



President
Mr. Dave Warren
City of Placerville

Vice President
Mr. Jose Jasso
City of Placerville

Treasurer
Ms. Jen Lee
City of Rio Vista

Secretary
Ms. Jennifer Styczynski
City of Marysville

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND BOARD OF DIRECTORS MEETING AGENDA

DATE/TIME:	Thursday, June 17, 2021 at 9:30 AM	A - Action I - Information
LOCATION:	Zoom Teleconference Call-in Number: (669) 900-6833 Meeting ID: 998 7575 4747 Passcode: 318283	1 - Attached 2 - Hand Out 3 - Separate Cover 4 - Verbal

MISSION STATEMENT

The Northern California Cities Self Insurance Fund, or NCCSIF, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC COMMENTS

This time is reserved for members of the public to address the Board of Directors on matters pertaining to NCCSIF that are of interest to them.

pg. 6	D. CONSENT CALENDAR	A 1
	<i>All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Board of Directors may request any item to be considered separately.</i>	
pg. 7	1. Board of Directors Meeting Minutes - April 22, 2021	
pg. 16	2. Check Register from March 1, 2021 to May 31, 2021	
	3. Investment Reports	
pg. 19	a. Chandler Asset Management Short/Long Term - March 2021 to May 2021	
pg. 43	b. Local Agency Investment Fund (LAIF) Report as of March 31, 2021	
pg. 44	c. Treasurer's Report as of March 31, 2021	
pg. 45	4. FY 21/22 Lexipol Fire Subscription Services pricing	
pg. 46	5. FY 21/22 Lexipol Law Enforcement Subscription Services pricing	
pg. 47	6. Crowe LLP Financial Auditing Services Engagement Letter	
pg. 62	7. Sedgwick Workers' Compensation Quarterly Report as of June 2021	



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pg. 65	E. GENERAL RISK MANAGEMENT ISSUES	I 4
	<i>This is an opportunity for a member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the member is facing.</i>	
	F. ADMINISTRATION REPORTS	I
	1. President's Report	4
	<i>Dave Warren will address the Board on items pertaining to NCCSIF.</i>	
	2. CJPRMA Update	4
	<i>Elizabeth Ehrenstrom will update the Committee on CJPRMA matters pertinent to NCCSIF. Minutes of the meeting can be found at http://www.cjprma.org</i>	
	3. Program Administrator's Report	
	<i>Alliant will address the Board on items pertaining to NCCSIF.</i>	
	a. Service Provider Survey	
	b. Risk Control Manager update	
pg. 67	4. Summary of the May 27, 2021 Executive Committee Meeting	1
	<i>The Board will receive a summary of the actions taken at the May 27, 2021 Executive Committee meeting.</i>	
	G. FINANCIAL REPORTS	
pg. 68	1. Quarterly Financial Report for Period Ending March 31, 2021	A 1
	<i>James Marta & Company will present the quarterly financial report ending March 31, 2021 for the Board to Accept and File.</i>	
pg.105	2. Budget to Actual as of March 31, 2021	I 1
	<i>The Board will receive an update on the Budget to Actual as of March 31, 2021.</i>	
	H. JPA BUSINESS	
pg. 106	1. CJPRMA Update – members will receive an update of significant changes to the excess coverage available to CJRPMA from its reinsurer.	I 1



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2. **FY 21/22 Memorandum of Coverage (MOC)** **A 1**
Annually, the Board reviews NorCal Cities' MOCs and approve or make changes to the current versions.
 - pg. 108 a. **Liability MOC**
The Board will receive the Liability MOC for approval.
 - pg. 119 b. **Workers' Compensation MOC**
The Board will receive the Workers' Compensation MOC for approval.
3. **FY 21/22 Property Program Renewal**
 - pg. 154 a. **NCCSIF Property Renewal Proposal** **A 1**
The Board will be asked to review and approve the renewal of the Property coverage with Alliant Property Insurance Program (APIP).
 - pg. 323 b. **APIP Pollution** **I 1**
The Board will be asked to review and approve the renewal of the Pollution coverage with Alliant Property Insurance Program (APIP).
 - pg. 342 c. **APIP Cyber Coverage Renewals** **I 1**
The Board will review and may approve the renewals of the APIP Cyber Coverage options.
 - pg. 352 d. **APIP Claims Reporting Acknowledgements** **I 1**
The Board will be provided with an outline and be asked to acknowledge the reporting procedure guidelines that should be followed immediately after a Property, Pollution or Cyber Liability loss or incident.
 - pg. 354 e. **Alliant Deadly Weapon Response Program (ADWRP)** **A 1**
The Board will review and may approve the renewal of the ADWRP coverage.
 - pg. 370 f. **Flood Coverage** **I 1**
Members will be reminded of the flood coverage available under the Property Program and interested members will receive optional quotes.
 - pg. 372 g. **Excess Cyber Coverage Renewal** **A 2**
The Board will review and may approve the renewals of the APIP Cyber Coverage options.



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- | | | |
|---------|---|------------|
| pg.373 | 4. FY 21/22 Crime Coverage Renewal
<i>The Board will review and may approve the Crime coverage with Alliant Crime Insurance Program (ACIP).</i> | A 1 |
| pg. 388 | 5. FY 21/22 Identity Fraud Expense Reimbursement Coverage Renewal
<i>The Board will review and may approve the renewal of ID Fraud Coverage for NCCSIF member employees.</i> | A 1 |
| pg. 398 | 6. FY 21/22 NCCSIF Administrative Budget
<i>The Board will review and may approve the Administration Budget as presented or amended.</i> | A 1 |
| pg. 401 | 7. Adoption of FY 21/22 Program Budget
a. Liability - Approval of the Deposit Calculations for the Liability Program. | A 1 |
| pg. 406 | b. Workers' Compensation - Approval of the Deposit Calculations for the Workers' Compensation Program. | A 1 |
| pg. 409 | 8. Member Training Fund Rollover
<i>The Board will review and may approve transferring the remaining FY 20/21 Member Training funds to members' risk management reserves.</i> | A 1 |
| pg. 410 | 9. Strategic Plan Update
<i>The Board is asked to review and recommend strategic planning topics and consider a planning session with facilitator.</i> | A 1 |
| pg. 412 | 10. FY 21/22 Service Calendar
<i>The Board is presented a service calendar to keep abreast with business items and the required completion dates.</i> | I 1 |
| pg. 419 | 11. FY 21/22 Meeting Calendar
<i>The Board will be asked to approve the Preliminary FY 21/22 Meeting Calendar.</i> | A 1 |
| pg. 421 | 12. Appointment of CJPRMA Board Representative & Alternate
<i>The Board will appoint a new CJPRMA Board Representative and Alternate Board Member.</i> | A 1 |
| pg. 423 | 13. Safety Award Program
<i>The Board will receive information on a new Safety Award Program.</i> | I 1 |



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pg.428	I. INFORMATION ITEMS	I 1
pg.429	1. Glossary of Terms	
pg.438	2. NorCal Cities Organizational Chart	
pg.439	3. NorCal Cities Resource Contact Guide	
pg. 452	4. Sedgwick Who's Who in Claims - WC and Liability Contacts	
pg. 454	5. 2021 CAJPA Conference September 21-24, 2021	
pg. 456	6. Nurturing Relationships – Effective Communication Training July 13 th , 2021	
pg. 457	7. Developing Team Relationships Training August 10 th , 2021	

J. ADJOURNMENT

UPCOMING MEETINGS

Police Risk Management Committee Meeting - August 5, 2021

Claims Committee Meeting - September 16, 2021

Executive Committee Meeting - September 16, 2021

Risk Management Committee Meeting - October 28, 2021

Board of Directors Meeting - October 28, 2021

Police Risk Management Committee Meeting - November 4, 2021

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Jenna Wirkner at Alliant Insurance Services at (916) 643-2741.

The Agenda packet will be posted on the NCCSIF website at www.nccsif.org. Documents and material relating to an open session agenda item that are provided to the NCCSIF Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.

Access to some buildings and offices may require routine provisions of identification to building security. However, NCCSIF does not require any member of the public to register his or her name or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item D.

CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Board. If any item requires clarification or amendment, they may be pulled from the consent agenda for separate discussion.

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

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

FISCAL IMPACT: None.

BACKGROUND: Routine items and those that may require no discussion are placed on the Consent Calendar for adoption. The Board may accept the Consent Calendar as presented or pull items for discussion and separate action while accepting the remaining items.

ATTACHMENT(S):

1. Board of Directors Meeting Minutes - April 22, 2021
2. Check Register from March 1, 2021 to May 31, 2021
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - March 2021 to May 2021
 - b. Local Agency Investment Fund (LAIF) Report as of March 31, 2021
 - c. Treasurer's Report as of March 31, 2021
4. FY 21/22 Lexipol Fire Subscription Services pricing
5. FY 21/22 Lexipol Law Enforcement Subscription Services pricing
6. Crowe LLP Financial Auditing Services Engagement Letter
7. Sedgwick Workers' Compensation Quarterly Report as of June 2021



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
BOARD OF DIRECTORS MEETING MINUTES
ZOOM TELCONFERENCE
APRIL 22, 2021**

BOARD OF DIRECTORS PRESENT

Liz Cottrell, City of Anderson
Kara Reddig, City of Elk Grove
Stephanie Van Steyn, City of Galt
Jennifer Styczynski, City of Marysville
Dave Warren, City of Placerville
Jose Jasso, City of Rio Vista
Spencer Morrison, City of Yuba City

Rachel Ancheta, City of Dixon
Susan Walter, City of Folsom
Dalacie Blankenship, City of Jackson
Crystal Peters, Town of Paradise
Sandy Ryan, City of Red Bluff
Andy Schiltz (Alternate), City of Rocklin

OTHER MEMBERS PRESENT

Jim Ramsey, City of Elk Grove

Jen Lee, City of Rio Vista

BOARD OF DIRECTORS ABSENT

Cristina Shafer, City of Auburn
Ishrat Aziz-Khan, City of Colusa
Lori McGraw, City of Ione
Liz Ehrenstrom, City of Oroville

Kristina Miller, City of Corning
Elisa Arteaga, City of Gridley
Veronica Rodriguez, City of Lincoln
Wayne Peabody, City of Willows

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Jenna Wirkner, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services
Dave Beal, Sedgwick

James Marta, James Marta & Company
Mike Harrington, Bickmore Actuarial
Jill Petrarca, Sedgwick

A. CALL TO ORDER

Chair called the meeting to order at 10:37 a.m.

B. ROLL CALL

Roll call was made and the above mentioned members were present constituting a quorum.

C. PUBLIC COMMENTS

No public comments.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
BOARD OF DIRECTORS MEETING MINUTES
ZOOM TELCONFERENCE
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D. CONSENT CALENDAR

1. Board Meeting Minutes – December 10, 2020
2. Check Register from January 1, 2021 to March 31, 2021
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - January 2021 to March 2021
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2020
 - c. Treasurer's Report as of December 31, 2020
4. Sedgwick Workers' Compensation Quarterly Claims Report
5. 20/21 Alliant-Commission Opt-Out Letter dated November 3, 2020
6. FY 20/21 NorCal Cities SIF Workers Compensation Program Claims Audit and Sedgwick response
7. FY 20/21 PRISM Workers Compensation Claims Audit and Sedgwick response

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

Motion: Rachel Ancheta **Second:** Jennifer Styczynski **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren, Ryan, Jasso, Schitzl, Morrison
Nays: None

E. GENERAL RISK MANAGEMENT ISSUES

No discussion.

F. ADMINISTRATION REPORTS

F.1. Presidents Report

Dave Warren thanked all of the officers for serving this year and committing the extra time to NorCal Cities.

F.2. CJPRMA Update

Mr. Beverly gave a CJPRMA update. The estimated premium number we have now should be conservative. We have no other update for CJPRMA.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
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F.3. Program Administrator's Report

Mr. Beverly discussed the FY 20/21 Member Training usage funds that will be rolled over into the Risk Management Reserve Funds.

Mr. Beverly discussed Workers' Compensation Coverage for members working out of state. If you have remote workers and would like to attend remote worker training please let us know.

F.4. Summary of the March 25, 2021 Executive Committee Meeting

Mr. Beverly gave an overview from the March 25, 2021 Executive Committee Meeting. We will be reviewing many of the same items in the Agenda.

F.5. FY 20/21 PRISM Member Annual Report

Mr. Beverly reviewed the 20/21 PRISM Member Annual Report. PRISM is now expanding out of the California. PRISM sends out the Member Annual Report every year. The estimated PRISM savings for Workers' Compensation coverage in FY 20/21 is \$447,488. The total savings over the last five years is estimated at \$1,855,221.

Information only.

G. FY 21/22 Officers and Executive Committee

Mr. Beverly reviewed the FY 21/22 Officers and Executive Committee. We have new members joining the Executive Committee. The Executive Committee Rotation schedule was reviewed for upcoming rotations.

Information only.

H. Financial Reports

H.1. Quarterly Financial Report for Period Ending December 31, 2020

Jim Marta gave a brief overview of the quarterly report as of December 31, 2020. The total net position in the Liability Shared Layer is \$3,136, 892. CJPRMA is pushing us to have a \$1,000,000 retention so that could affect how much capital we have. We're going to see a bit of erosion in the Liability program because of the increased claims. The Net Position for Workers' Compensation is strong. We don't have any deficits in the Workers' Compensation Program. The Worker's Compensation Baking Layer is Strong, the Shared Layer is also strong. The Budget to Actual is on track, we have some money left over from not traveling or hosting trainings.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
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Mr. Marta reviewed the current balances of the Risk Management Reserve Funds, Training Funds and Police Risk Management Grant Funds.

A motion was made to approve financial report.

Motion: Andy Schiltz **Second:** Jose Jasso **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren, Ryan, Jasso, Schiltz, Morrison
Nays:

H.2. Budget-to-Actual as of December 31, 2020

The Budget to Actual is on track, we have some money left over from not traveling or hosting trainings during FY 20/21.

Information only. No discussion.

I. JPA BUSINESS

I.1. FY 21/22 NCCSIF Administration Budget

Mr. Beverly discussed the FY 21/22 Administration Budget. We will increasing the State Funding Budget because we were under Budget this year. The Claims Audit will go down because the Liability Claims Audit is cheaper.

Information only. No discussion.

I.2.a. Actuarial Study for Workers' Compensation Program

Mike Harrington from Bickmore Actuarial gave an overview of the Workers' Compensation Actuarial Study, including the Actual versus Expected Incurred. NCCSIF has about \$7,680,000 in losses this year, only about \$168,000 over the Actuarial Expected. The expected Loss and ALAE is \$37,613,000. The pool has a 6% increase to prior liabilities. The total Program (Banking and Shared) is funded above the 90% Confidence Level. Baking Layer 6% increase and Shared Layer 3% increase. Both parts of the program are looking good. In summary ultimate losses are about the same, outstanding liabilities are up but Workers' Compensation is funding properly at 90% Confidence Level.

Mr. Harrington reviewed the funding for claims for FY 21/22. We will need approx. \$9,759,000 for claims and adjusters, meaning approximately 3% increase for Workers' Compensation. In summary ultimate and liabilities are up but we have the surplus for the liabilities and the rates will be going up.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
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I.2.b. Actuarial Study for Liability Program

Mr. Harrington gave a brief overview of the Actuarial Study for the Liability Program. The annual losses are around \$3,000,000- \$4,000,000. The expected Loss and ALAE is \$10,226,000. We don't get as much interest from Liability as we do for Workers' Compensation. At the 90% Confidence Level is \$9,861,000. Were just slightly about the 90% Confidence Level.

Mr. Harrington reviewed the projected losses for 2021-2022. We have a decrease for the Banking Layer and a 3.1% rate increase for the Shared Layer. In summary the baking layer rates are down and the shared layer rates are going up.

A motion was made to approve the Actuarial Study for Workers' Compensation and Liability.

Motion: Jose Jasso

Second: Liz Cottrell

Motion Carried

Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren, Ryan, Jasso, Schitzl, Morrison

Nays: None

I.3. Workers' Compensation Program

I.3.a. Annual Baking Plan Adjustments- James Marta and Company

Mr. Marta from James Marta and Company reviewed the Annual Banking Plan for Workers' Compensation Program. We budget for the Shared Layer margin to 90% plus 10x the SIR or \$1,000,000. We stack both of the measures because this is a primary layer. The Workers' Compensation Program is doing really well.

A motion was made to approve the refund and assessments with 35% available net position and the members can make adecision on distribution of their funds.

Motion: Jennifer Styczynski

Second: Spencer Morrison

Motion Carried

Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren, Ryan, Jasso, Schitzl, Morrison

Nays: None

I.2.b. Annual Shared Risk Plan Adjustments- Alliant Insurance Services



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
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Mr. Beverly reviewed the Annual Shared Risk Plan Adjustments. We picked the lower of the two amounts for the refund and distribute it to members for a total of \$562,750. The refund is based on Historical Shared Layer Contributions FY 07/08 to 17/18.

A motion was made to approve refund amount of 25% of the available funds.

Motion: Sandy Ryan **Second:** Andy Schiltz **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schiltz, Morrison
Nays: None

I.3.c. FY 21/22 Deposit Premium Calculations

Mr. Beverly gave an overview on the FY 21/22 Deposit Premium Calculations. We should get the PRISM Excess Workers' Compensation rate by the middle of May. We use your estimated payroll as the base to determine your Banking Layer and Shared Layer. We look at the preliminary deposit and the deposit from the previous year. We do have a cap of 40%.

A motion was made to approve to approve funding at the 80% confidence level.

Motion: Sandy Ryan **Second:** Jose Jasso **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schiltz, Morrison
Nays: None

I.4. Liability Program

I.4.a. Annual Banking Plan Adjustments - James Marta & Company

Mr. Marta discussed the policy that was approved by the Board for this Program. We adjust the equity and figure out the factor for the 90% Confidence Level. Our total target equity benchmark is a 90% confidence level plus 10x SIR or \$500,000. When we calculate the amount to return to members to we do not include the amounts for members in a deficit.

A motion was made to recommend approving the adjustments as presented.

Motion: Sandy Ryan **Second:** Dalacie Blankenship **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schiltz, Morrison
Nays: None

I.4.b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
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Mr. Beverly gave a brief overview on the Annual Shared Risk Plan Adjustments. We're not recommending refunds or assessments because we were only \$69,000 over Liabilities at the 90% Confidence Level.

Information only, no action taken.

I.4.c. FY 21/22 Deposit Premium Calculations

Mr. Beverly gave an overview on the 21/22 Deposit Premium Calculations. We use the 2020 Calendar Year Payroll, Banking Layer, Shared Layer and Excess Layer to calculate the total deposit. We presented a 50% cap to the Executive Committee which will reduce the number of capped members to 8 members. We have three options, a 40% cap, 50% cap or a variable option. Most if the increase is because of the Excess Coverage.

Members discussed changing the cap and being more comfortable using the 50% cap.

A motion was made approve the 80% CL with a 50% cap.

Motion: Jennifer Stycznski **Second:** Andy Schiltz **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren, Ryan, Jasso, Schiltz, Morrison
Nays: None

I.5. Sedgwick Liability Claims Administration Services Renewal Agreement

Mr. Beverly gave an overview on the Sedgwick Liability Claims Administration Services Renewal Agreement. Sedgwick is asking for a 2.8% increase and they will renew the original contract. We do have a cap just in case we need to have more field funding. Sedgwick will continue to offer Subrogation services and will charge 25% of the claim.

A motion was made to approve the agreement as presented.

Motion: Kara Reddig **Second:** Spencer Morrison **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren, Ryan, Jasso, Schiltz, Morrison
Nays: None

I.6. FY 21/22 Renewal Update

Mr. Beverly reviewed the FY 21/22 Renewal updates. It's a very difficult year for Property, Cyber and Crime. We're expected increases on the Property, Cyber and Crime programs. The Pollution program is also facing a hard market.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
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Members are encouraged to file claims on any pollution claims as it's a claims made policy.

We're seeing fairly minor increases on individual purchase coverages.

I.7. FY 21/22 Meeting Calendar

Members had no discussion.

A motion was made to approve the FY 21/22 Meeting Calendar.

Motion: Rachel Ancheta **Second:** Dalacie Blankenship **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitzl, Morrison
Nays: None

J.8. Board Officer Handbook

Members had no discussion.

A motion was made to approve the Board Officer Handbook.

Motion: Sandy Ryan **Second:** Jennifer Styczynski **Motion Carried**
Ayes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitzl, Morrison
Nays: None

J. INFORMATION ITEMS

1. Glossary of Terms
2. NCCSIF Organizational Chart
3. NCCSIF FY 20/21 Meeting Calendar
4. NCCSIF Resource Contact Guide
5. York Who's Who in Claims - WC and Liability Contacts
6. Claims Reporting Documents

These items were provided as information only.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
BOARD OF DIRECTORS MEETING MINUTES
ZOOM TELCONFERENCE
APRIL 22, 2021**

K. ADJOURNMENT

The meeting was adjourned at 12:19 p.m.

Respectfully Submitted,

Jennifer Styczynski, Secretary

Date

Company Name: NCCSIF
Report Name: NCCSIF Check Register Board Report
Created On: 3/31/2021

Check#	Date	Vendor	Account Title	Account Memo	Amount
11899	3/4/2021	York Risk Svcs Grp Inc.	On Site	52204 Safety & Risk Ctrl Svcs-Jan/Feb 21	29,746.66
11900	3/4/2021	Sedgwick CMS, Inc	Claims Admin - Liab ULAE	51135 Feb 2021 Liab Claims	21,177.67
11901	3/4/2021	Sedgwick CMS, Inc	Claims Admin - WC Only	52300 Feb 2021 WC Claims	50,699.33
11902	3/4/2021	JM and Co. LLP	Acctg Svcs	52403 Monthly Acctg Svcs - Feb 2021	9,120.00
11903	3/4/2021	Alliant Ins Svcs Inc	Program Admin Fee	52401 Mar 2021 Monthly Installment	29,166.92
11904	3/4/2021	CAM, Inc.	Investment Income	44040 Investment Income	4,870.34
11905	3/4/2021	City of Lincoln	Police RM Grant Funds	52209 14 WatchGuard body cameras	11,632.00
11906	3/18/2021	Gibbons and Conley	Legal Services	52103 Feb 2021 General Matters	496.10

Company Name: NCCSIF
Report Name: NCCSIF Check Register Board Report
Created On: 4/30/2021

Check#	Date	Vendor	Account Title	Account	Memo	Amount
11907	4/5/2021	Sedgwick CMS, Inc	Claims Admin - Liab ULAE	51135	Mar 2021 Liab Claims	21,177.67
11908	4/5/2021	CAM, Inc.	Investment Income	44040	Investment Income	4,849.67
11909	4/5/2021	City of Nevada City	Police RM Grant Funds	52209	3.18.21 Axon-Body Cam Storage	1,515.00
11910	4/5/2021	York Risk Svcs Grp	On Site	52204	Safety & Risk Ctrl Svcs - 03/2021	14,873.33
11911	4/5/2021	Sedgwick CMS, Inc	Claims Admin - Liab ALE	51136	07/20-10/20 TE NCCSIF GL	886.05
11912	4/5/2021	Sedgwick CMS, Inc	Claims Admin - Mnthly WC	52300	Mar 2021 WC Claims	50,699.33
11913	4/5/2021	CJPRMA	Other Insurance Exp	54150	20/21 Drone Prem - Folsom	696.00
11914	4/5/2021	JM and Co LLP	Acctg Services	52403	Mnthly Acctg Svcs 03/2021	9,120.00
11915	4/5/2021	34th Street, Inc.	RM Comm Services	52201	AB1234 Ethics Training	1,500.00
11916	4/5/2021	Auburn Police Dept.	Police RM Grant Funds	52209	7 body worn cameras	5,998.49
11917	4/5/2021	Alliant Ins Svcs Inc	Program Admin Fee	52401	Apr 2021 Monthly Installment	29,166.92
11918	4/15/2021	Gibbons and Conley	Legal Services	52103	Mar 2021 General Matters	541.20

Company Name: NCCSIF
Report Name: NCCSIF Check Register Board Report
Created On: 5/31/2021

Check#	Date	Vendor	Account Title	Account Memo	Amount
11919	5/5/2021	Sedgwick CMS, Inc	Claims Admin - Liab ULAE	51135 Apr 2021 Liab Claims	21,177.67
11920	5/5/2021	Sedgwick CMS, Inc	Claims Admin - Mthly WC	52300 Apr 2021 WC Claims	50,699.33
11921	5/5/2021	York Risk Svcs Grp Inc	On Site	52204 Safety & Risk Ctrl Svcs - 03/2021	14,873.33
11922	5/5/2021	JM and Company LLP	Acctg Services	52403 Monthly Acctg Svcs - Apr 2021	9,120.00
11923	5/5/2021	Alliant Ins Svcs Inc	Program Admin Fee	52401 May 2021 Monthly Installment	29,166.92
11924	5/5/2021	CAM, Inc.	Investment Income	44040 Investment Income	4,849.76
11925	5/20/2021	Prime Actuarial Cons	Actuarial Services	52104 Actuarial Rvw - Lia/WC Prog	10,680.00
11926	5/20/2021	Sedgwick CMS, Inc	Claims Admin - Liab ALE	51136 2/23/2021 TE SMILLAR	268.50
11927	5/20/2021	Sedgwick CMS, Inc	Claims Admin - Liab ALE	51136 4/20/2021 TE SMILLAR	250.60
11928	5/20/2021	Sedgwick CMS, Inc	Claims Admin - Liab ALE	51136 4/20/2021 TE SMILLAR	241.65



Northern CA Cities Self Ins. Fund Short Term - Account #170

MONTHLY ACCOUNT STATEMENT

MARCH 1, 2021 THROUGH MARCH 31, 2021

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.56
Average Coupon	1.78%
Average Purchase YTM	1.67%
Average Market YTM	0.48%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.84 yrs
Average Life	2.62 yrs

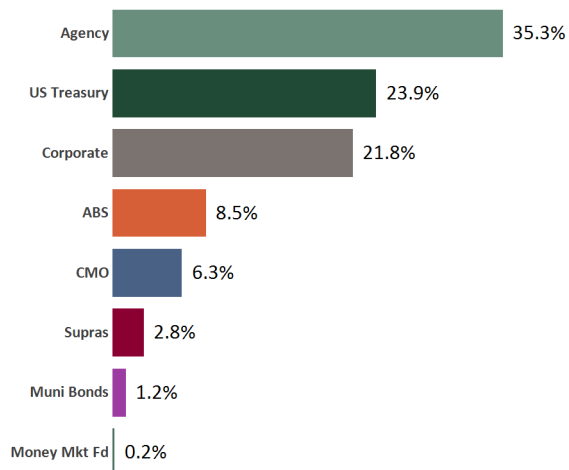
ACCOUNT SUMMARY

	Beg. Values as of 2/28/21	End Values as of 3/31/21
Market Value	28,159,405	28,140,818
Accrued Interest	116,244	96,708
Total Market Value	28,275,649	28,237,526
Income Earned	40,488	49,353
Cont/WD		0
Par	27,384,865	27,465,616
Book Value	27,470,830	27,539,975
Cost Value	27,506,947	27,572,017

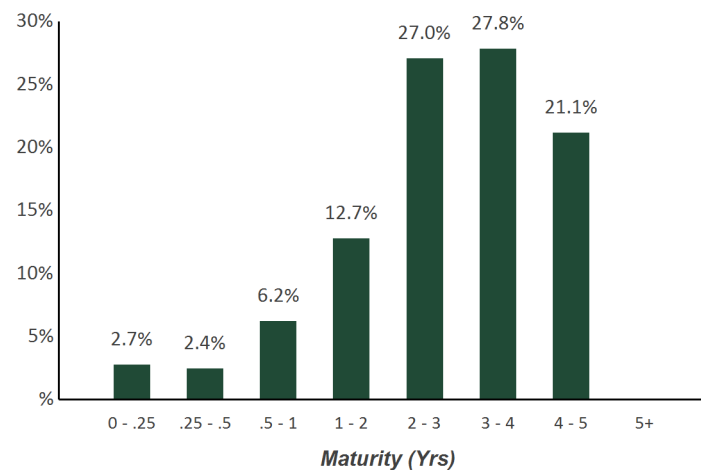
TOP ISSUERS

Government of United States	23.9%
Federal Home Loan Mortgage Corp	16.7%
Federal National Mortgage Assoc	15.2%
Federal Home Loan Bank	9.7%
Honda ABS	2.0%
John Deere ABS	2.0%
Inter-American Dev Bank	1.9%
Honda Motor Corporation	1.3%
Total	72.8%

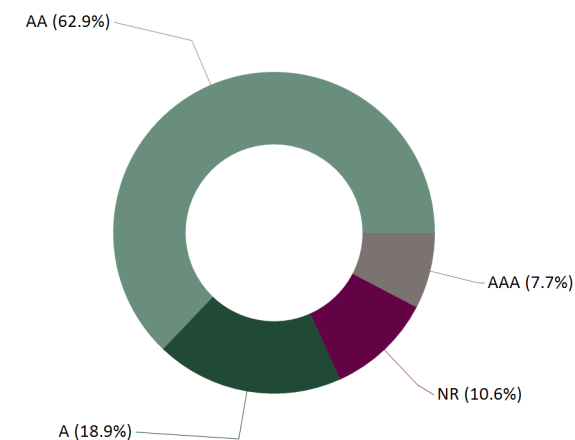
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	12/31/1997
Northern CA Cities Self Ins. Fund Short Term	-0.13%	-0.50%	-0.50%	1.63%	3.57%	3.52%	2.18%	1.97%	3.80%
ICE BAML 1-5 Year US Treasury/Agency Index	-0.10%	-0.52%	-0.52%	-0.07%	3.31%	3.25%	1.91%	1.72%	3.48%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.11%	-0.54%	-0.54%	0.49%	3.43%	3.38%	2.03%	1.86%	3.59%

Statement of Compliance

As of March 31, 2021



Northern California Cities Self-Insurance Fund - Short Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of March 31, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,470,829.52
<u>Acquisition</u>		
+ Security Purchases	\$1,258,803.62	
+ Money Market Fund Purchases	\$985,315.47	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$2,244,119.09
<u>Dispositions</u>		
- Security Sales	\$254,997.45	
- Money Market Fund Sales	\$1,004,317.30	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$550,000.00	
- Calls	\$318,844.65	
- Principal Paydowns	\$55,247.96	
Total Dispositions		\$2,183,407.36
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$8,177.97	
		\$8,177.97
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$255.29	
		\$255.29
ENDING BOOK VALUE		\$27,539,974.51

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$74,180.89
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$254,997.45	
Accrued Interest Received	\$219.58	
Interest Received	\$60,881.06	
Dividend Received	\$0.80	
Principal on Maturities	\$550,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$318,844.65	
Interest from Calls/Redemption	\$341.00	
Principal Paydown	\$55,247.96	
Total Acquisitions	\$1,240,532.50	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$1,258,803.62	
Accrued Interest Paid	\$730.71	
Total Dispositions	\$1,259,534.33	
ENDING BOOK VALUE		\$55,179.06



Northern Cal. Cities Self Ins. Fund Long Term - Account #171

MONTHLY ACCOUNT STATEMENT

MARCH 1, 2021 THROUGH MARCH 31, 2021

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.81
Average Coupon	1.99%
Average Purchase YTM	1.95%
Average Market YTM	0.80%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.16 yrs
Average Life	4.01 yrs

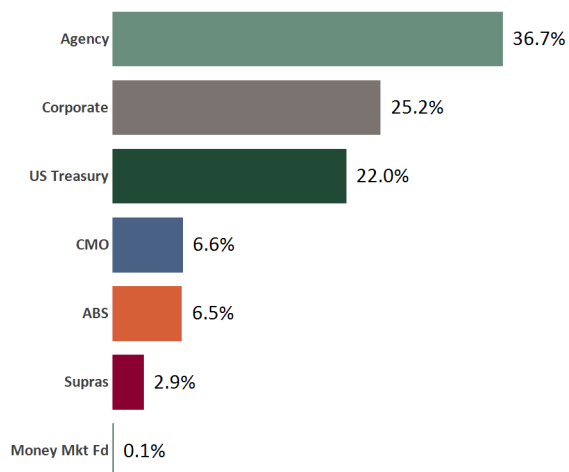
ACCOUNT SUMMARY

	Beg. Values as of 2/28/21	End Values as of 3/31/21
Market Value	29,665,461	29,560,168
Accrued Interest	145,117	107,244
Total Market Value	29,810,578	29,667,412
Income Earned	48,541	58,277
Cont/WD		0
Par	28,573,235	28,732,633
Book Value	28,614,206	28,728,889
Cost Value	28,597,447	28,719,929

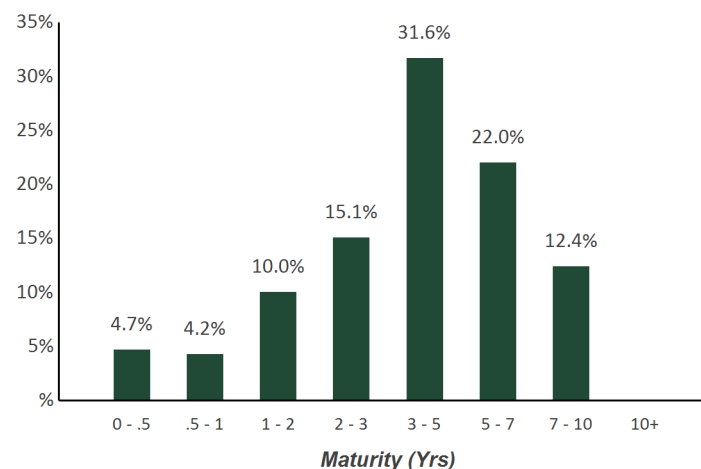
TOP ISSUERS

Government of United States	22.0%
Federal Home Loan Bank	15.3%
Federal National Mortgage Assoc	13.9%
Federal Home Loan Mortgage Corp	10.4%
Tennessee Valley Authority	3.6%
Inter-American Dev Bank	2.9%
Deere & Company	1.9%
Toyota ABS	1.8%
Total	71.9%

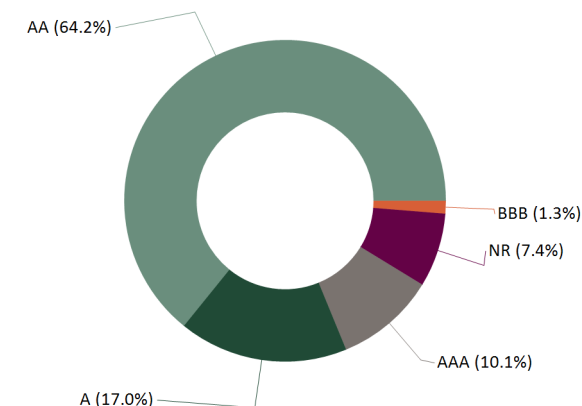
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2006
Northern Cal. Cities Self Ins. Fund Long Term	-0.48%	-1.62%	-1.62%	0.93%	4.09%	4.07%	2.45%	2.64%	3.76%
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.48%	-1.71%	-1.71%	-1.32%	3.66%	3.69%	2.05%	2.30%	3.37%
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.54%	-1.77%	-1.77%	0.23%	4.01%	4.03%	2.39%	2.62%	3.56%

Statement of Compliance

As of March 31, 2021



Northern California Cities Self-Insurance Fund - Long Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of March 31, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$28,614,205.90
<u>Acquisition</u>		
+ Security Purchases	\$1,736,718.95	
+ Money Market Fund Purchases	\$745,994.43	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$2,482,713.38
<u>Dispositions</u>		
- Security Sales	\$975,753.19	
- Money Market Fund Sales	\$757,981.40	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$325,000.00	
- Calls	\$323,987.30	
- Principal Paydowns	\$13,615.52	
Total Dispositions		\$2,396,337.41
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$9,773.47	
		\$9,773.47
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$18,533.89	
		\$18,533.89
ENDING BOOK VALUE		\$28,728,889.23

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$40,142.44
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$975,753.19	
Accrued Interest Received	\$4,434.73	
Interest Received	\$83,044.37	
Dividend Received	\$0.74	
Principal on Maturities	\$325,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$323,987.30	
Interest from Calls/Redemption	\$346.50	
Principal Paydown	\$13,615.52	
Total Acquisitions	\$1,726,182.35	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$1,736,718.95	
Accrued Interest Paid	\$1,450.37	
Total Dispositions	\$1,738,169.32	
ENDING BOOK VALUE		\$28,155.47



Northern CA Cities Self Ins. Fund Short Term - Account #170

MONTHLY ACCOUNT STATEMENT

APRIL 1, 2021 THROUGH APRIL 30, 2021

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.56
Average Coupon	1.76%
Average Purchase YTM	1.65%
Average Market YTM	0.45%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.85 yrs
Average Life	2.62 yrs

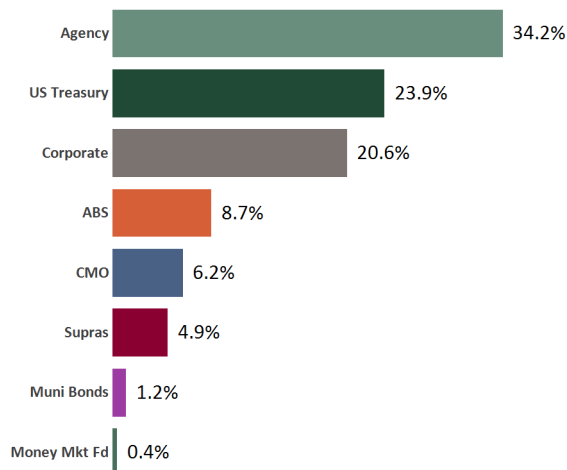
ACCOUNT SUMMARY

	Beg. Values as of 3/31/21	End Values as of 4/30/21
Market Value	28,140,818	28,190,883
Accrued Interest	96,708	105,073
Total Market Value	28,237,526	28,295,956
Income Earned	49,353	38,188
Cont/WD		-833
Par	27,465,616	27,501,416
Book Value	27,539,975	27,572,056
Cost Value	27,572,017	27,611,780

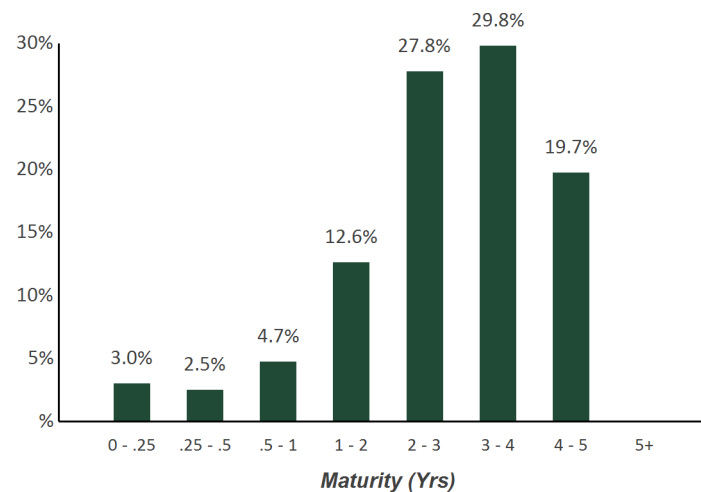
TOP ISSUERS

Government of United States	23.9%
Federal Home Loan Mortgage Corp	16.6%
Federal National Mortgage Assoc	14.2%
Federal Home Loan Bank	9.7%
Inter-American Dev Bank	4.0%
Honda ABS	2.0%
John Deere ABS	1.9%
Honda Motor Corporation	1.3%
Total	73.4%

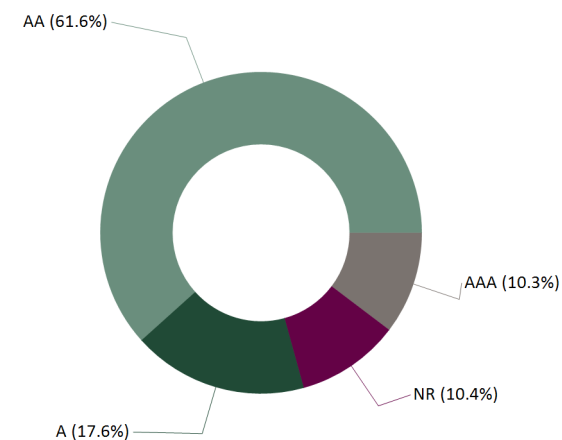
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	12/31/1997
Northern CA Cities Self Ins. Fund Short Term	0.21%	-0.28%	-0.29%	1.11%	3.58%	3.66%	2.21%	1.92%	3.79%
ICE BAML 1-5 Year US Treasury/Agency Index	0.16%	-0.31%	-0.36%	0.00%	3.31%	3.43%	1.94%	1.67%	3.48%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.19%	-0.30%	-0.35%	0.34%	3.44%	3.55%	2.06%	1.81%	3.59%

Statement of Compliance

As of April 30, 2021



Northern California Cities Self-Insurance Fund - Short Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin; Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of April 30, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,539,974.51
<u>Acquisition</u>		
+ Security Purchases	\$692,353.88	
+ Money Market Fund Purchases	\$752,298.49	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,444,652.37
<u>Dispositions</u>		
- Security Sales	\$642,005.80	
- Money Market Fund Sales	\$692,353.88	
- MMF Withdrawals	\$833.18	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$78,311.02	
Total Dispositions		\$1,413,503.88
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$2,158.58)	
		(\$2,158.58)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$3,091.18	
		\$3,091.18
ENDING BOOK VALUE		\$27,572,055.60

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$55,179.06
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$642,005.80	
Accrued Interest Received	\$772.35	
Interest Received	\$31,205.31	
Dividend Received	\$4.01	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$78,311.02	
Total Acquisitions	\$752,298.49	
<u>Dispositions</u>		
Withdrawals	\$833.18	
Security Purchase	\$692,353.88	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$693,187.06	
ENDING BOOK VALUE		\$114,290.49



Northern Cal. Cities Self Ins. Fund Long Term - Account #171

MONTHLY ACCOUNT STATEMENT

APRIL 1, 2021 THROUGH APRIL 30, 2021

Chandler Team:

For questions about your account, please call (800) 317-4747,
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Custodian

Bank of New York Mellon
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CHANDLER ASSET MANAGEMENT
chandlerasset.com

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PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.78
Average Coupon	1.97%
Average Purchase YTM	1.93%
Average Market YTM	0.72%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.15 yrs
Average Life	3.97 yrs

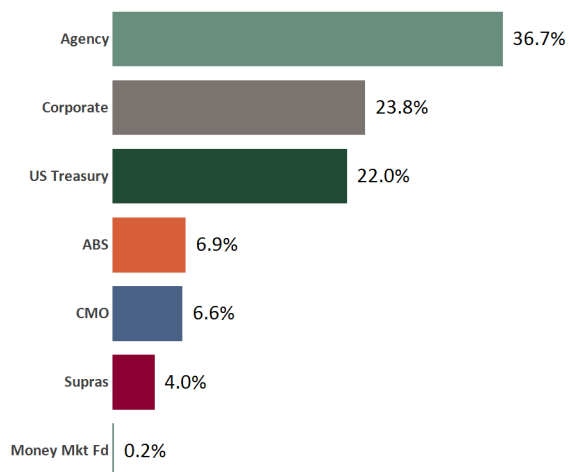
ACCOUNT SUMMARY

	Beg. Values as of 3/31/21	End Values as of 4/30/21
Market Value	29,560,168	29,668,640
Accrued Interest	107,244	123,999
Total Market Value	29,667,412	29,792,639
Income Earned	58,277	46,744
Cont/WD		-254
Par	28,732,633	28,766,493
Book Value	28,728,889	28,760,849
Cost Value	28,719,929	28,752,753

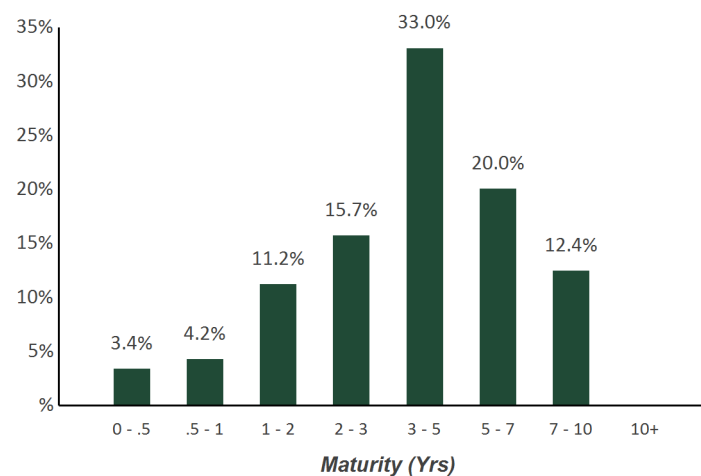
TOP ISSUERS

Government of United States	22.0%
Federal Home Loan Bank	15.3%
Federal National Mortgage Assoc	13.9%
Federal Home Loan Mortgage Corp	10.4%
Inter-American Dev Bank	4.0%
Tennessee Valley Authority	3.6%
Deere & Company	1.9%
Toyota ABS	1.8%
Total	72.9%

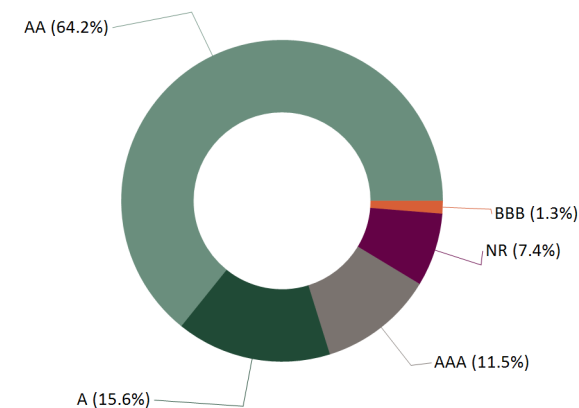
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2006
Northern Cal. Cities Self Ins. Fund Long Term	0.42%	-0.95%	-1.20%	0.52%	4.25%	4.36%	2.53%	2.57%	3.77%
ICE BAML 1-10 Yr US Treasury/Agency Index	0.37%	-1.07%	-1.34%	-1.13%	3.83%	4.00%	2.13%	2.24%	3.38%
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.43%	-1.06%	-1.34%	-0.13%	4.17%	4.35%	2.45%	2.56%	3.57%

Statement of Compliance

As of April 30, 2021



Northern California Cities Self-Insurance Fund - Long Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin; Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of April 30, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$28,728,889.23
<u>Acquisition</u>		
+ Security Purchases	\$428,589.95	
+ Money Market Fund Purchases	\$446,350.66	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$874,940.61
<u>Dispositions</u>		
- Security Sales	\$402,173.80	
- Money Market Fund Sales	\$428,589.95	
- MMF Withdrawals	\$254.32	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$13,645.84	
Total Dispositions		\$844,663.91
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$541.83)	
		(\$541.83)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$2,224.46	
		\$2,224.46
ENDING BOOK VALUE		\$28,760,848.56

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$28,155.47
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$402,173.80	
Accrued Interest Received	\$633.34	
Interest Received	\$29,896.45	
Dividend Received	\$1.23	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$13,645.84	
Total Acquisitions	\$446,350.66	
<u>Dispositions</u>		
Withdrawals	\$254.32	
Security Purchase	\$428,589.95	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$428,844.27	
ENDING BOOK VALUE		\$45,661.86



Northern CA Cities Self Ins. Fund Short Term - Account #170

MONTHLY ACCOUNT STATEMENT

MAY 1, 2021 THROUGH MAY 31, 2021

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.55
Average Coupon	1.71%
Average Purchase YTM	1.60%
Average Market YTM	0.38%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.83 yrs
Average Life	2.61 yrs

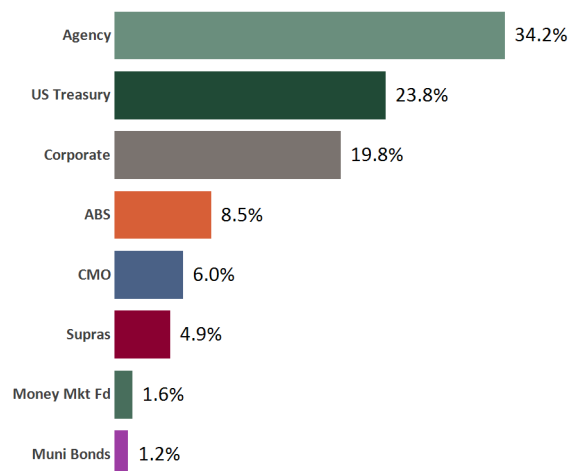
ACCOUNT SUMMARY

	Beg. Values as of 4/30/21	End Values as of 5/31/21
Market Value	28,190,883	28,249,114
Accrued Interest	105,073	110,656
Total Market Value	28,295,956	28,359,770
Income Earned	38,188	37,636
Cont/WD		0
Par	27,501,416	27,537,896
Book Value	27,572,056	27,604,445
Cost Value	27,611,780	27,644,923

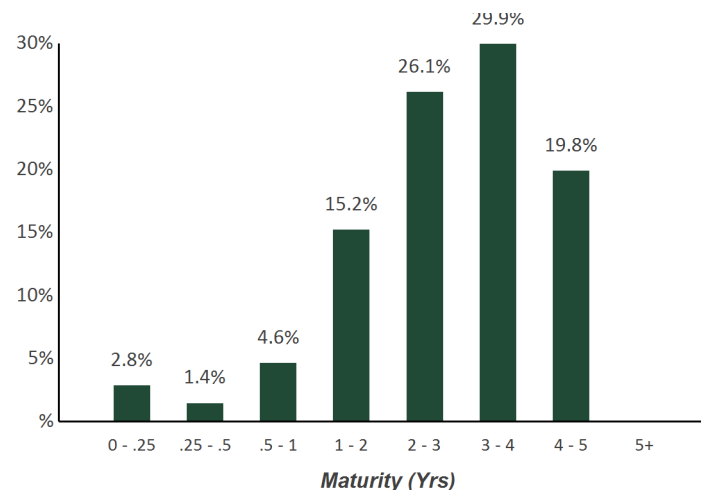
TOP ISSUERS

Government of United States	23.8%
Federal Home Loan Mortgage Corp	16.4%
Federal National Mortgage Assoc	14.2%
Federal Home Loan Bank	9.7%
Inter-American Dev Bank	4.0%
Honda ABS	1.9%
John Deere ABS	1.7%
Dreyfus Institutional Reserves	1.6%
Total	73.2%

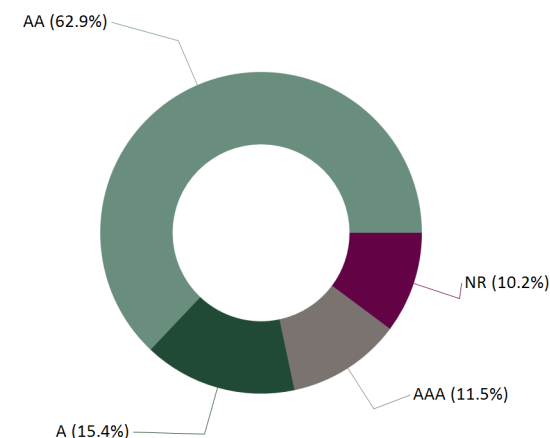
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	12/31/1997
Northern CA Cities Self Ins. Fund Short Term	0.23%	0.30%	-0.07%	0.82%	3.25%	3.58%	2.28%	1.89%	3.79%
ICE BAML 1-5 Year US Treasury/Agency Index	0.17%	0.23%	-0.19%	0.03%	2.89%	3.32%	2.00%	1.62%	3.47%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.18%	0.26%	-0.16%	0.25%	3.04%	3.44%	2.13%	1.76%	3.58%

Statement of Compliance

As of May 31, 2021



Northern California Cities Self-Insurance Fund - Short Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin; Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of May 31, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,572,055.60
<u>Acquisition</u>		
+ Security Purchases	\$438,099.20	
+ Money Market Fund Purchases	\$771,915.61	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,210,014.81
<u>Dispositions</u>		
- Security Sales	\$20,278.13	
- Money Market Fund Sales	\$438,099.20	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$620,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$97,336.44	
Total Dispositions		\$1,175,713.77
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$2,247.59)	
		(\$2,247.59)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$336.44	
		\$336.44
ENDING BOOK VALUE		\$27,604,445.49

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$114,290.49
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$20,278.13	
Accrued Interest Received	\$69.43	
Interest Received	\$34,230.25	
Dividend Received	\$1.36	
Principal on Maturities	\$620,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$97,336.44	
Total Acquisitions	\$771,915.61	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$438,099.20	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$438,099.20	
ENDING BOOK VALUE		\$448,106.90



Northern Cal. Cities Self Ins. Fund Long Term - Account #171

MONTHLY ACCOUNT STATEMENT

MAY 1, 2021 THROUGH MAY 31, 2021

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.77
Average Coupon	1.93%
Average Purchase YTM	1.89%
Average Market YTM	0.67%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.13 yrs
Average Life	3.96 yrs

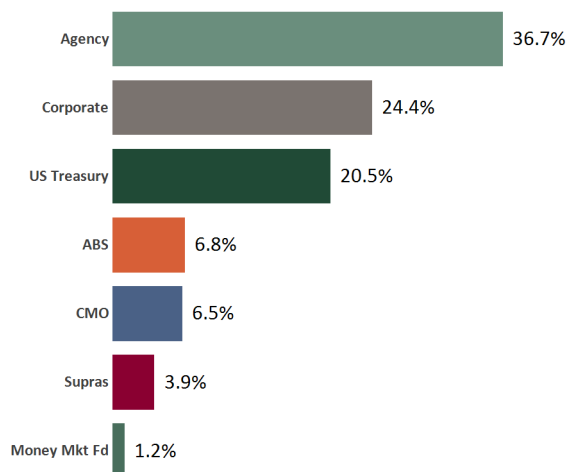
ACCOUNT SUMMARY

	Beg. Values as of 4/30/21	End Values as of 5/31/21
Market Value	29,668,640	29,757,781
Accrued Interest	123,999	129,980
Total Market Value	29,792,639	29,887,761
Income Earned	46,744	46,299
Cont/WD		0
Par	28,766,493	28,819,020
Book Value	28,760,849	28,817,392
Cost Value	28,752,753	28,822,290

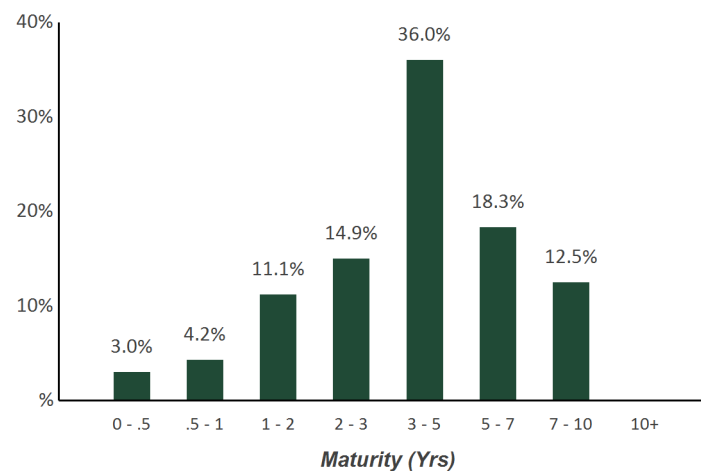
TOP ISSUERS

Government of United States	20.5%
Federal Home Loan Bank	15.3%
Federal National Mortgage Assoc	13.9%
Federal Home Loan Mortgage Corp	10.4%
Inter-American Dev Bank	3.9%
Tennessee Valley Authority	3.6%
Deere & Company	1.9%
Toyota ABS	1.8%
Total	71.3%

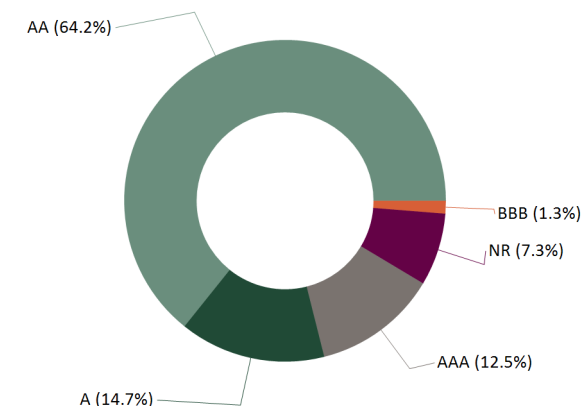
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2006
Northern Cal. Cities Self Ins. Fund Long Term	0.32%	0.26%	-0.89%	0.27%	3.77%	4.25%	2.62%	2.51%	3.77%
ICE BAML 1-10 Yr US Treasury/Agency Index	0.28%	0.17%	-1.06%	-1.01%	3.24%	3.88%	2.22%	2.14%	3.38%
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.33%	0.22%	-1.01%	-0.25%	3.65%	4.25%	2.55%	2.47%	3.57%

Statement of Compliance

As of May 31, 2021



Northern California Cities Self-Insurance Fund - Long Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin; Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of May 31, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$28,760,848.56
<u>Acquisition</u>		
+ Security Purchases	\$618,254.70	
+ Money Market Fund Purchases	\$790,890.28	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,409,144.98
<u>Dispositions</u>		
- Security Sales	\$574,772.15	
- Money Market Fund Sales	\$492,746.20	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$285,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$15,617.64	
Total Dispositions		\$1,368,135.99
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$690.59)	
		(\$690.59)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$16,224.94	
		\$16,224.94
ENDING BOOK VALUE		\$28,817,391.90

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$45,661.86
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$574,772.15	
Accrued Interest Received	\$4,460.29	
Interest Received	\$37,252.62	
Dividend Received	\$1.33	
Principal on Maturities	\$285,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$15,617.64	
Total Acquisitions	\$917,104.03	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$618,254.70	
Accrued Interest Paid	\$705.25	
Total Dispositions	\$618,959.95	
ENDING BOOK VALUE		\$343,805.94



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name

NO CAL CITIES SELF INSUR FUND

Account Number

35-11-001

As of 04/15/2021, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2021.

Earnings Ratio		.00001214175683392
Interest Rate		0.44%
Dollar Day Total	\$	1,555,585,536.74
Quarter End Principal Balance	\$	16,951,352.57
Quarterly Interest Earned	\$	18,887.54



Northern California Cities Self Insurance Fund

c/o Alliant Insurance Services, Inc.

Corporate Insurance License No. 0C36861

Main Location: 2180 Harvard Street, Suite 460, Sacramento, CA 95815 * (916) 643-2700 * Facsimile: (916) 643-2750
Accounting Location: Mr. James Marta, James Marta & Company, 701 Howe Avenue, Suite E3, Sacramento, CA 95825 * (916) 993-9494

NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING March 31, 2021

	MARKET VALUE
CASH:	
(1) Tri Counties Checking	\$ 198,439.73
(2) Local Agency Inv Fund (LAIF)	16,951,352.57
Total Cash	17,149,792.30
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	28,140,818.00
Account no. 171	29,560,168.00
Total Unrestricted Investments	57,700,986.00
TOTAL CASH AND INVESTMENTS	\$ 74,850,778.30

- (1) This consists of one checking account and two pass-thru accounts (liability and workers comp claims).
- (2) The LAIF rate of return as of quarter ended March 31, 2021 0.41%
- (3) See attached Investment Activity Reports.

THIS PORTFOLIO IS IN COMPLIANCE WITH NCCSIF'S INVESTMENT POLICY AND IS LIQUID ENOUGH TO MEET EXPECTED CASH FLOW NEEDS OVER THE NEXT SIX MONTHS.
THE QUARTERLY REPORT IS IN ACCORDANCE WITH GOVERNMENT CODE §53646 .

Jen Lee, Treasurer

May 3, 2021

Date

A Joint Powers Authority

Members: Cities of Anderson, Auburn, Colusa, Corning, Dixon, Elk Grove, Folsom, Galt, Gridley, Ione, Jackson, Lincoln, Marysville, Nevada City, Oroville, Town of Paradise, Placerville, Red Bluff, Rio Vista, Rocklin, Willows and Yuba City.

Lexipol Fire Pricing									
Agency	F/T Firefighters	Volunteer FF's	Adjusted Staffing for Pricing	2019 w/50% Discount	2020 Standard Price List	2020 Standard Price List w/50% Discount	Optional Procedure Content 50% Discount	2021 Standard List Price	2021 Standard Price w/50%
City of Auburn	14	5	15	\$2,842	\$5,741	\$2,871	\$170	\$5,798.00	\$2,899.00
City of Colusa	5	20	7	\$2,130	\$4,313	\$2,157	\$138	\$4,356.00	\$2,178.00
City of Dixon	22	5	23	\$3,910	\$7,953	\$3,977	\$202	\$8,032.00	\$4,016.00
City of Jackson	6	12	7	\$2,130	\$4,313	\$2,157	\$138	\$4,356.00	\$2,178.00
City of Lincoln	16	8PT+4V	21	\$3,910	\$7,953	\$3,977	\$202	\$8,032.00	\$4,016.00
City of Marysville	15	0	15		\$4,751	\$2,376		\$4,799.00	\$2,399.50
City of Oroville	15	0	15	\$2,842	\$5,741	\$2,871	\$170	\$5,798.00	\$2,899.00
City of Red Bluff	14	12	15	\$2,842	\$5,741	\$2,871	\$170	\$5,798.00	\$2,899.00
City of Rio Vista	11	8	12	\$2,992	\$6,070	\$3,035		\$6,444.00	\$3,222.00
City of Rocklin	31	8	32	\$4,363	\$8,877	\$4,439	\$246	\$8,966.00	\$4,483.00
City of Willows	5	10	6	\$2,130	\$4,313	\$2,157	\$138	\$4,356.00	\$2,178.00
				\$30,091		\$32,888	\$1,574	\$66,735.00	\$33,367.50

Lexipol Law Enforcement Pricing												
Company	State	RMA	Num Sworn Officers	LE Policy DTB Status	LE Policy Manual Start Date	LE Policy Manual Renewal Date	LE Policy DTB Start Date	LE Policy DTB Renewal Date	2019 Pricing	2020 Pricing	2021 Pricing	2022 Pricing
Anderson PD-CA	CA	NCCSIF	18	Yes	7/10/1998	7/1/2020	6/1/2009	7/1/2020	6,248	6,435	6,627.00	6,826.00
Auburn PD-CA	CA	NCCSIF	20	Yes	7/10/1998	7/1/2020	12/7/2015	7/1/2020	6,248	6,435	6,627.00	6,826.00
Colusa PD-CA	CA	NCCSIF	9	Yes	7/10/1998	7/1/2020	7/3/2018	7/1/2020	3,983	4,104	4,227.00	4,354.00
Corning PD-CA	CA	NCCSIF	15	Yes	3/16/2005	7/1/2020	6/1/2010	7/1/2020	5,383	5,544	5,712.00	5,882.00
Dixon PD-CA	CA	NCCSIF	24	Yes	7/10/1998	7/1/2020	8/1/2008	7/1/2020	6,248	6,435	6,627.00	6,826.00
Elk Grove PD-CA	CA	NCCSIF	133	Yes	6/28/2005	7/1/2020	6/20/2018	7/1/2020	10,960	11,289	11,628.00	11,977.00
Folsom PD-CA	CA	NCCSIF	75	Yes	5/15/1998	7/1/2020	5/1/2010	7/1/2020	10,960	11,289	11,628.00	11,977.00
Galt PD-CA	CA	NCCSIF	38	Yes	7/10/1998	7/1/2020	8/1/2008	7/1/2020	7,792	8,025	8,265.00	8,513.00
Gridley-Biggs PD-CA	CA	NCCSIF	14	Yes	7/10/1998	7/1/2020	8/1/2009	7/1/2020	5,383	5,544	5,712.00	5,882.00
Ione PD-CA	CA	NCCSIF	6	Yes	1/31/2007	7/1/2020	6/18/2014	7/1/2020	3,407	3,510	3,615.00	3,723.00
Jackson PD-CA	CA	NCCSIF	11	Yes	7/10/1998	7/1/2020	7/3/2018	7/1/2020	3,983	4,104	4,227.00	4,354.00
Lincoln PD-CA	CA	NCCSIF	22	Yes	7/10/1998	7/1/2020	5/1/2007	7/1/2020	6,248	6,435	6,627.00	6,826.00
Marysville PD-CA	CA	NCCSIF	18		7/10/1998	7/1/2020			6,248	6,435	6,627.00	6,826.00
Nevada City PD-CA	CA	NCCSIF	9	Yes	7/10/1998	7/1/2020	7/1/2009	7/1/2020	3,983	4,104	4,227.00	4,354.00
Oroville PD-CA	CA	NCCSIF	25	Yes	7/10/1998	7/1/2020	8/1/2009	7/1/2020	6,248	6,435	6,627.00	6,826.00
Paradise PD-CA	CA	NCCSIF	23	Yes	11/3/2002	7/1/2020	6/1/2008	7/1/2020	6,248	6,435	6,627.00	6,826.00
Placerville PD-CA	CA	NCCSIF	22	Yes	9/2/2002	7/1/2020	3/1/2009	7/1/2020	6,248	6,435	6,627.00	6,826.00
Red Bluff PD-CA	CA	NCCSIF	25	Yes	7/10/1998	7/1/2020	9/1/2008	7/1/2020	6,248	6,435	6,627.00	6,826.00
Rio Vista PD-CA	CA	NCCSIF	16	Yes	7/10/1998	7/1/2020	7/1/2008	7/1/2020	6,248	6,435	-	-
Rocklin PD-CA	CA	NCCSIF	58	Yes	7/10/1998	7/1/2020	7/1/2009	7/1/2020	10,960	11,289	11,628.00	11,977.00
Yuba City PD-CA	CA	NCCSIF	64	Yes	7/10/1998	7/1/2020	3/11/2015	7/1/2020	10,960	11,289	11,628.00	11,977.00
									140,234	144,441	142,140	146,404



Crowe LLP

Independent Member Crowe Global

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Fax 954-202-8639
www.crowe.com

June 4, 2021

Mr. Marcus Beverly
Northern California Cities Self Insurance Fund
2150 Harvard Street, Suite 460
Sacramento, California 95815

Dear Mr. Beverly:

This letter confirms the arrangements for Crowe LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to Northern California Cities Self Insurance Fund ("you", "your" or "Client"). The attached Crowe Engagement Terms, and any other attachments thereto, are integral parts of this letter, and such terms are incorporated herein.

AUDIT SERVICES

Our Responsibilities

We will audit and report on the financial statements of the Client for the year ending June 30, 2021.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining Statement of Net Position and Combining Statement of Revenues, Expenses and Change in Net Position

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management's Discussion and Analysis
- Reconciliation of Claims Liability by Type of Contract
- Claims Development Information

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the Client's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Client's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Client's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the Client's financial statements. Our report will be addressed to the Board of Directors of the Client. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Client's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. However, the objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

Our audit and work product are intended for the benefit and use of the Client only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information.

However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

Government Auditing Standards require that we provide you with a copy of our most recent peer review report, which accompanies this letter.

The Client's Responsibilities

The Client's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

The Client's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, to safeguard assets, and to design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Client from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Client, and their knowledge of any fraud or suspected fraud affecting the Client.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements, and to the Client's compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of such information to our engagement, you agree to waive any claim against Crowe and its personnel for any liability and costs relating to or arising from any inaccuracy or incompleteness of information provided to us for purposes of this engagement.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written

representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

OTHER SERVICES

Financial Statement Preparation

The Client will provide us with the necessary information to assist in the preparation of the draft financial statements including the notes thereto. We are relying on the Client to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the financial statements.

Recordkeeping Assistance

The Client will provide us with the necessary information to assist you in your recordkeeping. We will propose year end adjusting entries to management for your review and approval, including cash to accrual conversion entries. We are relying on the Client to provide us with the necessary information in a timely fashion and ensure the data is complete and accurate.

With respect to the above other services, we will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities. In connection with performing the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

FEES

Our fees, including out-of-pocket expenses, are outlined below. Our invoices are due and payable upon receipt. Invoices that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees. If any amounts invoiced remain unpaid 30 days after the invoice date, you agree that Crowe may, in its sole discretion, cease work until all such amounts are paid or terminate this engagement.

Description of Services	Fee Amount
Audit of the Client's financial statements for the year ending June 30, 2021	\$27,700

We will invoice you as our services are rendered.

PROVISION FOR FIVE-YEAR PROPOSAL

We have agreed to the following fees for the next three subsequent years as follows:

Audit of the Client's financial statements for the year ending June 30, 2022	\$28,250
Audit of the Client's financial statements for the year ending June 30, 2023	\$28,250
Audit of the Client's financial statements for the year ending June 30, 2024	\$28,250

Because each year is a separate engagement and this three-year period does not constitute a continuous engagement, we will require execution of a new engagement letter for each subsequent year listed

above. However, we agree to the fees listed above for each year unless we both agree in writing to a modification. In recognition of the significant start up investment incurred by Crowe during the initial year of the three-year period, should you terminate Crowe during the three year period for reasons other than failure of Crowe to perform, you agree to pay our fees and expenses for services performed up to the date of termination (which will be immediately due and payable) and a termination fee of 25% of the next year's fee if terminated after year one or 15% of the next year's fee if terminated after year two.

The fees outlined above are based on certain assumptions. Those assumptions may be incorrect due to incomplete or inaccurate information provided, or circumstances may arise under which we must perform additional work, which in either case will require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing service requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- Evidence of material weakness or significant deficiencies in internal controls
- Substantial increases in the number of significant deficiencies in internal controls
- Regulatory examination matters
- Change in your organizational structure or size due to merger and acquisition activity or other events
- Change in your controls
- New or unusual transactions
- Agreed-upon level of preparation and assistance from your personnel not provided
- Numerous revisions to your information
- Lack of availability of appropriate Client personnel during fieldwork.
- Additional audit procedures relating to the impact of COVID-19 on Client or additional regulatory requirements relating thereto.

Additionally, to accommodate requests to reschedule fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed upon deadlines could be impacted.

Due to such potential changes in circumstance, we reserve the right to revise our fees. However, if such a change in circumstances arises or if some other significant change occurs that causes our fees to exceed our estimate, we will advise management.

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, any work product or any license, all of which Client agrees to pay if applicable or if they become applicable (other than taxes imposed on Crowe's income generally), without deduction from any fees or expenses invoiced to Client by Crowe.

The Client and Crowe agree that the Client may periodically request Crowe to provide additional services for accounting and reporting advice regarding completed transactions and potential or proposed transactions. The fees for such additional services will be based on Crowe's hourly billing rates plus expenses or as mutually agreed upon between the Client and Crowe.

To facilitate Crowe's presence at Client's premises, Client will provide Crowe with internet access while on Client's premises. Crowe will access the internet using a secure virtual private network. Crowe will be responsible for all internet activity performed by its personnel while on Client's premises. In the event Client does not provide Crowe with internet access while on Client's premises, Client will reimburse Crowe for the cost of internet access through other means while on Client's site.

MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, and all of the Crowe Engagement Terms, "Client" will mean the entity(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Crowe deliverable.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement") reflects the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter and any attachments (including without limitation the attached Crowe Engagement Terms) are to be construed as a single document, with the provisions of each section applicable throughout. This Agreement may not be amended or varied except by a written document signed by each party. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. Each party shall remain obligated to the other party under all provisions of this Agreement that expressly or by their nature extend beyond and survive the expiration or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement must be construed, governed, and interpreted under the laws of the State of Illinois, without regard for choice of law principles.

* * * * *

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page follows)

Northern California Cities Self Insurance Fund

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June 4, 2021

ACCEPTANCE

I have reviewed the arrangements outlined above and in the attached "Crowe Engagement Terms," and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Client and Crowe have duly executed this engagement letter effective the date first written above.

Crowe LLP and the Engagement Authorized Signer below are licensed or otherwise authorized by the California Board of Accountancy.

Northern California Cities Self Insurance Fund

Crowe LLP

DocuSigned by:

Marcus Beverly

1D1956EE96824DA...

Signature

Marcus Beverly

Printed Name

Program Director

Title

June 8, 2021

Date

DocuSigned by:

Joseph William Kowalczyk ZRD

41D0F7110486441...

Signature

Joe Kowalczyk

Printed Name

Partner

Title

June 7, 2021

Date

Crowe Engagement Terms

Crowe wants Client to understand the terms under which Crowe provides its services to Client and the basis under which Crowe determines its fees. These terms are part of the Agreement and apply to all services described in the Agreement as well as all other services provided to Client (collectively, the "Services"), unless and until a separate written agreement is executed by the parties for separate services. Any advice provided by Crowe is not intended to be, and is not, investment advice.

CLIENT'S ASSISTANCE – For Crowe to provide Services effectively and efficiently, Client agrees to provide Crowe timely with information requested and to make available to Crowe any personnel, systems, premises, records, or other information as reasonably requested by Crowe to perform the Services. Access to such personnel and information are key elements for Crowe's successful completion of Services and determination of fees. If for any reason this does not occur, a revised fee to reflect additional time or resources required by Crowe will be mutually agreed. Client agrees Crowe will have no responsibility for any delays related to a delay in providing such information to Crowe. Such information will be accurate and complete, and Client will inform Crowe of all significant tax, accounting and financial reporting matters of which Client is aware.

PROFESSIONAL STANDARDS – As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Crowe's professional judgment, prevent it from completing the engagement, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.

REPORTS – Any information, advice, recommendations or other content of any memoranda, reports, deliverables, work product, presentations, or other communications Crowe provides under this Agreement ("Reports"), other than Client's original information, are for Client's internal use only, consistent with the purpose of the Services. Client will not rely on any draft Report. Unless required by an audit or other attestation professional standard, Crowe will not be required to update any final Report for circumstances of which we become aware or events occurring after delivery.

CONFIDENTIALITY – Except as otherwise permitted by this Agreement or as agreed in writing, neither Crowe nor Client may disclose to third parties the contents of this Agreement or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Client use of any Crowe work product will be limited to its stated purpose and to Client business use only. However, Client and Crowe each agree that either party may disclose such information to the extent that it: (i) is or becomes public other than through a breach of this Agreement, (ii) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (iii) was known to the recipient at the time of disclosure or is thereafter created independently, (iv) is disclosed as necessary to enforce the recipient's rights under this Agreement, or (v) must be disclosed under applicable law, regulations, legal process or professional standards.

THIRD PARTY PROVIDER – Crowe may use third-party providers or engage subcontractors in providing Services to Client or for internal, administrative, or regulatory compliance purposes. Third-party providers or subcontractors may include Crowe LLP subsidiaries, Crowe Global member firms, or other third-party providers or subcontractors, in each case within or outside of the United States (each, a "Crowe Subcontractor"). Client agrees Crowe may share Client confidential information with Crowe Subcontractors. If Crowe uses a Crowe Subcontractor, Crowe will be solely responsible for the provision of Services (including those provided by Crowe Subcontractors) and for the protection of Client's confidential information. The limitations on Client's remedies vis-à-vis Crowe, in this Agreement will also apply to any Crowe Subcontractors. Client will bring any claim for a violation of the obligations in this Agreement only against Crowe, and Crowe Subcontractors will have no liability or obligations to Client arising out of this Agreement.

CLIENT-REQUIRED CLOUD USAGE – If Client requests that Crowe access files, documents or other information in a cloud-based or web-accessed hosting service or other third-party system accessed via the internet, including, without limitation iCloud, Dropbox, Google Docs, Google Drive, a data room hosted by a third party, or a similar service or website (collectively, “Cloud Storage”), Client will confirm with any third parties assisting with or hosting the Cloud Storage that either such third party or Client (and not Crowe) is responsible for complying with all applicable laws relating to the Cloud Storage and any information contained in the Cloud Storage, providing Crowe access to the information in the Cloud Storage, and protecting the information in the Cloud Storage from any unauthorized access, including without limitation unauthorized access to the information when in transit to or from the Cloud Storage. Client represents that it has authority to provide Crowe access to information in the Cloud Storage and that providing Crowe with such access complies with all applicable laws, regulations, and duties owed to third parties.

DATA PROTECTION – If Crowe holds or uses Client information that can be linked to specific individuals who are Client’s customers (“Personal Data”), Crowe will treat it as confidential and comply with applicable US state and federal law and professional regulations (including, for financial institution clients, the objectives of the Interagency Guidelines Establishing Information Security Standards) in disclosing or using such information to carry out the Services. The parties acknowledge and understand that while Crowe is a service provider as defined by the California Consumer Privacy Act of 2018 and processes Client information pursuant to this Agreement, Crowe retains its independence as required by applicable law and professional standards for purposes of providing attest services and other services. Crowe will not (1) sell Personal Data to a third party, or (2) retain, use or disclose Personal Data for any purpose other than for (a) performing the Services and its obligations on this Agreement, (b) as otherwise set forth in this Agreement, (c) to detect security incidents and protect against fraud or illegal activity, (d) to enhance and develop our products and services, including through machine learning and other similar methods and (e) as necessary to comply with applicable law or professional standards. Crowe has implemented and will maintain physical, electronic and procedural safeguards reasonably designed to (i) protect the security, confidentiality and integrity of the Personal Data, (ii) prevent unauthorized access to or use of the Personal Data, and (iii) provide proper disposal of the Personal Data (collectively, the “Safeguards”). Client represents (i) that it has the authority to provide the Personal Data to Crowe in connection with the Services, (ii) that Client has processed and provided the Personal Data to Crowe in accordance with applicable law, and (iii) will limit the Personal Data provided to Crowe to Personal Data necessary to perform the Services. To provide the Services, Client may also need to provide Crowe with access to Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law (“Restricted Personal Data”). In the event Client provides Crowe access to Restricted Personal Data, Client will consult with Crowe on appropriate measures (consistent with legal requirements and professional standards applicable to Crowe) to protect the Restricted Personal Data, such as: deleting or masking unnecessary information before making it available to Crowe, using encryption when transferring it to Crowe, or providing it to Crowe only during on-site review on Client’s site. Client will provide Crowe with Restricted Personal Data only in accordance with mutually agreed protective measures. Otherwise, Client and Crowe agree each may use unencrypted electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement. Crowe will reasonably cooperate with Client in responding to or addressing any request from a consumer or data subject, a data privacy authority with jurisdiction, or the Client, as necessary to enable Client to comply with its obligations under applicable data protection laws and to the extent related to Personal Data. Client will reimburse Crowe for any out-of-pocket expenses and professional time (at Crowe’s then-current hourly rates) incurred in connection with providing such cooperation. Client will provide prompt written notice to Crowe (with sufficient detailed instructions) of any request or other act that is required to be performed by Crowe. As appropriate, Crowe will promptly delete or procure the deletion of the Personal Data, after the cessation of any Services involving the processing of Client’s Personal Data, or otherwise aggregate or de-identify the Personal Data in such a way as to reasonably prevent reidentification. Notwithstanding the foregoing, Crowe may retain a copy of the Personal Data as permitted by applicable law or professional standards, provided that such Personal Data remain subject to the terms of this Agreement. If Crowe

uses a third-party provider, Crowe will include terms substantially similar to those set forth in this Data Protection Paragraph in an agreement with such provider.

GENERAL DATA PROTECTION REGULATION COMPLIANCE – If and to the extent that Client provides personal data to Crowe subject to the European Union General Data Protection Regulation (“GDPR”), then in addition to the requirements of the above Data Protection section, this section will apply to such personal data (“EU Personal Data”). The parties agree that for purposes of processing the EU Personal Data, (a) Client will be the “Data Controller” as defined by the GDPR, meaning the organization that determines the purposes and means of processing the EU Personal Data; (b) Crowe will be the “Data Processor” as defined by GDPR, meaning the organization that processes the EU Personal Data on behalf of and under the instructions of the Data Controller; or (c) the parties will be classified as otherwise designated by a supervisory authority with jurisdiction. Client and Crowe each agree to comply with the GDPR requirements applicable to its respective role. Crowe has implemented and will maintain technical and organizational security safeguards reasonably designed to protect the security, confidentiality and integrity of the EU Personal Data. Client represents it has secured all required rights and authority, including consents and notices, to provide such EU Personal Data to Crowe, including without limitation authority to transfer such EU Personal Data to the U.S. or other applicable Country or otherwise make the EU Personal Data available to Crowe, for the duration of and purpose of Crowe providing the Services. The types of EU Personal Data to be processed include name, contact information, title, and other EU Personal Data that is transferred to Crowe in connection with the Services. The EU Personal Data relates to the data subject categories of individuals connected to Client, Client customers, Client vendors, and Client affiliates or subsidiaries (“Data Subjects”). Crowe will process the EU Personal Data for the following purpose: (x) to provide the Services in accordance with this Agreement, (y) to comply with other documented reasonable instructions provided by Client, and (z) to comply with applicable law. In the event of a Crowe breach incident in connection with EU Personal Data in the custody or control of Crowe, Crowe will promptly notify Client upon knowledge that a breach incident has occurred. Client has instructed Crowe not to contact any Data Subjects directly, unless required by applicable law. In the event that a supervisory authority with jurisdiction makes the determination that Crowe is a data controller, Client will reasonably cooperate with Crowe to enable Crowe to comply with its obligations under GDPR.

INTELLECTUAL PROPERTY - Any Deliverables, Works, Inventions, working papers, or other work product conceived, made or created by Crowe in rendering the Services under this Agreement (“Work Product”), and all intellectual property rights in such Work Product will be owned exclusively by Crowe. Further, Crowe will retain exclusive ownership or control of all intellectual property rights in any ideas, concepts, methodologies, data, software, designs, utilities, tools, models, techniques, systems, Reports, or other know-how that it develops, owns or licenses in connection with this Agreement (“Materials”). The foregoing ownership will be without any duty of accounting.

DATA USAGE AND AGGREGATIONS - Client hereby acknowledges and agrees that Crowe may, in its discretion, use any Client information or data provided to Crowe to improve Crowe services and Materials, including without limitation developing new Crowe services and software or other products. Client also agrees that Crowe may, in its discretion, aggregate Client content and data with content and data from other clients, other sources, or third parties (“Data Aggregations”) for purposes including, without limitation, product and service development, commercialization, industry benchmarking, or quality improvement initiatives. Prior to, and as a precondition for, disclosing Data Aggregations to other Crowe customers or prospects, Crowe will anonymize any Client data or information in a manner sufficient to prevent such other customer or prospect from identifying Client or individuals who are Client customers. All Data Aggregations will be the sole and exclusive property of Crowe.

LEGAL AND REGULATORY CHANGE – Crowe may periodically communicate to Client changes in laws, rules or regulations. However, Client has not engaged Crowe, and Crowe does not undertake an obligation, to advise Client of changes in (a) laws, rules, regulations, industry or market conditions, or (b) Client’s own business practices or other circumstances (except to the extent required by professional standards). The scope of Services and the fees for Services are based on current laws and regulations. If changes in laws or regulations change Client’s requirements or the scope of the Services, Crowe’s fees will be modified to a mutually agreed amount to reflect the changed level of Crowe’s effort.

PUBLICATION – Client agrees to obtain Crowe's specific permission before using any Report or Crowe work product or Crowe's firm's name in a published document, and Client agrees to submit to Crowe copies of such documents to obtain Crowe's permission before they are filed or published.

CLIENT REFERENCE – From time to time Crowe is requested by prospective clients to provide references for Crowe service offerings. Client agrees that Crowe may use Client's name and generally describe the nature of Crowe's engagement(s) with Client in marketing to prospects, and Crowe may also provide prospects with contact information for Client personnel familiar with Crowe's Services.

NO PUNITIVE OR CONSEQUENTIAL DAMAGES – Any liability of Crowe will not include any consequential, special, incidental, indirect, punitive, or exemplary damages or loss, nor any lost profits, goodwill, savings, or business opportunity, even if Crowe had reason to know of the possibility of such damages.

LIMIT OF LIABILITY – Except where it is judicially determined that Crowe performed its Services with recklessness or willful misconduct, Crowe's liability will not exceed fees paid by Client to Crowe for the portion of the work giving rise to liability. A claim for a return of fees paid is the exclusive remedy for any damages. This limit of liability will apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including, without limitation, to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This limit of liability will also apply after this Agreement.

INDEMNIFICATION FOR THIRD-PARTY CLAIMS – In the event of a legal proceeding or other claim brought against Crowe by a third party, except where it is judicially determined that Crowe performed Services with recklessness or willful misconduct, Client agrees to indemnify and hold harmless Crowe and its personnel against all costs, fees, expenses, damages and liabilities, including attorney fees and any other fees or defense costs, associated with such third-party claim, relating to or arising from any Services performed or work product provided by Crowe that Client uses or discloses to others or this engagement generally. This indemnification is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim, liability, or damages asserted, including, without limitation, to claims, liability or damages based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This indemnification will also apply after termination of this Agreement.

NO TRANSFER OR ASSIGNMENT OF CLAIMS – No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

TIME LIMIT ON CLAIMS – In no event will any action against Crowe, arising from or relating to this engagement letter or the Services provided by Crowe relating to this engagement, be brought after the earlier of 1) two (2) years after the date on which occurred the act or omission alleged to have been the cause of the injury alleged; or 2) the expiration of the applicable statute of limitations or repose.

RESPONSE TO LEGAL PROCESS – If Crowe is requested by subpoena, request for information, or through some other legal process to produce documents or testimony pertaining to Client or Crowe's Services, and Crowe is not named as a party in the applicable proceeding, then Client will reimburse Crowe for its professional time, plus out-of-pocket expenses, as well as reasonable attorney fees, Crowe incurs in responding to such request.

MEDIATION – If a dispute arises, in whole or in part, out of or related to this engagement, or after the date of this agreement, between Client or any of Client's affiliates or principals and Crowe, and if the dispute cannot be settled through negotiation, Client and Crowe agree first to try, in good faith, to settle the dispute by mediation administered by the American Arbitration Association, under its mediation rules for professional accounting and related services disputes, before resorting to litigation or any other dispute-resolution procedure. The results of mediation will be binding only upon agreement of each party

to be bound. Costs of any mediation will be shared equally by both parties. Any mediation will be held in Chicago, Illinois.

JURY TRIAL WAIVER – FOR ALL DISPUTES RELATING TO OR ARISING BETWEEN THE PARTIES, THE PARTIES AGREE TO WAIVE A TRIAL BY JURY TO FACILITATE JUDICIAL RESOLUTION AND TO SAVE TIME AND EXPENSE. EACH PARTY AGREES IT HAS HAD THE OPPORTUNITY TO HAVE ITS LEGAL COUNSEL REVIEW THIS WAIVER. THIS WAIVER IS IRREVOCABLE, MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND APPLIES TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A BENCH TRIAL WITHOUT A JURY. HOWEVER, AND NOTWITHSTANDING THE FOREGOING, IF ANY COURT RULES OR FINDS THIS JURY TRIAL WAIVER TO BE UNENFORCEABLE AND INEFFECTIVE IN WAIVING A JURY, THEN ANY DISPUTE RELATING TO OR ARISING FROM THIS ENGAGEMENT OR THE PARTIES' RELATIONSHIP GENERALLY WILL BE RESOLVED BY ARBITRATION AS SET FORTH IN THE PARAGRAPH BELOW REGARDING "ARBITRATION."

ARBITRATION – If any court rules or finds that the JURY TRIAL WAIVER section is not enforceable, then any dispute between the parties relating to or arising from this Agreement or the parties' relationship generally will be settled by binding arbitration in Chicago, Illinois (or a location agreed in writing by the parties). Any issues concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of this Section, will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The arbitration will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). Regardless of the amount in controversy, the arbitration will be administered by JAMS, Inc. ("JAMS"), pursuant to its Streamlined Arbitration Rules & Procedures or such other rules or procedures as the parties may agree in writing. In the event of a conflict between those rules and this Agreement, this Agreement will control. The parties may alter each of these rules by written agreement. If a party has a basis for injunctive relief, this paragraph will not preclude a party seeking and obtaining injunctive relief in a court of proper jurisdiction. The parties will agree within a reasonable period of time after notice is made of initiating the arbitration process whether to use one or three arbitrators, and if the parties cannot agree within fifteen (15) business days, the parties will use a single arbitrator. In any event the arbitrator(s) must be retired federal judges or attorneys with at least 15 years commercial law experience and no arbitrator may be appointed unless he or she has agreed to these procedures. If the parties cannot agree upon arbitrator(s) within an additional fifteen (15) business days, the arbitrator(s) will be selected by JAMS. Discovery will be permitted only as authorized by the arbitrator(s), and as a rule, the arbitrator(s) will not permit discovery except upon a showing of substantial need by a party. To the extent the arbitrator(s) permit discovery as to liability, the arbitrator(s) will also permit discovery as to causation, reliance, and damages. The arbitrator(s) will not permit a party to take more than six depositions, and no depositions may exceed five hours. The arbitrator(s) will have no power to make an award inconsistent with this Agreement. The arbitrator(s) will rule on a summary basis where possible, including without limitation on a motion to dismiss basis or on a summary judgment basis. The arbitrator(s) may enter such prehearing orders as may be appropriate to ensure a fair hearing. The hearing will be held within one year of the initiation of arbitration, or less, and the hearing must be held on continuous business days until concluded. The hearing must be concluded within ten (10) business days absent written agreement by the parties to the contrary. The time limits in this section are not jurisdictional. The arbitrator(s) will apply substantive law and may award injunctive relief or any other remedy available from a judge. The arbitrator(s) may award attorney fees and costs to the prevailing party, and in the event of a split or partial award, the arbitrator(s) may award costs or attorney fees in an equitable manner. Any award by the arbitrator(s) will be accompanied by a reasoned opinion describing the basis of the award. Any prior agreement regarding arbitration entered by the parties is replaced and superseded by this agreement. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. All aspects of the arbitration will be treated by the parties and the arbitrator(s) as confidential.

NOTIFICATION OF NON-LICENSEE OWNERSHIP (For California Engagements) – Crowe ("the Firm") and certain owners of the Firm are licensed by the California State Board of Accountancy. However, the

Firm has owners not licensed by the California State Board of Accountancy who may provide Services under this agreement. If Client has any questions regarding licensure of the personnel performing Services under this engagement, please do not hesitate to contact Crowe.

NON-SOLICITATION – Each party acknowledges that it has invested substantially in recruiting, training and developing the personnel who render services with respect to the material aspects of the engagement (“Key Personnel”). The parties acknowledge that Key Personnel have knowledge of trade secrets or confidential information of their employers that may be of substantial benefit to the other party. The parties acknowledge that each business would be materially harmed if the other party was able to directly employ Key Personnel. Therefore, the parties agree that during the period of this Agreement and for one (1) year after its expiration or termination, neither party will solicit Key Personnel of the other party for employment or hire the Key Personnel of the other party without that party’s written consent unless hiring or engaging party pays to the other party a fee equal to the hired or engaged Key Personnel’s compensation for the prior twelve-month period with the other party.

CROWE AND EQUAL OPPORTUNITY – Crowe abides by the principles of equal employment opportunity, including without limitation the requirements of 41 CFR 60-741.5(a) and 41 CFR 60-300.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. Crowe also abides by 29 CFR Part 471, Appendix A to Subpart A. The parties agree that the notice in this paragraph does not create any enforceable rights for any firm, organization, or individual.

CROWE GLOBAL NETWORK – Crowe LLP and its subsidiaries are independent members of Crowe Global, a Swiss organization. “Crowe” is the brand used by the Crowe Global network and its member firms, but it is not a worldwide partnership. Crowe Global and each of its members are separate and independent legal entities and do not obligate each other. Crowe LLP and its subsidiaries are not responsible or liable for any acts or omissions of Crowe Global or any other Crowe Global members, and Crowe LLP and its subsidiaries specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Global or any other Crowe Global member. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe LLP or any other member. Crowe Global and its other members are not responsible or liable for any acts or omissions of Crowe LLP and its subsidiaries and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe LLP and its subsidiaries. Visit www.crowe.com/disclosure for more information about Crowe LLP, its subsidiaries, and Crowe Global.



Report on the Firm's System of Quality Control

December 5, 2019

To the Partners of Crowe LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; audits of broker-dealers; and examinations of service organizations [SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Crowe LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crowe LLP has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Cherry Bekaert LLP".

Cherry Bekaert LLP

200 South 10th Street, Suite 900, Richmond, VA 23219 | P 804.673.5700 | cbh.com





Peer Review Program

Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

December 12, 2019

James Powers
Crowe, LLP
225 W Wacker DR Ste 2600
Chicago, IL 60606-1228

Dear James Powers:

It is my pleasure to notify you that on December 12, 2019, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Michael Fawley".

Michael Fawley Chair,
National PRC
nprc@aicpa.org
+1.919.402.4502

National Peer Review Committee cc:

Samuel Johnson, Scot Ivey

Firm Number: 900010014904

Review Number: 564789

T: 1.919.402.4502 | F: 1.919.402.4876 | nprc@aicpa.org

NCCSIF Workers' Compensation Update



sedgwick®
caring counts

June 2021

Workers' Compensation Update:

COVID-19:

- We continue to recover from the COVID-19 pandemic that has gripped the world over the last year. For the NCCSIF pool, there have been 124 COVID-19 workers' compensation claims submitted with a per claim average of just under \$2,800 in severity. We are seeing a significant decrease in new claim reporting from the high of 42 claims reported in the month of July. Of the 124 claims reported, only 6 remain open as of 5/31/2021.

Claim Trends:

- To date, for fiscal year 2020-2021 as of 5/31/2021, there continues to be an increase in new claims at 382 as compared to 5/31/2019 at 342 and 5/31/2020 at 306 new claims. On a positive note, our closing ratio for this fiscal year as of 5/31/2021 increased to 103% which is tremendous considering the influx of new claims and delays in resolving claims. COVID-19 brought many pending claims to a stand-still due to delays in medical evaluations and the Workers' Compensation Appeals Board. We are continuing to review every applicable claim for a Compromise and Release settlement.

Questions About Claims?

- We can schedule a telephonic file review to discuss your claims or answer any questions you may have about the claims process. We are here to help!



NCCSIF Workers' Compensation Update: June 2021

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[BACK TO AGENDA](#)

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item E.

**GENERAL RISK MANAGEMENT ISSUES
INFORMATION ITEM**

ISSUE: The floor will be open to the Board for discussion.

RECOMMENDATION: None.

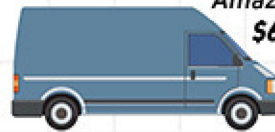
FISCAL IMPACT: None.

BACKGROUND: This is an opportunity for members to ask questions or raise issues on risk exposures common to the members.

ATTACHMENT(S): Risk Matrix from Risk and Insurance

SEVERE

After 2020's record-setting wildfire season, California's largest utility companies plan to **spend \$13 billion** to reduce the risk of wildfires.



Amazon must pay delivery drivers **\$61.7 million** after an FTC investigation found the company was withholding customer tips from workers.



A Florida hacker tried to poison the water in the city of Oldsmar after gaining access to a water treatment plant's system. The hacker increased the sodium hydroxide amount to more than **100 times the normal level**.

Melvin Capital Management **lost 53% on its investments** in January after retail traders caused GameStop stock shares to soar.



After magazine Bon Appétit released a video on seafood canning, experts warned the method shown could lead to bacteria growth and cause botulism, a disease with a **7.5% risk of death**.



A former Boston firewoman reached a **\$3.2 million settlement** with the city after alleging she was sexually harassed by male colleagues while on the job and was denied a promotion after reporting the harassment.

RISKS

LOSSES

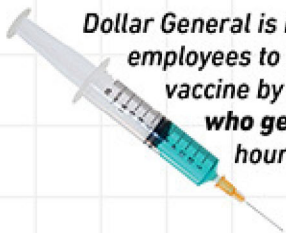


Alison Carey, sister of Mariah Carey, is **suing the singer for \$1.25 million**. The suit alleges Mariah's memoir caused Alison emotional distress.

A Dutch sperm donor **may have fathered more than 1,000 children**, violating exclusivity contracts with clinics, spurring mothers to consider legal action and causing countries to draft legislation limiting the number of children a donor can father.



Dollar General is incentivizing employees to get the COVID-19 vaccine by **rewarding workers who get the shot** with four hours of pay.



Tesla is recalling **135,000 Model S and X cars** due to touch screen failures that left drivers without access to backup cameras or defog and defrost controls, among other features.



Maersk, a large container shipping company, **lost 750 boxes** in January when a bad storm sent the packages overboard.

BENIGN

Compiled by our editors with an eye to the quirky and the profound ways in which risk management and insurance impact our world.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item F.4.

**SUMMARY OF THE MAY 27, 2021
EXECUTIVE COMMITTEE MEETING**

INFORMATION ITEM

ACTIONS TAKEN:

- **Lexipol Fire Subscription Services**-the Committee approved the pricing in the consent calendar
- **Lexipol Law Enforcement Subscription Services**-the Committee approved the pricing in the consent calendar
- **Potential Property Banking Layer**- Members discussed reviewing options at the October Meeting.
 - Using both liability/w banking layer to pay property claims.
 - Creating a banking/shared layer for property claims.
- **Liability Program funding** -the Committee recommended funding at the 50% cap to the Board of Directors.
- **Safety Award Program** the Committee recommended the Board approve the Safety Award Program
- **FY 21/22 Administration Budget**- the Committee recommended the Board approve the FY 21/21 Administration Budget.
- **New Additions to the Liability Counsel List**- The Committee approved adding two new additions to the liability counsel list.
 - Jeffrey Dunn – Best, Best and Krieger
 - Eric Robinson- Kronick, Moskovitz, Tiedemann and Girard



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item G.1.

**QUARTERLY FINANCIAL REPORT
FOR PERIOD ENDING MARCH 31, 2021**

ACTION ITEM

ISSUE: The Board receives quarterly a report on the financial status of NCCSIF. James Marta & Company will present NCCSIF's Financials for the Quarter ending March 31, 2021 to the Board.

The report also provides individual member Banking Layer financial reports, including a Combining Statement of Net Position and a Combined Statement of Revenues, Expenses, and Changes in Net Position for both the Workers' Compensation and Liability Programs.

The change in Net Position through March 31 is \$4.2M for the pool as a whole, ending at \$28.7M. Expenses include \$6.1M in Claims Paid and a \$1M increase in Outstanding Liability Reserves. Total Liabilities are \$49.4M compared to Assets of \$78.2M.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: None

BACKGROUND: Each quarter the Board reviews the quarterly financials for accuracy and refers questions for follow-up, or receives and files the report as presented.

ATTACHMENT(S): Quarterly Financial Report for Period Ending March 31, 2021

FINANCIAL REPORT

MARCH 31, 2021

**AND FOR THE
NINE MONTHS THEN ENDED**

Northern California Cities Self Insurance Fund

Northern California Cities Self Insurance Fund
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March 31, 2021

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Northern California Cities Self Insurance Fund
701 Howe Avenue, Suite E3
Sacramento, CA 95825

Management is responsible for the accompanying statement of financial position of Northern California Cities Self Insurance Fund as of March 31, 2021, and the related statement of revenues, expenses and changes in net position and statement of cash flows for the nine months then ended and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted substantially all of the disclosures that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, comprehensive income and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information on pages 5 through 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has elected to present designations of net position on the Statement of Net Position as of March 31, 2021 contrary to accounting principles generally accepted in the United States of America which bar the presentation of designations of net position on the Statement of Net Position.

We are not independent with respect to Northern California Cities Self Insurance Fund.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
May 4, 2021

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Net Position
March 31, 2021

Assets

Current Assets	
Cash and Cash Equivalents	\$ 17,179,802
Accounts Receivable	2,233
Interest Receivable	222,827
Excess Accounts Receivable	1,479,938
Prepaid Expense	1,656,814
Total Current Assets	<u>20,541,614</u>
Non-Current Assets	
Investments*	<u>57,670,989</u>
Total Assets	<u><u>\$ 78,212,603</u></u>

Liabilities & Net Position

Current Liabilities	
Accounts Payable	\$ 111,860
Unearned Revenue	2,954,002
Total Current Liabilities	<u>3,065,862</u>
Non-Current Liabilities	
Outstanding Liabilities*	44,490,602
ULAE*	1,868,999
Total Non-Current Liabilities	<u>46,359,601</u>
Total Liabilities	<u>\$ 49,425,463</u>
Net Position	
Designated for Contingency	200,000
Designated for Risk Management	442,112
Undesignated	28,145,028
Total Net Position	<u>28,787,140</u>
Liability & Net Position	<u><u>\$ 78,212,603</u></u>

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Revenues, Expenses and Changes in Net Position
For the Nine Months Ended March 31, 2021

Operating Income	
Administration Deposit	\$ 1,043,039
Banking Layer Deposit	7,228,116
Shared Risk Layer	5,098,154
Excess Deposit/Premium	2,700,842
Property/Crime Insurance Income	2,132,060
Risk Management Grants	81,618
Other Income	28,574
Total Operating Income	<u>18,312,403</u>
Operating Expenses	
Claims Paid	6,178,299
O/S Liability adj.	1,087,287
ULAE	28,353
Consultants	54,713
Administration-Other	10,515
Safety Service	334,211
Claims Administration	992,297
Program Administration	345,365
Board Expenses	4,254
Excess Insurance	2,700,842
Property/Crime Insurance Expense	2,130,947
Total Operating Expenses	<u>13,867,083</u>
Operating Income (Loss)	4,445,320
Non-Operating Income	
Change in Fair Market Value	(1,175,631)
Investment Income	971,558
Total Non-Operating Income	<u>(204,073)</u>
Change in Net Position	4,241,247
Beginning Net Position	<u>24,545,893</u>
Ending Net Position	<u><u>\$ 28,787,140</u></u>

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Cash Flows
For the Nine Months Ended March 31, 2021

Cash flows from operating activities:

Cash received from members	\$ 19,574,696
Cash paid for claims	(6,729,542)
Cash paid for insurance	(6,448,988)
Cash paid to vendors	(1,564,241)
Cash (paid) received for dividends	<u>723,306</u>

Net cash provided by (used in) operating activities	<u>5,555,231</u>
---	------------------

Cash flows from investing activities:

Investment income received	1,082,284
Purchases of investments	(11,407,844)
Proceeds from sale or maturity of investments	<u>10,407,140</u>

Net cash provided by (used in) investing activities	<u>81,580</u>
---	---------------

Net increase (decrease) in cash and cash equivalents	5,636,811
--	-----------

Cash and cash equivalents, beginning of year	<u>11,542,991</u>
--	-------------------

Cash and cash equivalents, end of year	<u><u>\$ 17,179,802</u></u>
--	-----------------------------

Reconciliation of operating income (loss) to net cash
provided by (used in) operating activities:

Operating income (loss)	\$ 4,445,320
-------------------------	--------------

Adjustments to reconcile operating income (loss) to net
cash provided by (used in) operating activities:

(Increase) decrease in:

Member receivable	533,676
Excess receivable	(360,646)
Prepaid expense	(1,656,814)

(Decrease) increase in:

Accounts payable	26,115
Unearned revenue	1,451,919
Unpaid claims and claim adjustment expenses	<u>1,115,661</u>

Net cash provided by (used in) operating activities	<u><u>\$ 5,555,231</u></u>
---	----------------------------

Supplemental information:

Noncash non-operating and investing activities

Net change in fair value of investments	<u><u>\$ (1,175,631)</u></u>
---	------------------------------

SUPPLEMENTARY INFORMATION

Selected Information
Substantially All Disclosures Required by Generally Accepted
Accounting Principles Are Not Included

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position - Liability
March 31, 2021

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Current Assets				
Cash and Cash Equivalents	\$ 6,758,228	\$ 211,339	\$ 4,037,820	\$ 2,509,069
Accounts Receivable	2,233	-	2,233	-
Interest Receivable	58,318	1,754	30,584	25,980
Excess Accounts Receivable	757,309	-	757,309	-
Prepaid Expense	1,233,263	-	1,233,263	-
Total Current Assets	8,809,351	213,093	6,061,209	2,535,049
Non-Current Assets				
Investments*	12,368,844	327,806	6,039,411	6,001,627
Total Assets	\$ 21,178,195	\$ 540,899	\$ 12,100,620	\$ 8,536,676
Current Liabilities				
Accounts Payable	\$ 40,936	\$ 15,919	\$ 882	\$ 24,135
Unearned Revenue	2,658,966	116,649	1,936,695	605,622
Total Current Liabilities	2,699,902	132,568	1,937,577	629,757
Non-Current Liabilities				
Outstanding Liabilities*	9,813,564	-	7,032,026	2,781,538
Total Non-Current Liabilities	9,813,564	-	7,032,026	2,781,538
Total Liabilities	\$ 12,513,466	\$ 132,568	\$ 8,969,603	\$ 3,411,295
Net Position				
Designated for Contingency	100,000	100,000	-	-
Undesignated	8,564,729	308,331	3,131,017	5,125,381
Total Net Position	8,664,729	408,331	3,131,017	5,125,381
Liability & Net Position	\$ 21,178,195	\$ 540,899	\$ 12,100,620	\$ 8,536,676

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position - Liability
March 31, 2021**

	City of Anderson		City of Auburn		City of Colusa		City of Corning		City of Dixon		City of Folsom		City of Galt		City of Gridley		City of Ione	
Current Assets																		
Cash and Cash Equivalents	\$	16,684	\$	203,994	\$	67,957	\$	39,688	\$	22,975	\$	884,117	\$	118,152	\$	67,931	\$	63,932
Accounts Receivable	\$	-		-		-		-		-		-		-		-		-
Interest Receivable	\$	540		1,135		231		391		616		8,294		1,384		805		221
Excess Accounts Receivable	\$	-		-		-		-		-		-		-		-		-
Total Current Assets	\$	17,224		205,129		68,188		40,079		23,591		892,411		119,536		68,736		64,153
Non-Current Assets																		
Investments*	\$	151,042		175,767		9,619		85,320		175,022		1,924,798		333,802		197,788		9,620
Total Assets	\$	168,266	\$	380,896	\$	77,807	\$	125,399	\$	198,613	\$	2,817,209	\$	453,338	\$	266,524	\$	73,773
Current Liabilities																		
Accounts Payable	\$	760	\$	1,172	\$	684	\$	283	\$	479	\$	8,029	\$	940	\$	339	\$	5
Unearned Revenue	\$	10,355		44,957		20,148		7,488		8,425		170,862		31,878		11,879		6,853
Total Current Liabilities	\$	11,115		46,129		20,832		7,771		8,904		178,891		32,818		12,218		6,858
Non-Current Liabilities																		
Outstanding Liabilities*	\$	236,565		30,070		45,617		26,024		94,933		563,723		77,558		56,301		4,911
Total Non-Current Liabilities	\$	236,565		30,070		45,617		26,024		94,933		563,723		77,558		56,301		4,911
Total Liabilities	\$	247,680	\$	76,199	\$	66,449	\$	33,795	\$	103,837	\$	742,614	\$	110,376	\$	68,519	\$	11,769
Net Position																		
Designated for Contingency	\$	-		-		-		-		-		-		-		-		-
Undesignated	\$	(79,414)		304,697		11,358		91,604		94,776		2,074,595		342,962		198,005		62,004
Total Net Position	\$	(79,414)		304,697		11,358		91,604		94,776		2,074,595		342,962		198,005		62,004
Liability & Net Position	\$	168,266	\$	380,896	\$	77,807	\$	125,399	\$	198,613	\$	2,817,209	\$	453,338	\$	266,524	\$	73,773

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position - Liability
March 31, 2021**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Current Assets										
Cash and Cash Equivalents	\$ 63,390	\$ 176,139	\$ 106,233	\$ 73,120	\$ 65,924	\$ 40,708	\$ (37,510)	\$ 397,951	\$ 43,796	\$ 93,888
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Interest Receivable	601	1,633	1,212	960	1,276	767	8	2,960	260	2,686
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Total Current Assets	63,991	177,772	107,445	74,080	67,200	41,475	(37,502)	400,911	44,056	96,574
Non-Current Assets										
Investments*	137,362	353,591	265,531	244,423	353,597	212,204	(178)	582,697	42,968	746,654
Total Assets	\$ 201,353	\$ 531,363	\$ 372,976	\$ 318,503	\$ 420,797	\$ 253,679	\$ (37,680)	\$ 983,608	\$ 87,024	\$ 843,228
Current Liabilities										
Accounts Payable	\$ 100	\$ 1,947	\$ 2,834	\$ 347	\$ 676	\$ 785	\$ 959	\$ 1,466	\$ 489	\$ 1,841
Unearned Revenue	14,085	44,701	25,830	17,001	20,279	19,236	23,451	65,345	9,688	53,161
Total Current Liabilities	14,185	46,648	28,664	17,348	20,955	20,021	24,410	66,811	10,177	55,002
Non-Current Liabilities										
Outstanding Liabilities*	6,955	242,372	234,543	130,033	115,293	89,548	163,450	182,725	26,760	454,157
Total Non-Current Liabilities	6,955	242,372	234,543	130,033	115,293	89,548	163,450	182,725	26,760	454,157
Total Liabilities	\$ 21,140	\$ 289,020	\$ 263,207	\$ 147,381	\$ 136,248	\$ 109,569	\$ 187,860	\$ 249,536	\$ 36,937	\$ 509,159
Net Position										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	180,213	242,343	109,769	171,122	284,549	144,110	(225,540)	734,072	50,087	334,069
Total Net Position	180,213	242,343	109,769	171,122	284,549	144,110	(225,540)	734,072	50,087	334,069
Liability & Net Position	\$ 201,353	\$ 531,363	\$ 372,976	\$ 318,503	\$ 420,797	\$ 253,679	\$ (37,680)	\$ 983,608	\$ 87,024	\$ 843,228

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Net Position - Liability
For the Nine Months Ended March 31, 2021

	Total			
	All Layers	Admin Layer	Shared Layer	Total Banking Layer
Operating Income				
Administration Deposit	\$ 349,947	\$ 349,947	\$ -	\$ -
Banking Layer Deposit	1,816,866	-	-	1,816,866
Shared Risk Layer	2,137,154	-	2,137,154	-
Excess Deposit/Premium	1,549,034	-	1,549,034	-
Property/Crime Insurance Income	2,132,060	-	2,132,060	-
Other Income	28,574	-	-	28,574
Total Operating Income	8,013,635	349,947	5,818,248	1,845,440
Operating Expenses				
Claims Paid	2,242,011	-	1,823,444	418,567
O/S Liability adj.	561,222	-	672,957	(111,735)
Consultants	23,313	23,313	-	-
Safety Service	120,333	98,902	21,431	-
Claims Administration	190,599	-	-	190,599
Program Administration	184,615	184,615	-	-
Board Expenses	2,127	2,127	-	-
Excess Insurance	1,549,034	-	1,549,034	-
Property/Crime Insurance Expense	2,130,947	-	2,130,947	-
Total Operating Expense	7,004,201	308,957	6,197,813	497,431
Operating Income (Loss)	1,009,434	40,990	(379,565)	1,348,009
Non-Operating Income				
Change in Fair Market Value	(309,050)	(9,527)	(162,288)	(137,235)
Investment Income	260,353	8,383	137,504	114,466
Total Non-Operating Income	(48,697)	(1,144)	(24,784)	(22,769)
Change in Net Position	960,737	39,846	(404,349)	1,325,240
Beginning Net Position	7,703,992	368,485	3,535,366	3,800,141
Ending Net Position	\$ 8,664,729	\$ 408,331	\$ 3,131,017	\$ 5,125,381

See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Net Position - Liability
For the Nine Months Ended March 31, 2021

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Operating Income									
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	\$ 31,064	134,871	60,443	22,465	25,274	512,587	95,635	35,636	20,559
Shared Risk Layer	\$ -	-	-	-	-	-	-	-	-
Excess Deposit/Premium	\$ -	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	\$ -	-	-	-	-	-	-	-	-
Other Income	\$ -	2,871	2,157	-	3,977	-	-	-	-
Total Operating Income	\$ 31,064	137,742	62,600	22,465	29,251	512,587	95,635	35,636	20,559
Operating Expenses									
Claims Paid	\$ 19,890	14,596	(5,143)	11,450	16,938	(32,382)	24,395	2,256	-
O/S Liability adj.	\$ 161,785	(47,069)	(23,413)	(5,206)	30,748	33,365	(78,844)	29,457	(1,720)
Consultants	\$ -	-	-	-	-	-	-	-	-
Safety Service	\$ -	-	-	-	-	-	-	-	-
Claims Administration	\$ 3,021	7,565	6,685	2,844	2,395	55,128	6,246	884	-
Program Administration	\$ -	-	-	-	-	-	-	-	-
Board Expenses	\$ -	-	-	-	-	-	-	-	-
Excess Insurance	\$ -	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	\$ -	-	-	-	-	-	-	-	-
Total Operating Expense	\$ 184,696	(24,908)	(21,871)	9,088	50,081	56,111	(48,203)	32,597	(1,720)
Operating Income (Loss)	\$ (153,632)	162,650	84,471	13,377	(20,830)	456,476	143,838	3,039	22,279
Non-Operating Income									
Change in Fair Market Value	\$ (2,875)	(5,988)	(1,178)	(2,088)	(3,287)	(43,858)	(7,322)	(4,242)	(934)
Investment Income	\$ 2,395	5,050	1,006	1,716	2,740	36,677	6,113	3,588	248
Total Non-Operating Income	\$ (480)	(938)	(172)	(372)	(547)	(7,181)	(1,209)	(654)	(686)
Change in Net Position	\$ (154,112)	161,712	84,299	13,005	(21,377)	449,295	142,629	2,385	21,593
Beginning Net Position	\$ 74,698	142,985	(72,941)	78,599	116,153	1,625,300	200,333	195,620	40,411
Ending Net Position	\$ (79,414)	\$ 304,697	\$ 11,358	\$ 91,604	\$ 94,776	\$ 2,074,595	\$ 342,962	\$ 198,005	\$ 62,004

See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Net Position - Liability
For the Nine Months Ended March 31, 2021

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income										
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	42,254	134,103	77,490	51,004	60,836	57,707	70,354	196,036	29,065	159,483
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-
Other Income	-	3,977	2,376	2,871	-	2,871	3,035	4,439	-	-
Total Operating Income	42,254	138,080	79,866	53,875	60,836	60,578	73,389	200,475	29,065	159,483
Operating Expenses										
Claims Paid	(763)	35,462	44,624	24,248	10,578	42,678	89,533	52,011	(3,084)	71,280
O/S Liability adj.	(14,474)	37,538	25,261	(25,816)	(6,211)	(79,779)	(35,628)	(123,449)	4,517	7,203
Consultants	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Claims Administration	763	18,910	20,067	5,068	7,249	7,540	11,869	13,553	3,513	17,299
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	(14,474)	91,910	89,952	3,500	11,616	(29,561)	65,774	(57,885)	4,946	95,782
Operating Income (Loss)	56,728	46,170	(10,086)	50,375	49,220	90,139	7,615	258,360	24,119	63,701
Non-Operating Income										
Change in Fair Market Value	(3,161)	(8,634)	(6,438)	(5,095)	(6,776)	(4,082)	(36)	(15,707)	(1,362)	(14,172)
Investment Income	2,604	7,413	5,449	4,236	5,668	3,356	(157)	13,559	1,170	11,635
Total Non-Operating Income	(557)	(1,221)	(989)	(859)	(1,108)	(726)	(193)	(2,148)	(192)	(2,537)
Change in Net Position	56,171	44,949	(11,075)	49,516	48,112	89,413	7,422	256,212	23,927	61,164
Beginning Net Position	124,042	197,394	120,844	121,606	236,437	54,697	(232,962)	477,860	26,160	272,905
Ending Net Position	\$ 180,213	\$ 242,343	\$ 109,769	\$ 171,122	\$ 284,549	\$ 144,110	\$ (225,540)	\$ 734,072	\$ 50,087	\$ 334,069

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows - Liability
For the Nine Months Ended March 31, 2021

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Cash flows from operating activities:				
Cash received from members	\$ 9,806,161	\$ 466,596	\$ 7,752,717	\$ 1,586,848
Cash paid for claims	(2,540,653)	-	(1,931,489)	(609,164)
Cash paid for insurance	(4,913,244)	-	(4,913,244)	-
Cash paid to vendors	(316,361)	(296,570)	(20,735)	944
Cash (paid) received for dividends	197,857	-	-	197,857
Net cash provided by (used in) operating activities	2,233,760	170,026	887,249	1,176,485
Cash flows from investing activities:				
Investment income received	284,770	8,884	150,574	125,312
Net investment (purchases) sales	(291,823)	(8,513)	(143,714)	(139,596)
Net cash provided by (used in) investing activities	(7,053)	371	6,860	(14,284)
Net increase (decrease) in cash and cash equivalents	2,226,707	170,397	894,109	1,162,201
Cash and cash equivalents, beginning of year	4,531,521	40,942	3,143,711	1,346,868
Cash and cash equivalents, end of year	\$ 6,758,228	\$ 211,339	\$ 4,037,820	\$ 2,509,069
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,009,434	\$ 40,990	\$ (379,565)	\$ 1,348,009
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	96,980	-	(2,226)	99,206
Excess receivable	(108,045)	-	(108,045)	-
Prepaid expense	(1,233,263)	-	(1,233,263)	-
(Decrease) increase in:				
Accounts payable	14,028	12,387	696	945
Unearned revenue	1,893,403	116,649	1,936,695	(159,941)
Unpaid claims and claim adjustment expenses	561,223	-	672,957	(111,734)
Net cash provided by (used in) operating activities	\$ 2,233,760	\$ 170,026	\$ 887,249	\$ 1,176,485
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	\$ (309,050)	\$ (9,527)	\$ (162,288)	\$ (137,235)

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows - Liability
For the Nine Months Ended March 31, 2021**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Cash flows from operating activities:									
Cash received from members	\$ 17,325	\$ 157,998	\$ 115,908	\$ 22,465	\$ 37,675	\$ 295,368	\$ 36,674	\$ 47,515	\$ 17,431
Cash paid for claims	(22,911)	(22,161)	(1,542)	(14,293)	(19,333)	(22,745)	(30,641)	(3,140)	-
Cash paid for insurance	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(429)	189	(283)	(182)	291	3,376	164	316	-
Cash paid for dividends	-	-	-	(21,460)	(32,620)	-	68,519	-	-
Net cash provided by (used in) operating activities	(6,015)	136,026	114,083	(13,470)	(13,987)	275,999	74,716	44,691	17,431
Cash flows from investing activities:									
Investment income received	2,713	5,311	797	2,010	3,131	40,451	6,700	3,836	299
Net investment (purchases) sales	(2,577)	(5,095)	(10,797)	(1,902)	(2,973)	(64,474)	(6,393)	(3,674)	15,621
Net cash provided by (used in) investing activities	136	216	(10,000)	108	158	(24,023)	307	162	15,920
Net increase (decrease) in cash and cash equivalents	(5,879)	136,242	104,083	(13,362)	(13,829)	251,976	75,023	44,853	33,351
Cash and cash equivalents, beginning of year	22,563	67,752	(36,126)	53,050	36,804	632,141	43,129	23,078	30,581
Cash and cash equivalents, end of year	\$ 16,684	\$ 203,994	\$ 67,957	\$ 39,688	\$ 22,975	\$ 884,117	\$ 118,152	\$ 67,931	\$ 63,932
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ (153,632)	\$ 162,650	\$ 84,471	\$ 13,377	\$ (20,830)	\$ 456,476	\$ 143,838	\$ 3,039	\$ 22,279
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
(Increase) decrease in:									
Member receivable	-	-	33,160	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-
(Decrease) increase in:									
Accounts payable	(429)	189	(283)	(181)	291	3,377	164	316	-
Unearned revenue	(13,739)	20,256	20,148	(21,460)	(24,196)	(217,219)	9,558	11,879	(3,128)
Unpaid claims and claim adjustment expenses	161,785	(47,069)	(23,413)	(5,206)	30,748	33,365	(78,844)	29,457	(1,720)
Net cash provided by (used in) operating activities	\$ (6,015)	\$ 136,026	\$ 114,083	\$ (13,470)	\$ (13,987)	\$ 275,999	\$ 74,716	\$ 44,691	\$ 17,431
Supplemental information:									
Noncash non-operating and investing activities									
Net change in fair value of investments	\$ (2,875)	\$ (5,988)	\$ (1,178)	\$ (2,088)	\$ (3,287)	\$ (43,858)	\$ (7,322)	\$ (4,242)	\$ (934)

See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows - Liability
For the Nine Months Ended March 31, 2021

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Cash flows from operating activities:										
Cash received from members	\$ 14,485	\$ 139,779	\$ 75,177	\$ 15,103	\$ 9,141	\$ 27,867	\$ 162,886	\$ 265,820	\$ 38,753	\$ 89,478
Cash paid for claims	-	(54,372)	(64,691)	(29,316)	(17,827)	(50,218)	(101,402)	(65,564)	(429)	(88,579)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(156)	196	583	(207)	(804)	(1,068)	(490)	(462)	55	(145)
Cash paid for dividends	-	28,776	-	29,988	20,279	51,214	-	-	-	53,161
Net cash provided by (used in) operating activities	14,329	114,379	11,069	15,568	10,789	27,795	60,994	199,794	38,379	53,915
Cash flows from investing activities:										
Investment income received	2,888	7,824	5,992	4,795	6,341	3,883	(143)	14,322	1,165	12,997
Net investment (purchases) sales	(2,754)	(7,500)	(5,716)	(4,558)	(6,035)	(3,679)	142	(13,732)	(1,126)	(12,374)
Net cash provided by (used in) investing activities	134	324	276	237	306	204	(1)	590	39	623
Net increase (decrease) in cash and cash equivalents	14,463	114,703	11,345	15,805	11,095	27,999	60,993	200,384	38,418	54,538
Cash and cash equivalents, beginning of year	48,927	61,436	94,888	57,315	54,829	12,709	(98,503)	197,567	5,378	39,350
Cash and cash equivalents, end of year	\$ 63,390	\$ 176,139	\$ 106,233	\$ 73,120	\$ 65,924	\$ 40,708	\$ (37,510)	\$ 397,951	\$ 43,796	\$ 93,888
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:										
Operating income (loss)	\$ 56,728	\$ 46,170	\$ (10,086)	\$ 50,375	\$ 49,220	\$ 90,139	\$ 7,615	\$ 258,360	\$ 24,119	\$ 63,701
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
(Increase) decrease in:										
Member receivable	-	-	-	-	-	-	66,046	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:										
Accounts payable	(156)	196	583	(207)	(804)	(1,068)	(490)	(462)	55	(146)
Unearned revenue	(27,769)	30,475	(4,689)	(8,784)	(31,416)	18,503	23,451	65,345	9,688	(16,844)
Unpaid claims and claim adjustment expenses	(14,474)	37,538	25,261	(25,816)	(6,211)	(79,779)	(35,628)	(123,449)	4,517	7,204
Net cash provided by (used in) operating activities	\$ 14,329	\$ 114,379	\$ 11,069	\$ 15,568	\$ 10,789	\$ 27,795	\$ 60,994	\$ 199,794	\$ 38,379	\$ 53,915
Supplemental information:										
Noncash non-operating and investing activities										
Net change in fair value of investments	\$ (3,161)	\$ (8,634)	\$ (6,438)	\$ (5,095)	\$ (6,776)	\$ (4,082)	\$ (36)	\$ (15,707)	\$ (1,362)	\$ (14,172)

See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position – Workers’ Compensation
March 31, 2021

	Total			
	All Layers	Admin Layer	Shared Layer	Total Banking Layer
Current Assets				
Cash and Cash Equivalents	\$ 10,421,574	\$ 299,022	\$ 2,672,967	\$ 7,449,585
Accounts Receivable	-	-	-	-
Interest Receivable	164,509	2,298	75,682	86,529
Excess Accounts Receivable	722,629	-	722,629	-
Prepaid Expense	423,551	39,615	383,936	-
Total Current Assets	11,732,263	340,935	3,855,214	7,536,114
Non-Current Assets				
Investments*	45,302,145	530,421	23,422,712	21,349,012
Total Assets	\$ 57,034,408	\$ 871,356	\$ 27,277,926	\$ 28,885,126
Current Liabilities				
Accounts Payable	\$ 70,924	\$ 16,553	\$ 1,885	\$ 52,486
Unearned Revenue	295,036	-	36,881	258,155
Total Current Liabilities	365,960	16,553	38,766	310,641
Non-Current Liabilities				
Outstanding Liabilities*	34,677,038	-	18,709,491	15,967,547
ULAE*	1,868,999	-	1,008,391	860,608
Total Non-Current Liabilities	36,546,037	-	19,717,882	16,828,155
Total Liabilities	\$ 36,911,997	\$ 16,553	\$ 19,756,648	\$ 17,138,796
Net Position				
Designated for Contingency	100,000	100,000	-	-
Designated for Risk Management	442,112	442,112	-	-
Undesignated	19,580,299	312,691	7,521,278	11,746,330
Total Net Position	20,122,411	854,803	7,521,278	11,746,330
Liability & Net Position	\$ 57,034,408	\$ 871,356	\$ 27,277,926	\$ 28,885,126

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

See Accompanying Accountant’s Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position – Workers’ Compensation
March 31, 2021

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Current Assets											
Cash and Cash Equivalents	\$ 250,049	\$ 153,579	\$ 143,813	\$ 44,473	\$ 301,840	\$ 977,534	\$ 1,025,833	\$ 227,625	\$ 129,102	\$ 69,557	\$ 153,785
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	1,846	2,865	944	680	3,802	9,256	18,795	3,327	2,100	325	1,059
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	251,895	156,444	144,757	45,153	305,642	986,790	1,044,628	230,952	131,202	69,882	154,844
Non-Current Assets											
Investments*	375,202	796,085	159,135	171,981	962,517	2,185,960	5,125,477	855,104	584,650	41,786	196,484
Total Assets	\$ 627,097	\$ 952,529	\$ 303,892	\$ 217,134	\$ 1,268,159	\$ 3,172,750	\$ 6,170,105	\$ 1,086,056	\$ 715,852	\$ 111,668	\$ 351,328
Current Liabilities											
Accounts Payable	\$ 1,369	\$ 2,289	\$ 636	\$ 1,182	\$ 2,134	\$ 5,846	\$ 11,998	\$ 2,592	\$ 400	\$ 187	\$ 559
Unearned Revenue	1,039	-	35,077	-	-	-	28,773	-	12,084	-	6,706
Total Current Liabilities	2,408	2,289	35,713	1,182	2,134	5,846	40,771	2,592	12,484	187	7,265
Non-Current Liabilities											
Outstanding Liabilities*	1,263,825	(615,856)	69,050	849,987	251,249	(2,236,247)	2,120,660	847,360	579,743	(101,480)	598,693
ULAE*	68,117	(33,193)	3,722	45,812	13,542	(120,528)	114,298	45,670	31,247	(5,469)	32,268
Total Non-Current Liabilities	1,331,942	(649,049)	72,772	895,799	264,791	(2,356,775)	2,234,958	893,030	610,990	(106,949)	630,961
Total Liabilities	\$ 1,334,350	\$ (646,760)	\$ 108,485	\$ 896,981	\$ 266,925	\$ (2,350,929)	\$ 2,275,729	\$ 895,622	\$ 623,474	\$ (106,762)	\$ 638,226
Net Position											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	(707,253)	1,599,289	195,407	(679,847)	1,001,234	5,523,679	3,894,376	190,434	92,378	218,430	(286,898)
Total Net Position	(707,253)	1,599,289	195,407	(679,847)	1,001,234	5,523,679	3,894,376	190,434	92,378	218,430	(286,898)
Liability & Net Position	\$ 627,097	\$ 952,529	\$ 303,892	\$ 217,134	\$ 1,268,159	\$ 3,172,750	\$ 6,170,105	\$ 1,086,056	\$ 715,852	\$ 111,668	\$ 351,328

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position – Workers’ Compensation
March 31, 2021

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Current Assets											
Cash and Cash Equivalents	\$ 287,398	\$ 207,454	\$ 230,219	\$ 563,764	\$ 341,065	\$ 215,461	\$ 314,222	\$ 139,705	\$ 719,642	\$ 19,263	\$ 934,202
Accounts Receivable	-	-	-	0	-	-	-	-	-	-	-
Interest Receivable	4,051	2,161	1,148	3,336	3,161	2,214	5,267	1,245	8,474	499	9,974
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	291,449	209,615	231,367	567,100	344,226	217,675	319,489	140,950	728,116	19,762	944,176
Non-Current Assets											
Investments*	1,067,896	521,755	159,408	588,024	719,015	514,482	1,363,923	279,749	2,107,189	148,374	2,424,816
Total Assets	\$ 1,359,345	\$ 731,370	\$ 390,775	\$ 1,155,124	\$ 1,063,241	\$ 732,157	\$ 1,683,412	\$ 420,699	\$ 2,835,305	\$ 168,136	\$ 3,368,992
Current Liabilities											
Accounts Payable	\$ 1,592	\$ 1,591	\$ 644	\$ 1,216	\$ 1,948	\$ 1,828	\$ 3,733	\$ 821	\$ 5,165	\$ 208	\$ 4,548
Unearned Revenue	22,858	-	-	116,581	12,938	-	-	4,181	-	-	17,918
Total Current Liabilities	24,450	1,591	644	117,797	14,886	1,828	3,733	5,002	5,165	208	22,466
Non-Current Liabilities											
Outstanding Liabilities*	32,652	1,573,257	1,043,923	1,948,656	834,381	1,308,473	(1,531,813)	3,084,113	(945,893)	5,075,345	(82,531)
ULAE*	1,760	84,794	56,265	105,027	44,971	70,523	(82,561)	166,225	(50,981)	273,547	(4,448)
Total Non-Current Liabilities	34,412	1,658,051	1,100,188	2,053,683	879,352	1,378,996	(1,614,374)	3,250,338	(996,874)	5,348,892	(86,979)
Total Liabilities	\$ 58,862	\$ 1,659,642	\$ 1,100,832	\$ 2,171,480	\$ 894,238	\$ 1,380,824	\$ (1,610,641)	\$ 3,255,340	\$ (991,709)	\$ 5,349,100	\$ (64,513)
Net Position											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	1,300,483	(928,272)	(710,057)	(1,016,356)	169,003	(648,667)	3,294,053	(2,834,641)	3,827,014	(5,180,964)	3,433,505
Total Net Position	1,300,483	(928,272)	(710,057)	(1,016,356)	169,003	(648,667)	3,294,053	(2,834,641)	3,827,014	(5,180,964)	3,433,505
Liability & Net Position	\$ 1,359,345	\$ 731,370	\$ 390,775	\$ 1,155,124	\$ 1,063,241	\$ 732,157	\$ 1,683,412	\$ 420,699	\$ 2,835,305	\$ 168,136	\$ 3,368,992

*For internal reporting purposes, investments and claim liabilities are classified as non-current.

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation
For the Nine Months Ended March 31, 2021

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Operating Income				
Administration Deposit	\$ 693,092	\$ 693,092	\$ -	\$ -
Banking Layer Deposit	5,411,250	-	-	5,411,250
Shared Risk Layer	2,961,000	-	2,961,000	-
Excess Deposit/Premium	1,151,808	-	1,151,808	-
Risk Management Grants	81,618	81,618	-	-
Total Operating Income	10,298,768	774,710	4,112,808	5,411,250
Operating Expenses				
Claims Paid	3,936,288	-	1,232,647	2,703,641
O/S Liability adj.	526,065	-	130,594	395,471
ULAE	28,353	-	7,039	21,314
Consultants	31,400	31,400	-	-
Administration-Other	10,515	10,515	-	-
Safety Service	213,878	213,878	-	-
Claims Administration	801,698	345,404	-	456,294
Program Administration	160,750	160,750	-	-
Board Expenses	2,127	2,127	-	-
Excess Insurance	1,151,808	-	1,151,808	-
Total Operating Expenses	6,862,882	764,074	2,522,088	3,576,720
Operating Income (Loss)	3,435,886	10,636	1,590,720	1,834,530
Non-Operating Income				
Change in Fair Market Value	(866,581)	(12,333)	(398,282)	(455,966)
Investment Income	711,205	10,660	325,863	374,682
Total Non-Operating Income	(155,376)	(1,673)	(72,419)	(81,284)
Change in Net Position	3,280,510	8,963	1,518,301	1,753,246
Beginning Net Position	16,841,901	845,840	6,002,977	9,993,084
Ending Net Position	\$ 20,122,411	\$ 854,803	\$ 7,521,278	\$ 11,746,330

See Accompanying Accountant’s Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation
For the Nine Months Ended March 31, 2021

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	125,729	221,447	48,812	34,488	308,513	754,355	916,950	299,562	67,871	29,888	86,900
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	125,729	221,447	48,812	34,488	308,513	754,355	916,950	299,562	67,871	29,888	86,900
Operating Expenses											
Claims Paid	16,682	96,957	5,035	53,523	136,866	465,348	605,188	173,750	11,763	2,729	41,796
O/S Liability adj.	992,355	(1,340,974)	(38,996)	689,100	(343,505)	(4,481,446)	(1,284,719)	183,740	513,211	(156,371)	443,236
ULAE	53,485	(72,275)	(2,102)	37,141	(18,514)	(241,538)	(69,243)	9,903	27,661	(8,428)	23,889
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	11,552	18,182	5,767	8,860	22,397	47,753	106,900	17,468	3,649	2,193	3,904
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1,074,074	(1,298,110)	(30,296)	788,624	(202,756)	(4,209,883)	(641,874)	384,861	556,284	(159,877)	512,825
Operating Income (Loss)	(948,345)	1,519,557	79,108	(754,136)	511,269	4,964,238	1,558,824	(85,299)	(488,413)	189,765	(425,925)
Non-Operating Income											
Change in Fair Market Value	(9,663)	(14,939)	(5,025)	(3,638)	(19,946)	(48,549)	(99,491)	(17,449)	(11,053)	(1,642)	(5,589)
Investment Income	7,986	11,640	4,357	2,920	16,471	40,100	82,294	14,264	9,034	1,223	4,628
Total Non-Operating Income	(1,677)	(3,299)	(668)	(718)	(3,475)	(8,449)	(17,197)	(3,185)	(2,019)	(419)	(961)
Change in Net Position	(950,022)	1,516,258	78,440	(754,854)	507,794	4,955,789	1,541,627	(88,484)	(490,432)	189,346	(426,886)
Beginning Net Position	242,769	83,031	116,967	75,007	493,440	567,890	2,352,749	278,918	582,810	29,084	139,988
Ending Net Position	\$ (707,253)	\$ 1,599,289	\$ 195,407	\$ (679,847)	\$ 1,001,234	\$ 5,523,679	\$ 3,894,376	\$ 190,434	\$ 92,378	\$ 218,430	\$ (286,898)

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation
For the Nine Months Ended March 31, 2021

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	209,627	137,761	115,992	192,632	162,588	122,305	246,186	79,616	535,259	14,996	699,773
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	209,627	137,761	115,992	192,632	162,588	122,305	246,186	79,616	535,259	14,996	699,773
Operating Expenses											
Claims Paid	66,124	54,192	35,707	31,283	30,167	123,278	238,561	9,235	275,678	1,744	228,035
O/S Liability adj.	(577,297)	1,043,245	905,945	1,742,868	475,246	811,579	(3,100,173)	2,916,981	(2,421,834)	5,011,770	(1,588,490)
ULAE	(31,115)	56,228	48,828	93,936	25,614	43,742	(167,091)	157,217	(130,530)	270,121	(85,615)
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	15,856	14,675	5,853	9,124	15,704	16,425	35,202	8,158	43,718	2,306	40,648
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	(526,432)	1,168,340	996,333	1,877,211	546,731	995,024	(2,993,501)	3,091,591	(2,232,968)	5,285,941	(1,405,422)
Operating Income (Loss)	736,059	(1,030,579)	(880,341)	(1,684,579)	(384,143)	(872,719)	3,239,687	(3,011,975)	2,768,227	(5,270,945)	2,105,195
Non-Operating Income											
Change in Fair Market Value	(21,410)	(11,343)	(5,997)	(17,606)	(16,648)	(11,851)	(27,721)	(6,631)	(44,678)	(2,627)	(52,470)
Investment Income	17,751	9,228	5,001	14,582	13,813	10,030	22,805	5,719	36,102	1,981	42,753
Total Non-Operating Income	(3,659)	(2,115)	(996)	(3,024)	(2,835)	(1,821)	(4,916)	(912)	(8,576)	(646)	(9,717)
Change in Net Position	732,400	(1,032,694)	(881,337)	(1,687,603)	(386,978)	(874,540)	3,234,771	(3,012,887)	2,759,651	(5,271,591)	2,095,478
Beginning Net Position	568,083	104,422	171,280	671,247	555,981	225,873	59,282	178,246	1,067,363	90,627	1,338,027
Ending Net Position	\$ 1,300,483	\$ (928,272)	\$ (710,057)	\$ (1,016,356)	\$ 169,003	\$ (648,667)	\$ 3,294,053	\$ (2,834,641)	\$ 3,827,014	\$ (5,180,964)	\$ 3,433,505

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Nine Months Ended March 31, 2021

	Total				Total Banking	
	All Layers	Admin Layer	Shared Layer		Layer	
Cash flows from operating activities:						
Cash received from members	\$ 9,768,535	\$ 774,710	\$ 3,580,475	\$ 5,413,350		
Cash paid for claims	(4,188,889)	-	(1,485,248)	(2,703,641)		
Cash paid for insurance	(1,535,744)	-	(1,535,744)	-		
Cash paid to vendors	(1,247,880)	(791,586)	(1)	(456,293)		
Cash (paid) received for dividends	525,449	-	411,322	114,127		
Net cash provided by (used in) operating activities	3,321,471	(16,876)	970,804	2,367,543		
Cash flows from investing activities:						
Investment income received	797,514	12,155	366,661	418,698		
Net investment (purchases) sales	(708,881)	(11,543)	(348,752)	(348,586)		
Net cash provided by (used in) investing activities	88,633	612	17,909	70,112		
Net increase (decrease) in cash and cash equivalents	3,410,104	(16,264)	988,713	2,437,655		
Cash and cash equivalents, beginning of year	7,011,470	315,286	1,684,254	5,011,930		
Cash and cash equivalents, end of year	\$ 10,421,574	\$ 299,022	\$ 2,672,967	\$ 7,449,585		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 3,435,886	\$ 10,636	\$ 1,590,720	1,834,530		
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
(Increase) decrease in:						
Member receivable	436,696	-	-	436,696		
Excess receivable	(252,601)	-	(252,601)	-		
Prepaid expense	(423,551)	(39,615)	(383,936)	-		
(Decrease) increase in:						
Accounts payable	12,087	12,103	-	(16)		
Unearned revenue	(441,484)	-	(121,012)	(320,472)		
Unpaid claims and claim adjustment expenses	554,438	-	137,633	416,805		
Net cash provided by (used in) operating activities	\$ 3,321,471	\$ (16,876)	\$ 970,804	\$ 2,367,543		
Supplemental information:						
Noncash non-operating and investing activities						
Net change in fair value of investments	\$ (866,581)	\$ (12,333)	\$ (398,282)	\$ (455,966)		

See Accompanying Accountant’s Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Nine Months Ended March 31, 2021

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Cash flows from operating activities:											
Cash received from members	\$ 122,613	\$ 258,792	\$ 43,618	\$ 44,488	\$ 269,885	\$ 922,742	\$ 830,632	\$ 309,508	\$ 79,954	\$ 28,377	\$ 34,163
Cash paid for claims	(16,682)	(96,957)	(5,035)	(53,523)	(136,866)	(465,348)	(605,188)	(173,750)	(11,763)	(2,729)	(41,796)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(11,525)	(18,012)	(5,798)	(8,730)	(22,312)	(47,294)	(107,099)	(17,125)	(3,667)	(2,202)	(3,744)
Cash paid for dividends	-	-	35,077	-	-	-	-	7,879	-	11,511	32,621
Net cash provided by (used in) operating activities	94,406	143,823	67,862	(17,765)	110,707	410,100	118,345	126,512	64,524	34,957	21,244
Cash flows from investing activities:											
Investment income received	8,640	13,344	4,604	3,530	18,108	44,206	92,749	15,738	10,118	1,303	5,169
Net investment (purchases) sales	(8,259)	(12,663)	(4,414)	48,671	(17,273)	(42,155)	(90,200)	(15,005)	(9,629)	(1,247)	(4,920)
Net cash provided by (used in) investing activities	381	681	190	52,201	835	2,051	2,549	733	489	56	249
Net increase (decrease) in cash and cash equivalents	94,787	144,504	68,052	34,436	111,542	412,151	120,894	127,245	65,013	35,013	21,493
Cash and cash equivalents, beginning of year	155,262	9,075	75,761	10,037	190,298	565,383	904,939	100,380	64,089	34,544	132,292
Cash and cash equivalents, end of year	\$ 250,049	\$ 153,579	\$ 143,813	\$ 44,473	\$ 301,840	\$ 977,534	\$ 1,025,833	\$ 227,625	\$ 129,102	\$ 69,557	\$ 153,785
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ (948,345)	\$ 1,519,557	\$ 79,108	\$ (754,136)	\$ 511,269	\$ 4,964,238	\$ 1,558,824	\$ (85,299)	\$ (488,413)	\$ 189,765	\$ (425,925)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	37,345	-	10,000	-	168,387	-	29,332	-	10,000	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	26	168	(31)	131	85	457	(205)	342	(19)	(9)	161
Unearned revenue	(3,116)	-	29,883	-	(38,628)	-	(86,318)	(11,507)	12,082	-	(20,117)
Unpaid claims and claim adjustment expenses	1,045,841	(1,413,247)	(41,098)	726,240	(362,019)	(4,722,982)	(1,353,956)	193,644	540,874	(164,799)	467,125
Net cash provided by (used in) operating activities	\$ 94,406	\$ 143,823	\$ 67,862	\$ (17,765)	\$ 110,707	\$ 410,100	\$ 118,345	\$ 126,512	\$ 64,524	\$ 34,957	\$ 21,244
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ (9,663)	\$ (14,939)	\$ (5,025)	\$ (3,638)	\$ (19,946)	\$ (48,549)	\$ (99,491)	\$ (17,449)	\$ (11,053)	\$ (1,642)	\$ (5,589)

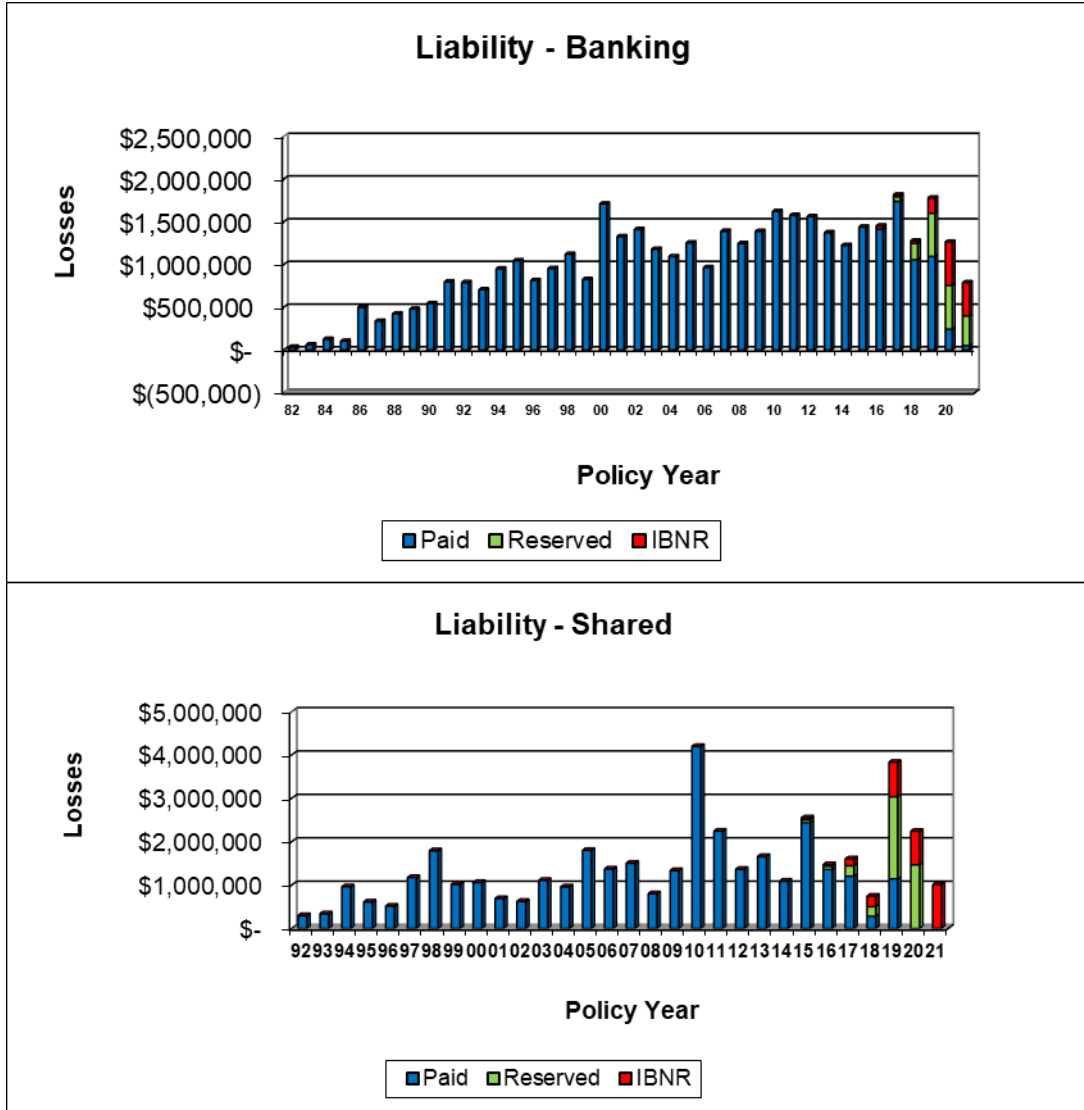
Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Nine Months Ended March 31, 2021

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Cash flows from operating activities:											
Cash received from members	\$ 118,197	\$ 197,166	\$ 115,992	\$ 172,858	\$ 123,773	\$ 122,305	\$ 359,118	\$ 62,894	\$ 535,259	\$ 14,996	\$ 646,020
Cash paid for claims	(66,124)	(54,192)	(35,707)	(31,283)	(30,167)	(123,278)	(238,561)	(9,235)	(275,678)	(1,744)	(228,035)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(16,314)	(14,844)	(5,884)	(8,807)	(15,516)	(16,607)	(35,851)	(8,198)	(43,125)	(2,408)	(41,231)
Cash paid for dividends	22,858	-	-	-	-	-	-	4,181	-	-	-
Net cash provided by (used in) operating activities	58,617	128,130	74,401	132,768	78,090	(17,580)	84,706	49,642	216,456	10,844	376,754
Cash flows from investing activities:											
Investment income received	19,851	10,170	5,303	16,258	15,245	11,330	25,354	6,197	41,188	2,443	47,850
Net investment (purchases) sales	(18,895)	(9,698)	(5,084)	(15,481)	(14,537)	(10,770)	(24,154)	(5,923)	(39,108)	(2,299)	(45,543)
Net cash provided by (used in) investing activities	956	472	219	777	708	560	1,200	274	2,080	144	2,307
Net increase (decrease) in cash and cash equivalents	59,573	128,602	74,620	133,545	78,798	(17,020)	85,906	49,916	218,536	10,988	379,061
Cash and cash equivalents, beginning of year	227,825	78,852	155,599	430,219	262,267	232,481	228,316	89,789	501,106	8,275	555,141
Cash and cash equivalents, end of year	\$ 287,398	\$ 207,454	\$ 230,219	\$ 563,764	\$ 341,065	\$ 215,461	\$ 314,222	\$ 139,705	\$ 719,642	\$ 19,263	\$ 934,202
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 736,059	\$ (1,030,579)	\$ (880,341)	\$ (1,684,579)	\$ (384,143)	\$ (872,719)	\$ 3,239,687	\$ (3,011,975)	\$ 2,768,227	\$ (5,270,945)	\$ 2,105,195
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	59,405	-	-	-	-	122,227	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	(458)	(170)	(31)	316	187	(183)	(649)	(41)	592	(102)	(583)
Unearned revenue	(68,573)	-	-	(19,773)	(38,815)	-	(9,295)	(12,543)	-	1	(53,753)
Unpaid claims and claim adjustment expenses	(608,411)	1,099,474	954,773	1,836,804	500,861	855,322	(3,267,264)	3,074,201	(2,552,363)	5,281,890	(1,674,105)
Net cash provided by (used in) operating activities	\$ 58,617	\$ 128,130	\$ 74,401	\$ 132,768	\$ 78,090	\$ (17,580)	\$ 84,706	\$ 49,642	\$ 216,456	\$ 10,844	\$ 376,754
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ (21,410)	\$ (11,343)	\$ (5,997)	\$ (17,606)	\$ (16,648)	\$ (11,851)	\$ (27,721)	\$ (6,631)	\$ (44,678)	\$ (2,627)	\$ (52,470)

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Reconciliation of Claims Liability by Program
As of March 31, 2021 and June 30, 2020**

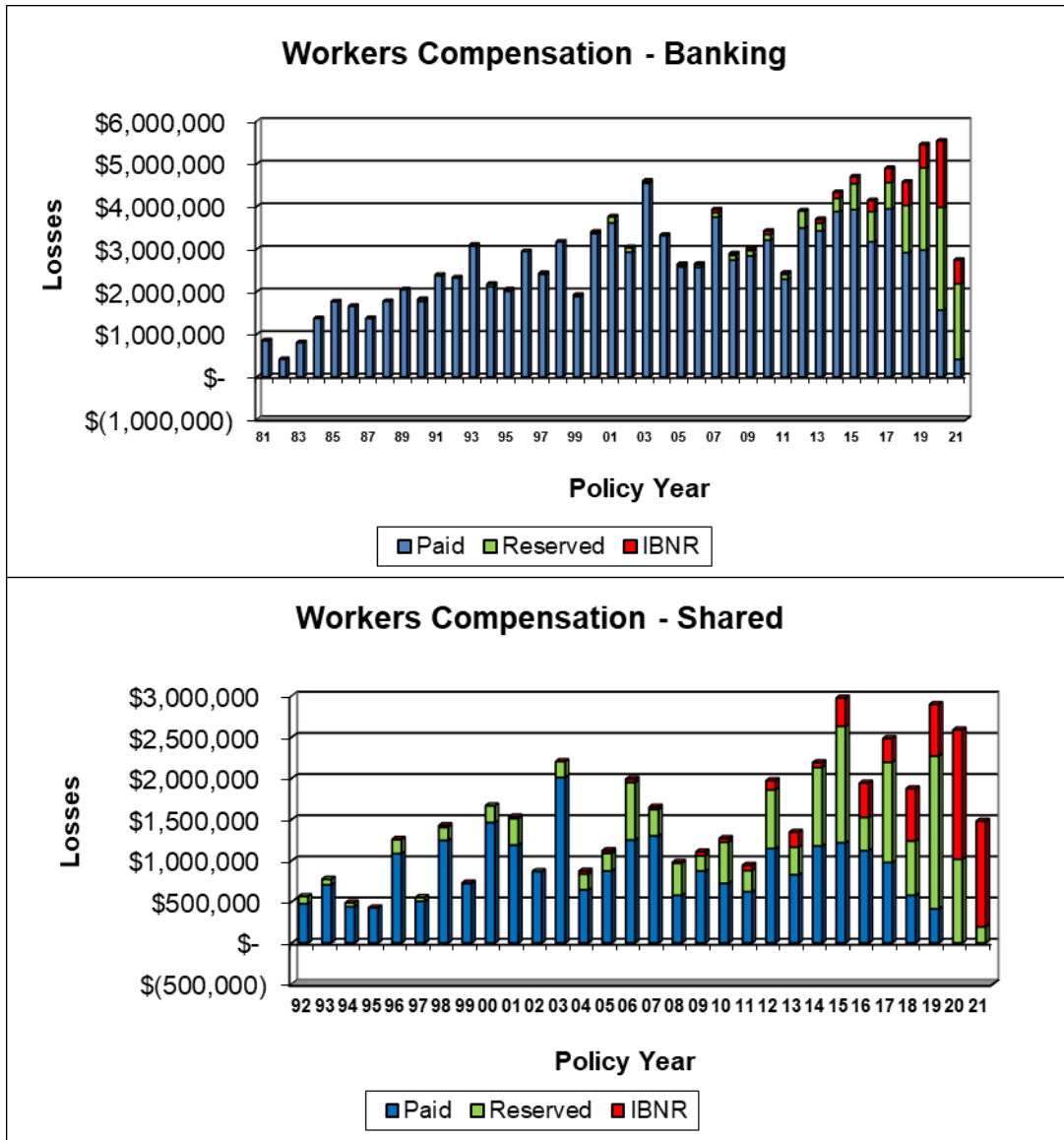
	Liability Banking 2021	Liability Shared Risk 2021	Total Liability Program 2021	Total Liability Program 2020	WC Banking 2021	WC Shared Risk 2021	Total WC Program 2021	Total WC Program 2020	Totals 2021	Totals 2020
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 2,893,270	\$ 6,359,069	\$ 9,252,339	\$ 8,027,727	\$ 16,411,367	\$ 19,580,248	\$ 35,991,615	\$ 32,559,494	\$ 45,243,954	\$ 40,587,221
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	1,263,685	2,242,765	3,506,450	3,415,771	2,743,774	1,481,547	4,225,321	7,958,265	7,731,771	11,374,036
Increases (Decreases) in provision for insured events of prior fiscal years	(773,117)	158,693	(614,424)	(39,717)	355,337	(113,941)	241,396	2,527,575	(373,028)	2,487,858
Change in provision for ULAE in current year	-	-	-	-	21,315	7,040	28,355	32,293	28,355	32,293
Total incurred claims and claim adjustment expenses	490,568	2,401,458	2,892,026	3,376,054	3,120,426	1,374,647	4,495,073	10,518,133	7,387,099	13,894,187
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	243,285	-	243,285	81,357	412,057	-	412,057	916,169	655,342	997,526
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	359,016	1,728,501	2,087,517	2,070,085	2,291,582	1,237,012	3,528,594	6,169,842	5,616,111	8,239,927
Total Payments	602,301	1,728,501	2,330,802	2,151,442	2,703,639	1,237,012	3,940,651	7,086,012	6,271,453	9,237,454
Total unpaid claims and claim adjustment expenses at end of the fiscal year	\$ 2,781,537	\$ 7,032,026	\$ 9,813,563	\$ 9,252,339	\$ 16,828,154	\$ 19,717,883	\$ 36,546,037	\$ 35,991,615	\$ 46,359,600	\$ 45,243,954
Claims Liability	\$ 2,781,537	\$ 7,032,026	\$ 9,813,563	\$ 9,252,339	\$ 15,967,547	\$ 18,709,491	\$ 34,677,038	\$ 34,150,971	\$ 44,490,601	\$ 43,403,310
Claims ULAE	-	-	-	-	860,607	1,008,391	1,868,998	1,840,644	1,868,998	1,840,644
Total Claim Liabilities	\$ 2,781,537	\$ 7,032,026	\$ 9,813,563	\$ 9,252,339	\$ 16,828,154	\$ 19,717,882	\$ 36,546,036	\$ 35,991,615	\$ 46,359,599	\$ 45,243,954

Northern California Cities Self Insurance Fund
Graphical Summary of Claims
As of March 31, 2021



See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
Graphical Summary of Claims
As of March 31, 2021



Northern California Cities Self Insurance Fund
Budget to Actual
As of March 31, 2021

	Budget 2020-2021			YTD Expended 2020-2021			Remaining 2020-2021			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
ADMIN BUDGET										
Administrative Revenue										
41010 Administrative Deposit - See Note 1	\$ 1,390,718	\$ 924,122	\$ 466,596	\$ 1,043,039	\$ 693,092	\$ 349,947	\$ 347,679	25%	\$ 231,030	\$ 116,649
44030 Change in Fair Value - See Note 2	-	-	-	(21,860)	(12,333)	(9,527)	21,860		12,333	9,527
44040 Interest Income - See Note 2	-	-	-	19,043	10,660	8,383	(19,043)		(10,660)	(8,383)
44080 Risk Management Grants - See Note 6	-	-	-	81,618	81,618	-	(81,618)		(81,618)	-
Total Admin Revenue	\$ 1,390,718	\$ 924,122	\$ 466,596	\$ 1,121,840	\$ 773,037	\$ 348,803	\$ 268,878	0%	\$ 151,085	\$ 117,793
Administrative Expenses										
52101 Claims Audit	\$ 11,600	\$ 11,600	\$ -	\$ 14,625	\$ 14,625	\$ -	\$ (3,025)	-26%	\$ (3,025)	\$ -
52102 Financial Audit	27,700	13,850	13,850	27,700	13,850	13,850	-	0%	-	-
52103 Legal Services	17,000	2,000	15,000	6,538	-	6,538	10,462	62%	2,000	8,462
52104 Actuarial Services	13,420	5,710	7,710	-	-	-	13,420	100%	5,710	7,710
52106 CAJPA Accreditation	-	-	-	5,850	2,925	2,925	(5,850)		(2,925)	(2,925)
52900 Member Identity Theft Protection	14,020	14,020	-	10,515	10,515	-	3,505	25%	3,505	-
52109 Misc Consulting / Contingency	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
Total Admin Expenses	\$ 88,740	\$ 49,680	\$ 39,060	\$ 65,228	\$ 41,915	\$ 23,313	\$ 23,512	26%	\$ 7,765	\$ 15,747
Safety Services										
52201 Outside Training	\$ 30,000	\$ 15,000	\$ 15,000	\$ 2,400	\$ 1,200	\$ 1,200	\$ 27,600	92%	\$ 13,800	\$ 13,800
52202 Risk Mgmt Comm Mtg Expense	1,500	750	750	-	-	-	1,500	100%	750	750
52204 Bickmore Risk Management Services	178,480	89,240	89,240	133,860	66,930	66,930	44,620	25%	22,310	22,310
52207 Member Training and Risk Management	88,000	50,000	38,000	2,157	1,226	931	85,843	98%	48,774	37,069
52208 Lexipol Police Manual Updates & DTBs	144,441	144,441	-	108,331	108,331	-	36,110	25%	36,110	-
52209 Police Risk Management Funds	50,000	25,000	25,000	59,673	29,840	29,833	(9,673)	-19%	(4,840)	(4,833)
54200 Safety Grant Fund - See Note 3	-	-	-	6,351	6,351	-	(6,351)		(6,351)	-
Total Safety Services Expenses	\$ 492,421	\$ 324,431	\$ 167,990	\$ 312,772	\$ 213,878	\$ 98,894	\$ 179,649	36%	\$ 110,553	\$ 69,096

Northern California Cities Self Insurance Fund
Budget to Actual
As of March 31, 2021

	Budget 2020-2021			YTD Expended 2020-2021			Remaining 2020-2021			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
ADMIN BUDGET CONTINUED										
Claims Administration										
52304 State Funding/Fraud Assessment	\$ 322,284	\$ 322,284	\$ -	\$ 345,404	\$ 345,404	\$ -	\$ (23,120)	-7%	\$ (23,120)	\$ -
Total Claims Admin Expenses	\$ 322,284	\$ 322,284	\$ -	\$ 345,404	\$ 345,404	\$ -	\$ (23,120)	-7%	\$ (23,120)	\$ -
Program Administration										
52401 Program Administration and Brokerage Fee	\$ 350,003	\$ 159,092	\$ 190,911	\$ 262,502	\$ 119,319	\$ 143,183	\$ 87,501	25%	\$ 39,773	\$ 47,728
52403 Accounting Services	109,770	54,885	54,885	82,862	41,431	41,431	26,908	25%	13,454	13,454
Total Program Admin Expenses	\$ 459,773	\$ 213,977	\$ 245,796	\$ 345,364	\$ 160,750	\$ 184,614	\$ 114,409	25%	\$ 53,227	\$ 61,182
Board Expenses										
52501 Executive Committee	\$ 2,500	\$ 1,250	\$ 1,250	\$ -	\$ -	\$ -	\$ 2,500	100%	\$ 1,250	\$ 1,250
52502 Executive Committee Member Travel	4,000	2,000	2,000	-	-	-	4,000	100%	2,000	2,000
52503 Board of Directors Meetings (includes Travel)	8,000	4,000	4,000	-	-	-	8,000	100%	4,000	4,000
52509 Board of Directors Long Range Planning Session	8,000	4,000	4,000	-	-	-	8,000	100%	4,000	4,000
52504 Association Memberships	5,000	2,500	2,500	4,254	2,127	2,127	746	15%	373	373
Total Board Expenses	\$ 27,500	\$ 13,750	\$ 13,750	\$ 4,254	\$ 2,127	\$ 2,127	\$ 23,246	85%	\$ 11,623	\$ 11,623
Total Admin Expenses	\$ 1,390,718	\$ 924,122	\$ 466,596	\$ 1,073,022	\$ 764,074	\$ 308,948	\$ 317,696	23%	\$ 160,048	\$ 157,648
TOTAL ADMIN REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	\$ 48,818	\$ 8,963	\$ 39,855	\$ (48,818)		\$ (8,963)	\$ (39,855)

Northern California Cities Self Insurance Fund
Budget to Actual
As of March 31, 2021

	Budget 2020-2021			YTD Expended 2020-2021			Remaining 2020-2021			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
Banking Layer Revenue										
41020 Banking Layer Deposit - See Note 1	\$ 9,637,487	\$ 7,215,000	\$ 2,422,487	\$ 7,228,114	\$ 5,411,249	\$ 1,816,865	\$ 2,409,373	25%	\$ 1,803,751	\$ 605,622
44010 Other Income	17,072	-	17,072	28,574	-	28,574	(11,502)	-67%	-	(11,502)
44030 Change in Fair Value - See Note 2	-	-	-	(593,203)	(455,966)	(137,237)	593,203		455,966	137,237
44040 Interest Income - See Note 2	-	-	-	489,161	374,683	114,478	(489,161)		(374,683)	(114,478)
Total Banking Layer Revenue	<u>\$ 9,654,559</u>	<u>\$ 7,215,000</u>	<u>\$ 2,439,559</u>	<u>\$ 7,152,646</u>	<u>\$ 5,329,966</u>	<u>\$ 1,822,680</u>	<u>\$ 2,501,913</u>	<u>26%</u>	<u>\$ 1,885,034</u>	<u>\$ 616,879</u>
Banking Layer Expenses										
51100 Claims Expense - See Note 4	\$ 8,118,000	\$ 6,312,000	\$ 1,806,000	\$ 3,115,340	\$ 2,703,639	\$ 411,701	\$ 5,002,660	62%	\$ 3,608,361	\$ 1,394,299
51135 Claims Admin - Liability ULAE	-	-	-	190,599	-	190,599				
51136 Claims Admin - Liability ALE - See Note 4	-	-	-	6,865	-	6,865	(6,865)		-	(6,865)
51400 OS Liability Adjustment - See Note 4	-	-	-	283,741	395,473	(111,732)	(283,741)		(395,473)	111,732
51800 ULAE Adjustment - See Note 4	-	-	-	21,315	21,315	-	(21,315)		(21,315)	-
52300 Claims Admin - Monthly WC Only - See Note 4	608,392	608,392	-	456,294	456,294	-	152,098	25%	152,098	-
Total Banking Layer Expenses	<u>\$ 8,726,392</u>	<u>\$ 6,920,392</u>	<u>\$ 1,806,000</u>	<u>\$ 4,074,154</u>	<u>\$ 3,576,721</u>	<u>\$ 497,433</u>	<u>\$ 4,842,837</u>	<u>55%</u>	<u>\$ 3,343,671</u>	<u>\$ 1,499,166</u>
TOTAL BANKING REVENUE OVER EXPENSES	\$ 928,167	\$ 294,608	\$ 633,559	\$ 3,078,492	\$ 1,753,245	\$ 1,325,247	\$ (2,340,924)		\$ (1,458,637)	\$ (882,287)

Northern California Cities Self Insurance Fund
Budget to Actual
As of March 31, 2021

	Budget 2020-2021			YTD Expended 2020-2021			Remaining 2020-2021			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
Shared Layer Revenue										
41030 Shared Risk Layer Deposit - See Note 1	\$ 6,797,538	\$ 3,948,000	\$ 2,849,538	\$ 5,098,154	\$ 2,961,000	\$ 2,137,154	\$ 1,699,384	25%	\$ 987,000	\$ 712,384
41040 Excess Deposit/Premium - See Note 1	3,601,123	1,535,744	2,065,379	2,700,842	1,151,808	1,549,034	900,281	25%	383,936	516,345
	-	-	-	-	-	-	-	-	-	-
44030 Change in Fair Value	-	-	-	(560,570)	(398,282)	(162,288)	560,570		398,282	162,288
44040 Interest Income	-	-	-	463,367	325,863	137,504	(463,367)		(325,863)	(137,504)
44060 Property Premium - See Note 1	2,275,629	-	2,275,629	2,028,748	-	2,028,748	246,881	11%	-	246,881
44070 Crime Premium - See Note 1	53,523	-	53,523	103,312	-	103,312	(49,789)	-93%	-	(49,789)
Total Shared Layer Revenue	<u>\$ 12,727,813</u>	<u>\$ 5,483,744</u>	<u>\$ 7,244,069</u>	<u>\$ 9,833,853</u>	<u>\$ 4,040,389</u>	<u>\$ 5,793,464</u>	<u>\$ 2,893,960</u>	<u>23%</u>	<u>\$ 1,443,355</u>	<u>\$ 1,450,605</u>
Shared Layer Expenses										
51100 Claims Expense	\$ 5,213,000	\$ 3,069,000	2,144,000	\$ 3,866,681	\$ 1,370,280	\$ 2,496,401	\$ 1,346,319	26%	\$ 1,698,720	\$ (352,401)
52201 Outside Training	-	-	-	21,431	-	21,431	(21,431)		-	(21,431)
54100 Excess Deposit/Premium Exp - See Note 5	3,601,123	1,535,744	2,065,379	2,700,842	1,151,808	1,549,034	900,281	25%	383,936	516,345
54150 Member Property Coverage - See Note 5	2,041,230	-	2,041,230	2,027,635	-	2,027,635	13,595	1%	-	13,595
54150 Member Crime Coverage - See Note 5	53,523	-	53,523	103,312	-	103,312	(49,789)	-93%	-	(49,789)
Total Shared Layer Expenses	<u>\$ 10,908,876</u>	<u>\$ 4,604,744</u>	<u>\$ 6,304,132</u>	<u>\$ 8,719,901</u>	<u>\$ 2,522,088</u>	<u>\$ 6,197,813</u>	<u>\$ 2,188,975</u>	<u>20%</u>	<u>\$ 2,082,656</u>	<u>\$ 106,319</u>
TOTAL SHARED REVENUE OVER EXPENSES	\$ 1,818,937	\$ 879,000	\$ 939,937	\$ 1,113,952	\$ 1,518,301	\$ (404,349)	\$ 704,985		\$ (639,301)	\$ 1,344,286
OTHER INCOME/(EXPENSE)										
Rounding	-	-	-	(15)	1	(16)	15		(1)	16
Total Other Income/(Expense)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15)</u>	<u>\$ 1</u>	<u>\$ (16)</u>	<u>\$ 15</u>		<u>\$ (1)</u>	<u>\$ 16</u>
TOTAL INCOME/(EXPENSE)	\$ 2,747,104	\$ 1,173,608	\$ 1,573,496	\$ 4,241,247	\$ 3,280,510	\$ 960,737	\$ (1,684,742)		\$ (2,106,902)	\$ 422,160

Northern California Cities Self Insurance Fund
Notes to Budget to Actual
As of March 31, 2021

1. Revenue Recognition

The budget presents revenue to be earned during the entire fiscal year. In accordance with the accrual basis of accounting, the YTD Expended columns show only the amount earned by the organization, year-to-date.

2. Investment Income

No budget is developed for the Change in Fair Value and Interest Income amounts, as it is difficult to predict the yield on the organization's portfolio.

3. CJPRMA Refund

For budgeting purposes, the CJPRMA refund is recorded in the year following its approval. In accordance with the accrual basis of accounting, the refund to the organization is recorded on the books in the period it was declared.

4. Claims Expenses

Claims related expenses are budgeted based on the estimated claims expense for the year. Claims related expenses are recorded on the books in several additional categories. Review of the budget to actual performance of claims related items should take this into consideration.

5. Insurance Expense Recognition

The budget presents excess and other insurance expense based on the policy fee paid for entire fiscal year. In accordance with the accrual basis of accounting, the YTD Expended columns show only the portion of the policy used by the organization, year-to-date. The remainder of the policy fee paid, but not used to date is recorded in Prepaid Expenses on the Statement of Net Position, as applicable.

**Northern California Cities Self Insurance Fund
Risk Management Reserves Current Usage Report
As of March 31, 2021**

Designee	06/30/2020	Election FY20-21	07/01/2020 Through	
	Balance Forward		3/31/2021 Current Year Spent	3/31/2021 Remaining
Designated Funds				
Anderson Designations	9,681.00	0.00	0.00	9,681.00
Auburn Designations	24,770.00	0.00	0.00	24,770.00
Colusa Designations	0.00	0.00	0.00	0.00
Corning Designations	0.00	0.00	0.00	0.00
Dixon Designations	7,365.76	81,618.00	6,350.62	82,633.14
Elk Grove Designations	0.00	0.00	0.00	0.00
Folsom Designations	(1,829.37)	0.00	0.00	(1,829.37)
Galt Designations	7,931.00	0.00	0.00	7,931.00
Gridley Designations	31,140.00	0.00	0.00	31,140.00
Ione Designations	514.00	0.00	0.00	514.00
Jackson Designations	11,409.00	0.00	0.00	11,409.00
Lincoln Designations	8,788.31	0.00	0.00	8,788.31
Marysville Designations	19,122.00	0.00	0.00	19,122.00
Nevada City Designations	2,453.00	0.00	0.00	2,453.00
Oroville Designations	2,529.50	0.00	0.00	2,529.50
Paradise Designations	0.00	0.00	0.00	0.00
Placerville Designations	9,048.00	0.00	0.00	9,048.00
Red Bluff Designations	0.00	0.00	0.00	0.00
Rio Vista Designations	0.00	0.00	0.00	0.00
Rocklin Designations	85,545.20	0.00	0.00	85,545.20
Willows Designations	1,999.00	0.00	0.00	1,999.00
Yuba City Designations	0.00	0.00	0.00	0.00
Total Designated Funds	220,466.40	81,618.00	6,350.62	295,733.78

**Northern California Cities Self Insurance Fund
Police Risk Management Grants Current Usage Report
As of March 31, 2021**

	06/30/2020		07/01/2020 Through 03/31/2021	03/31/2021
	Balance Forward	Grant FY20/21	Current Year Spent	Remaining
Designated Funds				
Anderson Designations	9,090.00	1,515.00	0.00	10,605.00
Auburn Designations	6,060.00	3,030.00	5,998.49	3,091.51
Colusa Designations	6,060.00	1,515.00	0.00	7,575.00
Corning Designations	3,497.62	1,515.00	0.00	5,012.62
Dixon Designations	9,185.62	3,030.00	4,300.00	7,915.62
Elk Grove Designations	3,030.00	3,030.00	0.00	6,060.00
Folsom Designations	15,149.50	3,787.50	15,150.00	3,787.00
Galt Designations	18,180.00	3,030.00	0.00	21,210.00
Gridley Designations	4,546.74	1,515.00	0.00	6,061.74
Ione Designations	4,463.99	1,515.00	0.00	5,978.99
Jackson Designations	9,090.00	1,515.00	9,090.00	1,515.00
Lincoln Designations	8,999.87	3,030.00	11,632.00	397.87
Marysville Designations	8,715.63	2,272.50	0.00	10,988.13
Nevada City Designations	3,030.00	1,515.00	1,515.00	3,030.00
Oroville Designations	6,060.00	3,030.00	0.00	9,090.00
Paradise Designations	7,195.00	2,272.50	2,700.41	6,767.09
Placerville Designations	1,444.93	1,515.00	1,077.49	1,882.44
Red Bluff Designations	2,276.33	2,272.50	0.00	4,548.83
Rio Vista Designations	4,848.85	1,515.00	0.00	6,363.85
Rocklin Designations	6,060.00	3,030.00	6,060.00	3,030.00
Willows Designations	6,960.00	1,515.00	2,157.00	6,318.00
Yuba City Designations	12,120.00	3,030.00	0.00	15,150.00
Total Designated Funds	156,064.08	49,995.00	59,680.39	146,378.69



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item G.2.

BUDGET TO ACTUAL AS OF MARCH 31, 2021

INFORMATION ITEM

ISSUE: Members have asked for this item to be reviewed at each meeting to ensure that NCCSIF finances are on track. They have requested that the Program Administrators discuss any items pertaining to the budget, updating members on the status of the current budget-to-actual.

NCCSIF administrative expenses year-to-date are \$1,073,022, or 77% of the budgeted amount, with 23% remaining for fourth quarter expenses.

One category under budget is Member Training and Risk Management. All members have up to \$4,000 to spend on training, a total of \$88,000. Through March 31 only \$2,157, or 2%, of the budgeted amount has been paid. *Members were encouraged to assess their training needs and submit requests for these funds prior to June 30TH.*

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENT(S): Please refer to pages 26-30 of the Quarterly Financial Report for Period Ending March 31, 2020 - Budget to Actual as of March 31, 2021



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.1.

**CJPRMA UPDATE
EXCESS LIABILITY COVERAGE CHANGES
INFORMATION ITEM**

ISSUE: This year we are facing very difficult insurance renewals due to the state of the insurance market, and a reaction to many large claim values, both within CJPRMA and in the market. The placement of reinsurance for NorCal Cities' excess Pool, CJPRMA, continues to be a challenge. The results likely to be an increase in their Self-Insured Retention (SIR) from \$5M to \$7.5M, additional exclusions for communicable disease and wildfire, with carrier aggregate limits on Law Enforcement (LE) and Sexual Abuse and Molestation (SAM) claims, and other aggregates at higher limit attachments.

The impact of these new aggregates to CJPRMA, and how they plan to self-fund the gap, will be explained once final details are known, but a general discussion is included below as an attachment to this item to document the concept for greater understanding of how it could impact a Pool's limits.

At this time, the final terms are not secured, and the Program Administrators will have the latest update at the time of the meeting. However, the coverage may not be bound with final terms until after the Board meeting, and a complete review of the final terms will be provided at that time.

RECOMMENDATION: Review and discuss potential changes to the excess coverage.

FISCAL IMPACT: None for this item. Increasing the SIR to \$7.5M has resulted in an increase to the overall funding that is reflected in the current liability funding estimates.

BACKGROUND: NorCal Cities has been a member of CJPRMA for excess coverage since that pool's inception in 1986. Munich Re has been a steady partner in providing reinsurance but given the group's loss history, and overall market conditions, the terms of coverage are being restricted and pricing is increasing.

ATTACHMENTS: Understanding Policy Aggregation



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

UNDERSTANDING POLICY AGGREGATION

This issue can be complex and difficult to explain depending on how it is structured, though we have a simple example with the current CJPRMA coverage - for Employment Practices Liability (EPL) the limit of coverage in the pool layer is \$5M with a \$5M annual aggregate in the first reinsurance layer. *There is no more EPL coverage in the higher reinsurance layers.* This means once a total of \$5M is paid in the first reinsurance layer for EPL claims occurring during the year the reinsurance ends. *Members would still have \$5M per occurrence available in the pool layer.*

The aggregates being proposed for FY 21/22 would work in a similar fashion, as they would apply to LE and SAM claims only. Considering CJPRMA reinsurers offer LE coverage up to the full \$40M limit, placing an aggregate limit on that coverage could result in exhaustion of the first layer of reinsurance and a gap of up to \$7.5M (currently proposed limit) to reach the higher reinsurer limits. If that were to happen, and additional claims were payable within that gap, CJPRMA would be asked to fund it.

Although it's subject to approval, CJPRMA management understands the issue and is coming to the conclusion that they will recommend **self-funding any losses excess of aggregate exhaustion within that program.** Meaning, if the first layer of reinsurance has a \$5M xs of a \$7.5M SIR limit with a “2 times aggregate” (\$10M), and that aggregate was exhausted by multiple member claims, then they would be self-insured by the pool for a number of reasons, including:

1. In the past, carriers in excess positions have “dropped down” when lower layer carriers’ aggregates were exhausted. That is no longer the case.
2. You can't tell the last city that has a claim that there's no more coverage left in the \$5M xs \$7.5M layer, and,
3. Therefore, you would have to pro-rate the \$40 million many years down the road, and possibly ask members to return some money already paid if the aggregate were exhausted; not a very practical solution!

So a pool like CJPRMA really has no choice but to solve this by self-funding after aggregates are exhausted; it's just the right solution to the problem for them, and most other Pools. This process has to go all the way up through their insured excess layers, or they have to tell members when the aggregates may be exhausted and what that means to the members’ coverage limits at higher layers.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.2.a.

FY 21/22 NCCSIF MEMORANDUM OF COVERAGE - LIABILITY

ACTION ITEM

ISSUE: The Board annually reviews and approves the Liability Memorandum of Coverage (MOC). The NorCal Cities MOC is an “underlying” form that incorporates the excess Memorandum of Coverage provided by the California Joint Powers Risk Management Authority (CJPRMA).

Other than sublimit changes, there are no changes to the terms of the CJPRMA MOC itself, but there will be changes depending on exclusions and sublimits that may be imposed by the reinsurers. If the carriers exclude anything new CJPRMA will continue to cover it in their layer, so it will become a sublimit in the MOC. Coverage is still being negotiated, but currently:

- There will be a complete exclusion for communicable disease in the reinsurance, so that will have a sublimit equal to the CJPRMA layer, most likely at \$7.5M.
- Some carriers are proposing a wildfire exclusion. *We are fighting that.*
- Some carriers are proposing a SAM exclusion. *We are fighting that.*

All edits to the MOC should be limited to Section IV – The Authority’s Limit of Coverage.

The final CJPRMA MOC, with new expected sublimits, will be presented for approval at the Board meeting *if available*. If the coverage is not finalized until after the meeting the MOC and explanation of new terms will be distributed as soon as received.

There are no changes to our MOC proposed, other than to the edition date and dates in the Member Declarations pages. This may have to be revisited depending on the final terms of the CJPRMA MOC.

RECOMMENDATION: Approve the NorCal Cities MOC as presented or revised.

FISCAL IMPACT: None expected from this action.

BACKGROUND: NorCal Cities annually reviews and approves the Liability Memorandum of Coverage (MOC), including any recommended changes based on member feedback and/or changes made to the excess MOC provided by CJPRMA.

ATTACHMENT(S):

1. FY 21/22 NorCal Cities Liability MOC and Sample Declarations
2. FY 21/22 CJPRMA Liability MOC- *to be provided at the meeting*



LIABILITY

UNDERLYING MEMORANDUM OF COVERAGE

The Northern California Cities Self Insurance Fund (hereinafter called NCCSIF) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.

This Memorandum of Coverage is a contract between the NCCSIF and its Members which sets forth certain duties, responsibilities and obligations of each party. This Memorandum of Coverage is not an insurance policy or document, and is not necessarily subject to the particular rules of law which apply to an insurance policy or to interpretation of insurance policies or insurance related documents.

1. COVERAGE AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, NCCSIF agrees to pay on behalf of the Member a Loss resulting from any occurrence covered by the terms of the California Joint Powers Risk Management Authority (CJPRMA) Memorandum of Coverage effective for the Coverage Period under Item 4. of the Declarations to this Memorandum, except for the Limits of Liability and defense provisions and as amended within this Memorandum or by endorsement. The coverage afforded by this Memorandum shall be primary unless Other Insurance is applicable.

2. LIMIT OF LIABILITY

The Limit of Liability applicable to this Memorandum is as stated under Item 7 of the Declarations.

In the event of a coverage dispute, under no circumstances shall the NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I - Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved.

3. EXCLUSIONS



- A. Exclusions No. 24 and No. 35, dealing with Transit Systems, of the CJPRMA Memorandum of Coverage do not apply to this Memorandum of Coverage.
- B. Exclusion No. 22 of the CJPRMA Memorandum of Coverage does not apply under this Memorandum to inverse condemnation liability arising from accidentally caused physical injury to or destruction of tangible property, including all resulting loss of use of such property, for which the covered party may be legally responsible.
- C. As stated under “Covered Party” definition, coverage does not apply to loss resulting from any employee or volunteer who has five or more violation points as valued and enumerated on the Department of Motor Vehicles Negligent Operator Count list within the three years immediately preceding the loss.

However, this exclusion shall apply to the covered employee or volunteer only, and not the vicarious liability of the Member, except that if the Member knowingly permits a covered employee or volunteer to operate after accumulating five or more violation points, this exclusion applies to the Member as well.

4. DEFINITIONS

The conditions of this Memorandum of Coverage shall be applied as if the definitions of words listed below had been included with the word or words each time they appear in this Memorandum.

COVERED PARTY:

- (a) A member entity of NCCSIF. This includes all entities named in the Declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board) or similar entities coming under the entity’s direction or control, or for which the entity’s board members sit as the governing body, except a hospital board or commission, regardless of how it is denominated.
- (b) Any person or entity identified as a covered party holding a certificate of coverage duly issued by the Authority, for occurrences during the coverage period identified in the certificate of coverage; if a particular activity is identified in the certificate of coverage, the person or entity is a covered party only for occurrences arising out of the described activity.



- (c) Any person who is an official, employee or volunteer of a person or entity covered by (a) or (b) herein, whether or not compensated, while acting in an official capacity for or on behalf of such person or entity, including while acting on any commission, regardless of how such body is denominated. Covered Party shall not include any person whose conduct is not within the course and scope of his or her employment or office with the covered party at the time of the act or acts that give rise to liability.

- (d) With respect to any automobile owned or leased by a covered party (described in (a) or (b) above), or loaned to or hired for use by or on behalf of the covered party, any person, while using such automobile, and any person or organization legally responsible for the use thereof, provided the actual use is with the express permission of the covered party, but this protection does not apply to the an covered party as respects:
 - 1) any employee or volunteer who has five or more violation points, as valued and enumerated on the Department of Motor Vehicles Negligent Operator Count list within the three years immediately preceding the “loss.”
 - 2) any person or organization, or any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to an occurrence arising out of the operation thereof; or
 - 3) the owner or any lessee, other than the covered party, of any automobile hired by or loaned to the covered party or to any agent or employee of such owner or lessee.

This agreement does not provide uninsured or underinsured motorist coverage.

LOSS: The total of all defense costs incurred by the covered parties and all damages for which the covered parties are liable either by adjudication or by compromise with the written consent of NCCSIF, after making proper deduction for all recoveries and salvages, arising from an occurrence to which this coverage applies. Loss does not include attorneys’ fees or costs awarded to the prevailing party in a suit except where such attorneys’ fees or costs are attributable to a claim for damages covered by this Memorandum.



Additionally, for any claim or suit seeking damages that would be potentially covered by this Memorandum of Coverage but for the operation of an Exclusion, NCCSIF shall, upon request, include within the definition of loss, damages for which the covered parties are liable either by adjudication or by compromise up to the limit of coverage in the Member City's Banking Layer shown on the Declarations.

5. OTHER INSURANCE or COVERAGE

The coverage afforded by this Memorandum shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

6. NOTICE OF OCCURRENCE

Upon the happening of any occurrence likely to involve NCCSIF under this Memorandum, the Member shall give notice, either written or oral, as soon as practicable to the Claims Administrator of NCCSIF as listed in Item 10 of the Declarations. Such notice shall contain particulars sufficient to identify the Member and fullest information obtainable at the time. If legal proceedings are begun, the Member shall forward to the NCCSIF Claims Administrator each paper therein, or a copy thereof, received by the Member or the Member's representative, together with copies of reports or investigations with respect to such claim proceedings.

7. DEFENSE

NCCSIF shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member that in the opinion of NCCSIF may create liability on the part of NCCSIF under the terms of this Memorandum of Coverage.

Additionally, for any claim or suit seeking Damages that would be potentially covered by this Memorandum of Coverage but for the operation of Exclusion, NCCSIF shall, upon request, reimburse the Member's cost of defense of the claim, up to the limit of coverage in the Member's Banking Layer shown in the Declarations. This supplemental defense cost coverage shall not apply to coverage in the pooled risk sharing layer shown in the Declarations.



8. PAYMENT OF LOSS

Upon final determination of Loss, NCCSIF will promptly pay on behalf of the Member the amount of Loss falling within the terms of this Memorandum of Coverage.

9. SUBROGATION

In the event of any payment under this Memorandum of Coverage, NCCSIF will be subrogated to all the Member City's rights of recovery against any person or organization and NCCSIF shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the Loss to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

10. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of NCCSIF.

11. ARBITRATION OF COVERAGE DISPUTES

COVERAGE DETERMINATIONS

The Claims Committee shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the Authority's right to deny coverage on all or part of a claim, if a loss subsequently exceeds the retained limit.

A decision by the Claims Committee to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing within thirty (30) calendar days of the date of the Claims Committee's written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting.



The Program Administrator in conjunction with the Claims Committee and the covered party will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the covered party must be submitted within thirty (30) calendar days from the date of the noticed decision by the Board of Directors.

Under no circumstances shall the NCCSIF be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I – Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved.

(a) **ARBITRATION PROCEDURES FOR RESOLVING DISPUTES**

1) **Selection of Arbitrators:**

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with the Authority or the covered party or parties.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension. Each side shall pay the cost of its selected arbitrator and one half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between either



side and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

2) Discovery

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) Testimony Under Oath

The testimony of witnesses shall be given under oath.

4) Length of Hearing

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) Certified Shorthand Reporter

Either side wishing a certified shorthand reporter record shall make arrangements directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) FUNDING OF DEFENSE AND PAYMENT OF CLAIMS PENDING RESOLUTION OF DISPUTE

During the course of the arbitration proceedings provided herein, the covered party will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such defense costs, the Authority will reimburse the covered party as directed by the panel.

(c) EFFECTS OF ARBITRATION DECISIONS

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except



as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) GENERAL LAW

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

07/01/2021

Date

Dave Warren, NCCSIF President



LIABILITY AMENDATORY ENDORSEMENT

UNDERLYING MEMORANDUM OF COVERAGE

TRANSIT SYSTEMS

This endorsement is issued to:

The City of Auburn

The City of Dixon

It is understood and agreed that Section 3, **Exclusion A** is deleted and replaced with the following:

With respect to the Members named above, Exclusions No. 24 and No. 35, dealing with Transit Systems, of the **California Joint Powers Risk Management Authority Memorandum of Coverage** do not apply to the **Northern California Cities Self Insurance Fund (NCCSIF) Underlying Memorandum of Coverage** for Liability. Notwithstanding what is stated in the applicable declarations, the limit of coverage described in this exception will be subject to a sublimit of \$250,000 each occurrence.

All other terms and conditions of this underlying memorandum of coverage are unchanged. If this endorsement is issued after the effective date of this underlying memorandum of coverage, then it must be signed by an Officer of NCCSIF.

Dave Warren, NCCSIF President

Endorsement Effective Date: July 1, 2021



UNDERLYING MEMORANDUM OF COVERAGE

VIOLENT EVENT COVERAGE

It is understood and agreed that after a **Violent Event** requiring emergency service response from any Member, such Member may elect payment up to the amount of their Banking Layer.

Violent Event is defined as an individual or group of individuals who has used or attempted to use deadly force on other persons and continues to do so while having unrestricted access to additional victims.

Notwithstanding what is stated in the applicable declarations, the limit of coverage described in this endorsement shall not exceed the Member's Banking Layer per **Violent Event** or in the aggregate for the applicable Program Year.

All other terms and conditions of this underlying memorandum of coverage are unchanged. If this endorsement is issued after the effective date of this underlying memorandum of coverage, then it must be signed by an Officer of NCCSIF.

Dave Warren, NCCSIF President

Endorsement Effective Date: July 1, 2021



Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021

Agenda Item H.2.b.

**FY 21/22 NCCSIF MEMORANDUM OF COVERAGE
WORKERS' COMPENSATION**

ACTION ITEM

ISSUE: The Board annually reviews and adopts or makes changes to the NorCal Cities Workers' Compensation Memorandum of Coverage (MOC) based on member or Program Administrator feedback and/or changes made to the excess coverage provided by PRISM (formerly CSAC-EIA).

One issue that came to the forefront this year that has prompted changes to the PRISM MOC is benefits for out-of-state workers. With the increase in remote work PRISM has made changes to confirm they do cover out-of-state workers. Typically the injured worker would have a choice of venues for benefits though often California's are more generous. Attached is the summary of the changes as well as a red-lined version of the MOC for FY 21/22.

Also attached is the NorCal Cities Workers' Compensation MOC with no changes other than for the edition and coverage dates. Note, NCCSIF does not cover a member's obligation to pay any portion of Labor Code 4850 benefits, including Salary Continuation (SC) and Temporary Disability (TD), the amount that would be payable in TD if 4850 did not apply. The excess coverage provided by PRISM does not cover the 4850 Salary Continuation portion, but does cover the WC related TD expenses. Sedgwick keeps track of both types of payments to assure proper credit.

RECOMMENDATION: Review and approve the FY 21/22 NorCal Cities Workers' Compensation MOC.

FISCAL IMPACT: None directly from this item.

BACKGROUND: NCCSIF annually reviews and approves the Workers' Compensation MOC, including any recommended changes based on member feedback and/or changes made to the excess MOC provided by PRISM (formerly CSAC-EIA). Each member maintains a Banking Layer to pay the first \$100,000 of any claim, with NCCSIF providing coverage from \$100,000 to \$500,000 in the Shared Layer. PRISM provides excess coverage for Part One – Workers' Compensation from \$500,000 to Statutory Limits, with a \$5,000,000 limit for Coverage Part Two - Employer's Liability coverage.

ATTACHMENT(S):

1. FY 21/22 NCCSIF Workers' Compensation MOC, with sample Declarations Page
2. PRISM Memo and Red-lined Version of Changes to MOC



WORKERS' COMPENSATION & EMPLOYER'S LIABILITY

MEMORANDUM OF COVERAGE

The Northern California Cities Self Insurance Fund (hereinafter called NCCSIF) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.

This Memorandum of Coverage is a contract between the NCCSIF and its Members that sets forth certain duties, responsibilities and obligations of each party. This Memorandum of Coverage is not an insurance policy or document, and is not necessarily subject to the particular rules of law that apply to an insurance policy or to interpretation of insurance policies or insurance related documents.

INTRODUCTION

In return for the payment of the premium and subject to all terms and conditions of this agreement, Northern California Cities Self Insurance Fund (NCCSIF) agrees with you (the Member agency named in the Declarations) as follows:

GENERAL SECTION

A. THE AGREEMENT

This agreement includes the Declarations and all endorsements and schedules attached to it. It is a coverage agreement between you and us. The only agreements relating to this coverage are stated in this coverage agreement.

The terms of this agreement may not be changed or waived except by endorsement issued by us to be part of this agreement. You are responsible for telling us at once when the information contained in this agreement is no longer accurate for your operations.

This agreement, including the Declarations, endorsements and schedules attached to it, and any specified section of the JPA Agreement or Bylaws constitutes the entire coverage agreement. No condition, provision, agreement or understanding not stated in this coverage agreement will affect any rights, duties or privileges in connection with this coverage agreement.



Under no circumstances shall NCCSIF be liable for consequential damages, “bad faith” damages, or any sums beyond the Limit of Liability shown in the Declarations.

B. WHO IS COVERED

The Member Agency named in the Declarations is covered for liability to its employees, subject to the provisions of this agreement.

C. WORKERS’ COMPENSATION LAW

Workers’ compensation law means the Workers’ Compensation Laws of the State of California (which include injury by both accident and disease). It includes any amendments to that law that are in effect during the coverage period. It does not include the provisions of any law that provide non-occupational disability benefits. The term “Workers’ Compensation Law” shall also include the United States’ Longshore and Harbor Workers Compensation Act, also known as LHWCA (33 USC Sections 901-950).

D. LOCATIONS

This agreement covers all of your workplaces in California and in other states if listed unless you have other insurance, are self-insured or covered under another Joint Powers Authority for such workplaces.

E. WHO IS ELIGIBLE FOR BENEFITS

Your employees (or in the event of their death, their dependents) are eligible for benefits under this agreement, except that employees who are excluded under Workers’ Compensation Law are not eligible for benefits under this agreement unless they have been included on the Declarations or by endorsement.

PART ONE — WORKERS’ COMPENSATION COVERAGE

A. HOW THIS COVERAGE APPLIES

This workers’ compensation coverage applies to bodily injury by accident or bodily injury by disease, including resulting death, subject to the following conditions:

1. Bodily injury by accident must occur during the coverage period.



2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the coverage period.

B. WE WILL PAY

We will pay promptly when due to those eligible under this agreement the benefits required of you by the workers' compensation law, in excess of the Member Retention specified in Item 3 of the Schedule and subject to the limit specified in Item 5 of the Schedule. As respects the United States and Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950), coverage for loss shall be limited, by amount and time of payment, to the benefits which would be available under the Workers' Compensation Act of the state where the injured employee is normally employed, if that law applied.

C. RIGHT TO ASSOCIATE IN DEFENSE

We have no duty to investigate, handle, settle or defend any claims, suits or proceedings against you. We have the discretionary right—and shall be given the opportunity by you—to associate with you in the defense, investigation or settlement of any claim, suit or proceeding that appears to involve indemnity by NCCSIF. In such association, you and NCCSIF shall cooperate in all aspects of defense, investigation, or settlement.

D. WE WILL ALSO PAY

Subject to the Member Retention specified in Item 4 and limit specified in Item 6 of the Schedule, we will also pay these costs, in addition to other amounts payable under this coverage as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to twice the amount payable under this coverage
3. Litigation costs taxed against you
4. Interest on an award or judgment as required by law
5. Expenses we incur

E. OTHER INSURANCE



We will not pay more than our share of benefits and costs covered by this agreement and other insurance or self-insurance. All shares will be equal until the loss is paid.

F. LIMIT OF LIABILITY

Our liability to pay for damages is limited. Our limit of liability is shown in Item 6 of the Schedule of Declarations. It is the most we will pay for all damages covered by this coverage because of bodily injury to one or more employees in any one accident or occurrence, or series of accidents or occurrences, arising out of any one event. We will not pay any claims for damages after we have paid the limit of our liability under this coverage as explained above.

G. PAYMENTS YOU MUST MAKE

You are responsible for any payments of benefits required under the Workers' Compensation Law within the retention and those payments in excess of the benefits regularly provided by the workers' compensation law including, but not limited to, those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the law;
5. of injury to an employee under the minimum age specified in the workers' compensation law and illegally employed at the time of injury;
6. of your obligation to pay salary in lieu of temporary disability benefits as required under Labor Code Section 4850, including to the extent you would be responsible for temporary disability benefits if Labor code Section 4850 did not apply;
7. of your obligations pursuant to Labor Code Section 4856;
8. of your obligations arising out of operations for which you have rejected any Workers' Compensation Law; or
9. of your obligations for discrimination against any employee for the filing of a claim for Workers' Compensation coverage, or for discrimination of an employee that has agreed to testify in another employee's workers' compensation claim.



H. RECOVERY FROM OTHERS

We may enforce your rights, and the rights of persons entitled to the benefits of this coverage, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

I. STATUTORY PROVISIONS

These statements apply where they are required by law:

1. As between an injured worker and us, we have notice of injury when you have notice.
2. We are directly and primarily liable to any person entitled to the benefits payable by this coverage, subject to the provisions, conditions and limitations of this agreement.
3. Jurisdiction over you is jurisdiction over us for purposes of the workers' compensation law. We are bound by decisions against you under that law, subject to the provisions of this agreement that are not in conflict with that law.
4. Terms of this coverage that conflict with the workers' compensation insurance law are changed by this statement to conform to that law.
5. Your employee has a first lien upon any amount that becomes owing to you by us because of this agreement and in the case of your legal incapacity or inability to receive the money and pay it to the claimant; we will pay it directly to the claimant.

Nothing in these paragraphs relieves you of your duties under this agreement.

PART TWO — EMPLOYER'S LIABILITY COVERAGE

A. HOW THIS COVERAGE APPLIES

This employer's liability coverage applies to bodily injury by accident or bodily injury by disease, including resulting death, subject to the following conditions:

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in the State of California.
3. Bodily injury by accident must occur during the coverage period.



4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of exposure to the conditions causing or aggravating such bodily injury by disease OR the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment whichever comes first and must occur during the coverage period.
5. If you are sued, the suit and any related legal actions for damages for bodily injury by accident or by disease must be brought under the laws of the State of California.

B. WE WILL PAY

We will pay all sums over the amount stated as the Members' Retained Limit in Item 3 of the Schedule you legally must pay as damages because of bodily injury to your employees eligible for benefits under this agreement, provided the bodily injury is covered by this employer's liability coverage and subject to the limit specified in Item 6 of the Schedule.

The damages we will pay over the amount stated as the Members' Retained Limit in Item 3 of the Schedule, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. for care and loss of services; and
3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence or bodily injury that arises out of and in the course of the injured employee's employment by you, and

4. because of bodily injury to your employee that arises out of and in the course of employment claimed against you in a capacity other than as employer.

C. EXCLUSIONS

This agreement does not cover:



1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. punitive or exemplary damages where coverage for such liability is prohibited by law or contrary to public policy;
3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. any obligation imposed by a workers' compensation, occupational disease, unemployment compensation or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by you;
6. damages arising out of the discharge of, coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against, or termination of any employee, or any personnel practices, policies, acts or omissions;
7. damages for discrimination against any employee for the filing of a claim or for discrimination of an employee that has agreed to testify in another employee's workers' compensation claim.

D. RIGHT TO ASSOCIATE IN DEFENSE

We have no duty to investigate, handle, settle or defend any claims, suits or proceedings against you.

We have the discretionary right—and shall be given the opportunity by you—to associate with you in the defenses, investigation, or settlement of any claim, suit or proceeding which appears to involve indemnity by NCCSIF. In such association, you and NCCSIF shall cooperate in all aspects of defense, investigation or settlement.

E. WE WILL ALSO PAY

Subject to the Member Retention specified in Item 3 of the Schedule and subject to the limit specified in Item 6 of the Schedule, we will also pay these costs, in addition to other amounts payable under this coverage, as part of any claim, proceeding or suit we defend;

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to twice the limit of our liability under this coverage;
3. litigation costs taxed against you;



4. interest on a judgment as required by law; and
5. expenses we incur.

F. OTHER INSURANCE

We will not pay more than our share of damages and costs covered by this coverage and any other insurance, self-insurance or any other employers' liability by a Joint Powers Authority. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self insurance will be equal until the loss is paid.

G. LIMIT OF LIABILITY

Our liability to pay for damages is limited. Our limit of liability is shown in Item 6 of the Schedule of Declarations. It is the most we will pay for all damages covered by this coverage because of bodily injury to one or more employees in any one accident or occurrence, or series of accidents or occurrences, arising out of any one event.

We will not pay any claims for damages after we have paid the limit of our liability under this coverage as explained above.

H. RECOVERY FROM OTHERS

We may enforce your rights to recover our payment from anyone liable for an injury covered by this coverage. You will do everything necessary to protect those rights for us and to help us enforce them.

I. ACTIONS AGAINST US

There will be no right of action against us under this coverage unless;

1. you have complied with all the terms of this agreement; and
2. the amount you owe has been determined with our consent or by actual trial and final judgment.

This coverage does not give anyone the right to add us as a defendant in an action against you to determine your liability.



PART THREE — COVERAGE OUTSIDE OF CALIFORNIA

This coverage is identical to Part One (Workers' Compensation Coverage) of this agreement. It applies to your employees who are hired in California and are eligible for benefits under this agreement while they are working anywhere outside of California.

PART FOUR — YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs which may be covered by this agreement. Your other duties are listed here:

1. Provide for immediate medical and other services required by the workers' compensation law.
2. Give us or our representative the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses within our layer of coverage, except at your own cost.

PART FIVE — PREMIUM

A. PREMIUM

1. All premiums for this agreement will be determined by the Northern California Cities Self Insurance Fund.
2. Remuneration is part of the premium basis. This premium basis includes payroll and all other remuneration paid or payable during the coverage period for the services of:
 - a. all your employees eligible for benefits under this agreement while engaged in work covered by this agreement; and



- b. all other persons engaged in work that could make us liable under Part One (Worker's Compensation Coverage) of this agreement. If you do not have the payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph will not apply if you give us proof that the employers of these persons lawfully secured their workers' compensation obligations.

B. PREMIUM PAYMENTS

You will pay all premium when due.

C. FINAL PREMIUM

The premium shown on the Declarations and on the schedules and endorsements, if any, is an estimate. The final premium will be determined after this agreement ends by using the actual, not the estimated, premium basis and actual losses. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the minimum premium for this agreement as determined by the various layer funding formulas.

D. RECORDS

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

E. AUDIT

You will let us examine and audit all your records that relate to this agreement. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records and programs for storing and retrieving data. We may conduct the audits during regular business hours during the coverage period and within three years after the coverage period ends. Information developed by audit will be used to determine final premium.

F. RATE CHANGES

This agreement is issued by us and accepted by you with the agreement that you will accept any increase in premium or in the rates of premium which may be promulgated under any rating plan approved by the Northern California Cities Self Insurance Fund, and that the effective date of any



such increase shall be the effective date thereof fixed in accordance with the provisions of any such rating plan approved by the Executive Committee. Also the rates used to determine the premium are subject to increase during the term of the agreement if an increase in rates applicable to agreements in force is approved by the Executive Committee of Northern California Cities Self Insurance Fund, and that the effective date of any such increase shall be the date fixed by the Executive Committee.

PART SIX — CONDITIONS

A. INSPECTION

We have the right, but are not obliged, to inspect your workplaces at any reasonable time. Our inspections relate to the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help to reduce losses, we do not undertake to perform the duty of any person to provide for the health and safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws regulations, codes or standards.

B. LONG TERM POLICY

If this policy is written for a period longer than one year, all the provisions of this agreement shall apply separately to each consecutive twelve month period, or if the first or last period is less than twelve months, in the same manner as if a separate agreement had been written for each consecutive period. Until your policy terminates, your deposit premium will be transferred to each consecutive coverage period to act as a deposit in the same manner as if a separate agreement had been written.

C. TRANSFER OF YOUR RIGHTS AND DUTIES

Your rights or duties under this agreement may not be transferred without our written consent.

D. OUR NOTICE TO YOU

Mailing documents that relate to this agreement to you at the mailing address shown in the Declarations will be sufficient to prove notice to you of that document.

E. CANCELLATION AND WITHDRAWAL



You may withdraw as a party to this agreement and as a participant in the coverage provided you meet the requirements, as specified in the Joint Exercise of Power Agreement, Bylaws and Participation Agreement.

If cancellation by Northern California Cities Self Insurance Fund or you is effective before the end of the coverage year, Northern California Cities Self Insurance Fund will return to you the amount of any unearned premium payment from you for the coverage year. Such amount will be computed on a pro-rata basis from the effective date of cancellation.

F. ARBITRATION OF COVERAGE DISPUTES

1. Coverage Determinations

The Third Party Administrator or JPA Counsel shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the Northern California Cities Self Insurance Fund's right to deny coverage on all or part of a claim, if a loss subsequently exceeds the retained limit.

A decision to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing within thirty (30) calendar days of the date of written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The Program Administrator and the covered party will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the covered party must be submitted within thirty (30) calendars days from the date of the noticed decision by the Board of Directors.

(a) Arbitration Procedures for Resolving Disputes

1) Selection of Arbitrators

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these



two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with you or NCCSIF.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension.

Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between either side and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

2) Discovery

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) Testimony Under Oath

The testimony of witnesses shall be given under oath.

4) Length of Hearing

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) Certified Shorthand Reporter

Either side wishing a certified shorthand reporter record shall arrange directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the



hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) Funding of Defense and Payment of Claims Pending Resolution of Dispute

During the course of the arbitration proceedings provided herein, the *covered party* will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such *defense costs*, the *Authority* will reimburse the *covered party* as directed by the panel.

(c) Effects of Arbitration Decisions

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).



(a) **General Law**

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

July 1, 2021
Date

Dave Warren, NCCSIF President



ENDORSEMENT NO. 1

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND WORKERS' COMPENSATION MEMORANDUM OF COVERAGE

OFF-DUTY PEACE OFFICER INJURY (AB 1749) ENDORSEMENT

It is understood and agreed that this Memorandum shall not apply to bodily injury or occupational disease sustained by a "peace officer" who was at the time of the occurrence:

- a. off-duty,
- b. not acting under the immediate direction of his or her employer, and
- c. outside the state of California.

However, this exclusion shall not apply to bodily injury or occupational disease sustained by a peace officer under such circumstances if:

- a. the peace officer was engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace; and
- b. prior to the occurrence, the Governing Board of the Covered Party has adopted a resolution, as provided for in California Labor Code Section 3600.2, subdivision (b)(4), accepting liability for such injury under the Workers' Compensation Act.

"Peace officer" for purposes of this Endorsement has the definition stated in Section 50920 of the California Government Code.

It is further agreed that nothing herein shall act to increase NCCSIF's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date: July 1, 2020

Memorandum No.: NCCWC-20

Issued to: ALL MEMBERS

Issue Date: July 1, 2020

Authorized Representative
Northern California Cities SIF

From: [Kelli Snelling](#) on behalf of [Michael Pott](#)
To: [Michael Pott](#)
Subject: PRISM EWC MOC Proposed Amendments
Date: Tuesday, March 9, 2021 1:30:39 PM
Attachments: [3.A.4. 2EWC MOC - Proposed changes 2021-22.pdf](#)
[EWC MOC with Universal Endorsements 2020-2021.pdf](#)

This message has originated outside the organization.

Good afternoon EWC Program members,

At its March 5, 2021 meeting, the PRISM Board of Directors approved the circulation of proposed revisions to the EWC Memorandum of Coverage (MOC) for review and comment. The proposed changes for consideration are as follows (all page references below are based on the attached **redline** version):

- Coverage for remote workers residing in other states (pg. 1) – The pandemic has created new opportunities for remote work to the point that some entities have or may ultimately have employees residing in other states. An employee who is injured while working for a California public entity and residing in another state, can either file a workers' compensation claim in California or in the state in which the employee resides. The proposed change to the coverage grant would make it clear that the MOC intends to provide coverage for a Member's remote worker who resides in another state.
- Deletion of unnecessary language for the definition of Employee. (pg. 2)
- Deletion of Coverage B examples of Punitive or Exemplary Damages that are excluded from coverage (pg. 4) – The recommendation is that the specific examples of punitive or exemplary damages that are not covered be deleted because the listed examples are geared toward workers' compensation claims, whereas Coverage B is not workers' compensation. In addition, by including a list we may be unintentionally restricting the application of the exclusion by providing the list.
- Incorporation of Endorsements – The remaining proposed changes are the incorporation of Universal Endorsement 2 (Clarification of Coverage – pg. 3) and Universal Endorsement U-3 (Carve Out Reporting Requirement – pg. 10) into the body of the MOC.

Attached for your review are:

- A copy of the current MOC
- A **redlined** version of the MOC detailing the proposed revisions

Please note: The **due date for all comments is April 16, 2021**. We will review all comments and present final amendments, if any, to the Underwriting Committee at its meeting on May 5, 2021.

Please direct any questions or comments regarding the proposed revisions to the EWC MOC to either PRISM's Chief Legal Counsel, Mike Pott, via email at mpott@prismrisk.gov or to PRISM's Workers' Compensation Director, Jen Hamelin, via email at jhamelin@prismrisk.gov. Both can also be reached by telephone at (916) 850-7300.

Michael Pott, Chief Legal Counsel

PRISM

O: 916.850.7300

M: 916.719.6958

75 Iron Point Circle, Suite 200, Folsom, CA 95630

www.prismrisk.gov

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PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)

EXCESS WORKERS' COMPENSATION PROGRAM MEMORANDUM OF COVERAGE

Public Risk Innovation, Solutions, and Management (hereinafter PRISM) agrees with the **Covered Party** named in the Declarations made a part hereof, in consideration of the payment of the premium and subject to all of the terms of this Memorandum, as follows:

COVERAGE AGREEMENTS

I. APPLICATION OF MEMORANDUM: This Memorandum applies to **loss** sustained by the **Covered Party** because of liability imposed upon the **Covered Party** by:

A. The **Workers' Compensation Act** of California or the **Workers' Compensation Act** of any state other than California, provided that California is the injured **employee's** normal state of employment or residence, or

B. "Employers' Liability"

on account of **bodily injury or occupational disease** sustained by **employees** of the **Covered Party**, while engaged in operations of the **Covered Party**, as a result of **occurrences** taking place during the coverage period and while this Memorandum is in force.

The indemnity afforded by this Memorandum under Coverage Agreement I.B. for **loss** because of liability imposed by "Employers' Liability" applies only as respects such operations in California including **employees** who are regularly engaged in such operations in California but who may be temporarily outside California in connection with such operations. As respects liability imposed by "Employers' Liability", PRISM shall have no obligation to indemnify the **Covered Party** for damages imposed in any lawsuit brought in, or any judgment rendered by, any court outside of the United States of America, its territories or possession, or Canada, or to any action on such judgment wherever brought.

PRISM's liability under Coverage Agreement I.B. includes **bodily injury or occupational disease** to the master and members of the crew of a vessel, subject to the following:

A. The **bodily injury or occupational disease** must occur in the territorial limits of, or the operation of a vessel sailing directly between the ports of the Continental United States of America, Alaska, Hawaii, or Canada.

B. This coverage does not apply to:

1. **bodily injury or occupational disease** covered by a protection and indemnity coverage or similar policy issued to or on behalf of the **Covered Party**

2. The duty to provide transportation, wages, and maintenance.

- II. **RETENTION AND INDEMNITY:** As respects **loss**, which the **Covered Party** sustains as a result of each **occurrence**, the **Covered Party** shall retain **loss** in the amount of the **Covered Party's** Retention specified in the Declarations, and PRISM agrees to indemnify the **Covered Party** against **loss** in excess of such Retention. Notwithstanding the application of this Memorandum to **loss** sustained by the **Covered Party** under Coverage Agreements I.A. or I.B., and regardless of the number of entities named in the Declarations, or otherwise qualifying as **Covered Parties**, the maximum amount of the **Covered Party's** Retention and the maximum limit of PRISM's indemnity hereunder shall not exceed the amounts specified in the Declarations.

DEFINITIONS

Wherever used in this Memorandum, the following definition of terms shall apply:

- I. **BODILY INJURY:** The term **bodily injury** shall include death resulting therefrom but shall not include **occupational disease**.
- II. **COMMUNICABLE DISEASE** shall mean a disease caused by an infectious organism, which is transmissible from one source to another, directly or indirectly.
- III. **COVERED PARTY** shall include all entities named in the Declarations and any related "employer" as defined by any applicable **Workers' Compensation Act**.
- IV. **EMPLOYEE:** The term **employee** shall mean ~~as respects liability imposed upon the Covered Party by the Workers' Compensation Act of any applicable state, any person performing work which renders the Covered Party liable under any Workers' Compensation Act, provided such person's normal employment or residence is located in California,~~ [MP1] for **bodily injury** or **occupational disease** sustained by such person.
- V. **JOINT POWERS AGREEMENT** or **AGREEMENT** shall mean the Joint Powers Agreement, as amended, creating PRISM.
- VI. **LOSS:** The term **loss** shall mean only such amounts as are actually paid by the **Covered Party** as benefits under the applicable **Workers' Compensation Act**, or in payment of amounts imposed upon the **Covered Party** by "Employers' Liability", in settlement of claims for such benefits or damages, or satisfaction of

awards or judgments for such benefits and damages, including court costs, interest upon awards or judgments, and allocated investigation, adjustment and legal expenses, but the term **loss** shall not include as expenses, salaries paid to **employees** of the **Covered Party**, nor fees and retainers paid to any service organization.

Notwithstanding the foregoing, **loss** does not include any amounts paid by the **Covered Party** as benefits, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, deriving solely from any **Covered Party's** enactment, resolution or other act establishing either a presumption of work- related illness or injury or any other expansion of benefits beyond those prescribed by the applicable **Workers' Compensation Act**. Despite any such enactment resolution or act, the **Covered Party** shall retain the burden of establishing **loss** within the Memorandum of Coverage.[MP2]

- VII. **OCCUPATIONAL DISEASE:** The term **occupational disease** shall include death resulting therefrom and cumulative injuries.
- VIII. **OCCURRENCE:** (A) All **bodily injury** sustained by one or more **employees**, as a result of a single accident or event, shall be deemed to arise from a single **occurrence**. (B) **Occupational disease** sustained by each **employee** shall be deemed to arise from a separate **occurrence**, and the **occurrence** shall be deemed to take place on the last day of the last exposure, in the employment of the **Covered Party**, to conditions causing or aggravating the disease ~~OR~~or the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment with the **Covered Party**, whichever comes first. (C) All **occupational disease** sustained by one or more **employees** as a result of an outbreak of the same **communicable disease** shall be deemed to arise from a single **occurrence**. An outbreak of the same **communicable disease** that spans more than one coverage period shall be deemed to take place during the first such coverage period.
- IX. **WORKERS' COMPENSATION ACT:** The term **Workers' Compensation Act** shall include any separate occupational disease act, but shall not include the non-occupational disability benefit provisions of any such act. The term **Workers' Compensation Act** includes the United States Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950). Coverage for **loss** shall be limited, by amount and time of payment, to the benefits, which would be available under the **Workers' Compensation Act** of the state where the injured employee is normally employed, if that law applied.

EXCLUSIONS

Liability under Coverage Agreement I.A. does not apply to:

- I. The **Covered Party's** obligation to pay salary in lieu of temporary disability benefits as required by Labor Code Section 4850 or the **Covered Party's** obligation to pay wages or salary as required by Education Code Sections 44984 and 45192, except to the extent that the **Covered Party** would be obligated to pay temporary disability benefits if Labor Code Section 4850 or Education Code Sections 44984 and 45192 did not apply;
- II. The **Covered Party's** obligations pursuant to Labor Code Section 4856;
- III. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**:
 - A. On account of **bodily injury** or **occupational disease** sustained by any **employee**; or
 - B. On account of the conduct of the **Covered Party** or any of its agents (i) in the investigation, trial or settlement of any claim for benefits under the applicable **Workers' Compensation Act** or for damages at law, or (ii) in failing to pay or delaying the payment of any such benefits or damages; or
 - C. On account of violation of any statute or regulation; or
 - D. On account of **bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**; or
 - E. On account of **bodily injury** arising out of termination of employment; or
 - F. On account of **bodily injury** arising out of the coercion, demotion, reassignment, discipline, defamation, harassment or humiliation of, or discrimination against any **employee**.

Liability under Coverage Agreement I.B. does not apply to:

- I. Liability assumed by the **Covered Party** under any contractual agreement;
- II. **Bodily injury** or **occupational disease** to an employee while employed in violation of law with the actual knowledge of the **Covered Party**;
- III. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- IV. **Bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**;
- V. Loss arising out of the coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any **employee** or any personnel practices, policies, acts or omissions;

- VI. Fines or penalties assessed against or imposed upon the **Covered Party** on account of violation of any statute or regulation;
- VII. Loss arising out of operations for which the **Covered Party** has violated or failed to comply with any Workers' Compensation Law;
- VIII. Loss arising out of operations for which the **Covered Party** has rejected any Workers' Compensation Law;
- IX. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**:

~~A. On account of **bodily injury** or **occupational disease** sustained by any employee; or~~^[MP3]

~~B. On account of the conduct of the **Covered Party** or any of its agents (i) in the investigation, trial or settlement of any claim for benefits under the applicable **Workers' Compensation Act** or for damages at law, or (ii) in failing to pay or delaying the payment of any such benefits or damages; or~~

~~C. On account of violation of any statute or regulation; or~~

~~D. On account of **bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**; or~~

~~E. On account of **bodily injury** arising out of termination of employment; or~~

~~F. On account of **bodily injury** arising out of the coercion, demotion, reassignment, discipline, defamation, harassment or humiliation of, or discrimination against any employee.~~

CONDITIONS

- I. **PREMIUMS:** The Board of Directors of PRISM shall assess the premium for the Excess Workers' Compensation Program to participating **Covered Parties**. Such premiums shall be calculated in accordance with Article 14 of the **Joint Powers Agreement**.
- II. **VOLUNTEERS:** This Memorandum shall apply to **loss** on account of **bodily injury** or **occupational disease** sustained by volunteer workers while acting within the scope of their duties for or on behalf of the **Covered Party**, provided that, prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution as provided in Division 4, Part 1, Chapter 2, Article 2, of the California Labor Code, declaring such volunteer workers to be **employees** of the **Covered Party** for purposes of the **Workers' Compensation Act**; or provided that such

volunteer workers are statutorily deemed by the **Workers' Compensation Act** to be **employees** for the purposes of workers' compensation.

- III. ADMINISTRATION AND REPORTING OF CLAIMS: The **Covered Party** shall be responsible for the investigation, settlement, defense or appeal of any claim made or suit brought, or proceeding instituted against the **Covered Party**, and the **Covered Party** shall have the duty to give immediate notice to PRISM upon learning of any of the following:
- A. Any **occurrence** for which total incurred (paid to date plus remaining reserves) exceeds 50% of the **Covered Party's** Retention;
 - B. Any **occurrence** which causes serious injury to two or more employees;
 - C. Any **occurrence** which results in:
 - 1. A fatality;
 - 2. An amputation of a major extremity;
 - 3. Any serious head injury (including skull fracture or loss of sight of either or both eyes);
 - 4. Any injury to the spinal cord;
 - 5. Any second or third degree burn of 25% or more of the body;
 - 6. A permanent total disability as defined in the **Workers' Compensation Act** of the State of California;
 - D. The reopening of any case in which a further award might exceed 50% of the **Covered Party's** retention.

The **Covered Party** shall not make any voluntary settlement or voluntarily make a lump sum payment or commutation or one-time payment in lieu of periodic indemnity payments to **employees** or their dependents involving **loss** to PRISM except with the prior written consent of PRISM.

The **Covered Party** shall promptly forward to PRISM any requested information on individual **occurrences** claims, or cases, and shall provide such information to PRISM within thirty (30) days in a form satisfactory to PRISM, including the amounts paid and the estimated future payments or outstanding reserves.

PRISM, at its own election and expense, shall have the right to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, settlement, defense, or appeal of any claim, suit, or proceeding, which might involve liability of PRISM.

- IV. SERVICE ORGANIZATION: As a condition precedent to recovery hereunder, it is agreed that the **Covered Party** will engage one or more service organizations and/or in-house staff acceptable to PRISM to perform on behalf of the **Covered Party**, and without charge to PRISM, such services as may be acceptable to PRISM during the currency of this Memorandum and until the final settlement of all claims arising out of **occurrences** which take place while this Memorandum is in force. The performance of such services shall not constitute any undertaking on behalf of PRISM, nor relieve the **Covered Party** of any of its obligations under the terms of this Memorandum.
- V. ASSISTANCE AND COOPERATION: In the event PRISM elects to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, defense, or appeal of any claim, suit, or proceeding, the **Covered Party** shall cooperate to the fullest extent with PRISM and its representatives.

Upon PRISM's request, the **Covered Party** shall direct its service organization and/or other representatives to cooperate with and assist PRISM in all matters relative to such investigation, settlement, defense, or appeal.

If PRISM elects to assume control as described above, PRISM shall give written notice of such election to the **Covered Party**. Upon receipt of such written notice, the **Covered Party** shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense other than such immediate medical or other services at the time of injury as are required by the **Workers' Compensation Act** or such immediate medical and surgical relief as may become imperative at the time of an **occurrence**.

- VI. LOSS PAYABLE: PRISM shall pay any **loss** for which it may be liable under this Memorandum in the following manner:
- A. As respects Coverage Agreements I.A., payment shall first be made by the **Covered Party** in accordance with the provisions of the **Workers' Compensation Act**, and PRISM shall reimburse the **Covered Party** for such **loss** periodically, at intervals of not less than one (1) month, upon receipt from the **Covered Party** of proofs of payment which is acceptable to PRISM in content and form.
 - B. As respects Coverage Agreement I.B., liability under this Memorandum with respect to any **occurrence** shall not attach unless and until PRISM's liability shall have been fixed and rendered certain either by final judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant, and PRISM. Such **losses** shall be due and payable within thirty (30) days after they

are respectively claimed and proven in conformity with this Memorandum.

- VII. PAYMENTS THE **COVERED PARTY** MUST MAKE: The **Covered Party** shall be responsible for any payments in excess of the benefits regularly provided by the **Workers' Compensation Act**, including but not limited to those required because:
- A. of serious and willful misconduct on the part of the **Covered Party**;
 - B. the **Covered Party** knowingly employs an employee in violation of the law;
 - C. the **Covered Party** fails to comply with a health or safety law or regulation; however, this does not apply to recommendations promulgated by the Joint Commission for Accreditation of Health;
 - D. of discharge, coercion, or discrimination against any employee in violation of the **Workers' Compensation Act**;
 - E. of claims relating to or in any way arising out of California Labor Code Section 132(a);
 - F. of the unreasonable delay or failure to make payments of compensation by or on behalf of the **Covered Party**, including the legal fees associated with defending resulting claims or suits;
 - G. the **Covered Party** violates or fails to comply with the **Workers' Compensation Act**.

If PRISM makes any payments on behalf of the Covered Party in excess of the benefits regularly provided by the Workers' Compensation Act, the Covered Party will reimburse PRISM promptly.

- VIII. SUBROGATION: In the event of any payment under this Memorandum, PRISM shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: PRISM shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and PRISM in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of PRISM, the expenses thereof shall be borne by PRISM.

~~VIII.~~IX. INSPECTION AND AUDIT: PRISM shall be permitted but not obligated to inspect the **Covered Party's** operations at any time. Neither PRISM's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the **Covered Party** or others to determine or warrant that such operations are safe or harmful, or are in compliance with any law, rule or regulation. PRISM may examine and audit the **Covered Party's** books and records at any time during the currency hereof and until three (3) years after the final settlement of all claims or payments made on account of accident or disease occurring during the term of this Memorandum as far as such books and records relate to the subject matter of this Memorandum.

~~IX.~~X. OTHER COVERAGE: If the **Covered Party** has other coverage against a **loss** covered by this Memorandum, PRISM's coverage shall apply in excess of any other coverage.

~~X.~~XI. BANKRUPTCY AND INSOLVENCY: In the event of the bankruptcy or insolvency of the **Covered Party** or any entity comprising the **Covered Party**, PRISM shall not be relieved thereby of the payment of any claims under this Memorandum because of such bankruptcy or insolvency.

~~XI.~~XII. ASSIGNMENT: No assignment of the **Covered Party's** interest hereunder shall be binding upon PRISM unless its consent is endorsed hereon.

~~XII.~~XIII. NOTICE OR PAYMENT: If more than one entity qualifies as a **Covered Party** under the definition of **Covered Party** or by endorsement to this Memorandum, all notices, stipulations and payments to or by the entity first named in the Declarations shall be binding upon all other **Covered Parties**.

~~XIII.~~XIV. CHANGE OR WAIVER: The terms of this Memorandum shall not be waived or changed except by endorsement issued to form a part hereof, signed by a duly authorized representative of PRISM.

~~XIV.~~XV. CANCELLATION: This Memorandum may be canceled by the **Covered Party** only at the end of the Memorandum Period and pursuant to the provisions of Article 20(b) of the **Joint Powers Agreement**. PRISM may cancel this agreement pursuant to the provisions of Article 21 (a)(1) and (a)(2) of the **Joint Powers Agreement** or PRISM's invoice and premium payment policy as established by the Board of Directors. This Memorandum does not apply to any **loss** as a result of any **occurrences** taking place at or after the effective date of any such cancellation.

Any return of unearned premium in the event of cancellation by PRISM shall be determined pursuant to Article 22 of the **Joint Powers Agreement**.

~~XV.~~XVI. **ACCEPTANCE:** By acceptance of this Memorandum, the **Covered Party** agrees that each of the persons, firms or organizations named in the Declarations as the **Covered Party** is, or upon learning of the necessity therefore will become, qualified to operate with the permission of the proper authorities as a self-insurer under the **Workers' Compensation Act** of California; that the statements in the application for this Memorandum are the **Covered Party's** agreements and representations; that this Memorandum embodies all agreements existing between the **Covered Party** and PRISM or any of its agents relating to this coverage; and that full compliance by the **Covered Party** with all the terms of this Memorandum is a condition precedent to PRISM's liability hereunder.

XVII. **CONFORMANCE WITH WORKERS' COMPENSATION ACT:** Any term of this Memorandum which conflicts with any provision of the California **Workers' Compensation Act** is changed by this provision to conform to said law.

XVIII. **CARVE OUTS:** In the event a **Covered Party** is considering entering into a labor management agreement that establishes an alternative dispute resolution process pursuant to Labor Code Section 3201.7, with one or more bargaining unit(s), to amend any portion of the Workers' Compensation claims process, that proposed carve out agreement must be submitted to PRISM for review prior to implementation. Failure to provide such documentation prior to implementation may result in the benefits provided under such carve out agreement, and any expenses related thereto, not being covered under this Memorandum of Coverage.^[MP4]

IN WITNESS WHEREOF, PRISM has caused this Memorandum to be executed and attested, but this Memorandum shall not be valid unless countersigned by an authorized representative of PRISM.

ENDORSEMENT NO. U-1

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION**

WAR AMENDATORY ENDORSEMENT

It is understood and agreed that this Memorandum shall not apply to **loss** directly or indirectly caused by, resulting from or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, regardless of any other cause or event contributing concurrently or in any sequence to the **loss**.

This Memorandum shall also not apply to **loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 20 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 29, 2020



Authorized Representative
Public Risk Innovation, Solutions, and Management

ENDORSEMENT NO. U-2

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION

CLARIFICATION OF COVERAGE AMENDATORY ENDORSEMENT

A. ~~It is understood and agreed that Definition VI. **LOSS** is deleted in its entirety and replaced by the following:~~

VI. ~~**LOSS**: The term **loss** shall mean only such amounts as are actually paid by the **Covered Party** as benefits under the applicable **Workers' Compensation Act**, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, in settlement of claims for such benefits or damages, or satisfaction of awards or judgments for such benefits and damages, including court costs, interest upon awards or judgments, and allocated investigation, adjustment and legal expenses, but the term **loss** shall not include as expenses, salaries paid to **employees** of the **Covered Party**, nor fees and retainers paid to any service organization.~~

~~Notwithstanding the foregoing, **loss** does not include any amounts paid by the **Covered Party** as benefits, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, deriving solely from any **Covered Party's** enactment, resolution or other act establishing either a presumption of work-related illness or injury or any other expansion of benefits beyond those prescribed by the applicable **Workers' Compensation Act**. Despite any such enactment resolution or act, the **Covered Party** shall retain the burden of establishing **loss** within the Memorandum of Coverage.~~

~~It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.~~

~~This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.~~

~~Effective Date:~~ _____ ~~Memorandum No.:~~ PRISM-20-EWC-00

~~Issued to:~~ ALL MEMBERS

~~Issue Date:~~ June 29, 2020


Authorized Representative
Public Risk Innovation, Solutions, and Management

ENDORSEMENT NO. U-3

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION

CARVE OUT REPORTING REQUIREMENT ENDORSEMENT

It is understood and agreed that the following is added to the **CONDITIONS** section of the Memorandum of Coverage:

XVIII. **CARVE OUTS:** In the event a **Covered Party** is considering entering into a labor management agreement that establishes an alternative dispute resolution process pursuant to Labor Code Section 3201.7, with one or more bargaining unit(s), to amend any portion of the Workers' Compensation claims process, that proposed carve out agreement must be submitted to PRISM for review prior to implementation. Failure to provide such documentation prior to implementation may result in the benefits provided under such carve out agreement, and any expenses related thereto, not being covered under the Memorandum of Coverage.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 20 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 29, 2020


Authorized Representative
Public Risk Innovation, Solutions, and Management

ENDORSEMENT NO. U-24

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION**

WAIVER OF SUBROGATION ENDORSEMENT

It is understood and agreed that Section VIII. **SUBROGATION** of the **CONDITIONS** section of the Memorandum of Coverage is deleted in its entirety and replaced by the following:

VIII. SUBROGATION: In the event of any payment under this Memorandum, PRISM shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: PRISM shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and PRISM in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of PRISM, the expenses thereof shall be borne by PRISM.

However, in the event of any loss payment under this Memorandum for which you have waived the right of recovery in a written contract entered into prior to the loss, we hereby agree to also waive our right of recovery but only with respect to such loss.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

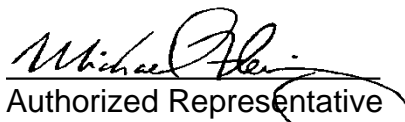
This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 20 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 29, 2020


Authorized Representative

Public Risk Innovation, Solutions, and Management

ENDORSEMENT NO. U-35

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION**

LOSSES INVOLVING MULTIPLE MEMBERS

It is understood and agreed that this Memorandum shall apply, as follows, to losses involving multiple members:

Each member's final retention allocation will be calculated based on its pro rata percentage share of the "final loss valuation" times its retention specified in the Declarations of this Memorandum. The retention specified in the Declarations of this Memorandum will be applied until the "final loss valuation" is determined, as outlined below.

The total incurred for all members in a particular tower involved in the loss will be evaluated five years from the end of the coverage period in which the loss occurs, and will be used as the "final loss valuation" for determination of the final retention and limits allocations.

If the total loss for all members in a particular tower involved in a single occurrence exceeds the maximum Program limit of indemnity, allocation of liability for the excess amount will also be determined based on each member's pro rata percentage share of the "final loss valuation".

It is further agreed that nothing herein shall act to increase P's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 20 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 29, 2020



Authorized Representative
Public Risk Innovation, Solutions, and Management

ENDORSEMENT NO. U-46

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION**

**OFF-DUTY, OUT-OF-STATE PEACE OFFICER INJURY (AB 1749)
ENDORSEMENT**

It is understood and agreed that this Memorandum shall not apply to **bodily injury** or **occupational disease** sustained by a peace officer who was at the time of the **occurrence**:

- a. off-duty,
- b. not acting under the immediate direction of his or her employer, and
- c. outside the state of California.

However, this exclusion shall not apply to **bodily injury** or **occupation disease** sustained by a peace officer under such circumstances if:

- a. the peace officer was engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace; and
- b. prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution, as provided for in California Labor Code Section 3600.2, subdivision (b)(4), accepting liability for such injury under the **Workers' Compensation Act**.

"Peace officer" for purposes of this Endorsement has the definition stated in Section 50920 of the California Government Code.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 20 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 29, 2020



Authorized Representative
Public Risk Innovation, Solutions, and Management



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.a.

FY 21/22 PROPERTY PROGRAM RENEWAL PROPOSAL

ACTION ITEM

ISSUE: The Board annually reviews and approves the Property Renewal Proposal. NCCSIF Property Program members are covered through the Alliant Property Insurance Program (APIP), renewing on July 1, 2021. Due to the ongoing hard market conditions significant changes are being made to the APIP coverage, *most notably an increase in the minimum deductible from \$5,000 to \$25,000* for property and vehicles, with a \$50,000 deductible for police vehicles, \$100,000 for vehicles valued at \$250,000 or more, and a \$250,000 deductible for vehicles over \$750,000. For vehicles scheduled at ACV the expiring deductible may be maintained.

A table summarizing the changes in the Total Insured Values (TIV), rates and premiums is below:

	FY 20/21 Expiring	FY 21/22 Proposed	FY 21/22 Proposed
	\$5,000 Deductible	\$25,000 Deductible	\$100,000 Deductible
Total Insurable Values	\$1,586,516,118	\$1,634,796,999	\$1,634,796,999
Property Rate*	\$0.1414564	\$0.22475912	<i>\$0.21681572</i>
Pollution Rate	\$0.0005890	\$0.0006832	\$0.0006832
Cyber Liability Rate	\$0.0004950	\$0.0035076	\$0.0035076
Course of Construction Rate	\$0.1194429	\$0.1586488	<i>\$0.21681572</i>
Contractors Equipment Rate	\$0.1114024	\$0.1479691	\$0.1479691
Vehicle Physical Damage Rate	\$0.3767165	\$0.5003699	\$0.5003699
Flood Coverage Rate	\$0.0327659	\$0.0395801	\$0.0395801
Total Annual Premium	\$2,694,117	\$4,293,448	\$4,168,698

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



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.a. *continued*

Total Insurable Values (TIV) increased 3%, from \$1,586,516,118 to \$1,634,796,999, as compared to a 6%, increase last year. The “All Risk” property **rate increased 59%** from the prior year, from \$0.141 to \$0.224 per \$100 of TIV. These changes result in a **total premium increase of 59%**, from \$2,694,117 to \$4,293,448.

These numbers are based on a proposal “as expiring” – with notable changes to the deductibles and other coverage terms. Given the change in vehicle deductibles the Program Administrators have been working with members on an individual basis to move certain vehicles, mostly lower-value and police, to the AMVP program while leaving higher-value vehicles in APIP at Replacement Cost. The AMVP program offers lower deductibles but no choices regarding the Replacement Cost or Actual Cash Value coverage. Given this, the total values for the vehicles and vehicle premiums will likely change. However, the property values for the other coverages are set and those premiums in the attached are accurate.

The attached proposal material includes an Executive Summary with an overview of the market conditions and a description of the significant changes in coverage for the upcoming program year. Of special note is the last change – Endorsement 5: LMA 5400 Cyber Exclusion – that excludes “silent cyber” exposures with *limited buyback* coverage for fire and explosion. The changes will be reviewed with members during the meeting. The changes are also reflected in the attached red-line version of the Master Policy Form.

Given the expected increase in rates, the Program Administrators requested options for increasing the \$25,000 deductible to \$100,000. The total premiums for each are listed in the table above, and the Program Administrators will present the estimated net savings after payment of the expected additional deductibles, based on a five-year average, at the meeting. As in the past, the pool overall will see a reduction but the net savings to the members may not be worth the risk.

RECOMMENDATION: The Program Administrator recommends approval of the FY 20/21 Property Program Renewal with the Alliant Property Insurance Program.

FISCAL IMPACT: The projected total premium options below are based on TIV of \$1,634,796,999, *including the expiring vehicle values that will change.*

Option 1 - \$25,000 deductible = \$4,293,448

Option 2 - \$100,000 deductible = \$4,168,699

BACKGROUND: NCCSIF provides optional property insurance for their members through the Alliant Property Insurance Program. This is a joint purchase insurance program currently providing members up to \$1,00,000,000 in all risk limits. Premiums are based on each member's exposures which are provided via a schedule of insured locations.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.a. *continued*

ATTACHMENT(S):

1. 21/22 NCCSIF Property Deposit Calculations - Deductible Options: \$25,000 (\$100,000 -*separate cover*)
2. \$25,000 & \$100,000 Property Premium Comparison - *separate cover*
3. 21/22 APIP Property Proposal Packet
 - a. APIP Executive Summary
 - b. Named Insured List
 - c. APIP Property Proposal
 - d. APIP Boiler and Machinery Proposal
 - e. APIP Cyber Liability Coverage Proposal
 - f. APIP Pollution Liability Coverage Proposal
 - g. APIP Schedule of Carriers
 - h. APIP TRIA Selection Form
 - i. D1 Form Surplus Lines Affidavit
 - j. APIP Disclosures, Disclaimers and Loss Notification Requirements
 - k. Flood Offering
 - l. Electronic Delivery Option Form
 - m. Premium Finance Brochure
 - n. APIP Brochure
 - o. PEPIP USA Master Policy Form No 16(redline/strikeout version)
4. Cyber Exclusion – LMA 5400 Examples

FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION
\$25,000 Property Deductible

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

								All Risk TIV	All Risk TIV	+ COC	
Formula or Allocation		Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys		All Risk TIV x Rate	All Risk TIV x Rate	COC TIV x Rate
Member Entity	Property Deductible	Real Property Values	Personal Property Values	BI/Rents Values	Tax Interruption Values	Fine Arts Values	Course of Construction (COC) Values	ALL RISK (TIV) (Real, Personal, BI/Rents, Tax, and Fine Arts, Minus COC)	All Risk Primary Property Premium	All Risk Excess Property Premium*	COC Premium
Rate Per \$100/Amount								Values	\$ 0.1588680	\$ 0.0602205	\$ 0.1586489
Anderson	\$25,000	\$29,589,637	\$4,979,562	\$718,467	\$600,000	\$0		\$35,887,666	\$57,014	\$21,885	
Auburn	\$25,000	\$44,669,582	\$8,718,869	\$0	\$0	\$0		\$53,388,451	\$84,817	\$32,879	
Colusa	\$25,000	\$39,482,614	\$14,729,327	\$294,732	\$0	\$0		\$54,506,673	\$86,594	\$32,824	
Corning											
Dixon	\$25,000	\$86,036,980	\$18,874,175	\$22,383,420	\$0	\$0		\$127,294,575	\$202,230	\$78,034	
Elk Grove											
Folsom	\$25,000	\$228,970,822	\$20,587,570	\$1,997,954	\$0	\$578,000		\$252,134,346	\$400,561	\$173,352	
Galt	\$25,000	\$96,211,302	\$19,686,726	\$2,500,320	\$0	\$0	\$19,377	\$118,378,971	\$188,066	\$74,386	\$31
Gridley	\$25,000	\$23,261,997	\$11,105,359	\$428,720	\$0	\$0		\$34,796,076	\$55,280	\$22,287	
Ione	\$25,000	\$24,256,897	\$4,568,430	\$102,520	\$0	\$0		\$28,927,847	\$45,957	\$20,921	
Jackson	\$25,000	\$13,313,377	\$23,106,145	\$5,000	\$0	\$0		\$36,424,522	\$57,867	\$22,012	
Lincoln	\$25,000	\$174,581,636	\$45,830,379	\$3,393,881	\$0	\$0		\$223,805,896	\$355,556	\$141,724	
Marysville	\$25,000	\$19,444,127	\$4,664,679	\$2,334,571	\$0	\$0		\$26,443,377	\$42,010	\$16,273	
Nevada City											
Oroville	\$25,000	\$44,314,140	\$6,582,512	\$0	\$0	\$0		\$50,896,652	\$80,858	\$36,593	
Paradise	\$25,000	\$11,668,663	\$2,293,858	\$183,751	\$0	\$0		\$14,146,272	\$22,474	\$10,903	
Placerville											
Red Bluff	\$25,000	\$48,912,342	\$11,169,638	\$491,139	\$0	\$0		\$60,573,119	\$96,231	\$40,875	
Rio Vista	\$25,000	\$39,752,667	\$11,478,162	\$517,057	\$0	\$0		\$51,747,886	\$82,211	\$31,515	
Rocklin	\$25,000	\$72,086,517	\$7,768,916	\$6,200,000	\$0	\$0		\$86,055,433	\$136,715	\$58,447	
Willows											
Yuba City	\$25,000	\$213,476,424	\$29,301,787	\$6,628,952	\$0	\$0	\$19,542,057	\$229,865,106	\$365,182	\$161,930	\$31,003
TOTAL		\$1,210,029,724	\$245,446,094	\$48,180,484	\$600,000	\$578,000	\$19,561,434	\$1,485,272,868	\$2,359,623	\$976,840	\$31,034
Verify Quote Sheet									2,359,623	976,840	31,034
Do Not Participate									\$0	\$0	\$0
New Quote											

FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION
\$25,000 Property Deductible

				Total TIV	Total TIV	Total TIV			
Formula or Allocation	Rating B&M Value x Rate x Member % All Risk TIV	Pulled from Oasys	CE x Rate	Total TIV x Rate	Total TIV x Rate	Total TIV x Rate			
Member Entity	Excess Boiler & Machinery Premium	Contractors Equipment (CE) Values	CE Premium	Cyber Liability Premium	Pollution Coverage Premium	Lloyds Primary Terrorism Premium	Estimated ABS Fees	Estimated Surplus Line Taxes & Fees	2021/22 Total All Risk Property Premium
Rate Per \$100/Amount	\$ 0.0011851	Values	\$0.1479691	\$0.0035351	\$0.0006885	\$0.0002606	\$34,053	\$134,073	Value
Anderson	\$431	\$453,620	\$671	\$1,285	\$250	\$95	\$822.80	\$3,240	\$85,693
Auburn	\$647	\$46,503	\$69	\$1,930	\$376	\$142	\$1,224.04	\$4,819	\$126,903
Colusa	\$646	\$0	\$0	\$1,927	\$375	\$142	\$1,249.68	\$4,920	\$128,678
Corning									
Dixon	\$1,536	\$2,285,827	\$3,382	\$4,581	\$892	\$338	\$2,918.50	\$11,491	\$305,402
Elk Grove									
Folsom	\$3,412	\$7,221,409	\$10,685	\$10,176	\$1,982	\$750	\$5,780.71	\$22,760	\$629,458
Galt	\$1,464	\$488,000	\$722	\$4,367	\$851	\$322	\$2,714.09	\$10,686	\$283,609
Gridley	\$439	\$2,212,500	\$3,274	\$1,308	\$255	\$96	\$797.77	\$3,141	\$86,877
Ione	\$412	\$648,000	\$959	\$1,228	\$239	\$91	\$663.23	\$2,611	\$73,081
Jackson	\$433	\$128,500	\$190	\$1,292	\$252	\$95	\$835.11	\$3,288	\$86,265
Lincoln	\$2,789	\$1,094,828	\$1,620	\$8,320	\$1,620	\$613	\$5,131.22	\$20,203	\$537,576
Marysville	\$320	\$579,044	\$857	\$955	\$186	\$70	\$606.27	\$2,387	\$63,665
Nevada City									
Oroville	\$720	\$1,490,135	\$2,205	\$2,148	\$418	\$158	\$1,166.91	\$4,594	\$128,863
Paradise	\$215	\$3,958,190	\$5,857	\$640	\$125	\$47	\$324.33	\$1,277	\$41,861
Placerville									
Red Bluff	\$804	\$2,342,665	\$3,466	\$2,399	\$467	\$177	\$1,388.77	\$5,468	\$151,277
Rio Vista	\$620	\$585,000	\$866	\$1,850	\$360	\$136	\$1,186.43	\$4,671	\$123,416
Rocklin	\$1,150	\$11,000,080	\$16,277	\$3,431	\$668	\$253	\$1,973.00	\$7,768	\$226,682
Willows									
Yuba City	\$3,187	\$4,636,400	\$6,860	\$9,506	\$1,851	\$701	\$5,270.14	\$20,750	\$606,240
TOTAL	\$19,224	\$39,170,701	\$57,961	\$57,343	\$11,169	\$4,228	\$34,053	\$134,073	\$3,685,548
Verify Quote Sheet	19,224		57,961	57,343	11,169	4,228	34,053	134,073	3,685,548
Do Not Participate	\$0			\$0		\$0	\$0	\$0	(\$0)
New Quote									\$ 0.25
									\$ 0.35

FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION
\$25,000 Property Deductible

**Special
Vehicle
Deductibles
Apply See
Proposal**

Formula or Allocation												
Member Entity	2020/21 Property Premium	\$ Change	% Change	% Change in Total TIV	Total TIV (All Risk TIV + CE + Vehicle and NO COC)	Flood Limit	Flood Values	Flood Premium	Vehicle Deductible	Vehicle Values	Vehicle Premium	2020/21 Grand Total Premium All Coverages
Rate Per \$100/Amount	Value						Value	\$0.0395801		Value	\$0.5816801	
Anderson	\$52,842	\$32,851	62%	0.3%	\$36,341,286							\$85,693
Auburn	\$78,035	\$48,869	63%	1.1%	\$54,597,402	\$17,000,000	\$54,597,402	\$21,610	\$25,000	\$1,162,448	\$6,762	\$155,275
Colusa	\$79,416	\$49,262	62%	0.4%	\$54,506,673							\$128,678
Corning												
Dixon	\$188,506	\$116,896	62%	0.4%	\$129,580,402							\$305,402
Elk Grove												
Folsom	\$385,380	\$244,078	63%	4.4%	\$287,861,611				\$25,000	\$28,505,856	\$165,813	\$795,271
Galt	\$174,774	\$108,834	62%	25.5%	\$123,523,461				\$25,000	\$4,637,113	\$26,973	\$310,582
Gridley	\$52,975	\$33,902	64%	0.6%	\$37,008,576							\$86,877
Ione	\$44,702	\$28,379	63%	2.8%	\$34,741,120	\$10,000,000	\$36,679,108	\$14,518	\$25,000	\$5,165,273	\$30,045	\$117,644
Jackson	\$53,663	\$32,602	61%	1.5%	\$36,553,022							\$86,265
Lincoln	\$324,311	\$213,265	66%	1.3%	\$235,341,146				\$7,500	\$10,440,422	\$60,730	\$598,306
Marysville	\$45,849	\$17,816	39%	4.0%	\$27,022,421	\$15,000,000	\$27,022,421	\$10,695				\$74,361
Nevada City												
Oroville	\$90,193	\$38,670	43%	0.3%	\$60,765,592				\$25,000	\$8,378,805	\$48,738	\$177,601
Paradise	\$25,613	\$16,248	63%	5.5%	\$18,104,462							\$41,861
Placerville					\$0							
Red Bluff	\$93,025	\$58,253	63%	1.0%	\$67,875,330				\$25,000	\$4,959,546	\$28,849	\$180,126
Rio Vista	\$74,028			N/A	\$52,332,886							\$123,416
Rocklin	\$139,332	\$87,350	63%	0.7%	\$97,055,513							\$226,682
Willows												
Yuba City	\$372,985	\$233,255	63%	-1.2%	\$268,894,760	\$10,000,000	\$269,785,078	\$106,781	\$25,000	\$14,851,197	\$86,386	\$799,408
TOTAL	\$2,275,629	\$1,409,919	62%	6.6%	\$1,622,105,663		\$388,084,009	\$153,604		\$78,100,660	\$454,296	\$4,293,448
Verify Quote Sheet								153,604			454,296	4,293,448
Do Not Participate								\$0		\$0.582	\$0	
New Quote										\$0.756		



Northern California Cities Self Insurance Fund

.2021 – 2022

Alliant Property Insurance Program (APIP)

Presented on June 9, 2021 by:

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

Jenna Wirkner
Account Representative

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2021 – July 1, 2022

EXECUTIVE SUMMARY

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

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

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

- Boiler & Machinery cover for participating insureds of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. Additional excess options are available, if requested. The Cyber market has become extremely volatile in the past year primarily due to a pronounced increase in ransomware claims. Due to the difficulty of even maintaining Cyber coverage for many public entities, we believe the Cyber coverage provided by APIP represents one of the best values in the marketplace. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1st and 3rd parties from Ironshore Specialty Insurance Company, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – please note on the attached proposal whether the vehicle/contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the insured must submit a schedule of vehicles or a vehicle valuation reporting form (provided in the pre-renewal packet) and vehicles must be valued at today's Replacement Cost (new). If values are not reported at Replacement Cost (new), the vehicle/contractor's equipment valuation basis will be ACV

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

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

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2021 – July 1, 2022

EXECUTIVE SUMMARY

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

Year-over-Year Rate and Premium Comparison

<u>Northern California Cities Self Insurance Fund</u>	<u>2020-2021</u> (at 10/29/2020)	<u>2021-2022</u>	<u>Variance</u>
Total Insurable Values (TIV):	\$ 1,586,516,118	\$ 1,634,796,999	3.04%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 2,674,537.58	\$ 4,222,709.33	57.88%
Cyber Liability Annual Cost:	\$ 9,928.22	\$ 59,206.65	496.34%
Pollution Liability Annual Cost:	\$ 9,648.71	\$ 11,531.99	19.51%
Total Account Rate (\$/100):	0.1698132	0.2626288	54.65%
**Total Annual Cost:	\$ 2,694,114.51	\$ 4,293,447.97	59.36%

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

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

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

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

APIP SUMMARY OF PROPOSED SUB-LIMIT & DEDUCTIBLE CHANGES
BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2021-2022 POLICY PERIOD AS OF MAY 28, 2021

Coverage	2020-2021 Sub-limit / Deductible	2021-2022 Sub-limit / Deductible	Status
Miscellaneous Unnamed Locations	\$25,000,000 Miscellaneous Unnamed Locations or existing Named Insured's excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	<u>\$25,000,000 Miscellaneous Unnamed Locations for Named Insureds with total insurable values greater than or equal to \$500,000,000 at time of binding or \$10,000,000 Miscellaneous Unnamed Locations for Named Insureds with total insurance values less than \$500,000,000 at time of binding for existing Named Insured's excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. Vacant and Unoccupied Buildings are sub-limited to \$10,000,000.</u>	As expiring except for vacant properties and Named Insureds with TIV < \$500M
Automatic Acquisition	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition.	<u>\$25,000,000 Automatic Acquisition for Named Insureds with total insurable values greater than or equal to \$500,000,000 at time of binding or \$10,000,000 Automatic Acquisition for Named Insureds with total insurable values less than \$500,000,000 at time of binding up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Vacant and Unoccupied Buildings are sub-limited to \$10,000,000.</u>	As expiring except for vacant properties and Named Insureds with TIV < \$500M
Money & Securities	\$2,500,000 Money and Securities for named perils only as referenced within the policy.	<u>\$500,000 Money and Securities for named perils only as referenced within the policy, however fraudulent impersonation, fraudulent instruction or similar events are excluded.</u>	Reduced sub-limit
Accidental Contamination	\$250,000 Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.	<u>\$250,000 Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration. Coverage shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.</u>	Clarification
Transit	\$25,000,000 Transit for Physical Damage and Business Interruption combined.	\$25,000,000 Transit Physical Damage only	Business Interruption excluded
Off Premises Vehicle Physical Damage Deductible	Deductibles varied by named insured	<p><i>For Insureds who purchase this coverage with replacement cost valuation, the following minimum deductibles apply:</i></p> <ul style="list-style-type: none"> For vehicles with replacement cost value under \$250,000: \$25,000 deductible, except \$50,000 for all police vehicles; For vehicles with replacement cost value of \$250,000 to \$750,000: \$100,000 deductible; For vehicles with replacement cost value in excess of \$750,000: \$250,000 deductible <p>the stated deductible will apply to vehicle physical damage both on and off-premises on a per occurrence basis, unless otherwise stated.</p>	Update

KEY MASTER POLICY FORM PROPOSED CHANGES

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

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

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

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

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

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

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

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

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

Coverage	2020-2021	2021-2022	Status
Section IV, AH. 4. Location(s)	No Insured Location definition	<p><i>Addition of the following definition to the General Conditions Section which replaced “premises of the Named Insured”, “covered location” and “Named Insured’s Location”.</i></p> <p>Insured Location(s) means:</p> <ol style="list-style-type: none"> 1. The location(s) within the Coverage Territory described in the most recent Statement of Values held on file with the Alliant Insurance Services, Inc., Miscellaneous Unnamed Locations and locations as covered by the Errors and Omissions and Automatic Acquisition Additional Coverages; 2. Unless otherwise set forth in the Statement of Values, each such Insured Location(s) shall be comprised of any building, yard, dock, wharf, pier or bulkhead or any group of the foregoing bounded on all sides by property lines, public streets, clear land space or open waterways, each not less than fifty (50) feet wide. Any bridge or tunnel crossing such street, space or waterway shall render such separation inoperative for the purpose of this definition. 	Clarification
Endorsement 5 LMA 5400, Cyber Exclusion	Applicable to specific carriers	<p>Applicable to all carriers. This exclusion replaces the previous Cyber exclusion in the policy (Section IV, AE) which will be deleted.</p> <p>Please note that LMA 5400 excludes Cyber Loss and any loss or damage directly or indirectly caused by that Cyber Loss. This includes any resultant physical damage as a result of a malicious Cyber Act. See Red Line Strike Out of Master Policy Form for full wording.</p>	Restriction

ALLIANT PROPERTY INSURANCE PROGRAM

2021-2022

NAMED INSURED SCHEDULE

As of 06/09/2021

THE NAMED INSURED IS:

Northern California Cities Self Insurance Fund

c/o Alliant Insurance Services, Inc.

2180 Harvard St., Ste. 460

Sacramento, CA 95815

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

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

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

NAMED INSURED MEMBER(S)

Northern California Cities Self-Insurance
Fund

City of Anderson

City of Auburn

City of Colusa

City of Dixon

City of Folsom

City of Galt

City of Gridley

City of Lone

City of Jackson

City of Lincoln

City of Marysville

City of Oroville

City of Red Bluff

City of Rio Vista

City of Rocklin

City of Yuba City

Town of Paradise

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

TYPE OF INSURANCE: ☒ Insurance ☐ Reinsurance

NAMED INSURED: Northern California Cities Self Insurance Fund

DECLARATION: 4-Cities 4

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

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 1,634,796,999 as of June 09, 2021

**ALL RISK
COVERAGES &
LIMITS:**

\$	1,000,000,000	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
\$	15,000,000	For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Ione only Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	15,000,000	For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Ione only Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
	Not Applicable	Per Occurrence for losses to locations in Tier 1 and/or Tier 2 Counties and resulting from a Named Windstorm.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).

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

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

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

\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.
\$	500,000	Money & Securities for named perils only as referenced within the policy, however fraudulent impersonation, fraudulent instruction or similar events are excluded.
\$	2,500,000	Unscheduled Fine Arts.
\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration. Coverage shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.
\$	750,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery).
\$	25,000,000	Transit - Physical Damage only.
\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
\$	2,500,000	Unscheduled Watercraft up to 27 feet.
	Included	Per Occurrence for Off Premises Vehicle Physical Damage.
\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed

Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..

	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
ALL RISK COVERAGES & LIMITS: (continued)	\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
	\$	3,000,000	Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.
	\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$	1,000,000	Claims Preparation Expenses.
	\$	50,000,000	Expediting Expenses.
	\$	1,000,000	Personal Property Outside of the USA.

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

Not Covered for Communicable Disease.

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

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

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

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

VALUATION:

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

EXCLUSIONS

(Including but not limited to):

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

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

"ALL RISK"

DEDUCTIBLE:

\$ 25,000 Except \$2,500,000 for Wildfire for Town of Paradise Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

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

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

\$	250,000	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).
	Not Applicable	for losses to locations in Tier 1 and/or 2 Counties and resulting from a Named Windstorm.
	Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.
\$	1,000	Per Occurrence for Specially Trained Animals.
\$	500,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
	24 Hour	Waiting Period for Ingress/Egress
	24 Hour	Waiting Period for Civil Authority

\$ 10,000 for Lincoln for ACV; \$25,000, Except 50,000 for police vehicles with RCV under 250,000 for City of Galt, City of Yuba City, City of Lone, City of Red Bluff, City of Folsom, and City of Oroville for RCV; \$100,000 for All Vehicles with RCV of \$250,000 to \$750,000; \$250,000 for All Vehicles with RCV in Excess of \$750,000. Not Covered for All Other members. Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.

Vehicle Valuation Basis

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

Contractor's Equipment Valuation Basis

SPECIAL TERMS 1: Valuation for Vehicles and CE is Replacement Cost; except Lincoln is Actual Cash Value, Paradise is Actual Cash Value for all Vehicles in Yard, Jackson is Actual Cash Value, and Rio Vista is Actual Cash Value.

Per Policy Limits

Special Terms Limit

Per Policy Deductible

Special Terms Deductible

SPECIAL TERMS 2: Occurrence Definition in respect to Wildfire(s) as defined: As regards wildfires, firestorms, brush fires and any other fires or series of fires, irrespective of origin, which spread through trees, grassland or other vegetation.

Per Policy Limits

Special Terms Limit

\$ 2,500,000 for Town of Paradise only Special Terms Deductible

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

\$ 100,000,000 Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30 and 32-35 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).

\$ 25,000 Except \$2,500,000 for Wildfire for Town of Paradise Per Occurrence Deductible for Primary Terrorism.

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

\$ 1,100,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35 for Terrorism (Excess Layer) subject to;

\$	1,400,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
\$	500,000	Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
Included		Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Summary for applicable Limits. (Cyber Liability) If, insured purchases such coverage.
Included		Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles. If, insured purchases such coverage. If, insured purchases such coverage.

TERMS & CONDITIONS:

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

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

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

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

NOTICE OF CANCELLATION:

90 Days except 10 Days for non-payment of premium

	Annual Cost*
Total Property Premium:	\$ 4,037,586.00
Excess Boiler:	\$ 19,224.00
Cyber Liability Premium:	\$ 57,343.00
Pollution Liability Premium:	\$ 11,169.00
ABS Fee:	\$ 34,053.00
SLT&F's (Estimate)	\$ 134,072.97
Broker Fee:	\$ 0.00
TOTAL COST †: (Including Taxes and Fees)	\$ 4,293,447.97
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.	
† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)	

PRINT DATE: June 9, 2021

PROPOSAL VALID UNTIL: July 1, 2021

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

Jenna Wirkner
Account Representative

NOTES:

- ***Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2021 bound terms.***
- ***Maximum All Risk limits estimated to bind between \$500,000,000 and \$1,000,000,000. If your All Risk limits are less than \$500,000,000 they are not expected to change.***
- ***Major pending and approved changes to the APIP Program are described in the Executive Summary for renewing insureds.***
- ***This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event***
- ***Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy.***
- ***Please refer to Policy for specific terms, conditions and exclusions – not yet finalized.***
- ***Change in Total Insurable Values will result in adjustment in premium***
- ***Each line of coverage is rated separately therefore increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc. may increase the insured's average account rate.***
- ***The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.***

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

NAMED INSURED: Northern California Cities Self Insurance Fund

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

COMPANIES: See Attached List of Companies

TOTAL INSURED VALUES: \$ 1,634,796,999 as of June 9, 2021

STATUS/RATING: See Attached List of Companies

COVERAGES & LIMITS:

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

**NEWLY ACQUIRED
LOCATIONS:**

\$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 120 days and must have prior underwriting approval prior to binding

VALUATION:

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

EXCLUSIONS

(Including but not limited to):

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

OBJECTS EXCLUDED:

(Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping

**NOTICE OF
CANCELLATION:**

90 days except 10 days for non-payment of premium

DEDUCTIBLES:

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

	Annual Cost
COST:	Cost is included on Property Proposal
PRINT DATE:	June 9, 2021
PROPOSAL VALID UNTIL:	July 1, 2021
BROKER:	ALLIANT INSURANCE SERVICES, INC. License No. 0C36861 Marcus Beverly, CPCU, AIC, ARM-P First Vice President Jenna Wirkner Account Representative

NOTES:

- *Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2021 bound terms.*
- *Maximum All Risk limits estimated to bind between \$500,000,000 and \$1,000,000,000. If your All Risk limits are less than \$500,000,000 they are not expected to change.*
- *Major pending and approved changes to the APIP Program are described in the Executive Summary for renewing insureds.*
- *This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event*
- *Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy.*
- *Please refer to Policy for specific terms, conditions and exclusions – not yet finalized.*
- *Change in Total Insurable Values will result in adjustment in premium*
- *Each line of coverage is rated separately therefore increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc. may increase the insured's average account rate.*
- *The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.*

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

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

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

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

DECLARATION: Various Declarations as on file with Insurer

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

POLICY #: TBD

TERRITORY: WORLD-WIDE

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

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

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

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

July 1, 2018 For existing members included on the July 1, 2018/19 policy

July 1, 2017 For existing members included on the July 1, 2017/18 policy

July 1, 2016 For existing members included on the July 1, 2016/17 policy

July 1, 2015 For existing members included on the July 1, 2015/16 policy

July 1, 2014 For existing members included on the July 1, 2014/15 policy

July 1, 2013 For existing members included on the July 1, 2013/14 policy

July 1, 2012 For existing members included on the July 1, 2012/13 policy

July 1, 2011 For existing members included on the July 1, 2011/12 policy

July 1, 2010 For existing members included on the July 1, 2010/11 policy

CSU

July 1, 2008 California State University and CSU Auxiliary Organizations

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

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

BREACH RESPONSE

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

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

LIABILITY

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

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

Fraudulent Instruction:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
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Funds Transfer Fraud:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
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Telephone Fraud:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
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CRIMINAL REWARD

Criminal Reward:	\$	25,000	Aggregate Limit of Liability for each Insured/Member
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COVERAGE ENDORSEMENT(S)

Reputation Loss:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
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Claims Preparation Costs for Reputation Loss Claims Only:	\$	50,000	Aggregate Limit of Liability for each Insured/Member
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Computer Hardware Replacement Costs:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
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Invoice Manipulation:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
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Cryptojacking:	\$	25,000	Aggregate Limit of Liability for each Insured/Member
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RETENTION:	\$	TBD	CSU Auxiliary Organizations only
	\$	50,000	Per Claim for each Member/Insured with Total Insured Value (TIV) up to \$250,000,000 at the time of policy inception
		8	Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$250,000,000 and up to \$750,000,000 at the time of policy inception
		8	Hour waiting period for Dependent/Business Interruption Loss
	\$	250,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$750,000,000 at the time of policy inception
		8	Hour waiting period for Dependent/Business Interruption Loss

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

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

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

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

B. First Party Loss

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

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

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

Data Recovery Costs indemnifies the Insured/Member for Data Recovery Costs incurred as a direct result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

C. Liability

Data & Network Liability pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for a Data Breach, a Security Breach, the Insured's failure to disclose a Data Breach or Security Breach, or failure of the Insured to comply with the part of a Privacy Policy that specifically is related to disclosure, access or procedures related to Personally Identifiable Information.

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

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

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

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

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

That the Insured first discovers during the Policy Period.

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

Coverage Endorsement(s)

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

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

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

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

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

EXCLUSIONS:
(Including but not limited to)

Coverage does not apply to any claim or loss from:

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

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

NOTICE OF CANCELLATION: 10 days for non-payment of premium

CYBER COST: Cost is included in Total Property Premium

OTHER SERVICES Unlimited Access to Beazley Breach Solutions website

BROKER: ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

NOTES:

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

SUMMARY OF CYBER INSURANCE CHANGES

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

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

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

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

POLLUTION LIABILITY COVERAGE PROPOSAL

TYPE OF INSURANCE: ☒ Insurance ☐ Reinsurance

TYPE OF COVERAGE: Claims Made and Reported Pollution Liability

PROGRAM: Alliant Property Insurance Program (APIP)

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

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

RETROACTIVE DATE:

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

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

COMPANY: Ironshore Specialty Insurance Company

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

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

ADMITTED STATUS: Non-Admitted in all states.

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

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

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

**COVERAGES &
LIMITS:**

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

SUB-LIMITS:

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

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

**EXTENDED REPORTING
PERIOD:**
Automatic Extended Reporting Period

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

**SPECIFIC COVERAGE
PROVISIONS:**
CLAIMS MADE AND REPORTED
Coverage A.1 – Onsite Pollution:

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

Coverage A.2 – Offsite Costs:

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

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**
Coverage B – Emergency Response Expenses

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

Coverage C.1 – Third Party Claims - Onsite Pollution

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

Coverage C.2 – Third Party Claims -Offsite Pollution

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

Coverage D – Transportation

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

Coverage E – Waste Disposal Activities:

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

Coverage F – Business Interruption:

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

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

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

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**

Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.

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

Illicit Abandonment is included in the definition of pollution condition.

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

Other Insurance Condition

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

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

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

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**

Blanket Coverage included for Non-Owned Disposal Sites. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned, operated or rented by the Insured, provided that the transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.

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

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

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

EXCLUSIONS (including but not limited to):

Coverage does not apply to any claim or loss from:

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

EXCLUSIONS (including but not limited to):

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

DEDUCTIBLE:

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

SPECIFIC DEDUCTIBLES:

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

CLAIMS REPORTING NOTICE

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

THIS IS A CLAIMS MADE POLICY

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

LOSS REPORTING REQUIREMENTS:

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

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

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

NOTICE OF CANCELLATION:

90 days except 10 days for non-payment of premium

REINSTATEMENT PROVISIONS:

Not Provided

POLLUTION LIABILITY COST:

Cost is included in Total Property Premium
100% Earned Premium at Inception

QUOTE VALID UNTIL:

July 1, 2021

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Pollution Liability Policy Term	July 1, 2020 to July 1, 2021	July 1, 2021 to July 1, 2022
Retroactive Date	July 1, 2011 for existing insureds included on the 2011-2012 policy at inception; For all other insureds the retroactive date is the date of addition to the Program.	<ul style="list-style-type: none"> July 1, 2011 for Waste Disposal; July 1, 2021 for Products Pollution and Exposure Liability; July 1, 2021 for Contractor's Pollution July 1, 2021 for Mold Matter <p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later.</p>
Company	Interstate Fire & Casualty Insurance Company	Ironshore Specialty Insurance Company
A.M. Best Insurance Rating	A+, Superior, Financial Category XV (\$2 Billion or greater) Effective September 5, 2019	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective June 26, 2020
Standard and Poor's Rating	AA (Very Strong) as of May 30, 2019	A (Strong) as of November 25, 2020
Covered Property	Covered locations include any real property owned, managed, leased, maintained or operated by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes that are located within a one thousand (1,000) foot radius of such covered location as of policy inception.	Covered locations include any real property owned, leased, rented, operated or occupied by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered property that are located within a one thousand (1,000) foot radius of such covered location as of policy inception.

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021		2021-2022 Proposed Changes	
Sub-limits:		N/A	\$ 100,000	Disinfection Event Expenses Per Pollution Incident*
		N/A	\$ 100,000	Disinfection Event Expenses Program Aggregate*
		N/A	\$ 1,000,000	Restoration Costs Program Aggregate (Mold Matter Only)*
		N/A	\$ 1,000,000	Legionella Per Pollution Incident*
		N/A	\$ 250,000	Per Claim for Any Punitive, Exemplary and Multiplied Damages and Civil Fines, Penalties and Assessments Fines Per Claim
	\$2,000,000	Products Pollution Each Incident Limit	\$ 2,000,000	Products Pollution Program Aggregate Limit
	\$ 100,000	Per Named Insured Per Pollution Incident Dedicated Legal Defense Outside the Per Named Insured limit*	No Coverage	
	\$ 250,000	Per Named Insured Crisis Management Response Costs Sub-limit	No Coverage	
	\$ 500,000	Per Named Insured Crisis Management Response Costs Aggregate	No Coverage	
	\$ 50,000	Per Named Insured Crisis Management Loss Sub-limit	No Coverage	
			\$ 2,000,000	Business Interruption per incident*
			\$ 1,000,000	Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
		N/A	\$ 2,000,000	Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
			\$ 2,000,000	Contractor's Pollution Per Pollution Incident - All other Operations* Contractors Pollution Aggregate*
	*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Crisis Management sub-limits and aggregate, which are in addition to the limits of liability.		*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.	

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Extended Reporting Period	For First Named Insured - To be determined at the time of election (additional premium can apply); Ninety (90) day basic extended reporting period available without additional premium. This automatic ERP does not apply if the insured has purchased other insurance to replace the insurance provided by this policy.	Automatic Extended Reporting Period The Named Insured shall be entitled to an Automatic Extended Reporting Period for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This automatic ERP does not apply if the insured has purchased the optional extended reporting period, the policy is terminated for fraud or nonpayment or if the insured has purchased other insurance to replace the insurance provided under this policy.
Coverages	Coverage A – Own Site Clean-up Costs: Coverage for claims for clean-up costs resulting from a pollution condition on or under the insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay for cleanup costs..	Coverage A.1 – Onsite Pollution: Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are on or under a Covered Property, provided such Remediation Expenses arise from Onsite Pollution and result from New Conditions.
	Coverage B – Off-Site Clean-Up Costs: Coverage for third-party claims resulting from a pollution condition migrating from or through and beyond the boundaries of the Insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay for cleanup costs.	Coverage A.2 – Off Site Costs: Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are beyond the boundaries of the Covered Property, provided such Remediation Expenses arise from Offsite Pollution and result from New Conditions.
	Coverage C – Third-Party Claims for Bodily Injury or Property Damage: Coverage for third-party claims for bodily injury or property damage resulting from a pollution condition on, under or migrating from or through and beyond the boundaries of the Insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay.	Coverage C.1 – Onsite Pollution Onsite Pollution resulting from New Conditions. if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.
		Coverage C.2 – Offsite Pollution Offsite Pollution resulting from New Conditions. if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.
	Coverage D – Emergency Response Costs: Coverage for emergency response costs incurred by or on behalf of the Insured in response to a pollution condition on, under or migrating from or through and beyond the boundaries of an Insured's own site or arising from transportation or resulting from a covered operation, provided that the emergency response costs be incurred within one hundred sixty-eight (168) hours of the commencement of such pollution condition, and reported to the Insurer within fourteen (14) days of commencement of such a pollution condition.	Coverage B – Emergency Response Expenses To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment. The Emergency Response Expenses must: (i) arise from a Pollution Incident that first commenced during the Policy Period; (ii) be incurred within seven (7) days of the commencement of such Pollution Incident; and (iii) be reported to the Company within fourteen (14) days of the commencement of such Pollution Incident. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	<p>Coverage E – Transportation: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition caused by transportation that first commenced on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay.</p>	<p>Coverage D – Transportation To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses resulting from New Conditions, which arise from Transportation, provided such Claims are first made against the Insured and reported to the Company in writing during the Policy Period.</p>
	<p>Coverage F – Non-Owned Locations: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition on, under or migrating from any non-owned location that first commenced on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay.</p>	<p>Coverage E – Waste Disposal Activities: To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses that arise from a Pollution Incident resulting from Waste Disposal Activities. The Waste Disposal Activities must take place on or after the Waste Disposal Retroactive Date set forth in Item 10. of the Declarations, or the date that the Insured first began operations if no Waste Disposal Retroactive Date is indicated in the Declarations. This Coverage shall apply only if such Claims are first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.</p>
	<p>Coverage H – Business Interruption: Coverage for the Insured's business interruption expense and extra expense during the interruption period, caused directly by a pollution condition on or under the Insured's own site, on or after the retro date, provided such pollution condition results in clean-up costs covered under this policy, and the first-party claim is made and reported to the Insurer during the policy period.</p>	<p>Coverage F – Business Interruption: To pay the Insured's Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly results from Onsite Pollution resulting from New Conditions. This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Company during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the Period of Interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident.</p>

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	<p>Coverage G – Covered Operations: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition caused by covered operations on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay. Covered operations are defined as any operations within the capacity of a public entity which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. Covered operations do not include Transportation.</p>	<p>Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of "your work", provided the claim is first made and reported during the policy period. The Contractor's Pollution must have commenced on or after the retroactive date of July 1, 2021.</p>
	<p>Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Insured's product must have been manufactured, sold, handled or distributed on or after the retro date and the clean-up costs, bodily injury or property damage must be unexpected and unintended from the standpoint of the Insured. Coverage of lead contamination of potable water is excluded.</p>	<p>Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after the 7/1/2021.</p>
	<p>Coverage I – Cyber Events: Coverage for third-party claims for bodily injury, property damage or clean-up costs resulting from a pollution condition arising from a cyber event, provided that the claim is first made and reported to the Insurer during the policy period.</p> <p>A Cyber Event is defined as any unauthorized processing of data by an Insured; any breach of laws and infringement of regulations pertaining to the maintenance, or protection of data; and any network security failure in any system or device leased, owned, operated or lost by or which is made available or accessible to the Insured for the purpose of processing data. Insured must take reasonable precautions to prevent or cease any activity which may result in a claim, and take all reasonable steps to observe and comply with all statutory or local authority laws obligations and requirements.</p>	<p>Not Covered</p>

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	Coverage for crisis management response costs (including medical expenses, funeral expenses, psychological counseling, travel expenses temporary living expenses, expenses to secure the scene of a crisis management event) included, provided that the costs have been pre-approved by the insurer and are associated with damages that would be covered by this policy.	Not Covered
	All Named Insureds scheduled on this policy have the same rights as the First Named Insured (except for those rights specifically reserved to the first named insured); this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.	<i>Listed. Broad language pending negotiation.</i>
	<p>Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively, for no additional premium, automatically.</p> <p>Property valued at more than \$25,000,000 but less than \$100,000,000, purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with two (2) years of currently valued property loss runs and shall be added as a covered location upon the closing date of such acquisition for an additional premium.</p> <p>Property valued at more than \$100,000,000, purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer immediately, along with two (2) years of currently valued property loss runs. Additional premium applies. For acquired locations that have underground storage tanks, the Insured must determine that all operational underground storage tanks are in material compliance with all applicable environmental laws and regulations and must obtain the most recent tank tightness testing or leak detection data conducted within sixty (60) days prior to the effective date that the Insured acquires or leases the subject location.</p>	<p>Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.</p> <p>Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$.0006832 per \$100 of Total Insurable Values, pro-rated with a minimum premium of \$425. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.</p>

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	Defense Costs and Expenses are an additional \$100,000 outside the per member limit and within the overall policy aggregate limit.	Defense is within the limits of liability
	<p>Blanket Coverage included for Non-Owned Locations. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned or operated by the Insured, provided that:</p> <ul style="list-style-type: none"> The waste materials are generated from the Insured's own site, transportation, or covered operations; The transfer, storage, treatment or disposal facility is properly licensed and permitted to accept and dispose of such waste and has not filed for bankruptcy as of the date of the transfer, storage, treatment or disposal of such waste; The transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception. 	<p>Blanket Coverage included for Non-Owned Disposal Sites. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned, operated or rented by the Insured, provided that the transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.</p> <p>The BKK Landfill located at 2210 South Azusa Avenue, West Covina, CA is specifically excluded from coverage.</p>
Exclusions:	Virus and Communicable Disease	COVID-19
	Ports – <i>Defined as an Insured's own site on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.</i>	<i>Not covered. Pending wording to add ports.</i>
	<i>Not Previously Excluded</i>	Odor
	Cyber Event – <i>Does not apply to losses covered by the Cyber Event coverage in this policy.</i>	<i>Silent</i>
	Work Product – <i>Does not apply to covered operations</i>	<i>Work Product – excluded</i>
	Sewage Backup Coverage Exclusion – <i>Does not apply to an Insured's own site.</i>	<i>Sewage Backup- sewage backup on to 3rd party sites excluded. Coverage applies for sewage backup on to an insured site only.</i>
	Offshore operations	<i>Not Excluded</i>

SUMMARY OF PROPOSED CHANGES

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

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

SUMMARY OF PROPOSED CHANGES

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

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

SUMMARY OF PROPOSED CHANGES

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

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



ALLIANT PROPERTY INSURANCE PROGRAM
PROPOSED LIST OF CARRIERS
JULY 1, 2021 TO JULY 1, 2022

Arch Specialty Insurance Company	Ironshore Specialty Insurance Company
Aspen Specialty Insurance Company	Lancashire Insurance Company (UK) Ltd.
Ategrity Specialty Insurance Company	Landmark American Insurance Company
Berkshire Hathaway Specialty Insurance Company	Lexington Insurance Company
Chubb Bermuda Insurance Ltd.	Liberty Mutual Fire Insurance Company
Endurance Worldwide Insurance Limited	Lloyd's of London Syndicates
Evanston Insurance Company	Partner Re Ireland Insurance Ltd
Everest Indemnity Insurance Company	Princeton Excess & Surplus Lines Ins. Co.
Fidelis Underwriting Limited	RSUI Indemnity Company
Hallmark Specialty Insurance Company	QBE Specialty Insurance Company
Homeland Insurance Company of New York	Westport Insurance Corporation
International General Insurance Company	XL Insurance America, Inc.

ALLIANT INSURANCE SERVICES

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

June 9, 2021

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

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

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

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the federal government under the act.

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

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

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

**SELECTION OR REJECTION OF THE TERRORISM RISK INSURANCE ACT, as AMENDED
(A.K.A.: TRIA, TRIEA, TRIPRA, TRIP OR TRIPA. We refer to these collectively as "TRIA".)**

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

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

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

<input type="checkbox"/>	I am interested in receiving a quote for Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act. Please provide me with a quote.
<input type="checkbox"/>	I hereby decline to purchase Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act.

Policyholder/applicant signature

Print Name

Date

Northern California Cities Self Insurance Fund

IMPORTANT NOTICE:

- 1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**
- 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 (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker’s fee charged for this insurance will be returned to you.

Date: _____

Insured: _____

D-1 (Effective January 1, 2020)

Disclosures / Disclaimers

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

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

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

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

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

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

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

New York Regulation 194 and General Broker Compensation Disclosure

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

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

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

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

Disclosures / Disclaimers Cont.

Privacy

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

FATCA:

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

NRRA:

(Applicable if the insurance company is non-admitted)

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

Changes and Developments

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

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

Loss Notification Requirements:

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

Binding Requirements Recap

Required no later than June 28, 2021:

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

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

Request to Bind Coverage

Northern California Cities Self Insurance Fund

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

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

Signature of Authorized Insured Representative

Date

Title

Printed / Typed Name

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

Did you know that Alliant works with premium financing companies?

Are you interested in financing your annual premium?

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

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

☐
☐

LOSS NOTIFICATION REQUIREMENT

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

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

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

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

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

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

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

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

Address:

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

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

Address:

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

Address:

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

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

Address:

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

Address:

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

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

APIP Claims Reporting Acknowledgement(s) Receipt Form

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

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

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

Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2021 until further notice

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

Insured Entity Name: Northern California Cities Self Insurance Fund

Authorized Signature:

Print Name

Date

Title:

IN THE EVENT OF A

PROPERTY LOSS:

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

877-725-7695

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

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

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

PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.

BY MAIL: 100 Pine Street, 11th Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

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

Carbon Copy APIP Claims Administrator: sandra.doig@mclarens.com and your Alliant representative

Today's Date: _____

Type of Claim: (check all that apply)

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

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____ Email Address: _____

Broker/Agent's Name & Contact Information

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

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: _____

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

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss:

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

Name of Person Completing This Form: _____

Signature: _____

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

K. NOTICE OF LOSS

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

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

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

tmbclaims@beazley.com

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

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

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

SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:

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

Please contact Beazley for a list of approved vendors.

CYBER FIRST NOTICE OF LOSS FORM**SEND TO:** Beazley Group**BY MAIL:** 1270 Avenue of the America's, Suite 1200, New York, NY 10020**BY FAX:** (546) 378-4039**BY EMAIL:** tmbclaims@beazley.com**CC Alliant Claims Department:**
elaine.tizon@alliant.com , and your Alliant representative**Today's Date:** _____**Insured's Name & Contact Information****Insured's Name:** _____ **Point of Contact:** _____**Address:** _____**Phone #:** _____ **Email Address:** _____**Broker/Agent's Name & Contact Information****Company Name:** Alliant Insurance Services – Claims **Point of Contact:** Elaine Tizon**Address:** 100 Pine Street, 11th Floor, San Francisco, CA 94111**Phone #:** 877-725-7695 **Fax #:** 415-403-1466**Policy Information****Policy Number:** _____ **Policy Period:** _____**Limits of Liability:** _____ **per** _____ **agg Self-Insured Retention/Deductible** _____**Loss Information****Date of Incident/Claim:** _____ **Location:** _____**Description of Loss:** _____**Please list all attached or enclosed documentation:** ☐ (check if none provided) _____**Name of Person Completing This Form:** _____**Signature:** _____

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

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

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

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

IRONSHORE SPECIALTY INSURANCE COMPANY

IN THE EVENT OF AN

ENVIRONMENTAL EMERGENCY:

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

1) Alert local emergency authorities, as appropriate

2) Report the incident immediately at:

888-292-0249

4) Report the incident to Alliant

Akbar Sharif
Claims Advocate
949-260-5088
415-403-1466 – fax
Akbar.Sharif@alliant.com

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

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

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

SEND TO: IRONSHORE ENVIRONMENTAL CLAIMS CSO
BY MAIL: 28 Liberty Street, 5th Floor, New York, NY 10005
BY FAX: (646) 826-6601
BY EMAIL: USClaims@ironshore.com
CC Alliant Insurance: Akbar.Sharif@alliant.com and your Alliant Representative

Today's Date: _____

Notice of: (check all that apply)

- ☐ Pollution Incident ☐ Potential Claim ☐ Other _____
☐ Third-Party Claim ☐ Litigation Initiated

Insured's Name & Contact Information

Company Name: _____ **Point of Contact:** _____

Address: _____

Phone #: _____ **Email Address:** _____

Broker/Agent's Name & Contact Information

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

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

Phone #: 1-949-260-5088

Policy Information

Policy Number: _____ **Policy Period:** _____

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

Loss Information

Date of Incident/Claim: _____ **Location:** _____

Claimant Name/Address: _____

Description of Loss: _____

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

Name of Person Completing This Form: _____ **Signature:** _____

Flood Offering

Flooding is a serious threat to both personal and commercial clients. Flooding can happen anywhere, not just zone referred to as high-risk areas (Special Flood Hazard Area). Your Alliant team is ready to explain how it works and the associated costs.

Basic Facts

Congress created the NFIP in 1968 in response to the rising cost of taxpayer-funded disaster relief for flood victims and the increasing amount of damage caused by floods. The NFIP makes federally backed flood insurance available in communities that agree to adopt and enforce floodplain management ordinances to reduce future flood damage. The NFIP is self-supporting for the average historical loss year. This means that unless there is a widespread disaster, operating expenses and flood insurance claims are financed through premiums collected.

Commercial buildings or residential dwellings owned by commercial entities are considered commercial property. All others are residential dwellings

The [FEMA Summary for Commercial Property](#) and [FEMA Standard Summary of Coverage](#) provides information on the following:

- Types of Flood Insurance Coverage
- What is a Flood- “a General and temporary condition of partial or complete inundation of two or more acres of normally dry land area”...
- Deductibles – various options to meet your financial needs
- What is Covered and What is Not
- The valuation of the Property – Actual Cash Value or Replacement Cost

Additional Information

- Flood Zones-
 - <https://www.fema.gov/flood-zones>
- Excess Flood Insurance (contact your Producer for additional information)
 - Increased limits over the maximum flood limit provided by NFIP

FEMA Glossary of Flood Terms

<https://www.fema.gov/national-flood-insurance-program/definitions>

If you do NOT wish to purchase flood insurance your signature is required below:

Signature:

Date:

Name Printed / Typed:

Company Name:

Electronic Delivery Option Form

Alliant Insurance Services, Inc. may be required by law to obtain consent from insureds prior to providing electronic delivery of documents, including the policy.

You currently have selected Option 1 ☐ 2 ☐ 3 ☐ 4 ☐

Please note you may change your option at any time. If you have not previously selected an option, please select one of the following:

- ☐ **1. ELECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY**
I elect to receive all my documents electronically and acknowledge I may no longer receive paper copies unless I sign a new form requesting both electronic and paper copies or specifically request them.
- ☐ **2. ELECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY AND PAPER DELIVERY**
I elect to receive both electronic and paper copies of my insurance policy and supporting documents.
- ☐ **3. REJECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY**
I reject the option to receive my insurance policy and supporting documents electronically. I will receive paper copies of such documents.
- ☐ **4. ELECTION TO WITHDRAW CONSENT OF ELECTRONIC DELIVERY**
I withdraw my previous consent of electronic delivery of my insurance policy and supporting documents. I elect to receive paper copies of such document going forward.

Named Insured: ACCTNAME

Print Name of Authorized Representative

Title

Signature of Authorized Representative

Date Signed

If you have selected electronic document delivery, please provide the email address for the individual(s) who should receive these documents. If this information changes, please provide updated details to your service team.

This selection remains intact until revised by you.

MANAGE YOUR CASH FLOW WITH PREMIUM FINANCE

Premium Finance. Simplified.



QUESTIONS?

For any questions or to obtain a finance quote, please contact your Alliant Account Manager.

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FUNDING

A WINTRUST COMPANY

www.firstinsurancefunding.com

800-837-2511

ALLIANT INSURANCE PUBLIC ENTITY PREMIUM FINANCING

- Amount financed:
 - Up to \$100,000 - 3.25% APR
 - Over \$100,000 - 2.38% APR
- 25% down and 10 monthly installments
- Rates & terms over \$500,000 are subject to credit approval and may change according to risk & underwriting by FIRST
- Rates are based on the current rate environment and could change as key indexes change over time (Prime: 3.25%)

BENEFITS FOR YOUR BUSINESS

- Make easy monthly payments that work for your business.
- Preserve or free working capital for other opportunities.
- Keep your credit lines open for other business needs.
- Use the premium finance loan as an off-balance sheet item.
- Rest assured with a rate and payments that won't increase over the loan term.
- Earn more on retained capital by paying your insurance premium up front.
- Consolidate your insurance payments.
- Purchase additional coverage with affordable payments.

EASY PAYMENT OPTIONS





PUBLIC ENTITY

PROPERTY INSURANCE PROGRAM FOR PUBLIC ENTITIES

The property public entities oversee are incredibly diverse and complex. Because of this, Alliant created the Alliant Property Insurance Program (APIP) to give public entities across the country access to thoughtful insurance solutions and price stability through APIP's group purchasing power. This strength is fueled by APIP's nearly 10,000 covered entities in 45 states and over \$500 billion in total insurance values (TIV).

APIP is among the largest property placements worldwide.

Exclusive price controls, innovative program design, and responsive service APIP coverage is significantly broader and typically 10% to 20% less expensive than similar placements offered by competitors. **The program offers per occurrence limits up to \$1 billion.** APIP's size gives members competitive pricing and access to large earthquake, flood, and wind limits with a carefully managed spread of risk.

In addition, APIP members can count on getting their claims paid in a timely manner. Highly rated global insurers and reinsurers with minimum AM Best rating of A- category VII provide coverage that includes:

- Per occurrence limits up to \$1 billion
- Broad insuring agreements
- Coverage for all property of every description of an insurable nature—both real and personal—of the insured

APIP's strength is fueled by nearly 10,000 covered entities in 45 states and \$500 billion in total insurance values (TIV).

- Coverage for property of others in the care, custody, or control of the insured for which the insured is liable wherever located in the United States
- Replacement costs for physical damage, including comprehensive and collision damage as an option for automobiles
- Automatic acquisition of new locations which allows entities to grow without having to wait for underwriting approval
- Blanket fine arts coverage (if scheduled)
- Municipal bond and tax revenue interruption coverage
- Course of construction coverage including delay in start-up
- Property appraisals for all real property over \$5 million
- Boiler and machinery coverage
- Access to Alliant's proprietary OASYS-Net software system, the program provides property schedules, claims, vendor certificates, and places certificate requests online. It allows clients to update their property locations, report a claim, or request a certificate of insurance.

Coverage for Boiler and Machinery

APIP includes coverage for boilers and machinery with limits up to \$100 million. Established boiler and machinery authorized inspection agencies are used for both jurisdictional and consultative services. This ensures you receive board-certified engineering expertise in machinery, equipment, electronics, and HVAC through a nationwide field network.

To manage a wide range of critical exposures, the program also provides our clients with electrical loss prevention surveys, infrared thermography, industry and technical consultation, a key account service plan, transformer oil gas analysis, boiler operation and maintenance training, and boiler and pressure vessel inspection services for non-code vessels (and vessels located in jurisdictions that do not require inspections).

Environmental Risk Coverage

Our team of dedicated underwriters has extensive experience in environmental risk and a strong understanding of the unique needs of public entities. To protect your organization from the catastrophic impacts environmental liabilities can have on the physical and financial infrastructure of an organization, APIP members receive first and third party pollution protection against the broad range of environmental risks facing public entities. This coverage includes premises, covered operations, transportation, bodily injury/property damage from pollution conditions, pollution clean-up, mold, and both above-ground storage tanks (ASTs) and underground storage tanks (USTs) coverage.

Cyber Risk Coverage

Cyber liability looms larger than ever and coverage against it is essential to protect the health of your organization. As an APIP member, our cyber risk specialists will help you assess exposures that threaten your organization, and deliver first and third party coverage to match your risk profile to shield your agency from the ever-changing world of technology-related risks.

The Alliant Advantage

The Alliant public entity team is comprised of 150 professionals with targeted expertise servicing a broad range of public entities throughout the U.S. We ensure that our clients have access to time-tested expertise and powerful risk resources regardless of location.

ABOUT ALLIANT INSURANCE SERVICES

Alliant Insurance Services is the nation's leading specialty broker. In the face of increasing complexity, our approach is simple: hire the best people and invest extensively in the industries and clients we serve. We operate through national platforms to all specialties. We draw upon our resources from across the country, regardless of where the resource is located.



Risk Control and Safety Services

Helping public entities take a stand
against the unexpected





In the public sector, the possibility of an accident or loss always looms large. Unannounced and indiscriminate, these incidents can unleash a wave of lost productivity, damaged property, and significant legal and medical expenses that can impact your organization for years.

It's true, these incidents happen all the time. But do they have to?

Alliant works hand-in-hand with public entities across the nation, delivering meticulous analysis and actionable strategies that reduce costly accidents and losses. We'll leverage the full strength of our technological and intellectual resources to deliver sophisticated solutions that enhance safety, increase productivity, and reduce insurance costs.

Power Through Prevention

Our mission is simple. We aim to prevent costly accidents and losses before they can play havoc with your organization. Underlying this commitment is an extensive infrastructure of people, ideas, and resources, all working together to protect your organization. When you work with Alliant, you unlock access to:

- A nationwide network of highly experienced consultants who understand the risks and regulatory climate of your particular market.
- Risk professionals averaging 15 years of experience with a range of certifications and credentials.
- Alliant's extensive library of educational materials, safety resources, and webinars.
- The power and resources of one of the nation's largest specialty insurance and risk management organizations.
- Time-tested methods and expertise that consistently yield lower loss ratios, and in turn, lower insurance costs.
- People who understand your business, its risks, and how they affect your long-term success.

Get the "Big Picture" on Risk Control

We believe that effective risk control is not simply a series of tactics but a hub of interconnected strategies bound together by an ambitious, "big picture" perspective. To achieve this, we combine the following best-in-class services tailored for each of our clients.



Comprehensive Risk Assessment

- Loss analysis
- Operational assessment
- Stakeholder interviews
- Risk impact modeling
- Contract review
- Strategic planning



Critical Success Factors

- Personalize critical success factors
- Develop dashboard tools
- Align solutions with operational and risk goals
- Enterprise risk management



Implement Solutions

- Fire and life safety
- Casualty and workers' compensation
- Regulatory compliance
- Environmental
- Ergonomics and IH
- Fleet safety
- Behavioral safety



Monitor Results

- Monitor and adjust solutions
- Quantify value of outcomes
- Communicate success and improvement opportunities

It's Your Choice. And It's an Important One.

Your charge is twofold: to protect your organization and secure its success. Working with a risk consultant can help you achieve both of these objectives, but you must choose the right partner for your organization. How to find the right fit? Make sure your consultant has:

- In-depth experience handling risks in your industry.
- The courage to tell you what you need to know, not what you want to hear.
- Vast resources at their disposal and the availability to handle the job when and how you need it.
- The support of a team of experts to assist in areas like regulatory citation, claims handling, and litigation.

These exemplify the Alliant approach to risk control and guide all of our actions as we seek to protect our clients from ever-shifting risks.

Key Services

- **On-site hazard/risk assessments:** We perform an in-depth audit of your organization, identifying key areas of liability exposure, followed by detailed findings and recommendations.
- **Ergonomics:** To help reduce workers' compensation costs, we provide engineering and administrative solutions that address core ergonomic issues; then we work with your team to build a self-sustaining risk improvement process through workplace studies, office evaluations, and ongoing training and education.
- **Industrial hygiene:** Our consultants will anticipate, identify, evaluate, and recommend control strategies for chemical or biological hazards that may cause work-related illnesses.
- **Fleet safety analysis:** Our research-based transportation safety programs include full safety assessments, fleet training, accident investigation, and other regulatory audits.
- **General liability:** We help to prevent accidents, reduce injuries, and control insurance costs by pinpointing and mitigating risk to the public.
- **Training services:** Knowledge is power, and we offer a full range of educational resources customized for your organization. This includes a high-impact webinar series.
- **Fire system evaluation:** We analyze the adequacy of your system and then provide recommendations for ongoing maintenance and testing.
- **Risk assessment:** We quantify your exposures by providing C.O.P.E. (construction, occupancy, protection, and exposure) along with natural catastrophe data, risk quality ratings, recommendations, and facility programs.
- **Loss estimates:** Our team can provide customized estimates that cover machinery, equipment, earthquake, wind, or flood in probable maximum loss (PML) and maximum feasible loss (MFL) formats.
- **Business interruption analysis and continuity planning:** We assist you in assessing the risk of a disaster on company operations and identifying its potential impact on your business, suppliers, and customers; and provide a disaster action plan.
- **Infrared and ultrasonic testing:** These important tests detect electrical problems and other critical loss exposures using highly sophisticated diagnostic technologies to prevent unscheduled maintenance, reduce operational interruptions, and improve energy usage.
- **Risk management center:** This web-based risk reduction platform allows you to reduce risk and enable employee safety by creating an effective human resources and risk management program.

RISK CONTROL CONSULTING

Training Series for Alliant Clients 2021-22 Calendar

Alliant will be offering a new series of online training aimed at educating our clients in areas of property protection and occupational safety and health. As part of the web-based series, attendees will receive a certificate of completion for each training series.

August 11, 2021	Q & A Session: Firsthand Experience with Wildland Fires
September 8, 2021	COVID-19 Reducing Risk for Re-opening
October 13, 2021	Human Element Programs - All Systems Check!
November 10, 2021	Workplace Violence Programs – Tips to Prevent WPV
December 8, 2021	How to Manage a Healthy Indoor Air Quality Environment
January 12, 2022	Business Impact Analysis – Your First Step to Ensuring Continuity in Business Operations
February 9, 2022	Lessons Learned from the 1942 Cocoanut Grove Fire
March 9, 2022	Emergency Preparedness – Minimizing Loss and Protecting Your Assets
May 11, 2022	How to Avoid Equipment Breakdown
June 8, 2022	Establishing a Comprehensive Fleet Safety Management Program

All training sessions are offered at no additional cost and will be held from 10am – 11am pacific Standard Time. **To register, click on the title** to be directed to the registration page. All presentations are recorded for on-demand playback.

QUESTIONS? CALL OR E-MAIL US: 888.737.4752/RISKCONTROL@ALLIANT.COM

Alliant Insurance Services

888 737 4752 | 1301 Dove Street, Suite 200 | Newport Beach, CA 92660 | www.alliant.com



▼ About Alliant Insurance Services

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

alliant.com

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APPRAISAL SERVICES

After a property loss you don't need another unpleasant surprise



Suffering a property loss is bad enough without discovering the property was undervalued and you won't recover enough to replace or restore it. The reason for your dilemma: an inaccurate or poorly documented appraisal of the property that created a false sense of security that you were fully covered for the loss.

APPRAISAL SERVICES

If your assets are undervalued, or the values cannot be defended, the replacement costs paid by your insurance carrier will not adequately cover your losses. To ensure that commercial and public sector organizations do not face this kind of unpleasant surprise, Alliant Appraisal Services provides clients with accurate, fully documented appraisals they can trust.

Each property valuation is conducted by a licensed, experienced real estate appraiser who utilizes valuation techniques that conform to the federal reporting requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). To ensure accuracy, all appraisals are submitted for peer review.

CLIENT BENEFITS

Clients benefit from our appraisals in a variety of ways, including:

- Identifying inaccuracies in value based on occupancy or building characteristics
- Identifying inaccuracies in square footage, which impacts value
- Updating values to include building additions and renovations and to capture buildings not previously recorded
- Flagging demolished, relocated, or out-of-service structures, thereby reducing insured value
- Documenting and updating COPE (Construction, Occupancy, Protection, Exposures) data, which may help to lower premiums
- Collecting additional data as requested, including secondary earthquake characteristics and GPS coordinates

COMMERCIAL APPRAISALS

The depth and diversity of our commercial appraisal knowledge and experience set Alliant Appraisal Services apart from other consultants. Besides our own vast knowledge base, we are able to capitalize on our access to Alliant's vast nationwide appraisal and cost databases to meet specialized appraisal needs for nearly every type of commercial client.

In addition to appraising income-producing real property—including industrial, office, multifamily, and commercial—we have extensive expertise in appraising such unique assets as medical facilities, entertainment venues, hospitality sites, construction equipment, and power generation plants, to name only a few.

PUBLIC ENTITY APPRAISALS

Establishing accurate replacement values for such public sector assets as infrastructure, public facilities, and specialized equipment requires extensive knowledge of both the type of public entity and type of property. Among the unique public assets we appraise are water distribution systems, sewage treatment facilities, power generation plants, medical treatment facilities, school gymnasiums, fire-fighting equipment, communication towers, roadways, bridges, and many others.

REPORT FORMATS

Our appraisal reports can be customized to a client's particular requirements, ranging from a spreadsheet that summarizes key data to standalone reports for each asset. Clients can be confident that our appraisal reports will be consistent and supported by reliable market data.

ALLIANT INSURANCE SERVICES: THE PARTNER YOU DESERVE.

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant provides property and casualty, workers' compensation, employee benefits, surety, and financial products and services to more than 26,000 clients nationwide.

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CONTACT

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Alliant»Connect

The power of Alliant at your fingertips



Your business is a dynamic enterprise, moving with speed and agility to meet the ever-changing needs of your clients, employees, and industry. Decisions are made in real time and information must be accessed at a moment's notice. With AlliantConnect, convenience, security, and service are always at your fingertips and waiting for policy information is never part of the equation.



AlliantConnect is a customized online portal providing instant access to all of your insurance information. With its simple interface and intuitive design, you can manage your documents, access informational materials, stay up to date on policy changes, pay premiums, and interact with a service professional. Simply stated, it's a central hub where you can manage all aspects of your insurance policy.

AlliantConnect seamlessly melds the power of Alliant with the convenience of a secure online portal by empowering you to:

- **Access** all of your insurance information via a transparent and easy-to-use online interface
- **Manage** your documents, including certificates of insurance, in real time
- **Learn** through a comprehensive library of fact sheets, white papers, and presentations
- **Watch** training videos designed to help you better manage risk
- **Locate** a summary of your policy changes
- **Track** important dates and announcements
- **Pay** your premiums quickly and easily using an integrated payment component
- **Communicate** quickly and easily with your Alliant service team

PUT YOUR POLICY IN YOUR POCKET

With AlliantConnect Mobile, your policy follows you wherever business takes you. You enjoy 24/7 on-the-go-access to insurance information in a secure mobile platform through the following features:

- **One-click "Help" button** that will notify the entire service team if you experience an urgent issue
- **On-demand access** to policy documents, schedules, and endorsements
- **Offline access to documents** once they are downloaded
- **Contact information** of the entire service team

With AlliantConnect, you can rest assured that your information is stored in a secure location.



YOUR INFORMATION IS ALWAYS SECURE

With AlliantConnect, you can rest assured that all your information is secure, including payment transactions that are protected with the highest encryption levels possible. In addition, all data is secured to the appropriate account teams, our database and all backups are stored in a highly encrypted format, and all document changes are archived for audit history. As a company that insures clients against cyber risks, Alliant understands the importance of protecting client information in an online environment and how to maximize the security of your information.

REAL PEOPLE, ALWAYS WITHIN REACH

We believe that technology is only as successful as the people behind it. This is why we designed AlliantConnect not as a means of removing people from the process, but to bring them closer. In addition to accessing a service professional via the online portal, we also offer a toll-free helpline, where you will have direct access to the AlliantConnect support team. Simply give

us a call, let us know you are an AlliantConnect client, and we will be on the phone to help you get the most out of your account. AlliantConnect offers value and convenience by combining cutting-edge technology, optimum security, and personal service.

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PEPIP USA FORM No. [4617](#)
MASTER POLICY WORDING

COVERAGE INCEPTING
FROM JULY 1, [2020-2021](#) TO JULY 1,
[2021-2022](#)

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SECTION I

GENERAL PROVISIONS

A. INSURING AGREEMENT

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

B. NAMED INSURED

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

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required or has agreed to provide coverage, or as so named in the "Named Insured Schedule" on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern, are covered within the limits provided to the individual Named Insured.

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

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

C. MAILING ADDRESS OF NAMED INSURED

AS PER DECLARATION PAGE

D. POLICY PERIOD

AS PER DECLARATION PAGE

E. LIMITS OF LIABILITY

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

1. LIMITS OF LIABILITY

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

2. SUB-LIMITS OF LIABILITY

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

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

1. Buildings

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

F. OPTIONAL COVERAGE PARTICIPATION

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

OPTIONAL COVERAGES IDENTIFICATION:

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

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

G. DEDUCTIBLE PROVISIONS

If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

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

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

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

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

“Vehicle Physical Damage deductible” - if Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off premises on a per occurrence basis, unless otherwise stated. If “Off-Premises” coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk “Basic Deductible”.

H. UNIT OF INSURANCE DEFINED

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

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

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

I. PRIORITY OF PAYMENTS

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

SECTION II

PROPERTY DAMAGE

A. COVERAGE

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

B. EXTENSIONS OF COVERAGE

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

1. PERSONAL EFFECTS

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

2. PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS

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

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

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

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

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

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

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

3. FIRE FIGHTING EXPENSES

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

4. OFF PREMISES SERVICES INTERRUPTION

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

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

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

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

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

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

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

a. ~~Architects and engineers fees~~

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

6. CLAIM PREPARATION EXPENSES

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

76. EXPEDITING EXPENSES

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

87. DEBRIS REMOVAL

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

8. BUILDING LAWS

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

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

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

9. DEMOLITION COST

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

10. INCREASED COST OF CONSTRUCTION

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

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

Insurance under this section does not apply to:

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

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

11. **ERRORS ~~AND~~ OMISSIONS**

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

12. **ANIMALS**

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

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

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

13. **VALUABLE PAPERS**

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

14. **TRANSIT**

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

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

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

This Policy also covers damage and loss of use:

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

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

15. VEHICLES WHILE ON INSURED PREMISES

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

16. ASBESTOS CLEAN UP AND REMOVAL

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

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

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

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

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

17. PROTECTION AND PRESERVATION OF PROPERTY

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

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

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

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

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

18. LEASEHOLD INTEREST

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

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

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

The following definitions shall apply to this coverage:

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

19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

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

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

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

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

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

any one acquisition excluding licensed vehicles, for which a limit of USD10,000,000 applies or Named Insured's Policy Limit of Liability if less than USD10,000,000. Additionally, automatic coverage is granted for up to 60 days, subject to a sub-limit of \$USD2,500,000 for additional property and/or interests in Tier 1 wind counties, parishes and independent cities for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii.

If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. In the event that coverage for Flood for any location situated in Flood Zones A or V is required, it is to be agreed by the Company prior to attachment hereunder.

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

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

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

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

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

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

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

After the reporting of a location added under automatic acquisition, the Company retains the right to determine acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition, if values are in excess of USD25,000,000 for Named Insureds with total insurable

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

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

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

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

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

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

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

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

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

20. MISCELLANEOUS UNNAMED LOCATIONS

Coverage is extended to include property at locations (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain insurance) located within the territorial limitations set by this Policy. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this policy form. This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. Subject to the Miscellaneous Unnamed Locations sub-limit shown on the Declaration Page, this policy is extended to insure property of type not excluded located at Miscellaneous Unnamed Locations. Miscellaneous Unnamed Locations means property that has not been included in the Schedule of Values on file with Alliant Insurance Services, Inc. as may be required in the Policy provisions elsewhere.

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

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

21. ACCIDENTAL CONTAMINATION

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

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

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

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

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

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

C. PROPERTY NOT COVERED

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

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

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

D. LOSS PAYMENT BASIS / VALUATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION III

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

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

A. COVERAGE

1. BUSINESS INTERRUPTION

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

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

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

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

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

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

- (2) If the drive produces an amount equal to the same drive in the most recent prior solicitation, there shall be considered no loss of income from this source of revenue;
 - (3) If the drive produces an amount larger than the same drive in the most recent prior solicitation, the excess shall be applied to reduce the loss from other sources of revenue;
 - (4) If the drive is cancelled or postponed, such loss of revenue shall not be considered as loss of income.
- ii. The following shall be disregarded in determining the amount of loss:
- (1) Donations and contributions which are a direct result of the interruption of the Named Insured's operations and are received by the Named Insured during the period of interruption.
 - (2) Proceeds for fund raising drives or solicitations which are for the sole benefit of the Named Insured and occur as a result of interruption of the Named Insured's operations.

2. EXTRA EXPENSE

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

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

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

B. EXTENSIONS OF COVERAGE

1. INGRESS / EGRESS

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

2. INTERRUPTION BY CIVIL AUTHORITY

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

3. DEMOLITION AND INCREASED TIME TO REBUILD

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

THE COMPANY SHALL NOT BE LIABLE UNDER THIS CLAUSE FOR:

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

4. CONTINGENT TIME ELEMENT COVERAGE

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

This coverage applies to the Insured's direct suppliers or direct customers located in the Coverage Territory.

Notwithstanding the foregoing, this Additional Coverage does not apply to:

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

5. TAX REVENUE INTERRUPTION

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

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

If the Named Insured has reported Tax Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:

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

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

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

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

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

6. EXTENDED PERIOD OF INDEMNITY

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

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

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

7. EXPENSES TO REDUCE LOSS

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

C. EXCLUSIONS

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

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

D. CONDITIONS APPLICABLE TO THIS SECTION

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

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

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

E. DEFINITIONS

1. GROSS EARNINGS

"Gross Earnings" is defined as the sum of:

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

No other cost shall be deducted in determining gross earnings.

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

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

2. MERCHANDISE

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

3. EXTRA EXPENSE

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

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

4. RENTAL VALUE

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

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

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

5. PERIOD OF RESTORATION

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

6. CLOUD COMPUTING SERVICE

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

SECTION IV

GENERAL CONDITIONS

A. PERILS COVERED

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

B. EXCLUSIONS

This Policy does not insure against any of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19. Authorities Exclusion:

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

20. The following exclusion applies to Terrorism:

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

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

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

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

21. Lack of the following services:

- a. incoming electricity, fuel, gas, water, steam or refrigeration;
- b. outgoing sewerage; or
- c. incoming or outgoing ~~telephone or similar services;~~ data, voice or video service;

all when caused by loss or damage to any property outside Insured Location(s).

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

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

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

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

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

C. STATUTES

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

D. TERRITORIAL LIMITS

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

E. REINSTATEMENT

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

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

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

G. BREACH OF CONDITIONS

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

H. PERMITS AND PRIVILEGES

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

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

This Policy shall not be prejudiced by:

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

I. PROTECTIVE SAFEGUARDS

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

J. NO BENEFIT TO BAILEE

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

K. NOTICE OF LOSS

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

L. ARBITRATION OF VALUE

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

M. PROOF OF LOSS

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

N. SETTLEMENT OF LOSS

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

O. SUBROGATION

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

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

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

P. CANCELLATION

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

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

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

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

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

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

Q. ABANDONMENT

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

R. ASSIGNMENT

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

S. SALVAGE

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

T. OTHER INSURANCE

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

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

U. EXCESS INSURANCE

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

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

V. RIGHT TO REVIEW RECORDS FOLLOWING AN INSURED LOSS

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

W. CONCEALMENT AND FRAUD

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

X. FULL WAIVER

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

Y. SUIT AGAINST COMPANY

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

Z. JOINT LOSS ADJUSTMENT – BOILER AND MACHINERY

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

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

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

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

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

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

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

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

AA. JOINT LOSS ADJUSTMENT – EXCESS PROPERTY

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

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

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

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

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

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

AB. LENDER'S LOSS PAYABLE

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

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

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

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

AC. SEVERAL LIABILITY NOTICE

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

AD. LOSS PAYABLE PROVISIONS

A. LOSS PAYABLE

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

1. Adjust losses with the Named Insured, and;

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

B. LENDER'S LOSS PAYABLE

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

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

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

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

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

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

C. CONTRACT OF SALE

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

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

~~AE. ELECTRONIC DATA~~

~~A. ELECTRONIC DATA EXCLUSION~~

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

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

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

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

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

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

~~Listed Perils:~~

~~Fire, Explosion~~

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

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

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

AEF. LOSS ADJUSTMENT SERVICES

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

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

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

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

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

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

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

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

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

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

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

NMA1998 (amended)

AGH. DEFINITIONS

1. OCCURRENCE

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

a. Windstorm

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

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

b. Flood

Each loss by flood shall constitute a single loss hereunder.

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

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

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

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

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

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

1. overflow of inland or tidal water;

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

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

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

c. Flood Zone A and V

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

d. Earthquake Shock

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

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

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

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

2. PERSONAL PROPERTY OF OTHERS

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

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

3. IMPROVEMENTS AND BETTERMENTS

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

4. INSURED LOCATION(S) means:

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

4.5. VALUABLE PAPERS AND RECORDS

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

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

56. TIER I WINDSTORM COUNTIES

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

67. TIER 2 WINDSTROM COUNTIES

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

AH.4. ADDITIONAL INSURED'S / LOSS PAYEES

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

SECTION V

FINE ARTS

A. COVERAGE

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

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

1. PROPERTY COVERED

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

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

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

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

B. EXCLUSIONS

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

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

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

C. LOSS PAYMENT BASIS / VALUATION

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

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

D. SPECIAL CONDITIONS

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

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

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

SECTION VI

CONTRACTORS EQUIPMENT

A. COVERAGE

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

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

B. PERILS EXCLUDED

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

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

8. Loss or damage caused by or resulting from:

- a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack;
 - i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces or;
 - ii. any military, naval or air forces or;
 - iii. by an agent of any such government, power, authority or forces;
- b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;

9. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) covered against in this endorsement; however, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered against by this Policy.

C. PROPERTY EXCLUDED

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

D. LOSS PAYMENT BASIS / VALUATION

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

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

E. SPECIAL CONDITIONS

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

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

SECTION VII

ACCOUNTS RECEIVABLE

A. COVERAGE

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

B. EXCLUSIONS

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

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

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

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

C. LOSS PAYMENT BASIS / VALUATION

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

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

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

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

D. DEFINITIONS:

ACCOUNTS RECEIVABLE

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

SECTION VIII

UNMANNED AIRCRAFT

A. COVERAGE

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

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

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

B. PERILS EXCLUDED

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

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

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

C. PROPERTY EXCLUDED

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

D. LOSS PAYMENT BASIS / VALUATION

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

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

E. SPECIAL CONDITIONS

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

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

F. DEFINITIONS

1. UNMANNED AIRCRAFT

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

2. IN FLIGHT

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

3. IN MOTION

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

SECTION IX

BOILER AND MACHINERY BREAKDOWN EXTENSION

1. Perils Insured

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

2. Additional Coverage

(a) Hazardous Substance

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

(b) Ammonia Contamination

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

(c) Water Damage

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

(d) Media Coverage

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

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

(e) Consequential Damage

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

(f) Utility Interruption

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

(g) CFC Refrigerants and Halon

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

(h) Ordinance or Law

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

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

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

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

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

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

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

3. Definition of Accident

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

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

4. Definition of Object

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

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

5. Covered Cause of Loss

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

6. Covered Property

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

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

7. Special Provisions

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

8. Valuation

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

- a) Of like kind, capacity, size and quality; and
 - b) Used for the same purpose
- 4) The amount the Named Insured actually spends that is necessary to repair or replace the damaged property.
- b. As respects any Object if the cost of repairing or replacing only a part of the Object is greater than:
 - 1) the cost of repairing the Object; or
 - 2) the cost of replacing the entire Object on the same site;

The Company will pay only the smaller of (1) or (2). The repair parts or replacement Object must be:

 - 1) of like kind, capacity, size and quality; and
 - 2) used for the same purpose.
- c. The Company will not pay:
 - 1) if the loss or damage is to property that is obsolete or useless to the Named Insured; or
 - 2) for any extra cost if the Named Insured decides to repair or replace the damaged property with property of a better kind or quality or of larger capacity,
- d. If the Named Insured does not repair or replace the damaged property within 18 months after the date of the Accident then the Company will pay on the smaller of the:
 - 1) cost it would have taken to repair; or
 - 2) actual cash value;

at the time of the “accident”.

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

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

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

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

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

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

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

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

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

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

9. Exclusions

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

10. Conditions:

- a. Inspection

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

- b. Suspension

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

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

c. Notice of Accident and Adjustments

When an Accident occurs, written notice shall be given to the Company as soon as practicable. The Company shall be given like notice of any claim made on account of such Accident. The Company or their representative shall have reasonable time and opportunity to examine the property, and the ~~Named—Insured~~^{2s} Location of Risk, before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made in such form as the Company may require. If suit is brought against the Named Insured for loss to which this Section of the Policy is applicable, any summons or other process served upon the Named Insured shall be forwarded immediately to the Company.

d. Deductible

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

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

ENDORSEMENT 1

CANCELLATION CLAUSE AMENDMENT DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT

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

This endorsement modifies insurance provided by the Policy:

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

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

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

The following definitions apply to this endorsement:

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

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

ENDORSEMENT 2

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

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

PR4225 (07/13)

ENDORSEMENT 3

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

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

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

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

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

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

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918
08/10/2001

ENDORSEMENT 4

COMMUNICABLE DISEASE EXCLUSION

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

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

LMA5393
25 March 2020

ENDORSEMENT 5

PROPERTY CYBER AND DATA ENDORSEMENT

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

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

Definitions

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

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

LMA5400

11 November 2019

LMA 5401

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

CLAIMS EXAMPLE

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

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



LMA 5400

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

CLAIMS EXAMPLE

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

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





BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.b.

APIP POLLUTION

INFORMATION ITEM

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

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

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

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

FISCAL IMPACT: None from this item. Total cost of \$11,169 included in the overall APIP renewal.

BACKGROUND:

ATTACHMENT(S): Pollution Liability Coverage Proposal

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

POLLUTION LIABILITY COVERAGE PROPOSAL

TYPE OF INSURANCE: ☒ Insurance ☐ Reinsurance

TYPE OF COVERAGE: Claims Made and Reported Pollution Liability

PROGRAM: Alliant Property Insurance Program (APIP)

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

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

RETROACTIVE DATE:

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

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

COMPANY: Ironshore Specialty Insurance Company

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

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

ADMITTED STATUS: Non-Admitted in all states.

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

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

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

**COVERAGES &
LIMITS:**

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

SUB-LIMITS:

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

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

**EXTENDED REPORTING
PERIOD:**
Automatic Extended Reporting Period

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

**SPECIFIC COVERAGE
PROVISIONS:**
CLAIMS MADE AND REPORTED
Coverage A.1 – Onsite Pollution:

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

Coverage A.2 – Offsite Costs:

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

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**
Coverage B – Emergency Response Expenses

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

Coverage C.1 – Third Party Claims - Onsite Pollution

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

Coverage C.2 – Third Party Claims -Offsite Pollution

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

Coverage D – Transportation

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

Coverage E – Waste Disposal Activities:

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

Coverage F – Business Interruption:

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

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

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

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**

Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.

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

Illicit Abandonment is included in the definition of pollution condition.

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

Other Insurance Condition

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

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

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

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**

Blanket Coverage included for Non-Owned Disposal Sites. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned, operated or rented by the Insured, provided that the transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.

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

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

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

EXCLUSIONS (including but not limited to):

Coverage does not apply to any claim or loss from:

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

EXCLUSIONS (including but not limited to):

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

DEDUCTIBLE:

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

SPECIFIC DEDUCTIBLES:

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

CLAIMS REPORTING NOTICE

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

THIS IS A CLAIMS MADE POLICY

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

LOSS REPORTING REQUIREMENTS:

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

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

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

NOTICE OF CANCELLATION:

90 days except 10 days for non-payment of premium

REINSTATEMENT PROVISIONS:

Not Provided

POLLUTION LIABILITY COST:

Cost is included in Total Property Premium
100% Earned Premium at Inception

QUOTE VALID UNTIL:

July 1, 2021

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Pollution Liability Policy Term	July 1, 2020 to July 1, 2021	July 1, 2021 to July 1, 2022
Retroactive Date	July 1, 2011 for existing insureds included on the 2011-2012 policy at inception; For all other insureds the retroactive date is the date of addition to the Program.	<ul style="list-style-type: none"> July 1, 2011 for Waste Disposal; July 1, 2021 for Products Pollution and Exposure Liability; July 1, 2021 for Contractor's Pollution July 1, 2021 for Mold Matter <p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later.</p>
Company	Interstate Fire & Casualty Insurance Company	Ironshore Specialty Insurance Company
A.M. Best Insurance Rating	A+, Superior, Financial Category XV (\$2 Billion or greater) Effective September 5, 2019	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective June 26, 2020
Standard and Poor's Rating	AA (Very Strong) as of May 30, 2019	A (Strong) as of November 25, 2020
Covered Property	Covered locations include any real property owned, managed, leased, maintained or operated by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes that are located within a one thousand (1,000) foot radius of such covered location as of policy inception.	Covered locations include any real property owned, leased, rented, operated or occupied by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered property that are located within a one thousand (1,000) foot radius of such covered location as of policy inception.

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021		2021-2022 Proposed Changes	
Sub-limits:		N/A	\$ 100,000	Disinfection Event Expenses Per Pollution Incident*
		N/A	\$ 100,000	Disinfection Event Expenses Program Aggregate*
		N/A	\$ 1,000,000	Restoration Costs Program Aggregate (Mold Matter Only)*
		N/A	\$ 1,000,000	Legionella Per Pollution Incident*
		N/A	\$ 250,000	Per Claim for Any Punitive, Exemplary and Multiplied Damages and Civil Fines, Penalties and Assessments Fines Per Claim
	\$2,000,000	Products Pollution Each Incident Limit	\$ 2,000,000	Products Pollution Program Aggregate Limit
	\$ 100,000	Per Named Insured Per Pollution Incident Dedicated Legal Defense Outside the Per Named Insured limit*	No Coverage	
	\$ 250,000	Per Named Insured Crisis Management Response Costs Sub-limit	No Coverage	
	\$ 500,000	Per Named Insured Crisis Management Response Costs Aggregate	No Coverage	
	\$ 50,000	Per Named Insured Crisis Management Loss Sub-limit	No Coverage	
			\$ 2,000,000	Business Interruption per incident*
			\$ 1,000,000	Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
		N/A	\$ 2,000,000	Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
			\$ 2,000,000	Contractor's Pollution Per Pollution Incident - All other Operations* Contractors Pollution Aggregate*
	*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Crisis Management sub-limits and aggregate, which are in addition to the limits of liability.		*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.	

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Extended Reporting Period	For First Named Insured - To be determined at the time of election (additional premium can apply); Ninety (90) day basic extended reporting period available without additional premium. This automatic ERP does not apply if the insured has purchased other insurance to replace the insurance provided by this policy.	Automatic Extended Reporting Period The Named Insured shall be entitled to an Automatic Extended Reporting Period for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This automatic ERP does not apply if the insured has purchased the optional extended reporting period, the policy is terminated for fraud or nonpayment or if the insured has purchased other insurance to replace the insurance provided under this policy.
Coverages	Coverage A – Own Site Clean-up Costs: Coverage for claims for clean-up costs resulting from a pollution condition on or under the insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay for cleanup costs..	Coverage A.1 – Onsite Pollution: Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are on or under a Covered Property, provided such Remediation Expenses arise from Onsite Pollution and result from New Conditions.
	Coverage B – Off-Site Clean-Up Costs: Coverage for third-party claims resulting from a pollution condition migrating from or through and beyond the boundaries of the Insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay for cleanup costs.	Coverage A.2 – Off Site Costs: Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are beyond the boundaries of the Covered Property, provided such Remediation Expenses arise from Offsite Pollution and result from New Conditions.
	Coverage C – Third-Party Claims for Bodily Injury or Property Damage: Coverage for third-party claims for bodily injury or property damage resulting from a pollution condition on, under or migrating from or through and beyond the boundaries of the Insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay.	Coverage C.1 – Onsite Pollution Onsite Pollution resulting from New Conditions. if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.
		Coverage C.2 – Offsite Pollution Offsite Pollution resulting from New Conditions. if such Bodily Injury or Property Damage takes place while the person injured or the property damaged is within the boundaries of the Covered Property.
	Coverage D – Emergency Response Costs: Coverage for emergency response costs incurred by or on behalf of the Insured in response to a pollution condition on, under or migrating from or through and beyond the boundaries of an Insured's own site or arising from transportation or resulting from a covered operation, provided that the emergency response costs be incurred within one hundred sixty-eight (168) hours of the commencement of such pollution condition, and reported to the Insurer within fourteen (14) days of commencement of such a pollution condition.	Coverage B – Emergency Response Expenses To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment. The Emergency Response Expenses must: (i) arise from a Pollution Incident that first commenced during the Policy Period; (ii) be incurred within seven (7) days of the commencement of such Pollution Incident; and (iii) be reported to the Company within fourteen (14) days of the commencement of such Pollution Incident. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	<p>Coverage E – Transportation: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition caused by transportation that first commenced on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay.</p>	<p>Coverage D – Transportation To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses resulting from New Conditions, which arise from Transportation, provided such Claims are first made against the Insured and reported to the Company in writing during the Policy Period.</p>
	<p>Coverage F – Non-Owned Locations: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition on, under or migrating from any non-owned location that first commenced on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay.</p>	<p>Coverage E – Waste Disposal Activities: To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses that arise from a Pollution Incident resulting from Waste Disposal Activities. The Waste Disposal Activities must take place on or after the Waste Disposal Retroactive Date set forth in Item 10. of the Declarations, or the date that the Insured first began operations if no Waste Disposal Retroactive Date is indicated in the Declarations. This Coverage shall apply only if such Claims are first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.</p>
	<p>Coverage H – Business Interruption: Coverage for the Insured's business interruption expense and extra expense during the interruption period, caused directly by a pollution condition on or under the Insured's own site, on or after the retro date, provided such pollution condition results in clean-up costs covered under this policy, and the first-party claim is made and reported to the Insurer during the policy period.</p>	<p>Coverage F – Business Interruption: To pay the Insured's Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly results from Onsite Pollution resulting from New Conditions. This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Company during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the Period of Interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident.</p>

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	<p>Coverage G – Covered Operations: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition caused by covered operations on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay. Covered operations are defined as any operations within the capacity of a public entity which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. Covered operations do not include Transportation.</p>	<p>Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of "your work", provided the claim is first made and reported during the policy period. The Contractor's Pollution must have commenced on or after the retroactive date of July 1, 2021.</p>
	<p>Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Insured's product must have been manufactured, sold, handled or distributed on or after the retro date and the clean-up costs, bodily injury or property damage must be unexpected and unintended from the standpoint of the Insured. Coverage of lead contamination of potable water is excluded.</p>	<p>Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after the 7/1/2021.</p>
	<p>Coverage I – Cyber Events: Coverage for third-party claims for bodily injury, property damage or clean-up costs resulting from a pollution condition arising from a cyber event, provided that the claim is first made and reported to the Insurer during the policy period.</p> <p>A Cyber Event is defined as any unauthorized processing of data by an Insured; any breach of laws and infringement of regulations pertaining to the maintenance, or protection of data; and any network security failure in any system or device leased, owned, operated or lost by or which is made available or accessible to the Insured for the purpose of processing data. Insured must take reasonable precautions to prevent or cease any activity which may result in a claim, and take all reasonable steps to observe and comply with all statutory or local authority laws obligations and requirements.</p>	<p>Not Covered</p>

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	Coverage for crisis management response costs (including medical expenses, funeral expenses, psychological counseling, travel expenses temporary living expenses, expenses to secure the scene of a crisis management event) included, provided that the costs have been pre-approved by the insurer and are associated with damages that would be covered by this policy.	Not Covered
	All Named Insureds scheduled on this policy have the same rights as the First Named Insured (except for those rights specifically reserved to the first named insured); this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.	<i>Listed. Broad language pending negotiation.</i>
	<p>Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively, for no additional premium, automatically.</p> <p>Property valued at more than \$25,000,000 but less than \$100,000,000, purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with two (2) years of currently valued property loss runs and shall be added as a covered location upon the closing date of such acquisition for an additional premium.</p> <p>Property valued at more than \$100,000,000, purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer immediately, along with two (2) years of currently valued property loss runs. Additional premium applies. For acquired locations that have underground storage tanks, the Insured must determine that all operational underground storage tanks are in material compliance with all applicable environmental laws and regulations and must obtain the most recent tank tightness testing or leak detection data conducted within sixty (60) days prior to the effective date that the Insured acquires or leases the subject location.</p>	<p>Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.</p> <p>Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$.0006832 per \$100 of Total Insurable Values, pro-rated with a minimum premium of \$425. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.</p>

SUMMARY OF PROPOSED CHANGES

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

Coverage	2020-2021	2021-2022 Proposed Changes
Coverages (Continued)	Defense Costs and Expenses are an additional \$100,000 outside the per member limit and within the overall policy aggregate limit.	Defense is within the limits of liability
	<p>Blanket Coverage included for Non-Owned Locations. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned or operated by the Insured, provided that:</p> <ul style="list-style-type: none"> The waste materials are generated from the Insured's own site, transportation, or covered operations; The transfer, storage, treatment or disposal facility is properly licensed and permitted to accept and dispose of such waste and has not filed for bankruptcy as of the date of the transfer, storage, treatment or disposal of such waste; The transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception. 	<p>Blanket Coverage included for Non-Owned Disposal Sites. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned, operated or rented by the Insured, provided that the transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.</p> <p>The BKK Landfill located at 2210 South Azusa Avenue, West Covina, CA is specifically excluded from coverage.</p>
Exclusions:	Virus and Communicable Disease	COVID-19
	Ports – <i>Defined as an Insured's own site on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.</i>	<i>Not covered. Pending wording to add ports.</i>
	<i>Not Previously Excluded</i>	Odor
	Cyber Event – <i>Does not apply to losses covered by the Cyber Event coverage in this policy.</i>	<i>Silent</i>
	Work Product – <i>Does not apply to covered operations</i>	<i>Work Product – excluded</i>
	Sewage Backup Coverage Exclusion – <i>Does not apply to an Insured's own site.</i>	<i>Sewage Backup- sewage backup on to 3rd party sites excluded. Coverage applies for sewage backup on to an insured site only.</i>
	Offshore operations	<i>Not Excluded</i>

SUMMARY OF PROPOSED CHANGES

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

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

SUMMARY OF PROPOSED CHANGES

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

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

SUMMARY OF PROPOSED CHANGES

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

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



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.c.

APIP CYBER COVERAGE RENEWALS

INFORMATION ITEM

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

The Cyber Coverage proposal is attached and contains a review of all the changes in the coverage for FY 21/22. In spite of an incredibly hard market for cyber coverage some of the coverages have been enhanced. However, *there will be an increase in the retention from \$50k to \$100k and a reduction in some limits, most notably Cyber Extortion and Data Recovery Costs dropping from \$2M to \$750k.*

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

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

FISCAL IMPACT: None from this item. Total cost of \$57,343 included in the overall APIP renewal.

BACKGROUND: The JPA's property policy through APIP includes Cyber Liability coverage. Each member of the JPA has its own \$2 million Cyber Liability annual aggregate limit with sublimit of \$1 million for Privacy Notification costs. The Privacy Notification costs erode the annual aggregate. *The Cyber Liability program as a whole has a \$40M annual aggregate for FY 21/22 for all insureds or members in the program combined, a reduction from \$45M for FY 20/21.*

ATTACHMENT(S): APIP Cyber Insurance Summary Proposal

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

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

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

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

DECLARATION: Various Declarations as on file with Insurer

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

POLICY #: TBD

TERRITORY: WORLD-WIDE

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

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

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

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

July 1, 2018 For existing members included on the July 1, 2018/19 policy

July 1, 2017 For existing members included on the July 1, 2017/18 policy

July 1, 2016 For existing members included on the July 1, 2016/17 policy

July 1, 2015 For existing members included on the July 1, 2015/16 policy

July 1, 2014 For existing members included on the July 1, 2014/15 policy

July 1, 2013 For existing members included on the July 1, 2013/14 policy

July 1, 2012 For existing members included on the July 1, 2012/13 policy

July 1, 2011 For existing members included on the July 1, 2011/12 policy

July 1, 2010 For existing members included on the July 1, 2010/11 policy

CSU

July 1, 2008 California State University and CSU Auxiliary Organizations

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

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

BREACH RESPONSE

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

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

LIABILITY

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

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

Fraudulent Instruction:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
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Funds Transfer Fraud:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
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Telephone Fraud:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
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CRIMINAL REWARD

Criminal Reward:	\$	25,000	Aggregate Limit of Liability for each Insured/Member
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**COVERAGE
ENDORSEMENT(S)**

Reputation Loss:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
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Claims Preparation Costs for Reputation Loss Claims Only:	\$	50,000	Aggregate Limit of Liability for each Insured/Member
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Computer Hardware Replacement Costs:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
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Invoice Manipulation:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
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Cryptojacking:	\$	25,000	Aggregate Limit of Liability for each Insured/Member
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RETENTION:	\$	TBD	CSU Auxiliary Organizations only
	\$	50,000	Per Claim for each Member/Insured with Total Insured Value (TIV) up to \$250,000,000 at the time of policy inception
		8	Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$250,000,000 and up to \$750,000,000 at the time of policy inception
		8	Hour waiting period for Dependent/Business Interruption Loss
	\$	250,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$750,000,000 at the time of policy inception
		8	Hour waiting period for Dependent/Business Interruption Loss

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

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

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

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

B. First Party Loss

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

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

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

Data Recovery Costs indemnifies the Insured/Member for Data Recovery Costs incurred as a direct result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

C. Liability

Data & Network Liability pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for a Data Breach, a Security Breach, the Insured's failure to disclose a Data Breach or Security Breach, or failure of the Insured to comply with the part of a Privacy Policy that specifically is related to disclosure, access or procedures related to Personally Identifiable Information.

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

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

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

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

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

That the Insured first discovers during the Policy Period.

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

Coverage Endorsement(s)

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

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

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

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

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

EXCLUSIONS:
(Including but not limited to)

Coverage does not apply to any claim or loss from:

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

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

NOTICE OF CANCELLATION: 10 days for non-payment of premium

CYBER COST: Cost is included in Total Property Premium

OTHER SERVICES Unlimited Access to Beazley Breach Solutions website

BROKER: ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

NOTES:

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

SUMMARY OF CYBER INSURANCE CHANGES

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

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

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



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.d.

APIP CLAIMS REPORTING ACKNOWLEDGEMENTS

INFORMATION ITEM

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

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

FISCAL IMPACT: None.

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

ATTACHMENT(S): APIP Claims Reporting Acknowledgements Receipt Form

APIP Claims Reporting Acknowledgement(s) Receipt Form

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

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

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

Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2021 until further notice

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

Insured Entity Name: Northern California Cities Self Insurance Fund

Authorized Signature:

Print Name

Date

Title:



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.e.

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP)

ACTION ITEM

ISSUE: Attached is a proposal to renew Deadly Response Coverage offered as a stand-alone coverage to members of APIP. The coverage provides a \$500,000 per occurrence limit with a \$2,500,000 policy aggregate for the pool and \$10,000 deductible.

The coverage is a combination of first and third-party coverages, with sub-limits of \$250,000 for crisis management services, counseling services, funeral expenses, and demo/clearance/memorialization. The coverage includes Medical Expenses of \$25,000 and Accidental Death and Dismemberment of \$50,000 Per Person and with a \$500,000 annual aggregate.

The coverage is primary for property and business interruption, coverages also provided by APIP, and adds coverage to include crisis management, counseling and funeral services for events happening on insured property. *The event must occur at a location on a member's APIP Schedule of Values.*

RECOMMENDATION: Review and discuss option and decide on participation.

FISCAL IMPACT: NCCSIF's FY 20/21 premium is \$12,336.31. Premium for FY 21/22 is \$12,664.65

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

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

ATTACHMENT(S):

1. Alliant Deadly Weapon Response Program (ADWRP) FY 21/22 Renewal Proposal
2. FY 21/22 ADWRP Member allocation of premium
3. ADWRP Brochure

A photograph of a modern glass skyscraper with a blue-tinted sky in the background. A person is visible walking on a balcony or walkway on one of the upper floors.

Northern California Cities Self Insurance Fund (NCCSIF)

2021 – 2022

Alliant Deadly Weapon Response Program (ADWRP) Proposal

Issued on May 19, 2021

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

INSURED	Northern California Cities Self Insurance Fund (NCCSIF)
INSURANCE COMPANY:	Underwriters at Lloyd's of London
A.M. BEST RATING:	A (Excellent) XV; Greater than \$2,000,000,000
STANDARD AND POOR'S RATING:	A+, Strong Financial Security
STATE LICENSE STATUS:	Non-Admitted
POLICY TERM:	July 1, 2021 – July 1, 2022
COVERAGE FORM:	Claims Made & Reported
COVERAGE TYPE:	Third Party Bodily Injury Liability, First Party Property Damage, Business Interruption & Crisis Management for events occurring at a location appearing on your Schedule of Values on file with Alliant Insurance Services, Inc.
LIMITS:	
Per Occurrence	\$ 500,000
Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
DEDUCTIBLE:	\$10,000 Each Event including Claims Expenses
RETROACTIVE DATE:	7/1/2018

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

SUB-LIMITS:

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

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

ENDORSEMENTS:

(Including But Not Limited To)

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

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ENDORSEMENTS - CONTINUED:

(Including But Not Limited To)

- Offsite events coverage for K-12 School insureds (Field Trips) only – No Liability coverage applies.
- E&O clause – to cover locations not exceeding \$10,000,000 in value unintentionally not included in SOV provided to insurer
- **Crisis Management/Event Responder Fees** *do not erode policy limits*
- **Crisis Services Provided by CrisisRisk:**
<https://www.crisisrisk.com/>

EXCLUSIONS:

(Including But Not Limited To)

- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Any explosive devices unless used in conjunction with a Deadly Weapon Event.
- Euthanasia
- Fraudulent Claims
- Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers, in the discharge of their duties solely in their capacity as Directors or Officers of the Named Insured
- Any vehicle not defined as a road vehicle
- Any weapon mounted (or designed to be mounted) on a vehicle
- Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone
- Injury or death to any employees of any third party whom the Named insured has contracted for services.
- Any claim or claims made by or on behalf of an Assailant.

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

- Use or operation as a means to inflict harm of any computer, computer system, computer software, malicious code, computer virus or any other electronic system.
- Workers Compensation
- Employment Practices
- Ionizing radiations or contamination by radioactivity from nuclear waste or fuel
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, assembly or component
- Mercy Killing(s)
- Cross Suits
- Strikes, labor unrest, riots or civil commotion
- Suicide
- War, insurrection, civil commotion
- Mental injury or mental anguish related claim where no Bodily Injury occurred to claimant (Except as included by endorsement for counselling services)
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- Loss, injury or damage caused by or resulting from Named Insured's recklessness or deliberate misconduct
- Chemical, biological, bio-chemical or electromagnetic weapon
- Nuclear reaction, radiation or contamination, however caused
- Any Pollutant or Contaminant however introduced or arisen
- Property Damage in care, custody or control of Named Insured or person under contract (except as maybe provided by the 1st Party Property coverage)
- Punitive or exemplary damages, sanctions or additional damages

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

ADDITIONAL EXCLUSIONS RELATING TO PROPERTY & BUSINESS INTERRUPTION:

(Including But Not Limited To)

- COVID19
- Any Deadly Weapon Event that occurs at a Location(s) which has been specifically leased or loaned by the Named Insured to any other entity or individual to host a permitted event planned and ticketed for more than 500 attendees over the duration of the event, except with the prior written agreement of the Underwriters. Agreement to add any event as covered may incur additional premium.
- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of Insured Property), jewelry, furs, fine arts and antiques
- Electronic data
- Any property in Transit
- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Fines, penalties or damages incurred by or imposed upon the Named Insured at order of any Government Agency, Court or other Authority

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ANNUAL PREMIUM:	\$ 12,266.00 Premium \$ 367.98 Surplus Lines Taxes \$ <u>30.66</u> Surplus Lines Fees \$ 12,664.65 Total Cost
DEFENSE INSIDE/OUTSIDE THE LIMITS:	Inside
MINIMUM EARNED PREMIUM:	25% Minimum Earned Premium
PROPOSAL VALID UNTIL:	30 Days From Date Issued
SUBJECTIVITIES:	<ul style="list-style-type: none"> • Completed and Signed Request to Bind Coverage Form (See last page) • Completed and Signed Surplus Lines Document(s) (If applicable) • Complete Schedule of Values on file to share with the carrier. • No known or reported losses or incidents likely to give rise to a claim over the last 12 months.

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

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

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

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

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

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

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

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

Other Disclosures / Disclaimers - Continued

NY Regulation 194

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

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

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

FATCA:

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

Claims Reporting:

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

NRRA:

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

Other Disclosures / Disclaimers - Continued

Changes and Developments

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

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

Certificates / Evidence of Insurance

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

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

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

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

Other Disclosures / Disclaimers - Continued

Commercial Property Coverage

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

Glossary of Insurance Terms

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

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

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

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

Optional Coverages

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

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

Request to Bind Coverage

Northern California Cities Self Insurance Fund (NCCSIF)

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

Coverage Line	Annual Premium	Bind	Decline
DEADLY WEAPON RESPONSE PROGRAM			
Limit \$500,000 Aggregate (Shared by Members of Pool/JPA) \$2,500,000	\$12,664.65	<input type="checkbox"/>	<input type="checkbox"/>
<i>Premium will be prorated based on join date</i>			

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

Signature of Authorized Insurance Representative	Date
Title	
Printed / Typed Name	

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

21/22 ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP)
July 1, 2021 to July 1, 2022

Formula or Allocation			% Total TIV x Premium
Members in the Property Program (APIP)	Deductible	ALL RISK (TIV) (Real, Personal, BI/Rents, and Fine Arts, Minus COC)	21/22 ADWRP Member Premium Allocation
		Values	\$ 12,664.65
Anderson	\$10,000	\$36,341,286.00	\$ 281.53
Auburn	\$10,000	\$54,597,402.00	\$ 422.96
Colusa	\$10,000	\$54,506,673.00	\$ 422.26
Corning			
Dixon	\$10,000	\$129,580,402.00	\$ 1,003.85
Elk Grove			
Folsom	\$10,000	\$297,755,936.00	\$ 2,306.69
Galt	\$10,000	\$122,673,218.00	\$ 950.34
Gridley	\$10,000	\$37,008,576.00	\$ 286.70
Ione	\$10,000	\$36,679,108.00	\$ 284.15
Jackson	\$10,000	\$36,553,022.00	\$ 283.17
Lincoln	\$10,000	\$234,822,920.00	\$ 1,819.16
Marysville	\$10,000	\$27,022,421.00	\$ 209.34
Nevada City			
Oroville	\$10,000	\$60,929,247.00	\$ 472.01
Placerville			
Paradise	\$10,000	\$18,104,462.00	\$ 140.25
Red Bluff	\$10,000	\$69,048,849.00	\$ 534.92
Rio Vista	\$10,000	\$52,332,886.00	\$ 405.42
Rocklin	\$10,000	\$97,055,513.00	\$ 751.88
Willows			
Yuba City	\$10,000	\$269,785,078.00	\$ 2,090.00
	TOTAL	\$1,634,796,999	\$ 12,664.65

Don't Participate



Deadly Weapons in the Workplace

In the modern world, threats come from many sources. One of the most difficult to defend against is the incursion of an armed individual intent on inflicting harm. Your organization may have a “duty of care” to maintain a secure environment for your staff, students, patients, visitors and the general public. In the event of a deadly attack, you could be liable for regulatory or civil actions.

There are significant challenges to securing places of business, particularly ones where visitors come and go frequently.

In addition to the tragic human costs associated with a deadly weapons attack, many organizations are also concerned about the financial impact associated with such events. While general liability, property and workers’ compensation policies can respond meaningfully to such events, not all anticipated costs will be covered in every situation. These costs can be significant, and for this reason, the **Alliant Deadly Weapons Response Program (ADWRP)** is designed to grant immediate access to crisis management resources and to address uncovered expenses.

How and when does my General Liability policy respond?

General liability insurance is designed to cover financial loss when the insured is deemed negligent in causing or contributing to the injuries of a third party. It is not always immediately clear in a deadly weapons event if an employer or property owner was negligent in such situations. Further, general liability insurance is not designed to cover first-party expenses such as funeral costs, crisis management consultants, public relations expenses or immediate counseling of victims and their families, which can all arise from such an event. Lastly, liability claims can take many rounds of negotiating to settle a matter, usually well after a deadly weapon event has occurred. **ADWRP** grants swift access to crisis management resources and tools not offered under a standard General Liability policy.

What about my Property policy?

If your operations need to cease temporarily, or even permanently because of an event, your building must sustain direct physical damage in order for your commercial property policy to compensate you for lost revenue. Without physical damage, there still can be stigma associated with an event site which not only is hard to quantify, but also creates difficulty in continuing on as before, which a property policy is not designed to address. Coverage afforded under the **ADWRP** policy will respond to loss of revenue claims, related to a deadly weapon event, even if **no physical damage** to insured assets has occurred. Memorialization coverages are built in as a means to honor victims.

INDUSTRIES EXPOSED

Municipalities: Counties, Cities, Townships

Education: Elementary Schools, High Schools, Universities

Healthcare: Hospitals, Nursing Homes, Clinics

Hospitality: Hotels, Resorts, Nightclubs

Special events including: Sports, Parades, Graduations, Rodeos, Concerts

Retail: Malls, Shopping Centers

Religious: Churches, Synagogues

Amusement Parks and Attractions

Condominium Associations, Public Works



Since 2002, no incident has been declared as a “Certified Terrorist Attack.”

How would Workers’ Compensation apply?

While workplace injuries sustained in the course and scope of employment are covered, there can be delays in assisting employees with trauma when no obvious physical injury has been sustained. Employers will want crisis counseling services provided immediately.

Won’t Terrorism cover us?

Insureds may also believe that deadly weapon incidents are covered by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA) or a stand-alone terrorism insurance policy. However, not all violent actions fall neatly into the definition of Terrorism which normally requires some ideological motivation on the part of the perpetrator. TRIPRA requires significant financial thresholds to be breached before this coverage can be made available and events must be declared a “Certified Terrorist Attack” by the heads of three federal agencies to qualify. Since 2002, no incident has been declared as a “Certified Terrorist Attack.”

How can Alliant help me?

As the nation’s premier specialty retail insurance brokerage company, Alliant Insurance Services has developed the **Alliant Deadly Weapon Response Program**. Deadly weapons protection insurance aims to address an entity’s needs after a violent incident.

Why purchase Deadly Weapons Protection?

The coverage offered is a three-fold product providing Third Party Liability (inclusive of Defense and Settlements), Physical Damage to your assets (including Business Interruption whether or not there is physical damage sustained) and Crisis Management Services component before and after an incident. Key benefits are to provide immediate access to resources after a deadly weapon event. The limits identified here-in are all customizable to meet the buyer’s needs.

As the number of violent incidents continues to grow, the ADWRP option secures valuable services, obtains some level of liability coverage and/or can act as a buy-down for a large retention liability program. No applications or lengthy underwriting process is necessary. A proposal can be turned around in just a few days based on a statement of values. For more information please contact the program managers below.

ABOUT ALLIANT INSURANCE SERVICES

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

COVERAGE

Standard Offering

Policy Limit of \$500,000 per claim/aggregate (Pool aggregate \$2,500,000)

Policy Limit includes Property Damage coverage; *not sub-limited*

Sublimits for:

- \$250,000 Crisis Management Services –Specified & Unspecified
- \$250,000 Counseling Services
- \$250,000 Funeral Expenses
- \$250,000 Business Interruption
- \$250,000 Demo/Clearance and Memorialization
- \$250,000 Threat
- \$25,000 Medical Expense per person, \$500,000 annual aggregate
- \$50,000 Accidental Death and Dismemberment per person, \$500,000 annual aggregate
- Circumstantial costs for Prevention Services and Crisis Response by Crisis Mgmt Firm *included*
- Crisis Management/Event Responder Fees *do not erode policy limits*

Policy Deductible is \$10,000.

CONTACT

Courtney Ramirez

Vice President
cramirez@alliant.com
949-660-8133

Anne Shackelford

Vice President
Anne.Shackelford@alliant.com
206-454-8021



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.f.

FLOOD COVERAGE

ACTION ITEM

ISSUE: Members are reminded of the availability and importance of flood coverage in protecting their properties. Flood is excluded under the APIP coverage for real property but can be purchased through that program, as a standalone, or through the National Flood Insurance Program.

In order to ensure that each Member is aware of and has been offered the opportunity to purchase flood insurance Alliant is requesting each client acknowledge the offering and indicate whether or not you wish to purchase flood insurance.

Please see the attached for further information and the form to sign.

RECOMMENDATION: Review and respond to flood offering per request.

FISCAL IMPACT: TBD – will vary based on property details and location.

BACKGROUND: Flooding is considered a high risk based on the location of a subject property and generally excluded from property coverage unless purchased separately.

ATTACHMENT(S): Flood Offering Form

Flood Offering

Flooding is a serious threat to both personal and commercial clients. Flooding can happen anywhere, not just zone referred to as high-risk areas (Special Flood Hazard Area). Your Alliant team is ready to explain how it works and the associated costs.

Basic Facts

Congress created the NFIP in 1968 in response to the rising cost of taxpayer-funded disaster relief for flood victims and the increasing amount of damage caused by floods. The NFIP makes federally backed flood insurance available in communities that agree to adopt and enforce floodplain management ordinances to reduce future flood damage. The NFIP is self-supporting for the average historical loss year. This means that unless there is a widespread disaster, operating expenses and flood insurance claims are financed through premiums collected.

Commercial buildings or residential dwellings owned by commercial entities are considered commercial property. All others are residential dwellings

The [FEMA Summary for Commercial Property](#) and [FEMA Standard Summary of Coverage](#) provides information on the following:

- Types of Flood Insurance Coverage
- What is a Flood- “a General and temporary condition of partial or complete inundation of two or more acres of normally dry land area”...
- Deductibles – various options to meet your financial needs
- What is Covered and What is Not
- The valuation of the Property – Actual Cash Value or Replacement Cost

Additional Information

- Flood Zones-
 - <https://www.fema.gov/flood-zones>
- Excess Flood Insurance (contact your Producer for additional information)
 - Increased limits over the maximum flood limit provided by NFIP

FEMA Glossary of Flood Terms

<https://www.fema.gov/national-flood-insurance-program/definitions>

If you do NOT wish to purchase flood insurance your signature is required below:

Signature:

Date:

Name Printed / Typed:

Company Name:



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.3.g.

EXCESS CYBER COVERAGE RENEWAL

ACTION ITEM

ISSUE: The proposal for excess cyber coverage is not ready at the time of the agenda preparation and will be provided under separate cover when received and shared at the meeting. We expect a significant increase in premium and retentions as well as reduction in limits for some coverages. This should not come as a surprise as updates have been provided when received and the news is full of stories of cyber attacks.

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

OPTIONS

1. Maintain the current excess cyber option of \$3M xs \$2M with \$4M aggregate.
2. Decline the excess option for the Program group.
3. Members individually may request a quote for the coverage - please express interest at the meeting or contact any member of the Administrator team.

RECOMMENDATION: TBD based on proposal- indication is premium will be \$300,000.

FISCAL IMPACT: TBD – expecting increase in excess of 500%.

BACKGROUND: The Members purchased an option for Excess Cyber Coverage effective April 23, 2020 due to ongoing concern about the adequacy of the limits given the frequency and severity of claims. Members chose an option covering the entire program group with an additional \$3M aggregate and policy aggregate of \$4M. This has also effectively doubles the various coverage sublimits. Purchasing the coverage as a group lowers the premium to about half of the per Member rates.

ATTACHMENT(S): *To be provided at meeting*



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.4.

FY 21/22 CRIME COVERAGE RENEWAL

ACTION ITEM

ISSUE: NCCSIF's Crime coverage program renews July 1, 2021. This program offers coverage for monetary loss due to Employee Dishonesty, including Faithful Performance and fraud exposures. The coverage is placed through the Alliant Crime Insurance Program (ACIP). Attached is a proposal for coverage as expiring that will be reviewed in more detail during the meeting.

The current premium is \$53,523 for a \$3 million limit. The renewal premium with the same coverage is flat at \$53,523, but the total number of employees has decreased from 2,821 to 2,598. Member premium changes will vary based on changes in their number of reported employees.

Options for a \$5 million limit will also be presented at the meeting.

OPTIONS:

1. Renew coverage as expiring with a \$3 million limit and \$5,000 deductible.
2. Renew coverage with limits of \$5 million limit with a \$25,000 deductible
3. Direct the Program Administrators to take other action.

RECOMMENDATION: Renew ACIP coverage with at least a \$3 million limit.

FISCAL IMPACT: Annual Installment Premium of \$53,523 for \$3 million limit allocated to participating members based on number of employees.

BACKGROUND: The current NCCSIF Crime Policy is with the Alliant Crime Insurance Program (ACIP). The ACIP Crime Program is written with AIG and National Union though it provides numerous enhancements.

ATTACHMENT(S):

1. ACIP FY 21/22 Crime Coverage Proposal
2. FY 21/22 Member allocation of premium at \$3M and \$5M limits.
3. ACIP Brochure

A background image of a modern glass building facade with a person walking on a balcony, overlaid with a blue geometric shape.

Northern California Cities Self Insurance Fund (NCCSIF)

2021 – 2022

ALLIANT CRIME INSURANCE PROGRAM (ACIP) Government Crime Insurance Proposal

Presented by:

Tom E. Corbett, Senior Vice President
Mariana C. Salyer, CISR, Program Specialist- Lead

Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660
O 949 756 0271
F 619 699 0906
CA License No. 0C36861

www.alliant.com

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Northern California Cities Self Insurance Fund (NCCSIF)**

Named Insured / Additional Named Insureds

First Named Insured(s)

Northern California Cities Self Insurance Fund (NCCSIF)

Additional Named Insured(s)

See attached Named Insured List

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Northern California Cities Self Insurance Fund (NCCSIF)**

Line of Coverage
Government Crime Coverage

INSURANCE COMPANY:	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	
A.M. BEST RATING:	A+ (Excellent); Financial Size Category: XV (\$2 Billion or greater) Verified on May 7, 2021	
STANDARD & POOR'S RATING:	A+, Strong Financial Security Verified on May 7, 2021	
STATE STATUS:	Admitted	
PROGRAM POLICY/COVERAGE TERM:	July 1, 2021 – July 1, 2022	
RETROACTIVE DATE:	Not applicable	
COVERAGE:	<p>Government Crime Policy on Discovery form including the following coverages:</p> <ul style="list-style-type: none"> • Employee Theft – Per Loss Coverage - including Faithful Performance of Duty • Forgery or Alteration - including Credit, Debit, or Charge Card Forgery • Inside the Premises – Theft of Money and Securities • Inside the Premises – Robbery & Safe Burglary of Other Property • Outside the Premises - Money, Securities and Other Property • Computer Fraud • Funds Transfer Fraud • Money Orders & Counterfeit Money 	
LIMITS:	<u>2020-2021 CURRENT</u>	<u>2021-2022 PROPOSED</u>
	\$3,000,000	\$3,000,000
DEDUCTIBLE:	\$5,000	\$5,000
ANNUAL PREMIUM:	\$53,523	\$53,523

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Northern California Cities Self Insurance Fund (NCCSIF)**

Line of Coverage

Government Crime Coverage - Continued

MINIMUM EARNED PREMIUM:	None
POLICY AUDITABLE:	No
DESIGNATED AGENTS AS ENDORSED:	James Marta and Company If your entity has a written agreement in place with any person, partnership or corporation to act as your Designated Agent and needs to be included for coverage, please contact Alliant to request approval.
ENDORSEMENTS (including but not limited to):	<ul style="list-style-type: none"> • California Changes • Additional Named Insured – Identifies individual member limit and deductible • Add Faithful Performance of Duty Coverage for Government Employees – Employee Theft Per Loss Limit • Revision of Discovery and Prior Theft or Dishonesty \$25,000 Sub-Limit, Risk Management Department or other department designated to handle insurance matters for the named insured. • Cancellation of Policy Amended –120 Days • Bonded Employees Exclusion Deleted endorsement • Add Credit, Debit or Charge Card Forgery • Include Specified Non-Compensated Officers as Employees - ALL • Include Chairperson and Members of Specified Committees – ALL • Include Designated Persons or Classes of Persons as Employees – Any Directors or Trustees of any of those named as insured; Any board members of any of those named as insured, Any elected or appointed officials • Include Volunteer Workers as Employees • Include Treasurers or Tax Collectors as Employees • Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000 Sub-limit • Employee Post Termination Coverage – 90 Days • Cancellation Amendatory (Return Pro-Rata) • Include Leased Workers as Employees Endorsement • Notice of Claim Reporting by Email • Economic Sanctions (excludes loss payments in violation of economic or trade sanctions)

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Northern California Cities Self Insurance Fund (NCCSIF)**

ENDORSEMENTS (including but not limited to) Cont.:

- Omnibus Named Insured
- Vendor Theft - \$1,000,000 Limit excess of vendor insurance policy limit (\$500,000 minimum) required by contract
Coverage not applicable if crime insurance is not required in a written agreement.
- Conditions Amended – Subrogation of Faithful Performance of Duty Claims
- Third Party Coverage – Loss of or damage to 'Client Property' – Sublimit \$250,000 with a \$25,000 Deductible.
- Impersonation Fraud Endorsement – Sublimit \$250,000 with \$25,000 Retention – Does not apply to any losses prior to 07/01/2015
- Blanket Joint Loss Payable- Where legally permissible

EXCLUSIONS (Including but not limited to):

- Unauthorized disclosure of confidential information
- Governmental Action
- Indirect or Consequential Loss
- Protected Information (Carveback)
- Legal Fees and Expenses
- Nuclear Hazard
- Pollution
- War and Military Action
- Inventory Shortages
- Trading losses
- Accounting or Arithmetical Errors or Omissions
- Exchanges or Purchases
- Fire
- Money Operated Devices
- Motor Vehicles or Equipment and Accessories
- Transfer or Surrender or Property
- Vandalism
- Voluntary Parting of Title to Possession of Property

PROPOSAL VALID UNTIL:

June 30, 2021

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Northern California Cities Self Insurance Fund (NCCSIF)**

CLAIMS REPORTING PROCEDURE:

AIG
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225
Fax: 866-227-1750
Email: c-claim@aig.com

Please forward a copy of the loss to the following Alliant Claim Advocates:

Alliant Insurance Services, Inc.
Attn: Robert Frey, Senior Vice President
100 Pine Street, 11th Floor
San Francisco, CA 94111
Phone: 415-403-1400
Fax: 415-403-1466
E-Mail: rfrey@alliant.com

Alliant Insurance Services, Inc.
Attn: Elaine Tizon, Assistant Vice President
100 Pine Street, 11th Floor
San Francisco, CA 94111
Phone: 415-403-1400
Fax: 415-403-1458
E-Mail: etizon@alliant.com

SUBJECTIVITIES:

- Signed and dated 'Request to Bind' page
- Payment to Alliant is due within 25 Days of Binding

BROKER:

**ALLIANT INSURANCE SERVICES, INC.
Newport Beach, CA**

Tom E. Corbett, Senior Vice President
Mariana C. Salyer, CISR, Program Specialist- Lead

See Disclaimer Page for Important Notices and Acknowledgement

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Northern California Cities Self Insurance Fund (NCCSIF)**

Disclosures

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

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

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

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

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

2021-2022 Alliant Crime Insurance Program Government Crime Insurance Proposal Northern California Cities Self Insurance Fund (NCCSIF)

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Northern California Cities Self Insurance Fund (NCCSIF)**

Other Disclosures / Disclaimers - Continued

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

**2021-2022 Alliant Crime Insurance Program
Government Crime Insurance Proposal
Northern California Cities Self Insurance Fund (NCCSIF)**

Request to Bind Coverage

Northern California Cities Self Insurance Fund (NCCSIF)

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:		Annual Premium
ACIP Government Crime Program Policy Period: July 1, 2021- July 1, 2022	<input type="checkbox"/>	\$5,000 Deductible \$3,000,000 Limit	\$53,523

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

ALLIANT CRIME INSURANCE PROGRAM (ACIP)
GOVERNMENT CRIME POLICY
JULY 1, 2021 TO JULY 1, 2022

COVERAGE EFFECTIVE DATE: 07/01/2021

INSURED: **Northern California Cities Self Insurance Fund (NCCSIF)**
2180 Harvard St, Ste. 460
Sacramento, CA 95815

NAMED INSURED:

Northern California Cities Self Insurance Fund (NCCSIF)
City of Anderson; Anderson Public Financing Authority;
Successor Agency; Successor Agency Oversight Board
City of Auburn
City of Colusa
City of Corning
City of Dixon
City of Galt
City of Gridley
City of Ione
City of Lincoln
City of Marysville
City of Oroville
Town of Paradise
City of Red Bluff
City of Rio Vista
City of Rocklin
City of Willows
City of Yuba City

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
Alliant Crime Insurance Program (ACIP)
July 1, 2021 to July 1, 2022

FY 20/21 PREMIUM ALLOCATION				FY 21/22 PREMIUM ALLOCATION			PRIOR YEAR CHANGE AT \$3M LIMIT	
Limit:	\$3 MILLION	\$5 MILLION		Limit Options:	\$3 MILLION	\$5 MILLION	% CHANGE	\$ Change
Deductible	\$5,000	\$25,000		Deductible Options:	\$5,000	\$25,000		
Premium:	\$53,523	\$68,375		Premium:	\$53,523	\$67,974		
Member Entity	# EMPLOYEES	PREMIUM	PREMIUM	# EMPLOYEES	PREMIUM	PREMIUM	# EMPLOYEES*	PREMIUM
Anderson	101	\$2,115	\$2,686	70	\$1,466	\$1,862	-31%	(\$649)
Auburn	96	\$2,011	\$2,553	100	\$2,094	\$2,660	4%	\$84
Colusa	47	\$984	\$1,250	48	\$1,005	\$1,277	2%	\$21
Corning	84	\$1,759	\$2,234	88	\$1,843	\$2,341	5%	\$84
Dixon	224	\$4,691	\$5,958	206	\$4,314	\$5,479	-8%	(\$377)
Elk Grove								
Folsom								
Galt	201	\$4,210	\$5,346	195	\$4,084	\$5,187	-3%	(\$126)
Gridley	75	\$1,571	\$1,995	75	\$1,571	\$1,995	0%	\$0
Ione	40	\$838	\$1,064	50	\$1,047	\$1,330	25%	\$209
Jackson								
Lincoln	362	\$7,581	\$9,628	224.11	\$4,694	\$5,961	-38%	(\$2,888)
Marysville	96	\$2,011	\$2,553	92	\$1,927	\$2,447	-4%	(\$84)
Nevada City								
Oroville	109	\$2,283	\$2,899	141	\$2,953	\$3,750	29%	\$670
Paradise	72	\$1,508	\$1,915	77	\$1,613	\$2,048	7%	\$105
Placerville								
Red Bluff	147	\$3,079	\$3,910	114	\$2,388	\$3,032	-22%	(\$691)
Rio Vista	60	\$1,257	\$1,596	62	\$1,298	\$1,649	3%	\$42
Rocklin	291	\$6,095	\$7,740	283	\$5,927	\$7,527	-3%	(\$168)
Willows	74	\$1,550	\$1,968	73	\$1,529	\$1,942	-1%	(\$21)
Yuba City	742	\$15,540	\$19,736	657.5	\$13,770	\$17,488	-11%	(\$1,770)
TOTAL:	2821	\$59,081	\$75,033	2556	\$53,523	\$67,974	-9%	(\$5,558)

Don't Participate

*Employees = Full Time, Part Time (full time equivalent), Elected/Appointed Officials and Volunteers (full time equivalent)



Public Entity

ALLIANT CRIME INSURANCE PROGRAM (ACIP)

Alliant Insurance Services created the Alliant Crime Insurance Program (ACIP) to protect Government entities from the scourge of crime. The program offers broad coverage for illegal acts committed by employees while on the job, offering valuable peace of mind and an iron-clad layer of protection against crime-related damages.

Protection from the Constant Threat

Crime is swift and unpredictable. It can strike at a moment's notice, creating staggering costs and long-term damage. It occurs in the light of day and the dark of night and, in its many manifestations, poses an insidious and constant threat to your organization. It doesn't have to.

Program Features

ACIP is a flexible insurance solution with a broad array of best-in-class features. It is customized to meet the wide-ranging needs of public entities, providing access to:

- › Basic program limits of \$1 million with higher limits available, and deductibles starting at \$5,000
- › Faithful performance of duty up to the full employee theft limit
- › Impersonation Fraud/Social Engineering coverage available
- › Forgery or Alteration including credit, debit or charge card forgery coverage
- › Inside/Outside premises theft of money, securities and other property coverage
- › Computer fraud coverage
- › Funds transfer fraud coverage
- › Coverage for the treasurer/tax collector and any employees required by statute to carry individual bonds
- › Coverage for volunteers

Size and Stability

ACIP is among the largest programs of its kind and is comprised primarily of public entities with fewer than 1,000 employees. ACIP has a strong track record of results and a historically low loss ratio. This combination of size and stability empowers Alliant to offer competitive rates that are impervious to fluctuations in the general insurance market. Additionally, as a group purchase program, there is no risk sharing and, therefore, no possibility of assessments.

The Alliant Advantage

The Alliant public entity team is comprised of 150 professionals with targeted expertise servicing a broad range of public entities throughout the U.S. We ensure that our clients have access to time-tested expertise and powerful risk resources regardless of location.

Contact:

Tom E. Corbett

Senior Vice President

949 660 8132

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ABOUT ALLIANT INSURANCE SERVICES

Alliant Insurance Services is the nation's leading specialty broker. In the face of increasing complexity, our approach is simple: hire the best people and invest extensively in the industries and clients we serve. We operate through national platforms to all specialties. We draw upon our resources from across the country, regardless of where the resource is located.



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.5.

**FY 21/22 IDENTITY FRAUD EXPENSE REIMBURSEMENT
COVERAGE RENEWAL**

ACTION ITEM

ISSUE: The Board is provided the attached proposal to renew Identity Fraud Expense Reimbursement coverage for full and part time employees and their spouses, children under 25 years of age, or parents residing in the same household. There was a slight decrease in premium due to a reduction in participation.

ID Fraud Coverage provides tools to recover from ID Theft. The coverage provides:

- Expense reimbursement for expenses associated with resolving a fraud event
- Online education resources to help prevent becoming a victim
- 24/7 access to an expert fraud specialist
- Document replacement help (social security card, birth certificate, passport, etc.)
- Assistance through the resolution process

OPTIONS:

1. Renew coverage as expiring.
2. Decline to renew coverage.
3. Provide different direction to Program Administrators.

RECOMMENDATION: The Program Administrator recommends approval of the FY 21/22 Identity Fraud Reimbursement Coverage Renewal with Travelers Excess and Surplus Lines Company.

FISCAL IMPACT: Total Cost of \$13,228.39, a decrease of \$791.93 over the current premium of \$14,020.32, including surplus lines taxes and fees.

BACKGROUND: NCCSIF first purchased ID Fraud coverage for the FY 15/16 policy year. The coverage renews July 1, 2021. The limit of liability is \$25,000 per insured person with \$0 retention per insured person for Identity Fraud Reimbursement Coverage per attached proposal.

ATTACHMENT(S):

1. FY 21/22 Identity Fraud Expense Reimbursement Renewal Proposal
2. Identity Fraud Brochure

Line of Coverage

IDENTITY FRAUD EXPENSE REIMBURSEMENT

INSURANCE COMPANY:	Travelers Excess and Surplus Lines Company
A.M. BEST RATING:	A++ (Superior); Financial Size Category: XV (\$2 Billion or greater) as of 11/5/2020
STANDARD & POOR'S RATING:	AA (Very Strong) pulled as of 6/8/2021
STATE COVERED STATUS:	Non-Admitted
POLICY/COVERAGE TERM:	July 1, 2021 to July 1, 2022
Named Insured:	Members of the Northern California Cities Self Insurance Fund Full Time and Part Time Employees
Limits:	\$25,000 per insured person
Retention:	\$0 per insured person
Coverage:	<ul style="list-style-type: none"> Identity Fraud Expense Reimbursement for Full Time and Part Time Employees and their spouses, children under 25 years of age or parents residing in the same household. Reimburses the costs and expenses associated with identity recovery, including lost wages, attorney fees, and document replacement fees.
Exclusions (including but not limited to):	<ul style="list-style-type: none"> Fraudulent, dishonest or criminal acts Loss other than expenses Former employees Nuclear War
Premium:	\$ 12,812.00 Annual Premium \$ 384.36. Surplus Line Taxes \$ 32.03 Stamping Fee \$ 13,228.39 TOTAL

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

New York Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures/Disclaimers

FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

NRRA

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. *If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.*

Other Disclosures/Disclaimers (continued)

Claims Reporting

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy

(Applicable to any coverage that is identified as claims made)

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.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures/Disclaimers (continued)

Certificates / Evidence of Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy, nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evident of Insurance, you may be required to name your landlord, client or customer on your policy as a loss payee on property insurance or as an additional insured on liability insurance. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides coverage automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

Binding Requirements Recap

Below is a recap by Line of Coverage. **ALL** coverage(s) require the following:

- A written request to bind coverage
- A signed and dated Client Notification of Carrier Ratings Policy, Guidelines and Practices letter is required prior to binding (only if the carrier rating is below a B+, or not rated)
- *All Surplus Lines Taxes/Fees are Fully Earned (only applies to a non-admitted carrier)*
- Surplus Lines Disclosure Form

Coverage Line and Description of Subjectivity(ies)	Effective Date
Identity Fraud Expense Reimbursement D-1 Form Surplus Lines Disclosure Form	July 1, 2021

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer

Request to Bind Coverage

Northern California Cities Self Insurance Fund

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Identity Fraud Expense Reimbursement	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

_____ Signature of Authorized Insurance Representative	_____ Date
_____ Title	
_____ Printed / Typed Name	

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*



Identity Fraud Expense Reimbursement

COVERAGE HIGHLIGHTS

Identity fraud is the fastest-growing white-collar crime in America, impacting one in every 20 consumers.*

Why you need protection

Becoming a victim of identity fraud is a frightening, frustrating experience. It can happen to anyone at any time in a variety of ways, ranging from a stolen wallet or home burglary to online theft of your personal information.

Recovering from identity fraud means more than just canceling credit cards. Not only can it be a complicated and stressful experience, but it can cost your employee or member of your organization hours of time and out-of-pocket expenses to re-establish their credit and clear their name. The hard reality is that victims must painstakingly prove, often to disbelieving creditors, that the debts are not their own. Purchasing identity fraud expense reimbursement coverage for your employees or members can be an affordable and compelling addition to your benefits suite.

Coverage highlights

Travelers Identity Fraud Expense Reimbursement coverage pays for expenses associated with resolving an identity fraud event and perhaps most importantly, gives people tools and information to reduce their risk of future additional fraud.

Each year, the number of identity fraud cases rises; most recently 12.6 million adults in the United States were victims. On average, it takes an individual more than 37 hours and \$535 in out-of-pocket expenses* to clean up the mess caused by an identity thief.

In addition to expense reimbursement, Travelers also offers Identity Fraud Resolution Service through Identity Theft 911, which includes:

- Exclusive online education resources providing tips and information to help avoid becoming a victim
- 24/7 personal access to an expert fraud specialist
- Document replacement help (i.e., Social Security card, birth certificate, passport, etc.)

In the event of an actual identity fraud, services include:

- Step-by-step guidance through the resolution process, including unlimited assistance to restore a victim's identity
- 3-in-1 credit reporting
- One year of free credit, cyber and fraud monitoring

*Javelin Strategy & Research, February 2013 Report

Claim scenarios

Bogus charge accounts while on business travel

An executive was on business in Brazil when his identity was stolen and significant charges were made to his corporate card. In order to file an affidavit of loss with the local Brazilian authorities, he was required to provide a sworn statement in person. Total expenses for time off work, travel expenses, phone charges and the cost to replace the executive's passport were \$4,500.

Medical identity fraud

A woman from Illinois discovered a number of questionable billings on her medical insurance annual summary of benefits. Someone had stolen her and her children's identities to secure medical services in their names.

After struggling with the health care institution to release the personal medical information, she hired an attorney to help. The attorney was able to contest the services and clean up her medical history. It took more than six months to resolve the identity fraud and cost nearly \$6,000 in attorney's fees, lost wages and fees for copies of X-rays and other medical records.

Why Travelers?

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries.
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability.
- With offices nationwide, we possess national strength and local presence.
- Our dedicated underwriters, and claim professionals offer extensive industry and product knowledge.

Travelers knows ID Fraud.

To learn more, talk to your independent agent or visit travelersbond.com.



Available through the Travelers Wrap+[®], SelectOne+[®] and Executive Choice+[®] suite of products.

travelersbond.com

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

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Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021

Agenda Item H.6.

**FY 21/22 NCCSIF ADMINISTRATIVE AND
GROUP PURCHASE PROGRAM BUDGET**

ACTION ITEM

ISSUE: The Board annually reviews and approves the budget for the next fiscal year. Attached is the administration budget for review and approval. The Administrative Costs are discussed in more detail below. The current budget to actual report is used in creating the FY 21/22 budget.

Administrative Expenses

- Claim Audits - Every year either the Liability or Workers' Compensation claims are audited. The Liability Claims audit in FY 19/20 was \$6,625 and is budgeted at \$7,500 for FY 21/22.
- Actuarial Services are increasing by \$360 (2.8%) per current service agreement.
- Accounting Services are expected to increase \$550 (2%) per current contract.
- Sedgwick's Risk Control services are the same as last year based on the current contract. The Lexipol updates are increasing 3% but the total paid is decreasing (-1.6%), or \$2,301, due to Rio Vista outsourcing police to the county. The outside training budget now includes a reference to the Safety Award Program as well.
- State Funding/Fraud Assessment has been estimated to increase by 10.2% to almost \$10,000 above the actual expense of \$345,404 in FY 20/21. This is hard to predict as it is based on the amount of indemnity payments during the year but the overall amount of OSIP funding is expected to increase.
- The Program Administration and Brokerage Fee is increasing by \$11,375 (3.2%) per the terms of the current Agreement.

RECOMMENDATION: Approve the Administrative Budget as presented or revised

FISCAL IMPACT: Total administrative expenses are estimated to be \$1,431,850, an increase of \$41,132 (3.0%) over FY 20/21, driven by the estimated increase of \$32,716, in the State's Self-Insured Assessment. The remainder is due to scheduled service contract increases. A small amount of surplus offset may be available to reduce the funding, and *the Risk Management Committee recommended rolling over unused member training funds since they have largely not been used during the pandemic.*

BACKGROUND: None

ATTACHMENT(S): FY 21/22 NCCSIF Budget

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
ADMIN BUDGET - Presented to Board For Approval June 17, 2021
July 1, 2021 to June 30, 2022

		WORK COMP	LIABILITY	GROUP PURCHASE	FY 21/22 TOTAL	FY 20/21 PRIOR YEAR	\$ CHANGE	% CHANGE
REVENUES								
Est	WC Program Banking Layer	\$7,487,000			\$7,487,000	\$7,215,000	\$272,000	4%
Est	WC Program Shared Layer	\$4,146,000			\$4,146,000	\$3,948,000	\$198,000	5%
Est	WC Program Admin Expense	\$984,379			\$984,379	\$924,122	\$60,257	7%
Est	Excess WC Coverage (EIA)	\$1,955,000			\$1,955,000	\$1,535,744	\$419,256	27%
Est	Liability Program Banking Layer		\$2,234,000		\$2,234,000	\$2,422,487	(\$188,487)	-8%
Est	Liability Program Shared Layer		\$3,000,000		\$3,000,000	\$2,849,538	\$150,462	5%
Est	Liability Program Admin Expense		\$449,772		\$449,772	\$466,596	(\$16,824)	-4%
Est	Excess Liability Coverage (CJPRMA)		\$3,833,207		\$3,833,207	\$2,065,379	\$1,767,828	86%
Est	Group Purchase Property Coverage (APIP)			\$4,358,287	\$4,358,287	\$2,275,629	\$2,082,658	92%
Est	Group Purchase Crime Coverage (ACIP)			\$53,523	\$53,523	\$53,523	\$0	0%
Est	Group Purchase Coverage (ADWRP)				\$12,665	\$12,336	\$328	3%
Est	Pass through Cost - Lexipol Fire Manuals				\$33,368	\$32,888	\$480	1%
N/A	Pass through Cost - Appraisal Services			N/A	N/A	N/A		
Est	Pass through Cost - Drone Coverage				\$5,000	\$4,736	\$264	6%
	Total Revenues	\$14,572,379	\$9,516,979	\$4,411,810	\$28,552,200	\$24,629,473		
EXPENSES								
Administrative Expenses:								
Consultants								
52101	Claims Audit		\$7,500		\$7,500	\$14,625	(\$7,125)	-48.7%
52102	Financial Audit	\$14,125	\$14,125		\$28,250	\$27,700	\$550	2.0%
52103	Legal Services	\$2,000	\$15,000		\$17,000	\$17,000	\$0	0.0%
52104	Actuarial Review	\$5,900	\$7,900		\$13,800	\$13,420	\$380	2.8%
52105	Computer Services				N/A	N/A	N/A	N/A
52106	CAJPA Accreditation (every 3 years: not until 2021)				N/A	\$5,850	N/A	N/A
52109	Misc. Consulting/Contingency	\$2,500	\$2,500		\$5,000	\$5,000	\$0	0.0%
	Total Consultant Expenses	\$24,525	\$47,025		\$71,550	\$74,720	(\$3,170)	-4.2%

Next appraisal in 2023

Biannual WC audit is more expensive

Per engagement letter including 6/30 Updates

Moved as part of Accounting Services

Paid Jan 2021, budget for 2024/2025

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
ADMIN BUDGET - Presented to Board For Approval June 17, 2021
July 1, 2021 to June 30, 2022

		WORK COMP	LIABILITY	GROUP PURCHASE	FY 21/22 TOTAL	FY 20/21 PRIOR YEAR	\$ CHANGE	% CHANGE	
Safety Services:									
52204	Risk Control Services Agreement	\$89,240	\$89,240		\$178,480	\$178,480	\$0	0.0%	Per 2019-22 contract
52201	Outside Training & Safety Award	\$15,000	\$15,000		\$30,000	\$30,000	\$0	0.0%	Including \$10k for safety award here
52202	Risk Mgmt Comm Mtg Expense	\$750	\$750		\$1,500	\$1,500	\$0	0.0%	
52207	Member Training and Risk Management	\$50,000	\$38,000		\$88,000	\$88,000	\$0	0.0%	\$4,000 per member annual allocation for training/conferences
52208	Lexipol Police Manual Updates & DTBs	\$144,441			\$142,140	\$144,441	(\$2,301)	-1.6%	3% increase less Rio Vista
52209	Police Risk Management Funds	\$25,000	\$25,000		\$50,000	\$50,000	\$0	0.0%	Pending RMC recommendation
	Total Safety Services Expenses	\$324,431	\$167,990		\$490,120	\$492,421	(\$2,301)	-0.5%	
Claims Administration									
52302	Claims Administration Fee (Reports, etc.) Annual	\$0	\$0		\$0	\$0	\$0		
	Claims Adjustment Fee*								
52304	State Funding/Fraud Assessment	\$355,000			\$355,000	\$322,284	\$32,716	10.2%	Flat fee pricing beginning FY 19/20
	Total Claims Admininstration Expenses	\$355,000	\$0		\$355,000	\$322,284	\$32,716	10.2%	Actual 20/21= \$345,404.11
Program Administration									
52401	Program Administration and Brokerage Fee	\$197,116	\$164,262		\$361,378	\$350,003	\$11,375	3.2%	Per 2019-24 contract
52403	Accounting Services	\$56,745	\$56,745		\$113,490	\$109,770	\$3,720	3.4%	Per 2018-22 contract
	Total Program Admininstration Expenses	\$253,861	\$221,007		\$474,868	\$459,773	\$15,095	3.3%	
Board Expenses									
52501	Executive Committee	\$1,250	\$1,250		\$2,500	\$2,500	\$0	0.0%	
52502	Executive Committee Member Travel	\$2,000	\$2,000		\$4,000	\$4,000	\$0	0.0%	
52503	Board of Directors Meetings (includes Travel)	\$4,000	\$4,000		\$8,000	\$8,000	\$0	0.0%	
52509	Board of Directors Long Range Planning (every 3 years, last LRP January 2020)	\$4,000	\$4,000		\$8,000	\$8,000	\$0	0.0%	Includes Board Training Day in December
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$2,500	\$2,500		\$5,000	\$5,000	\$0	0.0%	21 AGRIP membership increased by 10%
	Total Board Expenses	\$13,750	\$13,750		\$27,500	\$27,500	\$0	0.0%	
OTHER Administration Expenses (Not identified with above budget line items)									
52000	Administrative Expense	\$0	\$0		\$0	\$0	\$0	0.0%	
52001	Administration Expense - Other	\$0	\$0		\$0	\$0	\$0	0.0%	
52900	Member Identity Theft Protection	\$12,812	0		\$12,812	\$14,020	-\$1,208	-8.6%	
	Total Other Admin	\$12,812	\$0		\$12,812	\$14,020	-\$1,208	0.0%	
Total Admin Expenses		\$984,379	\$449,772		\$1,431,850	\$1,390,718	\$41,132	3.0%	



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.7.a.

ADOPTION OF FY 21/22 LIABILITY PROGRAM BUDGET

ACTION ITEM

ISSUE: At the last Board meeting members approved preliminary program calculations based on actuarial projections at the 80% Confidence Level (CL). The Board also agreed to fund the program based on a \$500,000 SIR with CJPRMA for another year, with that option likely gone in FY 22/23. While marketing efforts continue, at this time it is most likely CJPRMA will have to increase its retention from \$5M to \$7.5M, resulting in an increase in funding to NorCal Cities of \$457,968 (13.6%), from \$3,375,239 to \$3,833,207. The Program Manager will have an update regarding the CJPRMA coverage as available and will make adjustment to the funding as needed.

The attached revised funding exhibit reflects the latest estimate with the previously approved premium cap of 50%. While the number of capped members stays the same at eight, the amount redistributed increases from \$132,381 to \$315,028.

Given this change, the Program Administrators prepared another exhibit with a 60% cap on premium increases. This results in a redistribution of \$307,111 and reduces the number of capped members from eight to six and offers premium relief to members most impacted by the 50% cap.

RECOMMENDATION: Review and approve funding with a 60% cap as presented or revised.

FISCAL IMPACT: Total deposit is estimated at \$9,523,393, an increase of 22% over expiring.

BACKGROUND: The excess liability insurance market for public entities, particularly those with police departments, has continued to be extremely volatile, with increasing rates and retentions as well as coverage restrictions. CJPRMA has experienced their share of claims that have exceeded their retention and impacted the reinsurance layers, and the current Munich offering reflects that reality. Compounding the reinsurance increase is a significant increase in CJPRMA's underlying rates due to a change in their funding formula to put more with on recent experience.

ATTACHMENTS:

1. Final FY 21/22 Liability Deposit Calculations at the 80% CL, with 50% and 60% caps
2. Liability Program Funding Changes FY 20/21 to FY 21/22
3. FY 21/22 Net Program Funding Summary

FY 21/22 NCCSIF General Liability Funding Allocation DRAFT For BOD 6.17.21

80% Confidence Level

Total Admin Expense = \$449,772

A	B	C	D	E	F	G	H	I
Formula/Allocation	Payroll (P)	Member Weighted Share Last 5 Years 25% Payroll, 75% Losses	Member Share of EX MOD Adjusted Payroll X Total Funding	Member Weighted Share Last 5 Years 75% Payroll, 25% Losses	(Admin/2) X Member % of Total Payroll	(Admin/2) ÷ 19 Equal Shares	C+D+E+F+G	
Member	2020 Calendar Year Payroll (DE 9)	BANKING LAYER \$0 to \$50K (*Folsom \$0 to \$100K)	SHARED LAYER \$50K to \$500K at 80% CL	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	FY 21/22 TOTAL DEPOSIT	FY 20/21 TOTAL DEPOSIT
Rate/Amount	Exposure Base	\$2,234,000	\$3,000,000	\$3,833,207	\$224,886	\$224,886	80% CL	80% CL
Anderson	\$ 4,654,184	\$30,281	\$79,254	\$39,919	\$5,702	\$11,836	\$166,992	\$155,973
Auburn	\$ 6,948,048	\$136,598	\$169,381	\$263,879	\$8,513	\$11,836	\$590,206	\$499,738
Colusa	\$ 2,527,589	\$38,949	\$55,914	\$72,352	\$3,097	\$11,836	\$182,148	\$185,895
Corning	\$ 3,631,789	\$66,994	\$63,423	\$129,588	\$4,450	\$11,836	\$276,290	\$126,468
Dixon	\$ 9,695,118	\$50,619	\$132,329	\$50,799	\$11,878	\$11,836	\$257,461	\$161,585
Elk Grove								
Folsom	\$ 43,894,742	\$610,568	\$524,531	\$1,086,486	\$53,778	\$11,836	\$2,287,200	\$2,314,457
Galt	\$ 11,027,133	\$90,972	\$186,964	\$124,735	\$13,510	\$11,836	\$428,017	\$388,823
Gridley	\$ 4,275,659	\$50,000	\$85,668	\$82,518	\$5,238	\$11,836	\$235,260	\$178,487
Ione	\$ 1,563,176	\$29,408	\$29,999	\$57,320	\$1,915	\$11,836	\$130,478	\$96,274
Jackson	\$ 2,875,922	\$10,944	\$53,226	\$6,882	\$3,523	\$11,836	\$86,411	\$174,342
Lincoln	\$ 15,614,334	\$295,376	\$248,580	\$573,905	\$19,130	\$11,836	\$1,148,827	\$596,924
Marysville	\$ 4,529,402	\$110,332	\$89,728	\$226,760	\$5,549	\$11,836	\$444,205	\$278,890
Nevada City								
Oroville	\$ 6,629,871	\$96,685	\$120,480	\$174,221	\$8,123	\$11,836	\$411,345	\$246,894
Paradise	\$ 4,839,826	\$44,236	\$104,483	\$69,334	\$5,930	\$11,836	\$235,818	\$230,743
Placerville								
Red Bluff	\$ 6,369,163	\$91,040	\$126,582	\$162,305	\$7,803	\$11,836	\$399,566	\$233,352
Rio Vista	\$ 3,964,129	\$51,657	\$127,574	\$86,450	\$4,857	\$11,836	\$282,373	\$189,031
Rocklin	\$ 22,914,454	\$148,432	\$375,016	\$166,164	\$28,074	\$11,836	\$729,522	\$846,318
Willows	\$ 979,430	\$38,086	\$37,220	\$75,614	\$1,200	\$11,836	\$163,956	\$115,289
Yuba City	\$ 26,621,274	\$249,238	\$389,650	\$383,978	\$32,616	\$11,836	\$1,067,317	\$784,515
Total:	\$183,555,242	\$2,240,414	\$3,000,000	\$3,833,207	\$224,886	\$224,886	\$9,523,393	\$7,804,000

A	J	K	P	Q	R
Formula/Allocation	H-I	J/I	H + Member % of Total Uncapped Payroll X Capped Amount		H-P
Member	\$ Change Overall	% Change Overall	Total FY 21/22 Deposit With Cap of 50%	% Change After Cap	Amount Redistributed
Rate/Amount			\$ 315,132		8 Capped
Anderson	\$11,019	7%	\$179,005	15%	
Auburn	\$90,468	18%	\$608,140	22%	
Colusa	-\$3,748	-2%	\$188,672	-8%	
Corning	\$149,822	118%	\$189,702	50%	\$86,588
Dixon	\$95,876	59%	\$242,378	50%	\$15,083
Elk Grove					
Folsom	-\$27,257	-1%	\$2,400,495	4%	
Galt	\$39,195	10%	\$583,234	50%	-\$155,217
Gridley	\$56,773	32%	\$246,296	38%	
Ione	\$34,204	36%	\$134,513	40%	
Jackson	-\$87,931	-50%	\$93,834	-46%	
Lincoln	\$551,903	92%	\$895,387	50%	\$253,440
Marysville	\$165,314	59%	\$418,336	50%	\$25,869
Nevada City					
Oroville	\$164,450	67%	\$370,342	50%	\$41,003
Paradise	\$5,076	2%	\$248,310	8%	
Placerville					
Red Bluff	\$166,214	71%	\$350,027	50%	\$49,538
Rio Vista	\$93,342	49%	\$283,547	50%	-\$1,174
Rocklin	-\$116,796	-14%	\$788,665	-7%	
Willows	\$48,667	42%	\$166,483	44%	
Yuba City	\$282,802	36%	\$1,136,028	45%	
Total:	\$1,719,393	22%	\$9,523,393	22%	\$ 315,132

AD	AE	AF	
H + Member % of Total Uncapped Payroll X Capped Amount	(AE-I)/I	H-AE	
Total FY 21/22 Deposit With Cap of 60%	% Change After Cap	Amount Redistributed	2020 Payroll Increase from 2019
\$ 307,111		6 Capped	
\$177,419	14%		5%
\$605,772	21%		2%
\$187,810	1%		17%
\$202,349	60%	\$73,941	7%
\$258,537	60%	-\$1,075	9%
\$2,385,537	3%		0%
\$452,721	16%		-6%
\$244,839	37%		2%
\$133,980	39%		14%
\$92,854	-47%		-3%
\$955,079	60%	\$193,748	4%
\$446,225	60%	-\$2,020	26%
\$395,031	60%	\$16,314	11%
\$246,661	7%		10%
\$373,363	60%	\$26,203	1%
\$291,254	54%		-10%
\$780,857	-8%		0%
\$166,150	44%		-20%
\$1,126,956	44%		0%
\$9,523,393	22%	\$ 307,111	2%

NCCSIF Liability Program Funding Changes 20/21 to 21/22 DRAFT for BOD 6/17/21

	FY 21/22	FY 20/21	Difference
Base Rate*	\$ 2.851	\$ 2.922	-2%
*\$500K SIR and Confidence Level Remains at 80%			

	FY 21/22	FY 20/21	Difference
Excess Insurance	\$ 3,833,207	\$ 2,065,379	86%
% of total increase =	103%		\$1,767,828

Member Entity	Deposit Premium Change		
	Current Year FY 21/22 \$500K SIR 80% CL; 50% Cap	Prior Year FY 20/21 \$750K SIR 80% CL	% Change
City of Anderson	\$179,005	\$155,973	15%
City of Auburn	\$608,140	\$499,738	22%
City of Colusa	\$188,672	\$185,895	1%
City of Corning	\$189,702	\$126,468	50%
City of Dixon	\$242,378	\$161,585	50%
Elk Grove			
City of Folsom	\$2,400,495	\$2,314,457	4%
City of Galt	\$583,234	\$388,823	50%
City of Gridley	\$246,296	\$178,487	38%
City of Ione	\$134,513	\$96,274	40%
City of Jackson	\$93,834	\$174,342	-46%
City of Lincoln	\$895,387	\$596,924	50%
City of Marysville	\$418,336	\$278,890	50%
Nevada City			
City of Oroville	\$370,342	\$246,894	50%
Town of Paradise	\$248,310	\$230,743	8%
Placerville			
City of Red Bluff	\$350,027	\$233,352	50%
City of Rio Vista	\$283,547	\$189,031	50%
City of Rocklin	\$788,665	\$846,318	-7%
City of Willows	\$166,483	\$115,289	44%
City of Yuba City	\$1,136,028	\$784,515	45%
Grand Total	\$9,523,393	\$7,804,000	22%

Payroll		
2020 Calendar Year Payroll	2019 Calendar Year Payroll	% Change
\$4,654,184	\$4,439,068	5%
\$6,948,048	\$6,787,664	2%
\$2,527,589	\$2,169,132	17%
\$3,631,789	\$3,396,902	7%
\$9,695,118	\$8,894,945	9%
\$43,894,742	\$44,026,880	0%
\$11,027,133	\$11,673,862	-6%
\$4,275,659	\$4,192,976	2%
\$1,563,176	\$1,371,177	14%
\$2,875,922	\$2,966,158	-3%
\$15,614,334	\$14,946,573	4%
\$4,529,402	\$3,591,310	26%
\$6,629,871	\$5,973,585	11%
\$4,839,826	\$4,387,916	10%
\$6,369,163	\$6,292,852	1%
\$3,964,129	\$4,420,757	-10%
\$22,914,454	\$22,808,769	0%
\$979,430	\$1,226,079	-20%
\$26,621,274	\$26,733,800	0%
\$183,555,242	\$180,300,406	2%

Banking Layer Losses \$0-\$50K		
5-Year Avg FYE 2015-19	5-Year Avg FYE 2014-18	% Change
\$6,408	\$23,966	-73%
\$42,362	\$135,738	-69%
\$11,615	\$62,886	-82%
\$20,804	\$15,764	32%
\$8,155	\$4,160	96%
\$174,420	\$465,376	-63%
\$20,024	\$77,116	-74%
\$13,247	\$26,546	-50%
\$9,202	\$19,550	-53%
\$1,105	\$41,265	-97%
\$92,132	\$112,661	-18%
\$36,403	\$79,313	-54%
\$27,969	\$38,470	-27%
\$11,131	\$57,173	-81%
\$26,056	\$48,227	-46%
\$13,878	\$68,915	-80%
\$26,675	\$156,794	-83%
\$12,139	\$28,118	-57%
\$61,642	\$106,509	-42%
\$615,366	\$1,568,548	-61%

Shared Layer Losses \$75k XS \$5K		
Shared Layer Totals FYE 2015-19	Shared Layer Totals FYE 2014-18	% Change
\$110,656	\$57,930	91%
\$618,079	\$285,184	117%
\$270,178	\$229,678	18%
\$61,822	\$56,820	9%
\$20,001	\$0	0%
\$928,605	\$1,825,591	-49%
\$234,668	\$115,421	103%
\$123,381	\$77,499	59%
\$89,545	\$109,545	-18%
\$122,740	\$127,588	-4%
\$464,903	\$389,293	19%
\$414,204	\$151,157	174%
\$172,082	\$122,147	41%
\$377,171	\$52,173	623%
\$253,298	\$36,671	591%
\$694,535	\$100,360	592%
\$700,157	\$470,772	49%
\$184,524	\$31,715	482%
\$714,235	\$497,820	43%
\$6,554,784	\$4,737,365	38%

Experience Mod		
FY 21/22	FY 20/21	% Change
1.38	0.91	51%
1.78	1.27	40%
1.71	1.58	8%
1.37	0.95	44%
1.04	0.57	83%
0.86	1.49	-42%
1.15	0.70	65%
1.37	0.91	52%
1.54	1.31	18%
1.50	1.24	21%
1.25	1.04	20%
1.79	1.22	46%
1.31	0.90	46%
1.68	0.87	93%
1.41	0.73	92%
2.05	1.02	102%
1.11	0.84	32%
1.65	1.00	65%
1.07	0.80	33%

FY 21/22 NCCSIF Net Program Funding Summary

	Work Comp Funding 80% CL					
		DIVIDEND		Assessment		
Member Entity	Work Comp Deposit	Banking Layer	Shared Layer	Banking Layer	Shared Layer	NET AMOUNT
Anderson	\$291,602	\$4,155	\$5,043			\$282,404
Auburn	\$604,126		\$7,973	\$37,345		\$633,498
Colusa	\$171,342	\$5,194	\$2,974			\$163,174
Corning	\$185,845		\$3,668	\$10,000		\$192,177
Dixon	\$724,095	\$38,628	\$10,369			\$675,097
Elk Grove	\$2,033,966		\$8,921	\$168,387		\$2,193,432
Folsom	\$2,628,263	\$115,091	\$48,449			\$2,464,723
Galt	\$730,017		\$11,507	\$29,332		\$747,843
Gridley	\$181,584	\$93,518	\$5,305			\$82,761
Ione	\$97,755		\$1,156	\$10,000		\$106,599
Jackson	\$198,286	\$26,822	\$2,970			\$168,494
Lincoln	\$659,488	\$91,430	\$14,939			\$553,118
Marysville	\$286,995		\$5,347	\$59,405		\$341,053
Nevada City	\$273,522	\$10,951	\$2,855			\$259,716
Oroville	\$510,055	\$136,354	\$9,142			\$364,559
Paradise	\$366,287	\$51,753	\$8,484			\$306,051
Placerville	\$397,250		\$7,898	\$1,948		\$391,301
Red Bluff	\$672,592		\$9,295	\$122,227		\$785,524
Rio Vista	\$262,237	\$16,722	\$4,416			\$241,099
Rocklin	\$1,504,618	\$127,927	\$23,778			\$1,352,913
Willows	\$98,784		\$2,972	\$10,000		\$105,811
Yuba City	\$1,693,670	\$71,671	\$24,039			\$1,597,960
Total:	\$14,572,379	\$790,216	\$221,500	\$448,644	\$0	\$14,009,307

Liability Funding 80% CL \$500K SIR					
60% CAP	DIVIDEND		Assessment		
Liability Deposit	Banking Layer	Shared Layer	Banking Layer	Shared Layer	NET AMOUNT
\$177,419	\$24,094				\$153,325
\$605,772	\$24,701				\$581,071
\$187,810			\$33,160		\$220,970
\$202,349	\$28,948				\$173,401
\$258,537	\$32,620				\$225,917
\$2,385,537	\$388,081				\$1,997,456
\$452,721	\$22,320				\$430,401
\$244,839	\$39,936				\$204,903
\$133,980	\$9,981				\$123,999
\$92,854	\$41,854				\$51,000
\$955,079	\$14,226				\$940,853
\$446,225	\$30,519				\$415,706
\$395,031	\$25,785				\$369,246
\$246,661	\$51,695				\$194,966
\$373,363	\$733				\$372,630
\$291,254			\$66,046		\$357,300
\$780,857	\$69,251				\$711,606
\$166,150	\$10,760				\$155,390
\$1,126,956	\$70,005				\$1,056,951
\$9,523,393	\$885,509	\$0	\$99,206	\$0	\$8,737,090



Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021

Agenda Item H.7.b.

**ADOPTION OF FY 21/22 WORKERS' COMPENSATION
PROGRAM BUDGET**

ACTION ITEM

ISSUE: At the last Board meeting members approved preliminary program calculations based on actuarial projections at the 80% Confidence Level (CL).

Total funding at an 80% Confidence Level (CL) is estimated at \$14,572,379, an **increase of 7%** over current funding at the 80% CL. This compares favorably to the *total payroll increase of 7%*. The individual funding increase cap of 40% applies to one Member this year. The average funding change for the group is 10% with an average payroll change of 1%.

Excess coverage through CSAC-EIA is \$1,955,000, or \$0.78 per \$100 of payroll, a 27% increase in the current rate of \$0.62. The current premium includes a 10% reduction in payroll applied by PRISM in response to the projected COVID-19 impacts to member budgets since the initial estimates.

A breakdown of funding by layer and member is provided in the attached spreadsheet. Also attached is a year-to-year comparison of the changes in the components of total program and member funding, including payroll (7% increase), Banking Layer losses (3% increase), and Shared Layer losses (-26% decrease). Members' Ex Mod changes are also provided, along with changes in the base rate (2.9%) and excess insurance (27% increase) common to all members. Also added are columns for comparing member rates to the total rate and the impact that has on the final premium.

RECOMMENDATION: Approve funding as presented at the 80% CL for FY 20/21.

FISCAL IMPACT: Total funding of \$14,572,379 for the Workers' Compensation Program.

BACKGROUND: Members have steadily increased the Confidence Level of annual funding over the years, from 65% to 70%, 75%, and as of FY 18/19 to the current 80% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll. NCCSIF's Funding Policy sets a goal of annual funding at an 80% CL.

ATTACHMENTS:

1. Final FY 21/22 Workers' Compensation Deposit Calculations at the 80% CL
2. Workers' Compensation Program Funding Changes FY 20/21 to FY 21/22

FY 21/22 NCCSIF Workers' Compensation Allocation PRELIMINARY

80% Confidence Level

Total Admin Expense = \$984,379

A	B	C	D	E	F	G	H	I	J	K	
Formula/Allocation		Member Share of: Last 5 Years Average Losses, Weighted 75%; FY 18/19	Member Share of EX MOD Adjusted Payroll	Member Share of: Last 5 Years Average Losses, Weighted 25%; FY 18/19	Member Share of Banking, Shared & Excess Premium	22 Equal Shares	C+D+E+F+G			Member % of Total Payroll Without Capped Members x Capped Amount	
	FY 21/22 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	PRISM EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	Preliminary FY 21/22 DEPOSIT	Total FY 20/21 Deposit	% Change DEPOSIT	Total FY 21/22 Deposit With Cap of 40%	Payroll Change from FY 20/21
Member											
Rate/Amount	Exposure Base	\$7,487,000	\$4,146,000	\$1,955,000	\$639,846	\$344,533	80% CL			\$ 30,264	
Anderson	\$ 4,095,034	\$153,488	\$75,024	\$34,546	\$12,387	\$15,661	\$291,106	\$299,037	-2.7%	\$291,602	1.0%
Auburn	\$ 7,189,036	\$329,004	\$158,460	\$73,705	\$26,425	\$15,661	\$603,254	\$532,092	13.4%	\$604,126	2.1%
Colusa	\$ 2,605,774	\$80,377	\$43,071	\$24,931	\$6,987	\$15,661	\$171,026	\$143,282	19.4%	\$171,342	12.5%
Corning	\$ 3,313,085	\$79,460	\$59,047	\$23,641	\$7,635	\$15,661	\$185,443	\$136,383	36.0%	\$185,845	8.8%
Dixon	\$ 10,956,807	\$372,675	\$193,763	\$108,868	\$31,800	\$15,661	\$722,766	\$771,003	-6.3%	\$724,095	-32.0%
Elk Grove	\$ 46,004,008	\$1,027,743	\$662,836	\$231,634	\$90,515	\$15,661	\$2,028,389	\$1,935,005	4.8%	\$2,033,966	4.9%
Folsom	\$ 47,574,717	\$1,359,059	\$736,043	\$394,501	\$117,233	\$15,661	\$2,622,496	\$2,285,124	14.8%	\$2,628,263	4.7%
Galt	\$ 12,747,317	\$378,858	\$225,701	\$76,197	\$32,056	\$15,661	\$728,472	\$732,167	-0.5%	\$730,017	2.5%
Gridley	\$ 3,570,539	\$67,096	\$64,498	\$26,455	\$7,442	\$15,661	\$181,152	\$205,414	-11.8%	\$181,584	-19.9%
Ione	\$ 1,680,112	\$40,808	\$24,195	\$13,205	\$3,683	\$15,661	\$97,551	\$93,232	4.6%	\$97,755	4.0%
Jackson	\$ 2,173,111	\$105,881	\$45,978	\$22,302	\$8,201	\$15,661	\$198,023	\$201,649	-1.8%	\$198,286	-6.6%
Lincoln	\$ 16,793,802	\$313,337	\$183,667	\$115,926	\$28,862	\$15,661	\$657,452	\$589,495	11.5%	\$659,488	18.3%
Marysville	\$ 4,530,708	\$150,018	\$71,495	\$37,095	\$12,178	\$15,661	\$286,446	\$315,602	-9.2%	\$286,995	11.7%
Nevada City	\$ 2,801,835	\$156,878	\$58,709	\$30,354	\$11,581	\$15,661	\$273,182	\$259,309	5.3%	\$273,522	2.9%
Oroville	\$ 8,466,026	\$263,093	\$135,105	\$72,983	\$22,187	\$15,661	\$509,028	\$475,462	7.1%	\$510,055	17.6%
Paradise	\$ 4,859,324	\$202,953	\$95,422	\$35,921	\$15,742	\$15,661	\$365,698	\$370,273	-1.2%	\$366,287	4.5%
Placerville	\$ 7,792,934	\$183,716	\$117,474	\$62,336	\$17,118	\$15,661	\$396,306	\$347,449	14.1%	\$397,250	2.5%
Red Bluff	\$ 7,190,045	\$390,157	\$156,008	\$80,391	\$29,504	\$15,661	\$671,721	\$567,270	18.4%	\$672,592	2.3%
Rio Vista	\$ 4,198,335	\$119,538	\$72,787	\$42,677	\$11,066	\$15,661	\$261,728	\$234,404	11.7%	\$262,237	-20.2%
Rocklin	\$ 27,358,531	\$779,329	\$436,634	\$202,866	\$66,811	\$15,661	\$1,501,302	\$1,344,461	11.7%	\$1,504,618	0.7%
Willows	\$ 1,252,800	\$65,190	\$33,084	\$10,014	\$5,099	\$15,661	\$129,048	\$70,560	82.9%	\$98,784	0.0%
Yuba City	\$ 23,763,368	\$868,341	\$497,002	\$234,453	\$75,333	\$15,661	\$1,690,789	\$1,714,194	-1.4%	\$1,693,670	-0.7%
Total:	\$250,917,248	\$7,487,000	\$4,146,000	\$1,955,000	\$639,846	\$344,533	\$14,572,379	\$13,622,866	7.0%	\$14,572,379	1.3%
Actuary/Verif	\$250,917,248	\$7,487,000	\$4,146,000	est. 3/19							

NCCSIF Workers' Compensation Program Funding Changes 20/21 to 21/22

	FY 21/22	FY 20/21	Difference
Base Rate*	4.637	4.507	2.9%
<i>*Confidence Level Remains at 80%</i>			

	FY 21/22	FY 20/21	Difference
Excess Insurance	\$ 1,955,000	\$ 1,535,744	27%
Rate per \$100 Payroll	\$ 0.78	\$ 0.62	\$ 419,256

Deposit Premium Change			
Member Entity	Current Year FY 21/22 80% CL	Prior Year FY 20/21 80% CL	% Change
Anderson	\$291,602	\$299,037	-2%
Auburn	\$604,126	\$532,092	14%
Colusa	\$171,342	\$143,282	20%
Corning	\$185,845	\$136,383	36%
Dixon	\$724,095	\$771,003	-6%
Elk Grove	\$2,033,966	\$1,935,005	5%
Folsom	\$2,628,263	\$2,285,124	15%
Galt	\$730,017	\$732,167	0%
Gridley	\$181,584	\$205,414	-12%
Ione	\$97,755	\$93,232	5%
Jackson	\$198,286	\$201,649	-2%
Lincoln	\$659,488	\$589,495	12%
Marysville	\$286,995	\$315,602	-9%
Nevada City	\$273,522	\$259,309	5%
Oroville	\$510,055	\$475,462	7%
Paradise	\$366,287	\$370,273	-1%
Placerville	\$397,250	\$347,449	14%
Red Bluff	\$672,592	\$567,270	19%
Rio Vista	\$262,237	\$234,404	12%
Rocklin	\$1,504,618	\$1,344,461	12%
Willows	\$98,784	\$70,560	40%
Yuba City	\$1,693,670	\$1,714,194	-1%
Total	\$ 14,572,379	\$13,622,866	7%

Payroll		
Estimated WC FY 21/22 Payroll	Estimated WC FY 20/21 Payroll	% Change
\$4,095,034	\$4,054,052	1%
\$7,189,036	\$7,039,088	2%
\$2,605,774	\$2,315,522	13%
\$3,313,085	\$3,045,046	9%
\$10,956,807	\$16,104,633	-32%
\$46,004,008	\$43,846,037	5%
\$47,574,717	\$45,420,903	5%
\$12,747,317	\$12,440,697	2%
\$3,570,539	\$4,458,227	-20%
\$1,680,112	\$1,615,600	4%
\$2,173,111	\$2,327,553	-7%
\$16,793,802	\$14,194,860	18%
\$4,530,708	\$4,057,841	12%
\$2,801,835	\$2,722,499	3%
\$8,466,026	\$7,199,488	18%
\$4,859,324	\$4,650,691	4%
\$7,792,934	\$7,602,862	3%
\$7,190,045	\$7,030,038	2%
\$4,198,335	\$5,260,090	-20%
\$27,358,531	\$27,167,992	1%
\$1,252,800	\$1,252,800	0%
\$23,763,368	\$23,929,647	-1%
\$250,917,248	\$247,736,166	1%

Banking Layer Losses \$0-\$100K		
5-Year Avg FY 2015-19	5-Year Avg FY 2014-18	% Change
\$98,529	\$113,195	-13%
\$211,595	\$184,590	15%
\$43,732	\$32,434	35%
\$44,389	\$20,967	112%
\$210,499	\$215,520	-2%
\$659,376	\$640,469	3%
\$770,531	\$701,134	10%
\$253,634	\$266,123	-5%
\$30,017	\$48,290	-38%
\$21,573	\$21,555	0%
\$69,726	\$77,669	-10%
\$148,936	\$139,928	6%
\$92,472	\$123,743	-25%
\$106,402	\$107,367	-1%
\$153,057	\$160,640	-5%
\$141,503	\$155,037	-9%
\$93,802	\$84,675	11%
\$258,989	\$214,706	21%
\$58,601	\$48,520	21%
\$468,701	\$423,283	11%
\$47,204	\$11,440	313%
\$512,557	\$588,359	-13%
\$4,495,823	\$4,379,643	3%

Shared Layer Losses \$20-\$120K		
Total Incurred Losses FY 2015- 19	Total Incurred Losses FY 2014- 18	% Change
\$319,380	\$540,775	-41%
\$733,451	\$883,010	-17%
\$171,802	\$155,190	11%
\$154,609	\$55,263	180%
\$740,174	\$1,059,763	-30%
\$2,180,825	\$3,043,761	-28%
\$2,494,388	\$3,116,189	-20%
\$791,812	\$1,157,038	-32%
\$60,195	\$212,681	-72%
\$100,000	\$108,853	0%
\$276,656	\$391,283	-29%
\$343,042	\$596,104	-42%
\$334,763	\$616,227	-46%
\$432,934	\$577,529	-25%
\$503,819	\$716,504	-30%
\$541,948	\$754,643	-28%
\$302,170	\$404,529	-25%
\$873,402	\$1,006,096	-13%
\$109,164	\$156,110	-30%
\$1,484,448	\$1,918,568	-23%
\$166,961	\$34,813	380%
\$1,884,338	\$2,843,042	-34%
\$15,000,281	\$20,347,971	-26%

Experience Mod		
FY 21/22	FY 20/21	% Change
1.05	1.10	-5%
1.15	1.12	3%
1.02	0.97	5%
0.96	0.85	12%
1.05	1.04	1%
0.87	0.90	-3%
0.92	0.88	5%
1.00	1.04	-4%
0.86	0.92	-6%
1.01	0.99	2%
1.10	1.12	-2%
0.75	0.77	-2%
1.07	1.16	-8%
1.19	1.20	-1%
1.02	1.04	-1%
1.17	1.19	-1%
0.91	0.90	1%
1.27	1.20	6%
0.88	0.87	1%
0.96	0.95	1%
1.04	0.93	12%
1.11	1.20	-7%



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.8.

MEMBER TRAINING FUND ROLLOVER

ACTION ITEM

ISSUE: Given the COVID pandemic and restrictions on travel, most members have yet to use their annual \$4,000 training budget. Rather than lose those funds, the Program Administrators are recommending that any unused funds at the end of the year be rolled over in to the member's Risk Management Reserve Funds. Those funds would then be available for any risk management purpose and would not be absorbed back in to the admin budget.

The Program Administrators will also review any unused balances in the admin budget to determine if the funds can be used to reduce the FY 21/22 admin charges.

RECOMMENDATION: Approve rolling over unused training funds for FY 20/21 to member risk management reserves.

FISCAL IMPACT: TBD – unused funds are normally maintained in the budget for next year.

BACKGROUND: The Administration budget includes a category for member conferences and training that has been funded at \$4,000 per member for the last several years.

ATTACHMENT(S): None.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.9.

STRATEGIC PLANNING UPDATE

ACTION ITEM

ISSUE: Attached is the latest draft of the Strategic Plan that the Executive Committee reviewed at their May 27th, 2021 Meeting. The Executive Committee recommended conducting a Strategic Planning Meeting over two days, with a break of no more than one or two weeks between them.

Given the uncertain conditions caused by the extremely hard insurance market, as well as the impact of the pandemic, the timing is right to consider alternatives to the current structure of the pool's coverage and services. At very least the group is facing an increase in their Self-Insured Retention for the Liability Program, and the scope of current risk management resources may also need to change to meet the demands of the current environment.

The pool has not conducted a focused strategic planning session for some time and the Program Administrators would like members to consider a facilitated planning session prior to their December 16 meeting, reserving that date for the follow up meeting to complete objectives and provide direction from the facilitated discussion.

RECOMMENDATION: Review current Strategic Plan draft and provide direction regarding a planning meeting.

FISCAL IMPACT: TBD – the cost of facilitator and meeting can be met in proposed budget.

BACKGROUND: The last facilitated strategic planning meeting was held in 2011. Since that time the Strategic Plan has been updated by the Board at regular Training Day/Planning sessions. The focus of the most recent Plan has been updating the Funding Policy and strengthening some of its performance benchmarks.

Implementing these increased funding benchmarks has helped NorCal Cities weather the current environment better than many, but pressure to take on more risk will continue and members will see increased retentions as a result. Additional funding and/or coverage options will be needed to meet the challenges, and risk management will become even more important to keep the costs down.

ATTACHMENT(S): Revised Strategic Plan as of May, 2021

NCCSIF STRATEGIC GOALS & ACTION PLAN

DRAFT

Goals Established: 12/14/17 BOD Long Range Planning meeting *with updated goals from 1/16/20 LRP meeting*

Updated: 5/20/21

MISSION STATEMENT

The Northern California Cities Self Insurance Fund, or NorCal Cities, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

GOAL	ACTION/TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1				
What do we want to be when we grow up	1. Open to grow membership, but not actively market with caveat to maintain geographic centric/similar exposures as current members. Will underwrite on an as-needed basis when a city approach the pool to join.	BOD	Open	As Needed
	<i>Consider partnership(s) with other pools or entities to manage excess coverage availability</i>			
	2. Expand coverage programs to meet the needs of members as risks change/emerge.	BOD/Alliant	Ongoing	
	<i>Determine need and desire to develop Property Program self-funding layer(s). Consider options for other coverages.</i>			
LRP-2				
What more can NCCSIF do for members	1. Risk Management Goals - goods and services?	Bickmore	Ongoing	
	<i>Improvising and continuing to deliver services during pandemic, scheduling more webinar topics. Safety Culture Award Introduced</i>			
	2. "Push" services such as sidewalk repair, crosswalk/road design, others	BOD, York, CJPRMA	Open	
	<i>Contract with Precision Concrete for sidewalks, encouraging use of risk management reserve funds. Set aside RM funds first?</i>			
	3. Continued interest in Parametric Coverage: BI for Liability - Civil Disorder, Wildfire Coverage, Active Shooter.	Alliant	Ongoing	
	<i>Parametric EQ Product - "Shake & Pay" introduced. Wildfire still an issue. Board approved ability to use Banking Layer for Active Shooter events</i>			
LRP-3				
How do we achieve greatness	1. Maintain 80% CL funding and increase ability to sustain \$1M SIR	BOD, Alliant, Marta, Actuary	7/1/22	
	<i>May dip below benchmarks when forced to take higher SIR in FY 22/23 - consider additional funding?</i>			
	3. Continuing to strengthen our financial position by setting new goals in the	BOD	6/30/20	4/26/20
	<i>Consider increasing annual funding to 85% to 90% CL</i>			



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.10.

FY 21/22 SERVICE CALENDAR

INFORMATION ITEM

ISSUE: An annual *Service Calendar* is provided to the Board showing a timeline of the annual activities to be completed on behalf of the organization. The calendar serves several purposes, including notifying members of meetings and typical agenda topics, when to expect requests for information and deadlines for responding, and giving members a fuller understanding of all the “behind the scenes” activities completed by the Program Administrators.

Note we have highlighted the *meetings in blue*, *requests for information in yellow*, and *training conferences in grey* to make it easier for members to spot the key items that require their participation. Feedback regarding the color highlighting and use of the calendar is appreciated.

FISCAL IMPACT: None.

RECOMMENDATION: None - Information Only

BACKGROUND: None.

ATTACHMENT(S): FY 21/22 NCCSIF Service Calendar



2021-2022 SERVICE CALENDAR

AS = Alliant Insurance Services	BD = Board of Directors
JM = James Marta & Company, CPAs	EC = Executive Committee
SCA = Sedgwick Claims Administrator	RM = Risk Management
SRC = Sedgwick Risk Control	PRM = Police Risk Management
CA = Claims Auditor	FC = Finance Committee
FA = Financial Auditor	PA = Property Appraiser

JULY 2021		
07/01/21	NCCSIF Joint Powers Authority 42 st Anniversary	ALL
07/02/21	Send Program Invoices to James Marta & Company for payment	AS
07/05/21	Email Renewal Binders to Members including: GL, WC, Property, Crime <ul style="list-style-type: none"> • GL (NCCSIF & CJPRMA) - MOC, Dec Page & Summary • WC (NCCSIF & CSAC EIA) - MOC, Dec Page & Summary • Property (APIP) - Summary of Insurance • Crime (ACIP) - Summary of Insurance (Upload binders to AlliantConnect pending receipt of the Policy)	AS
07/12/21	Request Certificate of Insurance from Service Providers and Contractors: Sedgwick, Marta	AS
07/16/21	Collect Q2 DE9 (6/30) from members	AS
07/22/21	Annual Report due by October Meeting	
07/30/21	PRMC Agenda for 8/5/21 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, BM
07/30/21	Request 06/30 Quarterly Financial Report, Treasurer's Report and LAIF Report from James Marta & Company	AS

AUGUST 2021		
08/01/21	NCCSIF Financial Audit - begin preparation of documents	AS, JM, FA
08/05/21	Police Risk Management Committee Meeting	PRM
08/02/21	Send PRISM 22/23 WC Renewal application to Members - due 09/06/21	AS
08/4/21	Send Service Providers Survey to Members (Alliant, Sedgwick WC, Sedgwick GL, Sedgwick RC)	AS
08/05/21	Finance Committee Meeting (determine need)	AS
08/06/21	Submit Q2 (6/30) DE9 reports to CJPRMA	AS
08/21/21	Begin Public Self-Insurer's Annual Report on DIR OSIP website (need total employee count and 6/30 payroll)	AS

SEPTEMBER 2021		
09/03/21	Investment Policy - review and update	JM
09/03/21	Financial Audit - review and update	JM
Mtg	Finance Committee Meeting (if needed)	FC
Mtg	Review audit or DRAFT	FC
Mtg	Investment portfolio - review	FC
Mtg	Investment policy - review	FC
09/07/21	PRISM WC Renewal Application deadline from Members	AS
09/07/21	PRISM WC Renewal Additional Covered parties deadline from Members	AS
09/24/21	WC Payroll Audit due to EIA	AS
09/13/21	1 st Installment of Assessments - begin collecting as needed	JM
09/21-24/21	CAJPA 2021 Fall Conference - South Lake Tahoe, CA	



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FA = Financial Auditor	PA = Property Appraiser

09/16/21	EC & Claims Committee Agendas for 09/23/21 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SCA
09/17/21	ALL Service Providers Survey due from members	AS
09/16/21	EC & Claims Committee Meetings	EC
N/A	Status of CAJPA Accreditation (every 3 years: last accreditation 2018, next 2021)	EC
Mtg	Quarterly Investment Report (06/30) - submit for approval	EC
Mtg	Review financial audit or DRAFT	FC, EC
Mtg	Investment policy - review	FC, EC
Mtg	FY 20/21 GL Claims Auditor Proposal - submit for approval Note: (GL odd-numbered years WC even-numbered years)	EC
09/17/21	Compile and complete PRISM Renewal Application on PRISM website	AS

OCTOBER 2021		
10/01/21	Annual Report of Financial Transactions - deadline	JM
10/01/21	OSIP Filing	
10/01/21	Public Self Insurer's Annual Report for JPA & Members - deadline to file	AS, SCA
10/01/21	Multi-County Agency Biennial Notice (Conflict of Interest Code) - deadline to FPPC every even-numbered years	AS
10/08/21	APIP Pre-Renewal - trending of Property Schedules	AS
10/15/21	File Controller's Report with the State of California	AS, JM
10/16/21	Collect Q3 DE9 (9/30) from members	AS
10/21/21	RMC & BOD Agendas for 10/28/21 meeting - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
10/22/21	Opt Out Letter	AS
10/28/21	Risk Management Committee (Claims Analysis Focus) & BOARD (Finance Focus) Meetings	ALL
Mtg	Quarterly Investment Reports (06/30) - submit for approval	BD
Mtg	Quarterly Financial Report (06/30) - submit for approval	BD
Mtg	FY 20/21 Financial Audit - submit for approval	BD
Mtg	LAIF Report - submit for approval	BD
Mtg	Investment portfolio - review	FC, EC
Mtg	Target Equity Presentation	BD
Mtg	Loss Analysis charts (as of 06/30)	RM
Mtg	Alliant Commission Disclosure Letter and Facts Retail v. Wholesale Commissions	BD
Mtg	Sedgwick Workers' Compensation Quarterly Claims Report	SCA
Mtg	ALL Service Providers Survey Result - submit for review	BD
10/28/21	PRMC Agenda for 11/04/21 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SRC
10/30/21	Request 09/30 Quarterly Financial Report, Treasurer's Report and LAIF Report from James Marta	AS

NOVEMBER 2020		
11/01/20	Prepare NCCSIF Annual Report	AS
11/04/21	Police Risk Management Committee Meeting	PRM



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CA = Claims Auditor	FC = Finance Committee
FA = Financial Auditor	PA = Property Appraiser

11/05/21	Submit Q3 (9/30) DE9 reports to CJPRMA	AS
11/16-19/21	CalPELRA 2021 Annual Conference - Monterey, CA	
TBD	Perform FY 20/21 GL Claims Audit	CA

DECEMBER 2021		
12/01/21	Mail out Christmas Cards to Members	AS
12/02/21	BOD Agenda for 12/9/21 meeting - email to Board members and upload agenda packet to AlliantConnect and NCCSIF website	AS
12/16/21	Board of Directors Meeting	RM, BD
Mtg	Quarterly Investment Reports (09/30) - submit for approval	BD
Mtg	Quarterly Financial Report (as of 09/30) - submit for approval	BD
Mtg	CAJPA Final Accreditation report (every 3 years: last accreditation 2018, next 2021)	BD
Mtg	FY 21/22 Marketing Plan & Renewal Timeline - submit for approval	BD
Mtg	FY 21/22 GL Claims Audit - submit for approval - Auditor makes presentation	BD, CA
Mtg	Sedgwick Workers' Compensation Quarterly Claims Report	SCA
12/02/21	2 nd Installment of Assessments - begin collecting (as needed)	JM
12/13/21	Financial Audit - confirm with Marta's office the date they filed to State Controller's office and members' County Auditors	JM
12/20/21	Statement of Facts - Roster of Public Agencies - file with State and County	AS
12/20/21	Determine WCIRB Class Codes Rates from WCIRB.com (update Member Payroll Allocations spreadsheet)	AS

JANUARY 2022		
01/04/22	Request Loss Runs (as of 12/31) from SCA for Liability and WC (separate 4850) - deadline 1/18/21	AS
01/11/22	Preparation for CAJPA Accreditation (every 3 years: last accreditation 2021, next 2024)	AS
01/13/22	Form 700 electronic filing through FPCC's eDisclosure system - email reminder to BOD, Board Alternates and Service Provider Consultants - April 2022	AS
01/15/22	Begin working on Preliminary FY 22/23 Budget	AS, BD
01/15/22	Property Program - prepare and send property schedule to members to review/update - deadline 30 days	AS
01/18/22	Loss and Renewal Instructions - send to Actuary and Marta	AS
01/18/22	Request 12/31 Quarterly Financial Report, Treasurer's Report and LAIF Report from James Marta	AS
01/18/22	Liability and WC renewal loss information - deadline for receipt from SCA	AS
01/18/22	Collect Q4 DE9 (12/31) from members	AS
01/18/22	Input loss data into Budget Spreadsheet	AS
01/18/22	Review service providers/contractors' agreements regarding renewal terms	AS
01/25/22	21/22 APIP Property Policy Notebook (post to AlliantConnect)	AS
02/04/22	PRMC Agenda for 02/10/22 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SRC

FEBRUARY 2022		
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FA = Financial Auditor	PA = Property Appraiser

02/01/22	Renewal Certificate Holder List - send spreadsheet to members to review/update - due 03/01/21	AS
02/10/22	Police Risk Management Committee Meeting	PRM
02/05/22	Submit Q4 (12/31) DE9 reports to CJPRMA	AS
02/08/22	Receive Dividend Calculations and info from CJPRMA Premium Funding	AS, BD
02/08/22	PA to meet to discuss updates to Administrative Costs for Budget	AS
02/08/22	Crime Program - follow up with ACIP for specification, prepare and send renewal applications to Members - due 03/01/22	AS
02/08/22	ID Fraud Renewal Questionnaire - follow up with Travelers for specification, prepare and send to Members - due 03/01/22	AS
02/08/22	EAP - follow up with ACI for renewal specification	
02/08/22	Airport Liability - prepare and send renewal applications to Members - due 03/01/21	AS
02/08/22	Pollution Program - prepare and send renewal applications to Members - due 03/01/21	AS
02/15/22	Property Schedule Renewal due from Members	AS
02/22/22	Property Program - prepare specifications and input to Oasys	AS
02/22/22	Actuarial Study - receive draft and send to Jim Marta	AS, Actuary
02/22/22	Reminder: Form 700s to BOD, Board Alternates and Service Provider Consultants	AS
02/22/22-03/01/22	Banking and Shared Risk Layer Program Deposits - prepare preliminary worksheets, and Shared Risk layer adjustments for FY 21/22	AS
02/22/22	Request Banking Layer adjustments from Jim Marta	AS
TBD	PARMA Annual Risk Management Conference - Location TBD	

MARCH 2022		
03/01/22	Certificate Holder list due from members	AS
03/08/22	Crime Renewal App (including Treasurer Crime) - prepare and submit renewal applications to ACIP for quotation	AS
03/08/22	ID Fraud Coverage - prepare and submit renewal applications to Travelers for quotation	AS
03/08/22	EAP - confirm headcount for quotation	AS
03/08/22	Airport Liability - prepare and submit renewal applications	AS
03/08/22	Pollution Program - prepare and submit renewal applications	AS
03/15/22	Reminder: Form 700s to BOD, Board Alternates, RM Committee members and Service Provider Consultants	AS
03/18/22	EC & Claims Committee Agendas for 03/24/22 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SCA
03/24/22	Executive & Claims Committee Meetings	EC
Mtg	Quarterly Investment Reports (12/31) - submit for review	EC
Mtg	Review and approve actuarial studies	EC
Mtg	Preliminary FY 21/22 Budget - submit for review	EC
Mtg	Liability and WC Banking & Shared Layer - preliminary deposit calculation for review	EC
Mtg	FY 21/22 WC Claims Audit Report - for review and approval - auditor makes presentation	EC, CA
Mtg	FY 21/22 Claims Audit for GL - evaluate and consider RFP for Claims Auditor (GL odd-numbered years WC even-numbered years)	EC



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FA = Financial Auditor	PA = Property Appraiser

Mtg	Accounting Services Contract -	JM
03/29/22	Renewal Certificate Holder List updates due to CJPRMA and PRISM	AS

APRIL 2022		
04/01/22	Form 700s deadline to FPPC	AS
04/15/22	RMC & BOD Agendas for 04/21/22 meetings - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
04/16/22	Collect Q1 DE9 (03/31) from members	AS
04/21/22	Risk Management Committee & Board Meetings	RM, BD
Mtg	21/22 Officers - submit for election	BD
Mtg	21/22 Meeting Calendar - submit for approval	BD
Mtg	21/22 Service Calendar - information	BD
Mtg	Quarterly Investment Reports (12/31) - submit for approval	BD
Mtg	Quarterly Financial Report (12/31) - submit for approval	BD
Mtg	Preliminary FY 22/23 Budget - submit for review	BD
Mtg	Liability and WC Banking & Shared Risk Layers - deposit calculations for review (excess WC & Liability & Admin costs pending)	BD
Mtg	Banking Plan Fund Adjustments - submit for approval	BD
Mtg	Shared Risk Layer Plan Fund Adjustments - submit for approval	BD
Mtg	Actuarial Study - submit for approval	BD
Mtg	Sedgwick Workers' Compensation Quarterly Claims Report	SCA
Mtg	FY 20/21 WC Claims Audit Report - for review and approval - auditor makes presentation	CA, SCA
04/28/22	PRMC Agenda for 05/5/22 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SCA
04/30/22	Request 03/31 Quarterly Financial Report, Treasurer's Report and LAIF Report from James Marta	AS

MAY 2022		
05/03/22	Banking and Shared Risk Layer Adjustments/Assessments - mail to JM for distribution to members	AS
05/03/22	WC Renewal Quotations - check status	AS
05/03/22	Submit Q1 (03/31) DE9 reports to CJPRMA	AS
05/05/22	Police Risk Management Committee Meeting	PRM
05/19/22	EC & Claims Committee Agendas for 05/19/22 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SCA
05/26/22	Executive & Claims Committee Meetings	EC
Mtg	2021 Nominating Committee - select & nominate	EC
Mtg	2021 Officers - select & recommend to BOD	EC
Mtg	2021 EC Rotation Schedule - submit for approval	EC
Mtg	Preliminary 2021 Meeting Calendar - submit for approval and recommend to BOD	EC
Mtg	Quarterly Investment Reports (03/31) - submit for approval	EC
Mtg	Liability and WC Program Deposits - review 2021 revisions	EC
Mtg	FY 22/23 Budget - submit for review	EC



2021-2022 SERVICE CALENDAR

AS = Alliant Insurance Services	BD = Board of Directors
JM = James Marta & Company, CPAs	EC = Executive Committee
SCA = Sedgwick Claims Administrator	RM = Risk Management
SRC = Sedgwick Risk Control	PRM = Police Risk Management
CA = Claims Auditor	FC = Finance Committee
FA = Financial Auditor	PA = Property Appraiser

Mtg	Program Administration Contract - submit for approval <i>(as needed)</i>	EC
Mtg	Safety & Risk Control Services Contract - submit for approval <i>(as needed)</i>	EC
Mtg	Liability Claims Administration Contract - submit for approval <i>(as needed)</i>	EC
Mtg	WC Claims Administration Contract - submit for approval <i>(as needed)</i>	EC
Mtg	Accounting Services Contract - submit for approval <i>(as needed)</i>	EC
Mtg	Legal Services Contract - submit for approval <i>(as needed)</i>	EC
Mtg	Conflict of Interest Code-submit for approval (every even years)	EC
Mtg	Property renewal status review	EC
Mtg	Crime renewal quotations review	EC
Mtg	ACI renewal quotations - EAP - submit for approval (as needed)	EC
Mtg	FY 22/23 Liability Memorandum of Coverage - submit for approval	EC
Mtg	FY 22/23 WC Memorandum of Coverage - submit for approval	EC
05/24/22	Obtain necessary signatures to finalize contracts with consultants	AS
05/31/22	Property Program - receive preliminary renewal quotation	AS

JUNE 2022		
06/10/22	RMC and BOD Agendas for 06/23/22 meeting - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
06/23/22	Board Meeting	BD
Mtg	Risk Management Budget - submit for approval	RM
Mtg	Quarterly Investment Reports (03/31) - submit for approval	BD
Mtg	Quarterly Financial Report (03/31) - submit for approval	BD
Mtg	FY 22/23 Budget - submit final for approval	BD
Mtg	FY 22/23 Liability and WC Banking & Shared Risk Layer Program Deposits - submit final for approval	BD
Mtg	FY 22/23 Liability Memorandum of Coverage - submit for approval	BD
Mtg	FY 22/23 WC Memorandum of Coverage - submit for approval	BD
Mtg	Conflict of Interest Code - submit for approval (every even years)	BD
Mtg	APIP Property Program - provide report and allocations on renewal quotes	BD
Mtg	ACIP Crime Program - provide report and allocations on renewal quotes	AS
Mtg	Sedgwick Workers' Compensation Quarterly Claims Report	SCA
06/21/22	Generate and email Auto ID Cards to Members	AS
06/25/22	Generate Certificate Holder Renewal Certificates	AS
06/28/22	Mail Renewal Certificates to Certificate Holders and email scan copy to Members	AS



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.11.

FY 21/22 MEETING CALENDAR

ACTION ITEM

ISSUE: The proposed NCCSIF FY 21/22 Meeting Calendar is presented for review to determine if any dates should be modified due to conflicts.

RECOMMENDATION: Review the proposed dates and approve the Meeting Calendar as presented or revised after review.

FISCAL IMPACT: None.

BACKGROUND: Annually, the Executive Committee reviews and recommends the meeting calendar for NCCSIF Board, Executive, Risk Management, Claims, Police Risk Management and Finance Committees.

ATTACHMENT(S): Preliminary FY 21/22 Meeting Calendar



PROGRAM YEAR 21/22 MEETING CALENDAR

Thursday, August 5, 2021 **Police Risk Management Committee** at 10:00 a.m.

Thursday, September 16, 2021 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, October 28, 2021..... **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon

Thursday, November 4, 2021..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, December 16, 2021* **Board of Directors** at 10:00 a.m.

Thursday, February 10, 2022 **Police Risk Management Committee** at 10:00 a.m.

Thursday, March 24, 2022 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, April 21, 2022 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon

Thursday, May 5, 2022 **Police Risk Management Committee** at 10:00 a.m.

Thursday, May 26, 2022 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, June 23, 2022* **Board of Directors** at 10:00 a.m.

Meeting Location: Rocklin Event Center - Garden Room
2650 Sunset Blvd., Rocklin, CA 95677

Rocklin Event Center – Ballroom *

Note: Additional Claims Committee Meetings may be scheduled as needed for Claims Authority approval which will be held via teleconference.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.12.

**APPOINTMENT OF CJPRMA BOARD
REPRESENTATIVE AND ALTERNATE**

ACTION ITEM

ISSUE: The Board of Directors is asked to appoint a new Board Representative and Alternate Board Representative to the California Joint Powers Risk Management Authority (CJPRMA). The current Alternate, Elizabeth Ehrenstrom, has indicated a desire to be the Board Representative and if approved the Board will need to fill the Alternate Board position.

RECOMMENDATION: Solicit interest from the Board and make recommendations or appointments as needed pending Board approval.

FISCAL IMPACT: None.

BACKGROUND: The CJPRMA Board Representative attends meetings and votes on behalf of NCCSIF on all liability program issues (NCCSIF does not participate in their property or auto programs). The Board meets three times a year in Livermore, with an additional Annual Membership Meeting in May that lasts two days and is usually held in another Northern California location. NCCSIF is an important member of the group, representing 10% of their total payroll exposure base.

ATTACHMENT(S): CJPRMA 2021 Meeting Schedule



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

2021 MEETING SCHEDULE

Executive Committee Thursday, January 21, 2021

Board of Directors Thursday, March 18, 2021

Executive Committee Thursday, April 22, 2021

Board of Directors Thursday May 20, 2021
(Annual Membership Meeting)

Executive Committee Thursday, June 17, 2021

Board of Directors Thursday, August 19, 2021

Executive Committee Thursday, September 23, 2021

Board of Directors Thursday, December 9, 2021

No meetings are scheduled for February, July, October, and November.



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item H.13.

SAFETY AWARD PROGRAM

INFORMATION ITEM

ISSUE: Risk Control staff has responded to requests for a safety incentive program by proposing a *Cash for Safety Culture* program used successfully with other groups. The program is designed to recognize and reward members for promoting a positive safety culture within their organization. Members will be encouraged to identify risks within their organizations, develop an idea or solution to reduce the risk, and describe the results. The award criteria will be based on proactive/innovative safety solutions that were implemented by the member and improved employee safety or reduced risk exposures.

To be eligible members will submit an application form and any supporting documentation to the NorCal Cities Risk Control Manager identifying the risk, the idea or solution, and its impact on employees or citizens. The anonymous entries will be presented to the RMC at their April meeting for their review and selection of the winners.

Cash prizes will be awarded for the “Most Outstanding” submission (\$5,000), an “Outstanding” submission (\$3,000) and a “Good” submission (\$2,000). All other submissions will receive an Honorable Mention certificate. The RMC will reserve the right to withhold, or reduce, a monetary award if the submission does not meet the awards criteria.

The members who submit the top three entries will be invited to share their submissions at the Annual NorCal Cities Board Meeting and have them posted on the website. Members and staff will be able to review all submissions to determine if any of the ideas could have a positive impact on their organizations and consequently the entire membership.

FISCAL IMPACT: Proposed budget of \$10,000 to come from the current outside training budget.

RECOMMENDATION: Information Only - The Executive Committee approved moving forward with the Safety Award Program and the Board has included a carve out for it in the budget.

BACKGROUND: Members have suggested developing a program to reward members for implementing safety measures designed to reduce the frequency and/or severity of losses covered by NorCal Cities. One key to a successful program is to avoid incentives that would discourage the reporting of legitimate claims or injuries by focusing on a positive safety culture rather than strictly on the claim numbers.

ATTACHMENT(S):

1. *Cash for Safety Culture* Program Overview
2. *Cash for Safety Culture* Application



Cash SAFETY for **CULTURE**

Change Happens One Idea At A Time

SAFETY AWARD PROGRAM OVERVIEW

The NCCSIF Risk Management Committee has approved a “Cash for Safety Culture” Award Program for the 2021-2022 program year. This program is designed to recognize and reward members for promoting a positive safety culture within their organization. We encourage you to identify ways where the program can specifically help your city promote a positive safety culture and reduce losses.

AWARDS CRITERIA

Members will be recognized for:

- Implementing proactive/innovative safety solutions that impact employee safety
- Implementing proactive/innovative safety solutions that reduce liability exposures

Prize Awards

- Most Outstanding Submission - \$5,000
- Outstanding Submission - \$3,000
- Good Submission - \$2,000
- Honorable Mention – Certificate

MARKETING

Marketing materials and reminders will be sent throughout the year to help promote participation. Consider promoting the program during staff and department head meetings, emailing the Application Form to employees, or posting the Application Form in employee break rooms.



Safety Award Program Overview

SUBMISSIONS

Members must submit an application form and supporting documentation where applicable to be eligible. Tell us what your city has done to improve safety and its effects on your employees or the citizens you serve. Encourage your management team and employees to develop an idea and solution that can have a positive impact on your agency's safety program.

Email all submissions to Henri Castro at enriqueta.castro@sedgwick.com. Remember to retain a copy for your records. Once your submission is received, a confirmation email will be sent to the member. Feel free to contact Henri with any questions at 916.508.3927.

The Risk Management Committee (RMC) will review all submissions and select the winners during the April RMC meeting. The RMC reserves the right to withhold, or reduce, a monetary award if the submission does not meet the awards criteria. In such instances, the member will receive an Honorable Mention certificate.

RECOGNITION

The members who submit the top three entries will be invited to share their submissions at the Annual NCCSIF Board Meeting and all submissions will be posted on the NCCSIF website.

AWARD DISTRIBUTION

Members may receive their award in the following ways:

- Cash award to the Member
- Off-set future NCCSIF premiums

If desired by the member, NCCSIF Staff will come to the member to present the awards during staff meetings and/or board meetings.



Cash for SAFETY CULTURE

SAFETY AWARD PROGRAM APPLICATION

Do you have an idea about how to keep you and your fellow employees safe at work? Have you developed a program, policy, or system to help reduce losses or exposures?

If so, the NCCSIF Risk Management Committee would like to hear about your ideas and solutions. The *Cash for Culture* Safety Award Program was established by the NCCSIF Risk Management Committee to promote a positive safety culture by recognizing and rewarding members who take an active role in their safety program.

Members may be rewarded for implementing proactive/innovative safety solutions that impact workplace safety.

Most Outstanding Submission - \$5,000

Outstanding Submission - \$3,000

Good Submission - \$2,000

Honorable Mention - Certificate

Submit your ideas and solutions by completing the attached form and email to Henri Castro at enriqueta.castro@sedgwick.com. You are encouraged to submit your ideas as they arise. Use a separate Application Form for each submission. You may submit multiple entries, but there is only one monetary award per member.

All submissions must be received by **April 4, 2022** in order to be eligible.

Retain a copy of all documents for your records. Once we receive your submission, a confirmation email will be sent.

All entries will be voted on by the NCCSIF Risk Management Committee during their April meeting.

**CashSAFETY
for CULTURE**
Safety Award Program Application

City:

Name of person submitting:

Title:

Phone:

Email:

Describe the hazard or problem:

Provide details about your idea and solutions:

Describe the results:

Attach additional details and supporting documentation if needed.

Retain a copy of all documents for your records.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Board of Directors Meeting
June 17, 2021**

Agenda Item I.

INFORMATION ITEMS

INFORMATION ITEM

ISSUE: The following items are being presented as information for NCCSIF members.

RECOMMENDATION: None. This item is offered as information only.

FISCAL IMPACT: None.

BACKGROUND: None

ATTACHMENT(S):

1. Glossary of Terms
2. NorCal Cities Organizational Chart
3. NorCal Cities Resource Contact Guide
4. Sedgwick Who's Who in Claims - WC and Liability Contacts
5. 2021 CAJPA Conference September 21st -24th, 2021
6. Nurturing Relationships – Effective Communication Training July 13th, 2021
7. Developing Team Relationships Training August 10th, 2021

GLOSSARY OF TERMS

Term	Definition
4850	Labor Code Section 4850 provide a special benefit for certain public employees who are essentially in safety and law enforcement positions.
AB 1234	Ethics Education for Local Officials
AB 1825	Harassment Prevention Training for Supervisors
Active Negligence	The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in
ACV (Actual Cash Value)	The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it.
Adhesion	When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party --the insurer. The other party the insured does not take part in the preparation of the contract).
ATD (Aerosol Transmissible Diseases)	An epidemiologically significant disease that is transmitted via droplet or airborne route.
Aggregate	The term used to describe the cumulative amount of all losses for a period of time.
Aggregate Stop Loss	A financial arrangement with a JPA's excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would "drop down" and pay losses within the JPIA's SIR, or pooled layer.
AME (Agreed Upon Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim.
Aleatory	An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties.
ACIP (Alliant Crime Insurance Program)	Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job.
APIP (Alliant Property Insurance Program)	The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities.
ADA (American Disability Act)	A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669- 4000 or 1-800-669-6820 (TTY).
Assessment company	Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period)
AIS (Associate in Insurance Services)	Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance.
AGRIP (Association of Governmental Risk Pools)	A national organization of JPA's and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA

GLOSSARY OF TERMS

ALCM (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).
ARM (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss.
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages.
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better.
BOD/BD (Board of Directors)	Body of elected or appointed members who jointly oversee the activities of a company or organization.
BI (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
CAJPA (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs.
CIPRA (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
CJPRMA (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to NCCSIF's Liability Program
CSAC (California State Association of Governments)	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
CSAC-EIA (California State Association of Governments - Excess Insurance Authority)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures. CSAC-EIA provides excess coverage to NCCSIF's workers' compensation pool.
CalTIP (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987.
Catastrophic Loss Reserve	A separate JPJA reserve account designated to pay losses without additional premium assessments to members.
CIC (Certified Insurance Counselor)	An insurance agent professional certification designation

GLOSSARY OF TERMS

CIH (Certified Industrial Hygienist)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them.
CPCU (Chartered Property Casualty Underwriter)	CPCU is a professional designation in property-casualty insurance and risk management
Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another.
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
C&R (Compromise and Release)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	An insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	Describe the responsibilities and the obligations of both the insured and the insurance company.
CL (Confidence Level)	An estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL.
Contract	A legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration.
Contract of Utmost Good Faith	As the insurance company relies on the truthfulness and integrity of the applicant when issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims.
CSP (Certified Safety Professional)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	Contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action

GLOSSARY OF TERMS

Definitions	Clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
DIC (Difference In Conditions)	A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses.
D&O (Directors and Officers)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
DOL (Date of Loss)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
EQ (Earthquake)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers' Liability	Included as part of a worker's compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers' compensation benefits
EPL (Employment Practices Liability)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc.
Endorsement	Any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as "Pollution" and "Pollution Legal" Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
E&O (Errors and Omissions Insurance)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the "misfeasance, malfeasance or non-feasance" of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	Describe the losses for which the insured is not covered
EC (Executive Committee)	Committee within that organization which has the authority to make decisions and ensures that these decisions are carried out.

GLOSSARY OF TERMS

Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL).
Exposure	A condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage).
FASB (Financial Accounting Standards Board)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission.
Fidelity Bonds	Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss.
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds.
GAAP (Generally Accepted Accounting Principles)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
GASB (Governmental Accounting Standards Board)	GASB is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non- governmental organization.
General Liability	Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties).
Hazard	Anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard).
HIPAA (Health Insurance Portability and Accountability Act)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and
IBNR (Incurred But Not Reported)	It is that part of the total claims that is unknown at any point in time. At any time, NCCSIF has claims that have not been reported or recognized by NCCSIF or has claims recognized by NCCSIF but without knowledge of the cost when such claim is finally closed. NCCSIF uses an actuary to project the costs of these unknown liabilities to NCCSIF - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or NCCSIF and expected future development on claims already reported
Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
IIPP (Injury Illness Prevention Program)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	Before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	A contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
IRIC (Insurance Requirements in Contracts)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.

GLOSSARY OF TERMS

ISO (Insurance Services Office, Inc.)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers
Insuring agreements	State in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages.
Limit	The most that will be paid in a loss
LRP (Long Range Planning)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short- term (operational or tactical plans) for achieving interim goals.
LAE (Loss Adjustment Expense)	Administrative expense to manage a claim to conclusion - Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees - Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental.
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values.
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
MMI (Maximum Medical Improvement)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
MOC (Memorandum of Coverage)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	A person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new).
Morale Hazard	An individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs).
Mutual interest company	The insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation

GLOSSARY OF TERMS

Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	A total contribution for losses less excess insurance costs
Non Vacant land	Refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches).
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation.
Occurrence	A) In order for NCCSIF to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in.
Peril	Cause of a loss
P&S (Permanent and Stationary)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
PD (Permanent Disability)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached.
PPE (Personal Protective Equipment)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury.
Physical Hazard	A hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps).
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit.
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. NCCSIF's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance.
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised.
Principle of Indemnity	When a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less.
Property Insurance	This covers the member for damage to its own property, sometimes called first- party coverage.
PARMA (Public Agency Risk Managers Association)	A statewide association for risk managers in the public sector. Educational and lobbying activities.

GLOSSARY OF TERMS

PRIMA (Public Risk Management Association)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes.
Pure Risk	Involves only the possibility of loss
QME (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal.
RC (Replacement Cost)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, NCCSIF estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, NCCSIF collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	The chance or uncertainty of loss (also see Speculative Risks and Pure Risks)
RIMS (Risk and Insurance Management Society)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
SIR (Self-Insured Retention)	The maximum amount of exposure to a single loss retained by NCCSIF

GLOSSARY OF TERMS

Severability of Interests Clause	An insurance policy provision clarifying that the word “insured,” as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants and permittees” policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	Risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	The greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	Sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer’s right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages.
TD (Temporary Disability Benefits)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering.
TPA (Third Party Administrator)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits.
TIV (Total Insured Values)	The values shown on a member city’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss.
TRIA (Terrorism Risk Insurance Act)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal “backstop” for insurance claims related to acts of terrorism.
Vacant land	Refers to land that is unoccupied and unused, and/or has no structures on it.
VIN (Vehicle Identification Number)	Unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

PY 21/22 Organizational Chart

Updated as of 6/11/2021

MEMBER ENTITY	BOARD OF DIRECTORS		BOARD ALTERNATES	RISK MANAGEMENT COMMITTEE	POLICE RISK MANAGEMENT COMMITTEE
City of ANDERSON		Liz Cottrell	Jeff Kiser	Liz Cottrell	Chief Michael Johnson
City of AUBURN		Cristina Shafer	<i>None Appointed</i>	Shari Harris	Chief Ryan L. Kinnan(Vice-Chair)
City of COLUSA		Ishrat Aziz-Khan	Shelly Kittle	Ishrat Aziz-Khan	Chief Josh Fitch
City of CORNING		Kristina Miller	Tom Watson	Tom Watson	Chief Jeremiah Fears
City of DIXON		Rachel Ancheta	Kate Zawadzki	Rachel Ancheta Kim Staile	Chief Thompson
City of ELK GROVE		Kara Reddig	Jim Ramsey	Jim Ramsey Anjmin Mahil - Alternate	Lieutenant Ryan Elmore
City of FOLSOM	*EC	Susan Walter	Steven Wang	Susan Walter	Chief Rick Hillman
City of GALT	EC/CC	Stephanie Van Steyn	Lorenzo Hines	Stephanie Van Steyn	Interim Chief Brian Kalinowski
City of GRIDLEY		<i>Vacant</i>	Elisa Arteaga	Elisa Arteaga	Chief Rodney Harr
City of IONE		<i>Vacant</i>	Lori McGraw	Lori McGraw	Chief Jeff Arnold
City of JACKSON	EC/ CC	Yvonne Kimball	Dalacie Blankenship	Yvonne Kimball	Interim Chief Chris Mynderup
City of LINCOLN	EC	Veronica Rodriguez	Ruthann Codina	Veronica Rodriguez	Chief Doug Lee
City of MARYSVILLE	S / EC/CC	Jennifer Styczynski	<i>Vacant</i>	Jennifer Styczynski	Chief Chris Sachs
City of NEVADA CITY	EC	Joan Phillipe	Gabrielle Christakes	Joan Phillipe	Chief Chad Ellis
City of OROVILLE		Liz Ehrenstrom	<i>None Appointed</i>	Liz Ehrenstrom (Chair)	Chief Joe Deal
Town of PARADISE		<i>Vacant</i>	Crystal Peters	Crystal Peters	Chief Eric Reinbold
City of PLACERVILLE	*P / *EC / *CC	**Dave Warren (Chair)	Cleve Morris	Dave Warren	Chief Joseph Wren
City of RED BLUFF		Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders (Chair)
City of RIO VISTA	VP/T/*EC/*CC	**Jose Jasso (Vice-Chair)	**Jen Lee, CPA	Jose Jasso	N/A
City of ROCKLIN		<i>Vacant</i>	Andrew Schiltz, CPA	Andrew Schiltz, CPA	Chief Chad Butler
City of WILLOWS		Wayne Peadbody	<i>None Appointed</i>		N/A
City of YUBA CITY		Spencer Morrison	<i>Vacant</i>	Sheleen Loza	Chief Robert Landon

OFFICERS		
		Term of Office
President (P)	Dave Warren	10/29/2020 - 6/30/2022
Vice President (VP)	Jose Jasso	10/29/2020 - 6/30/2022
Treasurer (T)	Jen lee	10/29/2020 - 6/30/2022
Secretary (S)	Jennifer Styczynski	7/1/2020- 6/30/2022

Executive Committee (EC) - membership on the EC rotates annually based on a rotation schedule and each member serves for a two-year term, with the **President** serving as **Chair of the Committee**.

Claims Committee (CC) - members of the CC are annually selected by the EC. CC is traditionally made up of at least five members of the EC, with the **Vice President** serving as **Chair of the Committee**.

CJPRMA Board Representative: Veronica Rodriguez appointed 10/24/2019

PROGRAM ADMINISTRATORS (Alliant Insurance Services)		CLAIMS ADMINISTRATORS (Sedgwick formerly York)	RISK CONTROL CONSULTANTS (Sedgwick formerly York/Bickmore)	ADVISORS
Michael Simmons	Marcus Beverly	Dorienne Zumwalt	Enriqueta Castro	Byrne Conley (Board Counsel)
Conor Boughey	Raychelle Maranan	Steven Scott (Workers' Comp)	Tom Kline (Police RM)	James Marta, CPA (Accountant)
Jenna Wirkner		Jill Petrarca (Liability)		



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

TABLE OF CONTENTS

As a member of NCCSIF, your City/Town has many risk management resources available. This Services Matrix is designed to assist you with identifying and locating these resources.

CONTACT INFORMATION										
Pg. 1-2	Program Service Providers									
Pg. 3	Other Coverage Providers									
Pg. 4-6	Contracted Vendor Services (additional member cost)									
RISK MANAGEMENT SERVICE CATEGORY		SEDGWICK	PRISM	TARGET SOLUTIONS	OCCU - MED	APIP	LEXIPOL	ACI EAP	CAL-TIP	DKF SOLUTIONS/CSMA
Pg. 7	Telephone Hotline - Questions & Guidance	X								
Pg. 7	Hazard & Safety Assessment	X								X
Pg. 8	Program/Policy Development	X	X				X			X
	Safety Materials/Web-based Courses/Videos	X	X	X						X
Pg. 8	On-Site Training	X	X							X
Pg. 8	Ergonomic Evaluations	X								
Pg. 9	Risk Management Webinars	X	X			X				
Pg. 9	Employer Pull Notice Program		X							
Pg. 10	Pre-Employment Medical Services				X					
Pg. 10	Employee Assistance Program - Health & Wellness							X		
Pg. 11	Transit Resources (available to CalTIP members)								X	

* Services and resources are available at no additional cost, unless specifically noted.

Updated: 6/11/2021



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

PROGRAM SERVICE PROVIDERS

SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED
<p>PROGRAM ADMINISTRATION</p> <p>Alliant Insurance Services, Inc. 2180 Harvard Street, Suite 460 Sacramento, CA 95815 Main: (916) 643-2700 Fax: (916) 643-2750 www.alliant.com</p>	<p>Marcus Beverly Office: (916) 643-2704 Cell: (916) 660-2725 Marcus.Beverly@alliant.com</p> <p>Michael Simmons Office: (415) 403-1425 Cell: (925) 708-3374 msimmons@alliant.com</p> <p>Conor Boughey Office: (415) 403-1400 Cell: (415) 744-4889 cboughey@alliant.com</p> <p>Jenna Wirkner Office: (916) 643-2741 Jenna.Wirkner@alliant.com</p>	<p><i>JPA MANAGEMENT ISSUES</i></p> <ul style="list-style-type: none"> ▪ Governance - policies and procedures, program budget/funding, financial analysis, program management, personnel, contracts, consultants. ▪ Coverage - coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development. ▪ Risk Management - Insurance Requirements in Contracts (IRIC), third party contract review, hold harmless and indemnification clauses, risk management program planning, RFPs for JPA payment approval of budgeted funds. <p>MAIN CONTACT Marcus Beverly Michael Simmons Jenna Wirkner Conor Boughey</p>
		<p><i>JPA ADMINISTRATIVE ISSUES</i></p> <ul style="list-style-type: none"> ▪ Meetings & Compliance - agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website updates. ▪ Certificates - certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs. <p>MAIN CONTACT Jenna Wirkner Marcus Beverly</p>



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

PROGRAM SERVICE PROVIDERS

SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED
ACCOUNTING SERVICES James Marta & Company LLP 701 Howe Avenue, Suite E3 Sacramento, CA 95825 Main: (916) 993-9494 Fax: (916) 993-9489 www.jpmmcpa.com	Jim Marta, CPA jmarta@jpmmcpa.com David Becker, CPA Orysyia V. Savchuk osavchuk@jpmmcpa.com	<ul style="list-style-type: none"> Billing, accounting and financial managements
SAFETY AND RISK CONTROL SERVICES Sedgwick <i>formerly York/Bickmore</i> 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833 Main: (800) 541-4591 Fax: (855) 242-8919 www.sedgwick.com	Eric Lucero Office: (916) 869-0772 Eric.Lucero@sedgwick.com Tom Kline - Police Risk Management Office: (916) 244-1121 thomas.kline@sedgwick.com	<ul style="list-style-type: none"> Telephone Hotline - Questions & Guidance Hazard & Safety Assessment Program/Policy Development Ergonomic Evaluations On-site Training Safety Materials On-line Streaming Videos Webinars - WC and Liability Risk Management Topics
CLAIMS ADMINISTRATION Sedgwick <i>formerly York Risk Services Group, Inc.</i> P.O. Box 619079 Roseville, CA 95661-9058 Main: (916) 783-0100 Fax: (866) 548-2637 www.sedgwick.com	Dorienne Zumwalt Office: (916) 960-1017 dorienne.zumwalt@sedgwick.com Steven Scott - WC Senior Manager Office: (916) 960-0946 steven.scott@sedgwick.com Jill Petrarca - Liability Senior Manager Office: (916) 746-8849 jill.petrarca@sedgwick.com	Third-Party Workers' Compensation (WC) and Liability Claims Administrator --refer to York's <i>Who's Who in Claims</i> for specific Claim Adjuster's contact information. Report New Liability Claims to: 7374NCCSIF@sedgwick.com



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

OTHER COVERAGE PROVIDERS

SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED
PRISM Excess Workers' Compensation Coverage	Travis Clemmer Kristen Calderon (video library) Office: (916) 850-7300 Email: tclemmer@csac-eia.org https://www.prismrisk.gov/dashboard/	<ul style="list-style-type: none"> Program/Policy Development (*additional member cost) On-site Training Safety Materials Video Library Webinars - WC Risk Management Topics
Vector/Target Solutions Web-based Resources available through partnership with PRISM.	https://www.prismrisk.gov/services/risk-control/training/vector-solutions/	<ul style="list-style-type: none"> Web-based Courses* Records Management <p><i>*EIA members are able to access the standard course library at no cost. However, there is a cost to the member for the premium content listed under "Additional Courses"</i></p>
CJPRMA (California Joint Powers Risk Management Authority) Excess Liability Coverage	Tony Giles - General Manager Office: (925) 290-1316 Email: tony@cjprma.org http://www.cjprma.org/	<ul style="list-style-type: none"> Regional Training provided on a variety of Liability-related Topics
APIP - Alliant Property Insurance Program	Contact Marcus Beverly, Alliant Insurance Services, for questions.	<ul style="list-style-type: none"> Webinars - Property Risk Management Topics <p>In addition, Boiler and Machinery coverage is provided through your participation in APIP.</p> <ul style="list-style-type: none"> ➤ For resources with your boiler, electrical, mechanical, and HVAC equipment, visit www.hsb.com/calc/ENG and use the online tools and calculators developed by Hartford Steam Boiler's engineering staff. ➤ Useful information specific to equipment care, operating logs and maintenance fact sheets on the website www.hsb.com which has several resources available under the 'Knowledge Center' tab.



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SERVICE PROVIDERS AND VENDOR MATRIX

Lexipol Law Enforcement and Fire risk management Website: www.lexipol.com	Dale Cephers West Region Market Development Executive Office: (469) 731-4685 Email: dcephers@lexipol.com	<ul style="list-style-type: none">▪ Police Risk Management Policies and Procedures▪ Fire Training (*additional member cost)
CaltIP - California Transit Indemnity Pool Self-insurance program for public transit operators	Terrie Norris, Sedgwick Office: (916) 290-4655 Email: terrie.norris@sedgwick.com Website: http://www.caltiponline.org/	<ul style="list-style-type: none">▪ Transit Specific Risk Management Resources for Member Cities (Auburn and Dixon)



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

CONTRACTED VENDOR SERVICES (additional member cost)		
VENDOR SERVICES	CONTACT INFORMATION	SERVICES PROVIDED
<p>EMPLOYEE ASSISTANCE PROGRAM</p> <p>ACI Specialty Benefits Corporation 6480 Weathers Place, Suite 300 San Diego, CA 92121 Main: (800) 932-0034 Fax: (858) 452-7819 www.acieap.com</p>	<p>Sasha Abrahms, Account Manager Office: (858) 736-3976 Email: sabrahms@acieap.com</p>	<ul style="list-style-type: none"> Employee Assistance Program
<p>Pre-employment Medical Services</p> <p>Occu-Med</p>	<p>Bill Vogeler Office: (559) 435-2800, ext. 101 Email: bvogeler@occu-med.com Website: www.occu-med.com</p>	<ul style="list-style-type: none"> Review of Pre-placement Medical Exams Job Analysis
<p>Sewer Risk Management</p> <p>DKF Solutions Group, LLC</p>	<p>David Patzer Office: 707.373.9709 Email: dpatzer@dkfsolutions.com Website: http://www.dkfsolutions.com</p>	<ul style="list-style-type: none"> Sewer Risk Management
<p>Aquatics Risk Management</p> <p>Total Aquatic Management www.totalaquaticmanagement.webs.com</p>	<p>Jim Wheeler Office: (510) 523-3155 Email: jim@totalaquaticmanagement.com swimnjim@hotmail.com</p>	<ul style="list-style-type: none"> Aquatic Safety services Certified Pool Operator (CPO) Trainings
<p>Sidewalk Repair Services</p> <p>Precision Concrete Cutting Main: (866) 792-8006 Fax: (650) 240-3866 www.dontgrind.com</p>	<p>Katrina Lynch (916) 847-7346 Klynch@dontgrind.com</p> <p>Joseph Ortega jortega@DontGrind.com</p>	<ul style="list-style-type: none"> Sidewalk cutting to repair defects Will inspect to your specifications Map defects Repairs @ \$35 to \$50 per location



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

CONTRACTED VENDOR SERVICES (additional member cost)		
VENDOR SERVICES	VENDOR CONTACT INFORMATION	SERVICES PROVIDED
ADA Compliance	City Consulting Engineer - CEC Inc. Yuba City 1110 Civic Center Blvd. Ste. 404 Yuba City, CA 95993 Email: Swartz@cecusa.net (530) 751-0952	
ADA Compliance	Sally Swanson Architects 220 Sansome Street. STE 800 San Francisco, CA 94104 (415) 445-3045 ext. 118	
ADA Compliance	SZC Consulting Group Sacramento Office 2377 Gold Meadow Way, # 100 Gold River, CA 95670 (916) 669-8750 Silicon Valley Office 228 Hamilton Avenue, 3rd Floor Palo Alto, CA 94301 (866) 694-7637	
Arborist ASCA Registered Consulting Arborist #480 ISA Certified Arborist & Municipal Specialist #WE-0151 AM ISA TRAQ Risk Assessment Qualified	Gordon Mann - Consulting Arborist California Tree and Landscape Consulting, Inc. & Mann Made Resources 10556 Combie Road Auburn, CA 95602 Cell: (650) 740-3461 Email: gordon@mannandtrees.com website: https://mannandtrees.com/	<ul style="list-style-type: none"> ▪ Contract Preparation and Supervision ▪ Diagnosis of Tree and Landscape Problems ▪ Insect and Disease Identification and Management ▪ Municipal Ordinance Development ▪ Training and Education, Tree, Landscape, and Nursery Appraisals ▪ Tree Plant Inventories ▪ Tree Protection for Construction Projects ▪ Tree Risk Assessments and Surveys



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

CONTRACTED VENDOR SERVICES (additional member cost)		
VENDOR SERVICES	VENDOR CONTACT INFORMATION	SERVICES PROVIDED
Arborist	Professional Landscape Solutions 6108 27th Street, Ste. C Sacramento, CA 95822 (916) 424-3815	
Drug & Alcohol Testing	Datco Services Corporation 2280 Grass Valley Highway Suite 232 Auburn, CA 95603 530-268-8101 (800) 95-DATCO (32826)	
Drug & Alcohol Testing	Feather River Hospital 5974 Pentz Road Paradise, CA 95969 (530) 876-7919	
Janitorial Services	City Wide 6108 27th Street STE C Sacramento, CA 95822 (916) 424-3815	
Janitorial Services	Peerless Building Maintenance 4665 Mountain Lakes Blvd. Redding, CA 96003 (530) 222-6369	
Janitorial Services	Ultimate Building Maintenance Inc 598 Garden Hwy Suite 5 Yuba City, CA 95591 (530) 671-1564	



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

RISK MANAGEMENT SERVICE CATEGORY

Telephone Hot Line Questions/Guidance	SEDGWICK (formerly York/Bickmore) Sedgwick is NCCSIF's risk control services provider. Dave Beal is your point of contact for risk management questions and guidance.
Hazard & Safety Assessment	SEDGWICK (formerly York/Bickmore) A comprehensive Hazard & Safety Assessment is completed for each city to help identify risk management strengths and improvement opportunities. The assessment is used as a tool to help prioritize risk management efforts. It includes best practices in the following areas: <div> <div> 1. Risk Management Program Overview 2. Aerial Lift Operations 3. Aerosol Transmissible Diseases (ATD) Control 4. ADA Compliance 5. Animal Control Services 6. Automobile & Fleet Liability 7. Blood Borne Pathogens ECP 8. Business Continuity Plan 9. Confined Space Entry Program 10. Contractor Selection & Control 11. Contractual Transfer of Risk </div> <div> 12. Emergency Response & Management 13. Employment Practices Liability 14. Ergonomic Injury Management 15. Fire Department Operations 16. Fire Prevention Program 17. Forklifts & Powered Industrial Trucks 18. Hazard Communication Program 19. Hearing Conservation Program 20. Heat Illness Prevention Program 21. Information Technology 22. Injury & Illness Prevention Program </div> <div> 23. Lockout-Tagout 24. Parks & Recreation Operations 25. Personal Protection Equipment 26. Police Department Operations 27. Respiratory Protection Program 28. Return-to-Work & Transitional Duty 29. Sewers Liability Management 30. Sidewalks Liability Management 31. Traffic Engineering 32. Trenching & Excavation Operations 33. Urban Forest Management 34. Work Zone Safety </div> </div>



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

Program & Policy Development	<p>SEDGWICK (formerly York/Bickmore) Our risk control service includes assistance with the development and implementation of Cal/OSHA required written programs such as Injury & Illness Prevention Program, Hazard Communication Program, Aerosol Transmissible Diseases Procedures for fire and police, Bloodborne Pathogens Exposure Control Plan, etc. Our website also includes sample programs and guides.</p> <p>PRISM (Additional Cost) PRISM loss prevention specialists are available to provide assistance with program development at an additional cost to NCCSIF members. Contact PRISM directly for assistance.</p> <p>LEXIPOL NCCSIF members have access to the law enforcement and fire risk management policies offered through Lexipol.</p>
On-Site Training	<p>SEDGWICK (formerly York/Bickmore) On-site training is available to members on a variety of workers' compensation, liability, and EPL exposures. Training topics include, but are not limited to, Cal/OSHA program requirements, hazard inspections, accident investigation, forklift certification, driver training, sexual harassment, CPR certification, various workplace safety topics, and more. Contact Dave to discuss and schedule on-site training.</p> <p>PRISM PRISM is available to conduct a variety of workers' compensation related safety training at an additional cost to members. Contact Travis Clemmer to discuss available topics and scheduling.</p> <p>CJPRMA Every year CJPRMA conducts up to five regional training workshops throughout California. In the past, topics have included contractual risk transfer, police liability, parks and recreation liability, and sidewalk liability controls. CJPRMA will send the training announcement to Alliant, who will then forward to all NCCSIF members.</p>
Ergonomic Evaluations	<p>SEDGWICK (formerly York/Bickmore) Sedgwick is available to conduct office and industrial ergonomic evaluations for all members. Contact Dave Beal to discuss and schedule ergonomic evaluations.</p>



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

Risk Management Webinars	<p>SEDGWICK (formerly York/Bickmore)</p> <p>Throughout the year, Sedgwick risk control staff conducts webinars on a wide range of safety topics such as heat illness prevention, scaffold safety, disaster management, and new safety regulations. Our goal is to communicate relevant safety information in an all-inclusive and cost-effective way. NCCSIF members will receive webinar announcements via email. The one-hour webinars are recorded and available to view at any time on the Sedgwick Risk Control website.</p> <p>PRISM</p> <p>PRISM conducts several workers' compensation related webinars throughout the year, which are available to all NCCSIF members. Contact Travis Clemmer to ensure your city is included in the announcement distribution.</p> <p>APIP</p> <p>NCCSIF members have access to all APIP property related webinars. Contact Marcus Beverly to ensure your city is included in the announcement distribution.</p>
Employer Pull Notice Program	<p>PRISM & TARGET SOLUTIONS (Additional cost to members)</p> <p>PRISM and Target Solutions have partnered with A-Check America to automate your Employer Pull Notice (EPN) program. Using this program, you can electronically monitor your employees' driving records and receive notification within hours of a reportable incident.</p> <p>You can access your driver roster and key data from a dashboard within Target Solutions. This data is accessible only to you and A-Check America and features a summary of the number of drivers added and removed from the system, an overview of the violations and accidents that have occurred, and a breakdown of your employees' license renewal status. For additional information go to www.CSAC-eia.org, Services/Loss Prevention/Target Solutions Platform.</p>



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

Pre-Employment Medical Services	<p>OCCU-MED</p> <p>Services offered at an additional cost:</p> <ul style="list-style-type: none">▪ Review of Pre-Placement Medical Exams▪ Job Analysis▪ Maintaining a network of qualified and trained medical providers and medical specialists for necessary exams▪ Conducting job analyses and preparing job profiles and medical examination profiles▪ Providing orientation of client staff in the legal/medical/risk management and human resources aspects of our service▪ Scheduling and harvesting of pre-placement medical exams▪ Organizing and managing return-to-work and fitness-for-duty exams▪ Evaluating medical information in relation to the essential duties of jobs in a legally defensible manner (EXAMQA®)▪ Communicating directly with applicants to obtain the confidential medical information that is needed for clearance for a particular job (RDQA)▪ Developing “Occu-Panels” with a national laboratory that allows for the selection of only those tests for the blood chemistry panel that are compliant with state law for each job class▪ Performing bill review for the medical exams performed by clinics▪ Providing customized services such as OSHA Respirator Questionnaire Evaluations, Bloodborne Pathogen Programs, and clinic trainings
Employee Assistance Program	<p>ACI</p> <p>Services offered at an additional cost:</p> <ul style="list-style-type: none">▪ Employee Assistance Program (Additional cost to members) <p>Employees and their family members can receive up to three counseling visits per year. The family members do not need to be within the same residence. The visits are considered short-term resolution. If the person needs additional counseling, ACI will help them transition into their private insurance plan.</p> <ul style="list-style-type: none">▪ Legal and Financial Services (Additional cost to members) <p>Employees and their family members have unlimited access to telephonic legal and financial services.</p>



RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

Transit Resources

CalTIP - California Transit Insurance Pool

Self-insurance program for public transit operators. Member cities include Auburn and Dixon.

Programs and Safety Materials

- System Safety Program Plan (SSPP) Development
- SSPP Implementation Assessment & Follow-up Process
- SAMPA Fleet Watch Paperless DMV EPN Program
- Bus Operator Selection Survey (BOSS)
- CalTIP Risk Profile
- APTA Membership
- Bus Stop Location & Design Evaluation Program
- Digital Video Event Recorder System
- Mobility Device Marking & Tethering Program
- APTA Safety Standards
- Best Practices
- Bus Stop Toolkit
- Pedestrian Safety Guide for Transit Agencies
- Safety Posters and Flyers



Who's Who in Claims Liability Contacts

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Handles All Cities as Needed

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Property & Casualty Adjuster
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Anderson, Colusa, Corning, Gridley, Marysville, Oroville
Paradise, Red Bluff, Willows, Yuba City

Brian Davis

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Handles All Cities as Needed

Jill Petrarca

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Nevada City, Rio Vista, Rocklin

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Future Medical claims

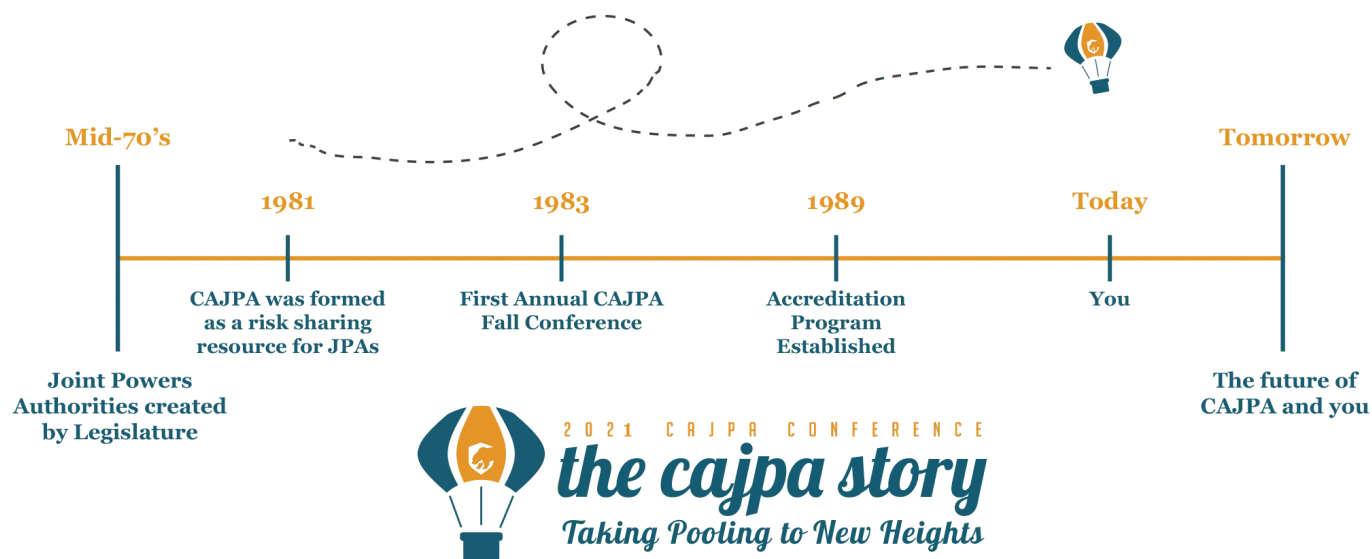
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SEPTEMBER 21-24, 2021 | SOUTH LAKE TAHOE, CA



PROFESSIONAL DEVELOPMENT

The conference offers something for everyone who is involved with risk pool operations and leadership. Executive, administrative, finance, technology and risk management professionals will all walk away better educated and inspired. Board members will learn more about the current challenges and opportunities facing the agencies they govern. CAJPA's conference truly has something for everyone serving risk sharing pools.

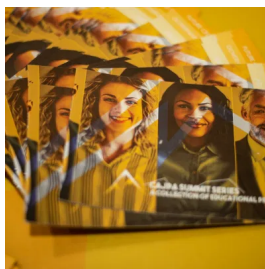


REAL-WORLD EXAMPLES

Our sessions are selected by a hard working committee comprised of experts in every pool profession. Specific learning outcomes are identified to ensure attendees take away knowledge that they will be able to immediately apply to their job.

ATTENDEE REGISTRATION

TAKING POOLING TO NEW HEIGHTS





Nurturing Relationships - Effective Communication

Tuesday, July 13, 2021

10:00 A.M. – 11:00 A.M.

NCCSIF is proud to offer a virtual training course on Nurturing Relationships - Effective Communication. This training is being provided by our Employee Assistance Program Administrator, ACI Specialty Benefits.

Communication is how thoughts, ideas and feelings are expressed to others. Communicating with others includes communicating attitudes, values, priorities, and beliefs. No matter what is expressed in words, messages about the speaker and the listener are conveyed through non-verbal communication including gestures, facial expressions, tone of voice and attitude.

Cost?

This training is being offered at **no cost** to all NCCSIF members.

If you are unable to attend the live training, this workshop will be recorded and made available on the NCCSIF website for viewing at a later date.

Who should attend?

This training is recommended for all employees.

Registration link:

[Tuesday, July 13, 2021](#)

For assistance with registration, please contact Jenna Wirkner at: jenna.wirkner@alliant.com



Developing Team Relationships

Tuesday, August 10, 2021

10:00 A.M. – 11:00 A.M.

NCCSIF is proud to offer a virtual training course on Developing Team Relationships. This training is being provided by our Employee Assistance Program Administrator, ACI Specialty Benefits.

Personality assessments help people understand themselves and others with the goal of working together more effectively. Developing Team Relationships is a fast-paced, lively approach to reducing stress personally and professionally. Discuss practical and easy techniques for dealing with various personality styles for better working relationships.

Cost?

This training is being offered at **no cost** to all NCCSIF members.

If you are unable to attend the live training, this workshop will be recorded and made available on the NCCSIF website for viewing at a later date.

Who should attend?

This training is recommended for all employees.

Registration link:

[Tuesday, August 10, 2021](#)

For assistance with registration, please contact Jenna Wirkner at: jenna.wirkner@alliant.com