



Agenda Report

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File #: 19-0573

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**AGENDA REPORT  
REQUEST FOR CITY COUNCIL AND  
CORONA UTILITY AUTHORITY ACTION**

DATE: June 19, 2019

TO: Honorable Mayor and City Council Members  
Honorable President and Board Members

FROM: Legal and Risk Management Department

**SUBJECT:**

City Council and Corona Utility Authority consideration and approval of City Liability, Property and Workers' Compensation Insurance Policies for fiscal year 2019-2020.

**RECOMMENDED ACTION:**

That the City Council:

1. Authorize the renewal of the City's excess general liability insurance policy with the California State Association of Counties Excess Insurance Authority ("CSAC-EIA") for Fiscal Year 2019-2020, with an *estimated maximum* premium amount of **\$608,000**, coverage of \$25,000,000 per occurrence, and maintenance of our self-insured retention ("SIR") at \$500,000 per occurrence.
2. Authorize the renewal of the City's excess workers' compensation insurance policy with CSAC -EIA for Fiscal Year 2019-2020, with an estimated premium amount of **\$243,964**. Coverage is equal to the statutory requirements for workers' compensation and \$5,000,000 per occurrence for employer's liability, and an SIR of \$1,000,000 per occurrence. The premium is based on estimated payroll and is subject to adjustment based on actual payroll.
3. Authorize the renewal of the City's property insurance with Alliant's Property Insurance Program ("APIP") for Fiscal Year 2019-2020, with an estimated premium amount of up to **\$299,019**, coverage for both real and personal property valued at approximately \$557,659,042 (up from \$535,181,844 last year), continuation of coverage for vehicles at actual cash value (as opposed to replacement value), continuation of coverage off-premises only for vehicles with a value of \$100,000 or more, and the continuation of the primary SIR levels set at \$5,000 per occurrence for vehicles off-premises; \$10,000 per occurrence for vehicles on-premises, \$50,000 for buildings and facilities, and \$500,000 for wells.

4. Authorize the renewal of the second year of a two year policy for the City's Master Government Crime insurance with the National Union Fire Insurance Company of Pittsburgh, PA ("AIG") for Fiscal Years 2018-2020, with an annual premium of **\$9,812** for Fiscal Year 2019-2020, coverage of \$15,000,000 per occurrence, and a deductible of \$2,500 per occurrence.
5. Authorize the renewal of the third year of a four year policy for the City's Airport Liability insurance with the Old Republic Insurance Company for Fiscal Years 2016-2020, with a premium of **\$3,668** for Fiscal Year 2019-2020, coverage of \$10,000,000 per occurrence, and no deductible or SIR.
6. Authorize the renewal of the second year of a three-year policy for the City's enhanced pollution liability insurance with Illinois Union Insurance for Fiscal Years 2018-2021, with a premium of approximately **\$47,108** for Fiscal Year 2019-2020, coverage of \$10,000,000 per pollution condition, and an SIR of \$25,000 per pollution condition.
7. Authorize the renewal of the City's excess Cyber Liability insurance policy with Axis Insurance Company for Fiscal Year 2019-2020, with a premium of **\$25,308** and coverage of \$3,000,000 in excess of the Cyber Liability coverage included on the City's APIP property policy.
8. Authorize the purchase of Alliant's Deadly Weapon Response Program coverage, underwritten by Lloyd's of London, for Fiscal Year 2019-2020, with a premium of **\$5,872** and coverage of \$500,000 and sub-limit coverage of \$250,000 for various incident related services and coverages.
9. Pursuant to Corona Municipal Code Section 3.08.140(E), find that it is in the best interest of the city and its administrative operations to dispense with the City's normal formal competitive bidding process and authorize the above purchases using Alliant's competitive process, since it is an appropriate alternative to the City's formal public competitive bidding procedures.
10. Concur with staff recommendation not to purchase earthquake and flood insurance because it is not available at a reasonable cost.
11. Authorize staff to take all actions and execute all documents necessary to implement these recommendations, including any minor adjustments which are consistent with these recommendations and within the Proposed Fiscal Year 2019-2020 budgets for the Workers Compensation Fund (#68320120) and the General Liability Fund (#68720120).

That the Corona Utility review ratify and to the extent necessary direct the City Council to take the above actions.

#### **ANALYSIS:**

#### **BASIS FOR EXCEPTION TO COMPETITIVE BIDDING**

Alliant Insurance Services, Inc. ("Alliant") is the City's broker of record for liability, property and workers' compensation insurance coverage. Alliant is a well-established provider of specialty brokerage services to the public sector and has worked with the City for many years.

Alliant is not in the position to strictly follow the City's formal public competitive bidding procedures, as the renewal of the City's varied and detailed insurance policies does not lend itself to a typical RFP process and takes many months to complete. We have worked with Alliant over the years to identify the City's complex coverage criteria, including broad and detailed coverage terms, various policy limits depending upon City risks and needs, and self-insured retentions ("SIR") that allow for stable premium costs. Moreover, almost as soon as we purchase our policies for a given year, we begin to work with Alliant to gather information in order to begin the next renewal period. The process begins in earnest in the Fall and literally does not finish until this agenda report is ready to be finalized and published.

Staff believes that Alliant's competitive process is an appropriate alternative authorized by Corona Municipal Code Section 3.08.140(E), which states as follows:

"(E) Purpose of bidding is otherwise accomplished. When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determine that it is in the best interest of the city and its administrative operations to dispense with public bidding for non-public projects under this chapter."

Staff believes that it is in the City's best interests to follow the process established by our broker, since the process is more thorough and competitive than what the City could conduct itself using our competitive bidding procedures. Alliant begins to provide premium estimates to us in or about October, followed by updates in or about December and two or three additional times into the Spring. Alliant formally releases the City's applications for coverage to insurance markets no later than March of each year. Alliant is able to reach markets and potential insurers that would very likely never respond to an RFP issued by the City or a process required by the City's formal competitive bidding provisions.

This year, Alliant accessed the following competitive-markets on behalf of the City:

- Excess General Liability: This coverage was extensively marketed this year outside of the current insurance program to approximately 13 insurance markets. All but one declined to quote, as they were unable to compete on pricing and limits, and the one that did quote was not competitive according to Alliant. In addition, Alliant surveyed other possible Joint Powers Insurance Authorities, and ultimately determined that only one (California JPIA) could even offer a program similar to that provided by CSAC-EIA. The quote provided by California JPIA was \$1,521,700 for a \$500,000 SIR and \$50M in coverage. While the coverage was double, the premium was more than 3 times the premium paid by the City last year and more than 2 times this year's estimated premium. Alliant has determined through this process that the current program through CSAC-EIA will continue to be the most competitive option in terms of broad coverage and lower premium.
- Excess Workers Compensation: The coverage was extensively marketed this year outside the current program to 6 alternative markets. All declined to quote due to not being able to compete with CSAC-EIA.
- Property Insurance: The APIP is marketed each year to ensure that only insurance companies

offering the broadest coverage terms at a preferred rate participate. Alliant also conducts marketing efforts outside of the APIP every year. This year the property insurance was marketed to 9 additional carriers. Of those that responded, most indicated that they cannot compete with the APIP's broad terms and competitive pricing and one declined due to our recent loss experience and exposure to wildfires.

- Crime Liability Coverage: The CSAC-EIA crime program placed with National Union Fire Insurance Company was marketed outside the program, and was placed last year in a two-year policy (Fiscal Years 2018-2020). Alliant reports that National Union Fire Insurance Company's pricing is well below the other markets and is the only market that offers \$15,000,000 limits for faithful performance of duty. Thus, this policy was not remarketed this year.
- Airport Liability: The airport liability coverage was placed in 2016 with Old Republic in a three-year guarantee rate program (Fiscal Years 2016-2019), and was extended last year at the same rates into a four-year policy (Fiscal Years 2016-2020) that now expires June 30, 2020. Thus, this policy was not remarketed this year.
- Excess Pollution Liability: This coverage was marketed in October 2015 to approximately 8 viable carriers. Coverage was placed with Illinois Union Insurance ("Illinois Union"), in part due to the availability of coverage for regulatory fines and penalties. This coverage was remarketed for Fiscal Year 2018-2019 to be sure continuation of coverage with Illinois Union provides the broadest coverage and best pricing, but no other reasonable and responsive quote could be obtained. For instance, it was determined that there are no other viable markets that offer coverage for regulatory fines and penalties, which is priority coverage for the Department of Water & Power ("DWP"). Moreover, while at least one other carrier was willing to provide a quote, albeit without the regulatory fines and penalties coverage as noted, they also wanted the City to provide Phase 1 environmental studies on all of DWP's well sites, which would have been both cost and time prohibitive simply to obtain a quote. Thus, this policy was not remarketed this year.
- Excess Cyber Liability: The Excess Cyber Liability program is available only to those entities that purchase Cyber Liability coverage under APIP, and the excess program is marketed each year. The program was marketed this year to 2 additional carriers. Alliant has determined through this process that the current policy from Axis Insurance will continue to be the most competitive option for members of APIP in terms of broad coverage and lower premium.

Joint purchase plans and any available stable pooled insurance programs were also reviewed to provide the City with the best renewal quotes possible. Thus, while other markets were explored, those selected continue to offer the broadest policy language at the best premium for the City.

After searching the markets, Alliant thereafter negotiates competitive coverage and premiums on the City's behalf.

Pursuant to Corona Municipal Code Section 3.08.140(E), for the above reasons staff believes that the City Council should find that it is in the best interest of the city and its administrative operations to

dispense with the City's normal formal competitive bidding process and authorize the recommended purchases using Alliant's competitive process, since it is an appropriate alternative to the City's formal public competitive bidding procedures.

## RECOMMENDED COVERAGES

### Excess General Liability

Liability Insurance is proposed to be renewed with CSAC-EIA, which will provide the City \$25,000,000 in coverage per occurrence. Liability insurance provides protection against losses that exceed the City's \$500,000 SIR for injury, property damage, errors & omissions, and unfair employment practices claims. Most private insurers will only issue policies with a minimum SIR of \$1,000,000, so the \$500,000 SIR the City is able to retain is relatively favorable.

*Final Insurance Quotes Not Yet Available:* Because of the very difficult nature of the insurance market this year, Alliant has been unable to secure a final, binding Excess General Liability quote as of the publication of this report on Monday, June 17, 2019. **However, the estimated premium at the \$500,000 SIR deductible level is estimated not to exceed \$608,000, compared with \$436,528 last year.** While this would represent an increase of approximately 39%, Alliant indicates that the increase is almost entirely due to market and pool issues, and is not necessarily reflective of any actual risk facing the City.

*Significant Increases - Function of Pool & Market Issues:* Alliant reports that this year's significant increases in Excess General Liability premiums are primarily due to the following pool and market issues:

- ✓ **Pool:** There has been an increase in employment related claims, such as harassment. In addition, there has been at least a perceived increase in jury verdicts for police related claims within the pool.
- ✓ **Market:** There are capacity restrictions, meaning that there are less firms writing liability policies for public agencies and those that are writing are doing so for less coverage. Moreover, there has been a general hardening of the insurance market overall.

Although the proposed 39% increase is very significant, it was projected to be worse earlier in the renewal process. The City's initial estimate in October of 2018 was for up to a 54% increase, but fortunately CSAC-EIA was able to take some steps to mitigate the pool and market issues noted above. Notably, among other steps they were able "sell-off" a portfolio of certain pool losses for the years 2007-19, and provide a guaranteed market for the program and a reinsurance partner for the next five years. Alliant will be present at the City Council meeting in the event you have additional questions regarding these pool and market issues.

As we discussed in detail last year, the City can save premium dollars by increasing our SIR from \$500,000 to \$1M, but LRM staff believes that maintaining our \$500,000 SIR for now is important, since as a full-service City a risk of a covered GL claim and related costs exceeding \$500,000 is quite real. The City has been quite fortunate - due to good management and very well-trained employees (particularly in the Police Department, which of course carries higher risk potential) - to seemingly

have only one claim above \$500,000 in essentially the last 30 years or so. In the event we have another such claim, we will likely be forced to move to a \$1M SIR. In addition, increasing the GL deductible would also not be in compliance with the terms of several of our bond agreements, so those would need to be changed as well.

Independence Day Event Insurance Coverage: Please also note that, in addition to this excess general liability policy, the Library and Recreation Services Department (“LRS”) will once again purchase a special event policy for the Fourth of July Family Parade and Festival, in order to obtain first dollar General Liability coverage due to the large crowd hazard. The premium is \$8,554, which is slightly less than last year’s premium of \$8,699. The cost of coverage has been budgeted and will be paid for by LRS. Limits of liability carried last year were \$1,000,000, since the CSAC-EIA liability policy is available, if needed, to provide coverage above the special event policy.

### **Excess Workers’ Compensation**

Workers’ compensation insurance is proposed to be renewed with CSAC-EIA, a joint powers insurance pool for excess workers’ compensation coverage, which will provide the City with statutory workers’ compensation coverage and employer’s liability coverage of \$5,000,000 per occurrence. The City’s workers’ compensation SIR per occurrence is \$1,000,000. The premium is estimated to increase approximately 2.66% to \$243,964, up from \$237,639 last year, based on actual payroll (currently estimated to be \$61,977,721, down from \$62,677,195 last year). California’s Worker’s Compensation rates are higher for public agencies with a high percentage of safety personnel. Safety personnel tend to experience higher loss severity and frequency. The rate increases for municipalities reflect increased indemnity claim frequency and severity, rapidly escalating medical costs including a spike in opiate drug abuse issues.

State Self-Insurance Fee: In addition to the excess policy premium, the City is assessed an annual fee by the State of California’s Department of Industrial Relations, Office of Self Insurance plans. The fee, which is intended to cover the State’s costs to administer self-insurance plans, as well as an annual self-insurance license renewal fee and funding for various funds that protect against problematic insurers. The yearly assessment is based on the City’s paid indemnity loss experience taken from the prior year’s Self Insured Annual Report. The fee was estimated at \$110,000 for fiscal year 2018-2019, but was later reduced to \$79,679.10. \$90,000 has been included in the 2019-2020 budget for the workers’ compensation fund.

### **Property**

Property coverage is proposed to be renewed with APIP, which will provide the City with coverage of both real and personal property valued at approximately \$557,659,042 (up approximately 4.19% from \$535,181,844 last year), including boiler and machinery coverage. The renewal rate increased approximately 25.33% from \$.0427828 per hundred dollars of value last year to \$.0536203 per hundred dollars of value this year. This collectively represents a premium increase of approximately 30.59% from \$228,966 last year to \$299,019 for 2019-2020.

Please note that while the property values and renewal rates ended up much lower than those estimated in last year’s Agenda Report (\$575,449,533 and \$.0632215 respectively), primarily due to the several contemplated “cost reduction efforts” also outlined in the report, last year’s premium of \$228,966 ended up on the lower end of the \$210,575 to \$262,108 contemplated range (see Pages 5

and 6 of last year's Agenda Report).

Significant Increases - Function of Pool, Market & City Claim Issues: Alliant reports that this year's significant increases in Property Insurance premiums are primarily due to the following pool, City and market issues:

- ✓ **Pool:** There were a significant number of fire related claims within the pool last year.
- ✓ **City:** The City had a claim of approximately \$958,000 last year related to fire damage to the SDO Water Treatment Plan caused by the Canyon Fire.
- ✓ **Market:** There are capacity restrictions, meaning that there are less firms writing property policies for public agencies, particularly in fire and other natural disaster areas, and those that are writing are doing so for less coverage. Moreover, there has been a general hardening of the insurance market overall.

### **Crime Liability**

Crime liability coverage is proposed to be renewed with AIG, which will provide the City with coverage of \$15,000,000 per occurrence for employee theft, forgery or alteration, theft of money and securities, robbery, safe burglary, computer fraud, funds transfer fraud, money orders and counterfeit paper currency. The crime liability deductible per occurrence is \$2,500.

Final Insurance Quotes Not Yet Available: Because of the very difficult nature of the insurance market this year, Alliant has been unable to secure a final, binding Crime Liability quote as of the publication of this report on Monday, June 17, 2019. **However, the premium is estimated not to exceed \$9,812, compared with \$8,920 last year.**

### **Airport Liability**

The City's primary Airport Liability coverage has been extended another year to expire June 30, 2020. Coverage will continue with Old Republic Insurance Company, which will provide Airport Owners and Operators General Liability and Hangar Keepers Liability coverage of \$10,000,000 per occurrence. There is no SIR or deductible. The premium is \$3,668, which is the same as last year.

### **Enhanced Pollution Liability**

Effective October 22, 2015, the City Council authorized DWP to purchase Enhanced Pollution Liability coverage due to a heightened awareness created by lessons learned from other water reclamation agencies. The goal was to cover litigation and other costs due to releases and odors, as well as associated regulatory fines and penalties.

The coverage was obtained from Illinois Union Insurance with coverage of \$10,000,000 per Pollution Condition, with an SIR of \$25,000 per pollution condition.

Enhanced pollution coverage is proposed to be renewed with Illinois Union due to the inclusion of regulatory penalty and fine coverage not found elsewhere, with coverage of \$10,000,000 per pollution condition, with a SIR of \$25,000 per pollution condition. The premium is \$47,108 for FY

2019-20. This pricing is based on entering into a three year program with three installments. The installment for FY 2018-19 was 51,631, and FY 2019-20 and FY 2020-21 were quoted as \$47,108.33 each.

### **Excess Cyber Liability**

The City's current property insurance includes \$2,000,000 in cyber limits for services related to a data breach, with a sublimit up to \$1,000,000 for privacy notification costs. A quote was obtained for excess cyber liability with higher excess limits for protections such as regulatory defense & penalties, website media content liability, cyber extortion, data protection loss and business interruption.

Beginning a couple years ago, the Information Technology Department recommended the purchase of additional limits in the amount of \$3,000,000, which when added to the underlying \$2,000,000 purchased through the APIP property program, would amount to an overall limit for cyber liability of \$5,000,000. The coverage was purchased at an annual cost of \$25,308 effective July 1, 2017, and has remained the same ever since. Thus, it is recommended to renew the coverage at a premium of \$25,308 effective July 1, 2019.

### **OPTIONAL QUOTES OBTAINED**

#### **Deadly Weapon Response Program**

Alliant has developed this new program which provides certain coverages for third party liability, property damage, business interruption and crisis management for events occurring at City scheduled locations. While it does not provide coverage for employee or City contractor claims, it does provide other services, such as crisis management and counseling services, which can be utilized by such persons. In addition, the \$500,000 coverage limit can be used to cover the City's SIR for its General Liability Insurance. LRM Staff believes that the relatively modest premium of \$5,872 makes this a valuable policy to obtain, and recommends its purchase.

#### **Earthquake and Flood**

Optional quotes were obtained in 2016 for Earthquake and Flood insurance on three City properties (City Hall, Police Headquarters and the Water Treatment Facility on Harrison), as a gauge of the feasibility of obtaining this coverage City wide. In addition to added protection, staff understands that public finance bond companies prefer such coverage to be carried if it is available at a reasonable cost with a reputable insurer.

Adding Earthquake and Flood to these 3 locations alone (with total insurable values of \$75,928,501) would have cost approximately \$200,000. The deductible for Earthquake would be \$100,000 or 5%, whichever is greater, and the deductible for Flood would be between \$100,000 and \$250,000 depending on the flood zone. Thus, providing such coverage City wide would be quite expensive and could easily double the City's property insurance costs.

While LRM does not recommend purchasing such coverage City wide, since it does not appear to be a reasonable cost and we believe there is some protection under State and Federal disaster assistance programs, the City Council could direct otherwise. Please also note that, while staff will continue to look for reasonable opportunities to provide such insurance, the City's current risk insurance program conforms to the practices of California municipalities of similar size and risk factors.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

This item supports the City's Strategic Plan Goal 6: Improve Communications with Our Community; Objective a: Commit transparency in all City actions. The report includes all City insurance needs, including smaller policy purchases that are otherwise within staff's purchasing authority.

**FISCAL IMPACT:**

Sufficient funds to purchase the recommended insurance policies will be included in the Proposed Fiscal Year 2019-2020 operational budgets.

**ENVIRONMENTAL ANALYSIS:**

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

**PREPARED BY:** KARA McGEE, RISK MANAGER

**REVIEWED BY:** DEAN DERLETH, CITY ATTORNEY/LRM DIRECTOR

**REVIEWED BY:** TOM MOODY, GENERAL MANAGER

**REVIEWED BY:** KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

**REVIEWED BY:** MICHELE NISSEN, ASSISTANT CITY MANAGER

**SUBMITTED BY:** MITCHELL LANSDELL, ACTING CITY MANAGER

**Attachments:**

- Insurance Renewal (2019-20) - Excess Workers Comp
- Insurance Renewal (2019-20) - Property
- Insurance Renewal (2019-20) - Master Crime
- Insurance Renewal (2019-20) - Airport Liability
- Insurance Renewal (2019-20) - Excess Cyber Liability
- Insurance Proposal (2019-20) - Deadly Weapon Response Program

**Not Attached:**

- Excess General Liability - Not Yet Available
- Enhanced Pollution Liability - Second of Three Year Term

**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
EXCESS WORKERS' COMPENSATION PROGRAM  
2019/2020 INDIVIDUAL MEMBER RENEWAL TERMS  
City of Corona**

	PRESENT	PROPOSED
<b>COVERAGE TERM</b>	July 1, 2018 to July 1, 2019	July 1, 2019 to July 1, 2020
<b>COMPANIES AFFORDING COVERAGE</b>	CSAC Excess Insurance Authority (CSAC EIA) with reinsurance and excess insurance provided by (see Schedule of Insurers)	Same as present
<b>COVERAGE PROVIDED</b>	Workers' Compensation and Employers' Liability	Same as present
<b>LIMITS (See attached)</b>	\$ 5,000,000 Employers' Liability Statutory Workers' Compensation  Limits are eroded by allocated claims expense	Same as present
<b>RETENTION</b>	\$1,000,000 each occurrence  Self-insured retention is eroded by allocated claims expense	Same as present
<b>MAJOR EXCLUSIONS (Including but not limited to)</b>	Per CSAC EIA Excess Workers' Compensation and Employers' Liability Memorandum of Coverage (MOC) and the following: <ul style="list-style-type: none"> <li>• Punitive or exemplary damages, fines or penalties</li> <li>• Any payments in excess of the benefits regularly provided by the Workers' Compensation law</li> <li>• Labor Code 4850 benefits</li> <li>• Labor Code 4856 benefits</li> <li>• Education Section Codes 44984 and 45192</li> </ul>	Same as present
<b>NAMED INSUREDS</b>	See attached schedule	Same as present
<b>PREMIUM AUDIT</b>	Premiums are auditable and adjustable at June 30, 2019 based on actual payroll	Premiums are auditable and adjustable at June 30, 2020 based on actual payroll
<b>4850 BUYBACK</b>	Not purchased	Same as present

**NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION**



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
EXCESS WORKERS' COMPENSATION PROGRAM  
2019/2020 INDIVIDUAL MEMBER RENEWAL TERMS  
City of Corona**

	PRESENT	PROPOSED																								
<b>ESTIMATED ANNUAL PAYROLL</b>	\$ 62,677,195	\$ 61,977,721																								
<b>ESTIMATED PREMIUM (Annualized)</b>	<table border="0"> <tr> <td>\$ 139,272</td> <td>Pool Premium</td> </tr> <tr> <td>65,548</td> <td>Deposit Premium</td> </tr> <tr> <td>17,541</td> <td>CSAC EIA Administration Fee</td> </tr> <tr> <td>15,628</td> <td>Alliant Broker Fee</td> </tr> <tr> <td>- 350</td> <td>Program Development Fee</td> </tr> <tr> <td><b>\$ 237,639*</b></td> <td><b>Total Estimated Deposit Premium</b></td> </tr> </table> <ul style="list-style-type: none"> <li>• Premium includes a \$1,000 annual risk management subsidy</li> <li>• Premium includes a \$2,000 actuarial subsidy</li> <li>• Premium includes cost for claim audit requirement (audit to include access to all files handled by TPA)</li> </ul> <p><b>*Premium above also includes pro-rated premium paid for any mid-term transactions (i.e. SIR changes, membership changes, etc.)</b></p>	\$ 139,272	Pool Premium	65,548	Deposit Premium	17,541	CSAC EIA Administration Fee	15,628	Alliant Broker Fee	- 350	Program Development Fee	<b>\$ 237,639*</b>	<b>Total Estimated Deposit Premium</b>	<table border="0"> <tr> <td>\$ 139,648</td> <td>Pool Premium</td> </tr> <tr> <td>71,163</td> <td>Deposit Premium</td> </tr> <tr> <td>17,319</td> <td>CSAC EIA Administration Fee</td> </tr> <tr> <td>15,834</td> <td>Alliant Broker Fee</td> </tr> <tr> <td>0</td> <td>Program Development Fee</td> </tr> <tr> <td><b>\$ 243,964</b></td> <td><b>Total Estimated Deposit Premium</b></td> </tr> </table> <ul style="list-style-type: none"> <li>• Premium is subject to change</li> <li>• Premium includes a \$1,000 annual risk management subsidy</li> <li>• Premium includes a \$2,000 actuarial subsidy</li> <li>• Premium includes cost for claim audit requirement (audit to include access to all files handled by TPA)</li> </ul>	\$ 139,648	Pool Premium	71,163	Deposit Premium	17,319	CSAC EIA Administration Fee	15,834	Alliant Broker Fee	0	Program Development Fee	<b>\$ 243,964</b>	<b>Total Estimated Deposit Premium</b>
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**ALLIANT INSURANCE SERVICES, INC.**  
 Gordon DesCombes, Executive Vice President  
 Nazie Arshi, Senior Vice President  
 Tom E. Corbett, Senior Vice President  
 Lilian Vanvieldt, Senior Vice President  
 Rennetta Poncy, Senior Vice President  
 Chantelle Lobaugh, CSAC EIA Program Specialist-Lead

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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
EXCESS WORKERS' COMPENSATION PROGRAM  
2019/2020 INDIVIDUAL MEMBER RENEWAL TERMS  
City of Corona**

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

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

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

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

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

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

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

**NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION**

Alliant Insurance Services, Inc. • 1301 Dove Street • Suite 200 • Newport Beach, CA 92660  
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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
EXCESS WORKERS' COMPENSATION PROGRAM  
2018/2019 SCHEDULE OF INSURERS  
PRESENT**

Companies Affording Coverage	Limit	California Status	A.M. Best's Guide Rating	Standard & Poor's Rating
<b>CSAC Excess Insurance Authority</b>  <b>With reinsurance provided by Great American Insurance Company*</b>	<b>Workers' Compensation and Employers Liability :</b> The difference between <ul style="list-style-type: none"> <li>• \$5,000,000 and Individual Member's Retention for each accident or each employee for disease</li> <li>• \$5,000,000 and Individual Member's Retention for each accident for communicable disease</li> </ul> *subject to a Corridor Retention	Not Applicable  Not Applicable (reinsurance)	Not Applicable  A+ (Superior) Financial Size Category XV (\$2,000,000,000 or greater)	Not Applicable  A+ (Stable)
<b>CSAC Excess Insurance Authority</b>  <b>With reinsurance provided by ACE American Insurance Company</b>	<b>Workers' Compensation:</b> \$ 45,000,000 each accident or each employee for disease excess of \$5,000,000 \$ 45,000,000 each accident for communicable disease	Not Applicable  Not Applicable (reinsurance)	Not Applicable  A++ (Superior) Financial Size Category XV (\$2,000,000,000 or greater)	Not Applicable  AA (Stable)
<b>Liberty Insurance Corporation</b> <b>An excess insurance policy</b>	<b>Workers' Compensation:</b> Statutory each accident and each employee for disease excess of \$50,000,000	Admitted	A (Excellent); Financial Size Category XV (\$2,000,000,000 or greater)	A (Stable)

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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
EXCESS WORKERS' COMPENSATION PROGRAM  
2019/2020 SCHEDULE OF INSURERS  
PROPOSED**

Companies Affording Coverage	Limit	California Status	A.M. Best's Guide Rating	Standard & Poor's Rating
<b>CSAC Excess Insurance Authority</b>  <b>With reinsurance provided by Great American Insurance Company*</b>	<b>Workers' Compensation and Employers Liability :</b> The difference between <ul style="list-style-type: none"> <li>• \$5,000,000 and Individual Member's Retention for each accident or each employee for disease</li> <li>• \$5,000,000 and Individual Member's Retention for each accident for communicable disease</li> </ul> *subject to a Corridor Retention	Not Applicable  Not Applicable (reinsurance)	Not Applicable  A+ (Superior) Financial Size Category XV (\$2,000,000,000 or greater)	Not Applicable  A+ (Stable)
<b>CSAC Excess Insurance Authority</b>  <b>With reinsurance provided by ACE American Insurance Company</b>	<b>Workers' Compensation:</b> \$ 45,000,000 each accident or each employee for disease excess of \$5,000,000 \$ 45,000,000 each accident for communicable disease	Not Applicable  Not Applicable (reinsurance)	Not Applicable  A++ (Superior) Financial Size Category XV (\$2,000,000,000 or greater)	Not Applicable  AA (Stable)
<b>Liberty Insurance Corporation</b> <b>An excess insurance policy</b>	<b>Workers' Compensation:</b> Statutory each accident and each employee for disease excess of \$50,000,000	Admitted	A (Excellent); Financial Size Category XV (\$2,000,000,000 or greater)	A (Stable)

**NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION**

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**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION PROGRAM**

2018/2019 SCHEDULE OF NAMED INSUREDS

City of Corona

Corona Housing Authority

Corona Industrial Development Authority

Corona Public Financing Authority

Corona Utility Authority

The background of the slide is a photograph of a modern glass skyscraper. The glass reflects the sky and surrounding buildings. A person is visible walking on a balcony or walkway on one of the upper floors. The text "City of Corona" is overlaid on the center of the image in a white, sans-serif font.

# City of Corona

**2019 – 2020**

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

Presented on June 4, 2019 by:

Rennetta M. Poncy  
Senior Vice President

Jennifer C. Rodriguez  
Account Manager

Courtney L. Ramirez  
Vice President

## ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2019 – July 1, 2020

### EXECUTIVE SUMMARY

Attached please find the renewal summary of the Alliant Property Insurance Program (APIP) for the 2019-2020 period. An overview of the most significant issues concerning this years' renewal are discussed here.

Between 2012 and 2017, the property insurance market was in a relatively "soft" cycle with record amounts of capacity entering the market in search of financial return. While members with significant or attritional losses saw increases in an effort to better match premium to losses, there was not a widespread trend in the market to push rate increases on the whole. Rate changes, up or down, were selectively made based on the characteristics of the risk. Late In 2017, the market started to firm due to an increase in catastrophe losses primarily originating from Hurricanes Harvey, Irma and Maria (HIM). Most every insured experienced rate increases in 2018, and now moving into 2019, coupled with the real wildfire risk that has become apparent, the aforementioned catastrophes have effectively changed the market with carriers now pushing meaningful rate increases across the board, and significantly for insureds that have had losses, or appear to be in a position to have such losses. This correction, while unwelcome, is somewhat predictable as on the whole the commercial insurance industry has not been profitable in any of the last three years. Exacerbating the trend, two of the largest writers of commercial property, AIG and FM Global are re-underwriting their entire books of business with a keen eye towards shedding risk. Few underwriters are aggressively pursuing new business in the current environment. Consequently, for the 2019-2020 renewal period, insureds will see rate increases over expiring. For those insureds that have either experienced significant shock losses, or persistent attritional loss activity, rates will increase significantly higher than average in a so called "right sizing" of premium to risk. In keeping with the programs' general history however, we still expect overall rates, in most cases, to remain below that which can be achieved in the open market for similar coverage.

A combination of Lexington, Lloyd's and U.S. domestic underwriters will continue to provide coverage for the first \$25,000,000 of the program. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets, all A.M. Best Rated of at least A- VII. Members should note several key highlights for this year's renewal:

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

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

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

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

**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**  
**July 1, 2019 – July 1, 2020**  
**EXECUTIVE SUMMARY**

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

<u>City of Corona</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>Variance</u>
Total Insured Values:	\$ 535,181,844	\$ 557,659,042	4.19%
Account Rate (per hundred dollars):	0.0427828	0.0536203	25.33%
Earthquake TIV:	\$ 0	\$ 0	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 228,965.77	\$ 299,018.46	30.59%

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

The following pages are coverage items currently under review with the APIP markets to be effective on July 1, 2019.

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

## APIP SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Flood A&V sub-limit coverage wording	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.	Per Occurrence and in the Annual Aggregate for <u>scheduled</u> locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.	Clarification
Combined Business Interruption	Combined Business Interruption, Rental Income and Tax Revenue and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 Per Occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.	Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, <u>Per Declaration</u> for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.	Clarification
Tax Revenue sub-limit	Combined Business Interruption, Rental Income and Tax Revenue and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 Per Occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.	Coverage moved to it's own specific field:  <u>\$ 3,000,000 Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.</u>	Update

## APIP SUMMARY OF PROPOSED CHANGES CONTINUED

**THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM**

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Miscellaneous Unnamed Locations	Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Miscellaneous Unnamed Locations for existing Named Insured's <u>excluding</u> Earthquake coverage for Alaska and California <u>locations</u> . If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V	Clarification
Unscheduled Landscaping sub-limit wording	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item <u>for existing Named Insureds excluding Earthquake coverage for Alaska and California locations</u> . If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Update
Unscheduled Infrastructure	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).	Unscheduled <u>infrastructure including but not limited to</u> Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets ( <u>including guardrails</u> ), Sidewalks ( <u>including guardrails</u> ), Culverts, <u>Channels, Levees, Dikes, Berms, Embankments</u> , Street Lights, Traffic Signals, <u>Meters, Roadway or Highway Fencing</u> , and all similar property unless a specific value has been declared. <u>Unscheduled infrastructure coverage is excluded</u> for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs}.	Clarification
Pollution Policy	Summary of Proposed changes is provided with the Pollution Proposal for those who request the coverage.		
Cyber Policy	Summary of Proposed changes is provided with the Cyber Proposal for those who request the coverage.		

### Master Policy Form Wording Proposed Changes

Coverage	2018-2019	2019-2020 Proposed	Status
Policy Term	July 1, 2018 to July 1,2019	July 1, 2019 to July 1,2020	Update
Section I, E., 2. g.	<p>Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf if specific values for such items have not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;</p>	<p>Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf if specific values for such items have not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc. <u>This coverage extension does not apply to the peril of Earthquake in the states of California, or Alaska. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V;</u></p>	Update
Section I, E., 2. o.	<p>Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless specific values for such items have been reported as part of a Named Insured(s) schedule of values held on file in the offices of Alliant Insurance Services, Inc. excluding Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs;</p>	<p>Unscheduled <u>infrastructure including but not limited to</u> Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets (<u>including guardrails</u>), sidewalks (<u>including guardrails</u>), culverts, <u>channels, levees, dikes, berms, embankments, street lights, traffic signals, meters, roadway or highway fencing, and all similar property</u> unless specific values for such items have been reported as part of a Named Insured(s) schedule of values held on file in the offices of Alliant Insurance Services, Inc. <u>Unscheduled infrastructure coverage is excluded for the peril of Earthquake, and for Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs;</u></p>	Update
Section II, B. 19	<p>The Company retains the right to determine the acceptability of all such property(ies) once it has been reported. Additional premium will be calculated from the date of acquisition.</p>	<p>Replacing complete sentence with:  After the reporting of a location added under automatic acquisition, the Company retains the right to determine acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition, if values are in excess of USD25,000,000.</p>	Enhancement

### Master Policy Form Wording Proposed Changes Continued

Coverage	2018-2019	2019-2020 Proposed	Status
Section II, B. 20	<p>Coverage is extended to include property at locations (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain insurance) located within the territorial limitations set by this policy. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this policy form. This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.</p>	<p>Coverage is extended to include property at locations (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain insurance) located within the territorial limitations set by this policy. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this policy form. This coverage extension does not apply to the peril of Earthquake <del>Shock</del> in the states of California, or Alaska. If Flood coverage is purchased for <del>all</del> scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.</p>	Clarification
Section II, C. 8.	<p>Unscheduled tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sub-limit terms provided on the Declaration Page.</p>	Deleted in its entirety	Clarification
Section III, B. 5. (3 <sup>rd</sup> paragraph)	<p>If the Named Insured has reported Tax Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:</p> <ol style="list-style-type: none"> <li>1. The sub-limit insured on the Policy;</li> <li>2. The actual loss sustained;</li> <li>3. The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after the loss.</li> </ol> <p>If the Named Insured has not reported Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:</p> <ol style="list-style-type: none"> <li>1. The actual loss sustained;</li> <li>2. USD5,000,000 per occurrence</li> </ol>	<p>If the Named Insured has reported <u>Tax</u> Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:</p> <ol style="list-style-type: none"> <li>1. <u>USD3,000,000 per occurrence</u></li> <li>2. The actual loss sustained;</li> <li>3. The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after the loss.</li> </ol> <p>If the Named Insured has not reported <u>Tax</u> Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:</p> <ol style="list-style-type: none"> <li>1. The actual loss sustained;</li> <li>2. USD1,000,000 per occurrence</li> </ol>	Update



**City of Corona**

**Marketing Summary  
2019-2020 Property**

<b>MARKET</b>	<b>RESPONSE</b>
APIP	See Proposal
Allianz	Declined due to poor loss experience and exposure to wildfire.
XL Catlin	Declined – unable to offer competitive terms. Minimum premium is \$300k.
Hanover	Declined – unable to compete with the current program coverage and pricing.
Zurich	Response Pending
Liberty Mutual	Declined – unable to compete with expiring price. Generally, will be looking for a much higher All Risk Deductible.
Hartford	Response Pending
SwissRe	Response Pending
C N A	Declined – unable to compete with current program structure and price.
Travelers	Response Pending

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

**TYPE OF INSURANCE:**     Insurance    Reinsurance

**NAMED INSURED:**        City of Corona

**DECLARATION:**            2-Cities 2

**POLICY PERIOD:**         July 1, 2019 to July 1, 2020

**COMPANIES:**              See Attached List of Companies

**TOTAL INSURED  
VALUES:**                    \$ 557,659,042 as of June 03, 2019

**ALL RISK  
COVERAGES &  
LIMITS:**

\$	1,000,000,000	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
	Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
	Not Covered	Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	100,000,000	Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, Per Declaration for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense.
\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

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

180 Days Extended Period of Indemnity

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

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

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

	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
\$	500,000	Per Occurrence and Annual Aggregate per named insured for Communicable Disease subject to an APIP Program aggregate of \$10,000,000 for all declarations combined except Hospital declarations.
\$	100,000	Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.
\$	100,000	Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.

**VALUATION:**

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

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

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

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

**"ALL RISK" DEDUCTIBLE:**

\$	50,000	Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.
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**DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:**

	Not Covered	All Flood Zones Per Occurrence excluding Flood Zones A & V.
	Not Covered	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).
	Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.
\$	1,000	Per Occurrence for Specially Trained Animals.

<b>DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES: (continued)</b>	\$	500,000	Per Occurrence for Unscheduled infrastructure including but not limited to Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets (including guardrails), Sidewalks (including guardrails), Culverts, Channels, Levees, Dikes, Berms, Embankments, Street Lights, Traffic Signals, Meters, Roadways or Highway Fencing, and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
	\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
		24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
		2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
	\$	5,000	Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
		Actual Cash Value	Contractor's Equipment/Vehicle Valuation Basis
	\$	5,000	Per Occurrence for Contractor's Equipment.
<b>SPECIAL TERMS 1:</b>		Addition of 22 wells	
		Per Schedule on File	Special Terms Limit
	\$	500,000	Special Terms Deductible

**SPECIAL TERMS 2:** It is hereby understood and agreed that the 22 wells added to the TIV for the City of Corona are only covered for Pollution per the Sudden and Accidental Coverage Limitation Endorsement Number 31.

N/A Special Terms Limit

N/A Special Terms Deductible

**SPECIAL TERMS 3:** Vehicle Valuation is Actual Cash Value for all vehicles over the road and in yard/on premises.

Per Policy Limits Special Terms Limit

\$10,000 for vehicles on premises and  
\$5,000 for vehicles off premises. Special Terms Deductible

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

\$	100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
\$	50,000	Per Occurrence Deductible for Primary Terrorism.
\$	600,000,000	Per Named Insured for Terrorism (Excess Layer) subject to;
\$	1,100,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-34 for Terrorism (Excess Layer) subject to;
\$	1,400,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
\$	500,000	Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
	Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles
	Included	Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles.

**TERMS & CONDITIONS:**

Some sub-limits, terms and conditions will change. Terms and Conditions are per expiring.

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

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

Except Pollution Liability Premium is 25% Earned at Inception, unless there is a claim in which premium is deemed fully earned

**NOTICE OF CANCELLATION:**

90 Days except 10 Days for non-payment of premium

<b>Option 1</b>	
<b>Annual Cost*</b>	
<b>Total Property Premium:</b>	\$ 279,739.00
<b>Excess Boiler:</b>	\$ 5,744.00
<b>ABS Fee:</b>	\$ 4,400.00
<b>SLT&amp;F's (Estimate)</b>	\$ 9,135.46
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST : (Including Taxes and Fees)</b>	\$ 299,018.46
<b>Option 2 with All Risk Deductible of \$100,000</b>	
<b>Total Property Premium:</b>	\$ 270,987.00
<b>Excess Boiler:</b>	\$ 5,744.00
<b>ABS Fee:</b>	\$ 4,212.00
<b>SLT&amp;F's (Estimate)</b>	\$ 8,855.40
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST : (Including Taxes and Fees)</b>	\$ 289,798.40
<b>Option 3 with Vehicle Replacement Cost Valuation and \$50k All Risk Ded.</b>	
<b>TOTAL COST : (Including Taxes and Fees)</b>	\$ 374,261.30
<b>Option 4 with Vehicle Replacement Cost Valuation and \$100k All Risk Ded.</b>	
<b>TOTAL COST : (Including Taxes and Fees)</b>	\$ 365,040.24
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.	
TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)	

**PRINT DATE:** June 3, 2019

**PROPOSAL VALID UNTIL:** July 1, 2019

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
**License No. 0C36861**  
Rennetta M. Poncy  
Senior Vice President  
  
Courtney L. Ramirez  
Vice President  
  
Jennifer C. Rodriguez  
Account Manager

**NOTES:**

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

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

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

**NAMED INSURED:** City of Corona  
**POLICY PERIOD:** July 1, 2019 to July 1, 2020  
**COMPANIES:** See Attached List of Companies  
**TOTAL INSURED VALUES:** \$ 557,659,042 as of June 3, 2019  
**STATUS/RATING:** See Attached List of Companies

**COVERAGES & LIMITS:**

\$	100,000,000	Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
		Included Jurisdictional and Inspections.
\$	10,000,000	Per Occurrence for Service/Utility/Off Premises Power Interruption.
		Included Per Occurrence for Consequential Damage/Perishable Goods/Spoilage.
\$	10,000,000	Per Occurrence for Electronic Data Processing Media and Data Restoration.
\$	2,000,000	Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Named Insureds who purchase Dedicated Earthquake Coverage.
\$	10,000,000	Per Occurrence for Hazardous Substances / Pollutants / Decontamination.
		Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes.
<b>NEWLY ACQUIRED LOCATIONS:</b>	\$ 25,000,000	Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 120 days and must have prior underwriting approval prior to binding

<b>VALUATION:</b>	Repair or Replacement except Actual Loss sustained for all Time Element coverages	
<b>EXCLUSIONS (Including but not limited to):</b>	<ul style="list-style-type: none"> <li>• Testing</li> <li>• Explosion, except for steam or centrifugal explosion</li> <li>• Explosion of gas or unconsumed fuel from furnace of the boiler</li> </ul>	
<b>OBJECTS EXCLUDED: (Including but not limited to):</b>	<ul style="list-style-type: none"> <li>• Insulating or refractory material</li> <li>• Buried Vessels or Piping</li> </ul>	
<b>TERMS &amp; CONDITIONS:</b>	Some sub-limits, terms and conditions will change. Terms and Conditions are per expiring.	
	25% Minimum Earned Premium and cancellations subject to 10% penalty	
<b>NOTICE OF CANCELLATION:</b>	90 days except 10 days for non-payment of premium	
<b>DEDUCTIBLES:</b>	\$ 2,500	Except as shown for Specific Objects or Perils.
	\$ 2,500	Electronic Data Processing Media.
	\$ 2,500	Consequential Damage.
	\$ 2,500	Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface.
	\$ 50,000	Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface.
	\$ 100,000	Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface.
	\$ 250,000	Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface.
	\$ 350,000	Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface.
	\$ 10 per foot / \$2,500 Minimum	Deep Water Wells.
	24 Hour Waiting Period	Utility Interruption.
	24 Hours	Business Interruption/Extra Expense Except as noted below.
	30 Days	Business Interruption - Revenue Bond.
	5 x 100% of Daily Value	Business Interruption - All objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 square feet heating surface.
	5 x 100% of Daily Value	Business interruption - All Objects at Waste Water Treatment Facilities and All Utilities.

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**Annual Cost**

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

**PRINT DATE:** June 3, 2019

**PROPOSAL VALID UNTIL:** July 1, 2019

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

Rennetta M. Poncy  
Senior Vice President

Courtney L. Ramirez  
Vice President

Jennifer C. Rodriguez  
Account Manager

**NOTES:**

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

**Alliant Property Insurance Program  
2019-2020 Policy Year  
Schedule of Insurers (Prospective)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 10/11/18)	A+ (As of 06/25/18)	Non-Admitted
Aspen Insurance UK Limited	084806	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 03/01/19)	A (As of 06/26/18)	Non-Admitted
Chubb European Group Limited	086485	A++ , Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 12/13/18)	AA (As of 06/24/16)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 07/20/18)	A+ (As of 04/26/18)	Non-Admitted
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/19/18)	A (As of 07/27/17)	Non-Admitted
Hallmark Specialty Insurance Co.	010838	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 08/23/18)	Not Rated (As of 04/22/19)	Non-Admitted
Homeland Insurance Company of New York	010604	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 03/08/19)	Not Rated (As of 04/22/19)	Non-Admitted
Interstate Fire and Casualty Ins. Co.	02267	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 08/30/18)	AA (As of 03/17/16)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 05/16/18)	A (As of 05/02/17)	Non-Admitted
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 10/24/18)	A- (As of 02/28/18)	Non-Admitted
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 11/02/18)	A+ (As of 04/18/18)	Non-Admitted

**Alliant Property Insurance Program  
2019-2020 Policy Year  
Schedule of Insurers (Prospective)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 06/20/18)	A+ (As of 06/06/17)	Non-Admitted
Liberty Mutual Fire Insurance Company	002282	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/16/18)	A (As of 06/17/14)	Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/12/18)	A+ (As of 10/12/17)	Non-Admitted
Maxum Indemnity Company	012563	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 08/02/18)	Not Rated (As of 04/22/19)	Non-Admitted
PartnerRe Ireland Insurance Ltd.	088621	A, Excellent Financial Size Category 15; \$2,000,000,000 or Greater (As of 06/15/18)	A+ (As of 09/07/16)	Non-Admitted
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 06/13/18)	A+ (As of 06/30/18)	Non-Admitted
Westchester Surplus Lines Insurance Company	004433	A++, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/13/18)	AA (As of 06/24/16)	Non-Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/13/18)	AA- (As of 10/28/11)	Admitted
XL Insurance America Inc.	002423	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/06/18)	AA- (As of 11/19/18)	Admitted
United Specialty Insurance Company	013105	A, Excellent; Financial Size Category 9; \$250,000,000 to 500,000,000 (As of 12/19/18)	Not Rated (As of 04/30/19)	Non-Admitted

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

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

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

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

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

**POLICY PERIOD:** July 1, 2019 to July 1, 2020

**POLICY #:** Per Insured's Evidence of Coverage

**TERRITORY:** WORLD-WIDE

**RETROACTIVE DATE:** **APIP/PEPIP**  
*For new members – the retro active date will be the date of addition*  
July 1, 2018 For existing members included on the July 1, 2018/19 policy  
July 1, 2017 For existing members included on the July 1, 2017/18 policy  
July 1, 2016 For existing members included on the July 1, 2016/17 policy  
July 1, 2015 For existing members included on the July 1, 2015/16 policy  
July 1, 2014 For existing members included on the July 1, 2014/15 policy  
July 1, 2013 For existing members included on the July 1, 2013/14 policy  
July 1, 2012 For existing members included on the July 1, 2012/13 policy  
July 1, 2011 For existing members included on the July 1, 2011/12 policy  
July 1, 2010 For existing members included on the July 1, 2010/11 policy

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

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

**COVERAGES & LIMITS:**

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

**BREACH RESPONSE**

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

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

Data & Network Liability:	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
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Regulatory Defense & Penalties:	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
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<b>Payment Card Liabilities &amp; Costs:</b>	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
<b>Media Liability:</b>	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
<b>eCRIME</b>			
<b>Fraudulent Instruction:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Funds Transfer Fraud:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Telephone Fraud:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>CRIMINAL REWARD</b>			
<b>Criminal Reward:</b>	\$	25,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>COVERAGE ENDORSEMENT(S)</b>			
<b>Consequential Reputational Loss:</b>	\$	50,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Computer Hardware Replacement Costs:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>RETENTION:</b>	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss
		8	Hour waiting period for first party claims
	\$	100,000	Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss
		8	Hour waiting period for first party claims

*\*Per Insured/Member with TIV below \$250,000,000 have the option to buy-down the retention from \$50,000 to \$5,000 with an additional premium of \$2,500 per entity.*

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

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

**SPECIFIC COVERAGE PROVISIONS:**

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

**B. First Party Loss**

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

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

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

*Data Recovery Costs* indemnifies the Insured/Member incurs as a direct result of a Security Breach that the Insured first discovers during the Policy Period.

**C. Liability**

*Data & Network Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period

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

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

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

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

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

That the Insured first discovers during the Policy Period.

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

**Coverage  
Endorsement(s)**

**Consequential Reputational** indemnifies the Insured/Member for Consequential Reputational Loss, that the Insured incurs during the Notification Period as a result of (i) an actual or reasonably suspected Data Breach or Security Breach that the Insured first discovers during the Policy Period and (ii) for which individuals have been notified pursuant to the Breach Response Services definition.

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

Coverage does not apply to any claim or loss from;

- Bodily Injury or Property Damage
- Trade Practices and Antitrust
- Gathering or Distribution of Information
- Prior Known Acts & Prior Noticed Claims
- Racketeering, Benefit Plans, Employment Liability & Discrimination
- Sale or Ownership of Securities & Violation of Securities Laws
- Criminal, Intentional or Fraudulent Acts
- Patent, Software Copyright, Misappropriation of Information
- Governmental Actions
- Other Insureds & Related Enterprises
- Trading Losses, Loss of Money & Discounts
- Media-Related Exposures – Contractual liability or obligation
- Nuclear Incident
- Radioactive Contamination
- First Party Loss – with respects: 1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority; 2. costs or expenses incurred by the Insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or Computer Systems to a level beyond that which existed prior to a Security Breach, System Failure, Dependent Security Breach, Dependent System Failure or Extortion Threat; 3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the Insured Organization's direct operational control; or 4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

**NOTICE OF CLAIM:**

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

<b>NOTICE OF CANCELLATION:</b>	10 days for non-payment of premium
<b>REINSTATEMENT PROVISIONS:</b>	Optional reinstatement at 125% of the Annual Policy Premium
<b>CYBER COST:</b>	Cost is included in Total Property Premium Earned premium is calculated on a pro-rata basis, unless there is a claim in which case the premium is deemed fully earned.
<b>OTHER SERVICES</b>	Unlimited Access to Beazley Breach Solutions
<b>BROKER:</b>	ALLIANT INSURANCE SERVICES HOUSTON, LLC  License No. 0C36861

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

**ALLIANT PROPERTY INSURANCE PROGRAM  
SUMMARY OF CYBER PROPOSED CHANGES**

**THE FOLLOWING ITEMS ARE BOUND CHANGES AS FOR THE 2019-2020 POLICY TERM**

<b>Coverage</b>	<b>2018-2019</b>	<b>2019-2020 Proposed Changes</b>	<b>Status</b>
Business Interruption Loss resulting from System Failure:	\$250,000	\$500,000	Enhancement
Dependent Business Interruption Loss resulting from Dependent System Failure:	N/a	\$100,000	New Coverage
Fraudulent Instruction	\$50,000	\$75,000	Enhancement
Funds Transfer Fraud	\$50,000	\$75,000	Enhancement
Telephone Fraud	\$50,000	\$75,000	Enhancement
Computer Hardware Replacement Costs	N/a	\$75,000	New Coverage

<b>Endorsement Enhancements:</b>			
Voluntary Shutdown Coverage	-	Included	Enhancement
Amend Data Recovery Costs	-	Included	Enhancement
Amend Settlement of Claims	-	Included	Enhancement
Amend Definition of Data	-	Included	Enhancement

# APIP Breach Response Endorsement Option



Dear valued APIP client:

Beazley Group - Lloyd's of London Syndicate 2623 and 623 (Beazley) has been a trusted partner to the APIP program over 10 years, providing cyber coverage to Insureds at a nominal cost.

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

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

Currently, APIP insureds have \$2 million in cyber limits which includes services related to a data breach with a sub-limit up to \$1 million for Privacy Notification Costs. More information on the option to enhance your coverage via the Breach Response endorsement is described below:

## **APIP – Beazley Breach Response Endorsement Option**

- Separating privacy notifications from the dollar limit and specifying the number of covered notifications so that notifications do not erode the APIP cyber limit
  - Privacy Notification Costs include notifying individuals affected, credit monitoring and call center services
- Standalone limit for legal, forensics, crisis management or public relations firms which do not erode the APIP cyber limit
- Increase of Breach Response Costs limit to \$2 million (coverage under APIP cyber is \$1 million)
- Lower deductibles for privacy notification services and legal, forensics, crisis management and public relations coverage
- Hands-on pre and post loss consultation from an expert team of cyber risk professionals
- Extensive risk management resources available for your organizations' stakeholders (Legal, IT, Risk, Compliance, etc.)
- Post Breach Remedial Services – 100 hours provided by Lodestone Security
- Short form application required for new Members. Statement of fact required for Members with an existing Breach Response endorsement

**APIP policy excess limits note:** Quotes for policy excess limits are not included in the above, and can be obtained upon request. Further information may not be required depending on insurance carrier. If needed, it will be the same information as requested for the Breach Response endorsement.

- Provides dedicated, excess limits above the APIP cyber program
- Provides dedicated, excess limits above the increased Breach Response Costs limit of \$2 million
  - Coverage is within the policy limit
- Provides dedicated, excess sublimits above privacy notification costs
  - Options available for coverage within the policy limit or outside the policy limit

A Breach Response endorsement indication can be provided in 5-7 business days. Contact your Alliant broker or Account Representative for more information by returning the attached document. Thank you.

# APIP Breach Response Endorsement Option

**APIP – Beazley Breach Response Endorsement Option:**

Request:

Our Entity requests a proposal for the APIP – Beazley Breach Response Endorsement Option.

Declination:

Our Entity is not interested in the APIP – Beazley Breach Response Endorsement Option that has been offered to us. We understand that Alliant has access to cyber insurance markets and can provide a quote for us in the future if we become interested. We decline to purchase the APIP – Beazley Breach Response Endorsement Option at this time.

City of Corona

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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

Please return this page to your Alliant representative.

*Premium for APIP – Beazley Breach Response Endorsement Option is excluded from the APIP Property Proposal.*

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

**POLLUTION LIABILITY COVERAGE PROPOSAL**

**TYPE OF INSURANCE:**  Insurance  Reinsurance

**TYPE OF COVERAGE:** Claims Made and Reported Pollution Liability

**PROGRAM:** **Alliant Property Insurance Program (APIP)**

**NAMED INSURED:** Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

**POLICY PERIOD:** July 1, 2019 to July 1, 2020

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

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

**A.M. BEST INSURANCE RATING::** A+, Superior, Financial Category XV (\$2 Billion or greater)  
Effective August 30, 2018

**STANDARD & POORS RATING:** AA (Very Strong) as of March 27, 2019

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

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

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

**INSURED'S OWN  
SITES:  
CONTINUED**

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

**COVERAGES  
& LIMITS:**

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

**SUBLIMITS:**

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

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

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

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

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

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

**EXTENDED  
REPORTING PERIOD:**

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

**SPECIFIC  
COVERAGE  
PROVISIONS:**

**CLAIMS MADE AND REPORTED**

**Coverage A – Own Site Clean-up Costs:**

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

**Coverage B – Off-Site Clean-Up Costs:**

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

**Coverage C – Third-Party Claims for Bodily Injury or Property Damage:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Illicit Abandonment is included in the definition of pollution condition.

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

Defense Costs and Expenses are within Limits of Liability.

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

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

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

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

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

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

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

Coverage does not apply to any claim or loss from:

- Asbestos and Lead Based Paint. *This exclusion does not apply to claims for bodily injury or property damage, or clean-up costs for the remediation of soil, surface water, or groundwater, or clean-up costs that arise out of the inadvertent disturbance of asbestos or asbestos containing materials or lead-based paint.*
- Contractual Liability – *Does not apply liability that the Insured would have had in the absence of the contract or agreement, or the contract or agreement is an insured contract.*
- Employer Liability
- Criminal fines, penalties or assessments
- Internal Expenses - *Does not apply internal expenses incurred in response to emergency response costs, or pursuant to environmental laws that require immediate remediation of a pollution condition.*
- Insured vs. Insured
- Intentional Noncompliance – *does not apply to noncompliance based upon the Insured's good faith reliance upon the written advice of qualified outside counsel received in advance of such noncompliance, or the insured's reasonable response to mitigate a pollution condition or loss, provided that such circumstances are reported in writing to the Insurer within three (3) days of commencement.*

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

Coverage does not apply to any claim or loss from:

- Prior Knowledge / Non-Disclosure
- Known Claims
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- Ports – *Defined as an Insured’s own site on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *Defined as an Insured’s own site whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- Change in Intended Use or Operation – *Loss arising from a material change in use or operations. For purposes of determining whether a change is material, any change in use that results in more stringent remediation standards than those imposed on the insured’s own site at the effective date of the period of insurance shall be considered material. This exclusion does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a public entity.*
- Professional Liability
- Regulatory Compliance – *Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*
- Cyber Event – *Does not apply to losses covered by the Cyber Event coverage in this policy.*
- Work Product – *Does not apply to covered operations.*
- Sewage Backup – *Does not apply to an Insured’s own site.*
- Nuclear fuel, assemblies and components
- Offshore operations
- Property Damage to Conveyances – *does not apply to loss or claims arising from the Insured’s negligence*
- Workers Compensation
- Lead Contaminated Water
- War

**RETENTION:**

- \$100,000 Per Pollution Incident retention except for specific retentions below
- \$300,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below
- \$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below
- 5 Days Waiting Period for Business Interruption

**SPECIFIC  
RETENTION:**

- \$250,000 Per Named Insured retention applicable to microbial matter for K-12 school districts only – *does not erode the Aggregate retention*
- \$750,000 Underground Storage Tanks Specific – *does not erode the Aggregate retention*

### CLAIMS REPORTING NOTICE

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

### THIS IS A CLAIMS MADE POLICY

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

<b>LOSS REPORTING REQUIREMENTS:</b>	Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:  1) Allianz Global Corporate & Specialty Attn: FNOL Claims Unit 1 Progress Point Parkway, 2 <sup>nd</sup> Floor O'Fallon, MO 63368 In emergency, call: (800) 558-1606 Fax: (800) 323-6450 Email: <a href="mailto:NewLoss@agcs.allianz.com">NewLoss@agcs.allianz.com</a> Online Claims Reporting form available at: <a href="http://www.agcs.allianz.com/global-offices/united-states">www.agcs.allianz.com/global-offices/united-states</a>  2) Akbar Sharif Alliant Insurance Services, Inc. 1301 Dove Street, Suite 200 Newport Beach, CA 92660 949 260-5088 949 756-2713 – fax <a href="mailto:Akbar.Sharif@alliant.com">Akbar.Sharif@alliant.com</a>
<b>NOTICE OF CANCELLATION:</b>	90 days except 10 days for non-payment of premium
<b>REINSTATEMENT PROVISIONS:</b>	Not Provided.
<b>POLLUTION LIABILITY COST:</b>	Cost is included in Total Property Premium 25% Earned Premium at Inception, unless there is a claim in which premium is deemed fully earned
<b>QUOTE VALID UNTIL:</b>	July 1, 2019
<b>BROKER:</b>	<b>ALLIANT INSURANCE SERVICES, INC.</b> License No. 0C36861

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

**(RETAIN FOR YOUR  
RECORDS)**

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

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**FOR EMERGENCY RESPONSE TO ENVIRONMENTAL  
INCIDENTS**

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

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

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

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

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

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

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

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

Phone: 1-800-557-1606  
Email: NewLoss@agcs.allianz.com

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

## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Pollution Liability Policy Term	July 1, 2018 to July 1,2019	July 1, 2019 to July 1,2020	Update
Insurer	Illinois Union Insurance Company	Interstate Fire & Casualty Insurance Company	Update
Sub-limits:	<p>\$ 500,000 Per Bacteria/Virus Indoor Environmental Condition Insured Aggregate Sub-limit</p> <p>\$ 250,000 Catastrophe Management Costs Sub-limit</p> <p>*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.</p>	<p>\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sub-limit*</p> <p>\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*</p> <p>\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sub-limit*</p> <p>\$ 250,000 Per Named Insured Crisis Management Response Costs Sub-limit</p> <p>\$ 50,000 Per Named Insured Crisis Management Loss Sub-limit</p> <p>*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Crisis Management sub-limits, which are in addition to the limits of liability.</p>	Update

## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Coverage Provisions: - Continued	<i>Not Covered</i>	<p>Coverage I – Cyber Events: Coverage for third-party claims for bodily injury, property damage or clean-up costs resulting from a pollution condition arising from a cyber event, provided that the claim is first made and reported to the Insurer during the policy period.</p> <p>A Cyber Event is defined as any unauthorized processing of data by an Insured; any breach of laws and infringement of regulations pertaining to the maintenance, or protection of data; and any network security failure in any system or device leased, owned, operated or lost by or which is made available or accessible to the Insured for the purpose of processing data. Insured must take reasonable precautions to prevent or cease any activity which may result in a claim, and take all reasonable steps to observe and comply with all statutory or local authority laws obligations and requirements.</p>	Enhancement
	<p>Coverage for catastrophe management costs (including consulting services, public relations materials, travel expenses, expenses to secure the scene of a pollution condition or indoor environmental condition, psychological counseling, medical costs, funeral costs and temporary living expenses) included, provided that the expenses are approved by the Insurer, in writing, or are incurred within seven (7) days of the discovery of a pollution condition or indoor environmental condition.</p>	<p>Coverage for crisis management response costs (including medical expenses, funeral expenses, psychological counseling, travel expenses temporary living expenses, expenses to secure the scene of a crisis management event) included, provided that the costs have been pre-approved by the insurer and are associated with damages that would be covered by this policy.</p>	Update
Other Insurance	<p>The insurance afforded by this Policy shall apply in excess of any other valid, collectible insurance, with the exception of policies specifically written to be in excess of this policy.</p>	<p>The insurance afforded by this Policy shall apply as primary to any other valid, collectible insurance, with the exception of the following: policies specifically written to be in excess of this policy, losses due to or associated with products pollution, any tank fund, or any loss arising in whole or in part to microbial matter or legionella pneumophila.</p>	Update

## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Non-Owned Locations (Disposal Sites)	Blanket Coverage included for Non-Owned Disposal Sites. Includes Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, CERCLIS list or any functional equivalent of those listings, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal.	Blanket Coverage included for Non-Owned Locations. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned or operated by the Insured, provided that: <ul style="list-style-type: none"> <li>• The waste materials are generated from the Insured's own site, transportation, or covered operations;</li> <li>• The transfer, storage, treatment or disposal facility is properly licensed and permitted to accept and dispose of such waste and has not filed for bankruptcy as of the date of the transfer, storage, treatment or disposal of such waste;</li> <li>• The transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.</li> </ul>	Update
Exclusions:	Criminal Fines and Criminal Penalties	Criminal fines, penalties or assessments	Update
	First Party Property Damage – <i>Does not apply to remediation costs, emergency response costs, business interruption costs or catastrophe management costs.</i>	<i>Not Excluded</i>	Enhancement
	<i>Not Excluded</i>	Known Claims	Update
	<i>Not Covered</i>	Cyber Event – <i>Does not apply to losses covered by the Cyber Event Coverage in this policy.</i>	Enhancement
	<i>Not Excluded</i>	Nuclear fuel, assemblies and components	Update
	<i>Not Excluded</i>	Offshore operations	Update
	Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.	Property Damage to Conveyances – <i>does not apply to loss or claims arising from the Insured's negligence</i>	Enhancement

## SUMMARY OF PROPOSED CHANGES

**THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2019-2020 POLICY TERM**

Coverage	2018-2019	2019-2020 Proposed Changes	Status
Retention:	<p>\$ 100,000 Per Pollution Condition or Indoor Environmental Condition retention except for Mold or Sewage Backup</p> <p>\$ 300,000 Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions except for Mold or Sewage Backup</p> <p>\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Conditions except for Mold or Sewage Backup</p> <p>5 days Waiting Period for Business Income and Extra Expense</p>	<p>\$ 100,000 Per Pollution Incident retention except for specific retentions below</p> <p>\$ 300,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below</p> <p>\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below</p> <p>5 days Waiting Period for Business Interruption</p>	Update
Specific Retention:	<p>\$ 250,000 Per Named Insured retention applicable to Mold or Sewage Backup – <i>does not erode the Aggregate retention</i></p> <p>\$ 750,000 Underground Storage Tanks Specific</p>	<p>\$ 250,000 Per Named Insured retention applicable to microbial matter for K-12 school districts only – <i>does not erode the Aggregate retention</i></p> <p>\$ 750,000 Underground Storage Tanks Specific – <i>does not erode the Aggregate retention</i></p>	Enhancement
Notice of Cancellation	90 days except 15 days for non-payment of premium	90 days except 10 days for non-payment of premium	Update
Minimum Earned Premium	100% Earned Premium at Inception	25% Earned Premium at Inception	Enhancement
Loss Reporting Requirements	Chubb Environmental Claims & Incident ALERT	Allianz Global Corporate & Specialty Please see page 7 of this proposal for full details	Update

**ALLIANT PROPERTY INSURANCE PROGRAM  
2019-2020**

**NAMED INSURED SCHEDULE  
As of 06/03/2019**

**THE NAMED INSURED IS:**

City of Corona  
400 South Vicentia  
Corona, CA 92882

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

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

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

**NAMED INSURED MEMBER(S):**

City of Corona

Corona Housing Authority

Corona Industrial Development Authority

Corona Public Financing Authority

Corona Utility Authority

Successor Agency to the Redevelopment  
Agency of the City of Corona

## Disclosures / Disclaimers

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

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

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

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

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

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

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

## NY Regulation 194 and General Broker Compensation Disclosure

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

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

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

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

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## Other Disclosures / Disclaimers Cont.

### FATCA:

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

### NRRA:

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

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

## Changes and Developments

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

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

### Loss Notification Requirements:

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

## Binding Requirements Recap

Required no later than June 28, 2019:

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

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

## Request to Bind Coverage

### City of Corona

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

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

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**Signature of Authorized Insured Representative**

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**Date**

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**Title**

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**Printed / Typed Name**

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

## LOSS NOTIFICATION REQUIREMENT

### ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

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

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

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

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

Address:

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

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

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

Address:

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

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

Address:

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

Address:

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

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

Address:

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

Address:

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

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

## APIP Claims Reporting Acknowledgement(s) Receipt Form

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

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

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

**Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2019 until further notice**

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

**Insured Entity Name: City of Corona**

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**Authorized Signature:**

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Print Name

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Date

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Title:

IN THE EVENT OF A

## PROPERTY LOSS:

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

# 877-725-7695

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

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

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

**PROPERTY FIRST NOTICE OF LOSS FORM**

SEND TO: Alliant Insurance Services, Inc.

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

BY FAX: (415) 403-1466

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

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

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

Type of Claim: (check all that apply)

- Real Property                       Vehicles  
 Personal Property                       Other

**Insured's Name & Contact Information**

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

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

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

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

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

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

Phone #: 1-877-725-7695

Fax #: 415-403-1466

**Policy Information**

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

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

**Loss Information**

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

Description of Loss:

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

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

\_\_\_\_\_

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

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

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

**J. NOTICE OF LOSS**

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

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

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

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

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

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

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

**SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:**

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

Please contact Beazley for a list of approved vendors.

**CYBER FIRST NOTICE OF LOSS FORM**

**SEND TO:** Beazley Group

**BY MAIL:** 1270 Avenue of the America's, Suite 1200, New York, NY 10020

**BY FAX:** (546) 378-4039

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

**CC Alliant Claims Department:**  
[elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com) , and your Alliant representative

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

**Insured's Name & Contact Information**

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

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

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

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

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

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

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

**Policy Information**

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

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

**Loss Information**

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

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

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

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

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

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

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

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

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

## ALLIANZ GLOBAL CORPORATE & SPECIALTY

IN THE EVENT OF AN

# ENVIRONMENTAL EMERGENCY:

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

**800-558-1606**

- 4) *Report the incident to Alliant*

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

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

DO follow your organization's detailed response plan  
DO contact your management as well as appropriate authorities  
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak  
DO NOT attempt to respond beyond your level of training or certification

**SEND TO:** ALLIANZ GLOBAL CORPORATE & SPECIALTY  
**BY MAIL:** 1 Progress Point Parkway, 2<sup>nd</sup> Floor  
**BY FAX:** (800) 323-6450  
**BY EMAIL:** [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)  
**CC Alliant Insurance:** [Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com) and your Alliant Representative

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

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

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

**Insured's Name & Contact Information**

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

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

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

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

**Company Name:** Alliant Insurance Services - Claims    **Point of Contact:** Akbar Sharif

**Address:** 1301 Dove St. Ste. 200 Newport Beach, CA 92660

**Phone #:** 1-949-260-5088

**Policy Information**

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

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

**Loss Information**

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

**Claimant Name/Address:** \_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

## **NOTICE:**

**1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**

**2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**

**3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**

**4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV). ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).**

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

**6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

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

**(Authorized Signature)**

## ALLIANT INSURANCE SERVICES

### POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

June 3, 2019

Named Insured: **City of Corona**

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

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
Date

City of Corona

## INVOICE

<b>Alliant Insurance Services Inc.</b> <b>1301 Dove Street Suite 200 Newport Beach, CA 92660</b>
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<b>NAMED INSURED:</b> City of Corona	<b>INVOICE DATE:</b> <b>June 3, 2019</b> <b>CUSTOMER NUMBER:</b> CORONA0-02 <b>EFFECTIVE DATE:</b> July 1, 2019
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INSURANCE CO:   Various POLICY NUMBER:   PPROP1920	INVOICE NUMBER: 1060360
<b>Total Property Premium:</b> <b>ABS Fee:</b> <b>Estimated SLT&amp;F's</b> <b>Broker Fee:</b>	\$ 279,739.00 \$ 4,400.00 \$ 9,135.46 \$ 0.00
<b>ALL RISK PROPERTY SUBTOTAL</b>	<b>\$ 293,274.46</b>

INSURANCE CO:   Various POLICY NUMBER:   PBOILER1920	INVOICE NUMBER: 2060360
<b>EXCESS BOILER &amp; MACHINERY SUBTOTAL</b>	<b>\$ 5,744.00</b>

<b>TOTAL DUE AT THIS TIME</b>	<b>\$ 299,018.46</b>
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*Total Due includes Premiums, Taxes and Fees where applicable. The Cyber Enhancement premium, should you have elected to purchase this coverage, is not included as part of this invoice.*

*Please return a copy of the invoice with your payment. Premiums are due and payable upon receipt of this invoice but no later than July 20, 2019. If payment is not received by the due date, policies may be subject to cancellation.*

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

# ***Important Notice of Remittance Payment Address Change***

We have implemented lockbox deposit services with our Bank. Please use this new address to avoid delays in processing your payments.

Effective Immediately, please mail all future checks along with your remittance detail invoice to the following:

## **Standard Mail Remittance Address:**

Alliant Insurance Services, Inc. – NPB Main  
P.O. Box 8473  
Pasadena, Ca 91109-8473

## **Overnight/Courier Remittance Address:**

Alliant Insurance Services, Inc. – Lockbox # 8473 – NPB Main  
Comerica Bank  
5th Floor  
2321 Rosecrans Avenue  
El Segundo, CA 90245

**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
 MASTER CRIME PROGRAM  
 2018/2020 INDIVIDUAL MEMBER RENEWAL TERMS  
 City of Corona**



	PRESENT	PROPOSED
<b>NAMED INSUREDS*</b>	See attached schedule	Same as present
<b>COVERAGE TERM</b>	June 30, 2018 to June 30, 2020 (first year of two year policy term)	June 30, 2018 to June 30, 2020 (second year of two year policy term)
<b>COMPANY AFFORDING COVERAGE</b>	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	National Union Fire Insurance Company of Pittsburgh, PA (AIG)
<b>A.M. BEST'S GUIDE RATING</b>	A (Excellent); Financial Size Category XV (\$2,000,000,000 or greater)	A (Excellent); Financial Size Category XV (\$2,000,000,000 or greater) as of June 13, 2019
<b>STANDARD &amp; POOR'S RATING</b>	A+ (Strong)	A+ (Stable) as of June 13, 2019
<b>CALIFORNIA STATUS</b>	Admitted	Admitted
<b>COVERAGE PROVIDED</b>	Government Crime Policy on Discovery Form: <ul style="list-style-type: none"> <li>• Employee Theft including Faithful Performance of Duty (Per Loss Coverage)</li> <li>• Forgery or Alteration including Credit, Debit or Charge Card Forgery</li> <li>• Inside the Premises – Theft of Money &amp; Securities</li> <li>• Inside the Premises – Robbery or Safe Burglary of Other Property</li> <li>• Outside the Premises</li> <li>• Computer Fraud</li> <li>• Funds Transfer Fraud</li> <li>• Money Orders and Counterfeit Paper Currency</li> </ul>	Same as present
<b>LIMITS</b>	\$15,000,000 Per occurrence	Same as present
<b>DEDUCTIBLE</b>	\$ 2,500 Per occurrence	Same as present

**NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.**

Alliant Insurance Services, Inc. • 1301 Dove Street • Suite 200 • Newport Beach, CA 92660  
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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
 MASTER CRIME PROGRAM  
 2018/2020 INDIVIDUAL MEMBER RENEWAL TERMS  
 City of Corona**



	PRESENT	PROPOSED
<b>MAJOR EXCLUSIONS            (Including but not limited to)</b>	<ul style="list-style-type: none"> <li>• Loss resulting from unauthorized disclosure of confidential information</li> <li>• Governmental action</li> <li>• Indirect loss</li> <li>• Legal expenses</li> <li>• Nuclear</li> <li>• Pollution</li> <li>• War</li> <li>• Inventory shortages</li> <li>• Trading losses</li> <li>• Accounting errors and omissions</li> <li>• Exchanges or purchases</li> <li>• Fire</li> <li>• Money operated devices</li> <li>• Motor vehicles or equipment and accessories</li> <li>• Transfer or surrender of property</li> <li>• Vandalism</li> <li>• Loss caused by an employee if that employee had also committed a dishonest act (resulting in a loss of \$25,000 or more) prior to the effective date of this policy – Exclusion does not apply unless the prior dishonest act is discovered by the Risk Management Department or other department designated to handle insurance matters for the named insured prior to the effective date of this policy</li> <li>• Voluntary parting of title or possession of property</li> <li>• Employees cancelled under prior insurance</li> <li>• Loss from credit card transactions (exclusion does not apply to Employee Theft)</li> <li>• Protected Information Exclusion (clarifies no coverage for loss or disclosure of confidential or personal information)</li> <li>• Indirect or Consequential Loss Exclusion (clarifies no coverage for (1) loss of income that would have been realized had there been no loss of money/property; (2) liability for damages; and (3) expenses incurred in establishing the existence or amount of loss)</li> </ul>	Same as present

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 City of Corona**



	PRESENT	PROPOSED
<b>DESIGNATED AGENTS AS ENDORSED*</b>	None	Same as present
<b>ENDORSEMENTS</b>	<ul style="list-style-type: none"> <li>• California Changes</li> <li>• Economic Sanctions Endorsement</li> <li>• Additional Named Insured</li> <li>• Add Faithful Performance of Duty Coverage for Government Employees</li> <li>• Omnibus Named Insured</li> <li>• Add Credit, Debit or Charge Card Forgery- \$15,000,000</li> <li>• Revision of Discovery and Prior Theft or Dishonesty - Risk Management Department or other department designated to handle insurance matters for the named insured. Prior Theft or Dishonesty - \$25,000</li> <li>• Include Specified Non-Compensated Officers as Employees (blanket coverage)</li> <li>• Notice of Cancellation – 120 Days</li> <li>• Include Volunteer Workers as Employees</li> <li>• Include Treasurers or Tax Collector and Employees</li> <li>• Include Directors or Trustees, Board Members, and Elected or Appointed Officials as Employees (blanket coverage)</li> <li>• Delete bonded employee exclusions</li> <li>• Cal Works Program Employee Endorsement</li> <li>• Designated Agents Endorsements (applies to specific members)</li> <li>• Policy Change – Discovery Form – Special Deductibles for San Diego County and Riverside County</li> <li>• Include Designated Persons or Classes of Persons as Employees-Siskiyou County</li> <li>• Food Stamps Coverage Endorsement</li> <li>• Cancellation Endorsement – Change to Pro-Rata</li> </ul>	<p>Same as present except the following addition of:</p> <ul style="list-style-type: none"> <li>• Impersonation Fraud Coverage amendment (primary to other insurance) effective May 1, 2019</li> </ul>

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 City of Corona**



	PRESENT	PROPOSED
<b>ENDORSEMENTS</b> <i>Continued</i>	<ul style="list-style-type: none"> <li>• Definition of Employee Amended-Public Guardian</li> <li>• Include Leased Workers as Employees – Include Leased Workers For Any Insured</li> <li>• Provide Required Notice of Cancellation to Another Entity (GSRMA, Ventura County, City of Sacramento and Santa Clara County)</li> <li>• Include Chairperson and Chairpersons as Employees (blanket coverage)</li> <li>• Conditions Amended - Subrogation of Faithful Performance Claims</li> <li>• Vendor Theft –Limit of \$1,000,000 excess of vendor insurance policy required by contract. If vendor policy is not valid or collectible, this sublimit applies to loss excess of \$500,000. Coverage not applicable if crime insurance is not required in a written agreement</li> <li>• Employee Post Termination Coverage</li> <li>• Notice of Claim (Reporting by e-mail)</li> <li>• Third Party Coverage Endorsement-Limit of \$250,000 subject to \$25,000 deductible</li> <li>• Retroactive Date Endorsement (applies to specific members)</li> <li>• Blanket Joint Loss Payee Endorsement</li> <li>• Impersonation Fraud Coverage (\$500,000 limit and \$25,000 deductible)</li> <li>• Fidelity Research and Investigative Settlement Clause (FRISC)-Optional with Claims Expense Cover if Opt-Out Endorsement</li> <li>• Fidelity Research and Investigative Settlement Clause (FRISC) List- Supplemental Listing for FRISC Clause Endorsement</li> </ul>	

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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
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 2018/2020 INDIVIDUAL MEMBER RENEWAL TERMS  
 City of Corona**



	PRESENT	PROPOSED
<b>CONDITIONS</b>	<ul style="list-style-type: none"> <li>An employee ceases to be covered immediately upon discovery by the Risk Management Department, Risk Manager, Department Head, Supervisor or any Manager of any dishonest act committed by that "employee" whether before or after becoming employed involving loss of Money, Securities or other property valued at \$25,000 or more.</li> </ul>	Same as present
<b>CONDITIONS Continued</b>	<ul style="list-style-type: none"> <li>Losses must be reported as soon as possible and a detailed sworn proof of loss must be provided to company within 120 days.</li> </ul>	
<b>PROPERTY COVERED</b>	<ul style="list-style-type: none"> <li>Property covered includes property owned or leased by the insured, or held by the insured for others</li> <li>Policy is for the insured's benefit only, and any claims must be presented by the insured</li> </ul>	Same as present
<b>PREMIUM</b>	\$ 8,920      2018/2019 Annual Premium Installment	\$ 9,812      2019/2020 Annual Premium Installment
<b>*NOTE</b>	<p><b>Named Insureds-</b> Coverage is automatically provided to agencies, authorities and districts (including special districts) which are governed by the body of the named insured. If there is an entity that is not governed by the same exact board and the member has an obligation to provide coverage, please contact Alliant to request approval.</p> <p><b>Designated Agents-</b> If your entity has a written agreement in place with any person, partnership or corporation to act as your Designated Agent and needs to be included for coverage, please contact Alliant to request approval.</p>	

**ALLIANT INSURANCE SERVICES, INC.**  
 Nazie Arshi, Senior Vice President  
 Tom E. Corbett, Senior Vice President  
 Renetta Poncy, Senior Vice President  
 Courtney Ramirez, Vice President  
 Mariana Salyer, CSAC EIA Program Specialist- Lead

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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
MASTER CRIME PROGRAM  
2018/2020 INDIVIDUAL MEMBER RENEWAL TERMS  
City of Corona**



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

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

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

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

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

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

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

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**CSAC EXCESS INSURANCE AUTHORITY  
MASTER CRIME PROGRAM  
CITY OF CORONA**

**2018/2020 SCHEDULE OF NAMED INSURED**

Corona Housing Authority  
Corona Industrial Development Authority  
Corona Public Financing Authority  
Corona Utility Authority

**ALLIANT AIRPORT LIABILITY INSURANCE PROGRAM  
2019/2020 RENEWAL TERMS  
CITY OF CORONA**

	PRESENT	PROPOSED
<b>PROGRAM COVERAGE TERM</b>	June 30, 2017 to June 30, 2021 Four-year policy term subject to annual adjustments	June 30, 2017 to June 30, 2021 Four-year policy term subject to annual adjustments
<b>COMPANIES AFFORDING COVERAGE</b>	1. Starr Indemnity & Liability Company (80%) 2. Mitsui Sumitomo Insurance (20%)	Starr Indemnity & Liability Company (100%)
<b>A.M. BEST'S GUIDE RATING</b>	1. A (Excellent); Financial Size Category XIV (\$1,500,000,000 to \$2,000,000,000) as of 4/12/2018 2. A+(Superior); Financial Size Category XV (\$2,000,000,000 or greater) as of 4/12/2018	A (Excellent); Financial Size Category XV (\$2,000,000,000 or greater) as of 5/30/2019
<b>STANDARD &amp; POOR'S RATING</b>	1. Not rated 2. A+ (Strong) as of 4/12/2018	Not rated
<b>CALIFORNIA STATUS</b>	1. Admitted 2. Admitted	Admitted
<b>COVERAGE</b>	Airport Owners and Operators General Liability Policy including: <ul style="list-style-type: none"> <li>• Bodily Injury and Property Damage</li> <li>• Products/Completed Operations</li> <li>• Malpractice</li> <li>• Personal and Advertising Injury</li> <li>• Fire Damage</li> <li>• Medical Expense</li> <li>• Hangarkeepers Liability</li> <li>• Non-Owned Aircraft Liability &amp; Physical Damage</li> <li>• On Airport Premises Automobile</li> <li>• Excess Employer Liability (excess of \$1,000,000)</li> </ul>	Same as present

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**ALLIANT AIRPORT LIABILITY INSURANCE PROGRAM  
2019/2020 RENEWAL TERMS  
CITY OF CORONA**

	PRESENT	PROPOSED
<b>COVERAGE</b> <i>Continued</i>	<ul style="list-style-type: none"> <li>• Excess Off Premises Automobile Liability (excess of \$1,000,000)</li> <li>• Host Liquor Liability</li> <li>• Sudden and Accidental Pollution</li> <li>• Garagekeepers Liability</li> <li>• Crisis Response Extension</li> <li>• Mutual Aid Coverage</li> </ul>	
<b>LIMITS</b>	\$ 25,000,000 Products/Completed Operations Aggregate \$ 25,000,000 Personal & Advertising Injury Aggregate \$ 25,000,000 Malpractice Aggregate \$ 25,000,000 Each Occurrence \$ 25,000,000 Hangarkeepers Liability (each aircraft/loss) \$ 25,000,000 Non-Owned Aircraft Liability \$ 25,000,000 Excess Off Premises Auto Liability \$ 25,000,000 Excess Employers Liability \$ 10,000,000 Non-Owned Aircraft Physical Damage Legal Liability \$ 2,000,000 Fire Damage (any one fire) \$ 1,000,000 Sudden and Accidental Pollution \$ 250,000 Crisis Response Costs / Crisis Management Loss subject to \$500,000 Aggregate for all program members combined \$ 100,000 Garagekeepers Liability, any one auto; \$500,000 any one loss \$ 50,000 Medical Expense (any one person)	Same as present
<b>DEDUCTIBLE</b>	NIL	Same as present
<b>SCHEDULED AIRPORT(S)</b>	Corona Municipal Airport (AJO) / Corona, CA	Corona Municipal Airport (AJO) / Corona, CA

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**ALLIANT AIRPORT LIABILITY INSURANCE PROGRAM**  
**2019/2020 RENEWAL TERMS**  
**CITY OF CORONA**

	PRESENT	PROPOSED
<b>MAJOR EXCLUSIONS</b> <b>(Including but not limited to)</b>	<ul style="list-style-type: none"> <li>• Noise and Pollution</li> <li>• Asbestos</li> <li>• Nuclear/Radioactive Contamination</li> <li>• Workers' Compensation</li> <li>• Date Recognition (Y2K Exclusion)</li> </ul>	Same as present
<b>NO CLAIMS BONUS</b>	10% No Claim Bonus (calculated separately for each member)	Same as present
<b>PREMIUM</b> <i>(Annualized)</i>	\$ 3,668 including War & TRIA	\$ 3,668 including War & TRIA

**ALLIANT INSURANCE SERVICES, INC.**  
 Kevin Bibler, Senior Vice President  
 Tom E. Corbett, Senior Vice President  
 Renetta Poncy, Senior Vice President  
 Courtney Ramirez, Vice President  
 Danny Rettura, CSAC EIA Assistant Program Specialist

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**ALLIANT AIRPORT LIABILITY INSURANCE PROGRAM  
2019/2020 RENEWAL TERMS  
CITY OF CORONA**

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

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

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

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

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

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

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

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

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market

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**ALLIANT AIRPORT LIABILITY INSURANCE PROGRAM  
2019/2020 RENEWAL TERMS  
CITY OF CORONA**

analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

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#### NY Regulation 194

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

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

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

#### FATCA

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

#### **CLAIMS REPORTING NOTICE**

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

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

**ALLIANT CYBER EXCESS PROPOSAL**

**TYPE OF COVERAGE:** APIP Cyber Excess Policy – **Claims Made & Reported**

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

**NAMED INSURED:** City of Corona

**POLICY PERIOD:** July 1, 2019 to July 1, 2020

**RETROACTIVE DATE:** July 1, 2017

**COVERAGE FORM:** Follow Form  
Claims Made & Reported

**INSURANCE COMPANY:** Axis Insurance Company

**A.M. BEST RATING:** A+ (Superior), Financial Size Category: XV (\$2 Billion or greater)

**STANDARD & POOR'S RATING:** A+ (Strong) as of December 12, 2018

**ADMITTED STATUS:** Admitted

**COVERAGES & LIMITS:**

	<u>Dedicated Limits</u>	<u>Excess of APIP shared</u>
<b>Option 1:</b>	\$ 3,000,000 Member and Policy Aggregate	\$ 2,000,000 Member Aggregate

<b>SUB-LIMITS (per Member and Policy Aggregate Sub-Limits):</b>	<u>Dedicated Limits</u>	<u>Excess of APIP shared</u>
Breach Response/Notification Expense Costs:	\$ 500,000	\$ 500,000
Business Interruption resulting from a System Failure:	\$ 1,000,000 (Beazley Vendors)	\$ 1,000,000 (Beazley Vendors)
Dependent Business interruption resulting from a Security Breach:	\$ 500,000	\$ 500,000
Dependent Business Interruption resulting from a System Failure:	\$ 750,000	\$ 750,000
Dependent Business Interruption resulting from a System Failure:	\$ 100,000	\$ 100,000
Fraudulent Instruction:	\$ 75,000	\$ 75,000
Funds Transfer Fraud:	\$ 75,000	\$ 75,000
Telephone Fraud:	\$ 75,000	\$ 75,000
Computer Hardware Replacement (Bricking):	\$ 75,000	\$ 75,000
Consequential Reputational Loss:	\$ 50,000	\$ 50,000
Criminal Reward:	\$ Nil	\$ 25,000

**NOTE: Quotes for up to \$35M in limits can be obtained, please contact your client team for more information.**

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

- Absolute Pending and Prior Litigation Exclusion
- Excess Program
- State Amendatory
- Follow Sub-limited Coverage (1st Party Excess)

**UNDERLYING INSURANCE:**

Layer	Insurer	Limits	Retention	Policy Period
Primary	Beazley	\$2,000,000	\$50,000 or \$100,000	7/1/2019 – 7/1/2020

**TERM PREMIUM:**

*Option 1 (Expiring):* \$ 25,308.00

**BINDING CONDITIONS:**

- *Copy of all Underlying Binders Prior to Binding Coverage*
- *Copy of all Underlying Policies to Policy Issuance*

**PROPOSAL VALID UNTIL:** July 1, 2019

**BROKER:**

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

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

**See Disclaimer Page for Important Notices and Acknowledgement**

**Claims Reporting:**

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

**Claims Made Policy:**

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

**NY Regulation 194**

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Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

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

## Disclosures

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

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

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

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

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## Request to Bind Coverage

### City of Corona

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Excess Cyber Liability through AXIS Insurance Company Policy Period: July 1, 2019 to July 1, 2020  Option 1: \$3,000,000 xs \$2,000,000  <b>Cannot be bound without binding primary APIP Cyber Coverage</b>	<input type="checkbox"/> \$25,308.00 Premium

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

Signature of Authorized Insurance Representative	Date
Title	
Printed / Typed Name	

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

The background of the top half of the page is a photograph of a modern glass skyscraper. The building's facade is composed of a grid of dark metal frames and large glass panels. A person is visible walking on a balcony or walkway on one of the upper floors. The lighting suggests it might be late afternoon or early morning, with some reflections on the glass.

## City of Corona

**2019 – 2020**

# **Alliant Deadly Weapon Response Program (ADWRP) Proposal**

Presented on May 22, 2019

**ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL**

<b>INSURED</b>	City of Corona
<b>INSURANCE COMPANY:</b>	Underwriters at Lloyd's of London
<b>A.M. BEST RATING:</b>	A (Excellent) XV; Greater than \$2,000,000,000
<b>STANDARD AND POOR'S RATING:</b>	A+, Strong Financial Security
<b>STATE LICENSE STATUS:</b>	Non-Admitted
<b>POLICY TERM:</b>	July 1, 2019 – July 1, 2020
<b>COVERAGE FORM:</b>	Claims Made & Reported
<b>COVERAGE TYPE:</b>	Third Party Liability, Property Damage, Business Interruption & Crisis Management for events occurring at a location appearing on your Schedule of Values on file with Alliant Insurance Services, Inc.
<b>LIMITS:</b>	
Per Claim	\$ 500,000
Annual Aggregate	\$ 500,000
<b>DEDUCTIBLE:</b>	\$10,000 Each Event including Claims Expenses
<b>RETROACTIVE DATE:</b>	Policy Inception
<b>SUB-LIMITS:</b>	<b>(Each Sublimit is part of the Overall Limit of Liability and not in addition to it)</b>
	\$ 250,000 Crisis Management Services
	\$ 250,000 Counseling Services
	\$ 250,000 Funeral Expenses
	\$ 250,000 1 <sup>st</sup> Party Property Damage
	\$ 250,000 Business Interruption
	\$ 250,000 Demo/Clearance/ Memorialization

**ENDORSEMENTS:**

(Including But Not Limited To)

- Deadly Weapon & Security Vulnerability
- Deadly Weapon Safety Action Plan Seminar
- Crisis Management Services
- Property Damage Extension
- Counselling Services Sub-Limit
- Funeral Expenses Sub-Limit
- Reinsurers Liability Clause
- Sanction Limitation & Exclusion Clause
- Notice of Terrorism Insurance Coverage
- Business Interruption

**EXCLUSIONS:**

(Including But Not Limited To)

- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Criminal, dishonest, fraudulent or malicious conduct by Named Insured
- Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers, in the discharge of their duties solely in their capacity as Directors or Officers of the Named Insured
- Euthanasia
- Any explosive devices that may have been set-up prior to or after an Active Shooter Event
- Any vehicle not defined as a road vehicle
- Any weapon mounted (or designed to be mounted) on a vehicle
- Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone
- Injury or death to any employees of any third party whom the Named insured has contracted for services.
- Workers Compensation
- Employment Practices

**EXCLUSIONS - CONTINUED:**  
(Including But Not Limited To)

- Attacks by electronic means
- Ionizing radiations or contamination by radioactivity from nuclear waste or fuel
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, assembly or component
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter
- Chemical, biological, bio-chemical or electromagnetic weapon
- Mental injury or mental anguish related claim where no Bodily Injury occurred to claimant (Except as included by endorsement for counselling services)
- Loss, injury or damage caused by or resulting from Named Insured's recklessness or deliberate misconduct
- Mercy Killing(s)
- Cross Suits
- Nuclear reaction, radiation or contamination, however caused
- Any Pollutant or Contaminant however introduced or arisen
- Property Damage in care, custody or control of Named Insured or person under contract
- Punitive or exemplary damages, sanctions or additional damages
- Strikes, labor unrest, riots or civil commotion
- Suicide
- War, insurrection, civil commotion

**ADDITIONAL EXCLUSIONS RELATING TO  
PROPERTY & BUSINESS INTERRUPTION:**  
(including But Not Limited To)

- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of Insured Property), jewelry, furs, fine arts and antiques
- Electronic data
- Any property in Transit
- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Fines, penalties or damages incurred by or imposed upon the Named Insured at order of any Government Agency, Court or other Authority
- The Named Insured and any Insured Person must, at all times, restrict knowledge of the existence of this policy to all persons whose knowledge of the policy is necessary. This policy shall become void and all Claims hereunder shall be forfeited if at any time, whether before or after expiry, the existence of this policy is disclosed to a third party, other than to the Named Insured's own professional, financial and legal advisers (on a confidential basis), without the Underwriters' prior written agreement.

**POLICY VOIDANCE CONDITION**

**ANNUAL PREMIUM:**

\$ 5,690.00	Premium
\$ 170.70	Surplus Lines Taxes
\$ <u>11.38</u>	Surplus Lines Fees
<b>\$ 5,872.08</b>	<b>Total Cost</b>

**DEFENSE INSIDE/OUTSIDE THE LIMITS:**

Inside

**MINIMUM EARNED PREMIUM:**

25% Minimum Earned Premium

**PROPOSAL VALID UNTIL:**

30 Days From Date Issued

**BINDING CONDITIONS:**

- Completed and Signed Request to Bind Coverage Form (See last page)
- Completed and Signed Surplus Lines Document(s) (If applicable)
- Complete Schedule of Values on file to share with the carrier.

**See Disclosures / Disclaimers Pages for Important Notices and Acknowledgement**

## Disclosures / Disclaimers

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### FATCA:

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

### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### NRRA:

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

## Other Disclosures / Disclaimers - Continued

### Changes and Developments

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

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

### Certificates / Evidence of Insurance

- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

## Other Disclosures / Disclaimers - Continued

### Commercial Property Coverage

**\*Property Co-insurance:** Most property insurance policies contain a co-insurance clause. In exchange for a reduced rate, the insured agrees to carry at least the stated percentage of insurance to the total insurable value of the property. If, at the time of loss, the amount of insurance carried is less than this percentage, the loss payment will be reduced proportionately.

## Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

## Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information. Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

## Request to Bind Coverage

### City of Corona

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
<b>DEADLY WEAPON RESPONSE PROGRAM</b>	
Per Claim \$500,000 Annual Aggregate \$500,000	<input type="checkbox"/> \$5,872.08

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

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

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

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