)	Information Security & Privacy (Beazley InfoSec-2018). Enhancements noted below	Update
Cyber FIRST PARTY LOSS: Business Interruption Loss resulting from System Failure:	Not Covered	Increased to \$250,000	Enhancement
Cyber Dependent Business Interruption Loss:	\$500,000	Increased to \$750,000	Enhancement
Cyber Forensic Expense:	\$100,000	Increased to \$2,000,000	Enhancement
Cyber PCI:	\$100,000	Increased to \$2,000,000	Enhancement
Cyber Funds Transfer Fraud:	Not Covered	Increased to \$50,000	Enhancement

## APIP SUMMARY OF PROPOSED CHANGES

**THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2018-2019 POLICY TERM**

Coverage	2017-2018	2018-2019 Proposed Changes	Status
Cyber Criminal Reward:	Not Covered	Increased to \$25,000	Enhancement
Cyber Public relations consultancy costs:	\$50,000 Cap	Increased to policy limit	Enhancement
Pollution Conditions / Indoor Environmental Conditions Self-Insured Retention	<p>\$75,000 Retention per Pollution Condition / Indoor Environmental Condition (not involving Mold)</p> <p>\$225,000 Aggregate Retention for all Pollution Conditions / Indoor Environmental Condition (not involving Mold)</p> <p>\$37,500 Maintenance Retention per Pollution Condition / Indoor Environmental Condition once the aggregate retention is exhausted (not involving Mold)</p>	<p>\$100,000 Retention per Pollution Condition / Indoor Environmental Condition (not involving Mold or Sewage Backup)</p> <p>\$300,000 Aggregate Retention for all Pollution Conditions / Indoor Environmental Condition (not involving Mold or Sewage Backup)</p> <p>\$50,000 Maintenance Retention per Pollution Condition / Indoor Environmental Condition once the aggregate retention is exhausted (not involving Mold or Sewage Backup)</p>	Update
Pollution Mold Self-Insured Retention (SIR)	\$250,000 Retention per Indoor Environmental Condition involving Mold	\$250,000 Retention per Indoor Environmental Condition involving Mold – does not aggregate	Update
Pollution Sewage Backup Self-Insured Retention (SIR)	Not Applicable	\$250,000 Retention per Pollution Condition / Indoor Environmental Condition involving Sewage Backup – does not aggregate	Update

### Master Policy Form Wording Proposed Changes

Coverage	2017-2018	2018-2019 Proposed Changes	Status
Policy Term	July 1, 2017 to July 1, 2018	July 1, 2018 to July 1, 2019	Update
Section I, G. 6.	Library Book table	Updated library book values per US inflation calculator	Update

## APIP SUMMARY OF PROPOSED CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2018-2019 POLICY TERM

### Master Policy Form Wording Proposed Changes

Coverage	2017-2018	2018-2019 Proposed Changes	Status
Section IV, B. 15	<p>Last paragraph:</p> <p>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.</p>	<p>Last paragraph adjustment per underlined sentences:</p> <p>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. <u>Notwithstanding Section IV, Item R., 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.</u></p>	Pending

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

**TYPE OF INSURANCE:**    ☒ Insurance   ☐ Reinsurance

**NAMED INSURED:**            City of Merced

**DECLARATION:**                2-Cities 2

**POLICY PERIOD:**            July 1, 2018 to July 1, 2019

**COMPANIES:**                 See Attached List of Companies

**TOTAL INSURED  
VALUES:**                        \$ 268,432,128 as of June 07, 2018

**ALL RISK  
COVERAGES &  
LIMITS:**

\$	1,000,000,000	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
\$	5,000,000	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	5,000,000	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
	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 Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense.



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

\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	180 Days	Extended Period of Indemnity
	See Policy Provisions	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.
\$	2,500,000	Money & Securities for named perils only as referenced within the policy.
\$	2,500,000	Unscheduled Fine Arts.
\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.
\$	750,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).



<b>ALL RISK COVERAGES &amp; LIMITS: (continued)</b>	\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery).
	\$	25,000,000	Transit.
	\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
	\$	2,500,000	Unscheduled Watercraft up to 27 feet.
		Included	Per Occurrence for Off Premises Vehicle Physical Damage.
	\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
	\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$	1,000,000	Claims Preparation Expenses.
	\$	50,000,000	Expediting Expenses.
	\$	1,000,000	Personal Property Outside of the USA.

Not Covered Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.

\$ 500,000 Per Occurrence and Annual Aggregate per named insured for Communicable Disease subject to an APIP Program aggregate of \$10,000,000 for all declarations combined except Hospital declarations.

\$ 100,000 Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.

\$ 100,000 Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.

#### VALUATION:

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

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

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

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

#### "ALL RISK"

##### DEDUCTIBLE:

\$ 10,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

#### DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

\$ 100,000 All Flood Zones Per Occurrence excluding Flood Zones A & V.

\$ 250,000 Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).

Not Covered Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.

\$ 1,000 Per Occurrence for Specially Trained Animals.

**DEDUCTIBLES FOR  
SPECIFIC PERILS  
AND COVERAGES:  
(continued)**

\$	500,000	Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters).
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
\$	5,000	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.
	Replacement Cost	Contractor's Equipment/Vehicle Valuation Basis
\$	10,000	Per Occurrence for Contractor's Equipment.

**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, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
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\$	10,000	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, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
\$	1,400,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
\$	500,000	Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
Included		Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles
Included		Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles.

**TERMS & CONDITIONS:**

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

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

**NOTICE OF CANCELLATION:**

90 Days except 10 Days for non-payment of premium

	Annual Cost*
<b>Total Property Premium:</b>	\$ 233,802.00
<b>Excess Boiler:</b>	\$ 2,418.00
<b>ABS Fee:</b>	\$ 4,772.00
<b>SLT&amp;F's (Estimate)</b>	\$ 7,559.05
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST †: (Including Taxes and Fees)</b>	\$ 248,551.05

\*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)

**PRINT DATE:** June 7, 2018

**PROPOSAL VALID UNTIL:** July 1, 2018

**BROKER:**

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

Kevin J. Bibler  
Senior Vice President

Evan Washburn  
Account Executive

**NOTES:**

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

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

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

**NAMED INSURED:** City of Merced  
**POLICY PERIOD:** July 1, 2018 to July 1, 2019  
**COMPANIES:** See Attached List of Companies  
**TOTAL INSURED VALUES:** \$ 268,432,128 as of May 27, 2018  
**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:**

\$ 2,500	Except as shown for Specific Objects or Perils.
\$ 2,500	Electronic Data Processing Media.
\$ 2,500	Consequential Damage.
\$ 2,500	Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface.
\$ 50,000	Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface.
\$ 100,000	Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface.
\$ 250,000	Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface.
\$ 350,000	Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface.
10 per foot / \$2,500 Minimum	Deep Water Wells.
24 Hour Waiting Period	Utility Interruption.
24 Hours	Business Interruption/Extra Expense Except as noted below.
30 Days	Business Interruption - Revenue Bond.
5 x 100% of Daily Value	Business Interruption - All objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 square feet heating surface.
5 x 100% of Daily Value	Business interruption - All Objects at Waste Water Treatment Facilities and All Utilities.

**Annual Cost**

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

**PRINT DATE:** May 27, 2018

**PROPOSAL VALID UNTIL:** July 1, 2018

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

Kevin J. Bibler  
Senior Vice President

Evan Washburn  
Account Executive

**NOTES:**

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

**ALLIANT INSURANCE SERVICES, INC.**  
**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**  
**CYBER LIABILITY 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), organizations(s), enterprise(s) and/or individuals(s) attached to each Declaration insured as per schedule on file with Insurer.

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

**POLICY PERIOD:** July 1, 2018 to July 1, 2019

**POLICY #:** TBD

**TERRITORY:** WORLD-WIDE

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

**HARPP**  
*For new members – the retro active date will be the date of addition*  
July 1, 2009 For members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a “No Known Losses Letter” then the retro date is the date that the member was added  
July 1, 2010 For \$1,500,000 excess \$500,000

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

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

## COVERAGES & LIMITS:

Ai.	\$	25,000,000	<b>Annual Policy and Program Aggregate Limit of Liability</b> (subject to policy exclusions) for all Insured's/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following sub-limits as noted.
Aii.	\$	2,000,000	<b>Annual Aggregate Limit of Liability</b> for each Insured/Member for <b>Information Security &amp; Privacy Liability</b> . <b>Each Member of a JPA will have a \$2,000,000 Limit Each</b> (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:

## BREACH RESPONSE

<b>Breach Response Costs:</b>	\$	500,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member <b>Privacy Notification Costs</b> coverage. (Limit is increased to \$1,000,000 if Beazley Vendor Services are used)
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*\*Insured's with TIV above \$500,000,000 have the option to increase the **Breach Response** limit to \$1,000,000 (Limit is increased to \$2,000,000 if Beazley Vendor Services are used) with an additional premium of 10% of their allocated APIP cyber premium.*

## FIRST PARTY LOSS

<b>Business Interruption Loss:</b>	\$	2,000,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member <b>resulting from Security Breach</b>
	\$	250,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member <b>resulting from System Failure</b>
<b>Dependent Business Loss:</b>	\$	750,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member <b>resulting from Dependent Security Breach</b>
<b>Cyber Extortion Loss:</b>	\$	2,000,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member <b>Cyber Extortion Loss</b>
<b>Data Recovery Costs:</b>	\$	2,000,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member <b>Data Protection Loss</b>

## LIABILITY

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

<b>Payment Card Liabilities &amp; Costs:</b>	\$	2,000,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Payment Card Liabilities &amp; Costs</b>
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<b>Media Liability:</b>	\$	2,000,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Website Media Content Liability</b>
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### **ECRIME**

<b>Fraudulent Instruction:</b>	\$	50,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Fraudulent Instruction.</b>
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<b>Funds Transfer Fraud:</b>	\$	50,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Funds Transfer Fraud</b>
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<b>Telephone Fraud:</b>	\$	50,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Telecommunications Fraud</b>
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### **CRIMINAL REWARD**

<b>Criminal Reward:</b>	\$	25,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Criminal Reward.</b>
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### **COVERAGE ENDORSEMENT(S)**

<b>Consequential Reputational Loss:</b>	\$	50,000	<b>Member Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Consequential Reputational Loss.</b>
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<b>RETENTION:</b>	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss
		8	Hour waiting period for first party claims
	\$	100,000	Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss
		8	Hour waiting period for first party claims

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

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

**EXTENDED  
REPORTING PERIOD:**

For First Named Insured - To be determined at the time of election (additional premium will apply)

**SPECIFIC COVERAGE  
PROVISIONS:**

- A. Breach Response** indemnifies the Insured Organization for Breach Response Costs incurred by the Insured Organization 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** indemnifies the Insured Organization for:
- Business Interruption Loss* indemnifies the Insured Organization sustains as a result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.
- Dependent Business Interruption Loss* indemnifies the Insured Organization sustains as a result of a Dependent Security Breach or a Dependent System Failure that the Insured first discover during the Policy Period.
- Cyber Extortion Loss* indemnifies the Insured Organization incurs as a result of an Extortion Threat first made against the Insured Organization during the Policy Period.
- Data Recovery Costs* indemnifies the Insured Organization incurs as a direct result of a Security Breach that the Insured first discovers during the Policy Period.
- C. Liability**
- Data & Network Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period
- Regulatory Defense & Penalties* pays Penalties and Claims Expenses, which the Insured is legally obligated to pay because of a Regulatory Proceeding first made against any Insured during the Policy Period for a Data Breach or a Security Breach.
- Payment Card Liabilities & Costs* indemnifies the Insured Organization for PCI Fines, Expenses and Costs which it is legally obligated to pay because of a Claim first made against any Insured during the Policy Period.
- Media Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for Media Liability.
- D. eCrime** indemnifies the Insured Organization for any direct financial loss sustained resulting from:
- ) Fraudulent Instruction
  - ) Funds Transfer Fraud
  - ) Telephone Fraud
- That the Insured first discovers during the Policy Period.



**SPECIFIC COVERAGE PROVISIONS:** **E. Criminal Reward** indemnifies the Insured Organization for Criminal Reward Funds.  
(Continued)

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

Coverage does not apply to any claim or loss from

- ) Bodily Injury or Property Damage
- ) Any employer-employee relations, policies, practices
- ) Contractual Liability or Obligation
- ) Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
- ) Anti-Trust violations
- ) Unfair trade practices
- ) Unlawful collection or acquisition of Personally Identifiable Non-Public Information
- ) Distribution of unsolicited e-mails, facsimile, audio or video recording
- ) Prior knowledge or previously reported incidents
- ) Incidents occurring prior to retroactive date/continuity date
- ) Any act, error, omission, of computer security if occurred prior to policy inception
- ) Collusion
- ) Securities Act Violations
- ) Fair Labor Act Violations
- ) Discrimination
- ) Intentional Acts with regard to Privacy and Security Breach
- ) Infringement - Patent and Copyright
- ) Federal Trade Commission and related state, federal, local and foreign governmental activities
- ) Insured vs. Insured
- ) Money/Securities/Funds Transfer
- ) Broadcasting, Publications and Advertising
- ) War and Terrorism
- ) Nuclear Incident
- ) Radioactive Contamination
- ) First Party Loss – with respects to Business Interruption as a result of System Failure only

**NOTICE OF CLAIM:**

) **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)

) Claim notification under this policy is to:

Beazley Group  
Attn: TMB Claims Group  
1270 Avenue of the Americas  
New York, NY 10020  
[tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

**NOTICE OF CANCELLATION:**

10 days for non-payment of premium

**REINSTATEMENT PROVISIONS:**

Optional reinstatement at 125% of the annual premium

<b>CYBER COST:</b>	Cost is included in Total Property Premium 30% Earned Premium at Inception
<b>OTHER SERVICES</b>	Unlimited Access to Beazley Breach Solutions
<b>BROKER:</b>	ALLIANT INSURANCE SERVICES, HOUSTON, LLC  License No. 0C36861

***NOTES: Coverage outlined in this Proposal are subject to the terms and conditions set forth in the policy which are currently under negotiations. Please refer to Policy for specific terms, conditions and exclusions once coverage is bound.***

# APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



Dear valued APIP client:

Beazley Insurance Group has been a trusted partner to the APIP program over the last 10 years, providing cyber coverage to Insureds at a nominal cost.

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

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

Currently, APIP insureds have \$2 million in cyber limits to include all services related to a data breach with a sub-limit up to \$1 million for Privacy Notification Costs. There are two options available to enhance your coverage through CEO:

## **Option 1 –**

- ) Separating breach notifications from the dollar limit and specifying the number of covered notifications so that notifications do not erode the APIP limit
- ) No monetary cap for credit monitoring and call center services
- ) Lower deductibles for privacy notification services
- ) Separate, standalone limits for Legal, Forensics, Crisis Management or Public Relations Firms
- ) Hands-on pre and post loss consultation from an expert team of cyber risk professionals.
- ) Extensive risk management resources available for your organizations' stakeholders (Legal, IT, Risk, Compliance, etc.)
- ) BBR Boost
- ) Post Breach Remedial Services – 100 hours provided by Lodestone Security
- ) Short form application

## **Option 2 – Excess Limits available, up to \$5 Million for:**

- ) Regulatory Defense & Penalties
- ) Website Media Content Liability
- ) Cyber Extortion
- ) Data Protection Loss & Business Interruption
- ) Increased PCI Fines and Penalties (sub-limited)

A Cyber Enhancement Option indication can be provided in 5-7 business days with little information. Contact your Alliant broker or Account Representative for more information by returning the attached document. Thank you.

# APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



## APIP Cyber Enhancement Option (CEO):

☐ Request:

Our Entity requests a proposal for the APIP Cyber Enhancement Option.

☐ Declination:

Our Entity is not interested in the APIP Cyber Enhancement Option (CEO) that has been offered to us. We understand that Alliant has access to cyber insurance markets and can provide a quote for us in the future if we become interested. We decline to purchase the APIP Cyber Enhancement Option at this time.

City of Merced

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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

Please return this page to your Alliant representative.

*Premium for C.E.O. is excluded from the APIP Property Proposal.*

**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, 2018 to July 1, 2019

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

**COMPANY:** Illinois Union Insurance Company

**A.M. BEST INSURANCE RATING::** A++, Superior, Financial Category XV (\$2 Billion or greater)  
Effective October 5, 2017

**STANDARD & POORS RATING:** AA (Very Strong) as of April 13, 2018

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

**COVERAGE LOCATIONS:** Per the following SOVs submitted and on file with carrier:

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

**COVERAGE  
LOCATIONS:  
CONTINUED**

Covered locations include any location owned, operated, managed, leased or maintained by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered location, that is not a pipe, provided that such pipes are located within a one thousand (1,000) foot radius of such covered location.

**COVERAGES  
& LIMITS:**

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

**SUBLIMITS:**

**\$ 500,000 Per Bacteria / Virus Indoor Environmental Condition Insured Aggregate Sublimit\***  
**\$ 250,000 Catastrophe Management Costs Sublimit\***

\*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:**

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

**SPECIFIC  
COVERAGE  
PROVISIONS:**

**CLAIMS MADE AND REPORTED**

**Coverage A – New Pollution Conditions or Indoor Environmental Conditions Coverage:**

First-party and third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition at a covered location, provided the claim is first made or the Insured first discovers such pollution condition or indoor environmental condition during the policy period.

**Coverage B – Transportation Coverage:**

First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation, provided the claim is first made or the Insured first discovers such pollution condition during the policy period.

**Coverage C – Non-Owned Disposal Site Coverage:**

Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site, provided the claim is first made during the policy period.

Supplemental coverage for First-party and Third-party claims arising out of pollution conditions and indoor environmental conditions resulting from covered operations is included. 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”.



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

Coverage for catastrophe management costs and emergency response costs (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, provided that the costs are reported to the insurer within fourteen (14) days.

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 during the policy period. Coverage of lead contamination of potable water is excluded.

All Named Insureds scheduled on this policy have the same rights as the First Named Insured; this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

Coverage for mid-term transactions for values that are less than \$25,000,000 shall automatically 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.

Automatic Acquisition and Due Diligence – Property purchased in the amount of or in excess of \$25,000,000 need to be reported within 120 days, along with a Phase I Environmental Site Assessment, or two (2) years of property insurance loss runs or a completed, signed application.

Illicit Abandonment is included in the definition of pollution condition.

Mold, fungi and legionella pneumophila are included in the definition of an indoor environmental condition.

Defense Costs and Expenses are within Limits of Liability.

The insurance afforded by this Policy shall apply in excess of any other valid, collectible insurance, with the exception of policies specifically written to be in excess of this policy.

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

Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance, to which the coverage afforded pursuant to this Policy shall only apply in excess. Under such primary insurance policy shall erode the \$750,000 per pollution condition self-insured retention. *This includes storage tank pollution liability insurance.*

Blanket Coverage included for Non-Owned Disposal Sites. Includes Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, CERCLIS list or any functional equivalent of those listings, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal.

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

Coverage does not apply to any claim or loss from:

- ) Asbestos and Lead Based Paint. *This exclusion does not apply to Third-party claims for Bodily Injury, Property Damage or any associated legal defense expenses, nor to First-party Remediation Costs arising out of asbestos, asbestos-containing material, or lead-based paint discovered in soil or groundwater. Also does not apply to first-party remediation costs that first commenced during the policy period, do not arise out of or relate to any pollution conditions which existed prior to policy inception, are sudden, unintended and unexpected by the Insured and discovered within seven (7) days of commencement, as long as they are reported to the Insurer within twenty-one (21) days of discovery. This does not include coverage for asbestos or lead-based paint abatement, removal, or disposal resulting from the maintenance, renovation or physical improvement of a covered location.*
- ) Contractual Liability – *Does not apply to environmental indemnity obligations, or to liability of others that would have attached to the Insured in the absence of a contract or agreement.*
- ) Divested Property
- ) Employers Liability
- ) Criminal Fines and Criminal Penalties
- ) Fraud or Misrepresentation
- ) Sewage Backup – *based upon or arising out of the reverse flow of sewage through a subsurface sewer line into any structure, including, but not limited to, 3<sup>rd</sup> party residences and commercial buildings. This exclusion does not apply to your insured locations.*
- ) First Party Property Damage – *Does not apply to remediation costs, emergency response costs, business interruption costs or catastrophe management costs.*
- ) Insured's Internal Expenses - *Does not apply to emergency response costs, along with any associated catastrophe management costs.*
- ) Insured vs. Insured
- ) Intentional Non-Compliance
- ) Known Conditions
- ) Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- ) Ports – *Defined as a location on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- ) Airports – *Defined as a location whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- ) Material Change in Risk – *Does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a Public Entity.*
- ) Professional Liability
- ) Regulatory Compliance – *Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*

## EXCLUSIONS

(including but not limited to, cont.):

- ) Work Product
- ) Workers' Compensation
- ) Products Liability. *Does not apply to a pollution condition that first commences during transportation, or to pollution conditions resulting from the use of potable, reclaimed or recycled water processed at any covered location that is also a potable water or wastewater treatment plant, if applicable. Also does not apply to coverage afforded for product pollution pursuant to the Products Pollution Coverage Endorsement attached to this policy. Lead contamination of potable water is not covered and is excluded.*
- ) Lead Contaminated Water
- ) Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.
- ) War or Terrorism
- ) Any subsurface potable water, wastewater or storm water pipes leading to or exiting from a covered location, which is not a pipe, provided that such pipe sections are located beyond a one thousand (1,000) foot radius of such covered location.

## RETENTION:

\$100,000	Per Pollution Condition or Indoor Environmental Condition retention except for Mold or Sewage Backup
\$300,000	Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions except for Mold or Sewage Backup
\$ 50,000	Per Named Insured maintenance retention applicable to all Pollution Conditions except for Mold or Sewage Backup
\$250,000	Per Named Insured retention applicable to Mold or Sewage Backup – <i>does not erode the Aggregate retention</i>
\$750,000	Underground Storage Tanks Specific
10 Days	Waiting Period for Business Income and Extra Expense

## 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) Chubb Environmental Claims Manager  
Chubb USA Claims  
P.O. Box 5103  
Scranton, PA 18505-0510  
(800) 951-4119 (Fax – First Notices Only)  
(866) 635-5687 (Fax – All Other Items)  
First Notice Email: [CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)
- 2) Chubb Environmental Incident ALERT  
Sign up at <https://ace.spillcenter.net/>  
24/7 incident reporting via phone, web or mobile device  
App Available on Apple App Store, Google Play and Blackberry App World
- 3) Akbar Sharif  
Alliant Insurance Services, Inc.  
1301 Dove Street, Suite 200  
Newport Beach, CA 92660  
949 260-5088  
949 756-2713 – fax  
[Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com)

**NOTICE OF CANCELLATION:**

90 days except 15 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

**OTHER SERVICES:**

- Value-Added Engineering Package:
- Mold Awareness Training
    - Chubb will offer a single Mold Awareness Training Presentation, provided by Chubb ESIS personnel, for little or no additional cost. Must be held at one central location or online.
  - Due Diligence Program Overview
    - Chubb will provide up to 50 First Search Reports of government environmental databases for no additional charge
  - Asbestos-Containing Materials (ACM)/Lead Based Paint (LBP) Plan
    - Chubb will assist the insured in the creation of a single ACM/LBP plan for a minimal additional cost
  - Mold Operations & Maintenance (O&M) Plan
    - Chubb will assist the insured in the creation of a single Mold O&M plan for a minimal additional cost

**QUOTE VALID UNTIL:** July 1, 2018

**BROKER:**

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

# Environmental Incident ALERT<sup>SM</sup>

## Chubb Logistical Environmental Response Technology



Environmental releases can happen unexpectedly and at any moment. When these events occur companies are faced with the responsibility of cleanup and site remediation, not to mention the additional cost factors and regulatory implications that can be involved.

Environmental Incident ALERT<sup>SM</sup> is a complimentary program developed to assist Chubb Environmental clients find and dispatch qualified incident response contractors, monitor cleanup costs (in real time) and mitigate potential liabilities associated with environmental releases.

### Services

- Incident Reporting
- Contractor Referrals
- Response Coordination Assistance
- Incident Documentation
- Invoice Review
- Customized Alerts
- Contractor Registration
- Subject - Relevant E-Marketing communications

### Key Highlights

- 24/7 incident reporting via phone, web or mobile device
- Access to a database of over 3,500 response contractors that clients can independently engage for services
- Assistance with Federal/State/Local Regulatory reporting (through an Chubb vendor)
- Response coordination assistance (multilingual capabilities)
- Capability of establishing customized alerts via email and/or text message when the system is activated

- Complete data package delivered electronically
- Business Continuity - minimize disruption to the clients' business and focus on returning to normal operations

### How to Access

Details of the program, including access to where Chubb Environmental clients can complete their enrollment, is available online at <https://ace.spillcenter.net>

- Once enrollment is complete, clients can report an environmental incident either online, by telephone or mobile device via the Environmental Incident ALERT<sup>SM</sup> application available on iPhone, Android and certain Blackberry models.

Visit <https://ace.spillcenter.net> to learn more about Environmental Incident ALERT<sup>SM</sup>

### Contact us

Bob Winterburn

O 215.640.1451

E [Robert.Winterburn@chubb.com](mailto:Robert.Winterburn@chubb.com)

Steve Piatkowski

O 215.640.4890

E [Steven.Piatkowski@chubb.com](mailto:Steven.Piatkowski@chubb.com)



## Chubb. Insured.<sup>SM</sup>

Environmental Incident ALERT<sup>SM</sup> is offered through Spill Center, a North American leader in environmental regulatory reporting and spill support that draws from a database of more than 3,500 environmental cleanup contractors throughout North America who are experienced and equipped to react to particular kinds of spills. Reporting a spill using Environmental Incident ALERT<sup>SM</sup> services offered through Spill Center is not an indication that coverage is available under your policy. Any communications in connection with your use of Environmental Incident ALERT<sup>SM</sup> services offered through Spill Center are not intended to alter, amend or provide interpretive commentary on any insurance policy contracts. Spill Center is not a subsidiary or affiliate of the Chubb Group. Chubb Group disclaims all liability, loss, damages and other costs that may arise out of your use of or reliance upon any spill reporting services, other services, communications and representations or warranties made by Spill Center or its affiliates.

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at [www.chubb.com](http://www.chubb.com). Insurance provided by Chubb American Insurance Company and its U.S. based Chubb underwriting company affiliates. All products may not be available in all states. This communication contains product summaries only. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers. Chubb is the world's largest publicly traded property and casualty insurance group. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to adverse group of clients. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index.

**INVOICE**

<b>Alliant Insurance Services Inc.</b> <b>2180 Harvard Street, Ste 460 Sacramento, CA 95815</b>	
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<b>NAMED INSURED:</b> City of Merced	<b>INVOICE DATE:</b> June 7, 2018 <b>CUSTOMER NUMBER:</b> MERCED0-02 <b>EFFECTIVE DATE:</b> July 1, 2018
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INSURANCE CO:	Various	INVOICE NUMBER: 1048206
POLICY NUMBER:	PPROP1819	
Total Property Premium:		\$ 233,802.00
ABS Fee:		\$ 4,772.00
Estimated SLT&F's		\$ 7,559.05
Broker Fee:		\$ 0.00
ALL RISK PROPERTY SUBTOTAL		\$ 246,133.05

INSURANCE CO:	Various	INVOICE NUMBER: 2048206
POLICY NUMBER:	PBOILER1819	
EXCESS BOILER & MACHINERY SUBTOTAL		\$ 2,418.00

<b>TOTAL DUE AT THIS TIME</b>	<b>\$ 248,551.05</b>
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*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, 2018. 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](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.*



# ***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

## Disclosures / Disclaimers

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

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

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

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

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

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

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

## NY Regulation 194 and General Broker Compensation Disclosure

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York and other States. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

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

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

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

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## Other Disclosures / Disclaimers Cont.

### FATCA:

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

### NRRA:

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

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

## Changes and Developments

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

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

### Loss Notification Requirements:

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

## Binding Requirements Recap

Required no later than June 28, 2018:

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

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

## Request to Bind Coverage

### City of Merced

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

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

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**Signature of Authorized Insurance Representative**

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**Date**

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**Title**

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**Printed / Typed Name**

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

## LOSS NOTIFICATION REQUIREMENT

### ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

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

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

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

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

Address:

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

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

Sandra Doig  
McLaren's Global Claims Services  
1301 Dove St., Suite 200  
Newport Beach, CA 92660  
Voice: (949) 757-1413 Fax: (949) 757-1692  
Email: [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com)

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](mailto:tmbclaims@beazley.com)

Address:

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

Address:

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manager (if purchased):

ACE USA Claims  
PO Box 5103  
Scranton, PA 18505-0510  
Environmental Emergency: (888) 310-9553  
Fax: (800) 951-4119  
Email: [CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)

Address:

Akbar Sharif  
Claims Advocate  
1301 Dove St. Ste. 200  
Newport Beach, CA 92646  
Voice: (949) 260-5088 Fax: (415) 403-1466  
Email: [asharif@alliant.com](mailto:asharif@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, 2018 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: City of Merced**

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**Authorized Signature:**

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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, 11<sup>th</sup> Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: [rfrey@alliant.com](mailto:rfrey@alliant.com) AND [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

Carbon Copy APIP Claims Administrator: [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com) and your Alliant representative

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

Type of Claim: (check all that apply)

- |  |                                   |
|--|-----------------------------------|
| <input type="checkbox"/> Real Property     | <input type="checkbox"/> Vehicles |
| <input type="checkbox"/> Personal Property | <input type="checkbox"/> Other    |

### Insured's Name & Contact Information

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

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

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

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

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

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

Phone #: 1-877-725-7695

Fax #: 415-403-1466

### Policy Information

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

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

### Loss Information

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

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

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

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

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

**Per the PEPPI USA Form Master Policy Wording, Section IV General Conditions;**

**J. NOTICE OF LOSS**

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

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

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

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

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

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

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

**SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:**

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

Please contact Beazley for a list of approved vendors.

**CYBER FIRST NOTICE OF LOSS FORM****SEND TO:** Beazley Group**BY MAIL:** 1270 Avenue of the America's, Suite 1200, New York, NY 10020**BY FAX:** (546) 378-4039**BY EMAIL:** [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)**CC Alliant Claims Department:**  
[elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com) , and your Alliant representative

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

**Insured's Name & Contact Information**

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

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

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

**Broker/Agent's Name & Contact Information**Company Name: Alliant Insurance Services – Claims Point of Contact: Elaine TizonAddress: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111Phone #: 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.

(Cyber)

**CHUBB®**  
Chubb Environmental

**IN THE EVENT OF AN  
ENVIRONMENTAL EMERGENCY:**

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

**2) *Alert local emergency authorities, as appropriate***

**3) *Report the incident to ACE Environmental Risk immediately at:***

**888-310-9553 or use ACE Alert App**

**4) *Report the incident to Alliant***

Akbar Sharif  
Claims Advocate  
949-260-5088  
415-403-1466 – fax  
[asharif@alliant.com](mailto:asharif@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. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

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

**CHUBB™ CHUBB ENVIRONMENTAL FIRST NOTICE OF LOSS FORM****SEND TO:** Chubb Environmental Claims Manager**BY MAIL:** ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510**BY FAX:** (800) 951-4119**BY EMAIL:** [CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)**CC Alliant Insurance:** [asharif@alliant.com](mailto:asharif@alliant.com) and your Alliant Representative**Today's Date:** \_\_\_\_\_**Notice of: (check all that apply)**

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

**Insured's Name & Contact Information****Company Name:** \_\_\_\_\_ **Point of Contact:** \_\_\_\_\_**Address:** \_\_\_\_\_**Phone #:** \_\_\_\_\_**Broker/Agent's Name & Contact Information****Company Name:** Alliant Insurance Services - Claims    **Point of Contact:** Akbar Sharif**Address:** 1301 Dove St. Ste. 200 Newport Beach, CA 92660**Phone #:** 1-949-260-5088**Policy Information****Policy Number:** \_\_\_\_\_ **Policy Period:** \_\_\_\_\_**Limits of Liability:** \_\_\_\_\_ per \_\_\_\_\_ agg **Self-Insured Retention/Deductible** \_\_\_\_\_**Loss Information****Date of Incident/Claim:** \_\_\_\_\_ **Location:** \_\_\_\_\_**Claimant Name/Address:** \_\_\_\_\_**Description of Loss:** \_\_\_\_\_**Please list all attached or enclosed documentation:** ☐ (check if none provided) \_\_\_\_\_**Name of Person Completing This Form:** \_\_\_\_\_ **Signature:** \_\_\_\_\_



## VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” **must also take all reasonable measures to provide immediate verbal notice to the Insurer.**

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

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## APIP Pollution: Claim Reporting Fact Sheet

This page outlines the steps that should be taken BY YOUR ORGANIZATION, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through APIP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the **Emergency Response** issue and the reporting provisions:

**III. DEFENSE AND SETTLEMENT** C. The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

### V. DEFINITIONS

**F. “Emergency response”** means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

**T. “Pollution condition”** means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

**V. “Remediation costs”** means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

### VII. REPORTING AND COOPERATION

**A.** The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

**B.** The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

**C.** No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

**D.** Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is if there is a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information

## ALLIANT INSURANCE SERVICES

### POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

May 27, 2018

Named Insured: **City of Merced**

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

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *As defined in Section 102(1) of the Act, as amended*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

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

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

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

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

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

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

<input type="checkbox"/>	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.
<input type="checkbox"/>	I decline to purchase the Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act.

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

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

\_\_\_\_\_  
Date

City of Merced

## Surplus Lines Requirement

### State of California

#### THIS INSTRUCTIONAL PAGE IS FOR INTERNAL USE ONLY:

Please be advised per the state of California's Surplus Lines Compliance Laws we are required to provide and obtain the insured's signature on the following page.

Please have the insured review and sign the affidavit D-1

A signed copy of the affidavit should be sent to my attention no more than 5 business days from binding to be in compliance with the Alliant Corporate deadline.

Please note a scanned copy is acceptable.

Should you have any questions or concerns please do not hesitate to contact me.

Kind Regards,

**Kendra Hart**

Surplus Lines Coordinator  
Alliant Underwriting Solutions

1301 Dove Street  
Suite 200  
Newport Beach, CA 92660

D 949 660 5971  
O 949 756 0271  
F 949 756 2713  
[www.alliant.com](http://www.alliant.com)

CA License No. 0558510



## **NOTICE:**

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

**APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**1. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

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

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

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



**Alliant Property Insurance Program  
2018-2019 Policy Year  
Schedule of Insurers (Prospective)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 08/30/17)	A+ (As of 08/16/16)	Non-Admitted
Aspen Insurance UK Limited	084806	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 12/15/17)	A (As of 01/26/18)	Non-Admitted
Atain Specialty Insurance Company	002842	A, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 12/21/17)	Not Rated (As of 04/06/18)	Non-Admitted
Chubb European Group Limited	086485	A++ , Superior; Financial Size Category 15; \$1,500,000,000 to \$2,000,000,000 or greater (As of 10/05/17)	AA (As of 06/24/16)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 07/14/17)	A (As of 03/28/17)	Non-Admitted
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/20/17)	A (As of 07/27/17)	Non-Admitted
Hallmark Specialty Insurance Co.	010838	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 08/02/17)	Not Rated (As of 04/06/18)	Non-Admitted
Homeland Insurance Company of New York	010604	A, Excellent; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 02/03/18)	A- (As of 07/02/10)	Non-Admitted
Illinois Union Insurance Company	003510	A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 10/05/17)	AA (As of 06/24/16)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 15; \$1,500,000,000 to \$2,000,000,000 or greater (As of 05/02/17)	A (As of 05/02/17)	Non-Admitted
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 11/21/17)	A- (As of 02/28/18)	Non-Admitted

**Alliant Property Insurance Program  
2018-2019 Policy Year  
Schedule of Insurers (Prospective)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 09/29/17)	A (As of 04/21/15)	Non-Admitted
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/23/17)	A+ (As of 06/06/17)	Non-Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/20/17)	A+ (As of 10/12/17)	Non-Admitted
Maxum Indemnity Company	012563	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/07/17)	Not Rated (As of 06/21/17)	Non-Admitted
PartnerRe Ireland Insurance Ltd.	088621	A, Excellent Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/25/17)	A+ (As of 09/07/16)	Non-Admitted
Westchester Surplus Lines Insurance Company	004433	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 10/05/17)	AA (As of 06/24/16)	Non-Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/07/17)	AA- (As of 10/28/11)	Admitted
XL Insurance America Inc.	002423	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 03/06/18)	A+ (As of 10/12/17)	Admitted