



**President**  
Ms. Elizabeth Ehrenstrom  
City of Oroville

**Vice President**  
Ms. Kristine Haile  
City of Folsom

**Treasurer**  
Mr. Tim Sailsbery  
City of Willows

**Secretary**  
Ms. Gina Will  
Town of Paradise

## NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND BOARD OF DIRECTORS MEETING AGENDA

**DATE/TIME:** Thursday, June 25, 2020 at 10:00 AM

**A - Action**  
**I - Information**

**LOCATION:** Zoom Teleconference  
Call-in Number: (669) 900-6833  
Meeting ID: 965 4743 6239

**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**

*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.*

- pg. 7 1. Board of Directors Meeting Minutes - April 23, 2020
- pg. 16 2. Check Register from March 1, 2020 to May 20, 2020
- 3. Investment Reports
- pg. 19 a. Chandler Asset Management Short/Long Term - March 2020 to April 2020
- pg. 35 b. Local Agency Investment Fund (LAIF) Report as of March 31, 2020
- pg. 36 c. Treasurer's Report as of March 31, 2020
- pg. 37 4. 2020/2021 Lexipol Fire Subscription Services Memorandum of Understanding
- pg. 40 5. 2020/2021 Lexipol Law Enforcement Subscription (LES) Services MOU
- pg. 43 6. 2020/2022 ACI Employee Assistance Program Group Discount Contract



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pg. 48	7. Crowe LLP Financial Auditing Services Engagement Letter	
pg. 64	8. Critical Incident Video Services General Retainer Agreement	
pg. 73	9. Precision Concrete Cutting Services Agreement	
pg. 77	10. Cordico Inc. Services Agreement	
pg. 83	11. Sedgwick Worker’s Compensation Quaterly Report as of June 2020	
pg. 89	12. P&P A-9: Liability Defense Counsel List, revised May 28, 2020	
pg. 92	<b>E. GENERAL RISK MANAGEMENT ISSUES</b>	<b>I 4</b>
	<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>	
	<b>F. ADMINISTRATION REPORTS</b>	<b>I</b>
	1. <b>President’s Report</b>	<b>4</b>
	<i>Elizabeth Ehrenstrom will address the Board on items pertaining to NCCSIF.</i>	
	2. <b>CJPRMA Update</b>	<b>4</b>
	<i>Marcus Beverly will update the Committee on CJPRMA matters pertinent to NCCSIF. Minutes of the meeting can be found at <a href="http://www.cjprma.org">http://www.cjprma.org</a></i>	
	3. <b>Program Administrator’s Report</b>	<b>4</b>
	<i>Alliant will address the Board on items pertaining to NCCSIF.</i>	
	a. Service Provider Survey	
	b. Board Member Update	
	c. Lawyer of the Year Award	
pg. 94	d. FY 19/20 Member Training Fund Usage Report	<b>1</b>
pg. 95	4. <b>Summary of the May 28, 2020 Executive Committee Meeting</b>	<b>1</b>
	<i>The Board will receive a summary of the actions taken at the May 28, 2020 Executive Committee meeting.</i>	
	<b>G. FINANCIAL REPORTS</b>	
pg. 96	1. <b>Quarterly Financial Report for Period Ending March 31, 2020</b>	<b>A 1</b>
	<i>James Marta &amp; Company will present the quarterly financial report ending March 31, 2020 for the Board to Accept and File.</i>	





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- pg. 133      2. **Budget to Actual as of March 31, 2020** **I 1**  
*The Board will receive an update on the Budget to Actual as of March 31, 2020.*

**H. JPA BUSINESS**

1. **FY 20/21 Memoranda of Coverage (MOC)** **A 1**  
*Annually, the Board reviews NorCal Cities' MOCs and approve or make changes to the current versions.*

- pg. 134      a. **Liability MOC**  
*The Board will be presented options for addressing the communicable disease exposure presented by COVID-19 or similar outbreaks.*

- pg. 146      b. **Workers' Compensation MOC**  
*The Board will receive notice of a change to the excess coverage related to any future diseases.*

2. **FY 20/21 Property Program Renewal**

- pg. 167      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. 330      b. **Infectious Disease Coverage Special Notice** **I 1**  
*The Board will receive information about changes regarding infectious disease coverage.*

- pg. 332      c. **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. 334      d. **Excess Cyber Coverage Renewal** **A 1**  
*The Board will review and may approve the renewal of the Excess Cyber Coverage following presentation explaining the options.*

- pg. 354      e. **Alliant Deadly Weapon Response Program (ADWRP)** **A 1**  
*The Board will review and may approve the renewal of the ADWRP coverage.*



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pg. 372	f. <b>Flood Coverage</b> <i>Members will be reminded of the flood coverage available under the Property Program and interested members will receive optional quotes.</i>	I	I
pg. 374	3. <b>FY 20/21 Crime Coverage Renewal</b> <i>The Board will review and may approve the Crime coverage with Alliant Crime Insurance Program (ACIP).</i>	A	1
pg. 394	4. <b>FY 20/21 Identity Fraud Expense Reimbursement Coverage Renewal</b> <i>The Board will review and may approve the renewal of ID Fraud Coverage for NCCSIF member employees.</i>	A	1
pg. 402	5. <b>FY 20/21 NCCSIF Administrative and Group Purchase Budget</b> <i>The Board will review and may approve the Administration Budget as presented or amended.</i>	A	1
pg. 405	6. <b>Adoption of FY 20/21 Program Budget</b> a. <b>Liability</b> <i>Approval of the Deposit Calculations for Liability.</i>	A	1
pg. 409	b. <b>Workers' Compensation</b> <i>Approval of the Deposit Calculations for Workers' Compensation.</i>	A	1
pg. 412	7. <b>Conflict of Interest Code</b> <i>Review and approve the Conflict of Interest Code as done every even year.</i>	A	1
pg. 417	8. <b>Strategic Plan Update</b> <i>The Board is asked to consider a full day planning session with facilitator.</i>	A	1
pg. 419	9. <b>Resolution 20-04 Authorizing Signers for the Investment of Monies in the Local Agency Investment Fund ( LAIF)</b> <i>Review and approve Resolution 20-04 Authorizing signers to transfer money to or from LAIF.</i>	A	1
pg. 422	10. <b>Electronic Document Delivery Option</b> <i>The Board members are provided a form to authorize Alliant to send documents to members electronically.</i>	A	1



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- |         |  |            |
|---------|--|------------|
| pg. 424 | 11. <b>CAJPA Request for Donation - Data Collection For Tort Reform</b><br><i>The Board is asked to make a donation of up to \$10,000 to CAJPA to complete their Tort Liability Data Analysis Project, with goal of tort reform.</i> | <b>A 1</b> |
| pg. 429 | 12. <b>2020/2021 Service Calendar</b><br><i>The Board is presented a service calendar to keep abreast with business items and the required completion dates.</i>   | <b>I 1</b> |
|         | <b>I. INFORMATION ITEMS</b>  | <b>I 1</b> |
| pg. 437 | 1. Glossary of Terms   |            |
| pg. 446 | 2. NCCSIF Organizational Chart   |            |
| pg. 447 | 3. NCCSIF FY 2020/2021 Meeting Calendar  |            |
| pg. 448 | 4. NCCSIF Resource Contact Guide   |            |
| pg. 461 | 5. York Who's Who in Claims - WC and Liability Contacts  |            |

**J. ADJOURNMENT**

**UPCOMING MEETINGS**

- Police Risk Management Committee Meeting - August 6, 2020
- Claims Committee Meeting - September 24, 2020
- Executive Committee Meeting - September 24, 2020
- Risk Management Committee Meeting - October 29, 2020
- Board of Directors Meeting - October 29, 2020
- Police Risk Management Committee Meeting - November 5, 2020

*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](http://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 25, 2020**

**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 Meeting Minutes - April 23, 2020
2. Check Register from March 1, 2020 to May 20, 2020
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - March 2020 to April 2020
  - b. Local Agency Investment Fund (LAIF) Report as of March 31, 2020
  - c. Treasurer's Report as of March 31, 2020
4. 2020/2021 Lexipol Fire Subscription Services Memorandum of Understanding
5. 2020/2021 Lexipol Law Enforcement Subscription (LES) Services MOU
6. 2020/2022 ACI Employee Assistance Program Group Discount Contract
7. Crowe LLP Financial Auditing Services Engagement Letter
8. Critical Incident Video Services General Retainer Agreement
9. Precision Concrete Cutting Services Agreement
10. Cordico Inc. Services Agreement
11. Sedgwick Worker's Compensation Quarterly Report as of June 2020
12. P&P A-9: Liability Defense Counsel List, revised May 28, 2020



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NCCSIF BOARD OF DIRECTORS MEETING MINUTES  
ZOOM TELECONFERENCE  
APRIL 23, 2020**

**BOARD OF DIRECTORS PRESENT**

Liz Cottrell, City of Anderson  
Brad Koehn, City of Elk Grove  
Stephanie Van Steyn, City of Galt  
Jon Hanken, City of Ione  
Loree McCay, City of Nevada City  
Gina Will, Town of Paradise  
Sandy Ryan, City of Red Bluff  
Andrew Schiltz (Alternate), City of Rocklin  
Spencer Morrison, City of Yuba City

Kristina Miller, City of Corning  
Kristine Haile, City of Folsom (**Vice Chair**)  
Elisa Arteaga (Alternate), City of Gridley  
Dalacie Blankenship (Alternate), City of Jackson  
Liz Ehrenstrom (**Chair**), City of Oroville  
Dave Warren, City of Placerville  
Jose Jasso, City of Rio Vista  
Tim Sailsbery, City of Willows

**OTHER MEMBERS PRESENT**

Mike Solley, City of Marysville

**BOARD OF DIRECTORS ABSENT**

Cristina Shafer, City of Auburn  
Toni Benson, City of Colusa  
Yvonne Kimball, City of Jackson  
Jennifer Styczynski, City of Marysville

Rachel Ancheta, City of Dixon  
Jim Francis, City of Folsom  
Veronica Rodriquez, City of Lincoln  
Kimberly Sarkovich, City of Rocklin

**CONSULTANTS & GUESTS**

Marcus Beverly, Alliant Insurance Services  
Michael Simmons, Alliant Insurance Services  
Raychelle Maranan, Alliant Insurance Services  
Jenna Wirkner, Alliant Insurance Services  
Conor Boughey, Alliant Insurance Services

Dori Zumwalt, Sedgwick  
Mike Harrington, Bickmore Actuarial  
James Kim, Bickmore Actuarial  
James Marta, James Marta & Co.  
Eric Small, Sedgwick

**A. CALL TO ORDER**

Chair called the meeting to order at 1:05 p.m.

**B. ROLL CALL**

Roll call was taken and the above-listed members were present constituting a quorum.



### C. APPROVAL OF AGENDA AS POSTED

**A motion was made to approve the Agenda as posted.**

**Motion:** Kristine Haile                      **Second:** Dave Warren                      **Motion Carried**  
**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

### D. PUBLIC COMMENTS

No public comments.

### E. CONSENT CALENDAR

1. Board Meeting Minutes – January 16, 2020
2. Check Register from January 1, 2020 to February 28, 2020
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - January 2020 to February 2020
  - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2019
  - c. Treasurer’s Report as of December 31, 2019
4. Sedgwick Workers’ Compensation Quarterly Claims Report
5. 19/20 Alliant-Commission Opt-Out Letter dated April 6, 2020
6. Excess Cyber Proposal and Bind Order

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

**Motion:** Kristine Haile                      **Second:** Andrew Schiltz                      **Motion Carried**  
**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

### F. GENERAL RISK MANAGEMENT ISSUES

No discussion from members.

### G. ADMINISTRATION REPORTS

#### G.1. President’s Report





During Risk Management Meeting the committee discussed the process of re-opening cities and returning to work guidelines. Placerville is releasing a re-opening plan tomorrow and will share with the group.

## **G.2. CJPRMA Update**

Marcus Beverly gave an update from the last CJPRMA meeting. Members will have a choice of SIRs including \$500,000 and \$750,000 for FY 20/21. CJPRMA will be getting rid of the \$500,000 SIR option next year.

## **G.3. Program Administrator's Report**

- a) Marcus Beverly introduced new NCCSIF Staff member- Jenna Wirkner, will be taking over administrative duties.
- b) The NCCSIF website is being updated and will be activated in a few weeks.

## **G.4. Summary of the March 26, 2020 Executive Committee Meeting**

Mr. Beverly reviewed March Executive Meeting summary and actions taken that will be approved later in the meeting. Kristine Haile is nominated for President.

Information only, no action taken.

## **G.5. FY 19/20 EIA Member Annual Report**

Mr. Beverly reviewed the FY 19/20 EIA Member Annual Report, and noted the excess workers compensation savings is \$516,856. This will be the last CSAC-EIA report because they are changing their name to PRISM. Information only, no action taken.

## **H. FY 20/21 Officers and Executive Committee**

Mr. Beverly reviewed Executive Committee nominations - Kristine Haile for President, Dave Warren Vice President, and Jennifer Styczynski for Secretary. Nominations from the floor were solicited with no further candidates presented.

**A motion was made to elect Kristine Haile for President, Dave Warren Vice President, and Jennifer Styczynski for Secretary.**

**Motion:** Brad Koehn

**Second:** Jon Hanken

**Motion Carried**

**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery

**Nays:** None



*Loree McCay left the meeting at 1:20*

## **I. Financial Reports**

### **I.1. Quarterly Financial Report for Period Ending December 31, 2019**

*Loree McCay joined meeting 1:24*

James Marta gave a brief overview of the quarterly report. NCCSIF finances are on target. The Liability Program focus continues to be on strengthening Net Position and for Work Comp an increase in larger claims from previous years. The admin layer balance includes items set aside by members for Risk Management Reserves.

Mr. Beverly discussed the Risk Management Reserves. Members are given a choice on how to allocate any refund - check, credit toward premium, and/or contribute to their own reserve fund.

**A motion was made to accept and file financial report.**

**Motion:** Tim Sailsbery

**Second:** Kristine Haile

**Motion Carried**

**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery

**Nays:** None

### **I.2. Budget-to-Actual as of December 31, 2019**

Mr. Beverly reviewed the Budget-to-Actual and noted the State Comp Assessment was budgeted at \$267,000 and it was \$280,000. This is a better estimate than in past years and otherwise the budget is at or below expected levels.

Information only, no action taken.

## **J. JPA BUSINESS**

### **J.1. FY 20/21 NCCSIF Administration Budget**

Mr. Beverly discussed the FY 20/21 NCCSIF Administration Budget. We will see a fee increase from Lexipol and in the estimated State Comp Assessment that is based on how much indemnity is paid each year. Overall the budget is fairly straight forward and flat. We're still waiting on a few quotes. The Budget shouldn't change much between now and the June 25, 2020 Board Meeting.

Information only, no action taken.



## **J.2. Actuarial Services- Mike Harrington, Bickmore Actuarial**

Mike Harrington from Bickmore Actuarial presented Actuarial Studies for the Worker's Compensation Program and the Liability Program for NCCSIF. The Studies provide the estimated Outstanding Liabilities at June 30, 2020 (reserves) and 2020-21 Funding Guidelines (rates)

### **J.2.a. Actuarial Study for Worker's Compensation Program**

#### **Actuarial Study for Worker's Compensation –**

Total recommended funding for the Banking and Shared Risk Layers is \$10,061,000 at the current 80% Confidence Level (CL). Overall the rates have decreased 2.9%, from \$4.475 to \$4.346, with a 4% decrease in the Banking Layer and a 1.4% decrease for the Shared Layer.

The Program is estimated to have total assets of approximately \$46,258,000 on June 30, 2020, compared to \$44,489,000 last year. The estimated total Outstanding Liability at June 30 is \$38,721,000 at the 90% Confidence Level (CL), compared to \$38,057,000 last year. This results in a 17% increase in estimated net position above the 90% CL, \$7,537,000 v. \$6,432,000 last year.

### **J.2.b. Actuarial Study for Liability Program**

**Liability Program** - The rate at the 80% CL is \$2.722 per \$100 of payroll, compared to \$2.551 last year, an increase of 6.7%. The total increase reflects an increase of 1.2% in the Banking Layer but an 11.8% increase in the Shared Layer, based on relatively favorable and unfavorable loss development in those layers.

The estimated total Outstanding Liability at June 30 is \$11,985,000 at the 90% Confidence Level (CL), compared to \$10,653,000 last year. This results in an estimated net position of \$4,209,000 above the 90% CL, compared to a net position of \$3,305,000 last year. Liability summary - ultimate losses, liabilities, surplus and rates are all up.

**A motion was made to accept and file the work comp and liability actuary reports.**

**Motion:** Jon Hanken

**Second:** Andrew Schiltz

**Motion Carried**

**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery

**Nays:** None

## **J.3. Workers' Compensation Program**

### **J.3.a. Annual Banking Plan Adjustments- James Marta and Company**



James Marta gave an overview of the Annual Banking Plan Adjustments. Members need to meet their own funding requirements in addition to funding the Banking Layer to the 90% confidence level and \$1M SIR. Cities that aren't meeting the targets may be assessed at 20% of any deficiency. Members eligible for a refund typically receive 35% of the amount available.

**A motion was made to approve the adjustments as presented, with withdrawal at 35% of total available and assessment at 20% of amount under the benchmark.**

**Motion:** Dave Warren                      **Second:** Andy Schiltz                      **Motion Carried**  
**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

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

Mr. Beverly gave a brief overview of the Annual Shared Risk Plan Adjustments. A total of \$886,000 is available for distribution and generally recommend refund at 50%. Overall NCCSIF is funding well and can recommend up to 50%. Members discussed being conservative and approving 25% of the available amount.

**A motion was made to approve a refund at 25% of the available amount.**

**Motion:** Brad Koehn                      **Second:** Kristina Miller                      **Motion Carried**  
**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

**J.3.c. FY 20/21 Deposit Premium Calculations**

Total funding at an 80% Confidence Level (CL) is estimated at \$13,794,424, an **increase of 9.7%** over current funding at the 80% CL. This compares favorably to the total payroll increase of 7%. The individual funding increase cap of 40% is not applicable this year.

The excess coverage estimate as of March 2020 is \$1,711,000, a 3% increase over last year and 3.5% of the total premium increase for FY 20/21.

Members discussed if they should be more conservative with the Deposit Premium Calculations because of COVID-19. Mike Harrington discussed adjusting rates going forward, bumping up confidence levels or adding a surcharge based on the impacts but amount unknown at this time.

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

**Motion:** Dave Warren                      **Second:** Andy Schiltz                      **Motion Carried**



**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

#### **J.4. Liability Program**

##### **J.4.a. Annual Banking Plan Adjustments - James Marta & Company**

James Marta gave a brief overview of the Annual Banking Plan Adjustments and discussed the financial position as of 12/21/2019. Not as many members are in a deficit as last year. Recommended releasing up to 35% of the amount available to distribute and assessing 20% of the amount for those members under their funding benchmark.

Members discussed if they should be conservative like they were with Workers Compensation.

**A motion was made to approve at the 35% distribution and 20% assessment as presented.**

**Motion:** Jon Hanken                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

##### **J.4.b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services**

Mr. Beverly gave a brief overview of the Annual Shared Risk Plan Adjustments. The Program has about \$800,000 in assets above the 90% Confidence Level. Using the anticipated \$750,000 SIR the Program is below the desired benchmark, so recommended no refunds or assessments.

**A motion was made to accept the recommendation of no refunds or assessments.**

**Motion:** Andrew Schiltz                      **Second:** Jon Hanken                      **Motion Carried**  
**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

##### **J.4.c. FY 19/20 Deposit Premium Calculations**

Mr. Beverly reviewed FY 19/20 Deposit Premium Calculations and CJPRMA's decision to still offer \$500,000 SIR for the next year. With \$750,000 SIR the total funding will increase. Shared layer will go up \$558,000, excess decrease \$241,000. This is because CJPRMA is using a 10-year rolling average formula for funding that is below actuary projections. Marcus recommended staying at \$500,000 but fund at \$750,000. Keep the balance for surplus for a bad year or to support higher in FY 20/21.







Mr. Beverly reviewed revisions to A-17 Shared Layer Plan Target Funding Policy and A-15 Travel Expenses. Most of the changes were to update language with additional updates to the Funding Policy to strengthen a few benchmarks.

**A motion was made to approve the revisions for A-17 and A-15 as presented.**

**Motion:** Tim Sailsbery                      **Second:** John Hanken                      **Motion Carried**  
**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

### **J.9. FY 20/21 Meeting Calendar**

Mr. Beverly reviewed 20/21 fiscal year meeting calendar.

**A motion was made to approve the FY 20/21 Meeting Calendar.**

**Motion:** Kristine Haile                      **Second:** Andy Schiltz                      **Motion Carried**  
**Ayes:** Cottrell, Koehn, Van Steyn, Hanken, Will, Ryan, Schiltz, Morrison, Miller, Haile, Arteaga, Blankenship, Ehrenstrom, Warren, Jasso, Sailsbery  
**Nays:** None

### **J. INFORMATION ITEMS**

1. Glossary of Terms
2. NCCSIF Organizational Chart
3. NCCSIF 2020 Meeting Calendar
4. NCCSIF Resource Contact Guide
5. York Who's Who in Claims - WC and Liability Contacts

These items were provided as information only.

### **K. ADJOURNMENT**

The meeting was adjourned at 3:20

**Next Meeting Date:** June 25, 2020

Respectfully Submitted,

\_\_\_\_\_ Gina Will, Secretary

\_\_\_\_\_ Date

**Company Name:** NCCSIF  
**Report Name:** NCCSIF Check Register Board Report  
**Created On:** 3/24/2020

Check#	Date	Vendor	Account Title	Account	Memo	Amount
11763	3/5/2020	Cole Pro Media	RM Comm Svcs	52201	01/20/20 Crisis Comm Trng	2,000.00
11764	3/5/2020	York	Claims Admin - Liab	51135	Feb 2020 Liab Claims Admin	20,661.66
			Claims Admin - WC	52300	Feb 2020 WC Claims Admin	50,699.33
11765	3/5/2020	Gibbons	Legal Svcs	52103	Feb 2020 Gen Matters	1,322.25
11766	3/5/2020	JM and Co, LLP	Acctg Svcs	52403	Monthly Acctg Svcs - Feb 2020	8,950.00
11767	3/5/2020	CAM, Inc.	Investment Inc	44040	Feb 2020	4,737.79
11768	3/5/2020	Alliant	Prog Admin Fee	52401	Mar 20 Prog Admin Fee	28,248.83
11769	3/5/2020	PARMA	Assoc Memberships	52504	19/20 Membership Fee	150.00
11770	3/5/2020	York Risk Svcs	Claims Admin - Liab	51135	Feb 2020 Liab Service Fees	1,744.40
11771	3/5/2020	Starr Adj Svcs Inc.	Claims Subr/Rec	51115	Reimb for Starr Indemnity	7,500.00
11772	3/20/2020	City of Dixon	Member Trng & Risk Mgmt	52207	2020 Public Agency RM Conf	450.00
11773	3/20/2020	Rachel Ancheta	Member Trng & Risk Mgmt	52207	2020 PARMA Conf - Dixon	1,064.15
11774	3/20/2020	City of Dixon	Police RM Grant Funds	52209	5 Wolfcom Body Purchase	2,631.63
11775	3/20/2020	V Rodriquez	Member Trng & Risk Mgmt	52207	2019 CAJPA Conf Reimb-Lincoln	524.08
11776	3/20/2020	CJPRMA	Other Ins Exp	54150	19-20 Drone Liab Prem - Red Bluff	516.00

**Company Name:** NCCSIF  
**Report Name:** NCCSIF Check Register Board Report  
**Created On:** 4/22/2020

Check#	Date	Vendor	Account Title	Account	Memo	Amount
11777	4/3/2020	York	Claims Admin - Monthl	52300	03/20 Mthly WC Claims Admin Fee	50,699.33
11778	4/3/2020	York Risk Svcs Grp Inc.	On Site	52204	04/20 Safety and Risk Ctrl Svcs	14,873.33
				52204	03/20 Safety and Risk Ctrl Svcs	14,873.34
11779	4/3/2020	York	Claims Admin - Liab	51135	03/20 Mthly Liab Claims Admin Fee	20,661.66
11780	4/3/2020	Prime Actuarial Cons	Actuarial Services	52104	Actuarial Review-Self-Ins Lia/WC Prog	10,380.00
11781	4/3/2020	CAM, Inc.	Investment Income	44040	March 2020	4,776.13
11782	4/3/2020	JM and Co, LLP	Accounting Services	52403	Monthly Acctg Svcs - Mar 2020	8,800.00
11783	4/3/2020	Alliant Ins Svcs Inc	Program Admin Fee	52401	April Monthly Installment	28,248.83
11784	4/21/2020	City of Nevada City	Member Trng and RM	52207	2019 League of Small Cities Conf	1,850.00
			Member Trng and RM	52207	12/19 Governance Training	2,150.00
			Police RM Grant Funds	52209	4.16.20 Axon-Body Cam Storage Fees	1,515.00
11785	4/21/2020	City of Oroville	Member Trng and RM	52207	PARMA 2020 Annual RM Conf	1,554.72
11786	4/21/2020	Alliant Ins Svcs Inc	Other Ins Exp	54150	APIP Excess Cyber Liab	21,053.00
11787	4/21/2020	York Risk Svcs Grp Inc.	Claims Admin - Liab	51135	Mar 2020 Liab Service Fees	1,931.70

**Company Name:** NCCSIF  
**Report Name:** NCCSIF Check Register Board Report  
**Created On:** 5/20/2020

Check#	Date	Vendor	Account Title	Account	Memo	Amount
11788	5/5/2020	York	Claims Admin - Mnthly WC	52300	Apr 2020 Mnthly WC Admin Fee	50,699.33
11789	5/5/2020	York	Claims Admin - Liab	51135	Apr 2020 Mnthly Liab Admin Fee	20,661.66
11790	5/5/2020	City of Oroville	Member Trng and RM	52207	2020 CalPelra - Liz E.	877.41
11791	5/5/2020	City of Yuba City	Member Trng and RM	52207	2019 CalPELRA Conf Wakefield/Brunson	4,000.00
11792	5/5/2020	City of Rio Vista	Member Trng and RM	52207	2020 CalPELRA Jasso	2,457.30
			Member Trng and RM	52207	2019 CalPELRA Jasso	1,542.70
11793	5/5/2020	JM and Co LLP	Accounting Services	52403	April Mthly Acctg Svcs/Intacct Fees	8,800.00
11794	5/5/2020	City of Marysville	Member Trng and RM	52207	11.16.20 Calpera Reg - J Stycznski	720.00
11795	5/5/2020	Alliant Ins Svcs Inc	Program Admin Fee	52401	May Mnthly Installment	28,248.83
11796	5/5/2020	CAM, Inc.	Investment Income	44040	April 2020	4,805.28
11797	5/20/2020	City of Willows	Banking Layer Refund	41050	2019-20 Refund Willows Liab Bank	760.00
			Shared Risk Refund	41060	2019-20 Refund Willows WC Shared	2,972.00
11798	5/20/2020	City of Nevada City	Shared Risk Refund	41060	2019 Refund (WC Shared / WC Bank)	13,805.00
11799	5/20/2020	City of Placerville	Shared Risk Refund	41060	2019-20 Refund Placerville WC Shared	5,949.00
11800	5/20/2020	York Risk Svcs Grp	Claims Admin - Liab	51135	April 2020 Liab Svc Fees	210.40
11801	5/20/2020	York Risk Svcs Grp	On Site	52204	Safety and Risk Ctrl Svcs - May 2020	14,873.33
11802	5/20/2020	City of Rocklin	Member Trng and RM	52207	2019 CALPELRA - M.Green	1,720.00
11803	5/20/2020	City of Rocklin	Member Trng and RM	52207	2019 CALPELRA - H.Stark	2,037.93



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

## MONTHLY ACCOUNT STATEMENT

APRIL 1, 2020 THROUGH APRIL 30, 2020

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto: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	2.53
Average Coupon	2.22%
Average Purchase YTM	2.10%
Average Market YTM	0.71%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.77 yrs
Average Life	2.63 yrs

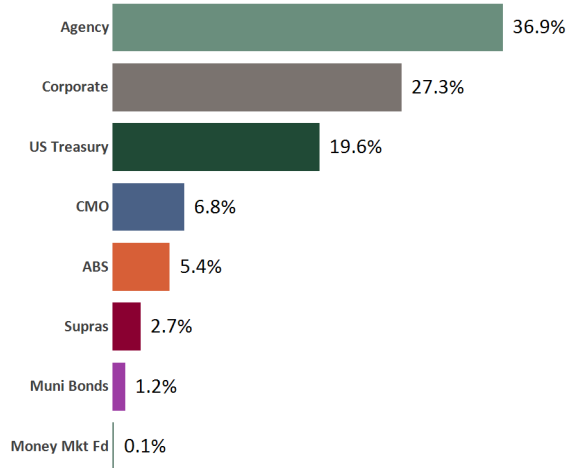
**ACCOUNT SUMMARY**

	Beg. Values as of 3/31/20	End Values as of 4/30/20
Market Value	27,668,116	27,855,428
Accrued Interest	119,212	132,499
<b>Total Market Value</b>	<b>27,787,328</b>	<b>27,987,928</b>
Income Earned	48,664	47,883
Cont/WD		-1,038
Par	26,761,206	26,801,020
Book Value	26,881,081	26,918,358
Cost Value	26,870,767	26,911,271

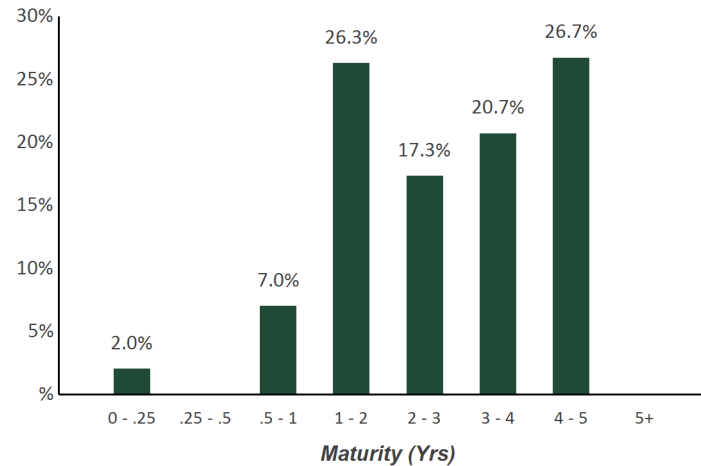
**TOP ISSUERS**

Government of United States	19.6%
Federal National Mortgage Assoc	16.0%
Federal Home Loan Bank	14.7%
Federal Home Loan Mortgage Corp	13.0%
Inter-American Dev Bank	2.0%
John Deere ABS	1.9%
Honda ABS	1.7%
Deere & Company	1.4%
<b>Total</b>	<b>70.3%</b>

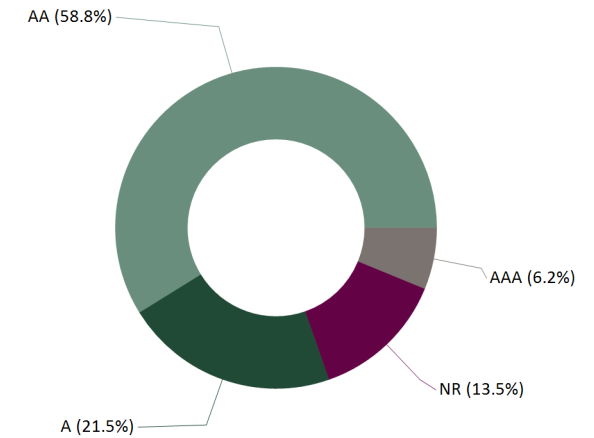
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

TOTAL RATE OF RETURN	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997
Northern CA Cities Self Ins. Fund Short Term	0.73%	2.25%	3.09%	6.11%	4.96%	3.15%	2.35%	2.13%	3.92%
ICE BAML 1-5 Year US Treasury/Agency Index	0.09%	2.96%	3.85%	6.73%	5.18%	3.17%	2.26%	1.96%	3.64%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.34%	2.76%	3.65%	6.63%	5.19%	3.21%	2.33%	2.09%	3.74%



# Statement of Compliance

As of April 30, 2020



## 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, 2020



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$26,881,081.00</b>
<b>Acquisition</b>		
+ Security Purchases	\$474,021.50	
+ Money Market Fund Purchases	\$473,593.85	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$947,615.35</b>
<b>Dispositions</b>		
- Security Sales	\$368,471.15	
- Money Market Fund Sales	\$474,021.50	
- MMF Withdrawals	\$1,037.50	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$68,720.63	
<b>Total Dispositions</b>		<b>\$912,250.78</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$1,805.85)	
		(\$1,805.85)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$3,718.30	
		\$3,718.30
<b>ENDING BOOK VALUE</b>		<b>\$26,918,358.02</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$38,900.27</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$368,471.15	
Accrued Interest Received	\$794.64	
Interest Received	\$35,581.48	
Dividend Received	\$25.95	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$68,720.63	
<b>Total Acquisitions</b>	<b>\$473,593.85</b>	
<b>Dispositions</b>		
Withdrawals	\$1,037.50	
Security Purchase	\$474,021.50	
Accrued Interest Paid	\$0.00	
<b>Total Dispositions</b>	<b>\$475,059.00</b>	
<b>ENDING BOOK VALUE</b>		<b>\$37,435.12</b>



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

## MONTHLY ACCOUNT STATEMENT

APRIL 1, 2020 THROUGH APRIL 30, 2020

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto: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	3.58
Average Coupon	2.37%
Average Purchase YTM	2.30%
Average Market YTM	0.80%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.87 yrs
Average Life	3.80 yrs

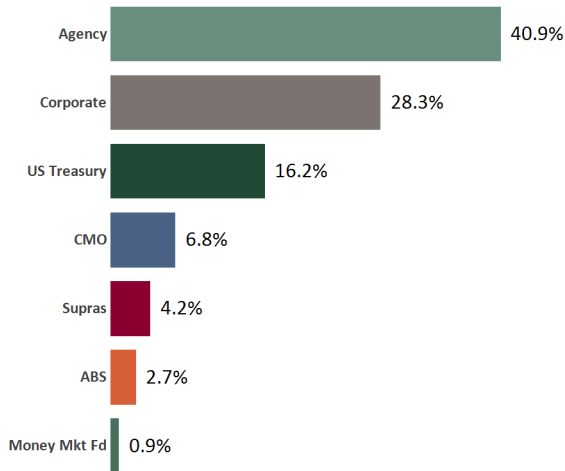
**ACCOUNT SUMMARY**

	Beg. Values as of 3/31/20	End Values as of 4/30/20
Market Value	29,263,055	29,484,594
Accrued Interest	131,764	152,730
<b>Total Market Value</b>	<b>29,394,819</b>	<b>29,637,324</b>
Income Earned	54,322	55,137
Cont/WD		0
Par	27,842,125	27,881,524
Book Value	27,915,141	27,953,225
Cost Value	27,896,167	27,935,425

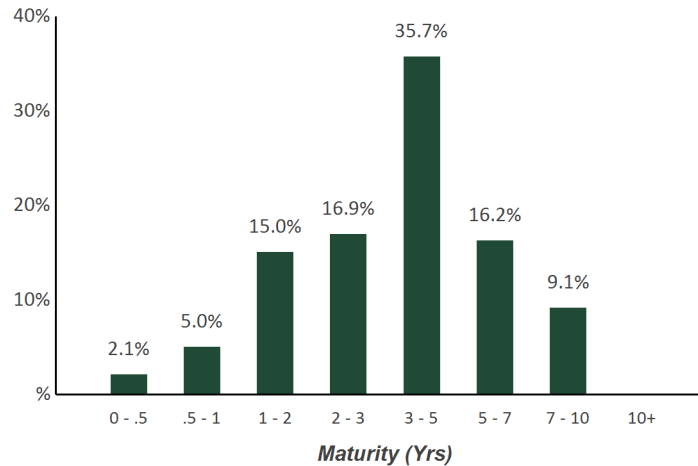
**TOP ISSUERS**

Federal Home Loan Bank	19.7%
Government of United States	16.2%
Federal Home Loan Mortgage Corp	12.6%
Federal National Mortgage Assoc	10.3%
Tennessee Valley Authority	5.2%
Inter-American Dev Bank	3.5%
US Bancorp	1.5%
State Street Bank	1.4%
<b>Total</b>	<b>70.3%</b>

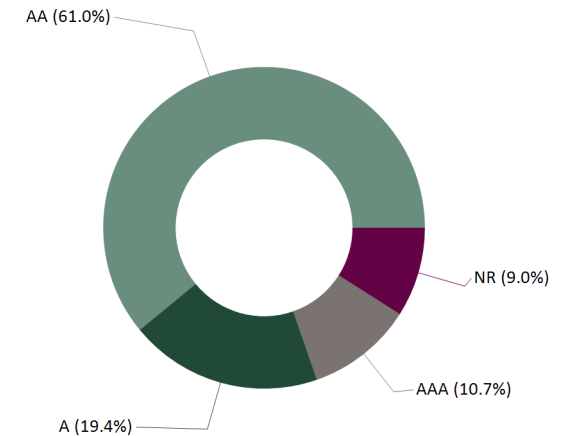
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2006	
Northern Cal. Cities Self Ins. Fund Long Term	0.82%	2.95%	4.26%	8.11%	6.32%	3.93%	2.96%	3.00%	4.00%	
ICE BAML 1-10 Yr US Treasury/Agency Index	0.18%	3.96%	5.39%	9.03%	6.67%	3.99%	2.82%	2.77%	3.71%	
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.79%	3.26%	4.68%	8.66%	6.66%	4.07%	2.98%	3.03%	3.84%	

# Statement of Compliance

As of April 30, 2020



## 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, 2020



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$27,915,140.68</b>
<b>Acquisition</b>		
+ Security Purchases	\$439,093.60	
+ Money Market Fund Purchases	\$685,381.17	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$1,124,474.77</b>
<b>Dispositions</b>		
- Security Sales	\$373,855.40	
- Money Market Fund Sales	\$439,093.60	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$240,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$36,888.52	
<b>Total Dispositions</b>		<b>\$1,089,837.52</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$466.55)	
		(\$466.55)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$3,913.91	
		\$3,913.91
<b>ENDING BOOK VALUE</b>		<b>\$27,953,225.29</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$23,552.65</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$373,855.40	
Accrued Interest Received	\$2,145.49	
Interest Received	\$32,425.11	
Dividend Received	\$66.65	
Principal on Maturities	\$240,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$36,888.52	
<b>Total Acquisitions</b>	<b>\$685,381.17</b>	
<b>Dispositions</b>		
Withdrawals	\$0.00	
Security Purchase	\$439,093.60	
Accrued Interest Paid	\$0.00	
<b>Total Dispositions</b>	<b>\$439,093.60</b>	
<b>ENDING BOOK VALUE</b>		<b>\$269,840.22</b>





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

## MONTHLY ACCOUNT STATEMENT

MAY 1, 2020 THROUGH MAY 31, 2020

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto: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	2.54
Average Coupon	2.16%
Average Purchase YTM	2.04%
Average Market YTM	0.51%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.79 yrs
Average Life	2.63 yrs

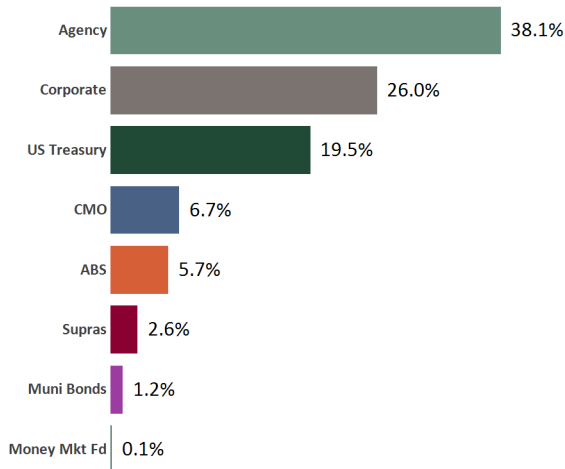
**ACCOUNT SUMMARY**

	Beg. Values as of 4/30/20	End Values as of 5/31/20
Market Value	27,855,428	27,996,557
Accrued Interest	132,499	136,710
<b>Total Market Value</b>	<b>27,987,928</b>	<b>28,133,267</b>
Income Earned	47,883	47,504
Cont/WD		0
Par	26,801,020	26,855,061
Book Value	26,918,358	26,968,393
Cost Value	26,911,271	26,965,661

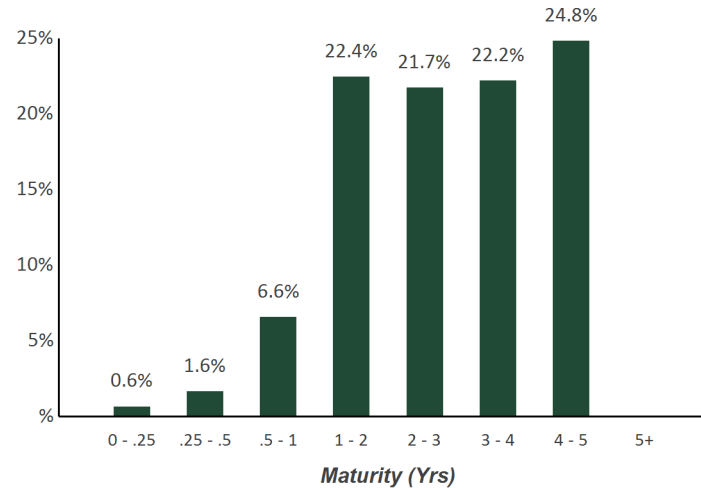
**TOP ISSUERS**

Government of United States	19.5%
Federal National Mortgage Assoc	16.9%
Federal Home Loan Mortgage Corp	14.7%
Federal Home Loan Bank	13.2%
John Deere ABS	2.0%
Inter-American Dev Bank	2.0%
Honda ABS	2.0%
Deere & Company	1.4%
<b>Total</b>	<b>71.6%</b>

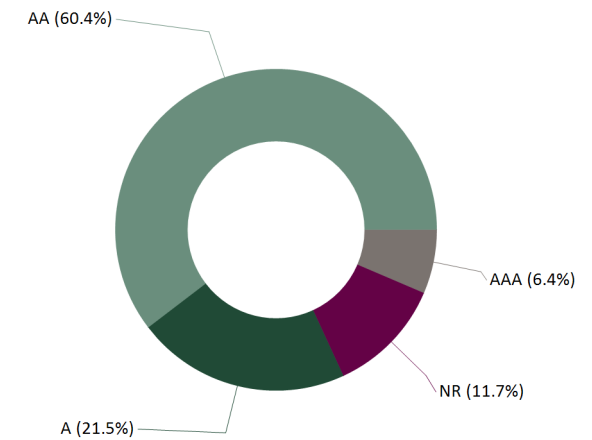
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.52%	1.74%	3.63%	5.74%	4.98%	3.24%	2.43%	2.13%	3.93%	
ICE BAML 1-5 Year US Treasury/Agency Index	0.14%	1.92%	3.99%	5.82%	5.00%	3.15%	2.27%	1.90%	3.63%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.27%	1.90%	3.92%	5.90%	5.08%	3.22%	2.37%	2.05%	3.74%	

# Statement of Compliance

As of May 31, 2020



## 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, 2020



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$26,918,358.02</b>
<b>Acquisition</b>		
+ Security Purchases	\$1,172,599.37	
+ Money Market Fund Purchases	\$1,173,824.39	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$2,346,423.76</b>
<b>Dispositions</b>		
- Security Sales	\$666,393.55	
- Money Market Fund Sales	\$1,172,643.68	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$380,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$82,140.07	
<b>Total Dispositions</b>		<b>\$2,301,177.30</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$1,953.41)	
		(\$1,953.41)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$6,741.76	
		\$6,741.76
<b>ENDING BOOK VALUE</b>		<b>\$26,968,392.83</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$37,435.12</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$666,393.55	
Accrued Interest Received	\$1,574.66	
Interest Received	\$43,715.50	
Dividend Received	\$0.61	
Principal on Maturities	\$380,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$82,140.07	
<b>Total Acquisitions</b>	<b>\$1,173,824.39</b>	
<b>Dispositions</b>		
Withdrawals	\$0.00	
Security Purchase	\$1,172,599.37	
Accrued Interest Paid	\$44.31	
<b>Total Dispositions</b>	<b>\$1,172,643.68</b>	
<b>ENDING BOOK VALUE</b>		<b>\$38,615.83</b>



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

## MONTHLY ACCOUNT STATEMENT

MAY 1, 2020 THROUGH MAY 31, 2020

### Chandler Team:

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

# Statement of Compliance

As of May 31, 2020



## 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



**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	3.62
Average Coupon	2.36%
Average Purchase YTM	2.28%
Average Market YTM	0.61%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.91 yrs
Average Life	3.85 yrs

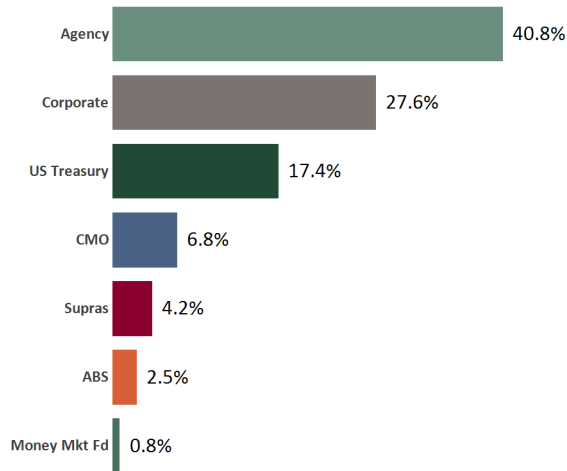
**ACCOUNT SUMMARY**

	Beg. Values as of 4/30/20	End Values as of 5/31/20
Market Value	29,484,594	29,647,148
Accrued Interest	152,730	160,716
<b>Total Market Value</b>	<b>29,637,324</b>	<b>29,807,864</b>
Income Earned	55,137	54,442
Cont/WD		0
Par	27,881,524	27,899,271
Book Value	27,953,225	27,999,681
Cost Value	27,935,425	27,983,192

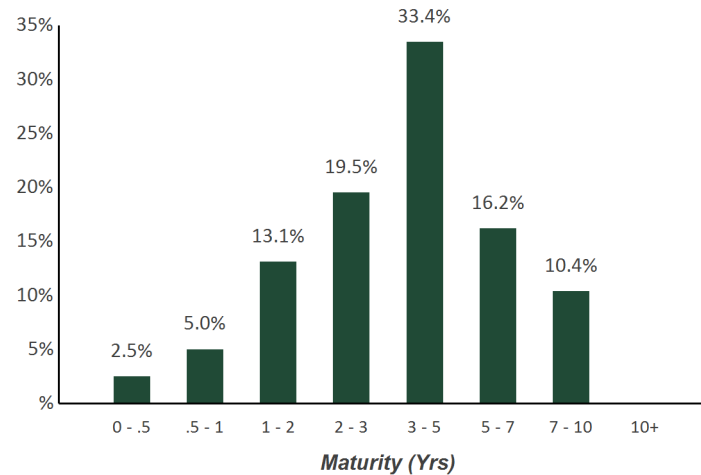
**TOP ISSUERS**

Federal Home Loan Bank	19.6%
Government of United States	17.4%
Federal Home Loan Mortgage Corp	12.5%
Federal National Mortgage Assoc	10.2%
Tennessee Valley Authority	5.2%
Inter-American Dev Bank	3.5%
US Bancorp	1.5%
State Street Bank	1.4%
<b>Total</b>	<b>71.4%</b>

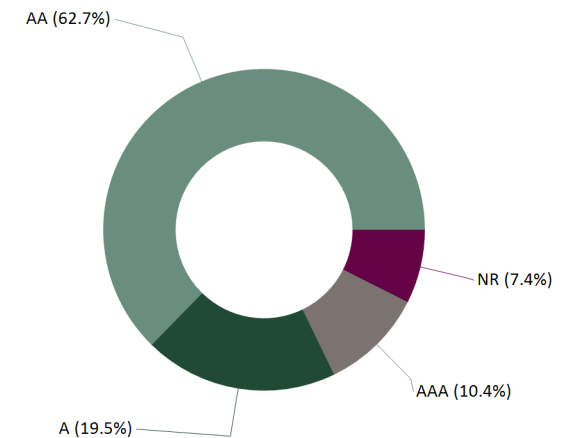
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2006	
Northern Cal. Cities Self Ins. Fund Long Term	0.58%	2.10%	4.86%	7.40%	6.30%	3.99%	3.06%	2.95%	4.02%	
ICE BAML 1-10 Yr US Treasury/Agency Index	0.16%	2.48%	5.56%	7.67%	6.42%	3.92%	2.84%	2.66%	3.70%	
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.46%	2.22%	5.16%	7.71%	6.58%	4.08%	3.06%	2.99%	3.85%	

## Reconciliation Summary

As of May 31, 2020



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$27,953,225.29</b>
<b>Acquisition</b>		
+ Security Purchases	\$479,830.77	
+ Money Market Fund Purchases	\$438,234.38	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$918,065.15</b>
<b>Dispositions</b>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$481,455.77	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$340,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$49,031.61	
<b>Total Dispositions</b>		<b>\$870,487.38</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$1,121.99)	
		(\$1,121.99)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
<b>ENDING BOOK VALUE</b>		<b>\$27,999,681.07</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$269,840.22</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$49,202.27	
Dividend Received	\$0.50	
Principal on Maturities	\$340,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$49,031.61	
<b>Total Acquisitions</b>	<b>\$438,234.38</b>	
<b>Dispositions</b>		
Withdrawals	\$0.00	
Security Purchase	\$479,830.77	
Accrued Interest Paid	\$1,625.00	
<b>Total Dispositions</b>	<b>\$481,455.77</b>	
<b>ENDING BOOK VALUE</b>		<b>\$226,618.83</b>





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 01/15/2020, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2019.

Earnings Ratio		.00006250085778970
Interest Rate		2.29%
Dollar Day Total	\$	1,103,900,699.42
Quarter End Principal Balance	\$	11,547,087.88
Quarterly Interest Earned	\$	68,994.74

# NCCSIF

## 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, 2020

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 183,506.06
(2) Local Agency Inv Fund (LAIF)	<u>12,698,082.62</u>
Total Cash	<u>12,881,588.68</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	27,668,116.00
Account no. 171	<u>29,263,055.00</u>
Total Unrestricted Investments	<u>56,931,171.00</u>
TOTAL CASH AND INVESTMENTS	<u>\$69,812,759.68</u>

- (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, 2020 1.89%
- (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.

  
\_\_\_\_\_  
Tim Sailsbery, Treasurer

5.3.2020  
\_\_\_\_\_  
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.



## Memorandum of Understanding

Lexipol LLC (Lexipol) and the **Northern California Cities Self Insurance Fund (NCCSIF)** agree to the terms of this Memorandum of Understanding (MOU or Agreement) as a means to enhance and encourage professionalism through defensible and continuously updated Fire policy in the State of **California**. The purpose of this MOU is to provide NCCSIF members listed in Exhibit A access to Lexipol's Fire Policy Manual and Daily Training Bulletin services at favorable pricing.

More specifically, as part of this Agreement,

### **Lexipol will:**

1. Provide NCCSIF listed agencies a full annual subscription to Lexipol's on-line policy and training service.
2. Provide NCCSIF agencies access to Lexipol's Supplemental Publishing Shell (SPS).
3. Provide NCCSIF access to Lexipol's reporting portal to view overall status of participating members. (With permission of the subscribing agency)
4. Collaborate with NCCSIF to promote Lexipol services with outreach efforts, marketing and participation at NCCSIF events.
5. Invoice NCCSIF directly for the members listed in Exhibit A. The June 1, 2020 invoice will be \$32,888. This is 50% off our 2020 list price.

A. The cities listed in Exhibit A are all eligible to subscribe to Lexipol's on-line policy and training service:

B. The invoiced pricing is for the entire group of members listed and cannot be parceled out. However, Exhibit A is attached for NCCSIF to reference on a per city cost for internal calculations.

C. The future renewal will be based on 50% off of the then current year pricing.

### **Northern California Cities Self Insurance Fund agrees to:**

- Accept and pay a yearly invoice from Lexipol (to be submitted upon execution of this Agreement and annually thereafter) for new subscriptions or renewal subscriptions of member agencies already subscribing to Lexipol. This payment will be paid by NCCSIF within 30 days of receipt of the invoice, for subscription fees for NCCSIF members listed in Exhibit A.
- Provide a list of eligible member departments with contact information (main contact name, title, address, phone number and email address) which will be kept confidential by Lexipol and used specifically for member confirmation and program promotion.

Rev. 6/11/18

- Modify this MOU if other member agencies become Lexipol subscribers.

**TERM**

The effective date of this Agreement is July 1, 2020 (and subsequent years) invoice will be at 50% off of the then current year pricing. After June 30, 2021 either party may cancel this Agreement with 90 days written notice to the other party.

Each individual Agency shall execute an Online Subscription Agreement (OSA) with Lexipol to cover the Lexipol Services being acquired by that Agency. Cancellation of this agreement will not terminate subscribing agency contracts with Lexipol.

The parties agree that each is granted the right to use the other party's logo on their Website and corresponding web pages. All other use of logos or copyrighted materials will be agreed by both parties in advance.

**IN WITNESS WHEREOF**, the Parties execute this MOU on the date set below their respective signatures.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND:**

By: Elizabeth Ehrenstrom  
Elizabeth Ehrenstrom NCCSIF President

Date: 06 . 01 . 2020

**LEXIPOL, LLC:**

DocuSigned by:  
By: Van Holland  
E730CB10CB894D6  
Van Holland, CFO

Date: 6/9/2020

**EXHIBIT A**

**PRICING FOR NCCSIF MEMBER AGENCIES**

Agency	F/T Firefighters	Volunteer FF's	Adjusted Staffing for Pricing	2020 Standard Price List	2020 Standard Price List w/50% Discount
City of Auburn	14	5	15	\$5,741	\$2,871
City of Colusa	5	20	7	\$4,313	\$2,157
City of Dixon	22	5	23	\$7,953	\$3,977
City of Jackson	6	12	7	\$4,313	\$2,157
City of Lincoln	16	8PT+4V	21	\$7,953	\$3,977
City of Oroville	15	0	15	\$5,741	\$2,871
City of Red Bluff	14	12	15	\$5,741	\$2,871
City of Rio Vista	11	8	12	\$6,079	\$3,040
City of Rocklin	31	8	32	\$8,877	\$4,439
City of Marysville	15	0	15	\$4,751	\$2,376
City of Willows	5	10	6	\$4,313	\$2,157
<b>Total</b>					<b>\$32,888</b>



## Memorandum of Understanding

Lexipol LLC (Lexipol) and the **Northern California Cities Self Insurance Fund (NCCSIF)** agree to the terms of this Memorandum of Understanding (MOU or Agreement) as a means to enhance and encourage professionalism through defensible and continuously updated Law Enforcement policy in the State of **California**. The purpose of this MOU is to provide NCCSIF members listed in Exhibit A access to Lexipol's Law Enforcement Policy Manual and Daily Training Bulletin services at favorable pricing.

More specifically, as part of this Agreement,

### **Lexipol will:**

1. Provide NCCSIF listed agencies a full annual subscription to Lexipol's on-line policy and training service.
2. Provide NCCSIF access to Lexipol's reporting portal to view overall status of participating members. (With permission of the subscribing agency)
3. Collaborate with NCCSIF to promote Lexipol services with outreach efforts, marketing and participation at NCCSIF events.
4. Invoice NCCSIF directly for the members listed in Exhibit A. The July 1, 2020 invoice will be \$144,441. This is a 3% increase from our 2019 price List.

A. The cities listed in Exhibit A are all eligible to subscribe to Lexipol's on-line policy and training service:

B. The invoiced pricing is for the entire group of members listed and cannot be parceled out. However, Exhibit A is attached for NCCSIF to reference on a per city cost for internal calculations.

. The future renewal will be based on 3% increase of current year pricing.

### **Northern California Cities Self Insurance Fund agrees to:**

- Accept and pay a yearly invoice from Lexipol (to be submitted upon execution of this Agreement and annually thereafter) for new subscriptions or renewal subscriptions of member agencies already subscribing to Lexipol. This payment will be paid by NCCSIF within 30 days of receipt of the invoice, for subscription fees for NCCSIF members listed in Exhibit A.
- Provide a list of eligible member departments with contact information (main contact name, title, address, phone number and email address) which will be kept confidential by Lexipol and used specifically for member confirmation and program promotion.
- Modify this MOU if other member agencies become Lexipol subscribers.

Rev. 6/11/18

**TERM**

The effective date of this Agreement is July 1, 2020 (and subsequent years') invoice will be at prior year price plus 3% increase. After June 30, 2021 either party may cancel this Agreement with 90 days written notice to the other party.

Each individual Agency shall execute an Online Subscription Agreement (OSA) with Lexipol to cover the Lexipol Services being acquired by that Agency. Cancellation of this agreement will not terminate subscribing agency contracts with Lexipol.

The parties agree that each is granted the right to use the other party's logo on their Website and corresponding web pages. All other use of logos or copyrighted materials will be agreed by both parties in advance.

**IN WITNESS WHEREOF**, the Parties execute this MOU on the date set below their respective signatures.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND:**

By: Elizabeth Ehrenstrom  
Elizabeth Ehrenstrom NCCSIF President

Date: 06.01.2020

**LEXIPOL, LLC:**

DocuSigned by:  
By: Van Holland  
E730CB10CB894D6  
Van Holland, CFO

Date: 6/9/2020



**EXHIBIT A****PRICING FOR NCCSIF MEMBER AGENCIES**

<b>Agency</b>	<b>Sworn Officers</b>	<b>DTBs</b>	<b>2019 Pricing</b>	<b>2020 Pricing</b>
Anderson PD-CA	18	Yes	\$6,248	\$6,435
Auburn PD-CA	20	Yes	\$6,248	\$6,435
Colusa PD-CA	9	No	\$3,983	\$4,102
Corning PD-CA	15	Yes	\$5,383	\$5,544
Dixon PD-CA	24	Yes	\$6,248	\$6,435
Elk Grove PD-CA	133	No	\$10,960	\$11,289
Folsom PD-CA	75	Yes	\$10,960	\$11,289
Galt PD-CA	38	Yes	\$7,792	\$8,026
Gridley-Biggs PD-CA	14	Yes	\$5,383	\$5,544
Ione PD-CA	6	Yes	\$3,407	\$3,509
Jackson PD-CA	11	No	\$3,983	\$4,102
Lincoln PD-CA	22	Yes	\$6,248	\$6,435
Marysville PD-CA	18	No	\$6,248	\$6,435
Nevada City PD-CA	9	Yes	\$3,983	\$4,102
Oroville PD-CA	25	Yes	\$6,248	\$6,435
Paradise PD-CA	23	Yes	\$6,248	\$6,435
Placerville PD-CA	22	Yes	\$6,248	\$6,435
Red Bluff PD-CA	25	Yes	\$6,248	\$6,435
Rio Vista PD-CA	16	Yes	\$6,248	\$6,435
Rocklin PD-CA	58	Yes	\$10,960	\$11,289
Yuba City PD-CA	64	Yes	\$10,960	\$11,289
<b>TOTAL</b>			<b>\$140,234</b>	<b>\$144,441</b>



**NCCSIF  
EAP Service Renewal 2020**

April 8, 2020

Marcus Beverly, Vice President  
Alliant Insurance Services, Inc.  
2180 Harvard Street, Ste. 460  
Sacramento, CA 95815

This letter is a confirmation of renewal for the EAP benefits offered by ACI Specialty Benefits for the cities of NCCSIF. It has been a pleasure to provide service to all the employees and their family members for the past 18 years. On behalf of the entire ACI staff, we appreciate your continued trust in ACI's benefits and services. Please take a moment to review and confirm the renewal terms.

Renewal Date	July 1, 2020
Renewal Term	Rate Pass Guaranteed for Two Years
Programs Provided	Corporate Employee Assistance Program
Employee Count	See Chart Below

**City Participants**

City of Anderson	3 Session	\$2.16
City of Colusa	6 Session	\$2.34
City of Corning	6 Session	\$2.34
City of Lincoln	6 Session	\$2.34
City of Jackson	6 Session	\$2.34
City of Dixon	6 Session	\$2.34
City of Folsom	3 Session	\$2.16
City of Gridley	6 Session	\$2.34

City of Ione	3 Session	\$2.34
City of Marysville	3 Session	\$2.16
City of Red Bluff	6 Session	\$2.34
City of Rio Vista	3 Session	\$2.16
Town of Paradise	6 Session	\$2.34

This service renewal is subject to the same terms and conditions as the Master Service Agreement. Non-renewal notices must be sent in writing 60 days prior to termination date. Attached please find the updated Exhibit A which outlines the current service offerings. After reviewing the Service Renewal and initialing Exhibit A, please sign and return this document. Please keep a copy of each for your records. If you have any questions or comments about this renewal, please contact your Account Executive, Kathryn Dobkin.

ACI Specialty Benefits  
Signature

NCCSIF  
Signature

6/1/2020

Date

06.01.2020

Date

---

### Benefit Description

ACI Specialty Benefits (ACI) will provide employee assistance program (EAP) services, including assessment, referral and short-term problem resolution. Following assessment, the employee or family member may be referred for therapy or other professional services.

ACI will also provide comprehensive work/life referrals, resources and services.

---

### Problem Assessment

- Face-to-Face Sessions
- 

### EAP Work/Life Services

- **Legal assistance** for **unlimited** number of issues per year. Includes 60-minute in-office or telephonic consultation with local attorney and 25% discount for continued services
  - Telephonic **financial assistance** for **unlimited** number of issues per year. Includes 30-day financial coaching benefit with 90-day action plan take-away.
  - **Unlimited child care, elder care, pet care** and **education** referrals
  - **Unlimited** referrals and resources for **personal services**
  - **Veteran Connection**
  - **Identity theft prevention/recovery**. Includes 60-minute consultation
  - **Affinity™ Online** work/life website services
  - **100% Follow-up** for all requests, referrals and services utilized
- 

### Training and Orientations



Virtual and Onsite\*

- **Unlimited** Employee Orientations
  - **Unlimited** Manager and Supervisor Trainings
  - **Unlimited** Live 'N Learn Seminars
  - Just-Do-It Training consultation and facilitation tools for onsite management
  - 24/7 access to training videos on ACI's YouTube Channel
- 

### Clinical Services

- **Unlimited** clinical consulting on difficult employee issues
  - Access to panel of in-house clinicians
- 

### Provider Network Availability

- Over 40,000 providers nationwide
-

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## HR Support Services

- Critical Incident Response\*
  - Onsite Critical Incident Stress Debriefing (CISD)
  - Critical Incident Stress Management (CISM)
  - Disaster Contingency Consultation Materials
- Consultation for substance abuse case management and support for return-to-work transition
- Direct supervisory referrals for work performance problems
- Management consultation regarding difficult employee issues
- Consultation and development of policies to prevent workplace violence and manage high risk situations
- Support to Human Resources during workforce reductions, management changes, reorganizations, plant closures, and other transitions

---

## Program Promotion and Web Services



ACI's comprehensive promotional plan includes:

- **Digital Marketing:** EAP flyers, brochures, summary plan descriptions, wallet cards, and supervisory resource manuals
- **Social Media and Content Marketing:** Social@ACI platforms, videos on YouTube, regularly updated content on ACI's Blog, and monthly HealthYMail™ e-newsletter
- **Mobile Marketing:** myACI App and Quick Response (QR) Codes
- **Web Services:**
  - **Landing Page:** website with access to services
  - **Virtual Folder:** HR and management resource center – By request of individual city
  - **Affinity™ Online** work/life website services
  - Online access to ACI's website: [www.acispecialtybenefits.com](http://www.acispecialtybenefits.com)
- Co-branding with client's logo available

---

## Program Access: Mobile Apps and Intuitive Technology

- 24-hour, 365 day-a-year nationwide toll-free number (800.932.0034)
- Always live-answer
- Multilingual assistance, 175 languages
- **myACI App** and QR codes for mobile access
- **Social@ACI platforms** and **online portals** for convenient access

---

## Reporting

- Quarterly utilization reports with executive overview
- Annual cost analysis available on request
- Full-color graphs and charts display key metrics and demographic data

---

## Eligibility

- Easy Access: No cumbersome membership IDs or Social Security Numbers required
- **All Employees**
- **Dependents:** Spouse, domestic partners, dependents, **all family members regardless of location**

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## Termination of Benefits

30 days from employee termination date at no cost to employer

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## Rate Summary

Program	Session Model	Total Employee Count	Per Employee Per Month
Corporate Employee Assistance Program	3 sessions per year or 6* sessions per year	N/A	\$2.16 or \$2.34

### \*Program Assumptions

Rate:

- Rates guaranteed for two years
- Quote valid for one month
- Rates assume no broker commission
- Commissions paid first year only

Onsite:

- CISD and Layoff/RIF Support limited to 2 onsite hours per incident
- Trainer's travel fees are included
- Attendance minimums may apply to onsite services (15-person attendee minimum)

Materials:

- ACI Specialty Benefits provides unlimited virtual marketing materials from ACI's library of templates. Printed and custom materials may be available at an additional cost

Compliance:

- In adherence of HIPAA regulations, ACI Specialty Benefits does not provide written utilization reporting to groups of under 115 employees. Account managers will provide telephonic quarterly usage summaries

*\*Six session model limited to 3 sessions per 6 months for CA employees*

### Additional Onsite Fees

ACI provides a variety of services over and above package inclusions, available on a fee-for-service basis.

Type of Service	Fee-for-service
Onsite Critical Incident Stress Debriefing (CISD)	Over contracted hours: \$325 per hour
Conflict Resolution/Mediation	\$350 per hour
Onsite Lay-Off and RIF Support	Over contracted hours: \$325 per hour
Executive Coaching	\$350 per hour
Late Cancellation Fee	\$225 per hour



**Crowe LLP**  
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Sacramento, CA 95814-4498  
Tel 916-441-1000  
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www.crowe.com

April 8, 2020

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 attachments thereto, is an integral part of this letter, and its 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, 2020.

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 those charged with governance 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 supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management



certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by Client of the supplementary information and the auditor's report thereon.

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, 2020	\$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 four subsequent years as follows:

Audit of the Client's financial statements for the year ending June 30, 2021	\$27,700
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	\$28,800

Because each year is a separate engagement and this five-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 five-year period, should you terminate Crowe during the five-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.

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.

Our fee assumes that we will be provided with auditable trial balances for all programs at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that subsidiary ledgers will reconcile to the general ledger and that beginning net

position amounts will be reconcilable to prior year audited ending net position. We assume that the Client will cooperate with our requests for information such as explanations of account activity.

We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the Client will prepare any confirmation letters and the MD&A section of the report.

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.

#### 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)

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...

DocuSigned by:  
*Matthew Nethaway*  
58FD52DD3FC64DF...

Signature

Signature

Marcus Beverly

Matthew Nethaway

Printed Name

Printed Name

Program Manager

Partner

Title

Title

June 4, 2020

May 19, 2020

Date

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 a third-party provider in providing Services to Client, which may require Crowe to share Client confidential information with the provider. If Crowe uses a third-party provider, Crowe will enter into a confidentiality agreement with the provider to require the provider to protect the confidentiality of Client's confidential information, and Crowe will be responsible to Client for maintaining its confidentiality. The limitations on Client's remedies, vis-à-vis Crowe, in this Agreement will also apply to any subcontractors.

**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 forgoing, 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](http://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](http://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*.

*Cherry Bekaert LLP*

Cherry Bekaert LLP

200 South 10th Street, Suite 900, Richmond, VA 23219 | P 804.673.5700 | [cbh.com](http://cbh.com)





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". The signature is written in a cursive style.

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

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

**AGREEMENT FOR PROFESSIONAL SERVICES  
FOR VIDEO PRODUCTION SERVICES**

This Agreement is made and entered into this 1st day of July, 2020, by and between the Northern California Cities Self Insurance Fund, on behalf of its member cities, (hereinafter collectively "CITY"), and CRITICAL INCIDENT VIDEOS, LLC (hereinafter "CONTRACTOR").

**RECITALS**

**WHEREAS**, pursuant to recent changes to State law, CITY is now subject to additional requirements for disclosure of records; and

**WHEREAS**, in order to comply with the new disclosure requirements, CITY desires to adopt a practice of producing some of the required records in video form, and will from time to time need the services of a video production contractor to assist with the preparation of video records;

**AGREEMENT**

**NOW, THEREFORE**, the parties hereby agree as follows:

1. **PROJECT COORDINATION.**

A. **CITY'S Project Manager.** The City Manager will designate the PROJECT MANAGER for the CITY, and said PROJECT MANAGER shall supervise all aspects of the progress and execution of this Agreement.

B. **CONTRACTOR'S Project Director.** CONTRACTOR shall assign a single PROJECT DIRECTOR to have overall responsibility for the progress and execution of this Agreement for CONTRACTOR. Laura Cole is hereby designated as the PROJECT DIRECTOR for CONTRACTOR. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute PROJECT DIRECTOR, for any reason, the CONTRACTOR shall notify the CITY within ten (10) business days of the substitution.

2. **DUTIES OF CONTRACTOR.**

As may be requested by CITY from time to time, CONTRACTOR shall act as technical expert for putting together a critical incident video or any other video production project requested by CITY. At the request of CITY, CONTRACTOR shall counsel, advise, and guide CITY in matters of video production work and provide a finished product at the CITY'S discretion to distribute.



3. DUTIES OF CITY.

CITY shall pay the compensation as provided in Paragraph 4, and perform the duties as follows:

PROJECT MANAGER, or designee, shall communicate CITY'S needs for the video production work, including the desired video content, how long the video should be, what information and materials should be included in the video, and what information and materials should be redacted or blurred for privacy reasons or in accordance with state and federal law. PROJECT MANAGER, or designee, will review the critical incident or other video to determine that it accurately represents what happened. PROJECT MANAGER, or designee, will respond to CONTRACTOR'S questions through email, telephone or in person.

4. COMPENSATION.

For the full performance of the services described herein by CONTRACTOR, CITY shall pay CONTRACTOR \$350 an hour for each hour spent on the project, including but not limited to telephone calls and emails between CITY and CONTRACTOR, time spent traveling to the location of CITY, the process of downloading bodyworn camera footage, research associated with the project, providing technical support to put a critical incident video together, and arranging the critical incident video into a format that can be distributed to the public. CITY shall also reimburse CONTRACTOR for reasonable travel costs incurred in providing requested services to CITY under this Agreement.

Payment will be made monthly upon receipt by PROJECT MANAGER of itemized invoices submitted by CONTRACTOR. Fees are not to exceed \$5,000 total without advance written approval from CITY.

CONTRACTOR shall not incur any outside expenses on behalf of CITY, such as legal and accounting fees, unless such expenses have been specifically approved by the PROJECT MANAGER, or designee, in writing in advance. CITY shall reimburse CONTRACTOR for any such pre-approved expenses.

5. TERM OF AGREEMENT.

The initial term of this Agreement shall be for one (1) year commencing on June 1, 2020 and will automatically renew for successive one-year terms unless terminated per the provisions below.

6. TERMINATION.

- A. **Discretionary.** Either party may terminate this Agreement without cause upon thirty (30) days written notice mailed or personally delivered to the other party.
- B. **Cause.** Either party may terminate this Agreement for cause upon fifteen (15) days written notice mailed or personally delivered to the other party, and the notified

party's failure to cure or correct the cause of the termination, to the reasonable satisfaction of the party giving such notice, within such fifteen (15) day time period.

- C. **Effect of Termination.** Upon receipt of notice of termination, neither party shall incur additional obligations under any provision of this Agreement without the prior written consent of the other.
- D. **Return of Documents.** Upon termination, any and all CITY documents or materials provided to CONTRACTOR and any and all of CONTRACTOR's documents and materials prepared for or relating to the performance of its duties under this Agreement, shall be delivered to CITY as soon as possible, but not later than thirty (30) days after termination.

7. OWNERSHIP OF DOCUMENTS.

The written or video-taped documents and materials prepared by the CONTRACTOR in connection with the performance of its duties under this Agreement, shall be the sole property of CITY. CITY may use said property for any purpose, including projects not contemplated by this Agreement.

8. INSPECTION AND AUDIT.

Upon reasonable notice, CONTRACTOR shall make available to CITY, or its agent, for inspection and audit, all documents and materials maintained by CONTRACTOR in connection with its performance of its duties under this Agreement. CONTRACTOR shall fully cooperate with CITY or its agent in any such audit or inspection.

9. ASSIGNABILITY.

The parties agree that they shall not assign or transfer any interest in this Agreement nor the performance of any of their respective obligations hereunder, without the prior written consent of the other party, and any attempt to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

10. INSURANCE.

- A. **Scope of Coverage.** During the term of this Agreement, CONTRACTOR shall maintain, at no expense to CITY, the following insurance policies:
  - 1. A commercial general liability insurance policy in the minimum amount of one million dollars (\$1,000,000) per occurrence/two million dollars (\$2,000,000) aggregate, for death, bodily injury, personal injury, or property damage.



2. An automobile liability (owned, non-owned, and hired vehicles) insurance policy in the minimum amount of one million dollars (\$1,000,000) dollars per occurrence.
3. If it employs any person, **CONTRACTOR** shall maintain worker's compensation insurance, as required by the State of California, with statutory limits, and employer's liability insurance with limits of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease. **CONTRACTOR's** worker's compensation insurance shall be specifically endorsed to waive any right of subrogation against **CITY**.

**B. Other Insurance Requirements.** The insurance coverage required of the **CONTRACTOR** in subparagraph A of this section above shall also meet the following requirements:

1. Except for professional liability insurance or worker's compensation insurance, the insurance policies shall be specifically endorsed to include the **CITY**, its officers, agents, employees, and volunteers, as additional insureds (for both ongoing and completed operations) under the policies.
2. The additional insured coverage under **CONTRACTOR'S** insurance policies shall be "primary and noncontributory" with respect to any insurance or coverage maintained by **CITY** and shall not call upon **CITY's** insurance or self-insurance coverage for any contribution. The "primary and noncontributory" coverage in **CONTRACTOR'S** policies shall be at least as broad as ISO form CG20 01 04 13.
3. Except for professional liability insurance or worker's compensation insurance, the insurance policies shall include, in their text or by endorsement, coverage for contractual liability and personal injury.
4. By execution of this Agreement, **CONTRACTOR** hereby grants to **CITY** a waiver of any right to subrogation which any insurer of **CONTRACTOR** may acquire against **CITY** by virtue of the payment of any loss under such insurance. **CONTRACTOR** agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not **CITY** has received a waiver of subrogation endorsement from the insurer.
5. If the insurance is written on a Claims Made Form, then, following termination of this Agreement, said insurance coverage shall survive for a period of not less than five years.
6. The insurance policies shall provide for a retroactive date of placement coinciding with the effective date of this Agreement.

7. The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of CITY (if agreed to in a written contract or agreement) before CITY'S own insurance or self-insurance shall be called upon to protect it as a named insured.
  8. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to CITY or any other additional insured party. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the CONTRACTOR under this agreement.
- C. **Deductibles and SIR's.** Any deductibles or self-insured retentions in CONTRACTOR's insurance policies must be declared to and approved by the PROJECT MANAGER and City Attorney, and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or CITY or other additional insured party. At CITY's option, the deductibles or self-insured retentions with respect to CITY shall be reduced or eliminated to CITY's satisfaction, or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claims administration, attorney's fees and defense expenses.
- D. **Proof of Insurance.** CONTRACTOR shall provide to the PROJECT MANAGER or CITY'S City Attorney all of the following: (1) Certificates of Insurance evidencing the insurance coverage required in this Agreement; (2) a copy of the policy declaration page and/or endorsement page listing all policy endorsements for the commercial general liability policy, and (3) excerpts of policy language or specific endorsements evidencing the other insurance requirements set forth in this Agreement. CITY reserves the right to obtain a full certified copy of any insurance policy and endorsements from CONTRACTOR. Failure to exercise this right shall not constitute a waiver of the right to exercise it later. The insurance shall be approved as to form and sufficiency by PROJECT MANAGER and the City Attorney.



11. DISCLAIMER AND ACKNOWLEDGMENT; INDEMNIFICATION.

A. **Disclaimers and Acknowledgments.** CITY acknowledges that **CONTRACTOR** is assisting in the technical aspects of video production and does not make any claims regarding applicable laws related to such production and subsequent distribution of any video produced. CITY agrees that it will review all video productions prior to any dissemination to ensure accuracy, context and compliance with all relevant laws. CITY shall take full responsibility for assuring the video produced and the manners of dissemination and publication comply with any and all applicable laws and regulations. Such responsibility shall include any obligations to any individuals, group, entity, building, facility, company or anything else that may be depicted in such video productions. CITY acknowledges that **CONTRACTOR** will not keep copies of any work product provided by CITY. All materials and information provided by CITY will be returned to CITY. The ORIGINAL final product will be provided to CITY. **CONTRACTOR** will only retain a copy of the final product provided.

B. **Indemnification.** CITY shall fully defend, with counsel of CITY'S choosing, indemnify, and hold harmless **CONTRACTOR** from any and all claims, lawsuits, demands, causes of action, liability, loss, damage and/or injury, of any kind whatsoever (including without limitation all claims for monetary loss, property damage, equitable relief, personal injury, arising in tort and/or wrongful death) (hereafter "Claims"), whether brought by an individual or other entity, or imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency, arising out of, in any way whatsoever, **CONTRACTOR'S** services under this Agreement, except that to the extent that liability is caused by the gross negligence or willful misconduct of **CONTRACTOR**, CITY'S indemnification obligation shall be reduced in proportion to **CONTRACTOR'S** share of liability for the gross negligence or willful misconduct. For purposes of this section, "**CONTRACTOR**" shall include **CONTRACTOR'S** officers, owners, personnel, employees, agents, contractors, invitees, or volunteers. The indemnification provided in this section applies to and includes without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys' fees, and related costs or expenses assessed against or incurred by **CONTRACTOR** in connection with a Claim.

C. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement, and shall survive the termination or completion of this Agreement for the full period of time allowed by law.

12. NONDISCRIMINATION.

**CONTRACTOR** shall not discriminate, in any way, against any person on the basis of age, sex, race, color, religion, ancestry, national origin or disability in connection with or related to the performance of its duties and obligations under this Agreement.

13. COMPLIANCE WITH ALL LAWS.

**CONTRACTOR** shall observe and comply with all applicable federal, state and local laws, ordinances, codes and regulations, in the performance of its duties and obligations under this

Agreement. **CONTRACTOR** shall perform all services under this Agreement in accordance with these laws, ordinances, codes and regulations.

14. NO THIRD PARTY BENEFICIARIES.

**CITY** and **CONTRACTOR** do not intend, by any provision of this Agreement, to create in any third party, any benefit or right owed by one party, under the terms and conditions of this Agreement, to the other party.

15. NOTICES.

All notices and other communications required or permitted to be given under this Agreement, including any notice of change of address, shall be in writing and given by personal delivery, or deposited with the United States Postal Service, postage prepaid, addressed to the parties intended to be notified. Notice shall be deemed given as of the date of personal delivery, or if mailed, upon the date of deposit with the United States Postal Service. Notice shall be given as follows:

TO **CITY**'s Project Manager:

Marcus Beverly  
NCCSIF Program Director  
Alliant Insurance Services  
2180 Harvard Street, Ste. 460  
Sacramento, CA 95815

TO **CONTRACTOR**'s Project Director:

Laura Cole  
Critical Incident Videos, LLC  
3069 Alamo Drive, #122  
Vacaville, CA 95687

16. INDEPENDENT CONTRACTOR.

For the purposes, and for the duration, of this Agreement, **CONTRACTOR**, its officers, agents and employees shall act in the capacity of an Independent Contractor, and not as employees of the **CITY**. **CONTRACTOR** and **CITY** expressly intend and agree that the status of **CONTRACTOR**, its officers, agents and employees be that of an Independent Contractor and not that of an employee of **CITY**.

17. ENTIRE AGREEMENT -- AMENDMENTS.

A. The terms and conditions of this Agreement, all exhibits attached, and all documents expressly incorporated by reference, represent the entire Agreement of the parties with respect to the subject matter of this Agreement.

B. This written Agreement shall supersede any and all prior agreements, oral or written, regarding the subject matter between the **CONTRACTOR** and the **CITY**.



C. No other agreement, promise or statement, written or oral, relating to the subject matter of this Agreement, shall be valid or binding, except by way of a written amendment to this Agreement.

D. The terms and conditions of this Agreement shall not be altered or modified except by a written amendment to this Agreement signed by the **CONTRACTOR** and the **CITY**.

E. If any conflicts arise between the terms and conditions of this Agreement, and the terms and conditions of the attached exhibits or the documents expressly incorporated by reference, the terms and conditions of this Agreement shall control.

18. WAIVERS.

The waiver by either party of any breach or violation of any term, covenant or condition of this Agreement, or of any ordinance, law or regulation, shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, law or regulation, or of any subsequent breach or violation of the same or other term, covenant, condition, ordinance, law or regulation. The subsequent acceptance by either party of any fee, performance, or other consideration which may become due or owing under this Agreement, shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, condition, covenant of this Agreement or any applicable law, ordinance or regulation.

19. COSTS AND ATTORNEY'S FEES.

The prevailing party in any action brought to enforce the terms and conditions of this Agreement, or arising out of the performance of this Agreement, may recover its reasonable costs (including claims administration) and attorney's fees expended in connection with such action.

20. OTHER TAXES.

**CONTRACTOR** shall pay any and all state and federal taxes and any other applicable taxes. **CITY** shall not be required to pay for any work performed under this Agreement, until **CONTRACTOR** has provided **CITY** with a completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification).

21. SURVIVAL OF TERMS.

Any terms of this Agreement that by their nature extend beyond the term (or termination) of this Agreement shall remain in effect until fulfilled, and shall apply to both Parties' respective successors and assigns.

22. APPLICABLE LAW.

The laws of the State of California shall govern this Agreement.

23. COUNTERPARTS AND ELECTRONIC SIGNATURE.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one document. Counterpart signature pages may be delivered by telecopier, email or other means of electronic transmission.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month and year first above written.

CITY

CONTRACTOR

Elizabeth Ehnestorm  
Elizabeth Ehnestorm  
NCCSIF President

By: Laura Cole  
Name: Laura Cole  
Title: OWNER



Date:

## **PROPOSAL FOR “NOT TO EXCEED” AGREEMENT BETWEEN THE NORTHERN CALIFORNIA CITIES SELF INSURED FUND (NCCSIF) AND PRECISION CONCRETE CUTTING (PCC)**

### **OVERVIEW**

Uneven sidewalks caused by ground settling and tree roots cause a potential hazard to pedestrians. Displaced sidewalks cause problems for both public and private entities in the form of trip and fall liability exposure.

It is proposed that NCCSIF and PCC enter into an agreement whereby PCC will assess, and repair sidewalks as identified and requested by Member staff. The price for these services shall not exceed the dollar amount and quantity defined in the “Proposal Detail” section below.

### **BACKGROUND INFORMATION ON PRECISION CONCRETE CUTTING**

PCC has been assessing and repairing sidewalks since 1990. The company performs work throughout the United States and with dozens of cities in California.

PCC is the leader in sidewalk asset management. We specialize in assessing sidewalk infrastructure and repairing uneven sidewalks. Our unique saw-cutting method for correcting off-set sidewalk panels leaves behind ADA compliant results for a fraction of the cost of new concrete. Our clients benefit from detailed GIS maps that allow them to create a GIS database to cost effectively manage their sidewalk infrastructure.

### **ASSESSMENT SERVICES**

PCC technicians will walk every panel in the project area and visually assess potential tripping hazards and damage. PCC will provide a GIS compatible report that list each location identified including a photo, exact location, off-set height and square foot amount for replacement locations.

### **PROPRIETARY MOBILE PHONE SOFTWARE**

PCC has developed proprietary mobile software useable across multiple platforms (Android, iPhone, iPad, Smart Phone, etc.)

- Provides GPS Coordinates – Integrates with GIS systems
- Mapping – Provides detailed location data plotted with Google Maps
- Detailed Reporting – Provides specific and detailed data on measurements for every trip hazard
- Addresses – The software gives the address and longitude / latitude of each trip hazard location
- Additional Data - Records other data, e.g. spalling, cracks, replacements or other data you need
- Sidewalk Asset Management – PCC offers complete sidewalk asset management





**PROPRIETARY AND PATENTED REPAIR METHOD**

To Date, PCC has been awarded 6 patents by the US Patent and Trademark Office on our trip hazard removal equipment and process. The following is each patent description and number where they can be reviewed on the US Patent office web site – [www.uspto.gov](http://www.uspto.gov)

- 6,827,074 - Hub and blade combination patent
- 6,896,604 - Dust hood patent
- 7,000,606 - Cutting apparatus and broadening patent
- 7,143,760 - Method patent
- 7,201,644 - Variations and broadening patent
- 7,402,095 - Extended methods patent

**MASTER SERVICE AGREEMENT**

This Master Services Agreement (“AGREEMENT”) made as of this date, by and between Precision Concrete Cutting (“CONTRACTOR”) and The Northern California Cities Self Insured Fund (“AUTHORITY”). This AGREEMENT is created for the sole purpose of establishing an agreed-upon set of services and related costs in order to allow the Authority members (“MEMBER”) access to professional sidewalk inspection and maintenance services.

Further, this AGREEMENT creates no obligation or expectation that any work will result from this agreement. The CONTRACTOR’s specific services are defined below and are available to MEMBER on an as-needed basis. The exact terms and conditions of such services are to be arranged between CONTRACTOR and MEMBER. MEMBER is responsible for initiating and requesting any work of CONTRACTOR

**PROPOSAL DETAILS**

**Service Option 1 SIDEWALK ASSESSMENT SERVICES**

PCC will inspect sidewalks and provide a written inspection report in the format approved by the MEMBER (optional curbs and gutters can be included in the scope of work). The inspection reports shall include the identification, location, and description of each problem and recommended action to be taken. The format and information required may be changed at the request of MEMBER with the agreement of both parties. The report will include photographs, measurements and be GIS compatible

**Sidewalk Assessment Fee Schedule**

\$365 per sidewalk mile

**Sample Services and Responsibilities**

1. MEMBER shall provide maps of specified areas to CONTRACTOR.
2. CONTRACTOR shall inspect public rights-of-way designated on the maps.
3. CONTRACTOR shall use current ADA and California Building Code standards, as applicable, in determining trip hazards. These hazards shall include, but not be limited to: a) Differential displacement between sidewalk sections 3/8” or greater b) Spall surfaces, holes in surfaces, and cracks above 1” wide or greater c) Deteriorated joints that have an eroded condition and are 1/2” wide or greater
4. CONTRACTOR shall record location of damaged sections in a GPS device.
5. Data entered into the GPS device shall be provided in writing to the MEMBER.







6. CONTRACTOR shall provide written inspection report that shall include, but not be limited to: a) Identification and description of each problem condition b) Physical address and location, including GPS location data c) Size of the hazards in height, length, and square foot

**Service Option 3 SIDEWALK ASSESSMENT AND TRIP HAZARD REMOVAL**

**Billing Units:**

Hazard Class	Small (3/8" to 1/2")	Medium (>1/2" to 1")	Large (>1")	Lineal Foot Per Location	Square Foot Per Location
Price Per Repair	\$ 35.00	\$ 67.00	\$ 128.00	5 LF	25 sqft
Price Per Sqft	\$ 1.40	\$2.60	\$ 5.25	N/A	NA

**Sample Sidewalk Survey Services and Responsibilities**

1. CONTRACTOR shall perform annual, semi-annual, or quarterly sidewalk inspection as determined by the scope of services to be defined by terms mutually set between the MEMBER and CONTRACTOR.
2. CONTRACTOR shall specify problems and recommend action to be taken.
3. CONTRACTOR shall prioritize the areas and problems to be resolved.
4. CONTRACTOR shall identify repairs to be accomplished by saw cutting.
5. CONTRACTOR shall identify spall surfaces, holes in surfaces, and cracks above 1" wide or greater.
6. CONTRACTOR shall recommend areas to be demolished and replaced.
7. CONTRACTOR shall provide written inspection report that shall include, but not be limited to: a) Identification and description of each problem condition b) Physical address and location, including GPS location data c) Size of the hazards in height, length, and square foot d) Probable cause of the hazard, if evident e) Pictures of damaged areas 1) Priority for repair — high, medium, low g) Recommended action to be taken h) CONTRACTOR shall report to the MEMBER the results of the inspection upon completion

**Sample Sidewalk Trip Hazard Removal Services and Responsibilities**

1. CONTRACTOR shall make repairs and recommendations to achieve the lowest overall cost to the MEMBER.
2. CONTRACTOR shall remove the existing trip hazards by saw cutting changes in elevation between adjacent panels from 3/8' up to 2 1/2" in height as specified in the scope of work defined by mutually set terms between the MEMBER and CONTRACTOR.
3. The MEMBER shall set a fixed budget "not to exceed" per month, per quarter, or per year.
4. CONTRACTOR shall provide in-depth report, audit-able for maintenance and risk management.

**Sample Remove/Replacement Survey Reporting Services and Responsibilities**

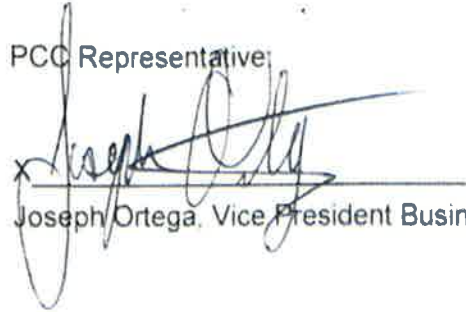
1. CONTRACTOR shall survey and report all areas not recommended for saw cutting.
2. CONTRACTOR shall identify "remove and replacement" locations to maximize the repair of locations that truly need to be replaced.
3. CONTRACTOR shall provide a written report that identifies the location, length, width, and square foot measurement of the affected panels to be replaced.
4. CONTRACTOR shall provide GPS locations, maps and photographs of areas recommended for removal and replacement.
5. CONTRACTOR shall provide an in-depth report on a monthly basis, audit-able for maintenance and risk management.





Precision Concrete Cutting is committed to providing the highest quality service to our customers. Should you have any questions or comments, please do not hesitate to contact us

PCC Representative:

A handwritten signature in black ink, appearing to read "Joseph Ortega", written over a horizontal line.

Joseph Ortega, Vice President Business Development

NCCSIF Representative:

A handwritten signature in black ink, appearing to read "Elizabeth Ehrenstrom", written over a horizontal line.

Elizabeth Ehrenstrom, President



## CORDICO INC. SERVICES AGREEMENT

This Services Agreement (“Agreement”) is by and between CORDICO INC. (a Delaware Corporation) headquartered at 2377 Gold Meadow Way, Suite 100, Gold River, CA 95670 (“Cordico”), and the Northern California Cities Self Insurance Fund (NCCSIF) located within the State of California (“Subscriber”). This Agreement is effective as of the date of the last signature (“Effective Date”), subject to the Terms and Conditions attached hereto, and accepted by Cordico which are still in effect.

**1. Software as a Service (SaaS).** Cordico provides its customers a service as a SaaS model where the software is a mechanism to deliver our service. Cordico will provide the service as long as the subscriber is in good standing.

**1.1. Software.** Cordico will develop customized mobile wellness apps branded for NCCSIF member participating police and fire departments. Cordico will own the apps and the underlying technology, and will provide the customized mobile wellness apps to the respective agency representatives within 120 days of the final execution of this Agreement, provided that the agencies provide Cordico with the necessary image files, contact information, and additional input necessary to complete the app in a timely manner. The apps shall contain a variety of content and features, including, but not limited to, the following:

- 1.1.1. Agency-Customized iPhone Apps
- 1.1.2. Agency-Customized Android Apps
- 1.1.3. Confidential Access
- 1.1.4. Private Access
- 1.1.5. Alcohol Abuse
- 1.1.6. Anger Management
- 1.1.7. Anxiety, Worry, and Panic
- 1.1.8. Behavioral Health Tools
- 1.1.9. Brain Health and Cognitive Strength
- 1.1.10. Chaplain Support (as applicable)
- 1.1.11. Compassion Fatigue
- 1.1.12. Critical Incidents
- 1.1.13. Depression
- 1.1.14. Emotional Health
- 1.1.15. Family Support
- 1.1.16. Financial Fitness
- 1.1.17. Grief and Loss
- 1.1.18. Healthy Habits
- 1.1.19. Injury Prevention
- 1.1.20. Internet Crimes Against Children (ICAC) Coping and Resiliency Strategies (for Law Enforcement)

- 1.1.21. Local Resources (as applicable)**
- 1.1.22. Marriage Guidance**
- 1.1.23. Mental Toughness**
- 1.1.24. Mindfulness**
- 1.1.25. Moral Injury**
- 1.1.26. New Hire: Keys to Wellness**
- 1.1.27. Nutrition**
- 1.1.28. Parenting Tips**
- 1.1.29. Peak Performance**
- 1.1.30. Peer Support (as applicable)**
- 1.1.31. Physical Fitness**
- 1.1.32. Posttraumatic Stress**
- 1.1.33. Psychological First Aid**
- 1.1.34. Push Notifications (optional)**
- 1.1.35. Relationship Success**
- 1.1.36. Resilience Development**
- 1.1.37. Retirement: Getting Prepared**
- 1.1.38. Self-Care Checklists**
- 1.1.39. Sleep Optimization**
- 1.1.40. Stress Management**
- 1.1.41. Stress Response**
- 1.1.42. Substance Abuse**
- 1.1.43. Suicide Prevention**
- 1.1.44. Supporting Children Who Fear for Your Safety**
- 1.1.45. Therapist Finder with Geo-Location (as applicable)**
- 1.1.46. Trauma**
- 1.1.47. Wellness Self-Assessment Tools**
- 1.1.48. Wellness + Technology Updates**
- 1.1.49. Wellness Videos**

### 1.1.50. Work-Life Balance

1.2. **Service.** The services that Cordico offers are described as follows:

1.2.1. **Hosting.** Cordico will host the backend that delivers the content that is accessed in the app.

1.2.2. **Admin Portal.** Cordico will host the web admin portal that allows the subscriber to control the content on the app as well as send out push notifications.

1.2.3. **Technical Upgrades.** As needed, Cordico will upgrade the app so that it meets the technical requirements for the iOS and Android Operating Systems.

1.2.4. **Feature and Content Upgrades.** Cordico will automatically update the app with new content and features as they are developed.

1.2.5. **Support.** Cordico will provide support as follows:

- (a) End user support. Cordico will provide email and phone support for the subscriber's end users as they request changes to the app content.
- (b) Technical Support. Cordico will provide email and phone support for the subscriber's end users for any technical issues.
- (c) Training. Cordico will provide training through email, phone, or via web conferencing as needed.
- (d) Account Manager. Cordico will assign an account manager to the subscriber that will be a point of contact for all their support needs.

1.2.6. **Deployment.** Cordico will help subscriber deploy the apps as follows:

- (a) **Installation Documents.** Cordico will create a customized installation document that provides step-by-step instructions detailing how to install the iPhone and Android apps.
- (b) **Training Presentation.** Cordico will develop a customized training presentation that will allow the Agencies to train their end users on how to install and use their app.
- (c) **Posters.** Cordico will develop a customized poster that will help promote the app and provide instruction on how to install the app.

**2. Compensation and Billing.** Subscriber shall pay Cordico an annual subscription fee, based upon the NCCSIF member participating police and fire departments, as outlined in Appendix A, invoiced when development of app begins, for the services outlined in Section 1, followed by an annual subscription fee, invoiced on an annual basis, beginning one year from the date of the initial invoice. Fees will be billed via invoice with payment due upon receipt. The annual subscription fee covers all costs related to the app including build, design, licensing, maintenance, and ongoing updates. Any costs related to therapist vetting, counseling or therapy services, critical incident debriefings, or other professional services are not included.

**3. Intellectual Property.** Nothing in this Agreement shall operate to assign or transfer any Intellectual Property Rights from the Provider to the Customer, or from the Customer to the Provider.

**4. Term.** The Term of this Agreement shall commence on the date this Agreement is signed by both parties. This Agreement may be terminated at any time by either party in writing with a minimum of sixty days advance notice.

**5. Independent Contractor.** The parties acknowledge and agree that Cordico is an independent contractor and that the relationship between Cordico and Subscriber is not that of employee and employer.

**6. No Warranty; Limited Liability.** Cordico makes no warranty of any kind with respect to the services or software provided by it under this Agreement. In no event shall Cordico, or any of its officers, agents, members, managers, or employees, be liable to Subscriber for any indirect, special, incidental, or consequential damages (including without limitation lost profits and attorney's fees and costs of suit) of any kind.

**7. Integration.** This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement, and it supersedes all prior agreements, understandings, negotiations, and proposals (whether written or oral) concerning the subject matter of this Agreement.

**8. Amendment.** This Agreement may not be amended except in a writing signed by both parties.

**9. Severability.** If any section of this Agreement is held to be invalid, the remaining sections of this Agreement will not be affected.

**10. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, not including its choice of law rules.

**11. Disputes; Choice of Forum.** In the event of any dispute between the parties to this Agreement, the parties shall attempt in good faith to mediate and resolve the dispute without legal action. In the event the dispute cannot be resolved by mediation, any proceedings to enforce the terms of this Agreement or arising out of or related to the subject matter of this Agreement shall be commenced solely in the Superior Court for the County of Sacramento, or, if that court lacks jurisdiction over the subject matter of the litigation, in the United States District Court for the Eastern District of California.

**12. Attorneys' Fees and Costs.** The prevailing party in any suit or action to enforce the terms of this Agreement or arising from the subject matter of this Agreement shall recover its attorneys' fees and costs of suit.

**13. Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

**14. Software License.** The Agency-Customized Wellness Apps will be available for use to all Agency personnel and additional specified individuals, as designated by the respective Agencies, as long as this agreement is in good standing. The Wellness Apps may not be shared or redistributed in any other manner, without express written permission from Cordico, and the Wellness Apps may not be decompiled, copied, reverse-engineered, or reconstructed in any manner whatsoever, without express written permission from Cordico. No license to any intellectual property is provided or implied by this Agreement. Cordico retains permission to download, modify, improve, utilize and install updates to the Wellness Apps.


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<b>CORDICO INC. Billing Information:</b>	<b>Subscriber Billing Information:</b>
Contact Name: Kevin Dacy	Contact Name:
Email: info@cordico.com	Email:
Address: 2377 Gold Meadow Way Suite 100 Gold River, CA 95670	Address:
Phone/Fax: (844) 267-3426	Phone:
CORDICO INC. FEIN Tax ID: 82-4323038	Fax:

[Signature Page Follows]

IN WITNESS WHEREOF, Cordico and Subscriber have caused this Agreement to be entered into by their duly authorized representatives as of the Effective Date.

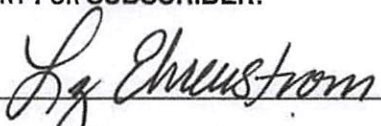
**AUTHORIZED SIGNATORY FOR CORDICO INC.:**

SIGNATURE: 

David Black, Ph.D.  
President  
CORDICO INC.

5/01/2020  
DATE

**AUTHORIZED SIGNATORY FOR SUBSCRIBER:**

SIGNATURE: 

Printed Name: Liz Ehrenstrom

Title: President

NCCSIF

06.01.2020  
DATE

## APPENDIX A

### ANNUAL FEE PRICING STRUCTURE

1. The annual fee pricing structure, listed below, is extended to all NCCSIF agencies through October 21, 2020, and will be honored for a minimum of 5 years for all agencies that elect to participate in the CORDICO SaaS program through the NCCSIF on or before October 21, 2020.
  - a. Pricing listed in "Additional 10% Discount" pricing columns offered to all NCCSIF agencies who participate in the CORDICO SaaS program through the NCCSIF.
  - b. Pricing listed in "Additional 20% Discount" pricing columns offered if all of the agencies listed below participate in the CORDICO SaaS program through the NCCSIF.

City Name	Police App Discounted Pricing	Police App Additional 10% Discount	Police App Additional 20% Discount	Fire App Discounted Pricing	Fire App Additional 10% Discount	Fire App Additional 20% Discount	PD & FD Discounted Pricing	PD & FD Additional 10% Discount Pricing	PD & FD Additional 20% Discount Pricing
Elk Grove	\$ 30,000.00	\$ 27,000.00	\$ 24,000.00	\$ 25,000.00	\$ 22,500.00	\$ 20,000.00	\$ 55,000.00	\$ 49,500.00	\$ 44,000.00
Dixon	\$ 15,000.00	\$ 13,500.00	\$ 12,000.00	\$ 15,000.00	\$ 13,500.00	\$ 12,000.00	\$ 30,000.00	\$ 27,000.00	\$ 24,000.00
Auburn	\$ 6,000.00	\$ 5,400.00	\$ 4,800.00	\$ 6,000.00	\$ 5,400.00	\$ 4,800.00	\$ 12,000.00	\$ 10,800.00	\$ 9,600.00
Folsom	\$ 20,000.00	\$ 18,000.00	\$ 16,000.00	\$ 15,000.00	\$ 13,500.00	\$ 12,000.00	\$ 35,000.00	\$ 31,500.00	\$ 28,000.00
Lincoln	\$ 6,000.00	\$ 5,400.00	\$ 4,800.00	\$ 6,000.00	\$ 5,400.00	\$ 4,800.00	\$ 12,000.00	\$ 10,800.00	\$ 9,600.00
Placerville (PD Only)	\$ 10,000.00	\$ 9,000.00	\$ 8,000.00				\$ 10,000.00	\$ 9,000.00	\$ 8,000.00
Red Bluff	\$ 10,000.00	\$ 9,000.00	\$ 8,000.00	\$ 10,000.00	\$ 9,000.00	\$ 8,000.00	\$ 20,000.00	\$ 18,000.00	\$ 16,000.00
Rio Vista	\$ 3,000.00	\$ 2,700.00	\$ 2,400.00	\$ 3,000.00	\$ 2,700.00	\$ 2,400.00	\$ 6,000.00	\$ 5,400.00	\$ 4,800.00
Rocklin	\$ 15,000.00	\$ 13,500.00	\$ 12,000.00	\$ 10,000.00	\$ 9,000.00	\$ 8,000.00	\$ 25,000.00	\$ 22,500.00	\$ 20,000.00
Yuba City	\$ 15,000.00	\$ 13,500.00	\$ 12,000.00				\$ 15,000.00	\$ 13,500.00	\$ 12,000.00
<b>Totals</b>	<b>\$ 130,000.00</b>	<b>\$ 117,000.00</b>	<b>\$ 104,000.00</b>	<b>\$ 90,000.00</b>	<b>\$ 81,000.00</b>	<b>\$ 72,000.00</b>	<b>\$ 220,000.00</b>	<b>\$ 198,000.00</b>	<b>\$ 176,000.00</b>
10 % Amount saved		\$ 13,000.00		\$ 9,000.00			Total 10% savings PD + FD : \$ 22,000.00		
20% Amount saved			\$ 26,000.00		\$ 18,000.00		Total 20% savings PD + FD : \$ 44,000.00		



# Quarterly Report for NCCSIF Workers' Compensation



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*caring counts*

June 2020

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## Summary of Quarterly Report:

### COVID-19:

- The Workers' Compensation Appeals Board (WCAB) is continuing their emergency actions in response to COVID-19 including modified hearing calendars and telephonic appointments. Please reach out to your workers' compensation team with any questions about how to handle any potential workers' compensation claims.

### Claim Trends this Quarter:

- March of 2020 had a 12-month high for new claims. There was a substantial decrease in new claims for April, but they are starting to climb up again in May. The total number of open claims is lower at 542. While the closing ratio for April was much higher than average, we do anticipate a lower closing ratio over the next few months as medical appointments and settlements are being delayed due to the pandemic. The salvage on closed claims averages to almost 40% for the last three months which is excellent.

### Questions About Claims?

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



## NCCSIF Workers' Compensation Quarterly Update: June 2020

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Red Bluff, Willows

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Medical Only claims

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**Unit Manager**  
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## Resources

**Jeff Ponta, Director**  
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## NCCSIF Workers' Compensation Quarterly Update: June 2020

### Goals and Objectives:

Focus	Measurement	Objective
Inventory Reduction	Files closed from Critical Listing *	2 per month
Settlements	Number of Settlements	5 per month
Salvage	Salvage as % of incurred on Closed Files	10% on prior incurred value
Temporary Disability	Average Duration of TD on active TD files	24 weeks of TD on current TD files
Litigation	Newly Litigated Files as % of Newly Opened files	20% of newly opened claim files
Reserve Development	Annualized development of reserves on files DOI > 1 year	10% Annual Development

\* Critical Listing claims have the following criteria:

Total Incurred > \$100k, and/or DOI prior to 1/1/2010, and/or Initially denied and currently litigated, and/or Litigated with \$0 in indemnity reserves



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## NCCSIF Workers' Compensation Quarterly Update: June 2020

### Workers' Compensation Program Results:

<u>Month ending:</u>	<u>3/31/2020</u>	<u>4/30/2020</u>	<u>5/31/2020</u>
<b>Closing Ratio</b>			
Beginning Inventory	547	555	543
Newly Entered	38	16	27
Reopened	-	1	2
Closed	30	29	30
<b>Ratio</b>	<b>79%</b>	<b>171%</b>	<b>103%</b>
Non-Closure Adjustments	-	-	-
Ending Inventory	555	543	542
<b><u>Performance vs Objectives</u></b>	<b><u>3/31/2020</u></b>	<b><u>4/30/2020</u></b>	<b><u>5/31/2020</u></b>
<b>Inventory Reduction</b>			
Claims Closed from Critical Listing	2	4	5
<b>Settlements</b>			
Compromise and Release	3	5	3
Stipulations	5	1	2
New Settlements in Period	8	6	5
<b>Salvage on Closures</b>			
Incurred Value of Closed Ind Files	\$310,426	\$868,996	\$376,886
Salvage on Closed Files	\$270,396	\$333,583	\$283,345
Salvage as % of Incurred Value	46.6%	27.7%	42.9%



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## NCCSIF Workers' Compensation Quarterly Update: June 2020

### Workers' Compensation Program Results Continued:

<b>Average Duration of Active TD Files</b>			
Num of Claims Paying TD in Period	48	33	35
Average Duration of TD (weeks)	18.70	25.17	23.37
<b>Litigated Inventory</b>			
Newly Litigated Files	7	4	3
Open Litigated Files	219	219	218
Newly Litigated Files, 6 Months Rolling	16	16	15
Newly Opened Files, 6 Months Rolling	174	157	158
Newly Litigated as % of Newly Opened	9.2%	10.2%	9.5%
<b>Reserve Development, DOI &gt; 1 Year</b>			
Change in Incurred	\$256,538	\$229,609	\$127,791
Ann Increase on Open Incurred	4.7%	4.1%	2.3%
<b>Denied Injuries</b>			
Denials Issued in Period	6	6	7
Avg Days to Denial from Notice	29	126	60



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**NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9**

**ATTACHMENT A - LIABILITY  
Approved List of Counsel**

<b>Name of Law Firm</b>	<b>Attorneys</b>	<b>Areas of Expertise</b>
Angelo, Kilday & Kilduff 601 University Avenue, Suite 150 Sacramento, CA 95825 (916) 564-6100	Bruce A. Kilday Carolee Kilduff Serena Sanders Carrie McFadden Kevin Dehoff Amie McTavish	Police Liability, General Liability, Auto, Personnel, Heavy Trial Experience
Ayres & Associates 930 Executive Way, Suite 200 Redding, CA 96002 (530) 229-1340	William Ayres	Dangerous Condition, Auto, General Liability, Environmental Liability
Bertrand, Fox, Elliott et al 2749 Hyde Street San Francisco, CA 94109 (415) 353-0999	Eugene Elliott	
Caulfield Law Firm 1101 Investment Blvd., Suite 120 El Dorado Hills, CA 95762 (916) 933-3200	Rich Caulfield Andrew Caulfield	Same as above, with Construction Defect, Heavy to Medium Trial Experience
Donahue Davies LLP 1 Natoma Street Folsom, CA 95630 (916) 817-2900	Robert E Davies Brian Haydon	
Gregory P. Einhorn 48 Hanover Lane, Suite 2 Chico, CA 95973 (530) 898-0228	Gregory P. Einhorn  <i>Use for Willows as needed</i>	Employment Law, General Liability, Municipal
Kronick, Moskovitz Tiedemann & Girard 400 Capitol Mall, 27 <sup>th</sup> Floor Sacramento, CA 95814	Christopher Onstott Bruce A. Scheidt * Maggie Stern David W. Tyra  Mona G. Ebrahimi  Kevin A. Flautt  Olivia R. Clark	Civil Rights, California Fair Employment and Housing, Tort Claims, California Public Records Employment Practices

**NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9**

**ATTACHMENT A - LIABILITY  
Approved List of Counsel**

<b>Name of Law Firm</b>	<b>Attorneys</b>	<b>Areas of Expertise</b>
Liebert Cassidy Whitmore 135 Main St #7 San Francisco, CA 94105	Richard Bolanos	Employment Law, Labor Relations & Collective Bargaining, Public Safety, Wage & Hour, Retirement, Health and Disability
Peters, Habib, McKenna Juhl-Rhodes & Cardoza, LLP P.O. Box 3509 Chico, CA 95927 (530) 342-3593	Dave Rush Mark Habib Jim McKenna Lia Juhl	Dangerous Condition, Police Liability, General Liability, Auto, Good Trial Experience
Porter Scott P.O. Box 255428 Sacramento, CA 95865 (916) 929-1481 Fax: (916) 927-3706	Nancy Sheehan John Whitefleet Kevin Kreutz Terry Cassidy Carl L. Fessenden Steve Horan Russell Porter	Police, Civil Rights, Dangerous Condition, Inverse Condemnation, Auto, General Liability, Heavy to Light Trial Experience
Matheny Sears Linkert & Jaime, LLP 3638 American River Drive Sacramento, CA 95864 (916) 978-3434 Fax: (916) 978-3430	Matthew Jaime Douglas Sears Richard Linkert Michael Bishop	
Ruben Escobedo 731 S. Lincoln St. Santa Maria, CA 93458	Ruben Escobedo	Labor & Employment
The Law Office of Justin N. Tierney 2000 U Street Sacramento, CA 95814 (916) 451-3426	Justin N. Tierney	Dangerous Condition, Auto, Medium Trial Experience
The Law Office of James A. Wyatt 2130 Eureka Way Redding, CA 96001 (530) 244-6060 P.O. Box 992338 Redding, CA 96099-2338	James A. Wyatt	Dangerous Condition, Civil Rights, Police, Wrongful Termination, Auto Liability, Labor Law, Heavy Trial Experience



**NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9**

**ATTACHMENT A - LIABILITY  
Approved List of Counsel**

<b>Name of Law Firm</b>	<b>Attorneys</b>	<b>Areas of Expertise</b>
Murphy, Campbell, Alliston & Quinn, PLC. 8801 Folsom Boulevard, Suite 230 Sacramento, CA 95826 (916) 400-2300	Stephanie L. Quinn	Auto, Wrongful Deaths, Slip and falls, Fire and Trespassing Experience
Cota Cole LLP 2261 Lava Ridge Court Roseville, CA 95661 (916) 780-9009	Dennis Cota Derek Cole Daniel King	Land Use, civil rights, environmental issues.
Allen, Glaessner, Hazelwood, Werth 180 Montgomery Street, Ste. 1200 San Francisco, CA 94104 (415) 697-2000	Dale Allen Mark Hazelwood Steve Werth	Police liability, ADA, sidewalk, employment practices, general municipal liability
Arthofer and Tonkin, Attorneys At Law 1267 Willis Street Redding, CA 96001 (530) 722-9002	Kenneth Arthofer Griffith Tonkin	Public entity, injury, real estate
Randall Harr 44282 Highway 299 East McArthur, CA 96056 (530) 336-5656 rlh@randallharlaw.com	Randall Harr	
Lenahan, Lee, Slater, Pearse & Majernik LLP 2542 River Plaza Drive Sacramento, CA 95833 (916) 443-1030	Charleton S. Pearse Benjamin D. Oram, Esq. Adam Ambrozy	Dangerous Condition and Vicarious Liability cases
Lynberg & Watkins 1100 Town & Country Rd., Ste. 1450 Orange, CA 92868 (714) 937-1010	Melissa D. Culp Courtney L. Hylton Norman J. Watkins	

\* *Bruce A. Scheidt will be used only as respects the Eaton vs. Rocklin litigation.*

**Revision Date: March 28, 2020**



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item E.**

**GENERAL RISK MANAGEMENT ISSUES**

**INFORMATION ITEM**

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

**RECOMMENDATION:** None.

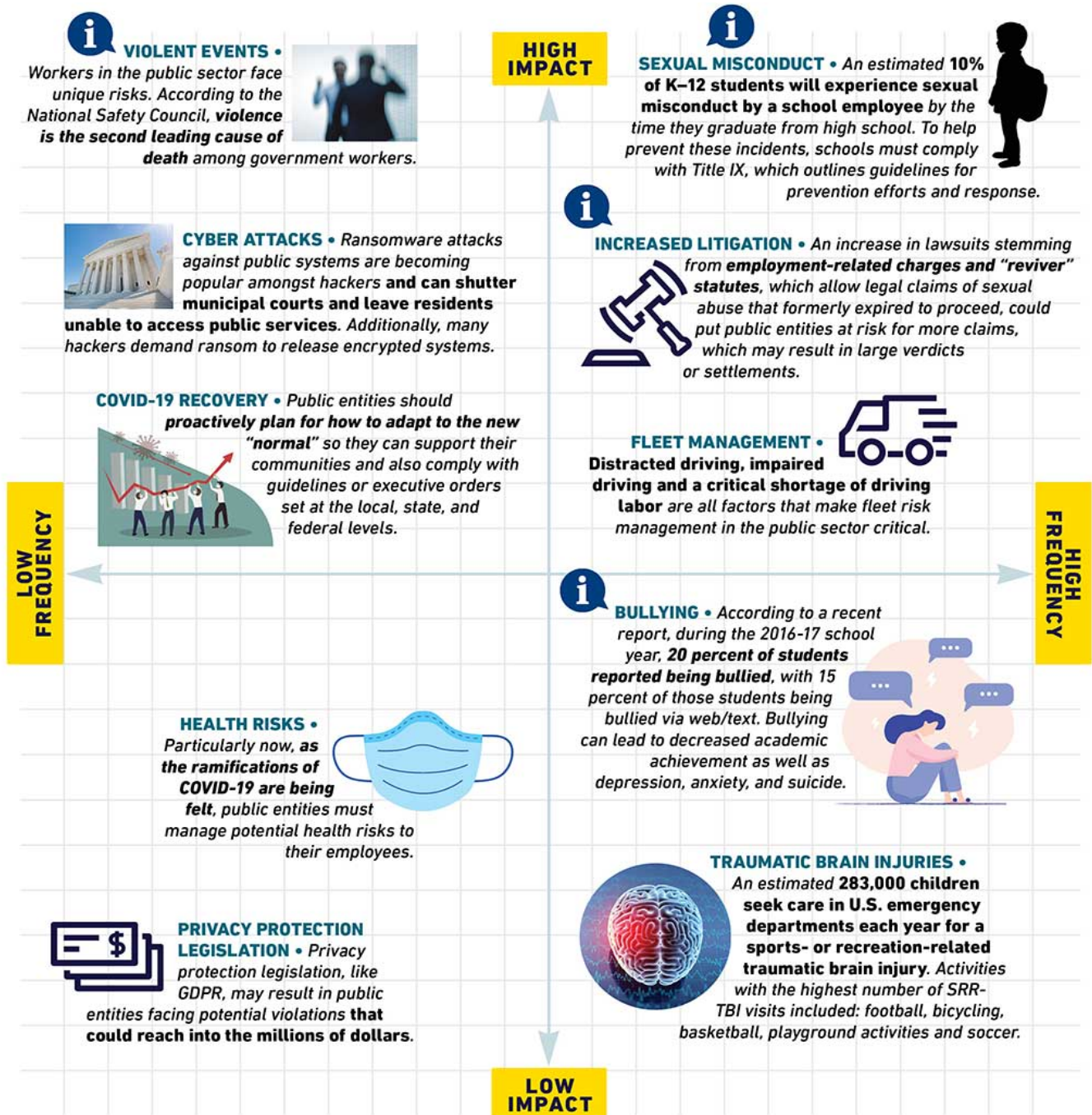
**FISCAL IMPACT:** None.

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

**ATTACHMENT(S):** Public Entity Risk Matrix from Risk and Insurance

# PUBLIC ENTITY RISK MATRIX

## June 2020



Note: The Risk Matrix is produced by the Risk and Insurance® editorial team. Liberty Mutual Insurance is the presenting sponsor and has no responsibility for the content.

**NCCSIF**  
**FY 19/20 MEMBER TRAINING AND RISK MANAGEMENT FUND - Updated 6/17/20**  
(formerly Seminars/Conference Reimbursement)

Member	FY 19/20 Training Funds	YTD Reimbursements Made	Reimbursement Notes/Usage	Must Use Funds by 6/30/2020
1 Anderson	\$4,000	\$3,660.24	1/23/20 \$1,857.87 - 2019 CalPELRA Conference Jeff Kiser 1/23/20 \$1,802.37 - 2019 CalPELRA Conference Liz Cottrell	\$339.76
2 Auburn	\$4,000			\$4,000.00
3 Colusa	\$4,000			\$4,000.00
4 Corning	\$4,000	\$890.00	6/17/20 \$890.00-2020 CALPELRA Conference Kristina Miller	\$3,110.00
5 Dixon	\$4,000	\$3,653.25	12/4/19 \$1,120.74 - 2019 CalPELRA Conference Kim Stalie 12/17/19 \$1,018.36 - 2019 CalPELRA Conference Rachel Ancheta 3/6/20 \$1,514.15 - 2020 PARMA Conference Rachel Ancheta	\$346.75
6 Elk Grove	\$4,000			\$4,000.00
7 Folsom	\$4,000			\$4,000.00
8 Galt	\$4,000	\$1,469.31	5/21/20- 2019 CalPERLA Conference-Roxanne Anguiano	\$2,530.69
9 Gridley	\$4,000			\$4,000.00
10 Ione	\$4,000	\$660.00	9/19/19 \$660.00 - 2019 CAJPA Conference Jon Hanken	\$3,340.00
11 Jackson	\$4,000	\$1,071.08	11/4/19 \$1,071.08 - 2019 Municipal Management Association of Northern California Annual Conference Yvonne Kimball	\$2,928.92
12 Lincoln	\$4,000	\$524.08	3/12/20 \$524.08 - 2019 CAJPA Conference Veronica Rodriguez	\$3,475.92
13 Marysville	\$4,000	\$720.00	5/1/2020 \$720.00- 2020 CALPERLA Conference Registration	\$3,280.00
14 Nevada City	\$4,000	\$4,000.00	4/17/20 - \$1,850.00 - League of CA Cities 2019 Annual Conference Catrina Olson and Erin Minett 4/17/20 - \$2,150.00 - Council Governance Training	\$0.00
15 Oroville	\$4,000	\$4,000.00	12/5/19 \$1,567.87 - 2019 CalPELRA Conference Liz Ehrenstrom 4/3/20 \$1,554.72 - 2020 PARMA Conference Liz Ehrenstrom \$877.41 2020 CalPERLA Conference-Liz Ehrenstrom	\$0.00
16 Paradise	\$4,000			\$4,000.00
17 Placerville	\$4,000			\$4,000.00
18 Red Bluff	\$4,000	\$4,000.00	6-1-20 \$4,000.00-OSHA Training Software & Supervision DKF Solutions	\$0.00
19 Rio Vista	\$4,000	\$4,000.00	4/22/20 \$1,542.70- 2019 CalPELRA Conference Jose Jasso 4/22/20 \$2,457.30- 2020 CalPELRA Conference-Jose Jasso	\$0.00
20 Rocklin	\$4,000	\$3,758.37	5/5/20 \$2,037.93- 2019 CalPERLA Conference- Heidi Stark 5/5/20-\$1720.44- 2019 CalPERLA Conference-Michael Green	\$241.63
21 Willows	\$4,000			\$4,000.00
22 Yuba City	\$4,000	\$4,000.00	4-21-20 \$4,000.00-2019 CalPERA Conference-Ciara Wakefield	\$0.00
<b>Total</b>	<b>\$88,000</b>	<b>\$36,406.33</b>		<b>\$51,593.67</b>

NOTE: FY 19/20 each member city is allotted \$4,000 from the Admin budget 52207 -**Member Training and Risk Management**  
This is a Use-It-or-Lose-It and reimbursement request must be submitted within the fiscal year.



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item F.4.**

**SUMMARY OF THE MAY 28, 2020 EXECUTIVE COMMITTEE MEETING**

**INFORMATION ITEM**

**ACTIONS TAKEN:**

- **Financial Auditing Services Agreement-** the Committee approved the agreement and gave Marcus Beverly permission to sign
- **James Marta & Company LLP Agreement for Financial Auditing and Consulting-**the Committee approved the two optional years
- **Lexipol Fire Subscription Services-**the Committee approved the MOU
- **Lexipol Law Enforcement Subscription Services-**the Committee approved the MOU
- **Police Risk Management Grant Fund -** the Committee approved funding \$50,000 for FY 20/21.
- **ACI Employee Assistance Program Renewal Engagement Letter-**the Committee approved the engagement letter
- **Cordico Wellness App-**the Committee approved the agreement
- **Critical Incident Video Services General Retainer Agreement-**the Committee approved the agreement
- **Precision Concrete Cutting Services Agreement-**the Committee approved the agreement
- **CJPRMA Self Insured Retention(SIR)-**the Committee approved remaining at the \$500,000 SIR and funding at \$750,000
- **Strategic Plan Update-** the Committee recommended an all-day facilitated training on October 29th
- **P&P A-9: Liability Defense Counsel List-** Approved additions of Ruben Escobedo, Richard Bolanos, Mona G. Ebrahimi, Kevin A. Flautt, and Oliva R. Clark.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item G.1.**

**QUARTERLY FINANCIAL REPORT  
FOR PERIOD ENDING MARCH 31, 2020**

**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, 2020 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.

**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, 2020

**FINANCIAL REPORT**

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**MARCH 31, 2020**

**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, 2020**

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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Tax, and Consulting*

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## 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, 2020, and the related statement of revenues, expenses and changes in net position and statement of cash flows for the fiscal 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, 2020 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  
Sacramento, California  
April 30, 2020

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Net Position  
March 31, 2020**

---

**Assets**

Current Assets	
Cash and Cash Equivalents	\$ 12,884,164
Accounts Receivable	-
Interest Receivable	314,392
Excess Accounts Receivable	1,099,865
Prepaid Expense	<u>1,428,871</u>
Total Current Assets	<u>15,727,292</u>
Non-Current Assets	
Investments*	<u>56,931,241</u>
Total Assets	<u>\$ 72,658,533</u>

**Liabilities & Net Position**

Current Liabilities	
Accounts Payable	\$ 142,841
Unearned Revenue	<u>3,227,486</u>
Total Current Liabilities	<u>3,370,327</u>
Non-Current Liabilities	
Outstanding Liabilities*	43,423,592
ULAE*	<u>4,072,386</u>
Total Non-Current Liabilities	<u>47,495,978</u>
Total Liabilities	<u>\$ 50,866,305</u>
Net Position	
Designated for Contingency	200,000
Designated for Risk Management	289,016
Undesignated	<u>21,303,212</u>
Total Net Position	<u>21,792,228</u>
Liability & Net Position	<u>\$ 72,658,533</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, 2020**

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Operating Income	
Administration Deposit	\$ 984,741
Banking Layer Deposit	6,532,982
Shared Risk Layer	4,450,500
Excess Deposit/Premium	2,379,411
Property/Crime Insurance Income	1,579,683
Banking Layer Assessment	-
Shared Risk Refund	-
Banking Layer Refund	-
Other Income	<u>57,347</u>
Total Operating Income	<u>15,998,902</u>
Operating Expenses	
Claims Paid	6,355,252
O/S Liability adj.	4,644,721
ULAE	2,264,034
Consultants	50,450
Administration-Other	11,245
Safety Service	305,024
Claims Administration	666,483
Program Administration	334,371
Board Expenses	8,036
Excess Insurance	2,349,173
Property/Crime Insurance Expense	<u>1,604,878</u>
Total Operating Expenses	<u>18,593,667</u>
Operating Income (Loss)	(2,594,765)
Non-Operating Income	
Change in Fair Market Value	1,582,450
Investment Income	<u>975,007</u>
Total Non-Operating Income	<u>2,557,457</u>
Change in Net Position	(37,308)
Beginning Net Position	<u>21,829,536</u>
Ending Net Position	<u>\$ 21,792,228</u>

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Statement of Cash Flows**  
**For the Nine Months Ended March 31, 2020**

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<b>Cash flows from operating activities:</b>	
Cash received from members	\$ 17,850,268
Cash paid for claims	(6,373,725)
Cash paid for insurance	(5,265,421)
Cash paid to vendors	(1,268,873)
Cash (paid) received for dividends	<u>802,809</u>
Net cash provided by (used in) operating activities	<u>5,745,058</u>
 <b>Cash flows from investing activities:</b>	
Investment income received	1,013,802
Purchases of investments	(17,912,116)
Proceeds from sale or maturity of investments	<u>17,034,874</u>
Net cash provided by (used in) investing activities	<u>136,561</u>
Net increase (decrease) in cash and cash equivalents	5,881,619
Cash and cash equivalents, beginning of year	<u>7,002,545</u>
Cash and cash equivalents, end of year	<u>\$ 12,884,164</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (2,594,765)
 Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Member receivable	212,406
Excess receivable	(18,473)
Prepaid expense	(1,288,637)
(Decrease) increase in:	
Accounts payable	83,984
Unearned revenue	2,441,768
Unpaid claims and claim adjustment expenses	<u>6,908,775</u>
Net cash provided by (used in) operating activities	<u>\$ 5,745,058</u>
 Supplemental information:	
Noncash non-operating and investing activities	
Net change in fair value of investments	<u>\$ 1,582,450</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, 2020**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 5,452,882	\$ 206,058	\$ 3,479,686	\$ 1,767,138
Accounts Receivable	-	-	-	-
Interest Receivable	81,123	2,601	43,126	35,396
Excess Accounts Receivable	600,587	-	600,587	-
Prepaid Expense	902,897	7,523	894,264	1,110
<b>Total Current Assets</b>	<b>7,037,489</b>	<b>216,182</b>	<b>5,017,663</b>	<b>1,803,644</b>
<b>Non-Current Assets</b>				
Investments*	12,159,253	322,707	5,938,256	5,898,290
<b>Total Assets</b>	<b>\$ 19,196,742</b>	<b>\$ 538,889</b>	<b>\$ 10,955,919</b>	<b>\$ 7,701,934</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 68,538	\$ 22,656	\$ 176	\$ 45,706
Unearned Revenue	2,170,411	123,209	1,494,448	552,754
<b>Total Current Liabilities</b>	<b>2,238,949</b>	<b>145,865</b>	<b>1,494,624</b>	<b>598,460</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	9,172,156	-	6,281,454	2,890,702
<b>Total Non-Current Liabilities</b>	<b>9,172,156</b>	<b>-</b>	<b>6,281,454</b>	<b>2,890,702</b>
<b>Total Liabilities</b>	<b>\$ 11,411,105</b>	<b>\$ 145,865</b>	<b>\$ 7,776,078</b>	<b>\$ 3,489,162</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Undesignated	7,685,637	293,024	3,179,841	4,212,772
<b>Total Net Position</b>	<b>7,785,637</b>	<b>393,024</b>	<b>3,179,841</b>	<b>4,212,772</b>
<b>Liability &amp; Net Position</b>	<b>\$ 19,196,742</b>	<b>\$ 538,889</b>	<b>\$ 10,955,919</b>	<b>\$ 7,701,934</b>

\*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, 2020**

	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
<b>Current Assets</b>									
Cash and Cash Equivalents	\$ 29,155	\$ 118,500	\$ 4,310	\$ 58,923	\$ 36,644	\$ 705,907	\$ 80,017	\$ 22,923	\$ 30,658
Accounts Receivable	-	-	-	-	-	-	-	-	-
Interest Receivable	816	1,328	24	645	950	11,443	1,890	1,003	248
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	250	-	-	-	-	600	-	-	-
<b>Total Current Assets</b>	<b>30,221</b>	<b>119,828</b>	<b>4,334</b>	<b>59,568</b>	<b>37,594</b>	<b>717,950</b>	<b>81,907</b>	<b>23,926</b>	<b>30,906</b>
<b>Non-Current Assets</b>									
Investments*	148,991	172,829	2,057	83,628	172,569	1,799,369	329,330	195,466	25,434
<b>Total Assets</b>	<b>\$ 179,212</b>	<b>\$ 292,657</b>	<b>\$ 6,391</b>	<b>\$ 143,196</b>	<b>\$ 210,163</b>	<b>\$ 2,517,319</b>	<b>\$ 411,237</b>	<b>\$ 219,392</b>	<b>\$ 56,340</b>
<b>Current Liabilities</b>									
Accounts Payable	\$ 1,891	\$ 2,285	\$ 2,627	\$ 701	\$ 1,066	\$ 7,625	\$ 2,476	\$ 800	\$ 845
Unearned Revenue	9,910	39,004	14,630	12,556	8,021	172,208	28,402	9,770	6,400
<b>Total Current Liabilities</b>	<b>11,801</b>	<b>41,289</b>	<b>17,257</b>	<b>13,257</b>	<b>9,087</b>	<b>179,833</b>	<b>30,878</b>	<b>10,570</b>	<b>7,245</b>
<b>Non-Current Liabilities</b>									
Outstanding Liabilities*	44,029	108,579	94,555	10,918	54,880	544,704	175,258	22,952	5,672
<b>Total Non-Current Liabilities</b>	<b>44,029</b>	<b>108,579</b>	<b>94,555</b>	<b>10,918</b>	<b>54,880</b>	<b>544,704</b>	<b>175,258</b>	<b>22,952</b>	<b>5,672</b>
<b>Total Liabilities</b>	<b>\$ 55,830</b>	<b>\$ 149,868</b>	<b>\$ 111,812</b>	<b>\$ 24,175</b>	<b>\$ 63,967</b>	<b>\$ 724,537</b>	<b>\$ 206,136</b>	<b>\$ 33,522</b>	<b>\$ 12,917</b>
<b>Net Position</b>									
Designated for Contingency	-	-	-	-	-	-	-	-	-
Undesignated	123,382	142,789	(105,421)	119,021	146,196	1,792,782	205,101	185,870	43,423
<b>Total Net Position</b>	<b>123,382</b>	<b>142,789</b>	<b>(105,421)</b>	<b>119,021</b>	<b>146,196</b>	<b>1,792,782</b>	<b>205,101</b>	<b>185,870</b>	<b>43,423</b>
<b>Liability &amp; Net Position</b>	<b>\$ 179,212</b>	<b>\$ 292,657</b>	<b>\$ 6,391</b>	<b>\$ 143,196</b>	<b>\$ 210,163</b>	<b>\$ 2,517,319</b>	<b>\$ 411,237</b>	<b>\$ 219,392</b>	<b>\$ 56,340</b>

See Accompanying Accountant's Report

\*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, 2020**

	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
<b>Current Assets</b>										
Cash and Cash Equivalents	\$ 49,059	\$ 75,664	\$ 104,968	\$ 74,934	\$ 56,988	\$ 5,879	\$ 2,039	\$ 199,369	\$ 5,965	\$ 105,236
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Interest Receivable	836	2,231	1,664	1,464	1,839	1,289	72	3,553	265	3,836
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	125	-	-	-	135	-	-	-	-
<b>Total Current Assets</b>	<b>49,895</b>	<b>78,020</b>	<b>106,632</b>	<b>76,398</b>	<b>58,827</b>	<b>7,303</b>	<b>2,111</b>	<b>202,922</b>	<b>6,230</b>	<b>109,072</b>
<b>Non-Current Assets</b>										
Investments*	135,335	349,132	261,444	240,789	348,995	264,064	4,543	574,464	52,504	737,347
<b>Total Assets</b>	<b>\$ 185,230</b>	<b>\$ 427,152</b>	<b>\$ 368,076</b>	<b>\$ 317,187</b>	<b>\$ 407,822</b>	<b>\$ 271,367</b>	<b>\$ 6,654</b>	<b>\$ 777,386</b>	<b>\$ 58,734</b>	<b>\$ 846,419</b>
<b>Current Liabilities</b>										
Accounts Payable	\$ 1,428	\$ 3,921	\$ 2,903	\$ 1,224	\$ 2,151	\$ 3,270	\$ 1,395	\$ 3,167	\$ 288	\$ 5,643
Unearned Revenue	12,896	37,217	28,599	21,699	15,377	11,533	10,458	59,026	6,980	48,068
<b>Total Current Liabilities</b>	<b>14,324</b>	<b>41,138</b>	<b>31,502</b>	<b>22,923</b>	<b>17,528</b>	<b>14,803</b>	<b>11,853</b>	<b>62,193</b>	<b>7,268</b>	<b>53,711</b>
<b>Non-Current Liabilities</b>										
Outstanding Liabilities*	8,360	216,733	210,943	116,049	132,854	208,244	246,653	312,079	4,490	372,750
<b>Total Non-Current Liabilities</b>	<b>8,360</b>	<b>216,733</b>	<b>210,943</b>	<b>116,049</b>	<b>132,854</b>	<b>208,244</b>	<b>246,653</b>	<b>312,079</b>	<b>4,490</b>	<b>372,750</b>
<b>Total Liabilities</b>	<b>\$ 22,684</b>	<b>\$ 257,871</b>	<b>\$ 242,445</b>	<b>\$ 138,972</b>	<b>\$ 150,382</b>	<b>\$ 223,047</b>	<b>\$ 258,506</b>	<b>\$ 374,272</b>	<b>\$ 11,758</b>	<b>\$ 426,461</b>
<b>Net Position</b>										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	162,546	169,281	125,631	178,215	257,440	48,320	(251,852)	403,114	46,976	419,958
<b>Total Net Position</b>	<b>162,546</b>	<b>169,281</b>	<b>125,631</b>	<b>178,215</b>	<b>257,440</b>	<b>48,320</b>	<b>(251,852)</b>	<b>403,114</b>	<b>46,976</b>	<b>419,958</b>
<b>Liability &amp; Net Position</b>	<b>\$ 185,230</b>	<b>\$ 427,152</b>	<b>\$ 368,076</b>	<b>\$ 317,187</b>	<b>\$ 407,822</b>	<b>\$ 271,367</b>	<b>\$ 6,654</b>	<b>\$ 777,386</b>	<b>\$ 58,734</b>	<b>\$ 846,419</b>

\*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, 2020**

	<b>Total</b>			<b>Total Banking</b>
	<b>All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Layer</b>
Operating Income				
Administration Deposit	\$ 350,255	\$ 350,255	\$ -	\$ -
Banking Layer Deposit	1,658,252	-	-	1,658,252
Shared Risk Layer	1,780,500	-	1,780,500	-
Excess Deposit/Premium	1,123,161	-	1,123,161	-
Property/Crime Insurance	1,579,683	-	1,579,683	-
Income				
Banking Layer Assessment	-	-	-	-
Banking Layer Refund	-	-	-	-
Other Income	57,347	57,347	-	-
Excess Insurance Refund	-	-	-	-
<b>Total Operating Income</b>	<b>6,549,198</b>	<b>407,602</b>	<b>4,483,344</b>	<b>1,658,252</b>
Operating Expenses				
Claims Paid	1,589,120	-	926,069	663,051
O/S Liability adj.	1,144,429	-	693,598	450,831
Consultants	33,551	33,551	-	-
Administration-Other	-	-	-	-
Safety Service	114,087	108,837	5,250	-
Claims Administration	-	-	-	-
Program Administration	178,742	178,742	-	-
Board Expenses	4,018	4,018	-	-
Excess Insurance	1,097,858	-	1,097,858	-
Property/Crime Insurance	1,604,878	-	1,579,683	25,195
Expense				
<b>Total Operating Expense</b>	<b>5,766,683</b>	<b>325,148</b>	<b>4,302,458</b>	<b>1,139,077</b>
Operating Income (Loss)	782,515	82,454	180,886	519,175
Non-Operating Income				
Change in Fair Market Value	404,633	12,658	219,122	172,853
Investment Income	257,750	9,217	139,515	109,018
<b>Total Non-Operating Income</b>	<b>662,383</b>	<b>21,875</b>	<b>358,637</b>	<b>281,871</b>
Change in Net Position	1,444,898	104,329	539,523	801,046
Beginning Net Position	6,340,739	288,695	2,640,318	3,411,726
Ending Net Position	\$ 7,785,637	\$ 393,024	\$ 3,179,841	\$ 4,212,772

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, 2020**

	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	29,730	117,011	43,890	37,667	24,062	516,623	85,206	29,310	19,199
Shared Risk Layer	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-
Property/Crime Insurance	-	-	-	-	-	-	-	-	-
Income									
Banking Layer Assessment	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-
Excess Insurance Refund	-	-	-	-	-	-	-	-	-
Total Operating Income	29,730	117,011	43,890	37,667	24,062	516,623	85,206	29,310	19,199
Operating Expenses									
Claims Paid	4,640	48,288	26,601	3,152	98	82,178	21,267	14,751	595
O/S Liability adj.	(10,300)	(12,355)	(42,245)	(5,890)	23,335	23,539	48,713	(36,131)	985
Consultants	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-
Property/Crime Insurance	1,610	802	922	-	893	5,627	1,331	777	725
Expense									
Total Operating Expense	(4,050)	36,735	(14,722)	(2,738)	24,326	111,344	71,311	(20,603)	2,305
Operating Income (Loss)	33,780	80,276	58,612	40,405	(264)	405,279	13,895	49,913	16,894
Non-Operating Income									
Change in Fair Market Value	4,062	6,216	(320)	3,085	4,758	55,548	9,252	4,979	1,178
Investment Income	2,577	4,046	(335)	2,036	2,971	35,122	5,740	3,103	795
Total Non-Operating Income	6,639	10,262	(655)	5,121	7,729	90,670	14,992	8,082	1,973
Change in Net Position	40,419	90,538	57,957	45,526	7,465	495,949	28,887	57,995	18,867
Beginning Net Position	82,963	52,251	(163,378)	73,495	138,731	1,296,833	176,214	127,875	24,556
Ending Net Position	\$ 123,382	\$ 142,789	\$ (105,421)	\$ 119,021	\$ 146,196	\$ 1,792,782	\$ 205,101	\$ 185,870	\$ 43,423

**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, 2020**

	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	38,689	111,650	85,797	65,096	46,130	34,599	31,374	177,077	20,939	144,203
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance	-	-	-	-	-	-	-	-	-	-
Income										
Banking Layer Assessment	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Excess Insurance Refund	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>38,689</b>	<b>111,650</b>	<b>85,797</b>	<b>65,096</b>	<b>46,130</b>	<b>34,599</b>	<b>31,374</b>	<b>177,077</b>	<b>20,939</b>	<b>144,203</b>
Operating Expenses										
Claims Paid	4,046	132,037	26,093	15,383	6,789	59,796	74,180	59,004	45,317	38,836
O/S Liability adj.	(13,380)	7,496	73,907	(16,168)	77,734	71,709	60,319	124,737	(59,952)	134,778
Consultants	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance	912	2,746	1,078	846	725	2,113	-	1,456	-	2,632
Expense										
<b>Total Operating Expense</b>	<b>(8,422)</b>	<b>142,279</b>	<b>101,078</b>	<b>61</b>	<b>85,248</b>	<b>133,618</b>	<b>134,499</b>	<b>185,197</b>	<b>(14,635)</b>	<b>176,246</b>
<b>Operating Income (Loss)</b>	<b>47,111</b>	<b>(30,629)</b>	<b>(15,281)</b>	<b>65,035</b>	<b>(39,118)</b>	<b>(99,019)</b>	<b>(103,125)</b>	<b>(8,120)</b>	<b>35,574</b>	<b>(32,043)</b>
Non-Operating Income										
Change in Fair Market Value	4,051	10,789	7,965	7,183	9,161	6,532	368	17,570	1,398	19,078
Investment Income	2,505	6,714	4,877	4,671	5,763	3,847	347	11,417	843	11,979
<b>Total Non-Operating Income</b>	<b>6,556</b>	<b>17,503</b>	<b>12,842</b>	<b>11,854</b>	<b>14,924</b>	<b>10,379</b>	<b>715</b>	<b>28,987</b>	<b>2,241</b>	<b>31,057</b>
<b>Change in Net Position</b>	<b>53,667</b>	<b>(13,126)</b>	<b>(2,439)</b>	<b>76,889</b>	<b>(24,194)</b>	<b>(88,640)</b>	<b>(102,410)</b>	<b>20,867</b>	<b>37,815</b>	<b>(986)</b>
<b>Beginning Net Position</b>	<b>108,879</b>	<b>182,407</b>	<b>128,070</b>	<b>101,326</b>	<b>281,634</b>	<b>136,960</b>	<b>(149,442)</b>	<b>382,247</b>	<b>9,161</b>	<b>420,944</b>
<b>Ending Net Position</b>	<b>\$ 162,546</b>	<b>\$ 169,281</b>	<b>\$ 125,631</b>	<b>\$ 178,215</b>	<b>\$ 257,440</b>	<b>\$ 48,320</b>	<b>\$ (251,852)</b>	<b>\$ 403,114</b>	<b>\$ 46,976</b>	<b>\$ 419,958</b>

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Cash Flows - Liability  
For the Nine Months Ended March 31, 2020**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Cash flows from operating activities:</b>				
Cash received from members	\$ 8,430,777	\$ 530,811	\$ 5,977,792	\$ 1,922,174
Cash paid for claims	(1,590,022)	-	(926,971)	(663,051)
Cash paid for insurance	(3,597,001)	-	(3,571,806)	(25,195)
Cash paid to vendors	(306,790)	(317,702)	(5,224)	16,136
Cash (paid) received for dividends	254,498	-	-	254,498
Net cash provided by (used in) operating activities	<u>3,191,462</u>	<u>213,109</u>	<u>1,473,791</u>	<u>1,504,562</u>
<b>Cash flows from investing activities:</b>				
Investment income received	259,258	8,491	141,896	108,871
Net investment (purchases) sales	(224,966)	(7,433)	(286,994)	69,461
Net cash provided by (used in) investing activities	<u>34,292</u>	<u>1,058</u>	<u>(145,098)</u>	<u>178,332</u>
Net increase (decrease) in cash and cash equivalents	3,225,754	214,167	1,328,693	1,682,894
Cash and cash equivalents, beginning of year	<u>2,227,128</u>	<u>(8,109)</u>	<u>2,150,993</u>	<u>84,244</u>
Cash and cash equivalents, end of year	<u>\$ 5,452,882</u>	<u>\$ 206,058</u>	<u>3,479,686</u>	<u>1,767,138</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 782,515	\$ 82,454	180,886	519,175
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	55,629	-	-	55,629
Excess receivable	(903)	-	(903)	-
Prepaid expense	(902,897)	(7,523)	(894,264)	(1,110)
(Decrease) increase in:				
Accounts payable	32,239	14,969	26	17,244
Unearned revenue	2,080,450	123,209	1,494,448	462,793
Unpaid claims and claim adjustment expenses	1,144,429	-	693,598	450,831
Net cash provided by (used in) operating activities	<u>\$ 3,191,462</u>	<u>\$ 213,109</u>	<u>\$ 1,473,791</u>	<u>\$ 1,504,562</u>
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	<u>\$ 404,633</u>	<u>\$ 12,658</u>	<u>\$ 219,122</u>	<u>\$ 172,853</u>

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, 2020**

	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
<b>Cash flows from operating activities:</b>									
Cash received from members	\$ 34,160	\$ 160,978	\$ 89,308	\$ 47,667	\$ 32,082	\$ 688,831	\$ 28,921	\$ 39,080	\$ 30,440
Cash paid for claims	(4,640)	(48,288)	(26,601)	(3,152)	(98)	(82,178)	(21,267)	(14,751)	(595)
Cash paid for insurance	(1,610)	(802.00)	(922.00)	-	(893)	(5,627)	(1,331.00)	(777.00)	(725)
Cash paid to vendors	649	1,502	1,905	(163)	83	1,706	(553)	(1,464)	841
Cash paid for dividends	-	-	-	12,556	-	-	68,519	-	-
Net cash provided by (used in) operating activities	28,559	113,390	63,690	56,908	31,174	602,732	74,289	22,088	29,961
<b>Cash flows from investing activities:</b>									
Investment income received	2,584	3,781	(440)	1,858	3,041	34,561	5,856	3,176	701
Net investment (purchases) sales	(2,244)	(3,314)	(61,627)	(1,638)	(2,633)	66,915	(5,069)	(2,750)	(622)
Net cash provided by (used in) investing activities	340	467	(62,067)	220	408	101,476	787	426	79
Net increase (decrease) in cash and cash equivalents	28,899	113,857	1,623	57,128	31,582	704,208	75,076	22,514	30,040
Cash and cash equivalents, beginning of year	256	4,643	2,687	1,795	5,062	1,699	4,941	409	618
Cash and cash equivalents, end of year	\$ 29,155	\$ 118,500	\$ 4,310	\$ 58,923	\$ 36,644	\$ 705,907	\$ 80,017	\$ 22,923	\$ 30,658
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ 33,780	\$ 80,276	\$ 58,612	\$ 40,405	\$ (264)	\$ 405,279	\$ 13,895	\$ 49,913	\$ 16,894
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
(Increase) decrease in:									
Member receivable	-	10,000	30,788	10,000	-	-	-	-	4,841
Excess receivable	-	-	-	-	-	-	-	-	-
Prepaid expense	(250)	-	-	-	-	(600)	-	-	-
(Decrease) increase in:									
Accounts payable	899	1,502	1,905	(163)	82	2,306	(553)	(1,464)	841
Unearned revenue	4,430	33,967	14,630	12,556	8,021	172,208	12,234	9,770	6,400
Unpaid claims and claim adjustment expenses	(10,300)	(12,355)	(42,245)	(5,890)	23,335	23,539	48,713	(36,131)	985
Net cash provided by (used in) operating activities	\$ 28,559	\$ 113,390	\$ 63,690	\$ 56,908	\$ 31,174	\$ 602,732	\$ 74,289	\$ 22,088	\$ 29,961
Supplemental information:									
Noncash non-operating and investing activities									
Net change in fair value of investments	\$ 4,062	\$ 6,216	\$ (320)	\$ 3,085	\$ 4,758	\$ 55,548	\$ 9,252	\$ 4,979	\$ 1,178

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Cash Flows - Liability  
For the Nine Months Ended March 31, 2020**

	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
<b>Cash flows from operating activities:</b>										
Cash received from members	\$ 51,585	\$ 120,091	\$ 114,396	\$ 56,806	\$ 46,130	\$ (5,703)	\$ 41,832	\$ 236,102	\$ 19,495	\$ 89,973
Cash paid for claims	(4,046)	(132,037)	(26,093)	(15,383)	(6,789)	(59,796)	(74,180)	(59,004)	(45,317)	(38,836)
Cash paid for insurance	(912.00)	(2,746)	(1,078.00)	(846)	(725)	(2,113.00)	-	(1,456)	-	(2,632)
Cash paid to vendors	1,416	297	179	739	1,868	2,660	429	401	(829)	4,470
Cash paid for dividends	-	28,776	-	29,988	15,377	51,214	-	-	-	48,068
Net cash provided by (used in) operating activities	48,043	14,381	87,404	71,304	55,861	(13,738)	(31,919)	176,043	(26,651)	101,043
<b>Cash flows from investing activities:</b>										
Investment income received	2,520	6,742	4,960	4,501	5,839	4,412	313	11,222	956	12,288
Net investment (purchases) sales	(2,188)	51,152	10,707	(3,931)	(5,064)	11,248	7,728	10,234	13,184	(10,627)
Net cash provided by (used in) investing activities	332	57,894	15,667	570	775	15,660	8,041	21,456	14,140	1,661
Net increase (decrease) in cash and cash equivalents	48,375	72,275	103,071	71,874	56,636	1,922	(23,878)	197,499	(12,511)	102,704
Cash and cash equivalents, beginning of year	684	3,389	1,897	3,060	352	3,957	25,917	1,870	18,476	2,532
Cash and cash equivalents, end of year	\$ 49,059	\$ 75,664	\$ 104,968	\$ 74,934	\$ 56,988	\$ 5,879	\$ 2,039	\$ 199,369	\$ 5,965	\$ 105,236
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:										
Operating income (loss)	\$ 47,111	\$ (30,629)	\$ (15,281)	\$ 65,035	\$ (39,118)	\$ (99,019)	\$ (103,125)	\$ (8,120)	\$ 35,574	\$ (32,043)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
(Increase) decrease in:										
Member receivable	-	-	-	-	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	(125)	-	-	-	(135)	-	-	-	-
(Decrease) increase in:										
Accounts payable	1,416	422	179	738	1,868	2,795	429	400	(829)	4,471
Unearned revenue	12,896	37,217	28,599	21,699	15,377	10,912	10,458	59,026	(1,444)	(6,163)
Unpaid claims and claim adjustment expenses	(13,380)	7,496	73,907	(16,168)	77,734	71,709	60,319	124,737	(59,952)	134,778
Net cash provided by (used in) operating activities	\$ 48,043	\$ 14,381	\$ 87,404	\$ 71,304	\$ 55,861	\$ (13,738)	\$ (31,919)	\$ 176,043	\$ (26,651)	\$ 101,043
Supplemental information:										
Noncash non-operating and investing activities										
Net change in fair value of investments	\$ 4,051	\$ 10,789	\$ 7,965	\$ 7,183	\$ 9,161	\$ 6,532	\$ 368	\$ 17,570	\$ 1,398	\$ 19,078

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
March 31, 2020**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Current Assets</b>				
Cash and Cash	\$ 7,431,282	\$ 214,810	\$ 1,535,101	\$ 5,681,371
Accounts Receivable	-	-	-	-
Interest Receivable	233,269	3,024	107,755	122,490
Excess Accounts	499,278	-	499,278	-
Prepaid Expense	525,974	108,869	417,105	-
<b>Total Current Assets</b>	<b>8,689,803</b>	<b>326,703</b>	<b>2,559,239</b>	<b>5,803,861</b>
<b>Non-Current Assets</b>				
Investments*	44,771,988	520,815	23,152,804	21,098,369
<b>Total Assets</b>	<b>\$ 53,461,791</b>	<b>\$ 847,518</b>	<b>\$ 25,712,043</b>	<b>\$ 26,902,230</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 74,303	\$ 19,989	\$ 1,859	\$ 52,455
Unearned Revenue	1,057,075	-	77,750	979,325
<b>Total Current Liabilities</b>	<b>1,131,378</b>	<b>19,989</b>	<b>79,609</b>	<b>1,031,780</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	34,251,436	-	18,803,931	15,447,505
ULAE*	4,072,386	-	2,235,726	1,836,660
<b>Total Non-Current</b>	<b>38,323,822</b>	<b>-</b>	<b>21,039,657</b>	<b>17,284,165</b>
<b>Total Liabilities</b>	<b>\$ 39,455,200</b>	<b>\$ 19,989</b>	<b>\$ 21,119,266</b>	<b>\$ 18,315,945</b>
<b>Net Position</b>				
Designated for	100,000	100,000	-	-
Designated for Risk	289,016	289,016	-	-
Undesignated	13,617,575	438,513	4,592,777	8,586,285
<b>Total Net Position</b>	<b>14,006,591</b>	<b>827,529</b>	<b>4,592,777</b>	<b>8,586,285</b>
<b>Liability &amp; Net Position</b>	<b>\$ 53,461,791</b>	<b>\$ 847,518</b>	<b>\$ 25,712,043</b>	<b>\$ 26,902,230</b>

\*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, 2020**

	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
<b>Current Assets</b>											
Cash and Cash	\$ 134,389	\$ 3,821	\$ 100,285	\$ 11,729	\$ 141,396	\$ 511,981	\$ 1,116,428	\$ 106,277	\$ 93,395	\$ 47,921	\$ 127,721
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	2,308	4,757	1,226	1,321	5,075	12,339	27,068	4,918	2,920	331	1,418
Excess Accounts	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>136,697</b>	<b>8,578</b>	<b>101,511</b>	<b>13,050</b>	<b>146,471</b>	<b>524,320</b>	<b>1,143,496</b>	<b>111,195</b>	<b>96,315</b>	<b>48,252</b>	<b>129,139</b>
<b>Non-Current Assets</b>											
Investments*	369,753	920,825	156,478	265,755	950,277	2,155,712	4,829,554	844,382	577,344	41,072	192,766
<b>Total Assets</b>	<b>\$ 506,450</b>	<b>\$ 929,403</b>	<b>\$ 257,989</b>	<b>\$ 278,805</b>	<b>\$ 1,096,748</b>	<b>\$ 2,680,032</b>	<b>\$ 5,973,050</b>	<b>\$ 955,577</b>	<b>\$ 673,659</b>	<b>\$ 89,324</b>	<b>\$ 321,905</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 1,399	\$ 2,340	\$ 651	\$ 843	\$ 1,999	\$ 5,158	\$ 12,534	\$ 2,558	\$ 498	\$ 100	\$ 388
Unearned Revenue	3,864	-	38,295	26,325	-	16,704	-	-	43,143	19,564	5,043
<b>Total Current Liabilities</b>	<b>5,263</b>	<b>2,340</b>	<b>38,946</b>	<b>27,168</b>	<b>1,999</b>	<b>21,862</b>	<b>12,534</b>	<b>2,558</b>	<b>43,641</b>	<b>19,664</b>	<b>5,431</b>
<b>Non-Current Liabilities</b>											
Outstanding	294,799	805,396	112,543	174,518	529,753	2,166,866	3,460,327	695,989	101,606	45,074	134,871
ULAE*	35,051	95,759	13,381	20,750	62,986	257,633	411,422	82,751	12,081	5,359	16,036
<b>Total Non-Current</b>	<b>329,850</b>	<b>901,155</b>	<b>125,924</b>	<b>195,268</b>	<b>592,739</b>	<b>2,424,499</b>	<b>3,871,749</b>	<b>778,740</b>	<b>113,687</b>	<b>50,433</b>	<b>150,907</b>
<b>Total Liabilities</b>	<b>\$ 335,113</b>	<b>\$ 903,495</b>	<b>\$ 164,870</b>	<b>\$ 222,436</b>	<b>\$ 594,738</b>	<b>\$ 2,446,361</b>	<b>\$ 3,884,283</b>	<b>\$ 781,298</b>	<b>\$ 157,328</b>	<b>\$ 70,097</b>	<b>\$ 156,338</b>
<b>Net Position</b>											
Designated for	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety	-	-	-	-	-	-	-	-	-	-	-
Undesignated	171,337	25,908	93,119	56,369	502,010	233,671	2,088,767	174,279	516,331	19,227	165,567
<b>Total Net Position</b>	<b>171,337</b>	<b>25,908</b>	<b>93,119</b>	<b>56,369</b>	<b>502,010</b>	<b>233,671</b>	<b>2,088,767</b>	<b>174,279</b>	<b>516,331</b>	<b>19,227</b>	<b>165,567</b>
<b>Liability &amp; Net Position</b>	<b>\$ 506,450</b>	<b>\$ 929,403</b>	<b>\$ 257,989</b>	<b>\$ 278,805</b>	<b>\$ 1,096,748</b>	<b>\$ 2,680,032</b>	<b>\$ 5,973,050</b>	<b>\$ 955,577</b>	<b>\$ 673,659</b>	<b>\$ 89,324</b>	<b>\$ 321,905</b>

\*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, 2020**

	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
<b>Current Assets</b>											
Cash and Cash	\$ 199,187	\$ 113,707	\$ 130,584	\$ 491,760	\$ 215,403	\$ 205,580	\$ 230,144	\$ 72,554	\$ 801,601	\$ 3,078	\$ 822,430
Accounts Receivable	-	-	-	0	-	-	-	-	-	-	-
Interest Receivable	5,909	2,840	1,325	4,707	4,143	3,200	7,297	1,664	12,707	995	14,022
Excess Accounts	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>205,096</b>	<b>116,547</b>	<b>131,909</b>	<b>496,467</b>	<b>219,546</b>	<b>208,780</b>	<b>237,441</b>	<b>74,218</b>	<b>814,308</b>	<b>4,073</b>	<b>836,452</b>
<b>Non-Current Assets</b>											
Investments*	1,053,543	514,889	156,340	576,405	708,526	505,932	1,346,045	275,729	2,075,575	191,061	2,390,406
<b>Total Assets</b>	<b>\$ 1,258,639</b>	<b>\$ 631,436</b>	<b>\$ 288,249</b>	<b>\$ 1,072,872</b>	<b>\$ 928,072</b>	<b>\$ 714,712</b>	<b>\$ 1,583,486</b>	<b>\$ 349,947</b>	<b>\$ 2,889,883</b>	<b>\$ 195,134</b>	<b>\$ 3,226,858</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 1,903	\$ 1,900	\$ 476	\$ 968	\$ 1,808	\$ 1,868	\$ 3,908	\$ 748	\$ 5,005	\$ 395	\$ 5,008
Unearned Revenue	17,731	-	-	128,819	-	-	-	116	302,682	3,533	373,506
<b>Total Current Liabilities</b>	<b>19,634</b>	<b>1,900</b>	<b>476</b>	<b>129,787</b>	<b>1,808</b>	<b>1,868</b>	<b>3,908</b>	<b>864</b>	<b>307,687</b>	<b>3,928</b>	<b>378,514</b>
<b>Non-Current Liabilities</b>											
Outstanding	481,377	591,461	123,052	189,597	408,934	519,898	1,447,034	180,086	1,337,486	107,480	1,539,358
ULAE*	57,234	70,323	14,630	22,542	48,621	61,814	172,048	21,412	159,023	12,779	183,025
<b>Total Non-Current</b>	<b>538,611</b>	<b>661,784</b>	<b>137,682</b>	<b>212,139</b>	<b>457,555</b>	<b>581,712</b>	<b>1,619,082</b>	<b>201,498</b>	<b>1,496,509</b>	<b>120,259</b>	<b>1,722,383</b>
<b>Total Liabilities</b>	<b>\$ 558,245</b>	<b>\$ 663,684</b>	<b>\$ 138,158</b>	<b>\$ 341,926</b>	<b>\$ 459,363</b>	<b>\$ 583,580</b>	<b>\$ 1,622,990</b>	<b>\$ 202,362</b>	<b>\$ 1,804,196</b>	<b>\$ 124,187</b>	<b>\$ 2,100,897</b>
<b>Net Position</b>											
Designated for	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety	-	-	-	-	-	-	-	-	-	-	-
Undesignated	700,394	(32,248)	150,091	730,946	468,709	131,132	(39,504)	147,585	1,085,687	70,947	1,125,961
<b>Total Net Position</b>	<b>700,394</b>	<b>(32,248)</b>	<b>150,091</b>	<b>730,946</b>	<b>468,709</b>	<b>131,132</b>	<b>(39,504)</b>	<b>147,585</b>	<b>1,085,687</b>	<b>70,947</b>	<b>1,125,961</b>
<b>Liability &amp; Net Position</b>	<b>\$ 1,258,639</b>	<b>\$ 631,436</b>	<b>\$ 288,249</b>	<b>\$ 1,072,872</b>	<b>\$ 928,072</b>	<b>\$ 714,712</b>	<b>\$ 1,583,486</b>	<b>\$ 349,947</b>	<b>\$ 2,889,883</b>	<b>\$ 195,134</b>	<b>\$ 3,226,858</b>

\*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, 2020**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Operating Income</b>				
Administration Deposit	\$ 634,486	\$ 634,486	\$ -	\$ -
Banking Layer Deposit	4,874,730	-	-	4,874,730
Shared Risk Layer	2,670,000	-	2,670,000	-
Excess Deposit/Premium	1,256,250	-	1,256,250	-
Banking Layer	-	-	-	-
Shared Risk Refund	-	-	-	-
Banking Layer Refund	-	-	-	-
Risk Management Grants	14,238	14,238	-	-
Other Income	-	-	-	-
<b>Total Operating Income</b>	<b>9,449,704</b>	<b>648,724</b>	<b>3,926,250</b>	<b>4,874,730</b>
<b>Operating Expenses</b>				
Claims Paid	4,766,132	-	1,300,994	3,465,138
O/S Liability adj.	3,500,292	-	1,632,680	1,867,612
ULAE	2,264,034	-	1,225,953	1,038,081
Consultants	16,899	16,899	-	-
Administration-Other	11,245	11,245	-	-
Safety Service	190,937	190,937	-	-
Claims Administration	666,483	210,185	-	456,298
Program Administration	155,629	155,629	-	-
Board Expenses	4,018	4,018	-	-
Excess Insurance	1,251,315	-	1,251,315	-
Contingency Reserves	-	-	-	-
<b>Total Operating Expenses</b>	<b>12,826,984</b>	<b>588,913</b>	<b>5,410,942</b>	<b>6,827,129</b>
<b>Operating Income (Loss)</b>	<b>(3,377,280)</b>	<b>59,811</b>	<b>(1,484,692)</b>	<b>(1,952,399)</b>
<b>Non-Operating Income</b>				
Change in Fair Market	1,177,817	15,477	557,417	604,923
Investment Income	717,257	9,757	343,385	364,115
<b>Total Non-Operating</b>	<b>1,895,074</b>	<b>25,234</b>	<b>900,802</b>	<b>969,038</b>
<b>Change in Net Position</b>	<b>(1,482,206)</b>	<b>85,045</b>	<b>(583,890)</b>	<b>(983,361)</b>
<b>Beginning Net Position</b>	<b>15,488,797</b>	<b>742,484</b>	<b>5,176,667</b>	<b>9,569,646</b>
<b>Ending Net Position</b>	<b>\$ 14,006,591</b>	<b>\$ 827,529</b>	<b>\$ 4,592,777</b>	<b>\$ 8,586,285</b>

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, 2020**

	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	105,692	154,826	61,739	26,058	228,855	703,055	798,401	251,769	50,730	24,554	84,170
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Banking Layer	-	-	-	-	-	-	-	-	-	-	-
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>105,692</b>	<b>154,826</b>	<b>61,739</b>	<b>26,058</b>	<b>228,855</b>	<b>703,055</b>	<b>798,401</b>	<b>251,769</b>	<b>50,730</b>	<b>24,554</b>	<b>84,170</b>
Operating Expenses											
Claims Paid	86,718	282,436	8,615	46,306	181,868	441,121	435,423	394,930	24,602	19,165	9,598
O/S Liability adj.	78,074	10,941	17,844	50,714	45,444	590,216	572,302	(88,299)	(13,741)	(15,984)	20,195
ULAE	22,306	49,040	7,812	13,469	34,506	164,917	241,588	36,630	5,298	1,769	9,292
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	12,034	18,939	5,846	7,496	15,502	48,285	101,794	22,352	3,798	1,109	3,068
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>199,132</b>	<b>361,356</b>	<b>40,117</b>	<b>117,985</b>	<b>277,320</b>	<b>1,244,539</b>	<b>1,351,107</b>	<b>365,613</b>	<b>19,957</b>	<b>6,059</b>	<b>42,153</b>
Operating Income (Loss)	(93,440)	(206,530)	21,622	(91,927)	(48,465)	(541,484)	(552,706)	(113,844)	30,773	18,495	42,017
Non-Operating Income											
Change in Fair Market	11,373	23,912	5,819	6,659	25,241	60,727	133,854	24,441	14,604	1,561	7,063
Investment Income	6,739	14,520	3,960	3,992	14,602	36,381	79,550	14,395	8,899	959	4,563
<b>Total Non-Operating</b>	<b>18,112</b>	<b>38,432</b>	<b>9,779</b>	<b>10,651</b>	<b>39,843</b>	<b>97,108</b>	<b>213,404</b>	<b>38,836</b>	<b>23,503</b>	<b>2,520</b>	<b>11,626</b>
Change in Net Position	(75,328)	(168,098)	31,401	(81,276)	(8,622)	(444,376)	(339,302)	(75,008)	54,276	21,015	53,643
Beginning Net Position	246,665	194,006	61,718	137,645	510,632	678,047	2,428,069	249,287	462,055	(1,788)	111,924
Ending Net Position	\$ 171,337	\$ 25,908	\$ 93,119	\$ 56,369	\$ 502,010	\$ 233,671	\$ 2,088,767	\$ 174,279	\$ 516,331	\$ 19,227	\$ 165,567

**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, 2020**

	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
<b>Operating Income</b>											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	202,937	102,639	119,929	215,566	184,697	108,829	273,413	60,491	473,111	15,842	627,427
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-	-	-	-	-
Banking Layer	-	-	-	-	-	-	-	-	-	-	-
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	-	-	-	-	-	-	-	-	-	-
Risk Management	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>202,937</b>	<b>102,639</b>	<b>119,929</b>	<b>215,566</b>	<b>184,697</b>	<b>108,829</b>	<b>273,413</b>	<b>60,491</b>	<b>473,111</b>	<b>15,842</b>	<b>627,427</b>
<b>Operating Expenses</b>											
Claims Paid	74,318	103,549	82,277	27,231	74,836	68,803	251,039	24,080	362,989	74,180	391,054
O/S Liability adj.	92,121	117,433	(107,145)	(141,013)	(42,838)	99,270	276,171	14,683	219,892	12,501	58,831
ULAE	34,344	42,447	1,094	3,101	22,054	37,079	103,194	11,685	93,301	7,194	95,961
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	18,078	18,748	7,159	9,292	16,615	16,321	34,496	8,069	39,417	2,407	45,473
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>218,861</b>	<b>282,177</b>	<b>(16,615)</b>	<b>(101,389)</b>	<b>70,667</b>	<b>221,473</b>	<b>664,900</b>	<b>58,517</b>	<b>715,599</b>	<b>96,282</b>	<b>591,319</b>
<b>Operating Income (Loss)</b>	<b>(15,924)</b>	<b>(179,538)</b>	<b>136,544</b>	<b>316,955</b>	<b>114,030</b>	<b>(112,644)</b>	<b>(391,487)</b>	<b>1,974</b>	<b>(242,488)</b>	<b>(80,440)</b>	<b>36,108</b>
<b>Non-Operating Income</b>											
Change in Fair Market	29,130	14,174	6,240	22,858	20,341	15,713	36,471	8,114	62,132	5,150	69,346
Investment Income	17,504	8,503	3,737	14,117	12,120	9,171	22,580	4,800	37,265	3,040	42,718
<b>Total Non-Operating</b>	<b>46,634</b>	<b>22,677</b>	<b>9,977</b>	<b>36,975</b>	<b>32,461</b>	<b>24,884</b>	<b>59,051</b>	<b>12,914</b>	<b>99,397</b>	<b>8,190</b>	<b>112,064</b>
<b>Change in Net Position</b>	<b>30,710</b>	<b>(156,861)</b>	<b>146,521</b>	<b>353,930</b>	<b>146,491</b>	<b>(87,760)</b>	<b>(332,436)</b>	<b>14,888</b>	<b>(143,091)</b>	<b>(72,250)</b>	<b>148,172</b>
<b>Beginning Net Position</b>	<b>669,684</b>	<b>124,613</b>	<b>3,570</b>	<b>377,016</b>	<b>322,218</b>	<b>218,892</b>	<b>292,932</b>	<b>132,697</b>	<b>1,228,778</b>	<b>143,197</b>	<b>977,789</b>
<b>Ending Net Position</b>	<b>\$ 700,394</b>	<b>\$ (32,248)</b>	<b>\$ 150,091</b>	<b>\$ 730,946</b>	<b>\$ 468,709</b>	<b>\$ 131,132</b>	<b>\$ (39,504)</b>	<b>\$ 147,585</b>	<b>\$ 1,085,687</b>	<b>\$ 70,947</b>	<b>\$ 1,125,961</b>

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Cash Flows – Workers’ Compensation  
For the Nine Months Ended March 31, 2020**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Cash flows from operating activities:</b>				
Cash received from members	\$ 9,419,491	\$ 648,724	\$ 3,267,439	\$ 5,503,328
Cash paid for claims	(4,783,703)	-	(1,318,565)	(3,465,138)
Cash paid for insurance	(1,668,420)	-	(1,668,420)	-
Cash paid to vendors	(962,083)	(547,171)	66	(414,978)
Cash (paid) received for dividends	548,311	-	411,322	136,989
Net cash provided by (used in) operating activities	<u>2,553,596</u>	<u>101,553</u>	<u>691,842</u>	<u>1,760,201</u>
<b>Cash flows from investing activities:</b>				
Investment income received	754,544	10,102	362,004	382,438
Net investment (purchases) sales	(652,275)	(8,735)	(2,621,643)	1,978,103
Net cash provided by (used in) investing activities	<u>102,269</u>	<u>1,367</u>	<u>(2,259,639)</u>	<u>2,360,541</u>
Net increase (decrease) in cash and cash equivalents	2,655,865	102,920	(1,567,797)	4,120,742
Cash and cash equivalents, beginning of year	<u>4,775,417</u>	<u>111,890</u>	<u>3,102,898</u>	<u>1,560,629</u>
Cash and cash equivalents, end of year	<u>\$ 7,431,282</u>	<u>\$ 214,810</u>	<u>\$ 1,535,101</u>	<u>\$ 5,681,371</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (3,377,280)	\$ 59,811	\$ (1,484,692)	(1,952,399)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	156,777	-	-	156,777
Excess receivable	(17,570)	-	(17,570)	-
Prepaid expense	(385,740)	31,365	(417,105)	-
(Decrease) increase in:				
Accounts payable	51,745	10,377	64	41,304
Unearned revenue	361,318	-	(247,489)	608,807
Unpaid claims and claim adjustment expenses	<u>5,764,346</u>	<u>-</u>	<u>2,858,634</u>	<u>2,905,712</u>
Net cash provided by (used in) operating activities	<u>\$ 2,553,596</u>	<u>\$ 101,553</u>	<u>\$ 691,842</u>	<u>\$ 1,760,201</u>
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	<u>\$ 1,177,817</u>	<u>\$ 15,477</u>	<u>\$ 557,417</u>	<u>\$ 604,923</u>

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, 2020**

	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
<b>Cash flows from operating activities:</b>											
Cash received from members	\$ 94,101	\$ 154,826	\$ 71,739	\$ 6,579	\$ 228,855	\$ 652,943	\$ 798,401	\$ 243,890	\$ 93,873	\$ 46,673	\$ 36,420
Cash paid for claims	(86,718)	(282,436)	(8,615)	(46,306)	(181,868)	(441,121)	(435,423)	(394,930)	(24,602)	(19,165)	(9,598)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(10,665)	(16,657)	(5,207)	(6,675)	(13,911)	(44,319)	(89,742)	(21,125)	(3,340)	(1,017)	(2,702)
Cash paid for dividends	-	-	38,295	26,325	-	-	-	7,879	-	10,489	32,621
Net cash provided by (used in) operating activities	(3,282)	(144,267)	96,212	(20,077)	33,076	167,503	273,236	(164,286)	65,931	36,980	56,741
<b>Cash flows from investing activities:</b>											
Investment income received	7,269	15,650	3,599	4,345	16,004	38,360	85,051	15,812	9,355	908	4,493
Net investment (purchases) sales	100,758	76,562	(3,168)	26,272	84,271	96,933	756,835	221,459	(8,069)	(798)	(3,914)
Net cash provided by (used in) investing activities	108,027	92,212	431	30,617	100,275	135,293	841,886	237,271	1,286	110	579
Net increase (decrease) in cash and cash equivalents	104,745	(52,055)	96,643	10,540	133,351	302,796	1,115,122	72,985	67,217	37,090	57,320
Cash and cash equivalents, beginning of year	29,644	55,876	3,642	1,189	8,045	209,185	1,306	33,292	26,178	10,831	70,401
Cash and cash equivalents, end of year	\$ 134,389	\$ 3,821	\$ 100,285	\$ 11,729	\$ 141,396	\$ 511,981	\$ 1,116,428	\$ 106,277	\$ 93,395	\$ 47,921	\$ 127,721
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ (93,440)	\$ (206,530)	\$ 21,622	\$ (91,927)	\$ (48,465)	\$ (541,484)	\$ (552,706)	\$ (113,844)	\$ 30,773	\$ 18,495	\$ 42,017
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	-	10,000	-	-	-	-	-	-	13,044	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	1,369	2,279	639	821	1,591	3,966	12,046	1,226	458	92	366
Unearned revenue	(11,591)	-	38,295	6,846	-	(50,113)	-	-	43,141	19,564	(15,129)
Unpaid claims and claim adjustment expenses	100,380	59,984	25,656	64,183	79,950	755,134	813,896	(51,668)	(8,441)	(14,215)	29,487
Net cash provided by (used in) operating activities	\$ (3,282)	\$ (144,267)	\$ 96,212	\$ (20,077)	\$ 33,076	\$ 167,503	\$ 273,236	\$ (164,286)	\$ 65,931	\$ 36,980	\$ 56,741
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ 11,373	\$ 23,912	\$ 5,819	\$ 6,659	\$ 25,241	\$ 60,727	\$ 133,854	\$ 24,441	\$ 14,604	\$ 1,561	\$ 7,063



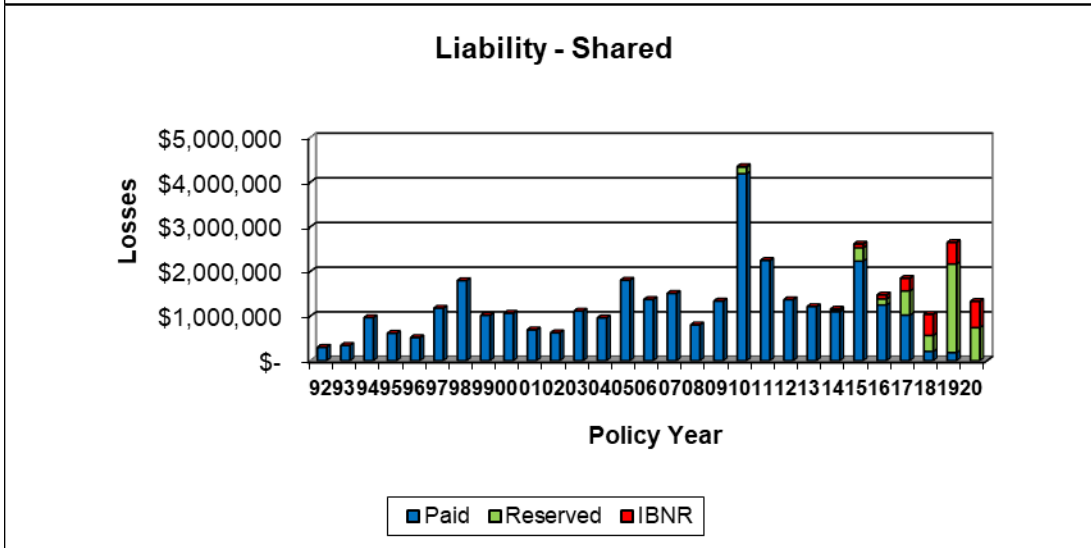
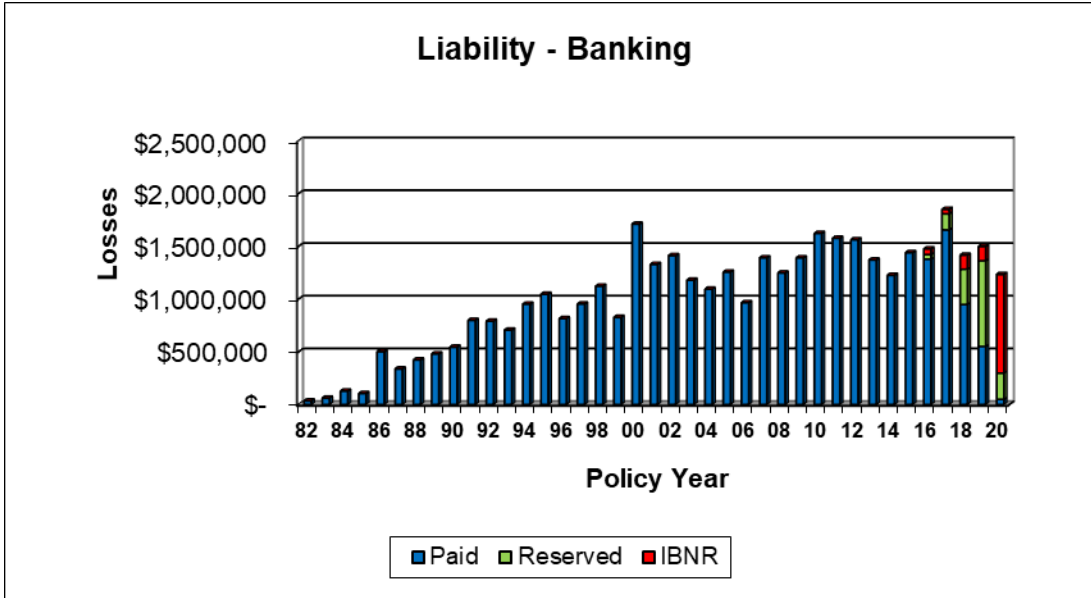
**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Cash Flows – Workers’ Compensation  
For the Nine Months Ended March 31, 2020**

	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
<b>Cash flows from operating activities:</b>											
Cash received from members	\$ 132,012	\$ 102,639	\$ 153,852	\$ 344,384	\$ 184,697	\$ 108,829	\$ 273,413	\$ 60,027	\$ 775,794	\$ 1,711	\$ 937,670
Cash paid for claims	(74,318)	(103,549)	(82,277)	(27,231)	(74,836)	(68,803)	(251,039)	(24,080)	(362,989)	(74,180)	(391,054)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(17,477)	(16,922)	(8,975)	(8,377)	(14,880)	(14,495)	(30,662)	(7,338)	(36,850)	(2,041)	(41,601)
Cash paid for dividends	17,731	-	-	-	-	-	-	116	-	3,533	-
Net cash provided by (used in) operating activities	57,948	(17,832)	62,600	308,776	94,981	25,531	(8,288)	28,725	375,955	(70,977)	505,015
<b>Cash flows from investing activities:</b>											
Investment income received	18,409	9,287	3,659	13,888	12,732	9,948	23,497	5,065	37,998	3,681	43,428
Net investment (purchases) sales	119,125	104,045	38,807	(12,111)	40,015	168,459	(20,286)	14,634	166,036	69,897	(57,659)
Net cash provided by (used in) investing activities	137,534	113,332	42,466	1,777	52,747	178,407	3,211	19,699	204,034	73,578	(14,231)
Net increase (decrease) in cash and cash equivalents	195,482	95,500	105,066	310,553	147,728	203,938	(5,077)	48,424	579,989	2,601	490,784
Cash and cash equivalents, beginning of year	3,705	18,207	25,518	181,207	67,675	1,642	235,221	24,130	221,612	477	331,646
Cash and cash equivalents, end of year	\$ 199,187	\$ 113,707	\$ 130,584	\$ 491,760	\$ 215,403	\$ 205,580	\$ 230,144	\$ 72,554	\$ 801,601	\$ 3,078	\$ 822,430
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ (15,924)	\$ (179,538)	\$ 136,544	\$ 316,955	\$ 114,030	\$ (112,644)	\$ (391,487)	\$ 1,974	\$ (242,488)	\$ (80,440)	\$ 36,108
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	-	45,123	-	-	-	88,610	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	601	1,825	(1,816)	914	1,734	1,825	3,834	730	2,567	366	3,871
Unearned revenue	(53,194)	-	(11,200)	128,819	-	-	(88,610)	(349)	302,682	(10,597)	310,243
Unpaid claims and claim adjustment expenses	126,465	159,881	(106,051)	(137,912)	(20,783)	136,350	379,365	26,370	313,194	19,694	154,793
Net cash provided by (used in) operating activities	\$ 57,948	\$ (17,832)	\$ 62,600	\$ 308,776	\$ 94,981	\$ 25,531	\$ (8,288)	\$ 28,725	\$ 375,955	\$ (70,977)	\$ 505,015
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ 29,130	\$ 14,174	\$ 6,240	\$ 22,858	\$ 20,341	\$ 15,713	\$ 36,471	\$ 8,114	\$ 62,132	\$ 5,150	\$ 69,346

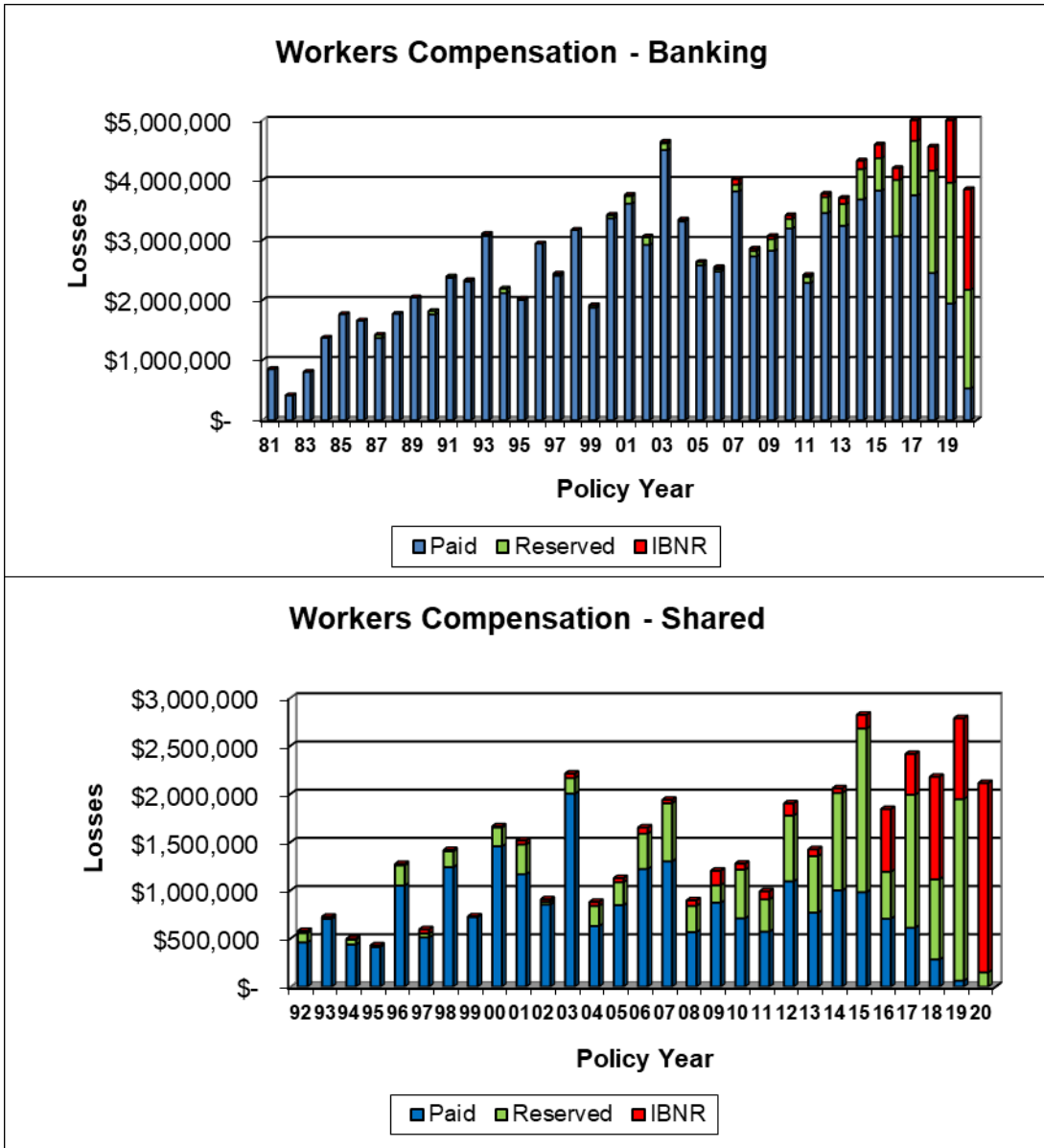
**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Reconciliation of Claims Liability by Program  
As of March 31, 2020 and June 30, 2019**

	Liability Banking 2020	Liability Shared Risk 2020	Total Liability Program		WC Banking 2020	WC Shared Risk 2020	Total WC Program		Totals	
			2020	2019			2020	2019	2020	2019
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 2,439,870	\$ 5,587,856	\$ 8,027,726	\$ 8,748,165	\$ 14,378,470	\$ 18,181,024	\$ 32,559,494	\$ 31,946,609	\$ 40,587,220	\$ 40,694,774
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	1,232,884	1,328,580	2,561,464	3,349,125	3,848,173	2,113,827	5,962,000	7,272,102	8,523,464	10,621,227
Increases (Decreases) in provision for insured events of prior fiscal years	(119,002)	60,144	(58,858)	(171,744)	1,484,577	914,277	2,398,854	(660,071)	2,339,996	(831,815)
Change in provision for ULAE in current year	-	-	-	-	1,038,080	1,225,953	2,264,033	34,040	2,264,033	34,040
Total incurred claims and claim adjustment expenses	<u>1,113,882</u>	<u>1,388,724</u>	<u>2,502,606</u>	<u>3,177,381</u>	<u>6,370,830</u>	<u>4,254,057</u>	<u>10,624,887</u>	<u>6,646,071</u>	<u>13,127,493</u>	<u>9,823,452</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	49,612	-	49,612	195,960	527,641	-	527,641	826,219	577,253	1,022,179
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	613,440	695,127	1,308,567	3,214,107	2,937,498	1,395,425	4,332,923	5,206,967	5,641,490	8,421,074
Total Payments	<u>663,052</u>	<u>695,127</u>	<u>1,358,179</u>	<u>3,410,068</u>	<u>3,465,139</u>	<u>1,395,425</u>	<u>4,860,564</u>	<u>6,033,186</u>	<u>6,218,743</u>	<u>9,443,254</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>\$ 2,890,700</u>	<u>\$ 6,281,453</u>	<u>\$ 9,172,153</u>	<u>\$ 8,515,478</u>	<u>\$ 17,284,161</u>	<u>\$ 21,039,656</u>	<u>\$ 38,323,817</u>	<u>\$ 32,559,494</u>	<u>\$ 47,495,970</u>	<u>\$ 41,074,972</u>
Claims Liability	\$ 2,890,701	\$ 6,281,454	\$ 9,172,155	\$ 8,515,478	\$ 15,447,504	\$ 18,803,931	\$ 34,251,435	\$ 30,751,142	\$ 43,423,590	\$ 39,266,620
Claims ULAE	-	-	-	-	1,836,658	2,235,726	4,072,384	1,808,352	4,072,384	1,808,352
Total Claim Liabilities	<u>\$ 2,890,701</u>	<u>\$ 6,281,454</u>	<u>\$ 9,172,155</u>	<u>\$ 8,515,478</u>	<u>\$ 17,284,162</u>	<u>\$ 21,039,657</u>	<u>\$ 38,323,819</u>	<u>\$ 32,559,494</u>	<u>\$ 47,495,974</u>	<u>\$ 41,074,972</u>

**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of March 31, 2020**



**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of March 31, 2020**



**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2020**

	Budget 2019-2020			YTD Expended 2019-2020			Remaining 2019-2020			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
<b>ADMIN BUDGET</b>										
<b>Administrative Revenue</b>										
41010 Administrative Deposit - See Note 1	\$ 1,314,158	\$ 847,151	\$ 467,007	\$ 982,701	\$ 632,447	\$ 350,254	\$ 331,457	25%	\$ 214,704	\$ 116,753
44030 Change in Fair Value - See Note 2	-	-	-	28,135	15,477	12,658	(28,135)		(15,477)	(12,658)
44040 Interest Income - See Note 2	-	-	-	18,978	9,759	9,219	(18,978)		(9,759)	(9,219)
Total Admin Revenue	\$ 1,314,158	\$ 847,151	\$ 467,007	\$ 1,044,052	\$ 671,921	\$ 372,131	\$ 270,106	21%	\$ 175,230	\$ 94,876
<b>Administrative Expenses</b>										
52100 Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
52101 Claims Audit	8,500	-	8,500	6,625	-	6,625	1,875	22%	-	1,875
52102 Financial Audit	27,700	13,850	13,850	24,000	12,000	12,000	3,700	13%	1,850	1,850
52103 Legal Services	17,000	2,000	15,000	8,395	184	8,211	8,605	51%	1,816	6,789
52104 Actuarial Services	13,060	5,530	7,530	10,380	4,190	6,190	2,680	21%	1,340	1,340
52107 Employee Dishonesty Bonds	-	-	-	11,245	11,245	-	(11,245)		(11,245)	-
52109 Misc Consulting / Contingency	5,000	2,500	2,500	1,050	525	525	3,950	79%	1,975	1,975
Total Admin Expenses	\$ 71,260	\$ 23,880	\$ 47,380	\$ 61,695	\$ 28,144	\$ 33,551	\$ 9,565	13%	\$ (4,264)	\$ 13,829
<b>Safety Services</b>										
52201 Outside Training	\$ 30,000	\$ 15,000	\$ 15,000	\$ 17,618	\$ 4,892	\$ 12,726	\$ 12,382	41%	\$ 10,108	\$ 2,274
52202 Risk Mgmt Comm Mtg Expense	1,500	750	750	125	-	125	1,375	92%	750	625
52203 Police Risk Mgmt Comm Training	-	-	-	-	-	-	-		-	-
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	15,302	10,746	4,556	72,698	83%	39,254	33,444
52208 Lexipol Police Manual Updates & DTBs	140,234	140,234	-	126,146	105,175	20,971	14,088	10%	35,059	(20,971)
52209 Police Risk Management Funds	50,000	25,000	25,000	10,851	2,073	8,778	39,149	78%	22,927	16,222
54200 Safety Grant Fund - See Note 3	-	-	-	1,120	1,120	-	(1,120)		(1,120)	-
Total Safety Services Expenses	\$ 488,214	\$ 320,224	\$ 167,990	\$ 305,022	\$ 190,936	\$ 114,086	\$ 183,192	38%	\$ 129,288	\$ 53,904

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2020**

	Budget 2019-2020			YTD Expended 2019-2020			Remaining 2019-2020			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>ADMIN BUDGET CONTINUED</b>										
<b>Claims Administration</b>										
52302 Claims Administration Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
52304 State Funding/Fraud Assessment	267,699	267,699	-	210,185	210,185	-	57,514	21%	57,514	-
Total Claims Admin Expenses	\$ 267,699	\$ 267,699	\$ -	\$ 210,185	\$ 210,185	\$ -	\$ 57,514	21%	\$ 57,514	\$ -
<b>Program Administration</b>										
52401 Program Administration and Brokerage Fee	\$ 338,986	\$ 154,084	\$ 184,902	\$ 254,239	\$ 115,563	\$ 138,676	\$ 84,747	25%	\$ 38,521	\$ 46,226
52403 Accounting Services	106,170	53,085	53,085	80,132	40,066	40,066	26,038	25%	13,019	13,019
Total Program Admin Expenses	\$ 445,156	\$ 207,169	\$ 237,987	\$ 334,371	\$ 155,629	\$ 178,742	\$ 110,785	25%	\$ 51,540	\$ 59,245
<b>Board Expenses</b>										
52500 Board of Directors Long Range Planning Session	\$ 8,000	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ 8,000	100%	\$ 4,000	\$ 4,000
52501 Executive Committee	2,500	1,250	1,250	280	140	140	2,220	89%	1,110	1,110
52502 Executive Committee Member Travel	4,000	2,000	2,000	290	145	145	3,710	93%	1,855	1,855
52503 Board of Directors Meetings (includes Travel)	8,000	4,000	4,000	3,181	2,380	801	4,819	60%	1,620	3,199
52504 Association Memberships	4,800	2,400	2,400	2,708	1,354	1,354	2,092	44%	1,046	1,046
Total Board Expenses	\$ 27,300	\$ 13,650	\$ 13,650	\$ 6,459	\$ 4,019	\$ 2,440	\$ 20,841	76%	\$ 9,631	\$ 11,210
<b>Other Administration Expenses - Not identified with above budget line items</b>										
52900 Member Identity Theft Protection	14,529	14,529	-	-	-	-	14,529	100%	14,529	-
Total Other Admin	\$ 14,529	\$ 14,529	\$ -	\$ -	\$ -	\$ -	\$ 14,529	100%	\$ 14,529	\$ -
<b>Total Admin Expenses</b>	<b>\$ 1,314,158</b>	<b>\$ 847,151</b>	<b>\$ 467,007</b>	<b>\$ 917,732</b>	<b>\$ 588,913</b>	<b>\$ 328,819</b>	<b>\$ 396,426</b>	<b>30%</b>	<b>\$ 258,238</b>	<b>\$ 138,188</b>
<b>TOTAL ADMIN REVENUE OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 126,320</b>	<b>\$ 83,008</b>	<b>\$ 43,312</b>	<b>\$ (126,320)</b>		<b>\$ (83,008)</b>	<b>\$ (43,312)</b>

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2020**

	Budget 2019-2020			YTD Expended 2019-2020			Remaining 2019-2020				
<b>Banking Layer Revenue</b>											
41020 Banking Layer Deposit - See Note 1	\$ 8,712,000	\$ 6,501,000	\$ 2,211,000	\$ 6,534,001	\$ 4,875,750	\$ 1,658,251	\$ 2,177,999	25%	\$ 1,625,250	\$ 552,749	
44030 Change in Fair Value - See Note 2	-	-	-	777,730	604,923	172,807	(777,730)		(604,923)	(172,807)	
44040 Interest Income - See Note 2	-	-	-	473,121	364,129	108,992	(473,121)		(364,129)	(108,992)	
Total Banking Layer Revenue	\$ 8,712,000	\$ 6,501,000	\$ 2,211,000	\$ 7,842,199	\$ 5,844,802	\$ 1,997,397	\$ 869,801	10%	\$ 656,198	\$ 213,603	
<b>Banking Layer Expenses</b>											
51100 Claims Expense - See Note 4	\$ 6,855,000	\$ 5,169,000	\$ 1,686,000	\$ 3,917,994	\$ 3,465,139	\$ 452,855	\$ 2,937,006	43%	\$ 1,703,861	\$ 1,233,145	
51135 Claims Admin - Liability - See Note 4	-	-	-	210,196	-	210,196	(210,196)		-	(210,196)	
51400 OS Liability Adjustment - See Note 4	-	-	-	2,318,444	1,867,613	450,831	(2,318,444)		(1,867,613)	(450,831)	
51800 ULAE Adjustment - See Note 4	-	-	-	1,038,079	1,038,079	-	(1,038,079)		(1,038,079)	-	
52300 Claims Admin - Monthly WC Only - See Note 4	856,332	608,392	247,940	456,294	456,294	-	400,038	47%	152,098	247,940	
Total Banking Layer Expenses	\$ 7,711,332	\$ 5,777,392	\$ 1,933,940	\$ 7,941,007	\$ 6,827,125	\$ 1,113,882	\$ (229,675)	-3%	\$ (1,049,733)	\$ 820,058	
<b>TOTAL BANKING REVENUE OVER EXPENSES</b>	<b>\$ 1,000,668</b>	<b>\$ 723,608</b>	<b>\$ 277,060</b>	<b>\$ (98,808)</b>	<b>\$ (982,323)</b>	<b>\$ 883,515</b>	<b>\$ 1,099,476</b>		<b>\$ 1,705,931</b>	<b>\$ (606,455)</b>	



**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2020**

	Budget 2019-2020			YTD Expended 2019-2020			Remaining 2019-2020				
<b>Shared Layer Revenue</b>											
41030 Shared Risk Layer Deposit - See Note 1	\$ 5,934,000	\$ 3,560,000	\$ 2,374,000	\$ 4,450,500	\$ 2,670,000	\$ 1,780,500	\$ 1,483,500	25%	\$ 890,000	\$ 593,500	
41040 Excess Deposit/Premium - See Note 1	3,165,968	1,668,420	1,497,548	2,379,411	1,256,250	1,123,161	786,557	25%	412,170	374,387	
44030 Change in Fair Value	-	-	-	776,539	557,417	219,122	(776,539)		(557,417)	(219,122)	
44040 Interest Income	-	-	-	482,896	343,385	139,511	(482,896)		(343,385)	(139,511)	
44060 Property Premium - See Note 1	2,041,230	-	2,041,230	1,539,541	-	1,539,541	501,689	25%	-	501,689	
44070 Crime Premium - See Note 1	53,523	-	53,523	40,142	-	40,142	13,381	25%	-	13,381	
Total Shared Layer Revenue	\$ 11,194,721	\$ 5,228,420	\$ 5,966,301	\$ 9,669,029	\$ 4,827,052	\$ 4,841,977	\$ 1,525,692	14%	\$ 401,368	\$ 1,124,324	
<b>Shared Layer Expenses</b>											
Total	\$ 4,708,000	\$ 2,857,000	\$ 1,377,000	\$ 5,778,830	\$ 4,159,627	\$ 1,619,203	\$ (1,070,830)	-23%	\$ (1,302,627)	\$ (242,203)	
51100 Claims Expense	\$ 4,708,000	\$ 2,857,000	\$ 1,377,000	\$ 5,778,830	\$ 4,159,627	\$ 1,619,203	\$ (1,070,830)	-23%	\$ (1,302,627)	\$ (242,203)	
54100 Excess Deposit/Premium Exp - See Note 5	3,165,968	1,668,420	1,497,548	2,349,173	1,251,315	1,097,858	816,795	26%	417,105	399,690	
54150 Member Property Coverage - See Note 5	2,041,230	-	2,041,230	1,564,737	-	1,564,737	476,493	23%	-	476,493	
54150 Member Crime Coverage - See Note 5	53,523	-	53,523	40,142	-	40,142	13,381	25%	-	13,381	
Total Shared Layer Expenses	\$ 9,968,721	\$ 4,525,420	\$ 4,969,301	\$ 9,732,882	\$ 5,410,942	\$ 4,321,940	\$ 235,839	2%	\$ (885,522)	\$ 647,361	
<b>TOTAL SHARED REVENUE OVER EXPENSES</b>	\$ 1,226,000	\$ 703,000	\$ 997,000	\$ (63,853)	\$ (583,890)	\$ 520,037	\$ 1,289,853		\$ 1,286,890	\$ 476,963	
<b>OTHER INCOME/(EXPENSE)</b>											
52505 Board Expenses - Other	-	-	-	\$ (1,578)	-	(1,578)	1,578		-	1,578	
52109 Assetworks/Lexipol Pass Through Billing	-	-	-	-	-	-	-		-	-	
Rounding	-	-	-	611	999	(388)	(611)		(999)	388	
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ (967)	\$ 999	\$ (1,966)	\$ 967		\$ (999)	\$ 1,966	
<b>TOTAL INCOME/(EXPENSE)</b>	\$ 2,226,668	\$ 1,426,608	\$ 1,274,060	\$ (37,308)	\$ (1,482,206)	\$ 1,444,898	\$ 2,263,976		\$ 2,908,814	\$ (170,838)	

**Northern California Cities Self Insurance Fund**  
**Notes to Budget to Actual**  
**As of March 31, 2020**

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**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 Historic Usage Report  
As of March 31, 2020**

Member	Risk Management Reserve Fund elected to be retained in WC admin by members from their WC shared refund										Total funds available FY 2009 - FY 2019 for Risk Management	Total Disbursements Paid through Last Update	Risk Management Reserve Funds Available
	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2017	FY 2018				
Anderson	\$ 6,496.00	\$ 8,039.00	\$ 7,650.00	\$ 7,540.00	\$ 7,451.00	\$ 3,860.00	\$ -	\$ -	\$ -	\$ -	\$ 41,036.00	\$ 31,355.00	\$ 9,681.00
Auburn	6,397.00	-	-	8,098.00	-	-	-	16,672.00	-	-	31,167.00	6,397.00	24,770.00
Colusa	6,258.00	-	-	5,817.00	5,662.00	-	-	-	-	\$ 17,737.00	17,737.00	-	-
Corning	6,157.00	6,149.00	5,788.00	5,678.00	-	-	-	-	-	\$ 23,772.00	23,772.00	-	-
Dixon	6,592.00	-	-	-	10,379.00	-	10,602.00	-	-	\$ 27,573.00	20,207.24	7,365.76	-
Elk Grove	-	-	-	-	-	-	-	-	-	\$ -	-	-	-
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	32,328.00	57,693.00	117,055.00	-	\$ 410,088.00	411,917.37	(1,829.37)	-
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	11,310.00	16,586.00	-	-	\$ 92,343.00	84,412.00	7,931.00	-
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	5,152.00	6,614.00	-	-	\$ 37,284.00	6,144.00	31,140.00	-
Ione	-	-	-	-	-	514.00	-	-	-	\$ 514.00	-	514.00	-
Jackson	5,627.00	3,510.00	3,487.00	-	-	-	4,285.00	-	-	\$ 16,909.00	5,500.00	11,409.00	-
Lincoln	6,303.00	8,638.00	10,028.00	-	10,854.00	-	10,078.00	-	-	\$ 45,901.00	37,112.69	8,788.31	-
Marysville	6,758.00	-	-	-	-	-	-	13,095.00	-	\$ 19,853.00	731.00	19,122.00	-
Nevada City	5,665.00	-	-	-	3,618.00	1,896.00	4,275.00	-	-	\$ 15,454.00	13,001.00	2,453.00	-
Oroville	7,633.00	-	-	-	-	-	12,309.00	-	-	\$ 19,942.00	17,412.50	2,529.50	-
Placerville	6,883.00	-	-	-	-	9,048.00	-	-	-	\$ 15,931.00	6,883.00	9,048.00	-
Paradise	7,182.00	-	-	-	-	-	-	-	-	\$ 7,182.00	7,182.00	-	-
Red Bluff	7,339.00	12,860.00	12,493.00	12,290.00	-	-	-	-	-	\$ 44,982.00	44,982.00	-	-
Rio Vista	5,818.00	-	4,770.00	4,766.00	-	3,759.00	-	-	-	\$ 19,113.00	19,113.00	-	-
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	20,260.00	22,851.00	51,560.00	-	\$ 204,017.00	118,471.80	85,545.20	-
Willows	5,856.00	4,618.00	4,412.00	-	-	3,405.00	7,156.00	2,000.00	-	\$ 27,447.00	25,448.00	1,999.00	-
Yuba City	8,607.00	-	-	22,184.00	-	-	-	-	-	\$ 30,791.00	30,791.00	-	-
	\$ 145,238.00	\$ 151,576.00	\$ 88,017.00	\$ 174,207.00	\$ 145,635.00	\$ 91,532.00	\$ 152,449.00	\$ 200,382.00	\$ 1,149,036.00	\$ 928,569.60	\$ 220,466.40		

**Northern California Cities Self Insurance Fund  
Police Risk Management Grants Historic Usage Report  
As of March 31, 2020**

Member	Police Risk Management Grant Funds					Total funds granted FY 2015 - FY 2019 for Police Risk Management	Total Disbursements Paid through Last Update	Police Risk Management Grant Funds Available
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019			
Anderson	\$1,515.00	\$1,515.00	\$ 1,515.00	\$ 1,515.00	\$ 1,515.00	\$7,575.00	\$ -	\$ 7,575.00
Auburn	3,030.00	3,030.00	3,030.00	3,030.00	3,030.00	\$15,150.00	12,120.00	3,030.00
Colusa	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	3,030.00	4,545.00
Corning	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	5,592.38	1,982.62
Dixon	3,030.00	3,030.00	3,030.00	3,030.00	3,030.00	\$15,150.00	8,994.38	6,155.62
Elk Grove	3,030.00	3,030.00	3,030.00	3,030.00	3,030.00	\$15,150.00	15,150.00	-
Folsom	3,787.50	3,787.50	3,788.00	3,787.50	3,787.50	\$18,938.00	7,576.00	11,362.00
Galt	3,030.00	3,030.00	3,030.00	3,030.00	3,030.00	\$15,150.00	-	15,150.00
Gridley	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	4,543.26	3,031.74
Ione	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	4,626.01	2,948.99
Jackson	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	-	7,575.00
Lincoln	3,030.00	3,030.00	3,030.00	3,030.00	3,030.00	\$15,150.00	9,180.13	5,969.87
Marysville	2,272.50	2,272.50	2,273.00	2,272.50	2,272.50	\$11,363.00	4,919.87	6,443.13
Nevada City	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	6,060.00	1,515.00
Oroville	3,030.00	3,030.00	3,030.00	3,030.00	3,030.00	\$15,150.00	12,120.00	3,030.00
Placerville	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	7,645.07	(70.07)
Paradise	2,272.50	2,272.50	2,273.00	2,272.50	2,272.50	\$11,363.00	6,440.50	4,922.50
Red Bluff	2,272.50	2,272.50	2,273.00	2,272.50	2,272.50	\$11,363.00	4,545.00	6,818.00
Rio Vista	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	4,241.15	3,333.85
Rocklin	3,030.00	3,030.00	3,030.00	3,030.00	3,030.00	\$15,150.00	12,120.00	3,030.00
Willows	1,515.00	1,515.00	1,515.00	1,515.00	1,515.00	\$7,575.00	2,130.00	5,445.00
Yuba City	3,030.00	3,030.00	3,030.00	3,030.00	3,030.00	\$15,150.00	6,060.00	9,090.00
	\$ 49,995.00	\$ 49,995.00	\$ 49,997.00	\$ 49,995.00	\$ 49,995.00	\$ 249,977.00	\$ 137,093.75	\$ 112,883.25

Schedule includes payments made through March 31, 2020

<b>Designated for Risk Management</b>	
Risk Management Reserves	\$ 220,466
Police Risk Management Grants	112,883
Total	<u>\$ 333,349</u>



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item G.2.**

**BUDGET TO ACTUAL AS OF MARCH 31, 2020**

**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 \$917,732, or 70% of the budgeted amount, with 30% 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 \$15,302, or 17%, of the budgeted amount has been paid. *Members are encouraged to assess their training needs and submit requests for these funds prior to June 30<sup>TH</sup>.*

Also of note is the budget to actual for the Shared Layer Claims Expenses, with each program significantly over budget, while the Banking Layer Claims Expenses are well within budget. The budgeted figures are based on actuary projections and continue the trend that was seen in the latest reports.

**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, 2020



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.1.a.**

**FY 20/21 NCCSIF MEMORANDUM OF COVERAGE - LIABILITY**

**ACTION ITEM**

**ISSUE:** The Board annually reviews and approves the Liability Memorandum of Coverage (MOC). The NCCSIF MOC is an “underlying” form that incorporates the excess Memorandum of Coverage provided by the California Joint Powers Risk Management Authority (CJPRMA). While there are no changes to the CJPRMA MOC itself, *the reinsurers that provide limits in excess of \$15 million have added an Infectious Disease Exclusion due to ongoing concerns regarding the COVID-19 pandemic.*

The Program Administrators have discussed the liability exposure related to the current pandemic with coverage counsel and other pool administrators to evaluate if changes should be made to the MOC for the primary coverage level. The risk of a major claim is low and immunities will likely apply to any claims arising from public safety activities as long as the insured did not knowingly increase the risk of infection. There is also the difficulty of a plaintiff proving where and how they were infected and that the member had notice of or created a dangerous condition.

But while the risk seems low, we do not currently have enough experience to make a strong recommendation regarding, to what degree, coverage should apply and the exposure for defense costs should be considered a significant potential cost. If members are concerned about the exposure but do not want to exclude it entirely a sublimit could be implemented or a more preferred option might be an aggregate limit that would still allow members to access the excess coverage.

At the most recent Executive Committee meeting members recommended not adding an exclusion within the NCCSIF MOC but reserving the right to amend the MOC retroactively, after Board review in October, if claims exceeded expectations and threatened the program’s financial stability. Legal counsel has suggested a more preferred option would be to establish a sublimit and/or aggregate limit in order to avoid difficulties in restricting coverage later. The following page summarizes options for Board consideration and provides sample language where appropriate.

**RECOMMENDATION:** Review the options on the following page that address the Infectious Disease exposure and approve the FY 20/21 NCCSIF Liability Memorandum of Coverage, incorporating any changes as presented.

**FISCAL IMPACT:** Uncertain at this time.

**BACKGROUND:** NCCSIF 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):** FY 20/21 NCCSIF Liability MOC, with Endorsements



Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020

*Agenda Item H.1.a. continued*

## LIABILITY MOC “DISEASE” OPTIONS

### **Option #1: Do Nothing**

No changes to the MOC, NCCSIF would not exclude allegations related to communicable disease.

### **Option #2: Exclude Coverage**

Approve the attached endorsement to the MOC to exclude coverage, with sample language below:

This **policy** does not provide coverage for any liability, **loss**, injury, damage, cost or expense resulting directly, or indirectly, from or arising in whole, or in part, out of any one or more of the following:

1. any **communicable disease**; or
2. any loss, cost or expense relating to the monitoring, clean-up, removal, containment, treatment, disposal, replacement or rehabilitation or real or personal property due to actual or suspected contamination by infectious bacteria or viral organisms capable of transmitting a **communicable disease**.

This exclusion applies even if the claims against any **insured** allege negligence or other wrongdoing...

**Communicable disease** means any disease, illness or condition caused by an infectious agent or its toxins that occurs through the direct or indirect transmission of the infectious agent or its products from an infected individual or via an animal, vector or the inanimate environment to a susceptible animal or human host.

### **Option #3: Limit Coverage**

Adopt the above endorsement to define Communicable Disease but exclude only after application of a sublimit or aggregate limit. In order not to limit a Member’s access to excess coverage the sublimit would have to be at least \$500,000, more than the pool could manage if all were to have even less than limit losses.

A less risky approach would be to implement an aggregate deductible of up to \$2 or \$3,000,000. This would allow access to the excess coverage for any single claim while giving all members a reasonable assurance the coverage will be there, barring any unexpected surge in claims.

### **Option #4: Monitor and Adjust if Needed**

Given the uncertainties surrounding the exposure, the Board could wait to see how the current virus impacts member operations and claims experience and take action in October or December. The MOC could be retroactively amended to exclude or limit coverage based on more complete knowledge of the exposure, though it may be best to limit options ahead of time in order to facilitate a decision.



## **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.



1) 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.

(a) 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.

(b) 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.).

(c) 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).

07/01/2020

Date

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Elizabeth Ehrenstrom, 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.

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Elizabeth Ehrenstrom, NCCSIF President

Endorsement Effective Date: July 1, 2020





## 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.

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Elizabeth Ehrenstrom, NCCSIF President

Endorsement Effective Date: July 1, 2020



Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020

Agenda Item H.1.b.

**FY 20/21 NCCSIF MEMORANDUM OF COVERAGE  
WORKERS' COMPENSATION**

**ACTION ITEM**

**ISSUE:** The Board annually reviews and approves the NorCal Cities Workers' Compensation Memorandum of Coverage (MOC). There is one change to the excess MOC provided by PRISM (formerly CSAC-EIA) that is already incorporated in the NorCal MOC, specifically the retention of up to \$500,000 for each accident *or each employee for disease*.

Currently the PRISM MOC is unique in that it treats claims arising from each disease as one Occurrence, with one Self-Insured Retention (SIR). That will change to one retention per employee effective July 1, 2020, though the current COVID-19 outbreak will continue to be treated as one Occurrence even if claims are filed after July 1. If the virus mutates to a different strain the new per person SIR will apply. Attached is a copy of the PRISM endorsement and memo explaining the change.

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 20/21 NCCSIF Workers' Compensation MOC.

**FISCAL IMPACT:** None directly,

**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 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. CSAC-EIA 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 20/21 NCCSIF Workers' Compensation MOC, with sample Declarations Page
2. PRISM Communicable Disease Endorsement and Memo

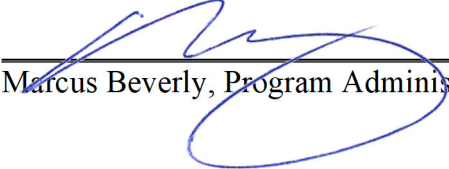


**WORKERS' COMPENSATION  
MEMORANDUM OF COVERAGE  
DECLARATIONS**

1. **Memorandum Number:** NCCWC-20
2. **Member Entity:** City of Anderson  
1887 Howard Street  
Anderson, California 96007
3. **Coverage Period:** July 1, 2020 to June 30, 2021
3. **Banking Layer:** \$0 to \$100,000 each accident or each employee for disease
4. **Shared Risk Layer:** \$100,000 to \$500,000 each accident or each employee for disease
5. **NCCSIF Shared Risk Layer Limit of Liability:** \$400,000 each accident or each employee for disease:  
a) Workers' Compensation (Coverage Part I)  
b) Employers' Liability (Coverage Part II)
6. **Payroll Reporting and Adjusting Period:** Annual
7. **Loss Reporting:** Sedgwick  
1101 Creekside Ridge Drive, Suite 1101  
PO Box 619058, Roseville, CA 95661  
(916) 783-0100
9. **Excess Memorandum of Coverage:** PRISM Excess Insurance Authority  
**Excess Limits of Liability:** Workers Compensation: Statutory, less \$500,000 Retention  
Employers' Liability: \$5,000,000, less \$500,000 Retention

**FORMS AND ENDORSEMENTS FORMING PART OF THE POLICY AT INCEPTION:**

**NCCSIF:** NCCWC-20  
**PRISM:** PE 20 EWC-48

  
\_\_\_\_\_  
Marcus Beverly, Program Administrator

July 1, 2020  
Date

*It is agreed that this Declaration and the Memorandum of Coverage, together with the terms of any endorsements and any specified sections of the JPA Agreement or Bylaws, constitute the entire coverage agreement.*



## **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) calendar 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, 2020  
Date

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Kristine Haile, 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

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Authorized Representative  
Northern California Cities SIF



May 20, 2020

To: Excess Workers' Compensation (EWC) Program Members

From: PRISM Staff

Re: Amendment to Occurrence Definition related to Communicable Disease – Endorsement U-7

The purpose of this communication is to advise the EWC Program members about a change to the coverage for communicable disease for the 2020/21 policy year. Attached for your review is new Endorsement U-7 (Communicable Disease Amendatory Endorsement) to the Memorandum of Coverage (MOC), which was reviewed and approved by the Underwriting and Executive Committees during their most recent meetings last week. Those Committees are recommending to the Board of Directors that Endorsement U-7 be approved at the Board meeting on June 5, 2020, going into effect July 1, 2020. The Endorsement has also been provided to the reinsurance and excess carriers, and approval is pending.

By way of some background, the COVID-19 pandemic has and will continue to bring substantial changes to the insurance market. The potential impact is significant to workers' compensation reinsurers and excess carriers. The EWC Program has already experienced a significant impact in that Chubb (\$45M xs \$5M layer) withdrew their proposal and quote for 2020/21 renewal terms after seeing projections on the number of COVID-19 related claims likely to surface in their reinsurance placements across the country. Chubb remained open and interested in remaining on the placement; however, they advised us that they needed to re-negotiate renewal terms, as to how coverage will apply in the future for communicable disease.

The current MOC provides that 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. As this applies to COVID-19-related claims, the COVID-19 claims for all EWC Program members roll up into one occurrence, with each Tower (Core and ED) being treated as separate occurrences. Coverage in this manner is unique and something the PRISM workers' compensation programs have benefitted from over the years, without having to pay any additional premium for this coverage structure. For most employers across the country, coverage for communicable disease is typically provided on a **per-employee basis, meaning that each incident of an employee contracting a communicable disease is a separate occurrence.**



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To address the decision made by reinsurers to require that coverage for communicable disease moving forward be on a **per-employee basis**, the attached Endorsement U-7 makes that change to the MOC definition of **Occurrence**. Pursuant to this Endorsement, communicable disease will continue to be covered under the 2020/21 MOC, but it will be on a **per-employee basis**, so that each employee's claim is a separate occurrence rather than having all outbreaks of the same communicable disease across all members constitute one occurrence. This change should not impact COVID-19-related claims. Instead, it should impact how future communicable disease outbreaks are treated.

If you have any questions, please feel free to contact PRISM Chief Legal Counsel, Mike Pott, at 916-850-7300 or at [mpott@csac-eia.org](mailto:mpott@csac-eia.org), or PRISM Director of Workers' Compensation, Jen Hamelin, at the same number, or at [jhamelin@csac-eia.org](mailto:jhamelin@csac-eia.org).

**ENDORSEMENT NO. U-7**

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

**COMMUNICABLE DISEASE AMENDATORY ENDORSEMENT**

It is understood and agreed that the **DEFINITIONS** section of the Memorandum of Coverage is amended as follows:

Section VIII. **OCCURRENCE** is hereby deleted and replaced by the following:

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 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) As to any **Covered Party** who was a member during the July 1, 2019 to July 1, 2020 coverage period, all **communicable disease** sustained by one or more employees due to the outbreak of COVID-19 that began during the July 1, 2019 to July 1, 2020 coverage period shall be deemed to be a part of the same outbreak of a **communicable disease** that constitutes a single **occurrence** during the July 1, 2019 to June 30, 2020 coverage period. Otherwise, **communicable disease** shall be treated like any other **occupational disease** under Part (B) of this definition.

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.:** EIA 20 EWC-00

**Issued to:** ALL MEMBERS

**Issue Date:**

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Authorized Representative  
Public Risk Innovation, Solutions and Management



Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020

Agenda Item H.2.a.

**FY 20/21 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, 2020.

	<b>FY 19/20 Expiring</b>	<b>FY 20/21 Proposed</b>	<b>FY 20/21 Proposed</b>
	<b>\$5,000 Deductible</b>	<b>\$5,000 Deductible</b>	<b>\$10,000 Deductible</b>
Total Insurable Values	<b>\$1,494,242,568</b>	<b>\$1,586,516,118</b>	<b>\$1,586,516,118</b>
Property Rate*	<b>\$0.1122083</b>	<b>\$0.1414564</b>	<b>\$0.1380116</b>
Pollution Rate	\$0.0005633	\$0.0005890	\$0.0005890
Cyber Liability Rate	\$0.0004605	\$0.0004950	\$0.0004950
Course of Construction Rate	\$0.0975044	\$0.1194429	\$0.1194429
Contractors Equipment Rate	\$0.0909407	\$0.1114024	\$0.1114024
Vehicle Physical Damage Rate	\$0.3075237	\$0.3767165	\$0.3767165
Flood Coverage Rate	\$0.0280667	\$0.0327659	\$0.0327659
Total Annual Premium	<b>\$1,710,111</b>	<b>\$2,275,629</b>	<b>\$2,223,235</b>

\*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 25, 2020**

**Agenda Item H.2.a. *continued***

Total Insurable Values (TIV) increased **6.2%**, from \$1,494,242 to \$1,586,516,118, as compared to a 28% increase last year due to new property appraisals and various changes throughout the year. The All Risk\* property rate increased **26%** from the prior year, from \$0.112 to \$0.141 per \$100 of TIV. These changes result in a **total premium increase of 33%**, from \$1,710,111 to \$2,275,629.

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

- Pollution coverage rate is increasing 5%, from \$0.0005633 to \$0.0005890
- Cyber coverage rate is up 7%, from \$0.0004605 to \$0.0004950
- Course of Construction rate up 23%, from \$0.0975044 to \$0.1194429
- Contractors Equipment rate up 23%, from \$0.0909407 to \$0.1114024
- Vehicle Physical Damage is increasing 22%, from \$0.3075237 to \$0.3767165
- Flood coverage rate up 17% from \$0.0280667 to \$0.0327659 *for members currently purchasing flood coverage. The rate for new members is at current market rates and significantly higher.*

	<b>FY 20/21 Flood Rates</b>		
	<b>Current Members</b>	<b>Indication for three members at \$5M limit each</b>	<b>Indication for three members at \$10M limit each</b>
<b>Flood Rate</b>	<b>\$0.0327659</b>	<b>\$0.1195</b>	<b>\$0.239</b>
Members Cities	Auburn \$17M limit Ione \$10M limit Marysville \$15M limit Yuba City \$10M limit	Dixon \$41,499 Rio Vista \$59,285 Red Bluff \$19,288	Dixon \$82,997 Rio Vista \$118,569 Red Bluff \$38,577

The attached Executive Summary outlines the factors for the continuing “hard” market and the proposed changes to the coverage for 20/21.





**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.2.a. *continued***

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

**NCCSIF APIP Deductible Options FY 20-21**

Deductibles	\$5,000	\$10,000
<b>Premiums</b>	<b>\$2,275,629</b>	<b>\$2,223,235</b>
	Savings	<b>(\$52,394)</b>
Average Increase in Deductibles Paid	FYE 15-19	\$44,590
	Net Savings	<b>(\$7,804)</b>

**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 **\$1,586,516,118**.

**Option 1** - \$5,000 deductible = \$2,275,629

**Option 2** - \$10,000 deductible = \$2,223,235

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



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.2.a. *continued***

**ATTACHMENT(S):**

1. 20/21 NCCSIF Property Deposit Calculations - Deductible Options: \$5,000 & \$10,000
2. \$5,000 & \$10,000 Property Premium Comparison
3. 20/21 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 Affidavi
  - 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)

**FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION**  
**\$5,000 Property Deductible**

Total TIV = All Risk TIV  
+ CE Values + Vehicles  
+ 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, <b>Minus COC</b> ) Values	All Risk Primary Property Premium	All Risk Excess Property Premium*	COC Premium
<b>Rate Per \$100/Amount</b>									\$0.1081911	\$0.0308179	\$0.1194429
Anderson	\$5,000	\$28,699,934	\$4,934,805	\$718,467	\$600,000			\$34,953,206	\$37,816	\$10,912	
Auburn	\$5,000	\$43,326,459	\$8,640,499	\$0				\$51,966,958	\$56,224	\$16,388	
Colusa	\$5,000	\$38,295,447	\$14,596,499	\$294,732				\$53,186,678	\$57,543	\$16,391	
Corning											
Dixon	\$5,000	\$83,300,439	\$18,704,064	\$22,383,420				\$124,387,923	\$134,577	\$38,930	
Elk Grove											
Folsom	\$5,000	\$221,773,096	\$20,229,404	\$1,997,954		\$578,000		\$244,578,454	\$264,612	\$86,527	
Galt	\$5,000	\$93,517,919	\$19,510,202	\$2,500,320			\$19,377	\$115,509,064	\$124,971	\$37,200	\$23
Gridley	\$5,000	\$22,562,554	\$11,005,214	\$428,720				\$33,996,488	\$36,781	\$10,952	
Ione	\$5,000	\$23,568,982	\$4,527,231	\$102,520				\$28,198,733	\$30,509	\$10,483	
Jackson	\$5,000	\$12,913,070	\$22,897,776	\$5,000				\$35,815,846	\$38,750	\$11,077	
Lincoln	\$5,000	\$165,219,406	\$48,343,726	\$448,106				\$214,011,238	\$231,541	\$69,473	
Marysville	\$5,000	\$23,003,147	\$4,775,675	\$2,370,671				\$30,149,493	\$32,619	\$9,470	
Nevada City											
Oroville	\$5,000	\$50,959,297	\$6,660,089	\$0				\$57,619,386	\$62,339	\$20,654	
Placerville											
Paradise	\$5,000	\$11,201,673	\$2,136,719	\$183,751				\$13,522,143	\$14,630	\$5,332	
Red Bluff	\$5,000	\$47,441,643	\$11,049,093	\$491,139				\$58,981,875	\$63,813	\$20,427	
Rio Vista	\$5,000	\$37,802,800	\$11,078,250	\$134,725				\$49,015,775	\$53,031	\$15,286	
Rocklin	\$5,000	\$68,936,577	\$7,698,855	\$6,200,000				\$82,835,432	\$89,621	\$28,888	
Willows											
Yuba City	\$5,000	\$206,254,388	\$29,037,546	\$6,628,952			\$18,954,468	\$222,966,418	\$241,230	\$80,541	\$22,640
<b>TOTAL</b>		<b>\$1,178,776,831</b>	<b>\$245,825,647</b>	<b>\$44,888,477</b>	<b>\$600,000</b>	<b>\$578,000</b>	<b>\$18,973,845</b>	<b>\$1,451,695,110</b>	<b>\$1,570,605</b>	<b>\$488,931</b>	<b>\$22,663</b>

[Verify Quote Sheet](#)

Do Not Participate

New Quote

**\$1,570,605**

(\$0)

**\$488,930**

\$1

**\$22,663**

(\$0)

**FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION**  
**\$5,000 Property Deductible**

Formula or Allocation	Rating B&M Value x Rate x Member % All Risk TIV	Pulled from Oasys	CE x Rate	Total TIV	Total TIV	Total TIV	Estimated ABS Fees	Estimated Surplus Line Taxes & Fees
	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		
<b>Rate Per \$100/Amount</b>	\$0.0011413	Values	\$0.1114024	\$0.0004950	\$0.0005890	\$0.0002221	\$30,026.00	\$83,857.51
Anderson	\$404	\$453,620	\$505	\$175	\$209	\$79	\$722.95	\$2,019
Auburn	\$600	\$46,503	\$52	\$263	\$313	\$118	\$1,074.85	\$3,002
Colusa	\$615	\$0	\$0	\$263	\$313	\$118	\$1,100.08	\$3,072
Corning								
Dixon	\$1,437	\$1,934,027	\$2,155	\$625	\$744	\$281	\$2,572.77	\$7,185
Elk Grove								
Folsom	\$2,826	\$7,684,467	\$8,561	\$1,390	\$1,654	\$624	\$5,058.72	\$14,128
Galt	\$1,335	\$545,000	\$607	\$598	\$711	\$268	\$2,389.12	\$6,672
Gridley	\$393	\$1,542,000	\$1,718	\$176	\$209	\$79	\$703.16	\$1,964
Ione	\$326	\$653,250	\$728	\$168	\$200	\$76	\$583.25	\$1,629
Jackson	\$414	\$128,500	\$143	\$178	\$212	\$80	\$740.79	\$2,069
Lincoln	\$2,473	\$979,007	\$1,091	\$1,116	\$1,328	\$501	\$4,426.48	\$12,362
Marysville	\$348	\$579,044	\$645	\$152	\$181	\$68	\$623.59	\$1,742
Nevada City								
Oroville	\$666	\$1,022,148	\$1,139	\$332	\$395	\$149	\$1,191.77	\$3,328
Placerville								
Paradise	\$156	\$3,778,190	\$4,209	\$86	\$102	\$38	\$279.68	\$781
Red Bluff	\$682	\$2,342,665	\$2,610	\$328	\$390	\$147	\$1,219.95	\$3,407
Rio Vista	\$566	\$585,000	\$652	\$246	\$292	\$110	\$1,013.81	\$2,831
Rocklin	\$957	\$10,900,882	\$12,144	\$464	\$552	\$208	\$1,713.32	\$4,785
Willows								
Yuba City	\$2,576	\$4,572,200	\$5,094	\$1,294	\$1,539	\$580	\$4,611.71	\$12,880
<b>TOTAL</b>	<b>\$16,775</b>	<b>\$37,746,503</b>	<b>\$42,051</b>	<b>\$7,853</b>	<b>\$9,345</b>	<b>\$3,524</b>	<b>\$30,026</b>	<b>\$83,858</b>
<i>Verify Quote Sheet</i>	<b>\$16,774</b>		<b>\$42,050</b>	<b>\$7,853</b>	<b>\$9,345</b>	<b>\$3,523</b>	<b>\$30,026</b>	<b>\$83,858</b>
Do Not Participate	\$1		\$1	\$0	(\$0)	\$1	\$0	\$0
New Quote								

**FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION**  
**\$5,000 Property Deductible**

Formula or Allocation

Member Entity	2020/21 Total All Risk Property Premium	2019/20 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						Value	\$0.0327659		Value	\$0.3767165	
Anderson	\$52,842	\$42,096	\$10,746	26%	0.3%	\$35,406,826							\$52,842
Auburn	\$78,035	\$61,790	\$16,245	26%	1.1%	\$53,175,909	\$17,000,000	\$53,175,909	\$17,424	\$10,000	\$1,162,448	\$4,379	\$99,838
Colusa	\$79,416	\$63,067	\$16,349	26%	0.4%	\$53,186,678							\$79,416
Corning													
Dixon	\$188,506	\$149,241	\$39,266	26%	0.4%	\$126,321,950							\$188,506
Elk Grove													
Folsom	\$385,380	\$285,537	\$99,843	35%	4.4%	\$280,768,777				\$5,000	\$28,505,856	\$107,386	\$492,766
Galt	\$174,774	\$114,159	\$60,615	53%	25.5%	\$120,710,554				\$5,000	\$4,637,113	\$17,469	\$192,243
Gridley	\$52,975	\$43,099	\$9,877	23%	0.6%	\$35,538,488							\$52,975
Ione	\$44,702	\$32,470	\$12,232	38%	2.8%	\$34,017,256	\$10,000,000	\$34,017,256	\$11,146	\$5,000	\$5,165,273	\$19,458	\$75,306
Jackson	\$53,663	\$44,375	\$9,288	21%	1.5%	\$35,944,346							\$53,663
Lincoln	\$324,311	\$254,589	\$69,722	27%	1.3%	\$225,430,667				\$7,500	\$10,440,422	\$39,331	\$363,642
Marysville	\$45,849	\$35,055	\$10,794	31%	4.0%	\$30,728,537	\$15,000,000	\$30,728,537	\$10,068				\$55,917
Nevada City													
Oroville	\$90,193	\$69,696	\$20,497	29%	0.3%	\$67,020,339				\$5,000	\$8,378,805	\$31,564	\$121,758
Placerville						\$0							
Paradise	\$25,613	\$19,731	\$5,883	30%	5.5%	\$17,300,333							\$25,613
Red Bluff	\$93,025	\$71,594	\$21,431	30%	1.0%	\$66,284,086				\$5,000	\$4,959,546	\$18,683	\$111,708
Rio Vista	\$74,028	N/A				\$49,600,775							\$74,028
Rocklin	\$139,332	\$107,793	\$31,539	29%	0.7%	\$93,736,314							\$139,332
Willows													
Yuba City	\$372,985	\$315,822	\$57,164	18%	-1.2%	\$261,344,283	\$10,000,000	\$261,344,283	\$85,632	\$5,000	\$14,851,197	\$55,947	\$514,564
<b>TOTAL</b>	<b>\$2,275,629</b>	<b>\$1,710,111</b>	<b>\$565,518</b>	<b>33%</b>	<b>6.6%</b>	<b>\$1,586,516,118</b>		<b>\$379,265,985</b>	<b>\$124,270</b>		<b>\$78,100,660</b>	<b>\$294,218</b>	<b>\$2,694,117</b>

[Verify Quote Sheet](#)  
Do Not Participate  
New Quote

**\$124,270**  
(\$0)  
**\$294,218**  
\$0  
**\$2,694,115**  
\$2

**FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION**  
**\$10,000 Property Deductible**

**Total TIV = All Risk TIV  
+ CE Values + Vehicles  
+ 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, <b>Minus COC</b> ) Values	All Risk Primary Property Premium	All Risk Excess Property Premium*	COC Premium
<b>Rate Per \$100/Amount</b>									\$0.1047463	\$0.0308179	\$0.1194429
Anderson	\$10,000	\$28,699,934	\$4,934,805	\$718,467	\$600,000			\$34,953,206	\$36,612	\$10,912	
Auburn	\$10,000	\$43,326,459	\$8,640,499	\$0				\$51,966,958	\$54,433	\$16,388	
Colusa	\$10,000	\$38,295,447	\$14,596,499	\$294,732				\$53,186,678	\$55,711	\$16,391	
Corning											
Dixon	\$10,000	\$83,300,439	\$18,704,064	\$22,383,420				\$124,387,923	\$130,292	\$38,930	
Elk Grove											
Folsom	\$10,000	\$221,773,096	\$20,229,404	\$1,997,954		\$578,000		\$244,578,454	\$256,187	\$86,527	
Galt	\$10,000	\$93,517,919	\$19,510,202	\$2,500,320			\$19,377	\$115,509,064	\$120,991	\$37,200	\$23
Gridley	\$10,000	\$22,562,554	\$11,005,214	\$428,720				\$33,996,488	\$35,610	\$10,952	
Ione	\$10,000	\$23,568,982	\$4,527,231	\$102,520				\$28,198,733	\$29,537	\$10,483	
Jackson	\$10,000	\$12,913,070	\$22,897,776	\$5,000				\$35,815,846	\$37,516	\$11,077	
Lincoln	\$10,000	\$165,219,406	\$48,343,726	\$448,106				\$214,011,238	\$224,169	\$69,473	
Marysville	\$10,000	\$23,003,147	\$4,775,675	\$2,370,671				\$30,149,493	\$31,580	\$9,470	
Nevada City											
Oroville	\$10,000	\$50,959,297	\$6,660,089	\$0				\$57,619,386	\$60,354	\$20,654	
Placerville											
Paradise	\$10,000	\$11,201,673	\$2,136,719	\$183,751				\$13,522,143	\$14,164	\$5,332	
Red Bluff	\$10,000	\$47,441,643	\$11,049,093	\$491,139				\$58,981,875	\$61,781	\$20,427	
Rio Vista	\$10,000	\$37,802,800	\$11,078,250	\$134,725				\$49,015,775	\$51,342	\$15,286	
Rocklin	\$10,000	\$68,936,577	\$7,698,855	\$6,200,000				\$82,835,432	\$86,767	\$28,888	
Willows											
Yuba City	\$10,000	\$206,254,388	\$29,037,546	\$6,628,952			\$18,954,468	\$222,966,418	\$233,549	\$80,541	\$22,640
<b>TOTAL</b>		<b>\$1,178,776,831</b>	<b>\$245,825,647</b>	<b>\$44,888,477</b>	<b>\$600,000</b>	<b>\$578,000</b>	<b>\$18,973,845</b>	<b>\$1,451,695,110</b>	<b>\$1,520,597</b>	<b>\$488,931</b>	<b>\$22,663</b>

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Do Not Participate

New Quote

**\$1,520,597**

(\$0)

**\$488,930**

\$1

**\$22,663**

(\$0)

**FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION**  
**\$10,000 Property Deductible**

Formula or Allocation	Rating B&M Value x Rate x Member % All Risk TIV	Pulled from Oasys	CE x Rate	Total TIV	Total TIV	Total TIV	Estimated ABS Fees	Estimated Surplus Line Taxes & Fees
	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		
<b>Rate Per \$100/Amount</b>	\$0.0011413	Values	\$0.1114024	\$0.0004950	\$0.0005890	\$0.0002221	\$29,265.00	\$82,232.25
Anderson	\$404	\$453,620	\$505	\$175	\$209	\$79	\$704.63	\$1,980
Auburn	\$600	\$46,503	\$52	\$263	\$313	\$118	\$1,047.61	\$2,944
Colusa	\$615	\$0	\$0	\$263	\$313	\$118	\$1,072.20	\$3,013
Corning								
Dixon	\$1,437	\$1,934,027	\$2,155	\$625	\$744	\$281	\$2,507.56	\$7,046
Elk Grove								
Folsom	\$2,826	\$7,684,467	\$8,561	\$1,390	\$1,654	\$624	\$4,930.50	\$13,854
Galt	\$1,335	\$545,000	\$607	\$598	\$711	\$268	\$2,328.57	\$6,543
Gridley	\$393	\$1,542,000	\$1,718	\$176	\$209	\$79	\$685.34	\$1,926
Ione	\$326	\$653,250	\$728	\$168	\$200	\$76	\$568.46	\$1,597
Jackson	\$414	\$128,500	\$143	\$178	\$212	\$80	\$722.02	\$2,029
Lincoln	\$2,473	\$979,007	\$1,091	\$1,116	\$1,328	\$501	\$4,314.29	\$12,123
Marysville	\$348	\$579,044	\$645	\$152	\$181	\$68	\$607.79	\$1,708
Nevada City								
Oroville	\$666	\$1,022,148	\$1,139	\$332	\$395	\$149	\$1,161.56	\$3,264
Placerville								
Paradise	\$156	\$3,778,190	\$4,209	\$86	\$102	\$38	\$272.60	\$766
Red Bluff	\$682	\$2,342,665	\$2,610	\$328	\$390	\$147	\$1,189.03	\$3,341
Rio Vista	\$566	\$585,000	\$652	\$246	\$292	\$110	\$988.12	\$2,777
Rocklin	\$957	\$10,900,882	\$12,144	\$464	\$552	\$208	\$1,669.90	\$4,692
Willows								
Yuba City	\$2,576	\$4,572,200	\$5,094	\$1,294	\$1,539	\$580	\$4,494.82	\$12,630
<b>TOTAL</b>	<b>\$16,775</b>	<b>\$37,746,503</b>	<b>\$42,051</b>	<b>\$7,853</b>	<b>\$9,345</b>	<b>\$3,524</b>	<b>\$29,265</b>	<b>\$82,232</b>
<i>Verify Quote Sheet</i>	<b>\$16,774</b>		<b>\$42,050</b>	<b>\$7,853</b>	<b>\$9,345</b>	<b>\$3,523</b>	<b>\$29,265</b>	<b>\$82,232</b>
Do Not Participate	\$1		\$1	\$0	(\$0)	\$1	\$0	\$0
New Quote								

**FY 20/21 NCCSIF PROPERTY PROGRAM ALLOCATION**  
**\$10,000 Property Deductible**

Formula or Allocation													
Member Entity	2020/21 Total All Risk Property Premium	2019/20 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						Value	\$0.0327659		Value	\$0.3767165	
Anderson	\$51,580	\$42,096	\$9,484	23%	0.3%	\$35,406,826							\$51,580
Auburn	\$76,159	\$61,790	\$14,370	23%	1.1%	\$53,175,909	\$17,000,000	\$53,175,909	\$17,424	\$10,000	\$1,162,448	\$4,379	\$97,962
Colusa	\$77,496	\$63,067	\$14,430	23%	0.4%	\$53,186,678							\$77,496
Corning													
Dixon	\$184,017	\$149,241	\$34,776	23%	0.4%	\$126,321,950							\$184,017
Elk Grove													
Folsom	\$376,553	\$285,537	\$91,016	32%	4.4%	\$280,768,777				\$5,000	\$28,505,856	\$107,386	\$483,939
Galt	\$170,605	\$114,159	\$56,446	49%	25.5%	\$120,710,554				\$5,000	\$4,637,113	\$17,469	\$188,074
Gridley	\$51,748	\$43,099	\$8,650	20%	0.6%	\$35,538,488							\$51,748
Ione	\$43,684	\$32,470	\$11,214	35%	2.8%	\$34,017,256	\$10,000,000	\$34,017,256	\$11,146	\$5,000	\$5,165,273	\$19,458	\$74,289
Jackson	\$52,370	\$44,375	\$7,995	18%	1.5%	\$35,944,346							\$52,370
Lincoln	\$316,587	\$254,589	\$61,998	24%	1.3%	\$225,430,667				\$7,500	\$10,440,422	\$39,331	\$355,918
Marysville	\$44,761	\$35,055	\$9,706	28%	4.0%	\$30,728,537	\$15,000,000	\$30,728,537	\$10,068				\$54,829
Nevada City													
Oroville	\$88,114	\$69,696	\$18,418	26%	0.3%	\$67,020,339				\$5,000	\$8,378,805	\$31,564	\$119,678
Placerville						\$0							
Paradise	\$25,125	\$19,731	\$5,395	27%	5.5%	\$17,300,333							\$25,125
Red Bluff	\$90,896	\$71,594	\$19,302	27%	1.0%	\$66,284,086				\$5,000	\$4,959,546	\$18,683	\$109,579
Rio Vista	\$72,259	N/A				\$49,600,775							\$72,259
Rocklin	\$136,342	\$107,793	\$28,549	26%	0.7%	\$93,736,314							\$136,342
Willows													
Yuba City	\$364,938	\$315,822	\$49,116	16%	-1.2%	\$261,344,283	\$10,000,000	\$261,344,283	\$85,632	\$5,000	\$14,851,197	\$55,947	\$506,517
<b>TOTAL</b>	<b>\$2,223,235</b>	<b>\$1,710,111</b>	<b>\$513,124</b>	<b>30%</b>	<b>6.6%</b>	<b>\$1,586,516,118</b>		<b>\$379,265,985</b>	<b>\$124,270</b>		<b>\$78,100,660</b>	<b>\$294,218</b>	<b>\$2,641,723</b>
<i>Verify Quote Sheet</i>									\$124,270			\$294,218	\$2,641,720
Do Not Participate									(\$0)			\$0	\$2
New Quote													



PROPERTY ALL RISK RATE PREMIUM COMPARISON

TOTAL INSURED VALUES (TIV)			
Member	FY 19/20	FY 20/21	% Increase
CITY OF ANDERSON	\$35,301,385	\$35,406,826	0.3%
CITY OF AUBURN	\$52,600,809	\$53,175,909	1.1%
CITY OF COLUSA	\$52,957,121	\$53,186,678	0.4%
CITY OF DIXON	\$125,774,640	\$126,321,950	0.4%
CITY OF FOLSOM	\$268,917,283	\$280,768,777	4.4%
CITY OF GALT	\$96,203,296	\$120,710,554	25.5%
CITY OF GRIDLEY	\$35,315,024	\$35,538,488	0.6%
CITY OF IONE	\$33,106,079	\$34,017,256	2.8%
CITY OF JACKSON	\$35,422,328	\$35,944,346	1.5%
CITY OF LINCOLN	\$222,554,609	\$225,430,667	1.3%
CITY OF MARYSVILLE	\$29,560,615	\$30,728,537	4.0%
CITY OF OROVILLE	\$66,817,901	\$67,020,339	0.3%
TOWN OF PARADISE	\$16,391,885	\$17,300,333	5.5%
CITY OF RED BLUFF	\$65,631,428	\$66,284,086	1.0%
CITY OF RIO VISTA	n/a	\$49,600,775	n/a
CITY OF ROCKLIN	\$93,038,942	\$93,736,314	0.7%
CITY OF YUBA CITY	\$264,649,223	\$261,344,283	-1.2%
<b>Total</b>	<b>\$1,494,242,568</b>	<b>\$1,586,516,118</b>	<b>6.2%</b>

	\$5K DEDUCTIBLE COMPARISON	
	FY 19/20	FY 20/21
Property Rate* per \$100 TIV	<b>\$0.1122083</b>	<b>\$0.0292481</b>
Property	Premium	Difference
CITY OF ANDERSON	\$42,096	\$10,746
CITY OF AUBURN	\$61,790	\$16,245
CITY OF COLUSA	\$63,067	\$16,349
CITY OF DIXON	\$149,241	\$39,266
CITY OF FOLSOM	\$285,537	\$99,843
CITY OF GALT	\$114,159	\$60,615
CITY OF GRIDLEY	\$43,099	\$9,877
CITY OF IONE	\$32,470	\$12,232
CITY OF JACKSON	\$44,375	\$9,288
CITY OF LINCOLN	\$254,589	\$69,722
CITY OF MARYSVILLE	\$35,055	\$10,794
CITY OF OROVILLE	\$69,696	\$20,497
TOWN OF PARADISE	\$19,731	\$5,883
CITY OF RED BLUFF	\$71,594	\$21,431
CITY OF RIO VISTA	n/a	n/a
CITY OF ROCKLIN	\$107,793	\$31,539
CITY OF YUBA CITY	\$315,822	\$57,164
<b>TOTAL</b>	<b>\$1,710,111</b>	<b>\$491,490</b>

APIP 20/21 PROPERTY DEDUCTIBLE OPTION COMPARISON		
OPTION 1		OPTION 2
\$5,000 Deductible	\$5K to \$10K	\$10,000 Deductible
<b>\$0.1414564</b>	<b>\$0.0034448</b>	<b>\$0.1380116</b>
Premium	SAVINGS	Premium
\$52,842	\$1,262	\$51,580
\$78,035	\$1,876	\$76,159
\$79,416	\$1,920	\$77,496
\$188,506	\$4,489	\$184,017
\$385,380	\$8,827	\$376,553
\$174,774	\$4,169	\$170,605
\$52,975	\$1,227	\$51,748
\$44,702	\$1,018	\$43,684
\$53,663	\$1,293	\$52,370
\$324,311	\$7,724	\$316,587
\$45,849	\$1,088	\$44,761
\$90,193	\$2,080	\$88,114
\$25,613	\$488	\$25,125
\$93,025	\$2,129	\$90,896
\$74,028	\$1,769	\$72,259
\$139,332	\$2,990	\$136,342
\$372,985	\$8,047	\$364,938
<b>\$2,275,629</b>	<b>\$52,394</b>	<b>\$2,223,235</b>

New Quote

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



# Northern California Cities Self Insurance Fund

2020 – 2021

## Alliant Property Insurance Program (APIP)

Presented on June 9, 2020 by:

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

Raychelle Maranan  
Account Manager

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## ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2020 – July 1, 2021

### EXECUTIVE SUMMARY

Attached please find the renewal summary of the Alliant Property Insurance Program (APIP) for the 2020-2021 period. An overview of the most significant issues concerning this year's renewal are discussed here.

The challenging market conditions that began in 2018 have worsened through the first half of 2020 and are expected to remain very difficult through the remainder of the year. Prior to the market change in 2018, the Property insurance market was in a "soft" cycle with record amounts of capacity entering the market in search of financial return. Historic natural catastrophe losses such as Hurricanes Harvey, Irma and Maria in 2017 and the California Wildfires in 2018 were key drivers of the shift in the market. These catastrophes along with increased attritional losses resulted in an unprofitable commercial insurance industry over the last several years. Lack of profitability resulted in carriers re-evaluating their books and seeking increased pricing while offering reduced terms and conditions. Rate increases were sought for most insureds in 2018 and 2019, but were more severe for insureds that experienced losses or had significant natural catastrophe exposure. This general trend has continued into early 2020; however, the market has recently become even more challenging due to the Coronavirus pandemic. As a result, insureds will continue to realize rate increases over expiring and, in many cases, a reduction in limits. Those insureds that have significant shock loss(es) or persistent attritional losses will experience even larger rate increases. In keeping with the programs' general history; however, we still expect overall rates to, in most cases, remain below that which can be achieved in the open market for similar coverage.

Due to capacity restrictions in the market, it should also be highlighted that in addition to the coverage changes detailed later in this proposal, insureds may see their overall declaration limit reduced from \$1,000,000,000 to \$500,000,000.

For the 2020/21 renewal, Lexington, Lloyd's and U.S. domestic underwriters will continue to provide coverage for the first \$25,000,000 of the program. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets with all A.M. Best Rated at least A- VII. 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 maintained. Additional excess options are available, if requested. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1<sup>st</sup> and 3<sup>rd</sup> parties from Interstate Fire & Casualty Insurance Company, A.M. Best Rated A+ XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – please note on the attached proposal whether the vehicle/contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the 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 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.

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

**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**July 1, 2020 – July 1, 2021**

**EXECUTIVE SUMMARY**

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

<b><u>Northern California Cities Self Insurance Fund</u></b>	<b><u>2017-2018</u></b>	<b><u>2018-2019</u></b>	<b><u>2019-2020 (at 11/18/2019)</u></b>	<b><u>2020-2021</u></b>	<b><u>Variance</u></b>
Total Insured Values:	\$ 1,059,819,258	\$ 1,210,768,568	\$ 1,494,242,568	\$ 1,586,516,118	6.17%
Account Rate (per hundred dollars):	0.0812857	0.0956128	0.1366064	0.1698132	24.30%
Earthquake TIV:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 861,481.00	\$ 1,157,649.00	\$ 2,041,230.32	\$ 2,694,114.51	31.98%

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

The following pages are coverage items currently under review with the APIP markets to be effective on July 1, 2020.

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

## APIP SUMMARY OF PROPOSED CHANGES

**BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2020-2021 POLICY PERIOD AS OF JUNE 4, 2020  
PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020 Sub-limit Wording	2020-2021 Proposed Changes	Status
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. Additionally a sub-limit of \$2,500,000 <u>applies for</u> Tier 1 Wind Counties, Parishes and Independent Cities for <u>60 days</u> for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally, <u>automatic coverage is granted for up to 60 days, subject to</u> a sub-limit of \$2,500,000 <u>for additional property and/or interests in</u> 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 EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Clarification
Communicable Disease	\$500,000 Per Occurrence and Annual Aggregate per Named Insured for Communicable Disease subject to an APIP Program aggregate of \$10,000,000 for all declarations combined except Hospital declarations.	Not Covered	Limitation
Unscheduled Infrastructure	Unscheduled infrastructure including but not limited to Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets (including guardrails), Sidewalks (including guardrails), Culverts, Channels, Levees, Dikes, Berms, Embankments, Street Lights, Traffic Signals, Meters, Roadway or Highway Fencing, and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).	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, <u>landfills (as more fully defined in the Policy)</u> , docks, piers, <u>wharves</u> , street lights, traffic signals, meters, roadway or highway fencing ( <u>including guardrails</u> ), 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).	Limitation
ISO CAT Deductible when applicable	Per Occurrence for ISO CAT Losses (Excluding Flood and Earthquake) as defined by meeting the following trigger: ISO's Property Claims Service (PCS) declaration of a numbered catastrophic event.	Per Occurrence for CAT Losses (Excluding Flood and Earthquake) as defined by meeting the following trigger: Property Claims Service (PCS) declaration of a numbered catastrophic event.	Update
Storm Deductible when applicable	Per Occurrence for Storm	Per Occurrence for Windstorm	Clarification
Program Declarations	Twenty four declarations	Twenty six declarations	Update



Pollution Policy	Summary of Proposed changes is provided with the Pollution Proposal for those who request the coverage.
Cyber Policy	Summary of Proposed changes is provided with the Cyber Proposal for those who request the coverage.

**MASTER POLICY FORM WORDING PROPOSED CHANGES**

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

Coverage	2019-2020	2020-2021	Status
Policy Period	July 1, 2019 to July 1, 2020	July 1, 2020 to July 1, 2021	Update
Section I, B Named Insured	Lessors <u>and other part(ies) of</u> 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.	Lessors 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.	Update
Section I, E., 2. o. Unscheduled Infrastructure	Unscheduled infrastructure including but not limited to Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets (including guardrails), sidewalks (including guardrails), culverts, channels, levees, dikes, berms, embankments, street lights, traffic signals, meters, roadway or highway fencing, 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, 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;	<i>Refer to the redline version of the Policy for full details.</i>  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, <u>landfills, docks, piers, wharves,</u> street lights, traffic signals, meters, roadway or highway fencing ( <u>including guardrails</u> ), and all similar property unless specific values for.....	Limitation
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 heat, light, power, gas, water, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page, <u>and Section 1 (General Provisions) of this form.</u>	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,</u> heat light, power, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page.	Clarification
Section II, B. 8. Building Laws	Included in first paragraph	Delete reference to " <u>local or state</u> "	Enhancement
Section II, B. 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 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 <u>local or state</u> 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.	In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the cost of, <u>and the additional period of time required for,</u> 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.	Enhancement

**Master Policy Form Wording Proposed Changes Continued**

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

Coverage	2019-2020	2020-2021	Status
<p>Section II, B.10. Increased Cost of Construction</p>	<p>In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of repair or replacement <u>occasioned</u> by the enforcement of any <u>local or state ordinance or law</u> including written guidelines used by the department of corrections in any state regulating.....</p>	<p>Refer to the redline version of the Policy for full details.</p> <p>In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of, <u>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.....</u></p> <p><u>Insurance under this section does not apply to:</u></p> <p>a. <u>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</u></p> <p>b. <u>Loss due to any ordinance or law that:</u></p> <p style="padding-left: 20px;">i. <u>The Named Insured was required to comply with before the loss even if the building was undamaged; and</u></p> <p style="padding-left: 20px;">ii. <u>The Named Insured failed to comply with.</u></p> <p><u>The coverage provided by this clause is sub-limited to USD as per Declaration Page.</u></p>	<p>Enhancement /Clarification</p>
<p>Section II, B. 14 Transit</p>	<p>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.</p> <p>The coverage provided by this clause is sub-limited to <u>USD as per Declaration Page, and Section 1 (General Provisions) Clause E. of this form.</u></p>	<p>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.</p> <p><u>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.</u></p> <p><u>This Policy also covers damage and loss of use:</u></p> <p>a. <u>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;</u></p> <p>b. <u>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.</u></p> <p>The coverage provided by this clause is sub-limited to <u>USD as per Declaration Page</u></p>	<p>Update</p>

**Master Policy Form Wording Proposed Changes Continued**

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

Coverage	2019-2020	2020-2021	Status
<p>Section II, B. 17 Protection and Preservation of Property</p>	<p>Last paragraph:</p> <p>Due to the unique nature of Health Care Facilities and Jails where it is deemed necessary to evacuate patients or inmates 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, <u>all terms and conditions of this clause will apply to the expenses incurred as a result of the evacuation.</u></p>	<p>Due to the unique nature of Health Care Facilities, <u>Education Facilities</u> and Jails where it is deemed necessary to evacuate <u>designated persons</u> 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, <u>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:</u></p> <p>a. Designated persons means:</p> <p>(1) Patients, residents and lawful occupants at a covered location, and/or</p> <p>(2) Those employees who are essential to implement the mandatory evacuation order at a covered location.</p> <p>b. Evacuation expenses means expenses incurred during the evacuation period to:</p> <p>(1) Transport designated persons to another location;</p> <p>(2) House and maintain designated persons at another location;</p> <p>(3) Return designated persons to the covered location or, if the covered location is not habitable, to a suitable alternative location.</p>	<p>Enhancement /Clarification</p>
<p>Section II, B. 19 Automatic Acquisition and Reporting Conditions</p>	<p>End of first paragraph:</p> <p>Additionally a sub-limit of \$2,500,000 applies to Tier 1 wind counties, parishes and independent cities <u>for 60 days</u> 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.</p>	<p>End of first paragraph:</p> <p>Additionally, <u>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</u> 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..</p>	<p>Clarification</p>
<p>Section II, B. 21 Accidental Contamination</p>	<p>This Policy is hereby extended to cover Business Interruption and Property Damage loss as a result of accidental contamination, discharge or dispersal from any source to Covered Property, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances 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.</p> <p>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.</p> <p>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.</p>	<p><i>Refer to the redline version of the Policy for full details</i></p> <p>Coverage will be restricted to "cleanup, removal and disposal of the actual not suspected presence of Pollutants of Contaminant(s)."</p> <p>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.</p>	<p>Limitation</p>



**Master Policy Form Wording Proposed Changes Continued**

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

Coverage	2019-2020	2020-2021	Status
Section II, C. 2 Property Not Covered	Standing timber, <u>bodies of water</u> , growing crops.	Standing timber, growing crops, water, <u>except water which is normally contained within any type of tank, piping system or other process equipment.</u>	Update
Section II, C. 8 Property Not Covered	Offshore property, oilrigs, underground mines, caverns and their contents. Railroad track is excluded unless values have been reported by the Named Insured.	Offshore property, oilrigs, underground mines, caverns, <u>or underground storage facilities</u> and their contents. Railroad track is excluded unless values have been reported by the Named Insured.	Update
Section III, B. 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 <u>20</u> 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.	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 <u>10</u> 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.	Pending
Section III, B. 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 <u>20</u> 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.	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 <u>10</u> 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.	Pending
Section III, B. 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 <u>local or state</u> ordinance or law regulating the construction, repair or demolition of buildings or structures and in force	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	Enhancement

**Master Policy Form Wording Proposed Changes Continued**

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

Coverage	2019-2020	2020-2021	Status
Section III, B. 5 Tax Revenue Interruption	First paragraph 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 <u>caused by</u> damage or destruction to property 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.	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 <u>as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period</u> 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.	Clarification
Section IV, B. 2 Exclusions	Physical loss or damage by normal settling, shrinkage or expansion in building or foundation.	Physical loss or damage by settling, <u>cracking</u> , shrinkage, <u>bulging</u> , or expansion of <u>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.</u>	Limitation
Section IV, B. 21 Exclusions		<i>Addition of the following exclusion to the General Conditions section:</i>  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;  all when caused by loss or damage to any property outside Insured Location(s).  However, the above do not apply to OFF PREMISES SERVICE INTERRUPTION.	Update
Section IV, New J. No Benefit to Bailee		<i>Addition of the following item to the General Conditions:</i>  NO BENEFIT TO BAILEE  This Policy shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.	Update

**Master Policy Form Wording Proposed Changes Continued**

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

Coverage	2019-2020	2020-2021	Status
Section IV, L Arbitration of Value	<p><u>n case</u> the Named Insured and the Company <u>shall</u> fail to agree as to the amount of loss, <u>then</u>, on the written demand of <u>either, each shall</u> select a competent and disinterested appraiser and <u>notify the other of</u> the appraisers <u>selected</u>. <u>The appraiser</u> shall first select a competent and disinterested umpire, and failing to agree upon such umpire, then, on request of the Named Insured or the Company such umpire shall be selected by judge of a court of record in the state in which <u>the property covered is located</u>.</p> <p>The appraisers shall as soon as <u>practicable</u>, appraise the loss stating separately the <u>loss of each item</u> and failing to agree, shall submit their differences <u>only</u> to the umpire. An award in writing <u>so itemized</u>, of any two <u>appraisers when filed with the Company</u> shall determine the amount of loss. The <u>party selecting him</u> shall pay <u>each</u> appraiser and the expenses of appraisal and umpire <u>shall be paid by the parties equally</u>.</p>	<p>If the Named Insured and the company fail to agree as to the amount of loss, <u>each shall</u> on the written demand of <u>other, made within sixty (60) days after receipt of proof of loss by the Company</u>, select a competent and disinterested appraiser, and the appraisal shall be made at a <u>reasonable time and place</u>. The appraisers shall first select a competent and disinterested umpire, and failing <u>for fifteen (15) days</u> to agree upon such umpire, then on <u>the</u> request of the Named Insured or the company, such umpire shall be selected by <u>a</u> judge of a court of record in the state in which <u>such appraisal is pending</u>. The appraisers shall <u>then</u> appraise the loss, stating separately the <u>fair market value at the time of loss</u> 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. <u>The Named Insured and the Company shall each pay their chosen</u> appraiser and <u>shall bear equally</u> the <u>other</u> expenses of <u>the</u> appraisal and umpire. <u>The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal</u>.</p>	Clarification
Section IV, N. Settlement of Loss		<p><i>Addition of the following item to the General Conditions section:</i></p> <p>SETTLEMENT OF LOSS</p> <p>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</p>	Update
Section IV, AG Service of Suit Clause (USA) Applicable to Excess Carriers	<p>FLWA Service Corp, c/o Foley and Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520 (applicable to all markets except as noted below)</p>	<p><u>Lloyd's America Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25<sup>th</sup> Floor, New York, NY 10017 in respect of Insurers identified in Security Details section as "Lloyd's Stamp:" followed by 4 digits.</u></p> <p><u>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.</u></p> <p><u>Note: FLWA Service 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</u></p> <p><u>XL Catlin Insurance Company UK Limited, LIRMA C7509: Sarah Mims, XL Global Services Inc, 505 Eagleview Boulevard, Exton, PA 19341</u></p>	Update

**Master Policy Form Wording Proposed Changes Continued**

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

Coverage	2019-2020	2020-2021	Status
Section IV, AH. 5 Tier I Windstorm Counties	Tier 1 Windstorm Counties not listed in the Policy, but are a part of market agreement	<p>Tier 1 Windstorm Counties now defined in the policy:</p> <p><u>Connecticut: Fairfield, Middlesex, New Haven, New London</u></p> <p><u>Delaware: Entire State, All Counties</u></p> <p><u>Maine: Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York</u></p> <p><u>Maryland: Anne Arundel, Baltimore, Baltimore City, Calvert, Cecil, Dorchester, Harford, Kent, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, Worcester</u></p> <p><u>Massachusetts: Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk</u></p> <p><u>New Hampshire: Rockingham, Strafford</u></p> <p><u>New Jersey: Atlantic, Burlington, Cape May, Cumberland, Middlesex, Monmouth, Ocean, Salem, Union</u></p> <p><u>New York: Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk</u></p> <p><u>Rhode Island: Entire State, All Counties</u></p>	Update
Section IV, AH. 6 Tier II Windstorm Counties	Tier 2 Windstorm Counties not listed in the Policy, but are a part of market agreement	<p>Tier 2 Windstorm Counties now defined in the policy:</p> <p><u>Georgia: Brantley, Charlton, Effingham, Long, Wayne</u></p> <p><u>Louisiana: Acadia, Ascension, East Baton Rouge, Iberville, Jefferson Davis, Lafayette, St. Martin (North), Washington, West Baton Rouge</u></p> <p><u>Mississippi: George, Pearl River, Stone</u></p> <p><u>North Carolina: Bladen, Duplin, Gates, Hertford, Lenoir, Martin, Pitt</u></p> <p><u>South Carolina: Florence, Marion, Williamsburg</u></p> <p><u>Texas: Bee, Brooks, Fort Bend, Goliad, Hardin, Hidalgo, Jasper, Jim Wells, Wharton</u></p>	Update
Section V, D. 7. Special Conditions	Loss Clause: Any loss hereunder shall not reduce the amount of this Section, except in the event of payment of claim for total loss of an item specifically scheduled hereon.	Deleted in its entirety	Update
Section VIII, A. Coverage	This Policy insures <u>only Unmanned Aircraft</u> , that are usual to <u>your</u> business that <u>you</u> own or are required to insure, <u>to pay for any physical damage loss</u> sustained while not <b>In Flight</b> or <b>In Motion</b> and which are not the result of fire or explosion following crash or collision while the <b>Unmanned Aircraft</b> was <b>In Flight</b> or <b>In Motion</b> that are:	This Policy insures <u>against all risks of direct physical loss of or damage except as hereafter excluded occurring during the policy period to Unmanned Aircraft</u> , that are usual to <u>the Named Insured's</u> business <u>and</u> that <u>the Named Insured</u> own or are required to insure, sustained while not <b>In Flight</b> or <b>In Motion</b> and which are not the result of fire or explosion following crash or collision while the <b>Unmanned Aircraft</b> was <b>In Flight</b> or <b>In Motion</b> that are:	Clarification

**Master Policy Form Wording Proposed Changes Continued**

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

Coverage	2019-2020	2020-2021	Status
Section IX General change		Added the word <u>Covered</u> before the word property throughout item 2	Clarification
Section IX, 6 Covered Property	Covered Property, as used in this Extension, means any property that:	Covered Property, as used in this Extension, means any property <u>not otherwise excluded in this Policy</u> that:	Clarification
Section IX, 10. D Conditions	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 Risks policy that this Extension attaches to, the deductible to be applied to the total loss shall be the applicable <u>Boiler &amp; Machinery</u> 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 <u>highest</u> applicable deductible.	Clarification
Endorsement Section	Communicable Disease Endorsement 4	<i>Refer to the redline version of the Policy for full details.</i>  The previous Endorsement 4 which granted coverage for Communicable Disease has been replaced with LMA5393 which excludes Communicable Disease	Limitation
Endorsement Section		<i>The following has been added to the Policy. Refer to the redline version of the Policy for full details.</i>  Endorsement 5 – Property Cyber and Data Endorsement has been added to the policy. This Endorsement (LMA5400) is applicable only to capacity placed in the Lloyd's of London market and is a mandatory exclusion for all cyber. This exclusion extends to all damage (including ensuing physical damage) as a result of a malicious cyber act. Additionally, this endorsement restricts the valuation of Data processing Media to the cost of the media plus restoration from backup.	Limitation

**ALLIANT PROPERTY INSURANCE PROGRAM  
2020-2021**

**NAMED INSURED SCHEDULE  
As of 06/09/2020**

**THE NAMED INSURED IS:**

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

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

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

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

**NAMED INSURED MEMBER(S):**

Northern California Cities Self-Insurance Fund

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

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

**TYPE OF INSURANCE:**     Insurance    Reinsurance

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

**DECLARATION:**            4-Cities 4

**POLICY PERIOD:**         July 1, 2020 to July 1, 2021

**COMPANIES:**              See Attached List of Companies

**TOTAL INSURED  
VALUES:**                    \$ 1,586,516,118 as of June 09, 2020

**ALL RISK  
COVERAGES &  
LIMITS:**

- |    |               |   |
|----|---------------|---|
| \$ | 1,000,000,000 | Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below. |
|----|---------------|---|
- |    |            |   |
|----|------------|---|
| \$ | 52,000,000 | \$15,000,000 For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Lone only Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage). |
|----|------------|---|
- |    |            |  |
|----|------------|--|
| \$ | 52,000,000 | \$15,000,000 For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Lone only Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage. |
|----|------------|--|
- |  |  |  |
|--|--|--|
|  |  | Not 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.
\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	180 Days	Extended Period of Indemnity
See Policy Provisions	\$25,000,000	Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally, 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 EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.



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

\$	2,500,000	Money & Securities for named perils only as referenced within the policy.
\$	2,500,000	Unscheduled Fine Arts.
\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.
\$	750,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, 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.
\$	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..

<b>ALL RISK COVERAGES &amp; LIMITS: (continued)</b>	\$	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.

**VALUATION:**

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

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

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

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

**“ALL RISK” DEDUCTIBLE:**

\$ 5,000; 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.
\$	250,000	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).

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

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

\$ 5,000 for City of Galt, City of Yuba City, City of Lone, City of Red Bluff, City of Folsom, City of Oroville; 7,500 for City of Lincoln; 10,000 for City of Auburn; Not Covered for all others. Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.

Contractor's Equipment/Vehicle Valuation Basis

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

**SPECIAL TERMS 1:**

Valuation for Vehicles and CE is Replacement Cost; except Lincoln is Actual Cash Value, 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).

\$ 5,000; 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.

**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 25% 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*
<b>Total Property Premium:</b>	\$ 2,563,457.00
<b>Excess Boiler:</b>	\$ 16,774.00
<b>ABS Fee:</b>	\$ 30,026.00
<b>SLT&amp;F's (Estimate)</b>	\$ 83,857.51
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST †: (Including Taxes and Fees)</b>	\$ 2,694,114.51
*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, 2020

**PROPOSAL VALID UNTIL:** July 1, 2020

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

**NOTES:**

- *Some coverage, limits, sub-limits, terms and conditions could change. Changes will be documented and accompany the Binder Confirmation for July 1, 2020 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 indication is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event*
- *Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy.*
- *Please refer to Policy for specific terms, conditions and exclusions*
- *Change in Total Insurable Values will result in adjustment in premium*
- *Each line of coverage is rated separately therefore increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc may increase the member average account rate*
- *The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.*

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

**BOILER & MACHINERY PROPOSAL**

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

**POLICY PERIOD:** July 1, 2020 to July 1, 2021

**COMPANIES:** See Attached List of Companies

**TOTAL INSURED VALUES:** \$ 1,586,516,118 as of June 9, 2020

**STATUS/RATING:** See Attached List of Companies

**COVERAGES & LIMITS:**

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



**NEWLY ACQUIRED LOCATIONS:**

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

**VALUATION:**

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

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

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

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

- Insulating or refractory material
- Buried Vessels or Piping

**NOTICE OF CANCELLATION:**

90 days except 10 days for non-payment of premium

**DEDUCTIBLES:**

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



Annual Cost	
<b>COST:</b>	Cost is included on Property Proposal
<b>PRINT DATE:</b>	June 9, 2020
<b>PROPOSAL VALID UNTIL:</b>	July 1, 2020
<b>BROKER:</b>	<b>ALLIANT INSURANCE SERVICES, INC.</b> <b>License No. 0C36861</b>  Marcus Beverly, CPCU, AIC, ARM-P First Vice President  Raychelle Maranan Account Manager

**NOTES:**

- **Some coverage, limits, sub-limits, terms and conditions could change. Changes will be documented and accompany the Binder Confirmation for July 1, 2020 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 Proposal is subject to the terms and conditions set forth in the policy.**
- **Please refer to Policy for specific terms, conditions and exclusions**
- **Change in Total Insurable Values will result in adjustment in premium**
- **Each line of coverage is rated separately therefore increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc may increase the member average account rate**
- **The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.**

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

**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, 2020 to July 1, 2021

**POLICY #:** TBD

**TERRITORY:** WORLD-WIDE

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

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

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

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

<b>Data &amp; Network Liability:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
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<b>Regulatory Defense &amp; Penalties:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
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<b>Payment Card Liabilities &amp; Costs:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
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<b>Media Liability:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
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**eCRIME**

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

**CRIMINAL REWARD**

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

<b>Reputation Loss:</b>	\$	50,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Claims Preparation Costs for Reputation Loss Claims Only:</b>	\$	50,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Computer Hardware Replacement Costs:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Invoice Manipulation:</b>	\$	100,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Cryptojacking:</b>	\$	25,000	<b>Aggregate Limit of Liability</b> for each Insured/Member

<b>RETENTION:</b>	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Claim or Incident for each Insured/Member with TIV up to \$500,000,000 at the time of policy inception 8 Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Claim or Incident for each Insured/Member with TIV greater than \$500,000,000 at the time of policy inception 8 Hour waiting period for Dependent/Business Interruption Loss

*\*Each Insured/Member with TIVs below \$262,500,000 will have the option to buy-down the retention from \$50,000 to \$5,000 with an additional premium of \$2,500 per Insured/Member. JPAs/ Pools and members with larger TIVs may request a quote for a retention buy down option, quotes will be provided on a case by case basis.*

**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** indemnifies the Insured Organization for 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; which 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
- First Party Loss – with respects: 1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority; 2. costs or expenses incurred by the Insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or Computer Systems to a level beyond that which existed prior to a Security Breach, System Failure, Dependent Security Breach, Dependent System Failure or Extortion Threat; 3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the Insured Organization's direct operational control; or 4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.



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

**NOTICE OF CANCELLATION:** 10 days for non-payment of premium

**CYBER COST:** Cost is included in Total Property Premium  
Premium is pro-rata as of July 1, 2020

**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 could change. Changes will be documented and accompany the Binder Confirmation for July 1, 2020 bound terms***
- ***Major pending and approved changes to the APIP Cyber Program are described below in the Summary of Proposed Changes***
- ***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 Summary are subject to the terms and conditions set forth in the policy***
- ***Please refer to Policy for specific terms, conditions and exclusions***
- ***Change in Total Insurable Values will result in adjustment in premium***



## SUMMARY OF CYBER INSURANCE CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021 Proposed Changes	Status
Claims Preparation Costs for Reputation Loss Claims Only	N/A	\$50,000	New Coverage
Cryptojacking	N/A	\$25,000	New Coverage
Reinstatement Option	125% of Total Annual Program Premium	Not offered	Option Removed
Reputation Loss	Consequential reputational loss coverage for Data Breach and Security Breach	Expanded to include additional perils, replaced consequential reputational loss coverage	Enhancement

**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, 2020 to July 1, 2021

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

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

**A.M. BEST INSURANCE RATING::** A+, Superior, Financial Category XV  
(\$2 Billion or greater)  
Effective September 5, 2019

**STANDARD & POORS RATING:** AA (Very Strong) as of May 30, 2019

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

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

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

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

**COVERAGES & LIMITS:**

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

**SUBLIMITS:**

\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sublimit\*

\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter\*

\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sublimit\*

\$ 250,000 Per Named Insured Crisis Management Response Costs Sublimit

\$ 500,000 Per Named Insured Crisis Management Response Costs Aggregate

\$ 50,000 Per Named Insured Crisis Management Loss Sublimit

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

**EXTENDED REPORTING PERIOD:**

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

**SPECIFIC COVERAGE PROVISIONS:**

**CLAIMS MADE AND REPORTED**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Illicit Abandonment is included in the definition of pollution condition.

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

Defense Costs and Expenses are within Limits of Liability.

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

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

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

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

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

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

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

Coverage does not apply to any claim or loss from:

- Asbestos and Lead Based Paint – *This exclusion does not apply to claims for bodily injury or property damage, or clean-up costs for the remediation of soil, surface water, or groundwater, or clean-up costs that arise out of the inadvertent disturbance of asbestos or asbestos containing materials or lead-based paint.*
- Contractual Liability – *Does not apply liability that the Insured would have had in the absence of the contract or agreement, or the contract or agreement is an insured contract.*
- Employer Liability
- Criminal fines, penalties or assessments
- Internal Expenses - *Does not apply internal expenses incurred in response to emergency response costs, or pursuant to environmental laws that require immediate remediation of a pollution condition.*
- Insured vs. Insured



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

Coverage does not apply to any claim or loss from:

- Intentional Noncompliance – *does not apply to noncompliance based upon the Insured’s good faith reliance upon the written advice of qualified outside counsel received in advance of such noncompliance, or the insured’s reasonable response to mitigate a pollution condition or loss, provided that such circumstances are reported in writing to the Insurer within three (3) days of commencement.*
- Virus and Communicable Disease
- Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and Related Chemicals or Products – *includes any precursors, additives, daughter compounds or degradation by-products.*
- Prior Knowledge / Non-Disclosure
- Known Claims
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- Ports – *Defined as an Insured’s own site on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *Defined as an Insured’s own site whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- Change in Intended Use or Operation – *Loss arising from a material change in use or operations. For purposes of determining whether a change is material, any change in use that results in more stringent remediation standards than those imposed on the insured’s own site at the effective date of the period of insurance shall be considered material. This exclusion does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a public entity.*
- Professional Liability
- Regulatory Compliance – *Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*
- Cyber Event – *Does not apply to losses covered by the Cyber Event coverage in this policy.*
- Work Product – *Does not apply to covered operations.*
- Sewage Backup – *Does not apply to an Insured’s own site.*
- Nuclear fuel, assemblies and components
- Offshore operations
- Property Damage to Conveyances – *does not apply to loss or claims arising from the Insured’s negligence*
- Workers Compensation
- Lead Contaminated Water
- War

<b>RETENTION:</b>	\$150,000	Per Pollution Incident retention except for specific retentions below
	\$450,000	Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below
	\$ 50,000	Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below
	5 Days	Waiting Period for Business Interruption
<b>SPECIFIC RETENTION:</b>	\$250,000	Per Named Insured retention applicable to microbial matter for K-12 school districts only – <i>does not erode the Aggregate retention</i>
	\$750,000	Underground Storage Tanks Specific – <i>does not erode the Aggregate retention</i>

**CLAIMS REPORTING NOTICE**

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

**THIS IS A CLAIMS MADE POLICY**

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

<b>LOSS REPORTING REQUIREMENTS:</b>	<p>Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:</p> <p>1) Allianz Global Corporate &amp; Specialty          Attn: FNOL Claims Unit          1 Progress Point Parkway, 2<sup>nd</sup> Floor          O’Fallon, MO 63368          In emergency, call: (800) 558-1606          Fax: (800) 323-6450          Email: <a href="mailto:NewLoss@agcs.allianz.com">NewLoss@agcs.allianz.com</a>          Online Claims Reporting form available at:  <a href="http://www.agcs.allianz.com/global-offices/united-states">www.agcs.allianz.com/global-offices/united-states</a></p> <p>2) Akbar Sharif          Alliant Insurance Services, Inc.          1301 Dove Street, Suite 200          Newport Beach, CA 92660          949 260-5088          949 756-2713 – fax  <a href="mailto:Akbar.Sharif@alliant.com">Akbar.Sharif@alliant.com</a></p>
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**NOTICE OF CANCELLATION:** 90 days except 10 days for non-payment of premium

**REINSTATEMENT PROVISIONS:** Not Provided.

**POLLUTION LIABILITY COST:** Cost is included in Total Property Premium  
25% Earned Premium at Inception; deemed 100% fully earned in the event of claim or loss

**QUOTE VALID UNTIL:** July 1, 2020

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

**NOTES:**

- *Some coverage, limits, sub-limits, terms and conditions could change. Changes will be documented and accompany the Binder Confirmation for July 1, 2020 bound terms*
- *Major pending and approved changes to the APIP Pollution Program are described below in the Summary of Proposed Changes*
- *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 Summary are subject to the terms and conditions set forth in the policy*
- *Please refer to Policy for specific terms, conditions and exclusions*
- *Change in Total Insurable Values will result in adjustment in premium*

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

**(RETAIN FOR YOUR  
RECORDS)**

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

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**FOR EMERGENCY RESPONSE TO ENVIRONMENTAL INCIDENTS**

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

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

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

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

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

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

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

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

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

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

## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021 Proposed Changes	Status
Pollution Liability Policy Term	July 1, 2018 to July 1, 2019	July 1, 2020 to July 1, 2021	Update
Sub-limits:	<p>\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sub-limit*</p> <p>\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*</p> <p>\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sub-limit*</p> <p>\$ 250,000 Per Named Insured Crisis Management Response Costs Sub-limit</p> <p>\$ 50,000 Per Named Insured Crisis Management Loss Sub-limit</p> <p>*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.</p>	<p>\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sub-limit*</p> <p>\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*</p> <p>\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sub-limit*</p> <p>\$ 250,000 Per Named Insured Crisis Management Response Costs Sub-limit</p> <p>\$ 500,000 Per Named Insured Crisis Management Response Costs Aggregate</p> <p>\$ 50,000 Per Named Insured Crisis Management Loss Sub-limit</p> <p>*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Crisis Management sub-limits and aggregate, which are in addition to the limits of liability.</p>	Enhancement
Other Insurance	The insurance afforded by this Policy shall apply as primary to any other valid, collectible insurance, with the exception of the following: policies specifically written to be in excess of this policy, losses due to or associated with products pollution, any tank fund, or any loss arising in whole or in part to microbial matter or legionella pneumophila.	The insurance afforded by this Policy shall apply as primary to any other valid, collectible insurance, with the exception of the following: policies specifically written to be in excess of this policy, any stand-alone pollution insurance purchased by a named insured, losses due to or associated with products pollution, any tank fund, or any loss arising in whole or in part due to microbial matter or legionella pneumophila.	Update

## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021 Proposed Changes	Status
Exclusions:	<i>Not Excluded</i>	Virus and Communicable Disease	Update
	<i>Not Excluded</i>	Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and Related Chemicals or Products – <i>includes any precursors, additives, daughter compounds or degradation by-products.</i>	Update
Retention:	<p>\$ 100,000 Per Pollution Incident retention except for specific retentions below</p> <p>\$ 300,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below</p> <p>\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below</p> <p>5 days Waiting Period for Business Interruption</p>	<p>\$ 150,000 Per Pollution Incident retention except for specific retentions below</p> <p>\$ 450,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below</p> <p>\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below</p> <p>5 days Waiting Period for Business Interruption</p>	Update
Minimum Earned Premium	25% Earned Premium at Inception	25% Earned Premium at Inception; deemed 100% fully earned in the event of claim or loss	Enhancement

**Alliant Property Insurance Program  
2020-2021 Policy Year  
Schedule of Insurers (Prospective)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Allied World National Assurance Company	012526	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 02/28/20)	A- (As of 04/03/20)	Non-Admitted
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 10/17/19)	A+ (As of 03/26/20)	Non-Admitted
Aspen Specialty Insurance Company	012630	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 04/01/20)	Not Rated (As of 05/06/20)	Non-Admitted
Ategrity Specialty Insurance Company	020603	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 10/25/19)	Not Rated (As of 05/06/20)	Non-Admitted
Chubb European Group Limited	086485	A++ , Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 12/11/19)	AA (As of 06/24/16)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 08/16/19)	A+ (As of 04/26/18)	Non-Admitted
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/13/19)	A (As of 07/27/17)	Non-Admitted
Everest Indemnity Insurance Company	012096	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 05/02/19)	A+ (As of 12/22/15)	Non-Admitted
Hallmark Specialty Insurance Co.	010838	A- u, (Excellent); Financial Size Category 9; \$250,000,000 to \$500,000,000 (As of 03/02/20)	Not Rated (As of 05/06/20)	Non-Admitted
Homeland Insurance Company of New York (OneBeacon)	010604	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 04/23/20)	Not Rated (As of 05/06/20)	Non-Admitted
Interstate Fire and Casualty Ins. Co. (Pollution)	002267	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 09/05/19)	AA (As of 12/02/19)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 05/30/19)	A (As of 05/02/17)	Non-Admitted

**Alliant Property Insurance Program  
2020-2021 Policy Year  
Schedule of Insurers (Prospective)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 09/26/19)	A- (As of 02/28/18)	Non-Admitted
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 10/30/19)	A+ (As of 04/18/18)	Non-Admitted
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/12/19)	A+ (As of 05/17/19)	Non-Admitted
Liberty Mutual Fire Insurance Company	002282	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/30/19)	A (As of 07/17/14)	Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/10/19)	A+ (As of 06/14/19)	Non-Admitted
National Union Fire Insurance Co.	002351	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/12/19)	A+ (As of 05/17/19)	Admitted
PartnerRe Ireland Insurance Ltd.	088621	A+ u, (Superior); Financial Size Category 15; \$2,000,000,000 or Greater (As of 03/05/20)	A+ (As of 03/03/20)	Non-Admitted
RSUI Indemnity Company	012603	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 10/30/19)	A+ (As of 04/18/18)	Admitted
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/05/19)	A+ (As of 06/30/18)	Non-Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/20/19)	AA- (As of 10/28/11)	Admitted
XL Insurance America Inc.	002423	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/12/19)	AA- (As of 11/19/18)	Admitted

## ALLIANT INSURANCE SERVICES

### POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

June 9, 2020

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 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 [85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020]OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE.

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.

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

**SELECTION OR REJECTION OF THE TERRORISM RISK INSURANCE ACT, as AMENDED  
(A.K.A.: TRIA, TRIEA, TRIPRA, TRIP OR TRIPA. We refer to these collectively as "TRIA".)**

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

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

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

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

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

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

\_\_\_\_\_  
Date

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](http://www.insurance.ca.gov). Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at [www.naic.org](http://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](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](http://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 your organization. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

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

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

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

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

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

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

## NY Regulation 194 and General Broker Compensation Disclosure

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

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

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

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

## 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](http://www.alliant.com), and contact your Alliant service team should you have any questions.

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## Other Disclosures / Disclaimers Cont.

### FATCA:

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

### NRRA:

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

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

## Changes and Developments

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

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

### Loss Notification Requirements:

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

*Coverages, limits, sub-limits, terms and conditions could change. All changes will be advised prior to binding and accompany the Binder Confirmation for July 1, 2020 bound terms.*

## Binding Requirements Recap

Required no later than June 28, 2020:

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

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

## Request to Bind Coverage

### Northern California Cities Self Insurance Fund

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

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

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

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

**Did you know that Alliant works with premium financing companies?**

**Are you interested in financing your annual premium?**

<b>Yes, please provide us with a financing quote.</b>	<b>No, we do not wish to finance our premium.</b>
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## LOSS NOTIFICATION REQUIREMENT

### ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

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

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

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

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

Address:

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

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

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

Address:

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

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

Address:

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

Address:

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

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

Address:

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

Address:

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

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

## APIP Claims Reporting Acknowledgement(s) Receipt Form

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

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

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

**Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2020 until further notice**

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

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

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**Authorized Signature:**

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Print Name

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Date

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Title:



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

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

**877-725-7695**

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

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

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

**PROPERTY FIRST NOTICE OF LOSS FORM**

SEND TO: Alliant Insurance Services, Inc.

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

BY FAX: (415) 403-1466

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

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

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

Type of Claim: (check all that apply)

- Real Property                       Vehicles  
 Personal Property                   Other

**Insured's Name & Contact Information**

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

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

Phone #: \_\_\_\_\_ 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, 11<sup>th</sup> Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Fax #: 415-403-1466

**Policy Information**

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

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

**Loss Information**

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

Description of Loss:

\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_

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

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

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

**J. NOTICE OF LOSS**

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

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

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

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

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

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

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

**SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:**

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

Please contact Beazley for a list of approved vendors.

**CYBER FIRST NOTICE OF LOSS FORM**

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

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

**Insured's Name & Contact Information**

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

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

Phone #: \_\_\_\_\_ Email Address: \_\_\_\_\_

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

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

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

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

**Policy Information**

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

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

**Loss Information**

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

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

\_\_\_\_\_

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

\_\_\_\_\_

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

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

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

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

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

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

## ALLIANZ GLOBAL CORPORATE & SPECIALTY

IN THE EVENT OF AN

# ENVIRONMENTAL EMERGENCY:

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

**800-558-1606**

- 4) *Report the incident to Alliant*

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

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

DO follow your organization's detailed response plan  
DO contact your management as well as appropriate authorities  
DO ensure anyone who could come in contact with a spill or release is kept away  
  
DO NOT ignore a potential spill or leak  
DO NOT attempt to respond beyond your level of training or certification

**SEND TO:** ALLIANZ GLOBAL CORPORATE & SPECIALTY

**BY MAIL:** 1 Progress Point Parkway, 2<sup>nd</sup> Floor

**BY FAX:** (800) 323-6450

**BY EMAIL:** [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)

**CC Alliant Insurance:** [Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com) and your Alliant Representative

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

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

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

**Insured's Name & Contact Information**

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

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

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

FIRST INSURANCE<sup>®</sup>  
FUNDING

A WINTRUST COMPANY

[www.firstinsurancefunding.com](http://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.

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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.



# RISK CONTROL CONSULTING

What is it? What is the unforeseen accident that could potentially derail the business plan? What is the crucial oversight that carries with it a rash of unforeseen expenses? Our Risk Control Consulting team has made it our business to identify and prevent these vulnerabilities before they interfere with progress.

## OUR MISSION

To tailor solutions that mitigate risk across property, casualty, fleet, and workers' compensation lines of insurance and create partnerships to deliver sustainable risk improvement solutions.

## OUR PROCESS SETS US APART

We operate according to a novel, 4-step process that unlocks powerful services and solutions highly tailored to a client's unique risks and exposures.

1. **Comprehensive risk assessment**
2. **Establishment of critical success factors**
3. **Solution implementation**
4. **Ongoing monitoring and adjustment**

## WHEN WE SAY FULL SERVICE, WE MEAN IT

Each client has a unique and nuanced risk profile. We draw from our deep reservoir of best-in-class services to locate and deploy a highly customized program that is engineered for long-term stability and success.

## OUR VALUES

As a fully invested risk partner, we are more than just a resource. We are:

**Collaborative:** Working together to identify a solution that aligns with the client's business goals

**Ethical:** Adhering to the principles of integrity and professionalism in everything we do

**Adaptable:** Responding in real time to dynamic business needs and shifting risks

**Attentive:** Always listening closely and responding with principled and purposeful intent

## OUR TAKE

We believe risk control is not simply a series of tactics but a hub of interconnected strategies bound together by an overreaching "big picture" perspective. With the powerful resources, innovative people, and a singular focus on client success, we are prepared to guide clients through the ever-changing risk landscape.

### CONTACT

**Tim Leech, CSP, ARM**  
First Vice President  
Risk Control Consulting  
**949 260 5008**  
TLeech@alliant.com

# RISK CONTROL CONSULTING

## Training Series for Alliant Clients 2020-21 Calendar

Alliant will be offering a new series aimed at educating our clients in areas of risk management and occupational safety and health. As part of the web-based series, attendees will receive a certificate of completion for each training series.

### Emergency Management – 301

- August 12, 2020                    Pandemic – Caught Off-guard/Lessons Learned
- September 9, 2020                Fundamentals of Emergency Management – Restoring Order
- October 14, 2020                  Counteracting Violence in the Workplace

### Principles of Property Protection – 201

- November 11, 2020                Property Vulnerabilities: Understanding Hazards, Exposures and Mitigation Principles
- December 9, 2020                Hazardous Material Storage – Flammable Liquid Storage and Use
- January 13, 2021                  Fire and Life Safety Assessments and Audits
- February 10, 2021                Kitchen Hazards and Fire Suppression Systems

### Fundamentals of Safety Management – 101

- March 10, 2021                    Introduction to Safety Management
- May 12, 2021                      Observational Safety and Its Value to Improving Organizational Goals
- June 9, 2021                        Effective Communication

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](http://www.alliant.com)



# 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.

[www.alliant.com](http://www.alliant.com)

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## CONTACT

Lora Carlisle  
Appraisal Manager  
**949 260 5033**  
LCarlisle@alliant.com

# 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
- **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

**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.

#### **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 clients nationwide.

[www.alliant.com](http://www.alliant.com)

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#### **CONTACT**

Steve Sampiere  
Chief Information Officer  
**619 849 3849**  
SSampiere@alliant.com



**PEPIP USA FORM No. ~~1516~~**  
**MASTER POLICY WORDING**

**COVERAGE INCEPTING**  
**FROM JULY 1, ~~2019~~2020 TO JULY 1,**  
**~~2020~~2021**

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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~~ 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 ~~and other party(ies)~~ 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 ~~the 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.

- 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;
- 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 & 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));
- 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 ~~(including guardrails)~~, sidewalks ~~(including guardrails)~~, 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;
- 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 & 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 incoming electricity, fuel, gas, water, steam or refrigeration or outgoing sewerage, heat, light, power, ~~gas, water~~, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) of this form.

### **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:

- 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. 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.

## 7. 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 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 ~~local or state~~ 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~~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 ~~local or state~~ 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 ~~occasioned~~caused by the enforcement of any ~~local or state~~ 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 & 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, and Section 1 (General Provisions) Clause E of this form. This extension does not increase any more specific limit stated elsewhere in this policyPolicy or Declaration.

## 12. ANIMALS

This policyPolicy 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 policyPolicy 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 policyPolicy 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 policyPolicy 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, ~~and Section 1 (General Provisions) Clause E. of this form.~~

#### **15. VEHICLES WHILE ON INSURED PREMISES**

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

#### **16. ASBESTOS CLEAN UP AND REMOVAL**

This ~~policy~~Policy specifically excludes asbestos materials clean up or removal, unless asbestos is itself damaged by a peril covered by this ~~policy~~Policy, then asbestos cleanup or removal within the damaged area, and applicable time element coverages, will be covered by this ~~policy~~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~~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 ~~patients or inmates~~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, ~~all terms and conditions of this clause~~the Company will apply to

~~the pay reasonable and necessary evacuation expenses incurred as a result of by the evacuation.~~ Named Insured. The following additional definitions apply to this Additional Time Element Coverage:

a. Designated persons means:

- (1) Patients, residents and lawful occupants at a covered location, and/or
- (2) Those employees who are essential to implement the mandatory evacuation order at a covered 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 location or, if the covered 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:

- (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
- (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
- (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 Termpolicy period, within the United States of America, subject to the values of such additional property and/or interests not exceeding USD25,000,000 or 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 \$2,500,000 applies to for additional property and/or interests in Tier 1 wind counties, parishes and independent cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii.

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 USD25,000,000 or 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.

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 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 termperiod, 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 PEP/IP 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.

**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~~ 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.

## 21.— ACCIDENTAL CONTAMINATION

This Policy is hereby extended to cover ~~Business Interruption~~ the reasonable and ~~Property Damage loss as a result~~ necessary cost for the cleanup, removal and disposal of ~~accidental contamination, discharge~~ the actual not suspected presence of Pollutants or ~~dispersal~~ Contaminant(s) from any source to Covered Property, ~~including expenses necessarily incurred to clean up, remove and dispose of contaminated substances~~ 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.

## C. **PROPERTY NOT COVERED**

Except as for that which may be provided as an Extension of Coverage, this ~~policy~~ 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, ~~bodies of water~~, 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), and land values (except athletic fields, landscaping, artificial turf, sand traps, tees and greens).

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 unless scheduled and specifically approved by the Company.
7. Underground pipes more than 1,000 feet from the premises of the Named Insured 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.

#### **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. 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 replacement cost, or as follows, whichever is greater:

<u>Category</u>	<u>Value (per item)</u>	
Juvenile Materials	USD	<u>49,6250.52</u>
Pamphlets	USD	<u>6,3850</u>
Magazines	USD	<u>12,8713.10</u>
Fiction	USD	<u>24,0043</u>
Non-Fiction	USD	<u>86,4087.97</u>
Dictionary	USD	<u>125,75128.03</u>
Encyclopedia	USD	<u>300,96306.41</u>
Thesaurus	USD	<u>46,4283</u>
Reference (other)	USD	<u>120,77122.96</u>
Abstracts	USD	<u>295,74301.10</u>
Textbook	USD	<u>109,54111.38</u>
Art Books	USD	<u>65,1666.34</u>
Film	USD	<u>290,15295.41</u>
Book/Diskette	USD	<u>109,54111.52</u>
Vinyl Records	USD	<u>87,0588.63</u>
DVD/VHS	USD	<u>58,0359.08</u>
Audio Cassette	USD	<u>31,9132.49</u>
Compact Discs	USD	<u>25,4793</u>
CD ROM	USD	<u>41,2197</u>
Books/Audio	USD	<u>78,0579.46</u>
Medical Atlas	USD	<u>186,47189.85</u>
Technical Law	USD	<u>158,24161.11</u>
Nanotechnology	USD	<u>182,73186.04</u>
Biotechnology	USD	<u>172,90176.03</u>

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 replacement 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~~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 replacement 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, subject to the following:

- a. ~~(i)~~—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. ~~(ii)~~—Replacement shall be effected by the Named Insured with due diligence and dispatch;
- c. ~~(iii)~~—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. ~~(iv.)~~—For historical buildings as more specifically defined in this Section.
- e. ~~(v.)~~—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 replacement 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:

~~(i)~~a. Tuition income and related fees which are prevented from being earned or received.

~~(ii)~~b. Other income derived from:

~~(a)~~i. routine and special services;

~~(b)~~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:

~~(iii)~~

~~(a)~~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.

~~(b)~~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)~~ ~~(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).

## 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 ~~1020~~ 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 ~~1020~~ 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 ~~local or state~~ 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.

#### 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 ~~caused by as a result of physical damage to~~ or destruction ~~to~~ 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~~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:
  - ~~i.~~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,
  - ~~ii.~~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~~Policy, the actual recovery under this ~~policy~~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 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 have been repaired, rebuilt or replaced with due diligence and dispatch, but not limited by the expiration of this ~~policy~~[Policy](#).

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

- a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack
    - i. by any government or sovereign power (de jure or de facto), or by any ~~Authority~~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~~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 Named Insured 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 Insured 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 R., Other Insurance, coverage provided under this paragraph shall apply as primary. Nothing herein contained shall be held to waive, vary, alter or extend any condition or provision of the [policy](#) other than as above stated.



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,~~ 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 Insured; and/or;
- (b) cost of clean up at the premises of the Named Insured 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;
- all when caused by loss or damage to any property outside Insured Location(s).

However, the above do not apply to OFF PREMISES SERVICE INTERRUPTION.

**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.

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, 11<sup>th</sup> 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.

#### **KL. ARBITRATION OF VALUE**

~~In case~~ If the Named Insured and the Company shall fail to agree as to the amount of loss, ~~then each shall~~ on the written demand of ~~either, each shall other,~~ made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and ~~notify the other of the appraisal shall be made at a reasonable time and place.~~ The appraisers ~~selected.~~ The appraiser 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 ~~the property covered~~such appraisal is ~~located.~~

~~\_\_\_\_\_~~pending. The appraisers shall ~~as soon as practicable, then~~ appraise the loss, stating separately the ~~loss of each item~~fair market value at the time of loss and the amount of loss, and failing to agree, shall submit their differences ~~only~~ to the umpire. An award in writing ~~so itemized,~~ of any two ~~appraisers when filed with the Company~~ shall determine the amount of loss. The ~~party selecting him~~Named Insured and the Company shall each pay ~~each~~their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire ~~shall be paid by the parties equally.~~ The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal.

#### **LM. 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.

## **MN. 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.

## **NP. 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.

## **EQ. ABANDONMENT**

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

| **PR. ASSIGNMENT**

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

| **QS. 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.

| **RT. 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.

| **SU. 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.

| **TV. 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.



| **UW. 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.

| **VX. FULL WAIVER**

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

| **WY. 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.

| **XZ. JOINT LOSS ADJUSTMENT – BOILER & 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:

- (1) 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;
- (2) 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:

- (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 Boiler and Machinery Insurer and the Company is limited to the minimum amount remaining payable under either the boiler and machinery insurance policy(ies).
- (2) The boiler and machinery insurer(s) shall simultaneously pay to the Named Insured, one-half of the said amount, which is in disagreement.
- (3) 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.

- (4) The Named Insured agrees to cooperate in connection with such arbitration but not to intervene therein.
- (5) 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.

#### **YAA. 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.

#### **ZAB. 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 [policyPolicy](#), shall be paid to the Payee named on the first page of this [policyPolicy](#), 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 [policyPolicy](#), 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 [policyPolicy](#) 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 [policyPolicy](#), 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 [policyPolicy](#) 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 [policyPolicy](#) or on account of any change in occupancy or increase in hazard not permitted by this [policyPolicy](#), 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 [policyPolicy](#) 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 [policyPolicy](#) 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 [policyPolicy](#) at any time, as provided by its terms, but in such case this [policyPolicy](#) 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 [policyPolicy](#) 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 [policyPolicy](#) become vested in the Lender or its agents, insurance under this [policyPolicy](#) 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 [policyPolicy](#) 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 [policyPolicy](#) 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 [policyPolicy](#).

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

**[AAAC.](#) 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.

**[ABAD.](#) 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. ~~We~~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 ~~our~~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 ~~us~~the Company of the Named Insured failure to do so, and;
    - (3) Has notified ~~us~~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 ~~us~~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 ~~our~~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 ~~us~~the Company

3. If the Company cancels this ~~policy~~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~~Policy, the Company will give written notice to the Loss Payee at least ten (10) days before the expiration date of this ~~policy~~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.

### ~~AC/AE.~~ ELECTRONIC DATA

#### ~~1. Electronic Data Exclusion~~

#### A. ELECTRONIC DATA EXCLUSION

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

- ~~a.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”Trojan Horses', 'worms' and “time”time or logic bombs”bombs'.

~~b.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

## ~~2. Electronic Data Processing Media Valuation~~

### 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.

AD

### AF. 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.

### AEAG. 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. FLWA Service Lloyd's America Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25<sup>th</sup> 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.

1. 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)

2.3. 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)



**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~~ [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 ~~Shock~~ [Information Service Center](#) of the United States Department of the Interior or comparable Authority in any other country or locality shall govern as to whether or not a single earthquake shock continued throughout the period at the locations involved.

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

## **2. PERSONAL PROPERTY OF OTHERS**

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

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

## **3. IMPROVEMENTS AND BETTERMENTS**

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

## **4. 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.

**5. TIER I WINDSTORM COUNTIES**

<u>State</u>	<u>Tier I Counties, Parishes or Independent Cities</u>
Alabama	Baldwin, Mobile
<a href="#"><u>Connecticut</u></a>	<a href="#"><u>Fairfield, Middlesex, New Haven, New London</u></a>
<a href="#"><u>Delaware</u></a>	<a href="#"><u>Entire State, All Counties</u></a>
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
<a href="#"><u>Maine</u></a>	<a href="#"><u>Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York</u></a>
<a href="#"><u>Maryland</u></a>	<a href="#"><u>Anne Arundel, Baltimore, Baltimore City, Calvert, Cecil, Dorchester, Harford, Kent, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, Worcester</u></a>
<a href="#"><u>Massachusetts</u></a>	<a href="#"><u>Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk</u></a>
Mississippi	Hancock, Harrison, Jackson
<a href="#"><u>New Hampshire</u></a>	<a href="#"><u>Rockingham, Strafford</u></a>
<a href="#"><u>New Jersey</u></a>	<a href="#"><u>Atlantic, Burlington, Cape May, Cumberland, Middlesex, Monmouth, Ocean, Salem, Union</u></a>
<a href="#"><u>New York</u></a>	<a href="#"><u>Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk</u></a>
North Carolina	Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrell, Washington
<a href="#"><u>Rhode Island</u></a>	<a href="#"><u>Entire State, All Counties</u></a>
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

**6. TIER 2 WINDSTROM COUNTIES**

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

**AI. 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~~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 the Named Insured 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 Insured premises.
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. **Loss Clause:** Any loss hereunder shall not reduce the amount of this Section, except in the event of payment of claim for total loss of an item specifically scheduled hereon.~~

- ~~8~~  
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.



98. 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.

10 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.

11 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.

12 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.

13 12. Packing: It is agreed by the Named Insured that the property covered hereunder be packed and unpacked by competent packers.

14 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.

15 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 Insured, 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.



4. ~~\_\_\_\_\_d.~~ 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. ~~\_\_\_\_\_a.~~ 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. ~~\_\_\_\_\_b.~~ Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.

3. ~~\_\_\_\_\_c.~~ Collection expense in excess of normal collection cost and made necessary because of such loss or damage.

4. ~~\_\_\_\_\_d.~~ 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 ~~only 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 ~~you~~the Named Insured's business and that you~~the Named Insured~~ own or are required to insure, ~~to pay for any physical damage loss~~ 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)~~1.    Listed on the schedule which is a part of this ~~policy~~Policy or which is on file with ~~us~~the Company;

~~(2)~~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~~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, 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 based on other than 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.



## 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~~[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 ~~property~~[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 ~~property~~[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 ~~property~~[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:
  - 1. Any boiler setting, any insulating or refractory material,
  - 2. 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 ~~that~~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) WeThe 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. WeThe Company may extend this period in writing during the 18 months.



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

## 9. Exclusions

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

## 10. Conditions:

- a. Inspection

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

- b. Suspension

Upon the discovery of a dangerous condition with respect to any Object, Alliant Insurance Services, Inc., may immediately suspend the insurance, with respect to an Accident to said Object, by written notice mailed or delivered to the Named Insured at the address of the

Named Insured stated in the Declaration Page, or at the location of the Object, as stated for it in a schedule or endorsement. The insurance so suspended may be reinstated by the Company but only by an endorsement issued to form a part of this Policy. The Named Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.

c. Notice of Accident and Adjustments

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

d. Deductible

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

This endorsement modifies insurance provided by the ~~policy~~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~~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~~Policy may be canceled by the **FIRST NAMED INSURED** by mailing prior written notice to the Company or by surrender of this ~~policy~~Policy to the **Company**.

If this ~~policy~~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.~~ 2. **First Named Insured** means the first Named Insured as shown on the Declarations ~~—~~page of this ~~policy~~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



8 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, 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.

9 Cyber Incident means:

9.1 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

9.2 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.

10 Computer System means:

10.1 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 any other party.

11 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.

12 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



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.2.b.**

**INFECTIOUS DISEASE COVERAGE SPECIAL NOTICE**

**INFORMATION ITEM**

**ISSUE:** As a result of the COVID-19 pandemic and resulting property claims the APIP program is making two changes to the coverage for FY 20/21. First, the special endorsement providing limited coverage for Communicable Disease claims is being eliminated. In addition, an endorsement is being added to the policy specifically excluding claims arising from Communicable Disease. Please refer to Endorsement 4 in the red-lined version of the 20/21 coverage form and attached separately to this Item.

Regarding the limited coverage that is going away in 20/21, the Program Administrators have filed a claim on behalf of all NCCSFI members but have received claim information from only two members so far.

**RECOMMENDATION:** None. The new policy language is attached for review.

**FISCAL IMPACT:** TBD – the impact of the pandemic so far has been due to the shutdown of the economy rather than the virus itself, causing business interruption losses that are generally uninsured.

**BACKGROUND:** Insurers are known to respond to new loss exposures by excluding or limiting their coverage until they have better data on their impacts. They will then tend to offer the excluded or limited coverage for an additional premium, often under a separate policy. This has been the pattern with pollution, employment practices, and cyber coverage.

**ATTACHMENT(S):** APIP 20/21 Endorsement 4 – Communicable Disease Exclusion

## 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



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.2.c.**

**APIP CLAIMS REPORTING ACKNOWLEDGEMENTS**

**INFORMATION ITEM**

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

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

**FISCAL IMPACT:** None.

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

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

## APIP Claims Reporting Acknowledgement(s) Receipt Form

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

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

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

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

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

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

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**Authorized Signature:**

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Print Name

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Date

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Title:



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.2.d.**

**EXCESS CYBER COVERAGE RENEWAL**

**ACTION ITEM**

**ISSUE:** Members of the Property Program are also provided Cyber Coverage with up to \$2M in aggregate limits for coverages including Cyber Extortion and Business Interruption from a Security Breach. Various sublimits apply to other coverages including Business Interruption from System Failure and Computer Hardware Replacement Costs.

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 Option 3 in the attached proposal, covering the entire program group with an additional \$3M aggregate and policy aggregate of \$4M. This also effectively doubles the various coverage sublimits.

Purchasing the coverage as a group lowers the premium to about half of the per Member rates, as indicated in the attached Cyber Excess Coverage Options spreadsheet. To increase the group aggregate to \$10M increases the total allocated premium by 63%, to \$71,890.

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:** Consider options and authorize President to request or decline the attached proposal for the excess cyber coverage by signing the attached form.

**FISCAL IMPACT:** To be determined



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.2.d. (continued)**

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

**ATTACHMENT(S):**

1. 20/21 APIP Excess Cyber Premium Allocation,
2. 20/21 APIP Excess Cyber Proposal
3. Cyber Coverage Presentation

**20/21 NCCSIF APIP Cyber Excess Coverage Options**  
**July 1, 2020 to July 1, 2021**

Column	B	C	D	E	F	G
			<b>GROUP OPTIONS</b>			
<b>Member</b>	<b>with \$3M Member Aggregate Limit Premium</b>	<b>% of Total Dedicated Premium</b>	<b>with \$4M Pool Aggregate Limit (Premium)</b>	<b>Column B and D Difference</b>	<b>with \$10M Pool Aggregate Limit (Premium)</b>	<b>Column D and F Difference</b>
CITY OF ANDERSON	\$ 3,560	3.9%	\$1,711	(\$ 1849)	\$2,792	\$1,081
CITY OF AUBURN	\$ 3,318	3.6%	\$1,595	(\$ 1723)	\$2,603	\$1,008
CITY OF COLUSA	\$ 3,813	4.2%	\$1,833	(\$ 1980)	\$2,991	\$1,158
CITY OF DIXON	\$ 3,696	4.0%	\$1,776	(\$ 1920)	\$2,899	\$1,123
CITY OF FOLSOM	\$ 15,838	17.3%	\$7,613	(\$ 8225)	\$12,423	\$4,811
CITY OF GALT	\$ 5,508	6.0%	\$2,647	(\$ 2861)	\$4,321	\$1,673
CITY OF GRIDLEY	\$ 3,216	3.5%	\$1,546	(\$ 1670)	\$2,523	\$977
CITY OF IONE	\$ 3,000	3.3%	\$1,442	(\$ 1558)	\$2,353	\$911
CITY OF JACKSON	\$ 3,774	4.1%	\$1,814	(\$ 1960)	\$2,960	\$1,146
CITY OF LINCOLN	\$ 9,810	10.7%	\$4,715	(\$ 5095)	\$7,695	\$2,980
CITY OF MARYSVILLE	\$ 3,234	3.5%	\$1,554	(\$ 1680)	\$2,537	\$982
CITY OF OROVILLE	\$ 3,500	3.8%	\$1,682	(\$ 1818)	\$2,745	\$1,063
TOWN OF PARADISE	\$ 3,000	3.3%	\$1,442	(\$ 1558)	\$2,353	\$911
CITY OF RED BLUFF	\$ 4,932	5.4%	\$2,371	(\$ 2561)	\$3,869	\$1,498
CITY OF RIO VISTA	\$ 4,529	4.9%	\$2,177	(\$ 2352)	\$3,553	\$1,376
CITY OF ROCKLIN	\$ 6,025	6.6%	\$2,896	(\$ 3129)	\$4,726	\$1,830
CITY OF YUBA CITY	\$ 10,896	11.9%	\$5,237	(\$ 5659)	\$8,547	\$3,310
<b>Grand Total</b>	<b>\$ 91,649</b>	<b>100.0%</b>	<b>\$44,051</b>	<b>\$ 47,598</b>	<b>\$71,890</b>	<b>\$27,839</b>

\* Allocated Pro-Rata Based on Dedicated Member

NEW QUOTE - cannot bound without binding APIP



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

**ALLIANT CYBER EXCESS PROPOSAL**

**TYPE OF COVERAGE:** APIP Cyber Excess Policy – **Claims Made & Reported**

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

**NAMED INSURED:** Northern California Cities Self Insurance Fund (NCCSIF)

**POLICY PERIOD:** July 1, 2020 to July 1, 2021

**RETROACTIVE DATE:** Follows APIP Cyber Underlying Policy

**COVERAGE FORM:** Follow Form  
Claims Made & Reported

**INSURANCE COMPANY:** Axis Insurance Company

**A.M. BEST RATING:** A+ (Superior), Financial Size Category: XV (\$2 Billion or greater)

**STANDARD & POOR'S RATING:** A+ (Strong) as of December 12, 2018

**ADMITTED STATUS:** Admitted

**COVERAGES & LIMITS:**

	<u>Dedicated Limits in Excess of APIP Core</u>
<i>Option 1 – per Member:</i>	\$2,000,000 Each Member Aggregate \$2,000,000 Policy Aggregate
<i>Option 2 – per Member:</i>	\$3,000,000 Each Member Aggregate \$3,000,000 Policy Aggregate
<i>Option 3 – entire Pool</i>	\$3,000,000 Each Member Aggregate \$4,000,000 Policy Aggregate
<i>Option 4 – entire Pool</i>	\$3,000,000 Each Member Aggregate \$10,000,000 Policy Aggregate

**SUB-LIMITS (Per Member and Policy Aggregate):**

	<u>Dedicated Limits in Excess of APIP Core</u>
Breach Response/Notification Expense Costs	\$ 500,000 (Non-Beazley Vendors)
<b>(non-BBR endorsement members):</b>	\$ 1,000,000 (Beazley Vendors)
Business Interruption resulting from a System Failure:	\$ 500,000
Dependent Business Interruption resulting from a Security Breach:	\$ 750,000
Dependent Business Interruption resulting from a System Failure:	\$ 100,000
Fraudulent Instruction:	\$ 75,000
Funds Transfer Fraud:	\$ 75,000
Telephone Fraud:	\$ 75,000
Computer Hardware Replacement (Bricking):	\$ 75,000
Reputation Loss:	\$ 50,000
Claims Preparation Cost for Reputation Loss Claims Only:	\$ Nil
Invoice Manipulation	\$ 100,000
Criminal Reward:	\$ Nil
Cryptojacking:	\$ Nil

**NOTE:**

- 1) If you are a member of a JPA and your JPA purchases a group excess cyber policy above APIP cyber, please contact your client team to obtain excess limit quotes above your JPA's group excess cyber policy.
- 2) Quotes for up to \$35M in limits can be obtained, please contact your client team for more information.
- 3) 6 month minimum premiums
- 4) Any members that currently buy excess over APIP Cyber will have a slightly different structure, please consult your client team

**ENDORSEMENTS &**

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

- Sublimited Coverage Endorsement (First Excess)
- Schedule of Named Insureds Endorsement
- Cap on Losses from Certified Acts of Terrorism Endorsement
- Pending or Prior Litigation Exclusion Endorsement
- ACES Program Endorsement
- Not Follow Specified Coverage Endorsement
- Amend Conditions Endorsement

**UNDERLYING INSURANCE:**

Layer	Insurer	Limits	Retention	Policy Period
Primary	Beazley	\$2,000,000	Follows APIP Cyber	7/1/2020 – 7/1/2021

**TERM PREMIUM**

7/1/2020 – 7/1/2021:

*See Premium Table*

**BINDING CONDITIONS:**

- **Copy of all Underlying Binders Prior to Binding Coverage**
- **Copy of all Underlying Policies to Policy Issuance**

**PROPOSAL VALID UNTIL:** July 1, 2020

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

**NOTES:** 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.

Premium Table:

NCCSIF Excess Limits Options		Option 1	Option 2	Option 3	Option 4
		\$2M/\$2M Agg	\$3M/\$3M Agg	\$3M/\$4M Agg	\$3M/\$10M Agg
1	CITY OF ANDERSON	\$3,086	\$3,560	Included	Included
2	CITY OF AUBURN	\$2,876	\$3,318	Included	Included
3	CITY OF COLUSA	\$3,305	\$3,813	Included	Included
4	CITY OF DIXON	\$3,203	\$3,696	Included	Included
5	CITY OF FOLSOM	\$13,726	\$15,838	Included	Included
6	CITY OF GALT	\$4,774	\$5,508	Included	Included
7	CITY OF GRIDLEY	\$2,787	\$3,216	Included	Included
8	CITY OF IONE	\$2,250	\$3,000	Included	Included
9	CITY OF JACKSON	\$3,271	\$3,774	Included	Included
10	CITY OF LINCOLN	\$8,502	\$9,810	Included	Included
11	CITY OF MARYSVILLE	\$2,803	\$3,234	Included	Included
12	CITY OF OROVILLE	\$3,033	\$3,500	Included	Included
13	CITY OF RED BLUFF	\$4,274	\$4,932	Included	Included
14	CITY OF RIO VISTA	\$3,924	\$4,529	Included	Included
15	CITY OF ROCKLIN	\$5,221	\$6,025	Included	Included
16	CITY OF YUBA CITY	\$9,443	\$10,896	Included	Included
17	TOWN OF PARADISE	\$2,250	\$3,000	Included	Included
<b>Total</b>		<b>\$78,727</b>	<b>\$91,648</b>	<b>\$44,051</b>	<b>\$71,890</b>

## 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](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

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

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

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

## 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](http://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.*

### **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.

## Certificates of Liability Insurance / Evidence of Property Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the recipient. 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 Evidence of insurance, you may be required to name your landlord, client or customer on your policy as loss payee on property insurance or as an additional insured on liability insurance. Adding a party as an additional insured 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 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.***

## 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:
Excess Cyber Liability Policy Period: July 1, 2020 to July 1, 2021  <b>Option 1:</b> \$2,000,000 xs \$2,000,000 with \$2,000,000 Policy Aggregate  <b>Option 2:</b> \$3,000,000 xs \$2,000,000 with \$3,000,000 Policy Aggregate  <b>Option 3:</b> \$3,000,000 xs \$2,000,000 with \$4,000,000 Policy Aggregate  <b>Option 4:</b> \$3,000,000 xs \$2,000,000 with \$10,000,000 Policy Aggregate  <b>Cannot be bound without binding primary APIP Cyber Coverage</b>	See Premium Table <input type="checkbox"/>  See Premium Table <input type="checkbox"/>  See Premium Table <input type="checkbox"/>  See Premium Table <input type="checkbox"/>

After review of the optional coverages summarized in this proposal, we have elected to decline all option(s) presented above.

**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.
<input type="checkbox"/>	<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.**



# An Overview Alliant's Cyber Insurance Programs (EIA and APIP) and the Claims Process



PRESENTED BY:  
Alliant Insurance Services, Inc.





# Trends – Internal Perspective

## Claim Frequency

- 300%+ increase from 2017/18 to 2018/29
- Claim count is tracking at 100% increase from 2018/19 to 2019/20 (as of November 25, 2019)

## Claim Severity

- 300%+ increase for largest claim on file
- 200%+ increase for total claims year over year

## Proposal Activity

- 74% increase in excess proposal requests
- 27% decrease in BBR endorsement requests

## Midterm Transaction Activity

- 900%+ increase in midterm transactions request activity

# Cyber Incident Trends

- **The loss or disclosure of personal or sensitive data continues to be a huge concern and risk for companies.**
- *2009:* Managing breach incidents since 2009
- *2014:* Handled 750+ incidents
- *2015:* Handled 1,200+ incidents
- *2016:* Handled 1,900+ incidents
- *2017:* Handled 2,600+ incidents
- *2018:* Handled 3,300+ incidents
- *2019 Projection:* 4,500+ incidents  
As of 1/1/2019 – 11,000+ incidents
- Highest ransom demand reported to Beazley: \$20 Million – will likely be paid
- Highest ransom demand paid by a Beazley insured: \$3 Million
- Average ransom demand and/or payment in 2018: \$116,324

Source: Beazley Group

The Alliant logo is located in the bottom right corner of the slide. It consists of a white stylized 'A' symbol followed by the word 'Alliant' in a white, bold, sans-serif font, all set against a dark blue rectangular background.

# Cyber Incident Trends

## Responsible Party



**55%**

Employee

Often there is a combination of an employee mistake exploited by a non-vendor unrelated third party (i.e., a threat actor).



**27%**

Non-Vendor  
Unrelated Third Party



**11%**

Vendor



**3%**

Non-Vendor  
Related Third Party



**2%**

Unrelated Third Party



**2%**

Not Applicable

Sources: [www.bakerlaw.com](http://www.bakerlaw.com)

**Alliant**

# Understanding Cyber Insurance

## It's Data, Data Privacy and Computer Equipment Insurance (First Party, Third Party and "Other")

### First Party

- Protection for Loss of My Data
- Business Interruption From Unauthorized Access Which Affected My Computer or Data
- Protection for Damage to My Computer

### Third Party

- Liability For Losing Someone Else's Data
- Liability From Information Posted on My Website
- Government Fines for Not Complying to Specific Regulations
- Payment Card Fines For Non-Compliance

### "Other"

- Costs to Let People Know We Lost Their Data
- Costs to Have Help Understanding the Most Recent Data Privacy Laws in Every State and Internationally
- Costs to Have Help Navigating the Messaging to Put Forward
- Recovering Money Lost in a Fraudulent Email that Caused a Transfer of Money

# Cyber Coverages

## Breach Response

Legal Services

Forensics

Notification

Credit  
Monitoring

Public  
Relations/Crisis  
Management

## First-Party

Business  
Interruption

Extortion

Data Restoration

eCrime

Criminal Reward

Bricking

## Third-Party

Data and  
Network  
Liability

Regulatory

Payment Card

Media Liability

## Endorsements

Breach  
Response\*

Technology E&O

Retention Buy  
Down

Reinstatement –  
Entire Program

Note: Endorsements may require more information and additional premium.

\* Sub-Limit increase and BBR endorsements





# APIP's Excess Programs

## BBR+ and BBRx2



\$2,000,000 or \$3,000,000 or  
\$4,000,000 or \$5,000,000  
Excess Cyber  
Per Member Aggregate  
& Policy Aggregate Limit

\$2,000,000 APIP Cyber  
Per Member Aggregate Limit  
(Part of \$25,000,000  
Program Aggregate Limit)

RBD/\$50,000 / \$100,000 / 8 Hours  
Per Member Retention,  
Per Claim or Incident

### Full Member Limits Coverages – Full Follow Form and Drop Down

(Part of Member, Program & Policy Aggregate Limits)

- Breach Response Costs
- Business Interruption Resulting From Security Breach
- Cyber Extortion Loss
- Data Recovery Costs
- Data & Network Liability
- Regulatory Defense & Penalties
- Payment Card Liabilities & Costs
- Media Liability (Electronic Only)

Please note: This document is provided for informational purposes.

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# APIP's Per Member Sub-Limited Coverages With BBR+ and BBRx2 Endorsement

## Sub-Limited Coverages – Full Follow Form and Drop Down (Part of Member, Program & Policy Aggregate Limits, unless otherwise stated)

For <b>BBRx2</b> the Notified Lives are Doubled (i.e., 50K lives becomes 100K lives (Beazley Approved Vendor) Per Member Limit <b>Outside</b> of APIP Cyber Member and Policy Aggregate Limit	For <b>BBRx2</b> the \$\$ Limit is Doubled (i.e., \$1M becomes \$2M (Beazley Approved Vendor) Per Member Limit <b>Outside</b> of APIP Cyber Member and Policy Aggregate Limit	\$500,000 Excess Cyber Per Member Sub-Limit	\$750,000 Excess Cyber Per Member Sub-Limit	\$100,000 Excess Cyber Per Member Sub-Limit	\$75,000 Excess Cyber Per Member Sub-Limit	\$75,000 Excess Cyber Per Member Sub-Limit	\$75,000 Excess Cyber Per Member Sub-Limit	\$100,000 APIP Cyber Per Member Sub-Limit	\$25,000 Excess Cyber Per Member Sub-Limit	\$50,000 Excess Cyber Per Member Sub-Limit	\$75,000 Excess Cyber Per Member Sub-Limit
# of Notified Lives (Beazley Approved Vendor) Per Member Limit <b>Outside</b> of APIP Cyber Member and Policy Aggregate Limit	\$\$ Limit (Beazley Approved Vendor) Per Member Limit <b>Outside</b> of APIP Cyber Member and Policy Aggregate Limit	\$500,000 APIP Cyber Per Member Sub-Limit	\$750,000 APIP Cyber Per Member Sub-Limit	\$100,000 APIP Cyber Per Member Sub-Limit	\$75,000 APIP Cyber Per Member Sub-Limit	\$75,000 APIP Cyber Per Member Sub-Limit	\$75,000 APIP Cyber Per Member Sub-Limit	\$100,000 APIP Cyber Per Member Sub-Limit	\$25,000 APIP Cyber Per Member Sub-Limit	\$50,000 APIP Cyber Per Member Sub-Limit	\$75,000 APIP Cyber Per Member Sub-Limit
RBD/\$50,000 / \$100,000 Per Member Retention, Per Claim/Incident											
Notification Costs	Legal, Forensics, Crisis Management	Business Interruption Resulting From System Failure	Dependent Business Interruption Resulting From Security Breach	Dependent Business Interruption Resulting From System Failure	Fraudulent Instruction	Funds Transfer Fraud	Telephone Fraud	Invoice Manipulation	Criminal Reward	Consequential Reputation Loss	Computer Hardware Replacement

Please note: This document is provided for informational purposes.

\*Red dotted box is additional coverage provided by the BBRx2 endorsement

\*\*Blue dotted box points out the sublimit where no coverage is provided in the BBR+ or BBRx2



# Beazley Breach Solutions Risk Management Portal

[www.beazleybreachsolutions.com](http://www.beazleybreachsolutions.com)

## WHAT'S ON THE SITE

### Breach Response Services

Understanding the scope of services and expertise available to you.

### How To Prepare

Steps your organization can take in order to minimize data breaches and their impact—including response plan template and sample policies—as well as resources for training employees.

### Investigate

Overview of the varied components of an effective response – including a first responder guide and forensic tools.

### Respond

Report an incident and look up breach notification laws specific to your state

For Beazley Breach Response inquires:

Steve Davidson		<a href="mailto:steve.davidson@alliant.com">steve.davidson@alliant.com</a>
Thomas Joyce		<a href="mailto:thomas.joyce@alliant.com">thomas.joyce@alliant.com</a>
Susan Leung		<a href="mailto:susan.leung@alliant.com">susan.leung@alliant.com</a>

## HOW TO ACCESS

### FOR SINGLE MEMBERS

- Send email request to [bbrservices@Beazley.com](mailto:bbrservices@Beazley.com) to obtain your organizations **activation code** – include the full names and titles  
CC: Your Alliant Service Team along with Steve, Thomas and Susan
- Beazley will send an email within 3-5 business days with your organization's activation code
- Go to [beazleybreachsolutions.com](http://beazleybreachsolutions.com) and click "**click here to register**"
- Enter your activation code, full name, email, industry, and create a password
- Click **submit**
- You will receive an email within minutes with a link to **validate your registration**
- Click to validate, log in, and you're ready to go!

### FOR JPA/POOL MEMBERS

- Provide a list of pool members (member name, risk management contact name and email), along with the full address of the JPA, to your Alliant Service Team CC: to Steve, Thomas and Susan
- Alliant will convert the information into the *Beazley template* and send the request to [bbrservices@Beazley.com](mailto:bbrservices@Beazley.com)
- Within 3-5 business days, Beazley will send each risk management contact a welcome email with their organization's activation code
- Contacts should go to [beazleybreachsolutions.com](http://beazleybreachsolutions.com), click "**click here to register,**" and enter the activation code, full name, email, industry, and create a password (*remember; this will need to done for each domain name of the JPA/Pool*)
- Click **submit**
- The contact will receive an email within minutes with a link to **validate registration**
- Click to validate, log in, and they're ready to go!

**Alliant**



# Notifying Beazley of a Cyber Incident (1 of 2)

## When?

- ASAP!
  - Any suspected Data Breach, Security Breach, Cyber Extortion Threat, or System Failure
  - Build notice protocols into your IRP
    - Escalate systematic, reputational, and catastrophic incidents
  - ***Helps preserve members' rights under applicable Policy***

## Who?

- Beazley via email for all claims – **NON-BBR**: [tmbclaims@Beazley.com](mailto:tmbclaims@Beazley.com)
- Beazley via email for all claims – **BBR**: [bbr.claims@beazley.com](mailto:bbr.claims@beazley.com)
- Beazley via phone for all claims – **BBR**: [\(866\) 567-8570](tel:(866)567-8570)
- [AlliantCyberClaims@Beazley.com](mailto:AlliantCyberClaims@Beazley.com) (Emergencies on holidays, weekends, after work hours)
- Alliant (via email: [Elaine.Tizon@Alliant.com](mailto:Elaine.Tizon@Alliant.com))

The Alliant logo consists of a white stylized arrow pointing to the right, followed by the word "Alliant" in a bold, white, sans-serif font.

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**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.2.e.**

**ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP)**

**ACTION ITEM**

**ISSUE:** For FY 20/21 NCCSIF members purchased a new stand-alone option for Deadly Response Coverage offered to members of APIP. The coverage provides a \$500,000 per claim limit with a \$2,500,000 policy aggregate (and sub-limits for property damage and business interruption, crisis management services, funeral services and counseling services, per the attached summary). *The event must occur at a location on a member's APIP Schedule of Values.*

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

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

**FISCAL IMPACT:** NCCSIF's FY 19/20 premium is \$11,491.32. Premium for FY 20/21 is \$12,336.31.

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

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

**ATTACHMENT(S):**

1. Alliant Deadly Weapon Response Program (ADWRP) FY 20/21 Renewal Proposal
2. FY 20/21 ADWRP Member allocation of premium
3. ADWRP Brochure

A photograph of a modern glass skyscraper facade, with a person walking on a balcony visible through the windows. A large blue triangle is overlaid on the top left of the image.

# Northern California Cities Self Insurance Fund (NCCSIF)

**2020 – 2021**

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

Presented on June 5, 2020

**ALLIANT DEADLY WEAPON RESPONSE PROGRAM**  
*VALUED 5/20/2020*

**ADWRP SUMMARY OF POLICY CHANGES**

THE FOLLOWING ITEMS ARE KEY POLICY CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021	Status
<p>\$250,000 Crisis Management Services – Specified in Endorsement</p> <p>\$250,000 Crisis Management – Unspecified Endorsement</p> <p>(Combined Endorsement)</p>	<p>Endorsement provides \$250,000 sublimit/\$1M Aggregate applies to the following:  <u>Specified:</u></p> <ul style="list-style-type: none"> <li>- Emergency travel and accommodation for <b>Insured Person(s) and Immediate Family Members;</b></li> <li>- Child care for the <b>Immediate Family Members of Insured Person(s);</b></li> <li>- Brand Rehabilitation;</li> <li>- Public Relations;</li> <li>- Media Management;</li> <li>- Legal costs;</li> <li>- Crisis Counseling to the <b>Named Insured;</b></li> <li>- Site security;</li> <li>- Remediation;</li> <li>- Recovery;</li> <li>- Restoration and similar services</li> </ul> <p>Any such costs are inclusive of response and consultant fees and all associated expenses and included within and not in addition to the limit of liability.</p>	<p>Endorsement clarifies \$250,000 sublimit/\$1M Aggregate applies to the following:  <u>Specified:</u></p> <ul style="list-style-type: none"> <li>- Emergency travel and accommodation for <b>Insured Person(s) and Immediate Family Members;</b></li> <li>- Child care for the <b>Immediate Family Members of Insured Person(s);</b></li> <li>- Brand Rehabilitation;</li> <li>- Public Relations;</li> <li>- Media Management;</li> <li>- Legal costs;</li> <li>- Crisis Counseling to the <b>Named Insured;</b></li> <li>- Site security;</li> <li>- Remediation;</li> <li>- Recovery;</li> <li>- Restoration</li> </ul> <p><u>Unspecified:</u></p> <ul style="list-style-type: none"> <li>- Other expenses not listed above at sole and entire discretion of the Underwriters subject to \$250,000 sublimit.</li> </ul> <p><b>Event Responder Fees</b> are not included in sub-limit but are in addition to the policy's limit of liability</p>	Enhancement
\$250,000 First Party Property Damage	Policy insures physical loss or physical damage caused by <b>Deadly Weapon Event</b> during Period of Insurance up to \$250,000 sublimit.	<p>Policy insures physical loss or physical damage caused by <b>Deadly Weapon Event</b> during Period of Insurance up to no more than the Limit of Liability stated in Declarations.</p> <p align="center">No sub-limit applies</p>	Enhancement
Circumstances Extension	N/A	Underwriters agree to pay for <b>Event Responder Fees</b> associated with the provision of Prevention Services and Crisis Response by the <b>Event Responder</b> if there are situations, actions, events, behavior or information received which indicates that a <b>Deadly Weapon Event</b> is reasonably likely to occur.	Enhancement

**ALLIANT DEADLY WEAPON RESPONSE PROGRAM**  
*VALUED 5/20/2020*

**ADWRP SUMMARY OF POLICY CHANGES**

THE FOLLOWING ITEMS ARE KEY POLICY CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021	Status
COVID-19 Exclusion	N/A	<p>Policy excludes claims related to:</p> <p>The transmission or alleged transmission of:</p> <p>(a) Coronavirus disease (COVID-19)            (b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)            (c) any mutation or variation of SARS-CoV-2</p> <p>or any fear or threat of (a), (b) or (c) above.</p> <p><b>Alliant Note</b> – However, the policy is in effect to respond to <b>Deadly Weapon Event</b> if COVID-19 is the motivation behind the event.</p>	Update
Lessee Exclusion	N/A	<p>Any <b>Deadly Weapon Event</b> that occurs at a <b>Location(s)</b> which has been specifically leased or loaned by the <b>Named Insured</b> 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 <b>Underwriters</b>.</p> <p>Upon notification of any such permitted event, the <b>Underwriters</b> may, at their discretion, charge an additional premium and/or impose additional conditions specifically for that event.</p>	Limitation

## ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

<b>INSURED</b>	Northern California Cities Self Insurance Fund (NCCSIF)
<b>INSURANCE COMPANY:</b>	Underwriters at Lloyd's of London
<b>A.M. BEST RATING:</b>	A (Excellent) XV; Greater than \$2,000,000,000
<b>STANDARD AND POOR'S RATING:</b>	A+, Strong Financial Security
<b>STATE LICENSE STATUS:</b>	Non-Admitted
<b>POLICY TERM:</b>	July 1, 2020 – July 1, 2021
<b>COVERAGE FORM:</b>	Claims Made & Reported
<b>COVERAGE TYPE:</b>	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.
<b>LIMITS:</b>	
Per Occurrence	\$ 500,000
Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
<b>DEDUCTIBLE:</b>	\$10,000 Each Event including Claims Expenses
<b>RETROACTIVE DATE:</b>	7/1/2018



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
- \$ 250,000 Funeral Expenses
- \$ 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

**ENDORSEMENTS:**

(Including But Not Limited To)

- Deadly Weapon & Security Vulnerability Post Underwriting Review
- Deadly Weapon Safety Action Plan Seminar
- 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*)

**EXCLUSIONS:**

(Including But Not Limited To)

- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority

## ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

### **EXCLUSIONS - CONTINUED:**

(Including But Not Limited To)

- Euthanasia
- Any explosive devices unless used in conjunction with a Deadly Weapon Event.
- 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.
- 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



## ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

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

- 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 1<sup>st</sup> Party Property coverage)
- Punitive or exemplary damages, sanctions or additional damages
- 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. Upon notification of any such permitted event, the Underwriters may, at their discretion, charge an additional premium and/or impose additional conditions specifically for that event.

## ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

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

- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of Insured Property), jewelry, furs, fine arts and antiques
- Electronic data
- Any property in Transit
- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Fines, penalties or damages incurred by or imposed upon the Named Insured at order of any Government Agency, Court or other Authority

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

<b>ANNUAL PREMIUM:</b>	\$ 11,948.00	Premium
	\$ 358.44	Surplus Lines Taxes
	\$ <u>29.87</u>	Surplus Lines Fees
	<b>\$ 12,336.31</b>	<b>Total Cost</b>
<b>DEFENSE INSIDE/OUTSIDE THE LIMITS:</b>	Inside	
<b>MINIMUM EARNED PREMIUM:</b>	25% Minimum Earned Premium	
<b>PROPOSAL VALID UNTIL:</b>	30 Days From Date Issued	
<b>SUBJECTIVITIES:</b>	<ul style="list-style-type: none"><li>• Completed and Signed Request to Bind Coverage Form (See last page)</li><li>• Completed and Signed Surplus Lines Document(s) (If applicable)</li><li>• Complete Schedule of Values on file to share with the carrier.</li><li>• No known or reported losses or incidents likely to give rise to a claim over the last 12 months.</li></ul>	

**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](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

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

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

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

## Other Disclosures / Disclaimers - Continued

### NY Regulation 194

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

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

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

### FATCA:

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

### Claims Reporting:

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

### NRRA:

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

## Other Disclosures / Disclaimers - Continued

### Changes and Developments

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

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

### Certificates / Evidence of Insurance

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

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

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

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

## Other Disclosures / Disclaimers - Continued

### Commercial Property Coverage

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

## Glossary of Insurance Terms

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

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

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

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

## Optional Coverages

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

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



## Request to Bind Coverage

### Northern California Cities Self Insurance Fund (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
<b>DEADLY WEAPON RESPONSE PROGRAM</b>  <b>Limit \$500,000 Aggregate (Shared by Members of Pool/JPA) \$2,500,000</b>  <i>Premium will be prorated based on join date</i>	\$12,336.31	<input type="checkbox"/>	<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.***



# 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** is designed 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.

## 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.

## 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.

## ABOUT ALLIANT INSURANCE SERVICES

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

## COVERAGE

### Standard Offering

Policy Limit of \$500,000 per claim/aggregate (Pool aggregate \$2,500,000)

Sublimits for:

- \$250,000 1st Party Property Damage;
- \$250,000 Business Interruption;
- \$250,000 Crisis Management;
- \$250,000 Counseling Services;\$250,000 Funeral Expenses;
- \$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

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

**20/21 ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP)**  
**July 1, 2020 to July 1, 2021**

Formula or Allocation	Deductible	ALL RISK (TIV) (Real, Personal, BI/Rents, and Fine Arts, <b>Minus COC</b> )	% Total TIV x Premium	
			20/21 ADWRP Member Premium Allocation (without Rio Vista)	20/21 ADWRP Member Premium Allocation (with Rio Vista)
		Values	\$ 11,951	\$ 12,336
Anderson	\$10,000	\$34,953,206	\$ 297.81	\$ 297.03
Auburn	\$10,000	\$51,966,958	\$ 442.77	\$ 441.61
Colusa	\$10,000	\$53,186,678	\$ 453.16	\$ 451.97
Corning				
Dixon	\$10,000	\$124,387,923	\$ 1,059.82	\$ 1,057.03
Elk Grove				
Folsom	\$10,000	\$244,578,454	\$ 2,083.87	\$ 2,078.39
Galt	\$10,000	\$115,509,064	\$ 984.17	\$ 981.58
Gridley	\$10,000	\$33,996,488	\$ 289.66	\$ 288.90
Ione	\$10,000	\$28,198,733	\$ 240.26	\$ 239.63
Jackson	\$10,000	\$35,815,846	\$ 305.16	\$ 304.36
Lincoln	\$10,000	\$214,011,238	\$ 1,823.43	\$ 1,818.64
Marysville	\$10,000	\$30,149,493	\$ 256.88	\$ 256.21
Nevada City				
Oroville	\$10,000	\$57,619,386	\$ 490.93	\$ 489.64
Placerville				
Paradise	\$10,000	\$13,522,143	\$ 115.21	\$ 114.91
Red Bluff	\$10,000	\$58,981,875	\$ 502.54	\$ 501.22
Rio Vista	\$10,000	\$49,015,775		\$ 416.53
Rocklin	\$10,000	\$82,835,432	\$ 705.78	\$ 703.92
Willows				
Yuba City	\$10,000	\$222,966,418	\$ 1,899.73	\$ 1,894.74
	<b>TOTAL without Rio Vista</b>	<b>\$1,402,679,335</b>	<b>\$ 11,951</b>	<b>\$ 12,336</b>
	<b>TOTAL with Rio Vista</b>	<b>\$1,451,695,110</b>		

Don't Participate

New Quote



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.2.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>

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If you do NOT wish to purchase flood insurance your signature is required below:

Signature:

Date:

Name Printed / Typed:

Company Name:



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.3.**

**FY 20/21 CRIME COVERAGE RENEWAL**

**ACTION ITEM**

**ISSUE:** NCCSIF's Crime coverage program renews July 1, 2020. This program offers coverage for monetary loss due to Employee Dishonesty, including Faithful Performance and fraud exposures. The current coverage is placed through the Alliant Crime Insurance Program (ACIP).

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 increased from 2,728 to 2,821, with many members reporting volunteers, in addition to elected and appointed officials and part timers. The program is also adding one new member, Willows. Member premium changes will vary based on changes in their number of reported employees.

Options for a \$5 million and \$10 million limit will also be presented at the meeting.

**OPTIONS:**

1. Renew coverage as expiring with a \$3 million limit.
2. Renew coverage with limits of \$5 million limit
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 2020 to 2021 Crime Coverage Proposal
2. FY 20/21 Member allocation of premium at \$3M and \$5M limits.
3. ACIP Brochure



The background of the top half of the page is a photograph of a modern glass building facade. The glass reflects the sky and surrounding structures. A person is visible walking on a balcony or walkway on one of the upper floors. The overall color palette is dominated by blues and greys.

# Northern California Cities Self Insurance Fund (NCCSIF)

2020 – 2021

## ALLIANT CRIME INSURANCE PROGRAM (ACIP) Government Crime Insurance Proposal

Presented by:

Tom E. Corbett, Senior Vice President  
Mariana C. Salyer, CISR, Program Specialist- Lead

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Newport Beach, CA 92660  
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**2020-2021 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

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### 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.

**2020-2021 Alliant Crime Insurance Program**  
**Government Crime Insurance Proposal**  
 Northern California Cities Self Insurance Fund (NCCSIF)

**Line of Coverage**  
**Government Crime Coverage**

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<b>INSURANCE COMPANY:</b>	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	
<b>A.M. BEST RATING:</b>	A (Excellent); Financial Size Category: XV (\$2 Billion or greater) Verified on May 14, 2020	
<b>STANDARD &amp; POOR'S RATING:</b>	A+, Strong Financial Security Verified on May 14, 2020	
<b>STATE STATUS:</b>	Admitted	
<b>PROGRAM POLICY/COVERAGE TERM:</b>	July 1, 2020 – July 1, 2021	
<b>RETROACTIVE DATE:</b>	N/A	
<b>COVERAGE:</b>	Government Crime Policy on Discovery form including the following coverages: <ul style="list-style-type: none"> <li>• Employee Theft – Per Loss Coverage - including Faithful Performance of Duty</li> <li>• Forgery or Alteration - including Credit, Debit, or Charge Card Forgery</li> <li>• Inside the Premises – Theft of Money and Securities</li> <li>• Inside the Premises – Robbery &amp; Safe Burglary of Other Property</li> <li>• Outside the Premises - Money, Securities and Other Property</li> <li>• Computer Fraud</li> <li>• Funds Transfer Fraud</li> <li>• Money Orders &amp; Counterfeit Money</li> </ul>	
<b>LIMITS:</b>	<b><u>2019-2020 CURRENT</u></b>	<b><u>2020-2021 PROPOSED</u></b>
	\$3,000,000	\$3,000,000
<b>DEDUCTIBLE:</b>	\$5,000	\$5,000
<b>ANNUAL PREMIUM:</b>	\$53,523	\$53,523

**2020-2021 Alliant Crime Insurance Program  
Government Crime Insurance Proposal  
Northern California Cities Self Insurance Fund (NCCSIF)**

**Line of Coverage  
Government Crime Coverage - Continued**

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<b>MINIMUM EARNED PREMIUM:</b>	None
<b>POLICY AUDITABLE:</b>	No
<b>DESIGNATED AGENTS AS ENDORSED:</b>	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.
<b>ENDORSEMENTS</b> (including but not limited to):	<ul style="list-style-type: none"> <li>• California Changes</li> <li>• Additional Named Insured – Identifies individual member limit and deductible</li> <li>• Add Faithful Performance of Duty Coverage for Government Employees – Employee Theft Per Loss Limit</li> <li>• 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.</li> <li>• Cancellation of Policy Amended –120 Days</li> <li>• Bonded Employees Exclusion Deleted endorsement</li> <li>• Add Credit, Debit or Charge Card Forgery</li> <li>• Include Specified Non-Compensated Officers as Employees - ALL</li> <li>• Include Chairperson and Members of Specified Committees – ALL</li> <li>• 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</li> <li>• Include Volunteer Workers as Employees</li> <li>• Include Treasurers or Tax Collectors as Employees</li> <li>• Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000 Sub-limit</li> <li>• Employee Post Termination Coverage – 90 Days</li> <li>• Cancellation Amendatory (Return Pro-Rata)</li> <li>• Include Leased Workers as Employees Endorsement</li> <li>• Notice of Claim Reporting by Email</li> <li>• Economic Sanctions (excludes loss payments in violation of economic or trade sanctions)</li> </ul>

**2020-2021 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- **Updated**
- Blanket Joint Loss Payable- Where legally permissible

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

- Unauthorized disclosure of confidential information
- Governmental Action
- Indirect or Consequential Loss- **new**
- Protected Information (Carveback)- **new**
- 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, 2020

**2020-2021 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](mailto: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](mailto: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](mailto:etizon@alliant.com)

**SUBJECTIVITIES:**

- Signed and currently dated "Request to Bind" page.
- Payment to Alliant is due within 25 Days of Binding

**BROKER:**

**ALLIANT INSURANCE SERVICES, INC.  
Newport Beach, CA**

Tom E. Corbett, Senior Vice President  
Mariana C. Salyer, CISR, Program Specialist- Lead

**See Disclaimer Page for Important Notices and Acknowledgement**

**2020-2021 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](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

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

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

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

## 2020-2021 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.

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### 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.



**2020-2021 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.***

**2020-2021 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, 2020- July 1, 2021	<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.*

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

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

COVERAGE EFFECTIVE DATE: 07/01/2020

**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

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

Product Name:

**IMPERSONATION FRAUD COVERAGE  
(GOVERNMENT CRIME DISCOVERY FORM - PRIMARY TO OTHER INSURANCE)**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

**GOVERNMENT CRIME POLICY (DISCOVERY FORM)**

It is agreed that in consideration of the additional premium of \$0, the policy is hereby amended as follows:

1. Section **A. Insuring Agreements** is amended by adding the following Insuring Agreement to the end thereof:

**IF. Impersonation Fraud Coverage**

We will pay for loss of "funds" resulting directly from a "fraudulently-induced instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account."

2. Solely with respect to Impersonation Fraud Coverage provided by this endorsement, Section **F. Definitions**, is amended by adding the following at the end thereof:

"Fraudulently-induced instruction" means an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction communicated by you or your "employee" based upon an instruction received and relied upon by you or your "employee" which was transmitted:

- a. by a purported director, officer, partner, member, sole proprietor or other "employee" of yours - or by an individual acting in collusion with such purported director, officer, partner, member, sole proprietor or other "employee" - but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; or
- b. by a purported director, officer, partner, member, sole proprietor or employee of your "vendor" or "client" - or by an individual acting in collusion with such purported director, officer, partner, member, sole proprietor or employee - but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; provided, however, "fraudulently-induced instruction" shall not include any such instruction

transmitted by an actual director, officer, partner, member, sole proprietor or employee of your "vendor" or "client" who was acting in collusion with any third party in submitting such instruction.

3. Solely for purposes of this endorsement, the following definitions are added:

"Vendor" means any person, firm, company, corporation, organization, association or other entity that provides goods or services to you pursuant to a legitimate relationship that pre-exists the loss of "funds" that is the subject of the coverage provided by this endorsement.

"Client" means any person, firm, company, corporation, organization, association or other entity to whom you provide goods or services for a fee pursuant to a legitimate written contract that pre-exists the loss of "funds" that is the subject of the coverage provided by this endorsement.

4. The Limit of Insurance for the coverage provided by this endorsement for all loss arising from an "occurrence" is \$250,000.
5. Solely with respect to coverage provided by this endorsement, the applicable per "occurrence" Deductible Amount is \$25,000.
6. Solely for purposes of this endorsement, the following exclusion shall apply:

The coverage afforded by this endorsement does not apply to any loss occurring prior to 7-1-15.

7. It is further understood and agreed that except as provided in this endorsement, this policy does not cover loss resulting directly or indirectly from reliance by you or an "employee" upon any transfer, payment or account-related instruction transmitted by an imposter purporting to be a customer, "client," "vendor," director, officer, partner, manager, "member," sole proprietor, "employee," or agent of yours. The foregoing provision, however, shall not apply to the coverage afforded under the **Employee Theft or Forgery Or Alteration** Insuring Agreements of this policy.
8. Solely with respect to coverage provided by this endorsement, the Other Insurance **Condition E.1.n.** is amended by deleting subparagraph (1) Primary Insurance in its entirety and replacing it with the following:

**(1) Primary Insurance**

When this policy is written as primary insurance, the coverage afforded hereunder shall apply as primary to that other insurance.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**AUTHORIZED REPRESENTATIVE**

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

### **INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION**

This endorsement modifies insurance provided under the following:

ISO COMMERCIAL CRIME POLICY  
ISO GOVERNMENT CRIME POLICY

It is agreed that:

1. Clause D.1.f. Indirect Loss Exclusion is deleted in its entirety and replaced with the following:

- f. Indirect or Consequential Loss

Loss that is an indirect or consequential result of an "occurrence", including but not limited to loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**AUTHORIZED REPRESENTATIVE**

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By: National Union Fire Insurance Company of Pittsburgh, Pa.

**PROTECTED INFORMATION EXCLUSION  
(CARVEBACK)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY**

In consideration of the premium charged, it is hereby understood and agreed that this policy does not cover loss resulting directly or indirectly from the: (i) "theft," disappearance or destruction of; (ii) unauthorized use or disclosure of; (iii) unauthorized access to; or (iv) failure to protect any:

- (1) confidential or non-public; or
- (2) personal or personally identifiable;

information that any person or entity has a duty to protect under any law, rule or regulation, any agreement or any industry guideline or standard.

This exclusion shall not apply to loss of any money, securities or tangible property:

- (a) owned by the Insured;
- (b) held by the Insured in any capacity; or
- (c) owned and held by someone else under circumstances which make the Insured responsible for the Property prior to the occurrence of the loss;

that was the subject of a theft, disappearance, damage or destruction resulting directly from the unauthorized use or disclosure of such information.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

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**AUTHORIZED REPRESENTATIVE**



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**Alliant Crime Insurance Program (ACIP)**  
**July 1, 2020 to July 1, 2021**

FY 19/20 PREMIUM ALLOCATION			FY 20/21 PREMIUM ALLOCATION			PRIOR YEAR CHANGE AT \$3M LIMIT	
	Limit:	<b>\$3 MILLION</b>	Limit Options:	<b>\$3 MILLION</b>	<b>\$5 MILLION</b>	% CHANGE	\$ Change
	Deductible	<b>\$5,000</b>	Deductible Optio	<b>\$5,000</b>	<b>\$25,000</b>		
	Premium:	\$51,449	Premium:	\$53,523	\$68,375		
Member Entity	# EMPLOYEES	PREMIUM	# EMPLOYEES	PREMIUM	PREMIUM	# EMPLOYEES*	PREMIUM
Anderson	76	\$1,484	101	\$1,916	\$2,448	33%	\$432
Auburn	93	\$1,816	96	\$1,821	\$2,327	3%	\$6
Colusa	66	\$1,289	47	\$892	\$1,139	-29%	(\$397)
Corning	35	\$683	84	\$1,594	\$2,036	140%	\$910
Dixon	221	\$4,315	224	\$4,250	\$5,429	1%	(\$65)
Elk Grove							
Folsom							
Galt	204	\$3,983	201	\$3,814	\$4,872	-1%	(\$170)
Gridley	66	\$1,289	75	\$1,423	\$1,818	14%	\$134
Ione	75	\$1,464	40	\$759	\$970	-47%	(\$705)
Jackson							
Lincoln	272	\$5,311	362	\$6,868	\$8,774	33%	\$1,557
Marysville	79	\$1,542	96	\$1,821	\$2,327	22%	\$279
Nevada City							
Oroville	131	\$2,558	109	\$2,068	\$2,642	-17%	(\$490)
Paradise	86	\$1,679	72	\$1,366	\$1,745	-16%	(\$313)
Placerville							
Red Bluff	129	\$2,519	147	\$2,789	\$3,563	14%	\$270
Rio Vista	63	\$1,230	60	\$1,138	\$1,454	-5%	(\$92)
Rocklin	284	\$5,545	291	\$5,521	\$7,053	2%	(\$24)
Willows	93	\$2,074	74	\$1,404	\$1,794	-20%	(\$670)
Yuba City	755	\$14,742	742	\$14,078	\$17,984	-2%	(\$664)
<b>TOTAL:</b>	<b>2728</b>	<b>\$53,523</b>	<b>2821</b>	<b>\$53,523</b>	<b>\$68,375</b>	<b>3%</b>	<b>\$0</b>

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 California's public entities, providing access to:

- Basic program limits of \$1 million with a \$25,000 deductible for each coverage
- The option to buy down the \$25,000 deductible to \$2,500
- Program limits up to \$10 million available
- Faithful performance of duty up to the full employee theft limit
- 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

tecorbett@alliant.com

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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 25, 2020**

**Agenda Item H.4.**

**FY 20/21 IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE  
RENEWAL**

**ACTION ITEM**

**ISSUE:** NCCSIF first purchased ID Fraud coverage for the FY 15/16 policy year. The coverage renews July 1, 2020. The Board is provided the 20/21 Identity Fraud Reimbursement Proposal for their review and approval. Note that there was a slight decrease in premium due to the reduction in participation.

**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 20/21 Identity Fraud Reimbursement Coverage Renewal with Travelers Excess and Surplus Lines Company.

**FISCAL IMPACT:** Total Cost of \$14,020.32, a decrease of \$973.68 over the current premium of \$14,994, including surplus lines taxes and fees.

**BACKGROUND:** The limit of liability is \$25,000 per insured person with \$0 retention per insured person for Identity Fraud Reimbursement Coverage per attached proposal.

ID Fraud Coverage provides all NCCSIF employees with the tools to recover from ID Theft in the event they fall victim to ID Fraud. 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

**ATTACHMENT(S):** FY 20/21 Identity Fraud Expense Reimbursement Renewal Proposal

## Line of Coverage

### IDENTITY FRAUD EXPENSE REIMBURSEMENT

<b>INSURANCE COMPANY:</b>	Travelers Excess and Surplus Lines Company
<b>A.M. BEST RATING:</b>	A++ (Superior); Financial Size Category: XV (\$2 Billion or greater) as of 11/5/2019
<b>STANDARD &amp; POOR'S RATING:</b>	AA (Very Strong) pulled as of 6/3/2020
<b>STATE COVERED STATUS:</b>	Non-Admitted
<b>POLICY/COVERAGE TERM:</b>	July 1, 2020 to July 1, 2021
<b>Named Insured:</b>	Members of the Northern California Cities Self Insurance Fund Full Time and Part Time Employees
<b>Limits:</b>	\$25,000 per insured person
<b>Retention:</b>	\$0 per insured person
<b>Coverage:</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Reimburses the costs and expenses associated with identity recovery, including lost wages, attorney fees, and document replacement fees.</li> </ul>
<b>Exclusions</b> (including but not limited to):	<ul style="list-style-type: none"> <li>• Fraudulent, dishonest or criminal acts</li> <li>• Loss other than expenses</li> <li>• Former employees</li> <li>• Nuclear</li> <li>• War</li> </ul>
<b>Premium:</b>	<b>\$ 13,579.00 Annual Premium</b> <b>\$ 407.37 Surplus Line Taxes</b> <b>\$ 33.95 Stamping Fee</b> <b>\$ 14,020.32 TOTAL</b>

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**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.**

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

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

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

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



## NY Regulation 194

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](http://www.alliant.com), and contact your Alliant service team should you have any questions.

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## 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.

## Other Disclosures/Disclaimers (continued)

### 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.*

### 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 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.



## ■ 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.

## 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
<b>Identity Fraud Expense Reimbursement</b>  <b>D-1 Form</b> <b>Surplus Lines Disclosure Form</b>	<b>July 1, 2020</b>

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.***



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.5.**

**FY 20/21 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 budget to actual revenues and expenses provided by NCCSIF's accountant are used in creating the FY 20/21 budget.

**Administrative Expenses**

- Claim Audits - every year either the Liability or Workers' Compensation (WC) claims are audited. A budgeted expense of \$11,600 is allocated for a Workers' Compensation Claims audit in FY 20/21.
- The Financial Audit remained the same based on new proposal and contract.
- Actuarial Services are expected to increase 2.8%.
- Accounting Services are contracted to increase 3.4%.
- York's Risk Control services are the same as last year based on the current contract, and the rest of the risk control budget is expected to be flat as well.
- State Funding/Fraud Assessment has been estimated to increase by 15% from the actual expense for FY 19/20.
- Total Program Administration costs have increased 3.3% based on the fee schedules in the current program administration and accounting services agreements.

**RECOMMENDATION:** Approve the FY 20/21 NCCSIF Administrative budget as presented.

**FISCAL IMPACT:** Total administrative expenses are estimated to be \$1,390,718, an increase of \$76,095 (5.8%) over FY 19/20.

**BACKGROUND:** None

**ATTACHMENT(S):** FY 20/21 NCCSIF Administration Budget

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

ADMIN BUDGET - Presented at 6.25.20 Board Meeting

July 1, 2020 to June 30, 2021

		WORK COMP	LIABILITY	GROUP PURCHASE	FY 20/21 TOTAL	FY 19/20 PRIOR YEAR	\$ CHANGE	% CHANGE
<b>REVENUES</b>								
Est	WC Program Banking Layer	\$790,216				\$6,501,000	(\$6,501,000)	-100%
Est	WC Program Shared Layer	\$221,500			\$221,500	\$3,560,000	(\$3,338,500)	-94%
Est	WC Program Admin Expense	\$924,122			\$924,122	\$847,151	\$76,971	9%
Est	Excess WC Coverage (EIA)	\$1,820,944			\$1,820,944	\$1,668,420	\$152,524	9%
Est	Liability Program Banking Layer				\$0	\$2,211,000	(\$2,211,000)	-100%
Est	Liability Program Shared Layer				\$0	\$2,374,000	(\$2,374,000)	-100%
Est	Liability Program Admin Expense				\$0	\$467,007	(\$467,007)	-100%
Est	Excess Liability Coverage (CJPRMA)				\$0	\$1,497,548	(\$1,497,548)	-100%
Est	Group Purchase Property Coverage (APIP)				\$0	\$2,102,104	(\$2,102,104)	-100%
Est	Group Purchase Crime Coverage (ACIP)				\$0	\$51,449	(\$51,449)	-100%
Est	Group Purchase Coverage (ADWRP)				\$0	\$11,491	(\$11,491)	-100%
Est	Pass through Cost - Lexipol Fire Manual and DTBs				\$32,888	\$27,099	\$5,789	21%
N/A	Pass through Cost - Appraisal Services			N/A	N/A	N/A		
Est	Pass through Cost - Drone Coverage		\$4,736		\$4,736	\$4,440	\$296	7%
	Pass through Cost - Cordico APP					\$0	\$0	
	Pass through Cost - Laura Cole Retainer					\$0	\$0	
	<b>Total Revenues</b>	<b>\$3,756,782</b>	<b>\$4,736</b>	<b>\$0</b>	<b>\$3,004,190</b>	<b>\$21,322,709</b>		

		WORK COMP	LIABILITY		FY 20/21 TOTAL	FY 19/20 PRIOR YEAR	\$ CHANGE	% CHANGE
<b>EXPENSES</b>								
<b>Administrative Expenses:</b>								
Consultants								
52101	Claims Audit	\$11,600			\$11,600	\$8,500	\$3,100	36.5%
52102	Financial Audit	\$13,850	\$13,850		\$27,700	\$27,700	\$0	0.0%
52103	Legal Services	\$2,000	\$15,000		\$17,000	\$17,000	\$0	0.0%
52104	Actuarial Review	\$5,710	\$7,710		\$13,420	\$13,060	\$360	2.8%
52105	Computer Services				N/A	N/A	N/A	N/A
52106	CAJPA Accreditation (every 3 years: not until 2021)				N/A	N/A	N/A	N/A
52109	Misc. Consulting/Contingency	\$2,500	\$2,500		\$5,000	\$5,000	\$0	0.0%
	<b>Total Consultant Expenses</b>	<b>\$35,660</b>	<b>\$39,060</b>		<b>\$74,720</b>	<b>\$71,260</b>	<b>\$3,460</b>	<b>4.9%</b>

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

ADMIN BUDGET - Presented at 6.25.20 Board Meeting

July 1, 2020 to June 30, 2021

		WORK COMP	LIABILITY	GROUP PURCHASE	FY 20/21 TOTAL	FY 19/20 PRIOR YEAR	\$ CHANGE	% CHANGE
<b>Safety Services:</b>								
52204	Risk Control Services Agreement	\$89,240	\$89,240		\$178,480	\$178,480	\$0	0.0%
52201	Outside Training	\$15,000	\$15,000		\$30,000	\$30,000	\$0	0.0%
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%
52208	Lexipol Police Manual Updates & DTBs	\$144,441			\$144,441	\$140,234	\$4,207	3.0%
52209	Police Risk Management Funds	\$25,000	\$25,000		\$50,000	\$50,000	\$0	0.0%
	<b>Total Safety Services Expenses</b>	<b>\$324,431</b>	<b>\$167,990</b>		<b>\$492,421</b>	<b>\$488,214</b>	<b>\$4,207</b>	<b>0.9%</b>
<b>Claims Administration</b>								
52302	Claims Administration Fee (Reports, etc.) Annual	\$0	\$0		\$0	\$0	\$0	#DIV/0!
	Claims Adjustment Fee*							
52304	State Funding/Fraud Assessment	\$322,284			\$322,284	\$267,699	\$54,585	20.4%
	<b>Total Claims Administration Expenses</b>	<b>\$322,284</b>	<b>\$0</b>		<b>\$322,284</b>	<b>\$267,699</b>	<b>\$54,585</b>	<b>20.4%</b>
<b>Program Administration</b>								
52401	Program Administration and Brokerage Fee	\$159,092	\$190,911		\$350,003	\$338,986	\$11,017	3.2%
52403	Accounting Services	\$54,885	\$54,885		\$109,770	\$106,170	\$3,600	3.4%
	<b>Total Program Administration Expenses</b>	<b>\$213,977</b>	<b>\$245,796</b>		<b>\$459,773</b>	<b>\$445,156</b>	<b>\$14,617</b>	<b>3.3%</b>
<b>Board Expenses</b>								
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%
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$2,500	\$2,500		\$5,000	\$4,800	\$200	4.2%
	<b>Total Board Expenses</b>	<b>\$13,750</b>	<b>\$13,750</b>		<b>\$27,500</b>	<b>\$27,300</b>	<b>\$200</b>	<b>0.7%</b>
<b>OTHER Administration Expenses</b>								
(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	\$14,020	0		\$14,020	\$14,994	-\$974	-6.5%
	<b>Total Other Admin</b>	<b>\$14,020</b>	<b>\$0</b>		<b>\$14,020</b>	<b>\$14,994</b>	<b>-\$974</b>	<b>0.0%</b>
<b>Total Admin Expenses</b>		<b>\$924,122</b>	<b>\$466,596</b>		<b>\$1,390,718</b>	<b>\$1,314,623</b>	<b>\$76,095</b>	<b>5.8%</b>



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.6.a.**

**ADOPTION OF FY 20/21 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 \$750,000 SIR but remain at the \$500,000 SIR with CJPRMA for another year, keeping the savings in the Shared Layer to support the higher SIR next year.

Total funding at an 80% Confidence Level (CL) is estimated at \$7,804,000, an increase of 19% over FY 19/20 funding at the 80% CL. The cap was raised to 30% to adjust for the higher funding level, with three members exceeding the cap and a total of \$148,850 reallocated as indicated in the attached final funding allocation.

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 the program funding, including payroll (5% increase), Banking Layer losses (3% increase), and Shared Layer losses (-28% decrease). Member results and Ex Mod changes are also provided, along with changes in the base rate (7%) and excess insurance (27% increase) common to all members.

**RECOMMENDATION:** Approve funding as presented at the 80% CL for FY 20/21.

**FISCAL IMPACT:** Total funding of \$7,804,000 for the Liability Program.

**BACKGROUND:** Members have steadily increased the Confidence Level of annual funding from 65% to 70%, 75%, 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 in prior years.

**ATTACHMENTS:**

1. Final FY 20/21 Liability Deposit Calculations at the 80% CL
2. Liability Program Funding Changes FY 19/20 to FY 20/21
3. FY 20/21 Net Program Funding Summary

**FY 20/21 NCCSIF General Liability Funding Allocation PRELIMINARY**

**80% Confidence Level**

**Total Admin Expense = \$466,596**

A	B	C	D	E	F	G	H	I	J	K	L
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		H-I	J/I	H + Member % of Total Uncapped Payroll X Capped Amount
<b>Member</b>	<b>2019 Calendar Year Payroll (DE 9)</b>	<b>BANKING LAYER \$0 to \$50K</b> <i>(*Folsom \$0 to</i>	<b>SHARED LAYER \$50K to \$750K</b>	<b>CJPRMA EXCESS LAYER \$500k to \$40M</b>	<b>ADMIN EXPENSE 50%</b>	<b>ADMIN EXPENSE 50%</b>	<b>FY 20/21 TOTAL DEPOSIT</b>	<b>FY 19/20 TOTAL DEPOSIT</b>	<b>\$ Change Overall</b>	<b>% Change Overall</b>	<b>Total FY 20/21 Deposit With Cap of 30%</b>
Rate/Amount	Exposure Base	<b>\$2,410,000</b>	<b>\$3,417,000</b>	<b>\$1,657,048</b>	<b>\$233,298</b>	<b>\$233,298</b>	<b>80% CL</b>	<b>80% CL</b>			<b>\$ 148,850</b>
Anderson	\$4,439,068	\$41,419	\$67,553	\$22,885	\$5,744	\$12,279	\$149,880	\$140,262	\$9,618	6.9%	\$155,973
Auburn	\$6,787,664	\$179,829	\$159,913	\$129,618	\$8,783	\$12,279	\$490,422	\$389,954	\$100,467	25.8%	\$499,738
Colusa	\$2,169,132	\$80,592	\$68,887	\$60,050	\$2,807	\$12,279	\$224,614	\$142,996	\$81,618	57.1%	\$185,895
Corning	\$3,396,902	\$29,953	\$60,125	\$15,054	\$4,395	\$12,279	\$121,806	\$147,589	-\$25,783	-17.5%	\$126,468
Dixon	\$8,894,945	\$33,699	\$87,917	\$3,972	\$11,510	\$12,279	\$149,376	\$187,817	-\$38,441	-20.5%	\$161,585
Elk Grove											
Folsom*	\$44,026,880	\$683,447	\$1,173,071	\$444,392	\$56,968	\$12,279	\$2,370,157	\$1,780,352	\$589,805	33.1%	\$2,314,457
Galt	\$11,673,862	\$127,512	\$144,264	\$73,639	\$15,105	\$12,279	\$372,799	\$366,710	\$6,089	1.7%	\$388,823
Gridley	\$4,192,976	\$47,514	\$82,165	\$25,349	\$5,425	\$12,279	\$172,732	\$158,893	\$13,838	8.7%	\$178,487
Ione	\$1,371,177	\$27,412	\$34,259	\$18,668	\$1,774	\$12,279	\$94,392	\$74,928	\$19,464	26.0%	\$96,274
Jackson	\$2,966,158	\$56,339	\$58,410	\$39,404	\$3,838	\$12,279	\$170,270	\$134,066	\$36,204	27.0%	\$174,342
Lincoln	\$14,946,573	\$178,804	\$272,079	\$107,581	\$19,340	\$12,279	\$590,083	\$459,173	\$130,910	28.5%	\$596,924
Marysville	\$3,591,310	\$103,321	\$77,977	\$75,737	\$4,647	\$12,279	\$273,961	\$236,700	\$37,261	15.7%	\$278,890
Nevada City											
Oroville	\$5,973,585	\$68,005	\$113,946	\$36,736	\$7,729	\$12,279	\$238,695	\$275,677	-\$36,982	-13.4%	\$246,894
Paradise	\$4,387,916	\$81,115	\$71,053	\$54,595	\$5,678	\$12,279	\$224,720	\$186,425	\$38,295	20.5%	\$230,743
Placerville											
Red Bluff	\$6,292,852	\$76,942	\$84,072	\$46,052	\$8,143	\$12,279	\$227,488	\$179,501	\$47,987	26.7%	\$233,352
Rio Vista	\$4,420,757	\$93,805	\$78,459	\$65,808	\$5,720	\$12,279	\$256,071	\$145,409	\$110,662	76.1%	\$189,031
Rocklin	\$22,808,769	\$261,381	\$362,113	\$149,724	\$29,513	\$12,279	\$815,011	\$788,286	\$26,725	3.4%	\$846,318
Willows	\$1,226,079	\$38,752	\$34,139	\$26,850	\$1,586	\$12,279	\$113,606	\$89,490	\$24,116	26.9%	\$115,289
Yuba City	\$26,733,800	\$212,644	\$386,598	\$101,707	\$34,592	\$12,279	\$747,820	\$665,326	\$82,494	12.4%	\$784,515
<b>Total:</b>	<b>\$180,300,406</b>	<b>\$2,422,487</b>	<b>\$3,417,000</b>	<b>\$1,657,048</b>	<b>\$233,298</b>	<b>\$233,298</b>	<b>\$7,803,904</b>	<b>\$6,549,555</b>	<b>\$1,254,349</b>	<b>19.2%</b>	<b>\$7,804,000</b>



NCCSIF Liability Program Funding Changes 19/20 to 20/21

	FY 20/21	FY 19/20	Difference	20/21 \$750K SIR & % v. 19/20	
Base Rate*	\$ 2.722	\$ 2.551	7%	\$3.01	18%
*\$500K SIR and Confidence Level Remains at 80%					

	FY 20/21	FY19/20	Difference
Excess Insurance	\$ 1,898,692	\$ 1,497,548	27%
Represents 16% of the total increase of \$291,337			\$ 401,144

Member Entity	Deposit Premium Change		
	Current Year FY 20/21 \$750K SIR 80% CL	Prior Year FY 19/20 \$500kSIR 80% CL	% Change
City of Anderson	\$155,973	\$140,262	11%
City of Auburn	\$499,738	\$389,954	28%
City of Colusa	\$185,895	\$142,996	30%
City of Corning	\$126,468	\$147,589	-14%
City of Dixon	\$161,585	\$187,817	-14%
Elk Grove			
City of Folsom	\$2,314,457	\$1,780,352	30%
City of Galt	\$388,823	\$366,710	6%
City of Gridley	\$178,487	\$158,893	12%
City of Ione	\$96,274	\$74,928	28%
City of Jackson	\$174,342	\$134,066	30%
City of Lincoln	\$596,924	\$459,173	30%
City of Marysville	\$278,890	\$236,700	18%
Nevada City			
City of Oroville	\$246,894	\$275,677	-10%
Town of Paradise	\$230,743	\$186,425	24%
Placerville			
City of Red Bluff	\$233,352	\$179,501	30%
City of Rio Vista	\$189,031	\$145,409	30%
City of Rocklin	\$846,318	\$788,286	7%
City of Willows	\$115,289	\$89,490	29%
City of Yuba City	\$784,515	\$665,326	18%
<b>Grand Total</b>	<b>\$7,804,000</b>	<b>\$6,549,555</b>	<b>19%</b>

Payroll		
2019 Calendar Year Payroll	2018 Calendar Year Payroll	% Change
\$4,439,068	\$4,213,453	5%
\$6,787,664	\$6,660,680	2%
\$2,169,132	\$2,367,799	-8%
\$3,396,902	\$3,378,660	1%
\$8,894,945	\$8,147,696	9%
\$44,026,880	\$39,112,288	13%
\$11,673,862	\$11,466,918	2%
\$4,192,976	\$4,166,176	1%
\$1,371,177	\$1,470,238	-7%
\$2,966,158	\$2,541,472	17%
\$14,946,573	\$14,440,531	4%
\$3,591,310	\$3,379,108	6%
\$5,973,585	\$5,929,991	1%
\$4,387,916	\$4,656,446	-6%
\$6,292,852	\$6,665,463	-6%
\$4,420,757	\$4,356,061	1%
\$22,808,769	\$22,042,000	3%
\$1,226,079	\$1,200,632	2%
\$26,733,800	\$25,635,916	4%
<b>\$180,300,406</b>	<b>\$171,831,528</b>	<b>5%</b>

Banking Layer Losses \$0-\$50K		
5-Year Avg FYE 2014-18	5-Year Avg FYE 2013-17	% Change
\$23,966	\$25,311	-5%
\$135,738	\$123,569	10%
\$62,886	\$51,012	23%
\$15,764	\$36,244	-57%
\$4,160	\$5,712	-27%
\$465,376	\$509,517	-9%
\$77,116	\$72,664	6%
\$26,546	\$21,386	24%
\$19,550	\$20,119	-3%
\$41,265	\$40,483	2%
\$112,661	\$97,118	16%
\$79,313	\$95,439	-17%
\$38,470	\$59,019	-35%
\$57,173	\$43,734	31%
\$48,227	\$24,734	95%
\$68,915	\$30,088	129%
\$156,794	\$148,674	5%
\$28,118	\$19,765	42%
\$106,509	\$102,327	4%
<b>\$1,568,548</b>	<b>\$1,526,912</b>	<b>3%</b>

Shared Layer Losses \$5K-\$80K		
Shared Layer Totals FYE 2014-18	Shared Layer Totals FYE 2013-17	% Change
\$57,930	\$122,451	-53%
\$285,184	\$675,772	-58%
\$229,678	\$284,234	-19%
\$56,820	\$162,617	-65%
\$0	\$0	0%
\$1,825,591	\$1,713,269	7%
\$115,421	\$301,657	-62%
\$77,499	\$121,636	-36%
\$109,545	\$91,830	19%
\$127,588	\$277,588	-54%
\$389,293	\$363,386	7%
\$151,157	\$354,609	-57%
\$122,147	\$346,629	-65%
\$52,173	\$246,986	-79%
\$36,671	\$38,969	-6%
\$100,360	\$105,550	-5%
\$470,772	\$851,941	-45%
\$31,715	\$108,789	-71%
\$497,820	\$404,830	23%
<b>\$4,737,365</b>	<b>\$6,572,743</b>	<b>-28%</b>

Experience Mod		
FY 20/21	FY 19/20	% Change
0.91	0.98	-6%
1.27	1.44	-12%
1.58	1.25	26%
0.95	1.04	-9%
0.57	0.70	-18%
1.49	1.06	41%
0.70	0.91	-23%
0.91	0.93	-2%
1.31	1.05	24%
1.24	1.24	0%
1.04	0.88	18%
1.22	1.28	-5%
0.90	1.08	-17%
0.87	1.10	-21%
0.73	0.80	-8%
1.02	0.95	7%
0.84	0.99	-15%
1.00	1.04	-4%
0.80	0.67	20%

**FY 20/21 NCCSIF Net Program Funding Summary - Approved 4/23/20 BOD Meeting**

Member Entity	Work Comp Funding 80% CL					NET AMOUNT
	Work Comp Deposit	DIVIDEND		Assessment		
		Banking Layer	Shared Layer	Banking Layer	Shared Layer	
Anderson	\$299,037	\$4,155	\$5,043			\$289,839
Auburn	\$532,092		\$7,973	\$37,345		\$561,464
Colusa	\$143,282	\$5,194	\$2,974			\$135,115
Corning	\$136,383		\$3,668	\$10,000		\$142,714
Dixon	\$771,003	\$38,628	\$10,369			\$722,006
Elk Grove	\$1,935,005		\$8,921	\$168,387		\$2,094,471
Folsom	\$2,285,124	\$115,091	\$48,449			\$2,121,584
Galt	\$732,167		\$11,507	\$29,332		\$749,992
Gridley	\$205,414	\$93,518	\$5,305			\$106,591
Ione	\$93,232		\$1,156	\$10,000		\$102,076
Jackson	\$201,649	\$26,822	\$2,970			\$171,857
Lincoln	\$589,495	\$91,430	\$14,939			\$483,126
Marysville	\$315,602		\$5,347	\$59,405		\$369,660
Nevada City	\$259,309	\$10,951	\$2,855			\$245,504
Oroville	\$475,462	\$136,354	\$9,142			\$329,967
Paradise	\$370,273	\$51,753	\$8,484			\$310,037
Placerville	\$347,449		\$7,898	\$1,948		\$341,499
Red Bluff	\$567,270		\$9,295	\$122,227		\$680,201
Rio Vista	\$234,404	\$16,722	\$4,416			\$213,266
Rocklin	\$1,344,461	\$127,927	\$23,778			\$1,192,756
Willows	\$70,560		\$2,972	\$10,000		\$77,587
Yuba City	\$1,714,194	\$71,671	\$24,039			\$1,618,484
<b>Total:</b>	<b>\$13,622,866</b>	<b>\$790,216</b>	<b>\$221,500</b>	<b>\$448,644</b>	<b>\$0</b>	<b>\$13,059,794</b>

Liability Deposit	Liability Funding 80% CL \$750K SIR				NET AMOUNT
	DIVIDEND		Assessment		
	Banking Layer	Shared Layer	Banking Layer	Shared Layer	
\$155,973	\$24,094				\$131,879
\$499,738	\$24,701				\$475,037
\$185,895			\$33,160		\$219,055
\$126,468	\$28,948				\$97,520
\$161,585	\$32,620				\$128,965
\$2,314,457	\$388,081				\$1,926,376
\$388,823	\$22,320				\$366,503
\$178,487	\$39,936				\$138,551
\$96,274	\$9,981				\$86,293
\$174,342	\$41,854				\$132,488
\$596,924	\$14,226				\$582,698
\$278,890	\$30,519				\$248,371
\$246,894	\$25,785				\$221,109
\$230,743	\$51,695				\$179,048
\$233,352	\$733				\$232,619
\$189,031			\$66,046		\$255,077
\$846,318	\$69,251				\$777,067
\$115,289	\$10,760				\$104,529
\$784,515	\$70,005				\$714,510
<b>\$7,804,000</b>	<b>\$885,509</b>	<b>\$0</b>	<b>\$99,206</b>	<b>\$0</b>	<b>\$7,017,697</b>



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.6.b.**

**ADOPTION OF FY 20/21 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 \$13,622,866, an **increase of 8.3%** over current funding at the 80% CL. This compares favorably to the *total payroll increase of 7%*. The individual funding increase cap of 40% does not apply to any Member this year. The average funding change for the group is 7.5% with an average payroll change of 8.8%.

Excess coverage through CSAC-EIA is \$1,535,744, or \$0.69 per \$100 of payroll, a 4.2% decrease in the current rate of \$0.72. The total 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 (6% increase), and Shared Layer losses (52% increase). Members' Ex Mod changes are also provided, along with changes in the base rate (4%) and excess insurance (-8% decrease) 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 \$13,622,866 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 20/21 Workers' Compensation Deposit Calculations at the 80% CL
2. Workers' Compensation Program Funding Changes FY 19/20 to FY 20/21

**FY 20/21 NCCSIF Workers' Compensation Allocation FINAL**

**80% Confidence Level**

**Total Admin Expense = \$924,122**

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	
Member	FY 20/21 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	CSAC-EIA EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	Final FY 20/21 DEPOSIT	FY 19/20 DEPOSIT	% Change DEPOSIT	Total FY 19/20 Deposit With Cap of 40%	Payroll Change from FY 19/20
Rate/Amount	Exposure Base	\$7,215,000	\$3,948,000	\$1,535,744	\$600,680	\$323,443	80% CL	80% CL		\$ -	
Anderson	\$4,054,052	\$167,639	\$76,191	\$27,663	\$12,842	\$14,702	\$299,037	\$264,058	13.2%	\$299,037	5.6%
Auburn	\$7,039,088	\$295,262	\$139,671	\$59,088	\$23,368	\$14,702	\$532,092	\$410,471	29.6%	\$532,092	11.4%
Colusa	\$2,315,522	\$65,082	\$38,878	\$18,812	\$5,807	\$14,702	\$143,282	\$165,669	-13.5%	\$143,282	7.9%
Corning	\$3,045,046	\$45,984	\$55,542	\$14,659	\$5,496	\$14,702	\$136,383	\$119,780	13.9%	\$136,383	8.0%
Dixon	\$16,104,633	\$411,351	\$199,264	\$111,527	\$34,159	\$14,702	\$771,003	\$605,118	27.4%	\$771,003	45.4%
Elk Grove	\$43,846,037	\$1,005,807	\$634,660	\$193,104	\$86,732	\$14,702	\$1,935,005	\$1,804,257	7.2%	\$1,935,005	5.0%
Folsom	\$45,420,903	\$1,222,600	\$656,282	\$288,995	\$102,545	\$14,702	\$2,285,124	\$2,053,776	11.3%	\$2,285,124	2.0%
Galt	\$12,440,697	\$399,416	\$217,227	\$68,417	\$32,405	\$14,702	\$732,167	\$641,262	14.2%	\$732,167	-0.5%
Gridley	\$4,458,227	\$90,493	\$67,685	\$23,919	\$8,614	\$14,702	\$205,414	\$172,508	19.1%	\$205,414	18.0%
Ione	\$1,615,600	\$39,851	\$24,802	\$10,331	\$3,547	\$14,702	\$93,232	\$82,332	13.2%	\$93,232	18.2%
Jackson	\$2,327,553	\$115,868	\$43,117	\$19,519	\$8,444	\$14,702	\$201,649	\$240,361	-16.1%	\$201,649	2.2%
Lincoln	\$14,194,860	\$279,502	\$188,983	\$80,347	\$25,961	\$14,702	\$589,495	\$567,363	3.9%	\$589,495	12.3%
Marysville	\$4,057,841	\$183,680	\$73,120	\$30,509	\$13,590	\$14,702	\$315,602	\$249,766	26.4%	\$315,602	12.2%
Nevada City	\$2,722,499	\$154,656	\$55,443	\$23,460	\$11,048	\$14,702	\$259,309	\$265,569	-2.4%	\$259,309	-1.2%
Oroville	\$7,199,488	\$256,844	\$131,753	\$51,353	\$20,811	\$14,702	\$475,462	\$522,214	-9.0%	\$475,462	17.0%
Paradise	\$4,650,691	\$216,785	\$93,025	\$29,702	\$16,060	\$14,702	\$370,273	\$412,065	-10.1%	\$370,273	6.3%
Placerville	\$7,602,862	\$163,074	\$109,895	\$44,750	\$15,029	\$14,702	\$347,449	\$314,179	10.6%	\$347,449	5.0%
Red Bluff	\$7,030,038	\$328,248	\$140,331	\$59,032	\$24,957	\$14,702	\$567,270	\$619,779	-8.5%	\$567,270	5.6%
Rio Vista	\$5,260,090	\$106,155	\$69,866	\$33,759	\$9,923	\$14,702	\$234,404	\$195,760	19.7%	\$234,404	4.5%
Rocklin	\$27,167,992	\$713,679	\$397,144	\$158,876	\$60,060	\$14,702	\$1,344,461	\$1,210,112	11.1%	\$1,344,461	2.8%
Willows	\$1,252,800	\$19,994	\$28,597	\$4,744	\$2,523	\$14,702	\$70,560	\$74,122	-4.8%	\$70,560	1.9%
Yuba City	\$23,929,647	\$933,031	\$506,525	\$183,177	\$76,759	\$14,702	\$1,714,194	\$1,586,048	8.1%	\$1,714,194	4.2%
<b>Total:</b>	<b>\$247,736,166</b>	<b>\$7,215,000</b>	<b>\$3,948,000</b>	<b>\$1,535,744</b>	<b>\$600,680</b>	<b>\$323,443</b>	<b>\$13,622,866</b>	<b>\$12,576,571</b>	<b>8.3%</b>	<b>\$13,622,866</b>	<b>7.0%</b>

Actuary/Verification

\$7,215,000

\$3,948,000

est. 3/19

NCCSIF Workers' Compensation Program Funding Changes 19/20 to 20/21

	FY 20/21	FY 19/20	Difference
Base Rate*	4.507	4.346	4%
*Confidence Level Remains at 80%			

	FY 20/21	FY 19/20	Difference
Excess Insurance	\$ 1,535,744	\$ 1,668,420	-8%
			\$ (132,676)

Member Entity	Deposit Premium Change		
	Current Year FY 20/21 80% CL	Prior Year FY 19/20 80% CL	% Change
Anderson	\$299,037	\$264,058	13%
Auburn	\$532,092	\$410,471	30%
Colusa	\$143,282	\$165,669	-14%
Corning	\$136,383	\$119,780	14%
Dixon	\$771,003	\$605,118	27%
Elk Grove	\$1,935,005	\$1,804,257	7%
Folsom	\$2,285,124	\$2,053,776	11%
Galt	\$732,167	\$641,262	14%
Gridley	\$205,414	\$172,508	19%
Ione	\$93,232	\$82,332	13%
Jackson	\$201,649	\$240,361	-16%
Lincoln	\$589,495	\$567,363	4%
Marysville	\$315,602	\$249,766	26%
Nevada City	\$259,309	\$265,569	-2%
Oroville	\$475,462	\$522,214	-9%
Paradise	\$370,273	\$412,065	-10%
Placerville	\$347,449	\$314,179	11%
Red Bluff	\$567,270	\$619,779	-8%
Rio Vista	\$234,404	\$195,760	20%
Rocklin	\$1,344,461	\$1,210,112	11%
Willows	\$70,560	\$74,122	-5%
Yuba City	\$1,714,194	\$1,586,048	8%
<b>Total</b>	<b>\$ 13,622,866</b>	<b>\$12,576,571</b>	<b>8%</b>

Payroll		
Estimated WC FY 20/21 Payroll	Estimated WC FY 19/20 Payroll	% Change
\$4,054,052	\$3,839,020	6%
\$7,039,088	\$6,321,069	11%
\$2,315,522	\$2,146,602	8%
\$3,045,046	\$2,819,170	8%
\$16,104,633	\$11,079,329	45%
\$43,846,037	\$41,758,130	5%
\$45,420,903	\$44,508,834	2%
\$12,440,697	\$12,508,328	-1%
\$4,458,227	\$3,779,000	18%
\$1,615,600	\$1,366,956	18%
\$2,327,553	\$2,276,617	2%
\$14,194,860	\$12,637,876	12%
\$4,057,841	\$3,615,073	12%
\$2,722,499	\$2,754,411	-1%
\$7,199,488	\$6,151,597	17%
\$4,650,691	\$4,375,778	6%
\$7,602,862	\$7,243,503	5%
\$7,030,038	\$6,657,908	6%
\$5,260,090	\$5,031,278	5%
\$27,167,992	\$26,439,316	3%
\$1,252,800	\$1,229,607	2%
\$23,929,647	\$22,955,922	4%
<b>\$247,736,166</b>	<b>\$231,495,324</b>	<b>7%</b>

Banking Layer Losses \$0-\$100K		
5-Year Avg FY 2014-18	5-Year Avg FY 2013-17	% Change
\$113,195	\$99,349	14%
\$184,590	\$130,026	42%
\$32,434	\$49,479	-34%
\$20,967	\$14,146	48%
\$215,520	\$173,525	24%
\$640,469	\$627,721	2%
\$701,134	\$623,807	12%
\$266,123	\$216,464	23%
\$48,290	\$36,609	32%
\$21,555	\$21,013	3%
\$77,669	\$72,982	6%
\$139,928	\$152,559	-8%
\$123,743	\$95,578	29%
\$107,367	\$118,676	-10%
\$160,640	\$205,383	-22%
\$155,037	\$190,055	-18%
\$84,675	\$78,699	8%
\$214,706	\$263,520	-19%
\$48,520	\$32,786	48%
\$423,283	\$383,918	10%
\$11,440	\$10,573	8%
\$588,359	\$553,741	6%
<b>\$4,379,643</b>	<b>\$4,150,611</b>	<b>6%</b>

Shared Layer Losses \$20-\$120K		
Total Incurred Losses FY 2014- 18	Total Incurred Losses FY 2013- 17	% Change
\$540,775	\$347,853	55%
\$883,010	\$408,350	116%
\$155,190	\$211,048	-26%
\$55,263	\$10,713	416%
\$1,059,763	\$673,113	57%
\$3,043,761	\$1,904,843	60%
\$3,116,189	\$1,893,131	65%
\$1,157,038	\$593,110	95%
\$212,681	\$98,333	116%
\$108,853	\$77,853	0%
\$391,283	\$311,283	26%
\$596,104	\$385,582	55%
\$616,227	\$323,658	90%
\$577,529	\$476,544	21%
\$716,504	\$706,633	1%
\$754,643	\$738,295	2%
\$404,529	\$201,593	101%
\$1,006,096	\$929,325	8%
\$156,110	\$40,048	290%
\$1,918,568	\$1,130,232	70%
\$34,813	\$14,813	135%
\$2,843,042	\$1,903,312	49%
<b>\$20,347,971</b>	<b>\$13,379,664</b>	<b>52%</b>

Experience Mod		
FY 20/21	FY 19/20	% Change
1.10	1.09	1%
1.12	0.98	14%
0.97	1.06	-8%
0.85	0.83	2%
1.04	1.07	-3%
0.90	0.88	3%
0.88	0.83	6%
1.04	0.94	11%
0.92	0.88	4%
0.99	1.00	-1%
1.12	1.15	-3%
0.77	0.77	0%
1.16	1.10	6%
1.20	1.27	-5%
1.04	1.18	-12%
1.19	1.36	-13%
0.90	0.87	4%
1.20	1.38	-13%
0.87	0.84	4%
0.95	0.91	4%
0.93	0.91	1%
1.20	1.19	0%



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.7.**

**CONFLICT OF INTEREST CODE**

**ACTION ITEM**

**ISSUE:** The Board of Directors reviews and approves the Conflict of Interest Code every even-numbered year, then authorizes sending the Multi-County Agenda Biennial Notice to the California Fair Political Practices Commission (FPPC) advising whether or not there are updates.

There are no recommended changes to the Code at this time.

**RECOMMENDATION:** Approve the Conflict of Interest Code as presented, with no changes.

**FISCAL IMPACT:** None

**BACKGROUND:** NCCSIF's Conflict of Interest Code was last updated in 2014. The Multi-County Agenda Biennial Notice to the FPPC must be submitted every even-numbered year.

The approved changes at the December 2018 Board meeting are reflected in the attached Draft Conflict of Interest Code. Members of the Risk Management Committee are no longer subject to the Code and are not required to file a form 700 since they make recommendations that are later approved by the Executive Committee and/or Board. This change was made at the request of a Committee member in order to encourage more participation.

**ATTACHMENT(S):**

1. NorCal Cities SIF Conflict of Interest Code
2. 2020 Multi-County Agency Biennial Notice

**CONFLICT OF INTEREST CODE  
FOR THE  
NORTHERN CALIFORNIA CITIES SELF-INSURANCE FUND**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Northern California Cities Self-Insurance Fund (Authority)**.

Individuals holding designated positions shall file their statements of economic interests with the **Authority**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008) Upon receipt of the statements, the Authority shall make and retain copies and forward the originals to the **Fair Political Practices Commission**. Statements may be filed electronically with the **Fair Political Practices Commission**. All statements will be retained by the **Fair Political Practices Commission**.

**CONFLICT OF INTEREST CODE  
FOR THE  
NORTHERN CALIFORNIA CITIES SELF-INSURANCE FUND**

**Appendix A-Designated Positions**

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Program Administrator	1, 2, 3, 4, 5
Claims Administrator	1, 2, 3, 4, 5
Auditor	1, 2, 3, 4, 5
Board Counsel	1, 2, 3, 4, 5

Note: The positions of Program Administrator, Claims Administrator, Board Counsel, and Auditor are filled by outside consultants, but act in a staff capacity.

Consultants/New Positions \*

\*Consultants/new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The President may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The President’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code Sec. 81008)

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The following positions are not covered by the code because the positions manage public investments. Individuals holding such positions must file under Government Code Section 87200 and are listed for informational purposes only.

- Members of the Board of Directors
- Alternate Members of the Board of Directors
- Treasurer
- Consultants who manage public investments

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Section 87200.



**CONFLICT OF INTEREST CODE  
FOR THE  
NORTHERN CALIFORNIA CITIES SELF-INSURANCE FUND**

**Appendix B-Disclosure Categories**

Designated positions must disclosure pursuant to the categories below.

1. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources of the type that contract with the Authority to supply goods, services, materials, or supplies.
2. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that are engaged in the performance of work or services of the type utilized by the Authority, including insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers, and actuaries.
3. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that have filed a claim or have a claim pending that are reviewed and administered by the Authority.
4. Interests in real property located within the Authority's jurisdiction of the type purchased or leased by the Authority for its use.
5. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), which are financial institutions including banks, savings and loan associations and credit unions.

# 2020 Multi-County Agency Biennial Notice

Name of Agency: \_\_\_\_\_

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

Contact Person: \_\_\_\_\_ Phone No. \_\_\_\_\_

Email: \_\_\_\_\_ Alternate Email: \_\_\_\_\_

Counties within Jurisdiction, or for Charter Schools, Counties in which the School is Chartered:  
(if more space is needed, include an attachment):

\_\_\_\_\_

No. of Employees\* \_\_\_\_\_ No. of Form 700 Filers\* \_\_\_\_\_

*\*Including board and committee members*

**Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.**

Please identify which statement accurately describes your agency's status.

- This agency has reviewed its conflict of interest code. The current code designates all positions which make or participate in making governmental decisions. The designated positions are assigned accurate disclosure categories that relate to the job duties of the respective positions. The code incorporates FPPC regulation 18730 so that all relevant Government Code Sections are referenced.
- This agency has reviewed its conflict of interest code and has determined that an amendment is necessary. An amendment may include the following:
  - New positions which involve the making or participating in the making of decisions which may foreseeably have a material impact on a financial interest
  - Current designated positions need renaming or deletion
  - Statutorily required provisions of the code need to be addressed
  - Disclosure categories need revision

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## Verification (to be completed if no amendment is required)

*This multi-county agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.*

\_\_\_\_\_  
*Signature of Chief Executive Officer*

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

All multi-county agencies must complete and return this notice, including those agencies whose codes are currently under review. Please return this notice no later than **October 1, 2020** to the FPPC at [biennialnotice@fppc.ca.gov](mailto:biennialnotice@fppc.ca.gov) or 1102 Q Street, Suite 3000, Sacramento, CA 95811.

[www.fppc.ca.gov](http://www.fppc.ca.gov)  
FPPC Advice: [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov) (866.275.3772)  
Page 1 of 1



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.8.**

**STRATEGIC PLANNING UPDATE**

**ACTION ITEM**

**ISSUE:** The Executive Committee has recommended moving up the date of the next planning meeting from December 10<sup>th</sup> to the meeting scheduled for October 29, to include members of the Risk Management Committee traditionally held before that Board meeting. The Committee also recommended hiring a facilitator for an all-day long-range planning session.

Given the uncertain conditions caused by the extremely hard insurance market as well as the pandemic we are facing the timing is right to consider alternatives to the current structure of the pools' coverage and services. The pool has not conducted a focused strategic planning session for some time and the Program Administrators asked the Executive Committee to consider a facilitated all-day planning session for their October 29 or December 10 meeting.

**RECOMMENDATION:** The Executive Committee recommended to the Board that they approve a full day Strategic Planning Meeting with a Facilitator at the October 29<sup>th</sup>, 2020 Meeting.

**FISCAL IMPACT:** TBD – 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 plan has been updated by the Board at regular Training Day/Planning sessions.

**ATTACHMENT(S):** Revised Strategic Plan as of April, 2020

**NCCSIF STRATEGIC GOALS & ACTION PLAN**

Goals Established: 12/14/17 BOD Long Range Planning meeting *with updated goals from 1/16/20 LRP meeting*

Updated: 5/21/20

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				
<b>What do we want to be when we grow up</b>	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
	2. Expand coverage programs to meet the needs of members as risks change/emerge.	BOD/Alliant	Ongoing	
	3. Review excess coverage options including an enterprise-wide aggregate deductible.	BOD/Alliant	Review Next LRP Meeting	
LRP-2				
<b>What more can NCCSIF do for members</b>	1. Risk Management Goals - goods and services?	BOD, PRMC, Alliant, Bickmore	Ongoing	
	2. "Push" services such as sidewalk repair, crosswalk/road design, others	BOD, York, CJPRMA	Open	
	3. Continued interest in Parametric Coverage: BI for Liability - Civil Disorder, Wildfire Coverage, Active Shooter.	Alliant	Ongoing	
	<i>BOD approved Violent Event sub-limit coverage endorsement under Liability Program at the April Board meeting.</i>			
LRP-3				
	1. Maintain 80% CL funding and increase ability to sustain \$1M SIR	BOD, Alliant, Marta, Actuary	7/1/22	
<b>How do we achieve greatness</b>	<i>BOD approved funding at 80% Confidence Level for both WC and Liability Programs effective 7/1/18.</i>			
		BOD, Alliant, Marta, Actuary	Open	<b>10/25/18</b> BOD Mtg
		<b>3. Continuing to strengthen our financial position by setting new goals in the</b>	<b>BOD</b>	<b>6/30/20</b>



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.9.**

**RESOLUTION 20-04 AUTHORIZING SIGNERS FOR THE INVESTMENT OF  
THE MONIES IN THE LOCAL AGENCY FUND (LAIF)**

**ACTION ITEM**

**ISSUE:** The Board is asked to approve the attached Resolution to add Kristine Haile, as President of NCCSIF, as an authorized signer for the investment of monies in LAIF.

**RECOMMENDATION:** Approval of Resolution 20-04, authorizing the President, Treasurer and Financial Consultant authority to order deposits or withdrawals of monies in LAIF.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Board of Directors must approve a Resolution to authorize the NCCSIF President, Treasurer and Financial Consultant to order the deposits or withdrawal of monies in the Local Agency Investment Fund (LAIF). Records are updated with the Local Agency Investment Fund (LAIF) *as needed* to reflect the newly elected officers of NCCSIF who have the authority to transfer funds to or from LAIF. The transfers are restricted to/from LAIF and NCCSIF's trust account.

**ATTACHMENT(S):** Proposed NCCSIF Resolution 20-04

**REFERENCE:** Government Code Section:

16429.1.(b) Notwithstanding any other law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.





I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 20-04 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Northern California Cities Self Insurance Fund held on the 25<sup>th</sup> day of June 2020, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

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**NCCSIF President**

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**NCCSIF Secretary**



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.10.**

**ELECTRONIC DOCUMENT DELIVERY OPTION**

**ACTION ITEM**

**ISSUE:** In order to comply with federal and state laws regarding the use of electronic documents the members are asked to review their options for document delivery and agree to receive documents and complete transactions electronically for their agencies and for NCCSIF as a whole.

**RECOMMENDATION:** Provide consent for NCCSIF to receive documents electronically and authorize the same for their agencies by signing and returning the attached form.

**FISCAL IMPACT:** Unknown. Potential increased costs for printing and mailing of: applications, proposals, binders, invoices and policies.

**BACKGROUND:** Both the federal E-SIGN\* law and UETA\*\* (the state model law adopted in 47 states), permit the use of electronic signatures, electronic delivery and electronic records to satisfy the “in writing” legal requirements for transactions and permit companies to satisfy statutory record retention requirements solely through the use of electronic records. The statutes require that the party initiating the e-signature and/or e-delivery (Alliant) obtain both the consent of the consumer to complete the transaction electronically and the consent to receive disclosures electronically.

If a member fails to provide a signed Electronic Document Delivery Form all requests for information will be submitted to those members via regular mail.

*\*E-SIGN - the Electronic Signatures In Global and National Commerce Act, 15 U.S.C §70001 et. seq., the federal Electronic Signature law.*

*\*\*UETA - the version of the Uniform Electronic Transactions Act, as published by the National Conference of commissioners on Uniform State Laws and enacted in forty-seven states, as of 7-24-2012 (IL, NY and WA being the three that have not enacted UETA).*

**ATTACHMENT(S):** Electronic Document Delivery Form



## 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**

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Print Name of Authorized Representative

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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.*



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.11.**

**CAJPA REQUEST FOR DONATION-DATA COLLECTION**

**ACTION ITEM**

**ISSUE:** CAJPA has begun a process of collecting public entity claims data in an effort to lobby for tort reform and other related issues important to their members. Due to the extra expense entailed in collecting the data, CAJPA is requesting donations from members and \$10,000 from NCCSIF.

While this is a worthy effort the impact of the contribution is hard to measure at this point. The process will likely proceed, regardless, but may take longer and may not be as effective.

The Program Administrators did not include a donation in the FY 20/21 budget and recommend making any donation from the FY 19/20 budget, given more than \$20,000 unspent in Board meeting expenses.

**RECOMMENDATION:** Discuss and provide direction regarding approval in budget.

**FISCAL IMPACT:** Request for a \$10,000 contribution

**BACKGROUND:** NCCSIF has long been a member of CAJPA and is accredited with Excellence by the group. CAJPA has been successful in lobbying for Workers' Compensation reforms and is trying to do the same for liability. Attached is correspondence from CAJPA explaining the project, contributors so far, and the upcoming deliverables from Phase One.

**ATTACHMENT(S):**

1. Letter from CAJPA-Donation Request
2. CAJPA PE Tort Liability Project Update June 12, 2020

Marcus Beverly  
Northern California Cities Self-Insurance Fund  
2180 Harvard Street, Suite 460  
Sacramento, CA 95815

Dear Marcus:

I am contacting you on behalf of the California Association of Joint Powers Authorities (CAJPA) as a valued member and risk sharing pool advocate. As you know, tort liability costs are a growing issue facing public entities in California which can threaten both the long-term financial stability of an agency as well as the ability to secure essential coverages at a reasonable price. The cost of claims, driven by unexpectedly high jury verdicts, social inflation, settlements and defense costs has created a hard liability insurance market and are placing severe financial pressures on California public entities.

As these challenges became apparent, CAJPA's leadership knew they needed to step up and be not only a resource to our pool members but the loud voice of advocacy for California's risk sharing pools.

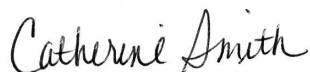
After two years of thoughtful dialogue and research, CAJPA has commissioned a California statewide public sector "Tort Liability Data Analysis Project". After an RFP process was conducted, Aon was selected which began in early 2020. Julie Theirl from Aon is serving as the Project Manager and will be supported by others from Aon including Craig Bowlus and Mujtaba Datoo. In addition, Aon is partnering with Bickmore Actuarial who will assist with the actuarial portion of the project. The goal is to have the results of the project available by the end of 2020. An Advisory Committee is guiding the project through to its conclusion.

Phase One of the project is coming to a conclusion and has been primarily funded by the generous financial support of some of CAJPA members. We are now reaching out to other CAJPA members asking for their consideration of financial support for the remainder of the project.

CAJPA's data analysis project was started prior to the pandemic and we are certainly sensitive to the timing of our request. But with the passage of AB 218, the social inflation that is driving up litigation costs and the unknown impact of COVID-19, we feel this project is more important now than ever. We are asking Northern California Cities Self-Insurance Fund to consider financial support in the amount of \$10000. We will be greatly appreciative of any financial support of this essential project to help us continue to move forward.

If you have any questions or need additional information, please do not hesitate to contact me. The full completion of this project will provide the data that CAJPA will need to educate policymakers and ultimately reform the tort system for public entities in California.

Most sincerely,



Catherine Smith  
Executive Director

**CAJPA PUBLIC ENTITY TORT LIABILITY PROJECT**  
**UPDATE**  
**JUNE 12, 2020**

In late 2019, CAJPA leadership, with support of many of our pool members, commissioned the **CAJPA Tort Liability Data Analysis Project**. This endeavor took place after two years of thoughtful dialogue and research. After an RFP process was conducted, Aon was selected to undertake this study with Julie Theirl as the Project Manager and the support of others from Aon including Craig Bowlus and Mujtaba Dattoo. In addition, Aon is partnering with Bickmore Actuarial who will assist with the actuarial portion of the project.

We greatly appreciate the financial support many of our members have provided. Our hope is to have full participation from California's risk sharing pools to help CAJPA offset the cost of this essential project. To date, the following pools have stepped up to help fund the Tort Liability Project:

ACWA JPIA  
Authority for California Cities Excess Liability (ACCEL)  
Bay Cities Joint Powers Insurance Authority (BCJPIA)  
Butte Schools Self-Funded Programs (BSSFP)  
California Association for Park & Recreation Indemnity (CAPRI)  
California Joint Powers Insurance Authority (CJPIA)  
California Joint Powers Risk Management Authority (CJPRMA)  
California Sanitation Risk Management Authority (CSRMA)  
California Schools Risk Management JPA (CSRMA)  
Central Region School Insurance Group (CRSIG)  
Central San Joaquin Valley Risk Management Authority (CSJVRMA)  
CSAC EIA/PRISM  
Fire Agencies Insurance Risk Authority (FAIRA)  
Golden State Risk Management Authority (GSRMA)  
Independent Cities Risk Management Authority (ICRMA)  
Municipal Pooling Authority (MPA)  
North Bay Schools Insurance Authority (NBSIA)  
Public Agency Risk Sharing Authority of California (PARSAC)  
Public Entity Risk Management Authority (PERMA)  
Redwood Empire Schools Insurance Group (RESIG)  
San Mateo County Schools Insurance Group (SMCSIG)  
Santa Clara County Schools' Insurance Group (SCCSIG)  
Schools Excess Liability Fund (SELF)  
Schools Insurance Authority (SIA)  
Schools Insurance Group (SIG)  
Self-Insured Schools of California (SISC)  
Special District Risk Management Authority (SDRMA)

We know many other CAJPA members are considering providing financial support and we want to thank them as well and offer to provide any additional information they may need to aid in their decision.

The project has two phases. In summary, Phase One, which is nearing completion, involves the collection of ground up, uncapped loss data from all types of entities for all types of tort exposures. The goal of this phase is to gain an accurate perspective of California public entity loss exposures while also helping to form a road map for the next phase of the project. Phase Two will consist of a deeper analysis of certain types of tort losses (yet to be determined). It's anticipated that losses greater than \$500,000 will be analyzed to look for tort reform opportunities. Of particular interest will be claims that contain joint and several liability as well as inverse condemnation. Other areas of focus will be revealed during the analysis of these large losses as part of Phase Two.

The goal is to have the results of the project available by the end of 2020. CAJPA will be reporting out the results first in a members-only forum.

Data for this project has been provided by:

Authority for California Cities Excess Liability (ACCEL)  
ACWA JPIA  
Bay Cities Joint Powers Insurance Authority (BCJPIA)  
CalTIP  
City of Fresno  
California Joint Powers Insurance Authority (CJPIA)  
California Joint Powers Risk Management Authority (CJPRMA)  
County of Los Angeles  
CSAC-EIA/PRISM  
Central San Joaquin Valley Risk Management Authority (CSJVRMA)  
Employment Risk Management Authority (ERMA)  
Independent Cities Risk Management Authority (ICRMA)  
North Bay Schools Insurance Authority (NBSIA)  
Redwood Empire Schools Insurance Group (RESIG)  
San Diego Transit  
Schools Association for Excess Risk (SAFER)  
Special District Risk Management Authority (SDRMA)  
Schools Excess Liability Fund (SELF)  
Schools Insurance Authority (SIA)  
Schools Insurance Group (SIG)  
Self-Insured Schools of California (SISC)

We are coming to the conclusion of Phase One. Anticipated Phase One deliverables include:

- Summary of the data including how it has trended over time
- Claims at varying values to help us determine the Phase Two data parameters
- Claims statistics by subset (cities, counties, schools, special districts, etc.)
- Data geographically (Northern California vs. Southern California)
- Portion of the total California public sector that has been captured in the study

The consultants will be presenting their initial Phase One findings next week to the project's Advisory Committee. The Advisory Committee, who is guiding the project through to its conclusion, is comprised of:

Andy Sells, ACWA JPIA, Committee Chair  
Craig Schweikhard, SMCSIG  
Janet Selby, NSBIA  
Martin Brady, SIA  
Mike Pott, CSAC-EIA/PRISM  
Tony Giles, CJPRMA  
Doug Ross, SAFER  
Erike Young, PARSAC  
Stephan Birgel, ASCIP  
Laura Gill, SDRMA  
Chrissy Mack, CalTIP  
Lam Le, CJPIA  
Norman Lefmann, CJPIA

A Phase One report out to the CAJPA Board of Directors will take place on Friday, June 19, 2020 at their Board meeting.

To give you a snapshot, to-date we have \$8.1B in losses representing 322,000 claims. Of those claims, nearly 3,000 claims have a total incurred value of \$500k+ which will likely be the data set for Phase Two. Aon's team just received loss runs from the last three JPAs which are being aggregated into the study now, so these numbers will change.

After the full completion of this project, CAJPA is hopeful that we will have sufficient data to educate policymakers with a goal to ultimately reform the tort system for public entities in California. We will continue to provide updates as the project moves forward.

If you have questions or need additional information, contact CAJPA Executive Director Catherine Smith at [casmith@cajpa.org](mailto:casmith@cajpa.org).



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 25, 2020**

**Agenda Item H.12.**

**FY 2020/2021 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 On

**BACKGROUND:** None.

**ATTACHMENT(S):** FY 2020/2021 NCCSIF Service Calendar

# 2020-2021 SERVICE CALENDAR



<b>AS</b> = Alliant Insurance Services	<b>BD</b> = Board of Directors
<b>JM</b> = James Marta & Company, CPAs	<b>EC</b> = Executive Committee
<b>SCA</b> = Sedgwick Claims Administrator	<b>RM</b> = Risk Management
<b>SRC</b> = Sedgwick Risk Control	<b>PRM</b> = Police Risk Management
<b>CA</b> = Claims Auditor	<b>FC</b> = Finance Committee
<b>FA</b> = Financial Auditor	<b>PA</b> = Property Appraiser

JULY 2020		
07/01/20	NCCSIF Joint Powers Authority 41 <sup>st</sup> Anniversary	ALL
07/02/20	Send Program Invoices to James Marta & Company for payment	AS
07/05/20	Email Renewal Binders to Members including: GL, WC, Property, Crime <ul style="list-style-type: none"> <li>• GL (NCCSIF &amp; CJPRMA) - MOC, Dec Page &amp; Summary</li> <li>• WC (NCCSIF &amp; CSAC EIA) - MOC, Dec Page &amp; Summary</li> <li>• Property (APIP) - Summary of Insurance</li> <li>• Crime (ACIP) - Summary of Insurance</li> </ul> (Upload binders to AlliantConnect pending receipt of the Policy)	AS
07/10/20	Request Certificate of Insurance from Service Providers and Contractors: Sedgwick, Marta	AS
07/16/20	Collect Q2 DE9 (6/30) from members	AS
07/30/20	PRMC Agenda for 8/6/20 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, BM
07/31/20	Request 06/30 Quarterly Financial Report, Treasurer's Report and LAIF Report from James Marta & Company	AS

AUGUST 2020		
08/01/20	NCCSIF Financial Audit - begin preparation of documents	AS, JM, FA
08/06/20	Police Risk Management Committee Meeting	PRM
08/02/20	Send EIA 21/22 WC Renewal application to Members - due 09/06/20	AS
08/05/20	Finance Committee Meeting (determine need)	AS
08/06/20	Submit Q2 (6/30) DE9 reports to CJPRMA	AS
08/21/20	Begin Public Self-Insurer's Annual Report on DIR OSIP website (need total employee count and 6/30 payroll)	AS
08/24/20	Send Service Providers Survey to Members (Alliant, Sedgwick WC, Sedgwick GL, Sedgwick RC)	AS

SEPTEMBER 2020		
09/04/20	Investment Policy - review and update	JM
09/04/20	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
09/06/20	EIA WC Renewal Application deadline from Members	AS
09/13/20	WC Payroll Audit due to EIA	AS
09/13/20	1 <sup>st</sup> Installment of Assessments - begin collecting as needed	JM
09/15-18/20	CAJPA 2020 Fall Conference - South Lake Tahoe, CA	
09/17/20	EC & Claims Committee Agendas for 09/24/20 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SCA
09/18/20	ALL Service Providers Survey due from members	AS



# 2020-2021 SERVICE CALENDAR



<b>AS</b> = Alliant Insurance Services	<b>BD</b> = Board of Directors
<b>JM</b> = James Marta & Company, CPAs	<b>EC</b> = Executive Committee
<b>SCA</b> = Sedgwick Claims Administrator	<b>RM</b> = Risk Management
<b>SRC</b> = Sedgwick Risk Control	<b>PRM</b> = Police Risk Management
<b>CA</b> = Claims Auditor	<b>FC</b> = Finance Committee
<b>FA</b> = Financial Auditor	<b>PA</b> = Property Appraiser

<b>09/24/20</b>	<b>EC &amp; Claims Committee Meetings</b>	<b>EC</b>
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	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	FY 20/21 WC Claims Auditor Proposal - submit for approval Note: (GL odd-numbered years   WC even-numbered years)	EC
09/20/20	Compile and complete EIA Renewal Application on CSAC EIA website	AS

OCTOBER 2020		
10/01/20	Annual Report of Financial Transactions - deadline	JM
10/01/20	Public Self Insurer's Annual Report for JPA & Members - deadline to file	AS, SCA
10/01/20	Multi-County Agency Biennial Notice (Conflict of Interest Code) - deadline to FPPC every even-numbered years	AS
10/08/20	APIP Pre-Renewal - trending of Property Schedules	AS
10/15/20	File Controller's Report with the State of California	AS, JM
<b>10/16/20</b>	<b>Collect Q3 DE9 (9/30) from members</b>	<b>AS</b>
10/22/20	RMC & BOD Agendas for 10/29/20 meeting - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
<b>10/29/20</b>	<b>Risk Management Committee (Claims Analysis Focus) &amp; BOARD (Finance Focus) Meetings</b>	<b>ALL</b>
Mtg	Quarterly Investment Reports (06/30) - submit for approval	BD
Mtg	Quarterly Financial Report (06/30) - submit for approval	BD
Mtg	FY 19/20 Financial Audit - submit for approval	BD
Mtg	LAIF Report - submit for approval	BD
Mtg	Investment portfolio - review	FC, EC
Mtg	EC Rotation Schedule - submit for approval	BD
Mtg	2021 Officers - submit for election	BD
Mtg	2021 Meeting Calendar - submit for approval	BD
Mtg	2021 Service Calendar - information	BD
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
10/29/20	PRMC Agenda for 11/05/20 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SRC
10/30/20	Request 09/30 Quarterly Financial Report, Treasurer's Report and LAIF Report from James Marta	AS

# 2020-2021 SERVICE CALENDAR



<b>AS</b> = Alliant Insurance Services	<b>BD</b> = Board of Directors
<b>JM</b> = James Marta & Company, CPAs	<b>EC</b> = Executive Committee
<b>SCA</b> = Sedgwick Claims Administrator	<b>RM</b> = Risk Management
<b>SRC</b> = Sedgwick Risk Control	<b>PRM</b> = Police Risk Management
<b>CA</b> = Claims Auditor	<b>FC</b> = Finance Committee
<b>FA</b> = Financial Auditor	<b>PA</b> = Property Appraiser

NOVEMBER 2020		
11/01/20	Prepare NCCSIF Annual Report	AS
11/05/20	<b>Police Risk Management Committee Meeting</b>	<b>PRM</b>
11/05/20	Submit Q3 (9/30) DE9 reports to CJPRMA	AS
11/16-20/20	<b>CalPELRA 2020 Annual Conference - Monterey, CA</b>	
TBD	Perform FY 20/21 WC Claims Audit	CA

DECEMBER 2020		
12/01/20	Mail out Christmas Cards to Members	AS
12/03/20	BOD Agenda for 12/10/20 meeting - email to Board members and upload agenda packet to AlliantConnect and NCCSIF website	AS
12/10/20	<b>Training and BOD Meeting (Long Range Planning as needed or every 3 years: last one 1/2020)</b>	<b>RM, BD</b>
<b>Mtg</b>	Quarterly Investment Reports (09/30) - submit for approval	BD
<b>Mtg</b>	Quarterly Financial Report (as of 09/30) - submit for approval	BD
<b>Mtg</b>	CAJPA Final Accreditation report (every 3 years: last accreditation 2018, next 2021)	BD
<b>Mtg</b>	FY 19/20 Marketing Plan & Renewal Timeline - submit for approval	BD
<b>Mtg</b>	FY 20/21 WC Claims Audit - submit for approval - Auditor makes presentation	BD, CA
<b>Mtg</b>	Sedgwick Workers' Compensation Quarterly Claims Report	SCA
12/02/20	2 <sup>nd</sup> Installment of Assessments - begin collecting (as needed)	JM
12/13/20	Financial Audit - confirm with Marta's office the date they filed to State Controller's office and members' County Auditors	JM
12/20/20	Statement of Facts - Roster of Public Agencies - file with State and County	AS
12/20/20	Determine WCIRB Class Codes Rates from WCIRB.com (update Member Payroll Allocations spreadsheet)	AS

JANUARY 2021		
01/04/21	Request Loss Runs (as of 12/31) from SCA for Liability and WC (separate 4850) - deadline 1/18/21	AS
01/11/21	Preparation for CAJPA Accreditation (every 3 years: last accreditation 2018, <b>next 2021</b> )	AS
01/13/21	<b>Form 700 electronic filing through FPPC's eDisclosure system - email reminder to BOD, Board Alternates and Service Provider Consultants - April 2021</b>	<b>AS</b>
01/15/21	Begin working on Preliminary FY 21/22 Budget	AS, BD
01/15/21	<b>Property Program - prepare and send property schedule to members to review/update - deadline 30 days</b>	<b>AS</b>
01/18/21	Loss and Renewal Instructions - send to Actuary and Marta	AS
01/18/21	Request 12/31 Quarterly Financial Report, Treasurer's Report and LAIF Report from James Marta	AS
01/18/21	Liability and WC renewal loss information - deadline for receipt from SCA	AS
01/18/21	<b>Collect Q4 DE9 (12/31) from members</b>	<b>AS</b>
01/18/21	Input loss data into Budget Spreadsheet	AS
01/18/21	Review service providers/contractors' agreements regarding renewal terms	AS
01/25/21	20/21 APIP Property Policy Notebook (post to AlliantConnect)	AS



# 2020-2021 SERVICE CALENDAR

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<b>FA</b> = Financial Auditor	<b>PA</b> = Property Appraiser

01/28/21	PRMC Agenda for 02/04/21 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SRC
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## FEBRUARY 2021

02/01/21	Renewal Certificate Holder List - send spreadsheet to members to review/update - due 03/01/21	AS
<b>02/04/21</b>	<b>Police Risk Management Committee Meeting</b>	<b>PRM</b>
02/05/21	Submit Q4 (12/31) DE9 reports to CJPRMA	AS
02/08/21	Receive Dividend Calculations and info from CJPRMA Premium Funding	AS, BD
02/08/21	PA to meet to discuss updates to Administrative Costs for Budget	AS
<b>02/08/21</b>	<b>Crime Program - follow up with ACIP for specification, prepare and send renewal applications to Members - due 03/01/21</b>	<b>AS</b>
<b>02/08/21</b>	<b>ID Fraud Renewal Questionnaire - follow up with Travelers for specification, prepare and send to Members - due 03/01/21</b>	<b>AS</b>
02/08/21	EAP - follow up with ACI for specification	
<b>02/08/21</b>	<b>Airport Liability - prepare and send renewal applications to Members - due 03/01/21</b>	<b>AS</b>
<b>02/08/21</b>	<b>Pollution Program - prepare and send renewal applications to Members - due 03/01/21</b>	<b>AS</b>
<b>02/15/21</b>	<b>Property Schedule Renewal due from Members</b>	<b>AS</b>
02/22/21	Property Program - prepare specifications and input to Oasys	AS
02/22/21	Actuarial Study - receive draft and send to Jim Marta	AS, Actuary
02/22/21	Reminder: Form 700s to BOD, Board Alternates and Service Provider Consultants	AS
02/22/21-03/01/21	Banking and Shared Risk Layer Program Deposits - prepare preliminary worksheets, and Shared Risk layer adjustments for FY 21/22	AS
02/22/21	Request Banking Layer adjustments from Jim Marta	AS
<b>TBD</b>	<b>PARMA Annual Risk Management Conference - Location TBD</b>	

## MARCH 2021

<b>03/01/21</b>	<b>Certificate Holder list due from members</b>	<b>AS</b>
03/08/21	Crime Renewal App (including Treasurer Crime) - prepare and submit renewal applications to ACIP for quotation	AS
03/08/21	ID Fraud Coverage - prepare and submit renewal applications to Travelers for quotation	AS
03/08/21	EAP - confirm headcount for quotation	AS
03/08/21	Airport Liability - prepare and submit renewal applications	AS
03/08/21	Pollution Program - prepare and submit renewal applications	AS
03/15/21	Reminder: Form 700s to BOD, Board Alternates, RM Committee members and Service Provider Consultants	AS
03/18/21	EC & Claims Committee Agendas for 03/25/21 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SCA
<b>03/25/21</b>	<b>Executive &amp; Claims Committee Meetings</b>	<b>EC</b>
<b>Mtg</b>	Quarterly Investment Reports (12/31) - submit for review	EC
<b>Mtg</b>	Review and approve actuarial studies	EC
<b>Mtg</b>	Preliminary FY 21/22 Budget - submit for review	EC

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<b>Mtg</b>	Liability and WC Banking & Shared Layer - preliminary deposit calculation for review	EC
<b>Mtg</b>	FY 20/21 WC Claims Audit Report - for review and approval - auditor makes presentation	EC, CA
<b>Mtg</b>	FY 21/22 Claims Audit for GL - evaluate and consider RFP for Claims Auditor (GL odd-numbered years   WC even-numbered years)	EC
03/29/21	Renewal Certificate Holder List updates due to CJPRMA and CSAC-EIA	AS

APRIL 2021		
04/01/21	Form 700s deadline to FPPC	AS
04/15/21	RMC & BOD Agendas for 04/22/21 meetings - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
04/16/21	Collect Q1 DE9 (03/31) from members	AS
04/22/21	<b>Risk Management Committee &amp; Board Meetings</b>	<b>RM, BD</b>
<b>Mtg</b>	Quarterly Investment Reports (12/31) - submit for approval	BD
<b>Mtg</b>	Quarterly Financial Report (12/31) - submit for approval	BD
<b>Mtg</b>	Preliminary FY 21/22 Budget - submit for review	BD
<b>Mtg</b>	Liability and WC Banking & Shared Risk Layers - deposit calculations for review (excess WC & Liability & Admin costs pending)	BD
<b>Mtg</b>	Banking Plan Fund Adjustments - submit for approval	BD
<b>Mtg</b>	Shared Risk Layer Plan Fund Adjustments - submit for approval	BD
<b>Mtg</b>	Actuarial Study - submit for approval	BD
<b>Mtg</b>	Sedgwick Workers' Compensation Quarterly Claims Report	SCA
<b>Mtg</b>	FY 20/21 WC Claims Audit Report - for review and approval - auditor makes presentation	CA, SCA
04/29/21	PRMC Agenda for 05/06/21 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SCA
04/30/21	Request 03/31 Quarterly Financial Report, Treasurer's Report and LAIF Report from James Marta	AS

MAY 2021		
05/03/21	Banking and Shared Risk Layer Adjustments/Assessments - mail to JM for distribution to members	AS
05/03/21	WC Renewal Quotations - check status	AS
05/03/21	Submit Q1 (03/31) DE9 reports to CJPRMA	AS
05/06/21	<b>Police Risk Management Committee Meeting</b>	<b>PRM</b>
05/20/21	EC & Claims Committee Agendas for 05/27/21 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, SCA
05/27/21	<b>Executive &amp; Claims Committee Meetings</b>	<b>EC</b>
<b>Mtg</b>	Quarterly Investment Reports (03/31) - submit for approval	EC
<b>Mtg</b>	Liability and WC Program Deposits - review 2020 revisions	EC
<b>Mtg</b>	FY 21/22 Budget - submit for review	EC
<b>Mtg</b>	Program Administration Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Safety & Risk Control Services Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Liability Claims Administration Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	WC Claims Administration Contract - submit for approval ( <i>as needed</i> )	EC

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<b>Mtg</b>	Accounting Services Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Legal Services Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Conflict of Interest Code-submit for approval (every even years)	EC
<b>Mtg</b>	Property renewal status review	EC
<b>Mtg</b>	Crime renewal quotations review	EC
<b>Mtg</b>	ACI renewal quotations - EAP - submit for approval (as needed)	EC
<b>Mtg</b>	FY 21/22 Liability Memorandum of Coverage - submit for approval	EC
<b>Mtg</b>	FY 21/22 WC Memorandum of Coverage - submit for approval	EC
05/24/21	Obtain necessary signatures to finalize contracts with consultants	AS
05/28/21	Property Program - receive preliminary renewal quotation	AS

<b>JUNE 2021</b>		
06/10/21	RMC and BOD Agendas for 06/17/21 meeting - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
<b>06/17/21</b>	<b>Board Meeting</b>	<b>BD</b>
<b>Mtg</b>	Risk Management Budget - submit for approval	RM
<b>Mtg</b>	Quarterly Investment Reports (03/31) - submit for approval	BD
<b>Mtg</b>	Quarterly Financial Report (03/31) - submit for approval	BD
<b>Mtg</b>	FY 21/22 Budget - submit final for approval	BD
<b>Mtg</b>	FY 21/22 Liability and WC Banking & Shared Risk Layer Program Deposits - submit final for approval	BD
<b>Mtg</b>	FY 21/22 Liability Memorandum of Coverage - submit for approval	BD
<b>Mtg</b>	FY 21/22 WC Memorandum of Coverage - submit for approval	BD
<b>Mtg</b>	Conflict of Interest Code - submit for approval (every even years)	BD
<b>Mtg</b>	APIP Property Program - provide report and allocations on renewal quotes	BD
<b>Mtg</b>	ACIP Crime Program - provide report and allocations on renewal quotes	AS
<b>Mtg</b>	Sedgwick Workers' Compensation Quarterly Claims Report	SCA
06/21/21	Generate and email Auto ID Cards to Members	AS
06/25/21	Generate Certificate Holder Renewal Certificates	AS
06/28/21	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 25, 2020**

**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. NCCSIF Organizational Chart
3. NCCSIF 2020/2021 Meeting Calendar
4. NCCSIF Resource Contact Guide
5. York Who's Who in Claims - WC and Liability Contacts

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
<b>ACV</b> (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).
<b>ATD</b> (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.
<b>AME</b> (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.
<b>ACIP</b> (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.
<b>APIP</b> (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.
<b>ADA</b> (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)
<b>AIS</b> (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.
<b>AGRIP</b> (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



<b>ALCM</b> (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).
<b>ARM</b> (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.
<b>BOD/BD</b> (Board of Directors)	Body of elected or appointed members who jointly oversee the activities of a company or organization.
<b>BI</b> (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.
<b>CAJPA</b> (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.
<b>CIPRA</b> (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
<b>CJPRMA</b> (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to NCCSIF's Liability Program
<b>CSAC</b> (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
<b>CSAC-EIA</b> (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.
<b>CalTIP</b> (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987.
Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members.
<b>CIC</b> (Certified Insurance Counselor)	An insurance agent professional certification designation



<b>CIH</b> (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.
<b>CPCU</b> (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")
<b>C&amp;R</b> (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.
<b>CL</b> (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.
<b>CSP</b> (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

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
<b>DIC</b> (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.
<b>D&amp;O</b> (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
<b>DOL</b> (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
<b>EQ</b> (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
<b>EPL</b> (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
<b>E&amp;O</b> (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
<b>EC</b> (Executive Committee)	Committee within that organization which has the authority to make decisions and ensures that these decisions are carried out.

Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the "Expected" Confidence Level (CL).
Exposure	A condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage).
<b>FASB</b> (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.
<b>GAAP</b> (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
<b>GASB</b> (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).
<b>HIPAA</b> (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
<b>IBNR</b> (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)
<b>IIPP</b> (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
<b>IRIC</b> (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.

<b>ISO</b> (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
<b>LRP</b> (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.
<b>LAE</b> (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
<b>MMI</b> (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
<b>MOC</b> (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

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
<b>P&amp;S</b> (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
<b>PD</b> (Permanent Disability)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached.
<b>PPE</b> (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.
<b>PARMA</b> (Public Agency Risk Managers Association)	A statewide association for risk managers in the public sector. Educational and lobbying activities.

<b>PRIMA</b> (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
<b>QME</b> (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.
<b>RC</b> (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)
<b>RIMS</b> (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
<b>SIR</b> (Self-Insured Retention)	The maximum amount of exposure to a single loss retained by NCCSIF

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.
<b>TD</b> (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.
<b>TPA</b> (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.
<b>TIV</b> (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.
<b>TRIA</b> (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.
<b>VIN</b> (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**  
**2020 Organizational Chart**  
 Updated as of 2/6/2020

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
City of COLUSA	Toni Benson	<i>None Appointed</i>	Toni Benson	Chief Josh Fitch
City of CORNING	Kristina Miller	Tom Watson	Tom Watson	Chief Jeremiah Fears
City of DIXON	Rachel Ancheta	Kim Stalie	Rachel Ancheta	Chief Robert Thompson
City of ELK GROVE	Brad Koehn	Kara Reddig	Jim Ramsey Julie Rucker - Alternate Rep.	Lieutenant Ryan Elmore
City of FOLSOM	*VP / *EC / *CC Jim Francis	*Kristine Haile (Vice-Chair)	Kristine Haile	Chief Rick Hillman
City of GALT	EC / CC Stephanie Van Steyn	Tom Haglund	Stephanie Van Steyn	Chief Tod Sockman (Vice-Chair)
City of GRIDLEY	*EC Vacant	*Elisa Arteaga	Elisa Arteaga	Chief Allen Byers
City of IONE	Jon Hanken	Lori McGraw	Jon Hanken	Chief Tracy Busby
City of JACKSON	Yvonne Kimball	Dalacie Blankenship	Yvonne Kimball	Interim Chief Chris Mynderup
City of LINCOLN	EC / CJPRMA Board Rep Veronica Rodriguez	Ruthann Codina	Veronica Rodriguez	Chief Doug Lee
City of MARYSVILLE	Jennifer Styczynski	Karen Peters	Jennifer Styczynski	Chief Chris Sachs
City of NEVADA CITY	EC Loree' McCay	Catrina Olson	Loree' McCay	Chief Chad Ellis
City of OROVILLE	P / EC / CC Liz Ehrenstrom (Chair)	<i>None Appointed</i>	Liz Ehrenstrom (Chair)	Chief Joe Deal
Town of PARADISE	S / EC / CC Gina Will	Crystal Peters	Crystal Peters	Chief Eric Reinbold
City of PLACERVILLE	Dave Warren	Cleve Morris	Dave Warren	Chief James Ortega
City of RED BLUFF	Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders (Chair)
City of RIO VISTA	*EC Jose Jasso	*Jen Lee, CPA	Jose Jasso	Chief Jackson Harris
City of ROCKLIN	Kimberly Sarkovich	Andrew Schiltz, CPA	Kimberly Sarkovich	Chief Chad Butler
City of WILLOWS	T / EC / CC Tim Sailsbery, CPA	<i>None Appointed</i>	Wayne Peabody	N/A
City of YUBA CITY	Spencer Morrison	Michael Rock	Sheleen Loza	Chief Robert Landon

OFFICERS		
		Term of Office
President (P)	Liz Ehrenstrom	1/1/2019 - 6/30/2020
Vice President (VP)	Kristine Haile	1/1/2019 - 6/30/2020
Treasurer (T)	Tim Sailsbery	1/1/2019 - 6/30/2021
Secretary (S)	Gina Will	9/27/2018 - 6/30/2020

**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)	
Michael Simmons	Marcus Beverly
Conor Boughey	Raychelle Maranan

CLAIMS ADMINISTRATORS (Sedgwick formerly York)
Dorienne Zumwalt
Steven Scott (Workers' Comp)
Jill Petrarca (Liability)

RISK CONTROL CONSULTANTS (Sedgwick formerly York/Bickmore)
Enriqueta "Henri" Castro
Dave Beal
Tom Kline (Police RM)

ADVISORS
Byrne Conley (Board Counsel)
James Marta, CPA (Accountant)



# PROGRAM YEAR 20/21 MEETING CALENDAR

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Thursday, August 6, 2020..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, September 24, 2020 ..... **Claims Committee** at 10:00 a.m.  
*Executive Committee* at 11:30 a.m.

Thursday, October 29, 2020..... **Risk Management Committee** at 10:00 a.m.  
**Board of Directors** at 12 noon

Thursday, November 5, 2020..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, December 10, 2020 ..... **Board of Directors** at 10:00 a.m.

Thursday, February 4, 2021 ..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, March 25, 2021 ..... **Claims Committee** at 10:00 a.m.  
*Executive Committee* at 11:30 a.m.

Thursday, April 22, 2021 ..... **Risk Management Committee** at 10:00 a.m.  
**Board of Directors** at 12 noon

Thursday, May 6, 2021 ..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, May 27, 2021 ..... **Claims Committee** at 10:00 a.m.  
*Executive Committee* at 11:30 a.m.

Thursday, June 17, 2021 ..... **Board of Directors** at 10:00 a.m.

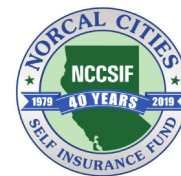
Meeting Location: Rocklin Event Center - Garden Room (August 2020 to December 2020)  
2650 Sunset Blvd., Rocklin, CA 95677

**TBD** (February 2021 to June 2021)

Note: Additional Claims Committee Meetings may be scheduled as needed for Claims Authority approval which will be held via teleconference.

# 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	CSAC-EIA	TARGET SOLUTIONS	OCCU - MED	APIP	LEXIPOL	ACI EAP	CAL-TIP	DKF SOLUTIONS/ CSRMA
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.



# RESOURCE CONTACT GUIDE

## SERVICE PROVIDERS AND VENDOR MATRIX

### PROGRAM SERVICE PROVIDERS

SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED	
<p>PROGRAM ADMINISTRATION</p> <p><b>Alliant Insurance Services, Inc.</b>            2180 Harvard Street, Suite 460            Sacramento, CA 95815            Main: (916) 643-2700            Fax: (916) 643-2750  <a href="http://www.alliant.com">www.alliant.com</a></p>	<p><b>Marcus Beverly</b>            Office: (916) 643-2704            Cell: (916) 660-2725  <a href="mailto:Marcus.Beverly@alliant.com">Marcus.Beverly@alliant.com</a></p> <p><b>Michael Simmons</b>            Office: (415) 403-1425            Cell: (925) 708-3374  <a href="mailto:msimmons@alliant.com">msimmons@alliant.com</a></p> <p><b>Raychelle Maranan</b>            Office: (916) 643-2712  <a href="mailto:Raychelle.Maranan@alliant.com">Raychelle.Maranan@alliant.com</a></p>	<p><i>JPA MANAGEMENT ISSUES</i></p> <ul style="list-style-type: none"> <li>▪ <b>Governance</b> - policies and procedures, program budget/funding, financial analysis, program management, personnel, contracts, consultants.</li> <li>▪ <b>Coverage</b> - 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.</li> <li>▪ <b>Risk Management</b> - 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.</li> </ul>	<p><b>MAIN CONTACT</b>            Marcus Beverly            Michael Simmons            Raychelle Maranan</p>
		<p><i>JPA ADMINISTRATIVE ISSUES</i></p> <ul style="list-style-type: none"> <li>▪ <b>Meetings &amp; Compliance</b> - agendas; minutes; development/maintenance of governing documents, development/interpretation of policies &amp; procedures, JPA state compliance, Form 700, changes in Board members, website updates.</li> <li>▪ <b>Certificates</b> - certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs.</li> </ul>	<p><b>MAIN CONTACT</b>            Raychelle Maranan            Marcus Beverly</p>



# RESOURCE CONTACT GUIDE

## SERVICE PROVIDERS AND VENDOR MATRIX

### PROGRAM SERVICE PROVIDERS

SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED
<p>ACCOUNTING SERVICES</p> <p><b>James Marta &amp; Company LLP</b>            701 Howe Avenue, Suite E3            Sacramento, CA 95825            Main: (916) 993-9494            Fax: (916) 993-9489  <a href="http://www.jpmpcpa.com">www.jpmpcpa.com</a></p>	<p><b>Jim Marta, CPA</b>  <a href="mailto:jmarta@jpmpcpa.com">jmarta@jpmpcpa.com</a></p> <p>David Becker, CPA</p>	<ul style="list-style-type: none"> <li>▪ Billing, accounting and financial managements</li> </ul>
<p>SAFETY AND RISK CONTROL SERVICES</p> <p><b>Sedgwick</b>  <i>formerly York/Bickmore</i>            1750 Creekside Oaks Drive, Suite 200,            Sacramento, CA 95833            Main: (800) 541-4591            Fax: (855) 242-8919  <a href="http://www.sedgwick.com">www.sedgwick.com</a></p>	<p><b>Enriqueta Castro</b>            Office: (916) 244-1107  <a href="mailto:enriqueta.castro@sedgwick.com">enriqueta.castro@sedgwick.com</a></p> <p><b>Dave Beal</b>            Office: (916) 244-1127  <a href="mailto:dave.beal@sedgwick.com">dave.beal@sedgwick.com</a></p> <p><b>Tom Kline</b> - Police Risk Management            Office: (916) 244-1121  <a href="mailto:thomas.kline@sedgwick.com">thomas.kline@sedgwick.com</a></p>	<ul style="list-style-type: none"> <li>▪ Telephone Hotline - Questions &amp; Guidance</li> <li>▪ Hazard &amp; Safety Assessment</li> <li>▪ Program/Policy Development</li> <li>▪ Ergonomic Evaluations</li> <li>▪ On-site Training</li> <li>▪ Safety Materials</li> <li>▪ On-line Streaming Videos</li> <li>▪ Webinars - WC and Liability Risk Management Topics</li> </ul>
<p>CLAIMS ADMINISTRATION</p> <p><b>Sedgwick</b>  <i>formerly York Risk Services Group, Inc.</i>            P.O. Box 619079            Roseville, CA 95661-9058            Main: (916) 783-0100            Fax: (866) 548-2637  <a href="http://www.sedgwick.com">www.sedgwick.com</a></p>	<p><b>Dorienne Zumwalt</b>            Office: (916) 960-1017  <a href="mailto:dorienne.zumwalt@sedgwick.com">dorienne.zumwalt@sedgwick.com</a></p> <p><b>Steven Scott</b> - WC Senior Manager            Office: (916) 960-0946  <a href="mailto:steven.scott@sedgwick.com">steven.scott@sedgwick.com</a></p> <p><b>Jill Petrarca</b> - Liability Senior Manager            Office: (916) 746-8849  <a href="mailto:jill.petrarca@sedgwick.com">jill.petrarca@sedgwick.com</a></p>	<p>Third-Party Workers' Compensation (WC) and Liability Claims Administrator --refer to York's <i>Who's Who in Claims for specific Claim Adjuster's contact information.</i></p> <p>Report New Liability Claims to:  <a href="mailto:NCaYorkLiabilityClaims@yorkrsg.com">NCaYorkLiabilityClaims@yorkrsg.com</a></p>



# RESOURCE CONTACT GUIDE

## SERVICE PROVIDERS AND VENDOR MATRIX

OTHER COVERAGE PROVIDERS		
SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED
<b>CSAC-EIA</b> Excess Workers' Compensation Coverage	Travis Clemmer Kristen Calderon (video library) Office: (916) 850-7300 Email: <a href="mailto:tclemmer@csac-eia.org">tclemmer@csac-eia.org</a> <a href="http://www.CSAC-EIA-eia.org">www.CSAC-EIA-eia.org</a>	<ul style="list-style-type: none"> <li>▪ Program/Policy Development (*additional member cost)</li> <li>▪ On-site Training</li> <li>▪ Safety Materials</li> <li>▪ Video Library</li> <li>▪ Webinars - WC Risk Management Topics</li> </ul>
<b>Target Solutions</b> Web-based Resources available through partnership with CSAC-EIA	<a href="http://csac-eia.targetolutions.com/">http://csac-eia.targetolutions.com/</a>	<ul style="list-style-type: none"> <li>▪ Web-based Courses*</li> <li>▪ Records Management</li> </ul> <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>
<b>CJPRMA (California Joint Powers Risk Management Authority)</b> Excess Liability Coverage	Tony Giles - General Manager Office: (925) 290-1316 Email: <a href="mailto:tony@cjprma.org">tony@cjprma.org</a> <a href="http://www.cjprma.org/">http://www.cjprma.org/</a>	<ul style="list-style-type: none"> <li>▪ Regional Training provided on a variety of Liability-related Topics</li> </ul>
<b>APIP - Alliant Property Insurance Program</b>	Contact Marcus Beverly, Alliant Insurance Services, for questions.	<ul style="list-style-type: none"> <li>▪ Webinars - Property Risk Management Topics</li> </ul> <p>In addition, <b>Boiler and Machinery coverage</b> is provided through your participation in APIP.</p> <ul style="list-style-type: none"> <li>➤ For resources with your boiler, electrical, mechanical, and HVAC equipment, visit <a href="http://www.hsb.com/calc/ENG">www.hsb.com/calc/ENG</a> and use the online tools and calculators developed by Hartford Steam Boiler's engineering staff.</li> <li>➤ Useful information specific to equipment care, operating logs and maintenance fact sheets on the website <a href="http://www.hsb.com">www.hsb.com</a> which has several resources available under the 'Knowledge Center' tab.</li> </ul>



## RESOURCE CONTACT GUIDE

### SERVICE PROVIDERS AND VENDOR MATRIX

<p><b>Lexipol</b> Law Enforcement and Fire risk management</p> <p>Website: <a href="http://www.lexipol.com">www.lexipol.com</a></p>	<p>Dale Cephers West Region Market Development Executive Office: (469) 731-4685 Email: <a href="mailto:dcephers@lexipol.com">dcephers@lexipol.com</a></p>	<ul style="list-style-type: none"> <li>▪ Police Risk Management Policies and Procedures</li> <li>▪ Fire Training (*additional member cost)</li> </ul>
<p><b>CalTIP - California Transit Indemnity Pool</b> Self-insurance program for public transit operators</p>	<p>Terrie Norris, Sedgwick Office: (916) 290-4655 Email: <a href="mailto:terrie.norris@sedgwick.com">terrie.norris@sedgwick.com</a> Website: <a href="http://www.caltiponline.org/">http://www.caltiponline.org/</a></p>	<ul style="list-style-type: none"> <li>▪ Transit Specific Risk Management Resources for Member Cities (Auburn and Dixon)</li> </ul>
<p><b>CSRMA - California Sanitation Risk Management Authority</b> Web-based risk control services available through CJPRMA partnering agreement</p>	<p>David Patzer CSRMA Risk Control Advisor DKF Solutions Group, LLC <a href="http://www.dkfsolutions.com">www.dkfsolutions.com</a> Cell: (707) 373-9709 Fax: (707) 647-7200</p>	<ul style="list-style-type: none"> <li>▪ CSRMA's online library of courses available on Target Solutions account</li> <li>▪ Risk Control Online (<a href="https://www.riskcontrolonline.com">https://www.riskcontrolonline.com</a>)             <ul style="list-style-type: none"> <li>- CalOSHA Training Requirements web app</li> <li>- Interactive CalOSHA Self Audit web app</li> <li>- On Demand Webinar Library</li> <li>- Risk Control Survey web app</li> <li>- Job Competency Based Training Builder</li> <li>- DOT Drug and Alcohol Testing Advisor</li> <li>- Contractor Safety Program Builder</li> <li>- Business Continuity Plan Builder</li> <li>- Smart SOP mobile app</li> </ul> </li> </ul>



# 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><b>ACI Specialty Benefits Corporation</b> 6480 Weathers Place, Suite 300 San Diego, CA 92121 Main: (800) 932-0034 Fax: (858) 452-7819 <a href="http://www.acieap.com">www.acieap.com</a></p>	<p>Kathryn Dobkin, Account Executive Office: (858) 736-0031 Email: <a href="mailto:kathrynd@acispecialtybenefits.com">kathrynd@acispecialtybenefits.com</a></p>	<ul style="list-style-type: none"> <li>▪ Employee Assistance Program</li> </ul>
<p>Pre-employment Medical Services</p> <p><b>Occu-Med</b></p>	<p>Bill Vogeler Office: (559) 435-2800, ext. 101 Email: <a href="mailto:bvogeler@occu-med.com">bvogeler@occu-med.com</a> Website: <a href="http://www.occu-med.com">www.occu-med.com</a></p>	<ul style="list-style-type: none"> <li>▪ Review of Pre-placement Medical Exams</li> <li>▪ Job Analysis</li> </ul>
<p>Sewer Risk Management</p> <p><b>DKF Solutions Group, LLC</b></p>	<p>David Patzer Office: 707.373.9709 Email: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a> Website: <a href="http://www.dkfsolutions.com">http://www.dkfsolutions.com</a></p>	<ul style="list-style-type: none"> <li>▪ Sewer Risk Management</li> </ul>
<p>Aquatics Risk Management</p> <p><b>Total Aquatic Management</b> <a href="http://www.totalaquaticmanagement.webs.com">www.totalaquaticmanagement.webs.com</a></p>	<p>Jim Wheeler Office: (510) 523-3155 Email: <a href="mailto:jim@totalaquaticmanagement.com">jim@totalaquaticmanagement.com</a> <a href="mailto:swimnjim@hotmail.com">swimnjim@hotmail.com</a></p>	<ul style="list-style-type: none"> <li>▪ Aquatic Safety services</li> <li>▪ Certified Pool Operator (CPO) Trainings</li> </ul>
<p>Sidewalk Repair Services</p> <p><b>Precision Concrete Cutting</b> Main: (866) 792-8006 Fax: (650) 240-3866 <a href="http://www.dontgrind.com">www.dontgrind.com</a></p>	<p><b>Katrina Lynch</b> (916) 847-7346 <a href="mailto:Klynch@dontgrind.com">Klynch@dontgrind.com</a></p> <p><b>Joseph Ortega</b> <a href="mailto:jortega@DontGrind.com">jortega@DontGrind.com</a></p>	<ul style="list-style-type: none"> <li>▪ Sidewalk cutting to repair defects</li> <li>▪ Will inspect to your specifications</li> <li>▪ Map defects</li> <li>▪ Repairs @ \$35 to \$50 per location</li> </ul>



# RESOURCE CONTACT GUIDE

## SERVICE PROVIDERS AND VENDOR MATRIX

CONTRACTED VENDOR SERVICES (additional member cost)		
VENDOR SERVICES	VENDOR CONTACT INFORMATION	SERVICES PROVIDED
ADA Compliance	<b>City Consulting Engineer - CEC Inc. Yuba City</b> 1110 Civic Center Blvd. Ste. 404 Yuba City, CA 95993 Email: <a href="mailto:Swartz@cecusa.net">Swartz@cecusa.net</a> (530) 751-0952	
ADA Compliance	<b>Sally Swanson Architects</b> 220 Sansome Street. STE 800 San Francisco, CA 94104 (415) 445-3045 ext. 118	
ADA Compliance	<b>SZC Consulting Group</b>  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	<b>Gordon Mann - Consulting Arborist</b> California Tree and Landscape Consulting, Inc. & Mann Made Resources 10556 Combie Road Auburn, CA 95602 Cell: (650) 740-3461 Email: <a href="mailto:gordon@mannandtrees.com">gordon@mannandtrees.com</a> website: <a href="https://mannandtrees.com/">https://mannandtrees.com/</a>	<ul style="list-style-type: none"> <li>▪ Contract Preparation and Supervision</li> <li>▪ Diagnosis of Tree and Landscape Problems</li> <li>▪ Insect and Disease Identification and Management</li> <li>▪ Municipal Ordinance Development</li> <li>▪ Training and Education, Tree, Landscape, and Nursery Appraisals</li> <li>▪ Tree Plant Inventories</li> <li>▪ Tree Protection for Construction Projects</li> <li>▪ Tree Risk Assessments and Surveys</li> </ul>





# RESOURCE CONTACT GUIDE

## SERVICE PROVIDERS AND VENDOR MATRIX

CONTRACTED VENDOR SERVICES (additional member cost)		
VENDOR SERVICES	VENDOR CONTACT INFORMATION	SERVICES PROVIDED
Arborist	<b>Professional Landscape Solutions</b> 6108 27th Street, Ste. C Sacramento, CA 95822 (916) 424-3815	
Drug & Alcohol Testing	<b>Datco Services Corporation</b> 2280 Grass Valley Highway Suite 232 Auburn, CA 95603 530-268-8101 (800) 95-DATCO (32826)	
Drug & Alcohol Testing	<b>Feather River Hospital</b> 5974 Pentz Road Paradise, CA 95969 (530) 876-7919	
Janitorial Services	<b>City Wide</b> 6108 27th Street STE C Sacramento, CA 95822 (916) 424-3815	
Janitorial Services	<b>Peerless Building Maintenance</b> 4665 Mountain Lakes Blvd. Redding, CA 96003 (530) 222-6369	
Janitorial Services	<b>Ultimate Building Maintenance Inc</b> 598 Garden Hwy Suite 5 Yuba City, CA 95591 (530) 671-1564	



# RESOURCE CONTACT GUIDE

## SERVICE PROVIDERS AND VENDOR MATRIX

### RISK MANAGEMENT SERVICE CATEGORY

<b>Telephone Hot Line Questions/Guidance</b>	<p><b>SEDGWICK (formerly York/Bickmore)</b> Sedgwick is NCCSIF’s risk control services provider. Dave Beal is your point of contact for risk management questions and guidance.</p>																																				
<b>Hazard &amp; Safety Assessment</b>	<p><b>SEDGWICK (formerly York/Bickmore)</b> A comprehensive Hazard &amp; 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:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">1. Risk Management Program Overview</td> <td style="width: 33%;">12. Emergency Response &amp; Management</td> <td style="width: 33%;">23. Lockout-Tagout</td> </tr> <tr> <td>2. Aerial Lift Operations</td> <td>13. Employment Practices Liability</td> <td>24. Parks &amp; Recreation Operations</td> </tr> <tr> <td>3. Aerosol Transmissible Diseases (ATD) Control</td> <td>14. Ergonomic Injury Management</td> <td>25. Personal Protection Equipment</td> </tr> <tr> <td>4. ADA Compliance</td> <td>15. Fire Department Operations</td> <td>26. Police Department Operations</td> </tr> <tr> <td>5. Animal Control Services</td> <td>16. Fire Prevention Program</td> <td>27. Respiratory Protection Program</td> </tr> <tr> <td>6. Automobile &amp; Fleet Liability</td> <td>17. Forklifts &amp; Powered Industrial Trucks</td> <td>28. Return-to-Work &amp; Transitional Duty</td> </tr> <tr> <td>7. Blood Borne Pathogens ECP</td> <td>18. Hazard Communication Program</td> <td>29. Sewers Liability Management</td> </tr> <tr> <td>8. Business Continuity Plan</td> <td>19. Hearing Conservation Program</td> <td>30. Sidewalks Liability Management</td> </tr> <tr> <td>9. Confined Space Entry Program</td> <td>20. Heat Illness Prevention Program</td> <td>31. Traffic Engineering</td> </tr> <tr> <td>10. Contractor Selection &amp; Control</td> <td>21. Information Technology</td> <td>32. Trenching &amp; Excavation Operations</td> </tr> <tr> <td>11. Contractual Transfer of Risk</td> <td>22. Injury &amp; Illness Prevention Program</td> <td>33. Urban Forest Management</td> </tr> <tr> <td></td> <td></td> <td>34. Work Zone Safety</td> </tr> </table>	1. Risk Management Program Overview	12. Emergency Response & Management	23. Lockout-Tagout	2. Aerial Lift Operations	13. Employment Practices Liability	24. Parks & Recreation Operations	3. Aerosol Transmissible Diseases (ATD) Control	14. Ergonomic Injury Management	25. Personal Protection Equipment	4. ADA Compliance	15. Fire Department Operations	26. Police Department Operations	5. Animal Control Services	16. Fire Prevention Program	27. Respiratory Protection Program	6. Automobile & Fleet Liability	17. Forklifts & Powered Industrial Trucks	28. Return-to-Work & Transitional Duty	7. Blood Borne Pathogens ECP	18. Hazard Communication Program	29. Sewers Liability Management	8. Business Continuity Plan	19. Hearing Conservation Program	30. Sidewalks Liability Management	9. Confined Space Entry Program	20. Heat Illness Prevention Program	31. Traffic Engineering	10. Contractor Selection & Control	21. Information Technology	32. Trenching & Excavation Operations	11. Contractual Transfer of Risk	22. Injury & Illness Prevention Program	33. Urban Forest Management			34. Work Zone Safety
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# RESOURCE CONTACT GUIDE

## SERVICE PROVIDERS AND VENDOR MATRIX

<b>Program &amp; Policy Development</b>	<p><b>SEDGWICK (formerly York/Bickmore)</b> Our risk control service includes assistance with the development and implementation of Cal/OSHA required written programs such as Injury &amp; 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><b>CSAC-EIA (Additional Cost)</b> CSAC-EIA loss prevention specialists are available to provide assistance with program development at an additional cost to NCCSIF members. Contact CSAC-EIA directly for assistance.</p> <p><b>LEXIPOL</b> NCCSIF members have access to the law enforcement and fire risk management policies offered through Lexipol.</p>
<b>On-Site Training</b>	<p><b>SEDGWICK (formerly York/Bickmore)</b> 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><b>CSAC-EIA</b> CSAC-EIA 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><b>CJPRMA</b> 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>
<b>Ergonomic Evaluations</b>	<p><b>SEDGWICK (formerly York/Bickmore)</b> 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

<p><b>Risk Management Webinars</b></p>	<p><b>SEDGWICK (formerly York/Bickmore)</b>          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><b>CSAC-EIA</b>          CSAC-EIA 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><b>APIP</b>          NCCSIF members have access to all APIP property related webinars. Contact Marcus Beverly to ensure your city is included in the announcement distribution.</p>
<p><b>Employer Pull Notice Program</b></p>	<p><b>CSAC-EIA &amp; TARGET SOLUTIONS (Additional cost to members)</b>          CSAC-EIA 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 <a href="http://www.CSAC-EIA-eia.org">www.CSAC-EIA-eia.org</a>, Services/Loss Prevention/Target Solutions Platform.</p>



# RESOURCE CONTACT GUIDE

## SERVICE PROVIDERS AND VENDOR MATRIX

<p><b>Pre-Employment Medical Services</b></p>	<p><b>OCCU-MED</b>  <b>Services offered at an additional cost:</b></p> <ul style="list-style-type: none"> <li>▪ Review of Pre-Placement Medical Exams</li> <li>▪ Job Analysis</li> <li>▪ Maintaining a network of qualified and trained medical providers and medical specialists for necessary exams</li> <li>▪ Conducting job analyses and preparing job profiles and medical examination profiles</li> <li>▪ Providing orientation of client staff in the legal/medical/risk management and human resources aspects of our service</li> <li>▪ Scheduling and harvesting of pre-placement medical exams</li> <li>▪ Organizing and managing return-to-work and fitness-for-duty exams</li> <li>▪ Evaluating medical information in relation to the essential duties of jobs in a legally defensible manner (EXAMQA®)</li> <li>▪ Communicating directly with applicants to obtain the confidential medical information that is needed for clearance for a particular job (RDQA)</li> <li>▪ 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</li> <li>▪ Performing bill review for the medical exams performed by clinics</li> <li>▪ Providing customized services such as OSHA Respirator Questionnaire Evaluations, Bloodborne Pathogen Programs, and clinic trainings</li> </ul>
<p><b>Employee Assistance Program</b></p>	<p><b>ACI</b>  <b>Services offered at an additional cost:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Employee Assistance Program (Additional cost to members)</b>            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.</li> <li>▪ <b>Legal and Financial Services (Additional cost to members)</b>            Employees and their family members have unlimited access to telephonic legal and financial services.</li> </ul>



# 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



**York Risk Services Group, Inc.  
Who's Who in Claims  
Workers' Compensation Contacts**

**Kara Kennedy**  
Senior Claims Examiner  
(916) 960-0920  
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**Rachelle Duesing**  
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Placerville

**Jennifer Gorgen**  
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**Catherine Clark**  
Claims Examiner  
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Anderson, Colusa, Corning, Dixon, Folsom,  
Ione, Jackson, Lincoln (Fire), Nevada City,  
Rio Vista, Rocklin

**Kristin Farley**  
Claim Examiner  
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Medical Only claims

**Rebecca Summers**  
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**Steven Scott**  
Unit Manager  
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[steven.scott@yorkrisk.com](mailto:steven.scott@yorkrisk.com)

**Resources**

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Workers' Compensation  
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**Dori Zumwalt**  
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Client Services  
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[dorienne.zumwalt@yorkrisk.com](mailto:dorienne.zumwalt@yorkrisk.com)

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