



## **Alliant Property Insurance Programs (APIP) 2015-2016 Insurance Binders**

### **City of Monterey**

**Alliant Insurance Services, Inc.  
License No. 0C36861**

**Michael Simmons  
Vice Chairman**

**Conor L. Boughey  
Assistant Vice President**

**Linh M. Campero  
Account Manager**



## **NOTICE:**

**1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED 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. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).**

**5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING**

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

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

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

# EVIDENCE OF PROPERTY INSURANCE

ISSUE DATE (MM/DD/YY)

07/01/15

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

**PRODUCER**

ALLIANT INSURANCE SERVICES, INC.  
100 PINE ST. 11TH FLOOR  
SAN FRANCISCO, CA 94111-2711  
PH (415) 403-1400 / FAX (415) 402-0773  
LICENSE NO. 0C36861

**COMPANY**

VARIOUS PER ATTACHED SCHEDULE

**CODE****SUB-CODE****INSURED** ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

CITY OF MONTEREY  
399 MADISON  
MONTEREY, CA 93940

**EVIDENCE NUMBER**

APIP1516

**POLICY NUMBER**

017471589/02 (Dec 02)

**EFFECTIVE DATE (MM/DD/YY)**

07/01/15

**EXPIRATION DATE (MM/DD/YY)**

07/01/16

**CONT. UNTIL  
TERMINATED  
IF CHECKED** 

THIS REPLACES PRIOR EVIDENCE DATED:

**PROPERTY INFORMATION****LOCATION / DESCRIPTION**

PENDING RECEIPT OF COMPANY POLICY(IES), THIS DOCUMENTATION IS PROVIDED AS EVIDENCE OF PROPERTY AND BOILER & MACHINERY INSURANCE COVERAGE FOR LOCATIONS ON FILE WITH ALLIANT INSURANCE SERVICES.

**COVERAGE INFORMATION****COVERAGE / PERILS / FORMS / AMOUNT OF INSURANCE & DEDUCTIBLE**

"ALL RISK" OF DIRECT PHYSICAL LOSS OR DAMAGE AND ALL EXTENSIONS AND SUBLIMITS OF COVERAGE PER PEPIP MANUSCRIPT POLICY FORM. SUBJECT TO POLICY TERMS, CONDITIONS AND EXCLUSIONS.

LIMITS &amp; DEDUCTIBLE ATTACHED FOR THE FOLLOWING:

PROPERTY  
COVERAGEBOILER & MACHINERY  
COVERAGE**REMARKS (INCLUDING SPECIAL CONDITIONS)****CANCELLATION**

SEE ATTACHED

**ADDITIONAL INTEREST****NAME AND ADDRESS**

EVIDENCE OF COVERAGE

**NATURE OF INTEREST**

MORTGAGEE



ADDITIONAL INSURED



LOSS PAYEE

(OTHER)  
EVIDENCE OF COVERAGE

SIGNATURE OF AUTHORIZED AGENT OF COMPANY



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

**PROPERTY EVIDENCE ATTACHMENT**

**TYPE OF INSURANCE:**     Insurance                       Reinsurance

**NAMED INSURED:**            City of Monterey

**DECLARATION:**                2-Cities 2

**POLICY PERIOD:**             July 1, 2015 to July 1, 2016

**POLICY NUMBER:**            017471589/02 (Dec 02)

**COMPANIES:**                 See Attached List of Companies

**TOTAL INSURED  
VALUES:**                        \$ 264,278,064 as of June 25, 2015

**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

\$ 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 90 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 and athletic fields 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 and athletic fields 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

\$ 2,000,000 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)

2015-2016 Alliant Insurance Property Program (APIP) Property Evidence Attachment  
 City of Monterey

\$	25,000,000	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
\$	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)

- \$ 400,000,000 Per Named Insured for Terrorism (Excess Layer) subject to;
  - \$ 900,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
  - \$ 1,050,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)
  - \$ 5,000,000 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.
- Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Summary for applicable Limits. (Cyber Liability)
- Included See Alliant Property Insurance Program (APIP) Pollution Liability Insurance Summary for applicable limits and deductibles

**VALUATION:**

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

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

- Seepage & Contamination - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached*
- Cost of Clean-up for Pollution - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached*
- Mold - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached*

**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:**

- \$ 50,000 Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss

**DEDUCTIBLES FOR  
 SPECIFIC PERILS  
 AND COVERAGES:**

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

\$	100,000	All Flood Zones Per Occurrence excluding Flood Zones A & V
	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 stated minimum.
\$	1,000	Per Occurrence for Specially Trained Animals
\$	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.
		ACV Vehicle Valuation Basis
\$	50000	Per Occurrence for Contractor's Equipment
\$	50,000	Per Occurrence for Primary Terrorism
\$	500,000	Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)

\$ 150,000 Per Occurrence for Wave Wash

Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Summary for applicable Deductibles. (Cyber Liability)

**SPECIAL TERMS 1:** Wave Wash

5,000,000 Special Terms Limit

150,000 Special Terms Deductible

**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

**BROKER:**

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

Mike Simmons  
Vice Chairman, Public Entities

Conor L. Boughey, ARM  
Vice President, Producer

Linh M. Campero  
Account Manager

*Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy. Please refer to policy for specific terms, conditions and exclusions.*

**IMPORTANT NOTICE:** THE NONADMITTED & 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 OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

**IMPORTANT NOTICE:** 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 OBLIGATIONS REGARDING FATCA.

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

**Please be advised that this Evidence is also expressly conditioned on there being no material change in the risk between the date of this Evidence 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 Evidence whether or not this offer has already been accepted.**

**This Evidence 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 Evidence of insurance**

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

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

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

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

### *NY Regulation 194 Disclosure 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.



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

**NAMED INSURED:** City of Monterey

**DECLARATION:** 2-Cities 2

**POLICY PERIOD:** July 1, 2015 to July 1, 2016

**POLICY NUMBER:** 017471589/02 (Dec 02)

**COMPANIES:** See Attached List of Companies

**TOTAL INSURED VALUES:** \$ 264,278,064 as of June 25, 2015

**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 Members 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 90 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
  - Furnace, Oven, Stove, Incinerator, Pot Kiln

**NOTICE OF**

**CANCELLATION:**

90 days except 10 days for non-payment of premium

**DEDUCTIBLES:**

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

**BROKER:**

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

Mike Simmons  
Vice Chairman, Public Entities

Conor L. Boughey, ARM  
Vice President, Producer

Linh M. Campero  
Account Manager

*Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy. Please refer to policy for specific terms, conditions and exclusions.*

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

**Please be advised that this Evidence is also expressly conditioned on there being no material change in the risk between the date of this Evidence 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 Evidence whether or not this offer has already been accepted.**

**This Evidence 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 Evidence of insurance**

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

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

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

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

#### *NY Regulation 194 Disclosure 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.

**Alliant Property Insurance Program  
2015-2016 Policy Year  
Schedule of Insurers (Bound)**

<b>Company</b>	<b>A.M. Best's I.D. #</b>	<b>A.M. Best's Guide Rating</b>	<b>Standard and Poor's</b>	<b>State of California</b>
ACE – Illinois Union Insurance Company	003510	A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 4/30/15)	AA (As of 5/19/14)	Non-Admitted
ACE European Group Limited	086485	A++ , Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/30/15)	AA (As of 5/9/14)	Non-Admitted
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 11; \$250,000,000 to \$500,000,000 (As of 3/20/14)	A+ (As of 7/29/10)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/6/14)	A (As of 12/5/06)	Non-Admitted
Essex Insurance Company	002732	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 5/15/15)	A (As of 10/14/13)	Non-Admitted
Hartford Steam Boiler Inspec & Ins	000465	A++, Superior; Financial Size Category 10 \$500,000,000 to \$750,000,000 (As of 2/6/15)	A+ (As of 4/17/15)	Admitted
Homeland Insurance Company of New York	010604	A, Excellent; Financial Size Category 11; \$750,000,000 to \$1,000,000,000 (As of 10/3/14)	A- (As of 7/2/10)	Non-Admitted
Interstate Fire & Casualty Company	02267	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 7/18/14)	A (As of 12/4/12)	Non-Admitted
Ironshore Indemnity Inc. (AZ only)	013847	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 8/20/14)	Not Rated (As of 5/22/15)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 8/20/14)	Not Rated (As of 5/22/15)	Admitted
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 6/30/14)	A- (As of 5/18/10)	Non-Admitted
Landmark American Insurance Company	12619	A+, Superior; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 4/24/15)	A (As of 4/21/15)	Non-Admitted
Lexington Ins. Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 2/27/15)	A+ (As of 5/6/13)	Non-Admitted
Liberty Surplus Insurance Corporation	12078	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 9/24/14)	A (As of 7/17/14)	Non-Admitted

**Alliant Property Insurance Program**  
**2015-2016 Policy Year**  
**Schedule of Insurers (Bound)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 7/24/14)	A+ (As of 4/23/07)	Non-Admitted
Maxum Indemnity Company	012563	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 6/14/13)	Not Rated (As of 5/22/15)	Non-Admitted
Partner Re Ireland Insurance Ltd.	78853	A+, Superior Financial Size Category 15; \$2,000,000,000 or Greater (As of 1/26/15)	A+ (As of 2/17/12)	Non-Admitted
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 1/15/15)	A+ (As of 7/22/09)	Non-Admitted
Swiss Reinsurance America Corporation	003263	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/6/14)	AA- (As of 10/28/11)	Admitted
United States Fire Insurance Company	02136	A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 5/30/14)	A- (As of 11/20/09)	Admitted
XL Insurance America Inc.	002423	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/1/15)	A+ (As of 10/30/13)	Admitted

## Alliant Property Insurance Program (APIP)

### POLLUTION LIABILITY COVERAGE EVIDENCE ATTACHMENT

**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, 2015 to July 1, 2016

**RETROACTIVE DATE:** July 1, 2011 for existing members included on the 2011-2012 policy at inception; For all other members 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 April 11, 2014

**STANDARD & POORS RATING:** AA (Very Strong) *as of April 6, 2015*

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

**POLICY NUMBER:** PPL G24544837 005

**COVERAGE LOCATION:** Per the following SOVs submitted on 1/16/2015:

1. PEPIP DEC 1 – SOVs
2. PEPIP DEC 2 – SOVs
3. PEPIP DEC 3 – SOVs
4. PEPIP DEC 4 – SOVs
5. PEPIP DEC 5 – SOVs
6. PEPIP DEC 8 – SOVs (Excludes SPIP)
7. PEPIP DEC 11 – SOVs
8. PEPIP DEC 12 – SOVs
9. PEPIP DEC 19 – SOVs
10. PEPIP DEC 20 – SOVs
11. PEPIP DEC 21 – SOVs
12. PEPIP DEC 25 – SOVs
13. PEPIP DEC 26 – SOVs
14. PEPIP DEC 27 – SOVs
15. PEPIP DEC 28 – SOVs
16. PEPIP DEC 30 – SOVs
17. PEPIP DEC 33 – SOVs
18. PEPIP DEC 34 – SOVs

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 members combined)**  
**\$ 2,000,000 Per Pollution Condition**  
**\$ 2,000,000 Per Named Insured Aggregate**  
**\$ 2,000,000 Per Indoor Environmental Condition (including mold, fungi and legionella pneumophila) Sublimit**

## **SUBLIMITS:**

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

\*Note: the above sublimits 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 the intended operations within the capacity of a public entity and/or any operation(s) performed by or on behalf of a “named insured” outside the physical boundaries of a covered location.

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.

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

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 90 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 a 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: This is not financial assurance coverage.**

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. 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

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

- Sewage Backup – *applies to the reverse flow of sewage via subsurface sewer lines, to or from a covered location into or onto locations that are not covered locations including, but not limited to, third-party residences, businesses, or any other structures on land or into any soil, groundwater, surface water or air associated with such third-party residences, businesses, or any other structures.*
- 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.*
- 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.*
- Professional Liability
- Regulatory Compliance – *does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*
- Work Product
- Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.
- War or Terrorism
- Workers' Compensation
- Any subsurface potable water, wastewater or storm water pipes leading to or exiting from a covered location, that is not a pipe, provided that such pipe sections are located beyond a one thousand (1,000) foot radius of such covered location.

**RETENTION:**

\$ 75,000	Per Pollution Condition or Indoor Environmental Condition
\$375,000	Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions
\$ 37,500	Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions
\$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.

<b>LOSS REPORTING REQUIREMENTS:</b>	<p>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:</p> <ol style="list-style-type: none"><li>1) ACE Environmental Risk Claims Manager ACE USA Claims P.O. Box 5103 Scranton, PA 18505-0510 Environmental Emergency: 888-310-9553 (800) 951-4119(Fax) <a href="mailto:CasualtyRiskEnvironmentalFirstNotice@acegroup.com">CasualtyRiskEnvironmentalFirstNotice@acegroup.com</a></li><li>2) ACE Alert Program Sign up for ACE Alert at <a href="https://ace.spillcenter.net/">https://ace.spillcenter.net/</a> 24/7 incident reporting via phone, web or mobile device App Available on Apple App Store, Google Play and Blackberry App World</li><li>3) Martin Fox-Foster Alliant Insurance Services, Inc. 100 Pine Street, 11th Floor San Francisco, CA 94111-5101 415-403-1417 415-403-1466 – fax <a href="mailto:Martin.Fox-Foster@alliant.com">Martin.Fox-Foster@alliant.com</a></li></ol>
<b>NOTICE OF CANCELLATION:</b>	90 days except 15 days for non-payment of premium
<b>REINSTATEMENT PROVISIONS:</b>	Not Provided.
<b>POLLUTION LIABILITY COST:</b>	Cost is included in Total Property Premium 100% Earned Premium at Inception

- OTHER SERVICES:** Value-Added Engineering Package:
- Mold Awareness Training
    - ACE will offer a single Mold Awareness Training Presentation, provided by ACE ESIS personnel, for little or no additional cost. Must be held at one central location or online.
  - Due Diligence Program Overview
    - ACE 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
    - ACE will assist the member in the creation of a single ACM/LBP plan for a minimal additional cost
  - Mold Operations & Maintenance (O&M) Plan
    - ACE will assist the member in the creation of a single Mold O&M plan for a minimal additional cost

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

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

Please be advised that this Evidence is also expressly conditioned on there being no material change in the risk between the date of this Evidence 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 Evidence whether or not this offer has already been accepted.

This Evidence 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 Evidence 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.

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

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a

particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

### **NY REGULATION 194 DISCLOSURE**

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

### **FATCA DISCLOSURE**

**IMPORTANT NOTICE** - 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 DISCLOSURE**

**IMPORTANT NOTICE:** THE NONADMITTED & 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 OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.



ENVIRONMENTAL RISK

# ACE ALERT<sup>SM</sup>

ACE 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.

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

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## ACEALERT<sup>SM</sup> Services

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

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## 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 ACE 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

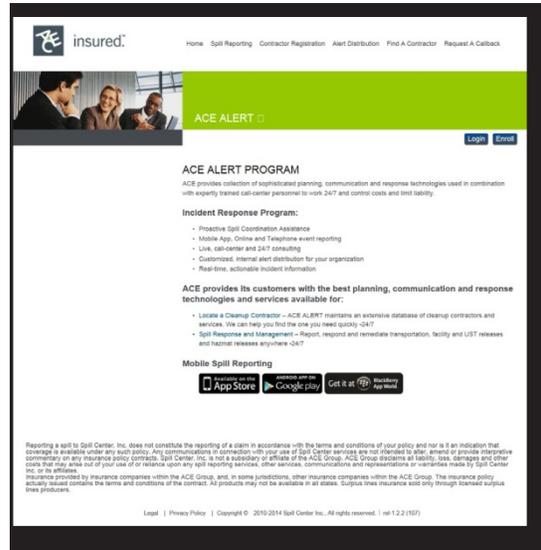


Insured.™

## How to Access

- Details of the program, including access to where ACE Environmental Risk 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 ACE ALERT<sup>SM</sup> application available on iPhone, Android and certain Blackberry models

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



## CONTACT US

**Bob Winterburn**  
215 640-1451  
[Robert.Winterburn@esis.com](mailto:Robert.Winterburn@esis.com)

**Steve Piatkowski**  
215 640-4890  
[Steven.Piatkowski@acegroup.com](mailto:Steven.Piatkowski@acegroup.com)

[www.acegroup.com/us](http://www.acegroup.com/us)

ACE 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 Spill Center services does not constitute the reporting of a claim in accordance with the terms and conditions of your policy and nor is it an indication that coverage is available under any such policy. Any communications in connection with your use of Spill Center services 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 ACE Group. ACE 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.

ACE USA is the U.S.-based retail operating division of the ACE Group, a global leader in insurance and reinsurance, serving a diverse group of clients. Headed by ACE Limited (NYSE: ACE), a component of the S&P 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at [www.acegroup.com/us](http://www.acegroup.com/us)

Insurance provided by ACE American Insurance Company, Philadelphia, PA and in some jurisdictions, other insurance companies within the ACE Group. The product information above is a Evidence only. The insurance policy actually issued contains the terms and conditions of the contract. All products may not be available in all states. Surplus lines insurance sold only through licensed surplus lines producers.

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617392 03/2014





Environmental Risk

IN THE EVENT OF AN

## ENVIRONMENTAL EMERGENCY:

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

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

- 4) *Report the incident to Alliant*

Martin Fox-Foster  
415-403-1417  
415-403-1466 – fax  
Martin.Fox-Foster@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 company'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



# ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

**SEND TO:** ACE Environmental Risk Claims Manager

**BY MAIL:** ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510

**BY FAX:** (800) 951-4119

**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, Inc. Point of Contact: Martin Fox-Foster

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

Phone #: 1-877-725-7695

### Policy Information

Policy Number: \_\_\_\_\_ PPL \_\_\_\_\_ Policy Period: 07/01/2015 - 07/01/2016

Limits of Liability: \$2,000,000 per \_\_\_\_\_ \$25,000,000 agg Self-Insured Retention/Deductible \$75,000

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



**Alliant Property Insurance Program (APIP)**  
**CYBER COVERAGE EVIDENCE ATTACHMENT**



**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 NUMBER:** PH1533938

**POLICY PERIOD:** July 1, 2015 to July 1, 2016

**TERRITORY:** WORLD-WIDE

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

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

**COVERAGES & LIMITS:**

<b>THIRD PARTY LIABILITY</b>	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:
	B.	\$	500,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member <b>Privacy Notification Costs</b> coverage. Limit is \$1,000,000 if Beazley vendor services are used.
	C.	\$	2,000,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member for all Claims Expenses and <b>Penalties for Regulatory Defense and Penalties</b>  <b>PCI Fines and Penalties</b> coverage added with sub-limit of \$100,000.
	D.	\$	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> (Occurrence Based)
<b>FIRST PARTY COMPUTER SECURITY</b>	E.	\$	2,000,000	<b>Policy Aggregate Sublimit of Liability</b> for each Insured/Member for <b>Cyber Extortion Loss</b>
	F.	\$	2,000,000	<b>Policy Aggregate Sublimit of Liability</b> for each Insured/Member for <b>Data Protection Loss and Business Interruption Loss</b>
	G.			<b>First Party Business Interruption Sub-Limits of Liability</b> for each Insured/Member
		\$	50,000	1) Hourly Sublimit
		\$	50,000	2) Forensic Expense Sublimit
		\$	150,000	3) Dependent Business Interruption Sublimit.

The sub-limits of liability displayed above in Items B, C and D are part of, and not in addition to, the overall Annual Aggregate Limit of Liability for each Insured/Member (Item Aii)

<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

**NOTICE:**

**Policy coverage sections I.A - Information Security & Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense & Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements 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. Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for
- theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
  - Acts or incidents that directly result from the failure of computer security to prevent a security breach including
    - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
    - Failure to prevent transmission of malicious code from computer systems to third party computer systems
    - Participation in a denial of service attack directed against a third party computer system
  - The failure to timely disclose any of the above in violation of any breach notice law
  - The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
  - The failure to administer an identity theft prevention program
- B. Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:
- To hire security experts;
  - Notification provisions,
  - Public relations mitigation up to \$50,000 subject to Nil coinsurance
  - Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
    - Credit file monitoring,
    - Mailing and third party administrative costs

**SPECIFIC  
COVERAGE  
PROVISIONS:  
(Continued)**

To provide notification to:

- (a) Individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; and
- (a) In the Underwriters' discretion, to individuals affected by an incident in which their **Personally Identifiable Non-Public Information** has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.

- C. **Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.
- D. **Website Media Content Liability** (occurrence based) pays on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
  - Defamation, libel, slander, trade libel
  - Privacy violation
  - Invasion or interference with publicity
  - Plagiarism, piracy, misappropriation of ideas under implied contract
  - Infringement of copyright
  - Infringement of domain name, trademark
  - Improper deep-linking or framing within electronic content
- E. **Cyber Extortion** indemnifies the Insured/Member for costs incurred as a result of an extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.
- F. **First Party Data Protection** indemnifies the Insured/Member for data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.
- G. **First Party Network Business Interruption** indemnifies the Insured/Member for business interruption loss as a direct result of the actual and necessary interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

**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
  - Pollution
  - Nuclear Incident
  - Radioactive Contamination

**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: Beth Diamond  
1270 Avenue of the Americas  
New York, NY 10020  
tmbclaims@beazley.com

**NOTICE OF CANCELLATION:**

10 days for non-payment of premium

**REINSTATEMENT PROVISIONS:**

Optional reinstatement at 125% of the annual premium

Exhaustion of \$2,000,000 Annual Aggregate Limit of Liability for Each Insured/Member for Information Security & Privacy Liability:  
Reinstatement of Aggregate Limits for each Insured/Member will be automatic and subject to additional premium

**CYBER COST:** Cost is included in Total Property Premium  
30% Earned Premium at Inception

**OTHER SERVICES** Unlimited Access to Beazley Breach Response services as per attached brochure.

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

License No. 0C36861

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

**IMPORTANT NOTICE:** THE NONADMITTED & 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 OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

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

Please be advised that this evidence is also expressly conditioned on there being no material change in the risk between the date of this evidence 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 evidence whether or not this offer has already been accepted.

This evidence 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 evidence of insurance

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

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

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

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

*NY Regulation 194 Disclosure 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.

# Beazley Breach Response

## Information Packet for privacy breach response and risk management services

Thank you for purchasing a Beazley Breach Response (BBR) insurance policy.

BBR is the industry leading solution for data privacy and security risk management, and provides a range of services designed to help your organization respond to an actual or suspected data breach incident effectively, efficiently, and in compliance with the law.

This Information Packet details the features of your BBR policy and sets out the process for responding to an actual or suspected data breach, including how to obtain the maximum benefit of Beazley's Breach Response Services team. We encourage you to circulate this Information Packet to the members of your data breach incident response team, and incorporate the resources available under the policy as a component of your incident response plan.

Your BBR policy includes an array of benefits and services including:

- Complimentary loss control and risk management information including online resources and value-added educational webinars ([beazleybreachsolutions.com](http://beazleybreachsolutions.com)).
- A computer forensics "Information Security Incident Response" guide to empower your organization's IT staff with knowledge of crucial forensic procedures that can make or break the investigation of a suspected breach.
- Assistance at every stage of the investigation of, and response to, a data breach incident from Beazley's in-house BBR Services team of data privacy attorneys and technical experts.

A single call or email to BBR Services, notifying the team of a suspected data breach will begin activation of the following services:

### Initial breach investigation and consulting

- Legal services
- Computer forensic services

### Response to breach events

- Notification services including foreign notification where applicable
- Call center services
- Breach resolution and mitigation services
- Public relations and crisis management expenses



To notify us of a breach,  
send an email to  
[bbr.claims@beazley.com](mailto:bbr.claims@beazley.com)

beazley

# Risk management tools and resources

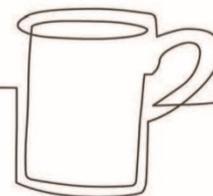
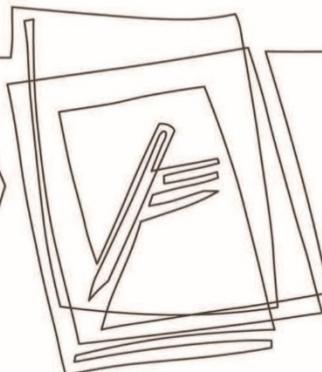
As a BBR policy holder, your organization is entitled to enroll in [beazleybreachsolutions.com](http://beazleybreachsolutions.com), a risk management portal that provides educational and loss control information relating to compliance with applicable laws, safeguarding information, preparing to respond to breach incidents and best practices.

If you enroll in [beazleybreachsolutions.com](http://beazleybreachsolutions.com), you will have the opportunity to attend webinars on current topics related to information security and breach preparedness, and be able to receive other risk management tools and information that we periodically make available to our policy holders.

## Information Security Incident Response Guide

Beazley, in partnership with Navigant, a leader in complex data management and forensics analysis, developed a joint Information Security Incident Response Guide aimed at providing a roadmap for companies to prepare for and manage the aftermath of a data security breach. The guide, provided to BBR policyholders, addresses the increasing need for effective risk management on the part of companies hoping to limit the damage caused by a data breach.

The Information Security Incident Response Guide addresses information security incidents such as malware intrusions, social engineering attacks, unauthorized network access, lost or stolen devices, and other kinds of data security incidents and breaches. The guide also provides in-depth case studies and best practices for preparation, risk assessment, and incident documentation, highlighting the varied components of an effective response.



# Alliant FACT SHEET

## RETAIL BROKERAGE vs. WHOLESALE & SERVICE OPERATIONS

Many insurance brokerage firms, including Alliant Insurance Services, Inc., have affiliate and/or subsidiary companies that perform services associated with the risk management and insurance procurement process. Alliant has numerous and varied client relationships that may involve any combination of Retail Brokerage, Wholesale Brokerage and other Loss Control or Risk Management Consulting work. In addition, Alliant's affiliates, such as Alliant Business Services (ABS), can provide clients with other services not necessarily directly related to the risk management or insurance procurement process such as Human Resources Consulting and/or Appraisal Services.

Normally when acting as clients' "Retail Broker" Alliant will collect a commission as compensation, or may have a *Fee for Service* compensation plan. Typically Alliant will then have a written Agreement with clients, and that document includes full disclosure concerning compensation including wording similar to the following:

In addition to the commissions that Broker receives, Alliant Underwriting Services (AUS), a division of a related entity, may receive compensation from Broker and/or the carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, the related entities of Alliant Business Services (ABS) may receive compensation from Broker and/or the carrier for providing designated, value-added services. Services contracted for by the Client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Broker and/or the carrier.

This contract language is in addition to the standard disclosure wording contained in Alliant proposals. At the bottom of this *Fact Sheet* we have attached what we include on our Standard Proposals. (Additional disclosure wording is also included on Alliant invoices.) Full disclosure is a key component of client communication concerning compensation.

The **Retail Broker** activities, and Alliant's other services involved in Wholesale Brokering are distinctly separate. Our Retail Brokers and staff act as *advocates for the client* and are involved in the day-to-day delivery of services spelled out in our "Scope of Services." Such services include negotiating terms and conditions of coverage, issuance of certificates, tailoring coverages to meet specific needs, and assuring that all lines of coverages are properly provided to protect clients' assets.

**Wholesale Broker** activities are provided through Alliant Underwriting Services (AUS). These include administration of programs that Alliant companies manage and/or underwrite, and involve separate functions from Retail Brokerage service. Alliant Insurance Services, Inc. has other operations including, AUS and ABS, which provide non-retail brokerage services. The inclusion of these Wholesale Broker activities into a program has additional advantages that accrue to clients, primarily in the realm of cost savings, as needed services can generally be provided less expensively by a wholesale outfit than by a traditional insurer. This is especially the case when a program is large or complex.

As in any business, the cost of services will vary year by year based on program size, underwriting authority, and other factors. AUS receives compensation from carriers for which it provides

# Alliant FACT SHEET

underwriting and program administration services. There are numerous services involved in this Wholesale Broker function, including:

- ✚ Underwriting new and renewal business for the primary/excess markets
- ✚ PML Analysis
- ✚ Claims Analysis
- ✚ Program Management
- ✚ Program Administration/Information Technology associated with program management.

*AS JUST ONE EXAMPLE*, the Public Entity Property Insurance Program (PEPIP) - formed in 1993 to meet the unique property insurance needs of public entities – has grown from 65 members in one State to over 9,300 members in 45 States. This growth has fueled insurance cost savings for all members.

To achieve Program results, AUS annually:

- ❖ **Underwrites** over 6,000 renewal applications,
- ❖ **Reviews** Statement of Values and associated COPE (Construction, Occupancy, Protection & Exposure) information for over 219,800 Program property locations,
- ❖ **Allocates** premium between 27 separate insurance markets,
- ❖ **Establishes** renewal pricing parameters in accordance with the underwriting/rating standards provided by the program markets, and
- ❖ Performs *Program Accounting* including individual member pricing billing, collections, and remittance to program markets.

Additional ABS services available to Program members include:

- ❖ **Loss Control Services** (no specific budget and can be tailored to individual clients).
- ❖ **Appraisals** (Buildings over \$5M appraised every 3-5 years. We currently do every 3 years, but we are evaluating doing every 5 years at renewal).
- ❖ **Infrared Testing** (again tailored to the client but not an unlimited number of days).
- ❖ **Business Interruption Consulting** (assistance by Forensic Accountant in determining Business Interruption values).
- ❖ **PEPIP Solution Center** (24 hr. hotline to address Property Loss Control questions).
- ❖ **Webinars** (8-10 web based training sessions per year on Property related topics).

Alliant Insurance Services, Inc., our Retail Brokers and colleagues all strive to provide the high level of service expected from our clients at a competitive level of compensation that should be clearly understood and documented.

# Alliant FACT SHEET

**IMPORTANT NOTICE:** THE NONADMITTED & 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 OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

**IMPORTANT NOTICE:** 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 OBLIGATIONS REGARDING FATCA.

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

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

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

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

## *NY Regulation 194 Disclosure 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.

# Alliant FACT SHEET