

Insurance Proposal Prepared For

City of Temecula

41000 Main Street
Temecula, CA 92590

Presented: May 21, 2019



Arthur J. Gallagher & Co.

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Our Team and Commitment

Service Team

Susan Blankenburg has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE	EMAIL
Susan Blankenburg Area Executive Vice President	1 (415) 536-8417	Susan_Blankenburg@ajg.com
Eric Kikalo Client Service Manager	1 (415) 536-4053	Eric_Kikalo@ajg.com
Ron Green Certificate Unit / Senior Client Service Associate	1 (415) 536-8432	Ron_Green@ajg.com

Arthur J. Gallagher & Co. Insurance Brokers of CA., Inc.
Main Office Phone Number: **(415) 546-9300**

Your Program

City of Temecula

Named Insured

LINE OF COVERAGE	NAMED INSURED
Liability	<ol style="list-style-type: none"> 1. City of Temecula 2. Temecula Community Services District, 3. Oversight Board and The Successor Agency to the Redevelopment Agency, 4. Redevelopment Agency for the City of Temecula, 5. Temecula Public Financing Authority, 6. Temecula Housing Authority, 7. Industrial Development Authority of the City of Temecula
Workers' Compensation	<ol style="list-style-type: none"> 1. City of Temecula 2. Temecula Community Services District, 3. Oversight Board and The Successor Agency to the Temecula Redevelopment Agency, 4. Redevelopment Agency of the City of Temecula, 5. Temecula Public Financing Authority 6. Temecula Housing Authority
Property	<ol style="list-style-type: none"> 1. City Temecula, 2. Temecula Community Services District, 3. Oversight Board and The Successor Agency to the Temecula Redevelopment Agency, 4. Redevelopment Agency of the City of Temecula, 5. Temecula Public Financing Authority, 6. Temecula Housing Authority
Earth Movement & Flood (DIC)	<ol style="list-style-type: none"> 1. City Temecula, 2. Temecula Community Services District, 3. Oversight Board and The Successor Agency to the Temecula Redevelopment Agency, 4. Redevelopment Agency of the City of Temecula, 5. Temecula Public Financing Authority, 6. Temecula Housing Authority
Auto Physical Damage	<ol style="list-style-type: none"> 1. City of Temecula; 2. Temecula Community Services District; 3. Oversight Board and The Successor Agency to the Redevelopment Agency; 4. Redevelopment Agency for the City of Temecula; 5. Temecula Public Financing Authority; 6. Temecula Housing Authority
Cyber	<ol style="list-style-type: none"> 1. City of Temecula
Crime	<ol style="list-style-type: none"> 1. City of Temecula; 2. Temecula Community Services District; 3. Oversight Board and The Successor Agency to the Redevelopment Agency; 4. Redevelopment Agency for the City of Temecula; 5. Temecula Public Financing Authority; 6. Temecula Housing Authority
Pollution	<ol style="list-style-type: none"> 1. City of Temecula; 2. Temecula Community Services District; 3. Oversight Board and The Successor Agency to the Redevelopment Agency; 4. Redevelopment Agency for the City of Temecula; 5. Temecula Public Financing Authority; 6. Temecula Housing Authority; 7. Industrial Development Authority of the City of Temecula

City of Temecula

Named Insured (Cont.)

LINE OF COVERAGE	NAMED INSURED
Volunteer Accident	1. City of Temecula
Terrorism	1. City of Temecula

Note: Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

City of Temecula

Exposure & Premium Summary

	EXPIRING 2018 - 2019	RENEWAL 2019 - 2020	% Change
Exposures			
Payroll	14,962,956	15,344,543	3%
Property - TIV	\$170,630,443	\$176,654,993	4%
Auto Physical Damage - TIV	2,748,492	2,540,233	-8%
Revenue	152,406,984	164,142,370	8%
Employee Count	302	272	-10%
Volunteer Count	120	120	0%
Rate			
Liability - payroll	1.0060	1.0707	6%
Workers Compensation - payroll	0.3170	0.3262	3%
Property - TIV	0.0545	0.0572	5%
Earth Movement & Flood (DIC) - TIV	0.1029	0.1028	0%
Auto Physical Damage - TIV	0.2194	0.2310	5%
Cyber - Revenue	0.0591	0.0555	-6%
Crime - Employee Count	\$12.59	\$9.37	56%
Volunteer Accident - Volunteer Count	\$4.64	\$4.64	0%
Environmental Liability - TIV	0.0078	0.0076	-3%
Sandalone Terrorism - Revenue	-	0.0050	-
Premium			
Liability (\$10M xs \$150K SIR)	\$150,530	\$164,295	9%
Workers Compensation	\$47,436	\$50,054	6%
Property	\$93,000	\$101,000	9%
Earth Movement & Flood (DIC)	\$175,602	\$181,559	3%
Auto Physical Damage	\$6,029	\$5,868	-3%
Cyber	\$9,012	\$9,105	1%
Crime	\$3,801	\$2,548	-33%
Volunteer Accident	\$557	\$557	0%
Environmental Liability	\$13,390	\$13,390	0%
Standalone Terrorism	-	\$8,277	-
TOTAL PREMIUM	\$499,356.43	\$536,652.14	7%

Optional Coverages	
Terrorism - TIV	See options in the Marketing Summary below-

City of Temecula

Marketplace Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	RESPONSE	TOTAL PREMIUM
Excess Liability – 1st Layer (\$10M)		
AIX Specialty Insurance Company (incumbent)	Quoted	
	Option 1: \$10M xs \$150k SIR	\$164,294.57
	Option 2: \$10M xs \$250K SIR	\$148,214.81
Brit	Declined to Quote – Pricing not competitive	-
Chubb Group of Insurance Companies	Declined to Quote – Pricing not competitive & cannot match expiring terms	-
Euclid Specialty	Declined to Quote – Not writing CA business	-
Safety National	Declined to Quote – Pricing not competitive	-
Old Republic	Declined to Quote – Pricing not competitive	-
Excess Workers' Compensation		
New York Marine And General Insurance Co. (incumbent)	Quoted	
	WC Stat / EL \$1M xs \$500k SIR	\$50,054.00
Chubb Group of Insurance Companies	Declined to Quote – \$200K minimum premium	-
Arch	Declined to Quote – \$1M minimum SIR for Police & Fire	-
Midwest Employers	Declined to Quote – \$1M minimum SIR	-
Property & Equipment Breakdown		
American Home Assurance Co. (incumbent)	Quoted - \$170M xs \$10k deductible	\$101,000.00
Chubb Group of Insurance Companies	Declined to Quote – Pricing not competitive & \$50K minimum deductible	-
Zurich	Declined to Quote – Pricing not competitive	-
Travelers Companies, Inc.	Declined to Quote – Not interested in CA wildfire exposure	-
Earth Movement & Flood (DIC)		
Arrowhead (incumbent)	Quoted - Primary \$10M	\$122,260.01
Arrowhead (incumbent)	Quoted - \$25M xs \$10M	\$59,298.72
Ironshore	Declined to Quote – Pricing not competitive	-
RSUI	Declined to Quote – Pricing not competitive	-
Landmark	Declined to Quote – Pricing not competitive	-
Auto Physical Damage		

City of Temecula

Marketplace Review (Cont.)

INSURANCE COMPANY	RESPONSE	TOTAL PREMIUM
Hanover Insurance Company (Incumbent)	Quoted	\$5,868.00
Travelers Companies, Inc.	Declined to Quote – Cannot match expiring terms	-
AIG	Declined to Quote – Pricing not competitive	-
Cyber		
National Union Fire Insurance Company of Pittsburgh, PA (incumbent)	Quoted \$1M xs \$15K (per expiring)	\$9,144.63
Lloyd's / Beazley	Quoted Option 1: \$1M xs \$15K w/ \$1M addl. breach response Option 2: \$3M xs \$15K w/ \$3M addl. breach response Option 3: \$5M xs \$25K w/ \$5M addl. breach response	\$12,578.02 \$17,378.88 \$26,153.98
XL	Quoted Option 1: \$1M xs \$15K Option 2: \$2M xs \$15K	\$8,127.00 \$13,528.49
ACE American Insurance Company (Chubb)	Quoted Option 1: \$1M xs \$15K Option 1: \$2M xs \$15K	\$9,105.00 \$14,445.00
Crime		
Hanover Insurance Company (incumbent)	Quoted Option 1: \$1M (expiring) Option 2: \$2M	\$2,548.00 \$5,331.00
American International Group, Inc.	Declined to Quote – Pricing not competitive	-
Great American Insurance Company	Declined to Quote – Need an additional application completed	-
Environmental Liability		
Indian Harbor / XL (incumbent)	Quoted \$1M/\$2M xs \$25K SIR (expiring)	\$13,390.20
Illinois Union Insurance Company (Chubb)	Quoted Option 1: \$2M/\$2M xs \$25K SIR (1 yr. term) Option 2: \$1M/\$2M xs \$25K SIR (3 yr. term) Option 3: \$2M/\$2M xs \$25K SIR (1 yr. term) Option 4: \$2M/\$2M xs \$25K SIR (3 yr. term)	\$11,077.00 \$23,262.31 \$13,179.67 \$27,677.21
JPRIMA (policy runs 4/1 – 4/1)	Quoted \$1M/\$1M xs \$25K deductible	\$11,308.00

City of Temecula

Marketplace Review (Cont.)

INSURANCE COMPANY	RESPONSE	TOTAL PREMIUM
Volunteer Accident		
Berkley Accident & Health (incumbent)	Quoted	\$557.00
Terrorism		
Lloyd's / Beazley	Quoted (incl. Surplus Lines Taxes & Fees)	
	Option 1: Liability @ \$5M	\$6,321.00
	Option 2: Liability @ \$10M	\$10,645.08
	Option 3: BI / PD @ \$5M	\$4,726.56
	Option 4: BI / PD @ \$10M	\$7,874.16
	Option 5: Liability & BI / PD @ \$5M	\$8,276.64
	Option 6: Liability & BI / PD @ \$10M	\$13,880.40

City of Temecula

Program Details

Coverage: Excess Liability - \$10M xs SIR
Carrier: AIX Specialty Insurance Company (*incumbent*)
Policy Period: 7/1/2019 to 7/1/2020

Coverage:

DESCRIPTION	AMOUNT
General Liability – Each Occurrence & Aggregate	\$10,000,000
Automobile Liability - Each Accident	\$10,000,000
Errors & Omissions Liability - Each Occurrence	\$10,000,000
Errors & Omissions Liability - Annual Aggregate	\$20,000,000
Employment Practice Liability – Each Occurrence & Aggregate	\$10,000,000
Sexual Harassment Liability - Each Occurrence & Aggregate	\$10,000,000
Sexual Abuse Liability - Each Occurrence & Aggregate	\$10,000,000
Employee Benefits Liability - Each Occurrence & Aggregate	\$10,000,000
Law Enforcement Liability - Each Occurrence & Aggregate; except: <ul style="list-style-type: none">Reimbursement Of Defense Costs Incurred Prior To Denial Or Declination:<ul style="list-style-type: none">Any One Insured \$25,000Each Occurrence \$50,000Aggregate \$100,000	\$10,000,000
Clash Coverage	\$450,000

Self-Insured Retention:

COVERAGE	AMOUNT
Each Occurrence; except:	\$150,000

Policy Form:

DESCRIPTION
Protected Self-Insurance Package Policy Coverage Form

Endorsements include, but are not limited to:

DESCRIPTION
Statutory Requirement Endorsement
Service of Process Endorsement
Endorsement – Additional Named Insureds - Per Expiring Policy
Endorsement – Employer's Liability - \$2,000,000 xs \$1,000,000 underlying limit
Endorsement – Section IV – Amendment to Errors & Omissions to be Occurrence form as opposed to Claims-Made
Endorsement – Section IV - Errors & Omissions - Occurrence
Endorsement – Section VI – Amendment to Employee Benefits Liability to be Occurrence form as opposed to Claims-Made

City of Temecula

Program Details (Cont.)

Endorsements include, but are not limited to:

DESCRIPTION
Endorsement – Section VI - Employee Benefits Liability - Occurrence

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
General Policy	Communicable Disease
General Policy	Designated Operations: Riverside County Sheriffs and Riverside County Fire Department NPR00240715
General Policy	Eminent domain, condemnation proceedings, adverse possession or inverse condemnation proceedings
General Policy	ERISA
General Policy	Expenses from any cost, civil fine, penalty or expense against any INSURED for any compliance or enforcement action from any Federal, State or local governmental regulatory or administrative agency
General Policy	Fraudulent or Dishonest Acts Committed by the Insured
General Policy	Fungal Pathogens (Mold) or Bacteria
General Policy	Investment activities, or the administration of self-insurance funds
General Policy	Lead
General Policy	Nuclear, Biological, chemical or Radiological Acts of Terrorism NPR00130715
General Policy	Pollution with exception to Hostile Fire and Equipment use to Heat, Cool or Dehumidify the Building
General Policy	War or Military Action
General Liability	Aircraft / Airport Liability
General Liability	Employment Related Practices
General Liability	Law Enforcement Liability
General Liability	Property of the Insured
General Liability	Reasonable Force or Corporal Punishment
General Liability	Sexual Abuse
General Liability	Sexual Harassment
General Liability	Watercrafts over 50 feet
General Liability	Workers Compensation or similar law
Automobile Liability	First party physical damage coverage; uninsured and/or underinsured motorist law; no fault law; or personal injury protection law
Automobile Liability	Racing or demolition contest or stunting activity
Automobile Liability	Workers Compensation or similar law
E&O	Equal Employment Opportunity Commission (EEOC)
EBL	Bodily Injury or Property Damage or Personal Injury
EBL	Discrimination against an employee
EBL	Dishonest, fraudulent, criminal or malicious act or omission

City of Temecula

Program Details (Cont.)

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
EBL	Employment Practices
EBL	ERISA
EBL	Failure of any investment to perform as represented by you
EBL	Failure of performance of contract
EBL	Failure to comply with mandatory provisions of any law concerning Workers' Compensation, unemployment insurance, social security or disability benefits
EBL	Labor Relations/Occupational Safety/Notification/Workers Compensation/Wage and Hour
LEL	Aircraft / Airport Liability
LEL	Property of the Insured
LEL	Watercrafts over 50 feet

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Automatic Acquisition Clause - Reporting Threshold
Defense Costs: Inside Retention / Inside Limit
Exposure information per application signed 4/17/19 and on file with carrier
Service Organization Designated by You – Carl Warren & Company
TRIA Option: premium of \$937.00 included below (<i>accepted on expiring</i>)

Premium	\$159,500.00
Taxes & Fees	\$5,750.11
ESTIMATED PROGRAM COST	\$164,294.57
Minimum Premium: 100%	
TRIA/TRIPRA PREMIUM	\$966.98

Auditable: N/A

City of Temecula

Program Details

Coverage: Property
Carrier: American Home Assurance Company (*incumbent*)
Policy Period: 7/1/2019 to 7/1/2020

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
All Covered Property	Yes	N/A

Coverage:

SUBJECT OF INSURANCE	AMOUNT
Blanket - Limit of Liability	\$170,000,000

Sub-Limits:

DESCRIPTION	AMOUNT
Accounts Receivable	\$1,000,000
Arson or Theft Reward	\$100,000
Brands and Labels - increased from expiring \$100K	\$1,000,000
Building Materials at Off Premises Storage for Property Under Construction	Misc. Property - \$10,000,000
Contractor's Equipment	\$1,000,000
Debris Removal	\$10,000,000
Deferred Payments	\$250,000
Demolition and Increased Cost of Construction: <ul style="list-style-type: none">Coverage A – Undamaged PortionCoverage B – DemolitionCoverage C – Increased Cost of Construction	Policy Limit \$25,000,000 \$25,000,000
Earthquake	Excluded
Electronic Data and Media	\$2,500,000
Equipment Breakdown	\$170,000,000
Errors or Omissions	\$10,000,000
Expediting Expenses	\$1,000,000
Fairs or Exhibitions	Misc. Property - \$10,000,000
Fine Arts	\$1,000,000
Fire Brigade Charges and Extinguishing Expenses	\$250,000
Flood	Excluded
Fungus, Mold or Spore – resultant damage	\$1,000,000
Installation Coverage	\$100,000
Land and Water Clean-Up	\$1,000,000

City of Temecula

Program Details (Cont.)

Sub-Limits:

DESCRIPTION	AMOUNT
Locks and Keys	\$100,000
Machinery or Equipment Startup Option	\$100,000
Miscellaneous Property / Unnamed Locations	\$10,000,000
Money and Securities	\$50,000
Named Storm	\$170,000,000
Newly Acquired Property (120 days to report)	\$20,000,000
Outdoor Property	\$1,000,000
Pairs or Set	\$10,000,000
Personal Property Not at a Covered Location	Misc Property - \$10,000,000
Preservation of Property	\$1,000,000
Professional Fees	\$250,000
Property Removed From a Covered Location	Preservation of Prop \$1,000,000
Railroad Rolling Stock	\$100,000
Salespersons Samples	Misc Property - \$10,000,000
Service Interruption	\$1,000,000
Spoilage	\$250,000
Transit	\$1,000,000
Upgrade to Green – Physical Damage & Time Element	25% of loss w/ maximum of \$500,000
Valuable Papers and Records	\$5,000,000
<u>Time Element Coverages:</u>	
Attraction Property	1 mile / 30 days / \$250,000
Civil or Military Authority	1 mile / 30 days / \$1,000,000
Contingent Time Element:	\$500,000
Contractual Penalties	\$100,000
Crisis Management	30 days / \$100,000
Extended Period of Indemnity	180 Days
Extra Expense	\$1,000,000
Ingress & Egress	1 mile / 30 days / \$1,000,000
Logistics Extra Cost	\$100,000
Ordinary Payroll	60 days
Rental Value	\$10,000,000
Royalties	\$100,000
Service Interruption	\$1,000,000
Soft Costs	\$500,000

City of Temecula

Program Details (Cont.)

Deductibles:

COVERAGE	AMOUNT
Per Occurrence; except:	\$10,000
Service Interruption	24 hours

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Applies

Valuations:

COVERAGE	DESCRIPTION
Property Damage	Replacement Cost
Time Element including Extra Expense	Actual Loss Sustained

Policy Form:

DESCRIPTION
Commercial Property Policy – 113813 (1/17)

Endorsements include, but are not limited to:

DESCRIPTION
Cancellation Non-Renewal Endorsement - 52133 (03/07)
Special Terms And Conditions Schedule - 117390 (02/14)

Exclusions include, but are not limited to:

DESCRIPTION
Earth Movement Exclusion
Flood Exclusion
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Coverage Territory: United States, its territories and possessions and Puerto Rico, including their respective coastal waters. If any coverage is provided on a worldwide basis, such worldwide coverage shall not include any jurisdiction prohibited or restricted under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America. Losses are only covered within the coverage territory
Total Insured Value of \$176,654,993 on file with carrier per Statement of Values as of 4/22/19
TRIA Option: premium of \$7,787 included below (rejected on expiring)

City of Temecula

Program Details (Cont.)

Premium	\$97,000.00
Engineering Fees	\$4,000.00
<hr/>	
ESTIMATED PROGRAM COST	\$101,000.00
Minimum Earned Premium: N/A	
TRIA/TRIPRA PREMIUM	\$7,787.00
Subject to Audit: N/A	

City of Temecula

Program Details (Cont.)

Coverage: Earth Movement & Flood - Primary \$10M
Carrier: Arrowhead - Empire Indemnity Insurance Company (*incumbent*)
Policy Period: 7/1/2019 to 7/1/2020

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
Applies	Yes	N/A

Limit of Liability:

DESCRIPTION	AMOUNT
Earth Movement - Per Occurrence & Aggregate	\$10,000,000
Flood - Per Occurrence & Aggregate	\$10,000,000

Sub-Limits:

DESCRIPTION	AMOUNT
Accounts Receivable	\$1,000,000
Building Ordinance/ Increased Cost Of Construction/ Demolition Cost	Included
Civil Authority	8 Weeks
Course of Construction	\$5,000,000
Errors & Omissions	\$1,000,000
Extended Period of Indemnity	365 Days
Fine Arts <ul style="list-style-type: none">Per ItemPer Occurrence	\$100,000 \$1,000,000
Fine Arts of Others (unscheduled) in the care, custody and control of the insured <ul style="list-style-type: none">Per Item – increased from \$10kPer Occurrence – increased from \$250k	\$10,000 \$250,000
Ingress/Egress	8 Weeks
Land Improvements including trees, shrubs and plants	\$500,000
Leasehold Interest	\$500,000
Loss Adjustment Expenses (excluding fees associated with public adjuster)	\$100,000
Miscellaneous Personal Property of the Insured (not reported and not at covered premises)	\$500,000
Miscellaneous Unnamed Locations	\$500,000
Newly Acquired Properties (120 day reporting)	\$5,000,000
Personal Property of Others	\$500,000
Rented Mobile/Contractors Equipment	\$500,000
Service Interruption- PD & BI (excluding overhead T & D lines)	\$1,000,000

City of Temecula

Program Details (Cont.)

Deductibles:

COVERAGE	AMOUNT
Earthquake – Percentage Per Unit / Minimum	5% / \$50,000
Earthquake (Former YMCA) – Percentage Per Unit / Minimum	25% / \$50,000
Flood – High Hazard Zones (A, V, X500, X Shaded & B) – specific locations — Percentage Per Location / Minimum	2% / \$500,000
Flood – Outside High Hazard	\$100,000
All Other Perils	\$25,000

Valuations:

COVERAGE	DESCRIPTION
Property Damage	Replacement Cost
Time Element including Extra Expense	Actual Loss Sustained

Policy Form:

DESCRIPTION
Difference in Conditions Coverage #0200 (12-08)
Business Income Coverage Form #0201

Endorsements include, but are not limited to:

DESCRIPTION
ACCOUNTS RECEIVABLE – 0204S
ADDITIONAL POLICY CONDITIONS - 0102
AMENDED CANCELLATION PROVISION - 0614 – 90 / 10 days
BUILDING ORDINANCE OR LAW – 0202A
BUSINESS INCOME - EXTENDED PERIOD OF INDEMNITY - 0412
CANCELLATION AND NONRENEWAL PROVISIONS - 0103
DEBRIS REMOVAL AMENDMENT - 0616
Debris Removal clause (Company Form)
DIRECT PD AND BI PER UNIT - 0308
Earth Movement Definition – any Earth Movement including earthquake, landslide and mine subsidence, earth sinking, earth rising or sinkhole collapse.
ELECTRONIC DATA PROCESSING - 0203
ENDORSEMENT NO. 1 - 0999 – adding various coverages
ENDORSEMENT NO. 2 - 0999 – Loss Adjustment Expense
FEMA Flood Zone Designation – changes included in coverage subject to policy coverage

City of Temecula

Program Details (Cont.)

Endorsements include, but are not limited to:

DESCRIPTION
INGRESS/EGRESS ENDORSEMENT - 0410
LEASEHOLD INTEREST COVERAGE FORM - 0421
NAMED INSURED ENDORSEMENT - 0101
OFF-PREMISES SERVICES-DIRECT DAMAGE - 0415A
OFF-PREMISES SERVICES-TIME ELEMENT - 0415
REPLACEMENT COST - 0404
TERRITORY COVERAGE LIMITATION - 0502A
UNINTENTIONAL ERRORS AND OMISSIONS - 0413
VALUABLE PAPERS & RECORDS - 0205

Exclusions include, but are not limited to:

DESCRIPTION
All Risk Perils (Including Windstorm)
Asbestos / Contamination (Company Form)
Boiler and Machinery
Cyber Exclusion Endorsement – U-GU-1231-A-CW
Earthquake Sprinkler Leakage
ELECTRONIC DATA AND COMPUTER SYSTEMS EXCLUSION - 0506
Electronic Data and Computer Systems Exclusion (Company Form)
Ensuing Loss
ENSUING LOSS EXCLUSION - 0611
Flood - locations located in 100 year flood plain, X500, X(Shaded) and B flood zones; with exception to scheduled locations
FLOOD COVERAGE LIMITATION-100 YEAR FLOOD PLAIN OR SHADED X FLOOD ZONE- 0501B
Mold (Company Form)
Nuclear/Radioactive/Biological and Chemical Exclusion
Pollution (Company Form)
Theft
War

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Deductible: Per Unit of Insurance defined as: <ul style="list-style-type: none">a. Each Separate Building or Structureb. Contents in each Separate Building or Structurec. Property in the Yardb) d) Business Income/Extra Expense

City of Temecula

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Total Insured Value of \$176,654,993 on file with carrier per Statement of Values as of 4/17/19
TRIA Option: additional premium of \$59,135.78(<i>rejected on expiring</i>)
Warrant All Risk Underlyer
YMCA deductible – carrier can consider reducing the deductible once the project is completed (2019-2020)

OPTION 1 (Current 5% Per Unit) Premium:	\$118,269.00
Carrier Fee	\$200.00
Surplus Lines Taxes & Fees	\$3,791.01
ESTIMATED PROGRAM COST	\$122,260.01

Minimum Earned Premium -	25.00 %
TRIA/TRIPRA PREMIUM (incl. SL T&F)	\$59,135.00

Subject to Audit: N/A

City of Temecula

Program Details

Coverage: Earth Movement & Flood - \$25M xs \$10M

Carrier: Arrowhead – see below (*incumbent*)

Policy Period: 7/1/2019 to 7/1/2020

Participation Schedule:

CARRIER	PARTICIPATING LIMIT
QBE Specialty Insurance Company	55% \$13,750,000
Hiscox Syndicate #33	20% \$5,000,000
General Security Indemnity Company of Arizona	25% \$6,250,000

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
All covered property	Yes	N/A

Limits of Liability:

DESCRIPTION	AMOUNT
Earth Movement - Per Occurrence & Aggregate	\$25,000,000
Flood - Per Occurrence & Aggregate	\$25,000,000

Underlying Policies:

COVERAGE	DESCRIPTION	LIMIT	CARRIER	EFFECTIVE DATE	EXPIRATION DATE
DIC	Earth Movement & Flood	\$10,000,000	Arrowhead	7/1/2019	7/1/2020

Valuations:

COVERAGE	DESCRIPTION
Property Damage	Replacement Cost
Time Element including Extra Expense	Actual Loss Sustained

Policy Form:

DESCRIPTION
Company Excess Follow Form (subject to review and approval of form we are to follow)

City of Temecula

Program Details (Cont.)

Endorsements include, but are not limited to:

DESCRIPTION
Debris Removal Clause (Company Form)
Excess Limit of Liability and Participation Clause (Company Form)

Exclusions include, but are not limited to:

DESCRIPTION
All Risk Perils (Including Windstorm)
Asbestos / Contamination (Company Form)
Boiler and Machinery
Earthquake Sprinkler Leakage
Electronic Data and Computer Systems Exclusion (Company Form)
Ensuing Loss
Lloyd's Biological or Chemical Materials
Lloyd's Electronic Data Recognition
Lloyd's Land, Water and Air
Lloyd's Radioactive Contamination
Lloyd's Seepage and/or Pollution and/or Contamination
Lloyd's War and Civil War
Mold (Company Form)
Nuclear/Radioactive/Biological and Chemical Exclusion
Pollution (Company Form)
Theft
Underlying Sub limited Coverages
War

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Deductible: Per Unit of Insurance defined as: <ul style="list-style-type: none">a. Each Separate Building or Structureb. Contents in each Separate Building or Structurec. Property in the Yardc) d) Business Income/Extra Expense
Drop Down clause applicable only to covered locations, perils and interests
Territory/Locations: CA only
Total Insured Value of \$176,654,993 on file with carrier per Statement of Values as of 4/17/19

City of Temecula

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
TRIA Option: additional premium of \$28,752.05 / \$31,585.50 (<i>rejected on expiring</i>)
Warrant All Risk Underlyer

OPTION 1 (Current 5% Per Unit) Premium:	\$56,860.00
Carrier Fee	\$600.00
Surplus Lines Taxes & Fees	\$1,838.72
ESTIMATED PROGRAM COST	\$59,298.72
Minimum Earned Premium -	25.00 %
TRIA/TRIPRA PREMIUM	\$28,430.00

Subject to Audit: N/A

City of Temecula

Program Details (Cont.)

Coverage: Automobile Physical Damage & Contractor's Equipment

Carrier: Hanover Insurance Company (*incumbent*)

Policy Period: 7/1/2019 to 7/1/2020

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
All Covered Property	Yes	N/A

Limit of Liability:

DESCRIPTION	AMOUNT
Auto Physical Damage – Catastrophic Limit	\$2,132,623
Contractors Equipment - Catastrophic Limit	\$407,610

Sub-Limits:

DESCRIPTION	AMOUNT
<u>Auto Physical Damage:</u>	
Debris Removal <ul style="list-style-type: none"> Percentage of loss to direct physical damage Additional Expense 	25% \$25,000
Newly Acquired and Substitute Vehicles	\$1,000,000
Personal Effects <ul style="list-style-type: none"> Per Person Per Occurrence 	\$1,000 \$10,000
Pollutant Cleanup And Removal	\$10,000
Rental Reimbursement <ul style="list-style-type: none"> Per Day Maximum 	\$500 \$10,000
Towing and Labor Costs	\$25,000
<u>Contractor's Equipment:</u>	
Maximum Per Item	\$1,000,000
Construction Equipment <ul style="list-style-type: none"> Any one trailer Any one loss 	\$10,000 \$50,000
Continuing Rental Or Lease Payments: <ul style="list-style-type: none"> Per occurrence Per item Annual Limit 	\$25,000 \$5,000 \$25,000

City of Temecula

Program Details (Cont.)

Sub-Limits:

DESCRIPTION	AMOUNT
Debris Removal <ul style="list-style-type: none"> Percentage of loss to direct physical damage Additional Expense 	25% \$25,000
Employee Tools	\$10,000
Equipment leased from others – per item and occurrence	\$50,000
Equipment leased or rented to others	\$50,000
Equipment loaned to others	\$50,000
Fire Department Service Charge	\$1,000
Fraud and deceit	\$50,000
Pollutant Cleanup and Removal	\$25,000
Recharge of Fire Extinguishing	\$1,000
Rental Reimbursement	\$50,000
Reward for recovery of stolen equipment	\$1,000
Spare parts and fuel	\$10,000
Tools <ul style="list-style-type: none"> Any one tool Any one loss 	\$5,000 \$10,000
Waterborne	\$50,000

Deductibles:

COVERAGE	AMOUNT
Per Occurrence	\$5,000
Contractor's Equipment - Rental Reimbursement Waiting Period	72 Hours

Valuations:

COVERAGE	DESCRIPTION
Property Damage	Replacement Cost (limited to 125% of Stated Value)

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Applies

City of Temecula

Program Details (Cont.)

Policy Form:

	DESCRIPTION
APD	Auto Physical Damage form 1M441-1075 (01/09)
Contractor's Equipment	IM441-1048, AAIS IM7002

Endorsements include, but are not limited to:

	DESCRIPTION
APD	Amended Property Not Covered and Amended Definition of Vehicles, Manuscript endorsement IM 7851 F – excludes Contractor's Equipment from APD and broadens vehicle definition to clearly include passenger vehicles, emergency vehicles, and light duty trucks
APD	Annual Adjustment, Reporting Provisions IM 7851 D (Manuscript endorsement) – 50% of agreed rates
APD	Coverage included for permanently installed communication equipment included in value of auto. Mobile equipment can be covered under a separate CE form for additional premium. Manuscript endorsement – Property Not Covered, Scheduled Vehicle Physical Damage Floater, 3. Communication Equipment IM 7851 C
APD	Personal Effects and Rental Reimbursement Extension IM 7851 A
APD	Replacement cost not to exceed 125% of SOV value; no age restriction. Other valuation terms are per expiring. Manuscript endorsement – Valuation IM 7851 B
APD	Vehicles Borrowed From Others, Manuscript endorsement IM 7851 E
Contractor's Equipment	Continuing Rental Or Lease Payments - IM 7038
Contractor's Equipment	Tools Endorsement - IM 7034

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
APD	Perils Excluded - Civil Authority; Nuclear Hazard; War and Military Action; Contamination or Deterioration; Criminal, Fraudulent, Dishonest or Illegal Acts; Loss of Use; Mechanical Breakdown; Missing Property; Pollutants; Temperature/Humidity; Voluntary Parting; Wear and Tear; Weight of Load
APD	Property Not Covered - Aircraft or Watercraft; Cargo; Communication Equipment; Contraband; Leased or Rented Property; Personal Effects; Mobile Equipment; Tools; Loaned Property; Suspended, Revoked, or Invalid License; Waterborne Property.
Contractor's Equipment	Perils Excluded -Civil Authority, Nuclear Hazard; War and Military Action; Contamination or Deterioration; Criminal, Fraudulent, Dishonest or Illegal Acts; Loss of Use; Mechanical Breakdown; Missing Property; Pollutants; Temperature/Humidity; Voluntary Parting; Wear and Tear.
Contractor's Equipment	Property Not Covered - Aircraft or Watercraft; Contraband; Underground Mining Operations; Vehicles

City of Temecula

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Proposal subject to loss activity to the renewal date
Rate: \$0.231 Rating Base: APD \$2,132,623 and CE \$407,610
Replacement cost not to exceed 125% of SOV value; no age restriction. .
Total Insured Value of \$2,132,623 on file with carrier per Statement of Vales as of 4/19/19
TRIA Option: premium of \$175 included below (accepted on expiring)
We may elect to provide loss control service to this account and would anticipate compliance with any essential recommendations.

Premium	\$5,868.00
ESTIMATED PROGRAM COST	\$5,868.00
Minimum Premium	\$2,500.00
TRIA/TRIPRA PREMIUM	\$161.00

Subject to Audit: Annual

DESCRIPTION	EXPOSURE	RATE
Total Insured Value	\$2,540,233	.1155 (50% of rate)

City of Temecula

Program Details

Coverage: Cyber Liability

Carrier: National Union Fire Insurance Company of Pittsburgh, PA (*incumbent*)

Policy Period: 7/1/2019 to 7/1/2020

Form Number: 101013 (12/13)

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Media Content Insurance, Security and Privacy Liability Insurance, Network Interruption Insurance, Event Management Insurance, Cyber Extortion Insurance, Reputation Guard	Claims Made	N/A – Full Prior Acts	-

Limits of Liability:

DESCRIPTION	AMOUNT
Media Content Insurance	\$1,000,000
Security and Privacy	\$1,000,000
Regulatory Action	\$1,000,000
Network Interruption Insurance	\$1,000,000
Event Management Insurance	\$1,000,000
Cyber Extortion Insurance	\$1,000,000
Reputation Guard	\$50,000
Reputation Guard – Coinsurance	0%
First Response Coverage	\$100,000
Payment Card Industry Data Security Standards (PCI DSS) Assessment	\$1,000,000
Personal Identity Coverage - Directors And Officers Only	\$25,000
Reputation-Based Income Loss	6 months / \$500,000
System Failure Coverage: <ul style="list-style-type: none"> System Failure IT Provider Security Failure Outsource Provider Security Failure IT Provider System Failure Outsource Provider System Failure 	\$1,000,000 \$1,000,000 \$500,000 \$1,000,000 \$500,000
Policy Aggregate	\$1,000,000

City of Temecula

Program Details (Cont.)

Deductible/SIR:

COVERAGE	AMOUNT
Each Claim; except:	\$15,000
Event Management – First Response	\$0
Reputation Guard	\$0
Reputation-Based Income Loss	2 weeks
Network Interruption Insurance - Waiting Hours Period	12 hours

Any Other Continuity or Specific Dates/Limits applicable to the Claims-Made Conditions:

COVERAGE	CONTINUITY DATE
Media Content	7/1/2016
Security and Privacy Liability	7/1/2016
Regulatory Action	7/1/2016
Network Interruption	7/1/2017
Event Management	7/1/2016
Cyber Extortion Insurance	7/1/2016
Reputation Guard	7/1/2016

Claims Made Coverage:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 45 days of the expiration date. The cost of this extended reporting period is 100% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 60 days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim:

DESCRIPTION
"Claim" means: (1) a written demand for money, services, non-monetary relief or injunctive relief; (2) a written request for mediation or arbitration, or to toll or waive an applicable statute of limitations; or (3) a Suit.

City of Temecula

Program Details (Cont.)

Incident or Claim Reporting Provision:

DESCRIPTION
<p>The Insureds shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice to the Insurer of any Claim made against an Insured or a First Party Event as soon as practicable after:</p> <ul style="list-style-type: none"> (1) any personnel in the office of any member of the Control Group first becomes aware of the Claim; or (2) any First Party Event commences or, solely with respect to a Discovery Coverage Section, is discovered.

Extended Reporting Period (ERP) Options*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Extended Reporting Period	--	--	1 Year 2 Years 3 Years	100% 175% 200%

*If ERP coverage is desired, then that request must be in writing to the carrier.

Policy Form:

DESCRIPTION
Specialty Risk Protector - 101013 (12/13)
Network Interruption Coverage Section (12/13) - New - 101021 12/13
SRP General Terms And Conditions (Countrywide) (12/13) - 101013 12/13
SRP Reputation Guard Coverage Section - 115982 12/13
Cyber Extortion Coverage Section (12/13) - 101017 12/13
Event Management Coverage Section (12/13) - 101018 12/13
Security And Privacy Coverage Section (12/13) - 101024 12/13
Media Content Coverage Section (Claims Made) (12/13) - 101019 12/13

Endorsements include, but are not limited to:

DESCRIPTION
Bitcoin Ransom Coverage Endorsement - 121388 03/16
CA Cancellation/ Nonrenewal Endorsement - 52133 03/07
California Punitive Damages Law Endorsement - 90143 12/05
Cancellation Amendatory (Return Pro Rata) - 101036 04/09
Panel Counsel Endorsement
Conduct Exclusion Amendatory Endorsement - 111375 07/12
Confidential Information & Regulatory Action Definition Amended (GDPR)
Control Group Definition Amendatory Endorsement (Amending List Of Officers; Non-Administrative Personnel) - 115985 12/13 – includes Chief Executive Officer, Chief Financial Officer, Risk Manager, General Counsel, Chief Technology Officer, Chief Information Security Officer, Chief Information Officer

Program Details (Cont.)

Endorsements include, but are not limited to:

DESCRIPTION
Criminal Reward Coverage Extension - 105567 05/10
CyberEdge Loss Prevention Services Endorsement - 125593 03/17
Cyberterrorism Coverage Endorsement - 117895 05/14
Economic Sanctions Endorsement - 119679 09/15
E-Discovery Consultant Services Coverage Endorsement - 107376 11/10
First Response Coverage Endorsement (Choice of Scheduled Advisors) – 123651 (03/17) <ul style="list-style-type: none"> First Response Advisors (Legal) - Mullen Coughlin / Lewis, Brisbois, Bisgaard, & Smith LLP First Response Advisors (IT) – BlueVoyant / Ankura First Response Advisors (PR) - Levick Communications
Forms Index Endorsement - 78859 10/01
Loss Definition Amended Endorsement - 121827 06/16
Notice Of Claim (Reporting By E-Mail) - 99758 08/08
Notice Of Claim Provision Amendatory Endorsement (Sixty Day Post Policy Reporting Period) - 103456 11/09
Panel Counsel Endorsement (For Use With First Response Coverage Endorsement) - 123650 (03/17)
Personal Identity Coverage Endorsement (Coverage For Directors And Officers Only) - 117178 12/13
Reputation Based Income Loss Coverage – 125872 07/17
Retention Amendatory Endorsement - 105565 05/10
Security Failure Definition Amendatory Endorsement (Physical Theft Of Hardware) - 115989 12/13
State Amendatory Inconsistent Endorsement - 105165 04/10
System Failure Coverage Endorsement (IT Providers) - 121826 06/16
Wrongful Collection Coverage Endorsement - 105163 12/13

Exclusions include, but are not limited to:

DESCRIPTION
Bodily Injury
Employment Practices
Encryption Exclusion Endorsement - 104120 02/10
ERISA Violations
Pollution
Product Recall
Property Damage
War

City of Temecula

Program Details (Cont.)

Binding Requirements:

DESCRIPTION
Completed, Signed, & Dated AIG Renewal Application, including media content section, and System Failure/Outsource Provider Supplemental.
Confirmation that the insured can restore critical operations within 12 hours.

Premium	\$9,144.63
ESTIMATED PROGRAM COST	\$9,144.63
Minimum Earned Premium: N/A	
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	INCLUDED

Subject to Audit: N/A

City of Temecula

Program Details

Coverage: Crime

Carrier: Hanover Insurance Company (*incumbent*)

Policy Period: 7/1/2019 to 7/1/2020

Limit of Liability:

DESCRIPTION	AMOUNT
Employee Theft	\$1,000,000
Employee Theft – Faithful Performance of Duty Coverage for Government Employees	\$1,000,000
Forgery Or Alteration	\$1,000,000
Loss Inside The Premises – Theft of Money And Securities	\$1,000,000
Loss Inside The Premises - Robbery Or Safe Burglary of Other Property	\$1,000,000
Loss Outside The Premises	\$1,000,000
Computer Fraud	\$1,000,000
Funds Transfer Fraud	\$1,000,000
Funds Transfer Fraud – False Pretenses	\$100,000
Money Orders And Counterfeit Money	\$1,000,000
Prior Theft or Dishonesty	\$25,000
Credit, Debit and Charge Card Forgery	\$1,000,000
Expenses Incurred to Establish Amount of Coverage	\$25,000

Deductibles:

COVERAGE	AMOUNT
Each Loss	\$10,000

Policy Form

DESCRIPTION
Government Crime Policy – CR 00 26 05 06

Endorsements include, but are not limited to:

DESCRIPTION
Amend Computer Fraud - 181-1659 – broadens “money” and “securities” to “funds” and restriction to inside the “premises” or “banking premises” to unauthorized access to your “computer system”
Chairperson and Members of Specified Committees as Employees - CR 25 06 (08/07)
Credit, Debit or Charge Card Forgery - CR 25 20 (08/07)
Bonded Employees Exclusion Deleted - 181-1515
Expenses Incurred to Establish Amount of Covered Loss - CR 25 40 (08/07)
Faithful Performance of Duty Coverage for Government Employees - CR 25 19 (05/06)
Funds Transfer Fraud - False Pretenses - 181-1658
Prior Theft or Dishonesty – 181-1642
State Endorsement - CR 02 49 (08/07)

City of Temecula

Program Details

Endorsements include, but are not limited to:

DESCRIPTION
Treasurers or Tax Collectors as Employees - CR 25 12 (08/07)
Volunteer Workers other than Fund Solicitors as Employees - CR 01 64 (06/06)

Exclusions include, but are not limited to:

DESCRIPTION
Acts of Employees Learned of By You Prior to Policy Period Exclusion
Acts of Officials, Employees, or Representatives Exclusion, except by Employee Theft
Computer Fraud Only Exclusions – credit card transactions, funds transfer fraud and inventory shortages
Confidential Information Exclusion
Credit, Debit and Charge Card Forgery - Not Covered
Employee Theft Only Exclusions – inventory shortages and trading
Funds Transfer Fraud Only Exclusions – computer fraud
Governmental Action Exclusion
Loss Inside or Outside the Premises - Not Covered
Money Orders & Counterfeit Money - Not Covered
Nuclear Hazard Exclusion
Pollution Exclusion
Third Party Employee Dishonesty Exclusion
Voluntary Parting of Property Exclusion
War and Military Action Exclusion

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Exposures per Application signed 4/22/19 on file with the carrier

Premium	\$2,548.00
ESTIMATED PROGRAM COST	\$2,548.00

Minimum Premium: N/A

Subject to Audit: N/A

City of Temecula

Program Details

Coverage: Pollution Legal Liability
Carrier: Indian Harbor Insurance Company (**incumbent**)
Policy Period: 7/1/2019 to 7/1/2020

Form Number: Environmental Municipality Policy #PARL6 CP 1111

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Pollution Legal Liability	Claims Made	7/1/2018	-

Limits & Retention:

DESCRIPTION	AMOUNT
Per Pollution Condition	\$1,000,000
Aggregate	\$2,000,000
Retention	\$25,000

Premium	\$12,975.00
Taxes & Fees	\$415.20
TOTAL PREMIUM	\$13,390.20

Any Other Continuity or Specific Dates/Limits applicable to the Claims-Made Conditions:

COVERAGE	CONTINUITY DATE
Pollution Legal Liability	--

Claims Made Coverage:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 30 days of the expiration date. The cost of this extended reporting period is 100% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 365 days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim:

DESCRIPTION
CLAIM means any demand(s), notice(s) or assertion(s) of a legal right alleging liability or responsibility on the part of the INSURED and shall include but not be limited to lawsuit(s), petition(s), order(s) or government and/or regulatory action(s), filed against the INSURED.

Incident or Claim Reporting Provision:

DESCRIPTION
The INSURED shall be entitled to a ninety (90) day Automatic Extended Reporting Period for no additional premium, commencing on the last day of the POLICY PERIOD, subject to the following terms and conditions:

City of Temecula

Program Details

Extended Reporting Period (ERP) Options*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Extended Reporting Period	--	--	36 months	100%

*If ERP coverage is desired, then that request must be in writing to the carrier.

Policy Form:

DESCRIPTION
Environmental Municipality Policy #PARL6 CP 1111

Endorsements include, but are not limited to:

DESCRIPTION
Business Interruption and Extra Expense Parl 6 105 i
Covered Location Schedule PARL6 001a
Declarations and Representations Condition amendment Parl 6 903a
Municipality endorsement Parl 6 070 b – provides broadened definition of insured, owned/leased vehicles coverage, sewer backup coverage (subject to additional information), Disaster Expense (\$250k aggregate), Non-Owned Disposal Sites, Abandon Materials, Civil & Administrative Fines & Penalties, Lead Based Paint & Asbestos exception, Contractor's Pollution Liability
Notice of Cancellation PARL6 902a – ninety (90) days

Exclusions include, but are not limited to:

DESCRIPTION
Communicable Diseases Exclusion
Contractual Liability Exclusion
Employer's Liability/Workers' Compensation Exclusion
Fines/Penalties/Assessments Exclusion
Hostile Acts Exclusion
Insured vs. Insured Exclusion
Insured's Property/Bailee Liability Exclusion exception for Restoration Costs or Nature Resource Damage
Lead-Based Paint and Asbestos Exclusion exception provided
Material Change in Use Exclusion Parl 6 414b
Material Change in Use or Operations Exclusion
New Pollution Conditions at Divested Property Exclusion
Non-Compliance Exclusion
Non-Disclosed Conditions Exclusion
Products Liability Exclusion
Radioactive / Nuclear Material Exclusion
Retroactive Date Exclusion
Reverse Retroactive Date Exclusion

City of Temecula

Program Details

Exclusions include, but are not limited to:

DESCRIPTION
Underground Storage Tank(s) (Known) Exclusion

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Exposures per Application signed 4/10/19 on file with the carrier
TRIA Option: additional premium provided above

Binding Requirements:

DESCRIPTION
Receipt and satisfactory review of a completed XL Catlin Insurance - Environmental Facilities Pollution Application signed and dated by the Insured must be returned prior to binding. (Utilizing other carrier application)
Receipt and satisfactory review of the Insured's past two (2) years of financial statements must be returned prior to binding.
Sewer lines – number of miles for applicable coverage

Premium

See “Coverage Options” Above

Minimum Earned: 25%

Auditable: N/A

City of Temecula

Program Details

Coverage: Pollution Legal Liability
Carrier: Illinois Union Insurance Company
Policy Period: 7/1/2019 to 7/1/2020

Form Number: Premises Pollution Liability Coverage Form PF-4487a (01/17)

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Pollution Legal Liability	Claims Made	7/1/2018	-

Limits & Retention:

DESCRIPTION	OPTION 1	OPTION 3	OPTION 4	OPTION 6
Per Pollution Condition	\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000
Defense – Aggregate XL Does not Sublimit	\$250,000	\$250,000	\$250,000	\$250,000
Aggregate	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Retention	\$25,000	\$25,000	\$25,000	\$25,000

Term	1 year	3 years	1 year	3 years
Premium	\$10,223.00	\$21,468.00	\$12,163.00	\$25,542.00
Taxes & Fees	\$327.14	\$686.98	\$389.22	\$817.34
TOTAL PREMIUM	\$10,550.14	\$22,154.98	\$12,552.22	\$26,359.34
<i>Optional TRIA Premium (includes taxes & fees)</i>	\$527.35	\$1,107.34	\$627.46	\$1,317.86

Claims Made Coverage:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 90 days of the expiration date. The cost of this extended reporting period is 200% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 33 months of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim:

DESCRIPTION
“Claim” means the written assertion of a legal right received by the “insured” from a third-party, or from another “insured” that is party to an “environmental indemnity obligation”, including, but not limited to, a “government action”, suits or other actions alleging responsibility or liability on the part of the “insured” for “bodily injury”, “property damage” or “remediation costs” arising out of “pollution conditions” or “indoor environmental conditions” to which this insurance applies.

City of Temecula

Program Details

Definition of Claim:

DESCRIPTION

Incident or Claim Reporting Provision:

DESCRIPTION

Any "claim" or "first-party claim" must be reported to the Insurer, in writing, during the "policy period" or within thirty (30) days after the expiration of the "policy period", or during any applicable "extended reporting period".

Extended Reporting Period (ERP) Options*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Extended Reporting Period	--	--	33 months	200%

*If ERP coverage is desired, then that request must be in writing to the carrier.

Policy Form:

DESCRIPTION

Premises Pollution Liability Coverage Form PF-4487a (01/17)

Endorsements include, but are not limited to:

DESCRIPTION

Asbestos and/or Lead-Based Paint Coverage (Inadvertent Disturbance) Endorsement PF-48605 (01/17) – exception to standard exclusion that would allow for release into soil or groundwater. **XL does not limit the 1st party exception to remediation from soil and ground water**

Dedicated Defense Aggregate Limit Endorsement PR-44917 – **sublimits expenses to \$250,000 in the aggregate. XL does not sublimit.**

Illicit Abandonment Amendatory (Methamphetamine) Endorsement PF-48641

Non-Owned Disposal Site Coverage

Notice of Cancellation Amendatory (Generic Time Frame) Endorsement PF-44957 (09/14) - Ninety (90) Days

Pollution Conditions or Indoor Environmental Conditions Coverage

Premium Earn-Out (Staggered - One Year - Acceleration) Endorsement PF-44967 (09/14)

- 25% earned at inception
- 100% earned at the end of year one
- 100% earned upon notice of a pollution condition or a claim

Public Entity Coverage Amendatory Endorsement PF-44971b (01/17) – provides broadened definition of insured and transportation coverage, however excludes coverage for **failure to follow Asbestos, Lead-Based Paint, Fungi or Legionella Management plans;**

Schedule of Covered Locations Schedule Endorsement PF-44913 (09/14)

- Per Statement of Values provided to Chubb on 4/17/19
- Retroactive dates of 07/01/2018

Schedule of Named Insured Endorsement PF-32460 (11/10)

Transportation Coverage

City of Temecula

Program Details

Exclusions include, but are not limited to:

DESCRIPTION
Asbestos Exclusion
Contractual Liability Exclusion
Divested Property Exclusion
Employers Liability Exclusion
First-Party Property Damage Exclusion – except for first party remediation Exclusion
Fraud or Misrepresentation Exclusion
Insured vs. Insured Exclusion
Insured's Internal Expenses Exclusion
Intentional Non-Compliance Exclusion
Known Conditions Exclusion
Lead Exclusionary (Potable Water) Endorsement PF-47994 (07/16)
Lead-Based Paint Exclusion
Material Change in Risk Exclusion
Underground Storage Tanks (Known) Exclusion
Vehicle Damage Exclusion
War or Terrorism Exclusion
Workers' Compensation Exclusion

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Exposures per Application signed 4/11/18 on file with the carrier
TRIA Option: additional premium provided above

Binding Requirements:

DESCRIPTION
Completed, signed and dated Chubb Environmental application
Completed and signed attached TRIA disclosure form
Three (3) years of currently-valued property loss runs
Written confirmation from the broker of the Named Insured's "Home State" as defined in the Nonadmitted and Reinsurance Reform Act (NRRA)

Premium

See "Coverage Options" Above

Minimum Earned: 25%

Auditable: N/A

City of Temecula

Program Details

Coverage: Volunteer Accident (**Incumbent**)

Carrier: Berkley Life and Health Insurance Company &/or StarNet Insurance Company

Policy Period: 7/1/2019 to 7/1/2020

Form Number: Volunteer Accident Coverage Form

Limits:

DESCRIPTION	AMOUNT
Accidental Death & Dismemberment – Principal Sum	\$50,000
Accidental Death & Dismemberment – Aggregate	\$500,000
Accidental Medical Expense (52 week benefit period) - PRIMARY	\$100,000
Total Disability (26 week benefit period)	\$300 per week

Deductibles:

COVERAGE	AMOUNT
Accidental Death & Dismemberment	\$0
Accidental Medical Expense	\$0
Total Disability – waiting period	7 days

AD&D Benefit Payout Schedule:

DESCRIPTION	Percentage of Benefit/Principal Sum
Life	100%
Brain Death	200%
Quadriplegia	200%
Two or More Members	100%
One Member	50%
Hemiplegia	100%
Paraplegia	100%
Uniplegia	50%
Thumb and Index Finger of the Same Hand	25%
Four Fingers of the Same Hand	25%

Policy Form:

DESCRIPTION
Blanket Accident Policy Form AH51051

Exclusions include, but are not limited to:

DESCRIPTION
Suicide, self-destruction, attempted self-destruction or intentional self-inflicted Injury while sane or insane.
War or any act of war, declared or undeclared.

City of Temecula

Program Details

Exclusions include, but are not limited to:

DESCRIPTION
Disease or disorder of the body or mind.
Voluntarily taking any drug or narcotic unless the drug or narcotic is prescribed by a Physician.
Violation or in violation or attempt to violate any duly-enacted law or regulation, or commission or attempt to commit an assault or felony, or that occurs while engaged in an illegal occupation.
Conditions that are not caused by a Covered Accident.
Covered Expenses for which the Covered Person would not be responsible in the absence of this Policy.
Travel or activity outside the United States.
Participation in any motorized race or speed contest.
Treatment of a hernia whether or not caused by a Covered Accident.
Damage to or loss of dentures or bridges or damage to existing orthodontic equipment, except as specifically provided in this Policy.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Exposure: 120 Volunteers, Rate: \$4.64 per Volunteer
Accident Medical & Dental Expense - Loss Period (first Covered Accident Expenses must be incurred within) 90 days after the date of the Covered Accident
Total Disability Incurral Period - within 180 days from the date of a Covered Accident

Premium	\$557.00
ESTIMATED PROGRAM COST	\$557.00

Minimum Premium: N/A

Auditable: N/A

The estimated program cost for the options are outlined in the following table:

City of Temecula

Premium Summary (Cont.)

Line of Coverage	Carrier	Category	Initial Premium	Commission %	Commission Rebate	Final Premium
Excess Liability - Primary \$10M	AIX - \$150K SIR	Premium	\$159,500.00	-	-	\$159,500.00
		TRIA	-	-	-	-
		Surplus Lines Tax	\$4,785.00	-	-	\$4,785.00
		Surplus Lines Fee	\$9.57	-	-	\$9.57
	Total, not incl TRIA					\$164,294.57
	AIX - \$250K SIR	Premium	\$143,619.00	-	-	\$143,619.00
		TRIA	-	-	-	-
		Surplus Lines Tax	\$4,308.57	-	-	\$4,308.57
		Surplus Lines Fee	\$287.24	-	-	\$287.24
Total, not incl TRIA					\$148,214.81	
Excess Workers Compensation	NY Marine & General	Premium	\$50,054.00	-	-	\$50,054.00
		TRIA	Included	-	-	Included
		Surplus Lines Tax	-	-	-	-
		Surplus Lines Fee	-	-	-	-
Total, incl. TRIA					\$50,054.00	
Property	AIG	Deposit Premium	\$97,000.00	-	-	\$97,000.00
		TRIA	-	-	-	-
		Surplus Lines Tax	-	-	-	-
		Surplus Lines Fee	-	-	-	-
		Other Fees	\$4,000.00	-	-	\$4,000.00
Total, not incl TRIA					\$101,000.00	
Difference in Conditions	Empire Indemnity - Primary \$10M	Premium	\$118,269.00	-	-	\$118,269.00
		TRIA	\$59,135.00	-	-	\$59,135.00
		Surplus Lines Tax	\$3,554.07	-	-	\$3,554.07
		Surplus Lines Fee	\$236.94	-	-	\$236.94
		Other Fees	\$200.00	-	-	\$200.00
	Total, not incl TRIA					\$122,260.01
	QBE, Hiscox & General Security - \$25M xs \$10M	Premium	\$56,860.00	-	-	\$56,860.00
		TRIA	\$28,430.00	-	-	\$28,430.00
		Surplus Lines Tax	\$1,723.80	-	-	\$1,723.80
		Surplus Lines Fee	\$114.92	-	-	\$114.92
Other Fees		\$600.00	-	-	\$600.00	
Total, not incl TRIA					\$59,298.72	
Auto Physical Damage	Hanover	Premium	\$5,868.00	-	-	\$5,868.00
		TRIA	-	-	-	-
		Surplus Lines Tax	-	-	-	-
		Surplus Lines Fee	-	-	-	-
		Other Fees	-	-	-	-
	Total, not incl TRIA					\$5,868.00
Cyber Liability	ACE American Insurance Company (Chubb)	Premium	\$9,105.00	-	-	\$9,105.00
		TRIA	Included	-	-	Included
		Surplus Lines Tax	-	-	-	-
		Surplus Lines Fee	-	-	-	-
		Other Premium or Fees	-	-	-	-
	Total					\$9,105.00

City of Temecula

Premium Summary (Cont.)

Crime	Hanover	Premium (estimated)	\$2,548.00	-	-	\$2,548.00
		TRIA	-	-	-	-
		Surplus Lines Tax	-	-	-	-
		Surplus Lines Fee	-	-	-	-
		Other Premium or Fees	-	-	-	-
	Total					\$2,548.00
Volunteer Accident	Berkley Life & Health	Premium	\$557.00	20%	We retain	\$557.00
		TRIA	-	-	-	-
		Surplus Lines Tax	-	-	-	-
		Surplus Lines Fee	-	-	-	-
		Other Premium or Fees	-	-	-	-
	Total					\$557.00
Environmental Liability	Indian Harbor / XL	Premium	\$12,975.00	17%	We retain	\$12,975.00
		TRIA	Included	17%	-	-
		Surplus Lines Tax	\$389.25	-	-	\$389.25
		Surplus Lines Fee	\$25.95	-	-	\$25.95
		Other Premium or Fees	-	-	-	-
	Total, not incl. TRIA					\$13,390.20
Standalone Terrorism Liability, Business Interruption, & Property Damage	Lloyd's / Beazley	Premium	\$8,020.00	20%	We retain	\$8,020.00
		Surplus Lines Tax	\$240.60	-	-	\$240.60
		Surplus Lines Fee	\$16.04	-	-	\$16.04
		Other Premium or Fees	-	-	-	-
						\$8,276.64
Grand Total						\$536,652.14

All quotes are valid through 7/1/2019

Gallagher is responsible for the placement of the following lines of coverage:

Auto Physical Damage

Property

Crime

DIC - Primary \$10MM

Excess DIC

General Liability

Cyber Liability

Excess Workers' Compensation

Pollution Legal Liability

Volunteer Accident

Terrorism

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

City of Temecula

Payment Plans

LINE OF COVERAGE	PAYMENT METHOD
All Lines of Coverage	Agency Bill

Proposal Disclosures

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional compensation if stipulated underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the particular insurance company and/or through the particular intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in certain commission rates. These additional commissions, commonly referred to as "supplemental commissions" are frequently known as of the effective date of the applicable insurance placement, but some insurance companies pay this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage placed through Gallagher.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility is utilized in the placement of a client's account, the facility may earn and retain customary brokerage commission or fees for its work.
5. Gallagher assists its clients in procuring premium finance quotes and unless prohibited by law may earn compensation for this optional value-added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our clients. In order to achieve these goals, we gather and analyze data about our clients and their insurance coverage. This

Proposal Disclosures (Cont.)

data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our clients. This data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please contact Gallagher via e-mail at Compensation_Complaints@ajg.com or by regular mail at:

AJG Chief Compliance Officer
Arthur J. Gallagher & Co.
2850 Golf Rd., 8th Floor
Rolling Meadows, IL 60008

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher & Co. Insurance Brokers of CA., Inc.. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

City of Temecula

Insurance Company Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING	ADMITTED / NON-ADMITTED
ACE American Insurance Company	A++ XV	Admitted
AIX Specialty Insurance Company	A XV	Non-Admitted
Allied World Assurance Company	A XV	Admitted
American Home Assurance Company	A XV	Admitted
Arch Insurance Company	A+ XV	Admitted
AXIS Insurance Company	A+ XV	Admitted
Berkley Life and Health Insurance Company	A+ VIII	Admitted
Continental Casualty Company	A XV	Admitted
Empire Indemnity Insurance Company (MGA: Arrowhead)	A+ XV	Non-Admitted
Federal Insurance Company	A++ XV	Admitted
General Security Indemnity Company of Arizona (MGA: Arrowhead)	A+ XV	Non-Admitted
Hanover Insurance Company	A XV	Admitted
Illinois Union Insurance Company	A++ XV	Non-Admitted
Indian Harbor Insurance Company	A XV	Non-Admitted
Ironshore Europe Designated Activity Company (MGA: Arrowhead)	A XV	Non-Admitted
Ironshore Insurance Ltd (MGA: Arrowhead)	A XV	Non-Admitted
Ironshore Specialty Insurance Company	A XV	Non-Admitted
Lloyd's/Hiscox Syndicate 33 (MGA: Arrowhead)	A XV	Non-Admitted
National Union Fire Insurance Company of Pittsburgh PA	A XV	Admitted
New York Marine And General Insurance Company	A- IX	Admitted
QBE Specialty Insurance Company (MGA: Arrowhead)	A XV	Non-Admitted
StarNet Insurance Company	A+ XV	Admitted
Travelers Property Casualty Company of America	A++ XV	Admitted
Zurich Insurance Company	A+ XV	Admitted

City of Temecula

Insurance Company Ratings and Admitted Status (Cont.)

If the above indicated coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

*The above A.M. Best Rating was verified on the date the proposal document was created.

Guide to Best Ratings Rating Levels and Categories

LEVEL	CATEGORY	Financial Size Categories (In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)			
A++, A+	Superior	FSC I	Up to 1,000	FSC IX	250,000 to 500,000
A, A-	Excellent	FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
B++, B+	Good	FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
B, B-	Fair	FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
C++, C+	Marginal	FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
C, C-	Weak	FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
D	Poor	FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
E	Under Regulatory Supervision	FSC VIII	100,000 to 250,000		
F	In Liquidation				
S	Suspended				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Insurance Company Ratings and Admitted Status (Cont.)

BEST'S FINANCIAL STRENGTH RATING GUIDE – (FSR)			
A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.			
Best's Financial Strength Rating (FSR) Scale			
Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".			
FSR Non-Rating Designations			
Designation Symbols	Designation Definitions		
E	Status assigned to insurance companies that are publicly placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal ongoing insurance operations; an impaired insurer.		
F	Status assigned to insurance companies that are publicly placed in liquidation by a court of law or by a forced liquidation; an impaired insurer.		
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.		
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AMBRS.		
Rating Disclosure – Use and Limitations			
A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance and business profile or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AMBRS) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AMBRS.			
BCRs are distributed via the AMBRS website at www.ambest.com . For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Understanding Best's Credit Ratings" available at no charge on the AMBRS website. BCRs are proprietary and may not be reproduced without permission. Copyright © 2016 by A.M. Best Company, Inc. and/or its affiliates. ALL RIGHTS RESERVED.			
			Version 090116



Client Signature Requirements

Changes / Developments

It is important that we be advised of any changes in your operations that 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:

1. Changes in any operation such as expansion to other states or new products.
2. Mergers and/or acquisition of new companies.
3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
4. Circumstances which may require increased liability insurance limits.
5. 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 same.
6. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
7. Property of yours that is in transit, unless we have previously arranged for the insurance.
8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.

☐ No Changes and/or Developments

Signature: _____

Title: _____

Date: _____

City of Temecula

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 5/21/2019, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

AUTHORIZATION	INSURANCE COMPANY	RESPONSE	TOTAL PREMIUM
Excess Liability – 1 st Layer (\$10M)			
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>	AIX Specialty Insurance Company (incumbent)	Quoted	
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		Option 1: \$10M xs \$150k SIR	\$164,294.57
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		Option 2: \$10M xs \$250K SIR	\$148,214.81
		TRIA Coverage	\$937.00
Excess Workers’ Compensation			
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>	New York Marine And General Insurance Co. (incumbent)	Quoted	
		WC Stat / EL \$1M xs \$500k SIR	\$50,054.00
Property & Equipment Breakdown			
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>	American Home Assurance Co. (incumbent)	Quoted - \$170M xs \$10k deductible	\$101,000.00
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		TRIA Coverage	\$7,787.00
Earth Movement & Flood (DIC)			
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>	Arrowhead (incumbent)	Quoted - Primary \$10M	\$122,260.01
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		TRIA (rejected on expiring)	\$61,027.32
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>	Arrowhead (incumbent)	Quoted - \$25M xs \$10M	\$59,298.72
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		TRIA (rejected on expiring)	\$29,339.76
Auto Physical Damage			
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>	Hanover Insurance Company (Incumbent)	Quoted	\$5,868.00
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		TRIA (accepted on expiring)	\$161.00
Cyber			
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>	National Union Fire Insurance Company of Pittsburgh, PA (incumbent)	Quoted	
		\$1M xs \$15K (per expiring)	\$9,144.63
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>	Lloyd’s / Beazley	Quoted	
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		Option 1: \$1M xs \$15K w/ \$1M addl. breach response	\$12,578.02
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		Option 2: \$3M xs \$15K w/ \$3M addl. breach response	\$17,378.88
<div><input type="checkbox"/> Accept <input type="checkbox"/> Reject</div>		Option 3: \$5M xs \$25K w/ \$5M addl. breach response	\$26,153.98

City of Temecula

Client Authorization to Bind Coverage (Cont.)

AUTHORIZATION	INSURANCE COMPANY	RESPONSE	TOTAL PREMIUM
<input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject	XL	Quoted Option 1: \$1M xs \$15K Option 2: \$2M xs \$15K	\$8,127.00 \$13,528.49
<input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject	Chubb Group of Insurance Companies	Quoted Option 1: \$1M xs \$15K Option 1: \$2M xs \$15K	\$9,105.00 \$14,445.00
Crime			
<input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject	Hanover Insurance Company (incumbent)	Quoted Option 1: \$1M (expiring) Option 2: \$2M	\$2,548.00 \$5,331.00
Environmental Liability			
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Indian Harbor / XL (incumbent)	Quoted \$1M/\$2M xs \$25K SIR (expiring)	\$13,390.20
<input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject	Illinois Union Insurance Company (Chubb)	Quoted Option 1: \$2M/\$2M xs \$25K SIR (1 yr. term) Option 2: \$1M/\$2M xs \$25K SIR (3 yr. term) Option 3: \$2M/\$2M xs \$25K SIR (1 yr. term) Option 4: \$2M/\$2M xs \$25K SIR (3 yr. term)	\$11,077.00 \$23,262.31 \$13,179.67 \$27,677.21
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	JPRIMA (policy runs 4/1 – 4/1)	Quoted \$1M/\$1M xs \$25K deductible	\$11,308.00
Volunteer Accident			
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Berkley Accident & Health (incumbent)	Quoted	\$557.00
Terrorism			
<input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Accept <input type="checkbox"/> Reject	Lloyd's / Beazley	Quoted (incl. Surplus taxes & fees) Option 1: Liability @ \$5M Option 2: Liability @ \$10M Option 3: BI / PD @ \$5M Option 4: BI / PD @ \$10M Option 5: Liability & BI / PD @ \$5M Option 6: Liability & BI / PD @ \$10M	\$6,321.00 \$10,645.08 \$4,726.56 \$7,874.16 \$8,276.64 \$13,880.40

City of Temecula

Client Authorization to Bind Coverage (Cont.)

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

Producer/ Insured Coverage Amendments and Notes:

Client Initials

City of Temecula

Client Authorization to Bind Coverage

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

By:

Print Name (Specify Title)

Signature

Date:

NOTICE:

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

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

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

Date: _____

Insured: _____

TRIA Forms

AGENCY CUSTOMER ID: _____



INSURANCE SUPPLEMENT

AGENCY Arthur J. Gallagher	CARRIER AIX Specialty Insurance Company	NAIC CODE 12833
POLICY NUMBER Quotation Only	APPLICANT / NAMED INSURED City of Temecula	

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

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

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 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. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

- ☐ I hereby elect to purchase terrorism coverage for a prospective premium of \$ See Quote Letter.
- ☐ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

_____ Policyholder / Applicant's Signature	_____ Print Name	_____ Date
_____ Policyholder / Applicant's Signature	_____ Print Name	_____ Date
_____ Policyholder / Applicant's Signature	_____ Print Name	_____ Date
		_____ Effective Date

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AGENCY CUSTOMER ID: _____

CALIFORNIA AUTO SUPPLEMENT

AGENCY		APPLICANT / NAMED INSURED(S)
POLICY NUMBER		
CARRIER	NAIC CODE	

MANDATORY UNINSURED MOTORISTS BODILY INJURY COVERAGE OFFER

The California Insurance Code requires that all automobile liability policies contain Uninsured Motorists Bodily Injury Coverage with limits equal to your Bodily Injury Liability Coverage, but limits in excess of \$30,000 per person, \$60,000 per accident split limits, or \$60,000 per accident single limit are not required to be offered. You may reject these limits and select limits lower than the Bodily Injury Liability Coverage.

Uninsured Motorists Bodily Injury Coverage pays for bodily injury losses to you and your passengers as a result of an accident with a driver who has no liability protection and is legally responsible for the injuries. This includes a hit-and-run vehicle whose owner and operator cannot be identified. Uninsured Motorists Bodily Injury Coverage also provides Underinsured Motorists Bodily Injury Coverage. This coverage pays for bodily injury losses to you and your passengers as a result of an accident with a driver who has liability protection with limits that are lower than the Uninsured Motorists Bodily Injury limits you have selected, and that person is legally responsible for your injuries.

Please indicate your choices by **initialing** next to the appropriate item(s) below.

Rejection of Uninsured Motorists Bodily Injury Coverage

The California Insurance Code requires that we provide you with the following information:

The California Insurance Code requires an insurer to provide Uninsured Motorists Bodily Injury Coverage in each bodily injury liability insurance policy it issues covering liability arising out of the ownership, maintenance, or use of a motor vehicle. Those provisions also permit the insurer and the applicant to delete the coverage completely or to delete the coverage when a motor vehicle is operated by a natural person or persons designated by name. Uninsured Motorists Bodily Injury Coverage insures the insured, his or her heirs or legal representatives for all sums within the limits established by law, which the person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease or death to the insured from the owner or operator of an uninsured motor vehicle not owned or operated by the insured or a resident of the same household. An uninsured motor vehicle includes an underinsured motor vehicle as defined in subdivision (p) of Section 11580.2 of the Insurance Code.

_____ I reject Uninsured Motorists Bodily Injury Coverage entirely.

_____ I reject Uninsured Motorists Bodily Injury Coverage only with respect to the following individuals:

Name(s) of Excluded Driver(s): _____

Lower Limit(s) for Uninsured Motorists Bodily Injury Coverage

The California Insurance Code requires that we provide you with the following information:

The California Insurance Code requires an insurer to provide Uninsured Motorists Bodily Injury Coverage in each bodily injury liability insurance policy it issues covering liability arising out of the ownership, maintenance or use of a motor vehicle. Those provisions also permit the insurer and the applicant to agree to provide the coverage in an amount less than that required by subdivision (m) of Section 11580.2 of the Insurance Code but not less than the financial responsibility requirements. Uninsured Motorists Bodily Injury Coverage insures the insured, his or her heirs, or legal representatives for all sums within the limits established by law, which the person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease or death, to the insured from the owner or operator of an uninsured motor vehicle not owned or operated by the insured or a resident of the same household. An uninsured motor vehicle includes an underinsured motor vehicle as defined in subdivision (p) of Section 11580.2 of the Insurance Code.

_____ I select Uninsured Motorists Bodily Injury Coverage limit(s) of \$ _____
 which are lower than my bodily injury liability limit(s).

Coverage is generally described here. Only the policy provides a complete description of the coverages and their limitations.

Applicant's Signature _____

Date _____

Effective Date _____

AGENCY CUSTOMER ID: _____

MANDATORY UNINSURED MOTORISTS PROPERTY DAMAGE COVERAGE OFFER

The California Insurance Code requires that we provide you with the following information:

Uninsured Motorists Property Damage Coverage pays for damages or destruction of a covered auto caused by an auto accident where an insured is legally entitled to recover from the owner or operator of certain types of uninsured motor vehicles.

Uninsured Motorists Property Damage Coverage is available only:

1. If you have not rejected Uninsured Motorists Bodily Injury Coverage, and
2. For autos for which you have not purchased Collision Coverage.

This coverage is not applicable to commercial vehicles transporting persons for hire, compensation or profit designed, used or maintained primarily for the transportation of property.

Please indicate your choices by **initialing** next to the appropriate item(s) below.

_____ I select Uninsured Motorists Property Damage Coverage at a limit of \$3,500 for each accident for the vehicles listed below:

YEAR	MAKE	MODEL
YEAR	MAKE	MODEL
YEAR	MAKE	MODEL

_____ I reject Uninsured Motorists Property Damage Coverage entirely.

_____ I reject Uninsured Motorists Property Damage Coverage only with respect to the following individuals:

Name(s) of Excluded Driver(s):

Coverage is generally described here. Only the policy provides a complete description of the coverages and their limitations.

Applicant's Signature

Date

Effective Date



PO Box 22778 Oklahoma City, OK 73123
Phone: 405.840.0074 • Fax: 405.840.5432

New York Marine and General Insurance Company

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT COVERAGE

City of Temecula, CA

Insured's Name

Policy Number

Coverage for acts of terrorism is included in your policy. This disclosure addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015.

Definitions

The definitions provided in this disclosure are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this disclosure are defined in the Act, the definitions in the Act will apply.

1. "Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2015.
2. "Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States as meeting all of the following requirements:
 - a. The act is an act of terrorism.
 - b. The act is violent or dangerous to human life, property or infrastructure.
 - c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
 - d. The act has 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.
3. "Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.
4. "Insurer Deductible" means, for the period beginning on January 1, 2015, and ending on December 31, 2020, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

www.midlandsmgt.com

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Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed:
 - a. \$100,000,000, with respect to such Insured Losses occurring in calendar year 2015, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
 - b. \$120,000,000, with respect to such Insured Losses occurring in calendar year 2016, the United States Government would pay 84% of our Insured Losses that exceed our Insurer Deductible.
 - c. \$140,000,000, with respect to such Insured Losses occurring in calendar year 2017, the United States Government would pay 83% of our Insured Losses that exceed our Insurer Deductible.
 - d. \$160,000,000, with respect to such Insured Losses occurring in calendar year 2018, the United States Government would pay 82% of our Insured Losses that exceed our Insurer Deductible.
 - e. \$180,000,000, with respect to such Insured Losses occurring in calendar year 2019, the United States Government would pay 81% of our Insured Losses that exceed our Insurer Deductible.
 - f. \$200,000,000, with respect to such Insured Losses occurring in calendar year 2020, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$499 and does not include any charges for the portion of losses covered by the United States government under the Act.

The portion of the Insured's annual premium that is attributable to coverage for certified "acts of terrorism" may be adjustable at audit and is calculated based on a percentage of the Insured's total audited payroll.

I ACKNOWLEDGE THAT WE HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2015, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER THIS POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT, MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE THIS COVERAGE AND WE HAVE BEEN NOTIFIED OF THE PORTION OF THE PREMIUM ATTRIBUTABLE TO THIS COVERAGE.

Policyholder's Signature

Date

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)**

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

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING 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. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase terrorism coverage for a prospective premium of <u>\$7,787</u> .
	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant’s Signature

Policyholder/Applicant’s Printed Name

Date

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 161
Fire Following Premium	\$ Waived
Other than Fire Following Premium	\$ 161

Disclosure of Terrorism Coverage Available

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" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 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.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Rejection of Terrorism Insurance Coverage

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Applicant/Policyholder Signature

Print Name

Date

Hanover Insurance Company

Insurance Company

IHF-A670514-04

Quote or Policy Number

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)**

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

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING 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. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

<input type="checkbox"/>	I hereby elect to purchase terrorism coverage for the prospective premium as set forth in the quote letter.
<input type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Policyholder/Applicant's Printed Name

Date

Insured Name: CITY OF TEMECULA INC
Policy Form: SPECIALTY RISK PROTECTOR
Tab: 1614044, Submission: 979879306
Policy Period of 12 Months

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

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

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 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. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase terrorism coverage for a prospective premium of \$_____
	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Illinois Union Insurance Company
Insurance Company

Print Name

Policy Number

Date

Appendix

City of Temecula

Claims Reporting By Policy

Direct Reporting

COVERAGE	CARRIER CLAIMS REPORTING	TPA CLAIMS REPORTING
Excess Liability		
Excess Liability - \$10M xs \$150K SIR	PSI Program Administrators A Division of Risk Placement Services 2850 Golf Road Rolling Meadows, IL 60008 E-mail: Philip_Vaughan-Fowler@RPSins.com Phone: 866-832-5728	Carl Warren 17862 East 17th Street, Suite 111 Tustin, California 92780 Tel: (657) 622-4200
Excess Liability – 2nd Layer	PSI Program Administrators A Division of Risk Placement Services 2850 Golf Road Rolling Meadows, IL 60008 E-mail: Philip_Vaughan-Fowler@RPSins.com Phone: 866-832-5728	Carl Warren 17862 East 17th Street, Suite 111 Tustin, California 92780 Tel: (657) 622-4200
Excess Workers' Compensation		
Excess Workers' Compensation	Midlands Management Corporation 3817 Northwest Expressway, Suite 1000 Post Office Box 22778 Oklahoma City, OK 73123-1778 Phone: 405-840-0074 Fax: 405-426-6197	Elite Claims Management 27475 Ynez Road, #322 Temecula, CA 92591 Tel: (951) 676-3850
Property		
Property	American Home Assurance Company 175 Water Street, 18 th Floor New York City, NY 10038 Phone: 1 (212) 458-7000	N/A
DIC		
DIC – Primary \$10M	Empire Indemnity Insurance Company Swett & Crawford 550 W. Van Buren, Suite 1500 Chicago, IL 60607 Phone: 1 (312) 899-1480	N/A
DIC - p/o \$25M xs \$10M Primary	QBE Specialty Insurance Company Swett & Crawford 550 W. Van Buren, Suite 1500 Chicago, IL 60607 Phone: 1 (312) 899-1480	N/A

City of Temecula

Claims Reporting By Policy (Cont.)

DIC - \$p/o \$25M xs \$10M Primary	General Security Indemnity Co. of Arizona Swett & Crawford 550 W. Van Buren, Suite 1500 Chicago, IL 60607 Phone: 1 (312) 899-1480	N/A
Auto Physical Damage		
Auto Physical Damage	Hanover Insurance Company Phone: (800) 628-0250 Fax: (800) 399-4734 Email: firstreport@hanover.com	N/A
Cyber		
Cyber	National Union Fire Insurance Co. of Pittsburg PA 175 Water Street, 18 Floor New York City, NY 10038 Phone: 1 (877) 638-4244 Fax: 1 (212) 458-7080	N/A
Crime		
Crime	Hanover Insurance Company Phone: (800) 628-0250 Fax: (800) 399-4734 Email: firstreport@hanover.com	N/A
Pollution		
Pollution	XL Group Insurance c/o ACS, Inc. P.O. Box 614002 Orlando, FL 32861-4002 Phone: 1 (800) 327-1414 Email: napropcasclaimnewnotices@xlcatlin.com Fax: 1 (610) 458-6653	N/A
Pollution	Chubb Environmental Risk Claims Manager P.O. Box 5103 Scranton, PA 18505 Fax: (866) 635-5687 First Notice Fax: (800) 3951-4119 Email: casualtyriskenvironmentalfirstnotice@chubb.com	N/A

Claims Reporting By Policy (Cont.)

Volunteer Accident		
Volunteer Accident	Berkley Accident & Health Insurance Company 757 Third Avenue, 10th Floor New York, NY 10017 www.BerkleyAH.com	Cambridge Administrators, LLC cambridgeadministrators.com/claim-form Tel: (402) 991-6301

City of Temecula

Bindable Quotations & Compensation Disclosure Schedule

Client Name: City of Temecula

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM ¹	COMM.% OR FEE ²	WHOLESALE, MGA OR INTERMEDIARY		
				NAME ³	COMM.% OR FEE ⁴	AJG OWNED? YES/NO
Excess Liability – 1 st Excess	AIX Specialty Insurance Company (Hanover Insurance Companies)	\$159,500.00	0 %	Risk Placement Services	8.5 %	Yes
Excess Workers' Compensation	New York Marine And General Insurance Company (ProSight Specialty Group)	\$50,054.00	0 %	Midlands Management Corp.	4*	No
Property	American Home Assurance Company (American International Group, Inc.)	\$97,000.00	0 %	N/A	-	-
DIC - Primary \$10M	Empire Indemnity Insurance Co (Zurich Insurance Group)	\$118,269.00	0 %	Swett & Crawford	5%	No
DIC - \$25M xs \$10M	QBE Specialty Insurance Company Lloyd's Syndicate 33 General Security Indemnity Co of Arizona	\$56,860.00	0 %	Swett & Crawford	5%	No
APD & CE	Hanover Insurance Company	\$5,858.00	0 %	N/A	-	-
Cyber Liability	National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc.)	\$10,451.00	0 %	N/A	-	-
Crime	Hanover Insurance Company (Hanover Insurance Companies)	\$2,548.00	0 %	N/A	-	-
Pollution	Indian Harbor Insurance Company (XL)	\$12,975.00	15%	N/A	-	-
Pollution	Illinois Union Insurance Company (Chubb)	\$11,359.00	17%	N/A	-	-
Volunteer Accident	Berkley Accident and Health Insurance Company	\$557.00	20%	N/A	-	-
Terrorism	Lloyd's / Beazley	\$6,125.00 \$10,315.00 \$8,020.00 \$13,450.00 \$4,580.00 \$7,630.00	20%	N/A	-	-

Bindable Quotations & Compensation Disclosure Schedule (Cont.)

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the [Compensation Disclosure](#) or contact your Gallagher representative for additional information.

1 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

2 The commission rate is a percentage of annual premium excluding taxes & fees.

* Gallagher is receiving commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

3 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

4 * The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.