



## CITY OF GLENDALE, Arizona

**2016 – 2017**

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

Presented on May 26, 2016 by:

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**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)  
July 1, 2016 – July 1, 2017  
EXECUTIVE SUMMARY**

We are pleased to provide the 2016-2017 Alliant Property Insurance Program (APIP) renewal material, attached.

The property market has been in a soft cycle for the last few years with underwriters willing to provide decreases based on the lack of catastrophe losses worldwide and record capacity available in the marketplace. While physical and human catastrophes abound, in recent years most of these have occurred in regions of the world that are not significantly insured. Therefore, for the 2016-2017 renewal, most insureds will see rate decreases over expiring rates. However, for those insureds that have either experienced significant losses or consistent attritional losses, rates may increase. In keeping with the programs' general history, we expect rates to remain below what can be achieved in the market for similar coverage.

The primary \$2,500,000 layer will continue to be placed with our long-term partner, Lexington Insurance Company, A.M. Best Rated A XV. Lexington will also continue to provide the majority of capacity in the \$22,500,000 x/s \$2,500,000 layer, sharing that with Lloyd's of London, A.M. Best Rated A XV. 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 at least of 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 jurisdictionals and 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.
- 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.

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2016-2017 policy year, property valuations will 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 years. This service is included in the total annual cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all or specific buildings appraised between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Our Disclosures and Loss Notification information are now combined into one section of the renewal materials. Your review and acknowledgement of these documents are required with your signature once you authorize a request to bind coverage with your Alliant representative.

The following table depicts key statistics relative to last year:

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

<b><u>CITY OF GLENDALE, Arizona</u></b>	<b><u>2015-2016</u> (at 11/15/2015)</b>	<b><u>2016-2017</u></b>	<b><u>Variance</u></b>
Total Insured Values:	\$ 766,428,811	\$ 767,428,811	0.13%
Account Rate (per hundred dollars):	0.0474157	0.0486175	2.53%
Earthquake TIV:	\$ 766,428,811	\$ 767,428,811	0.13%
Earthquake Limit:	\$ 100,000,000	\$ 100,000,000	0.00%
*Total Annual Cost:	\$ 363,407.73	\$ 373,104.86	2.66%

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

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.

Below are coverage items currently being negotiated with the APIP markets to be effective on 7/1/2016.

Coverage	2015-2016	Proposed 2016-2017 Changes	Status
Automatic Acquisition Sub-limit	\$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 <u>90 days</u> 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.	\$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 <u>120 days</u> 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.	Enhancement Pending Marketing Approval
Increase Cost of Construction Sub-limit	\$25,000,000	\$50,000,000	Enhancement Pending Marketing Approval
Earthquake Deductible description	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.	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 <u>stated</u> minimum <u>deductible per occurrence</u> .	Clarification Pending Market Approval
Cyber Claims Reporting by:	Telephone: (646) 943-5900 Email: <a href="mailto:tmbclaims@beazley.com">tmbclaims@beazley.com</a>	Telephone number is active, but the preferred method to report a claim is via Email: <a href="mailto:tmbclaims@beazley.com">tmbclaims@beazley.com</a>	Clarification Pending Market Approval

Coverage	2015-2016	Proposed 2016-2017 Changes	Status
JPA/Pool per Occurrence Deductible:	Per Occurrence for each and every loss before exhaustion of the Annual Aggregate Pool Deductible amount unless a more specific deductible is applicable to a loss as noted in the Deductibles for Specific Perils and Coverages or Special Terms section below.	Incorporated wording from Master Policy Form into description:  <u>JPA/Pool Basic Deductible – when applicable will be in excess of a JPA or Pool member's deductible amount unless a more specific deductible is applicable to a loss as noted in the Deductibles for Specific Perils and Coverages or Special Terms section below. The Named Insured(s) deductible amount will be agreed upon between the JPA or Pool and its members. The "JPA/Pool Basic Deductible" shown here, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable constituent members' deductible and the "JPA/Pool Basic Deductible", until the "JPA/Pool Annual Aggregate Amount" is exhausted.</u>	Clarification Pending Market Approval
JPA/Pool Annual Aggregate Deductible:	Annual Aggregate Pool Deductible	Incorporated wording from Master Policy Form into description:  The "JPA/Pool Annual Aggregate Amount" - when applicable is the accumulation of payments made by the JPA or Pool that are categorized as "JPA/Pool Basic Deductibles" above. Once the annual aggregate amount is reached, all subsequent losses in chronological order are subject to the "JPA/Pool Maintenance Deductible" indicated below.	Clarification Pending Market Approval
JPA/Pool Maintenance Deductible	Pool Maintenance Deductible applicable to each occurrence after the Annual Aggregate Deductible is reached. The specific deductibles for Flood, Earthquake and Wind will always apply to losses caused by those perils regardless if it is greater or less than the Pool Maintenance Deductible. The maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms & Conditions section below if those perils do not erode the annual aggregate deductible.	Pool Maintenance Deductible applicable to each occurrence after the Annual Aggregate Deductible is reached. <u>As with the "JPA/Pool Basic Deductible" this maintenance deductible will be applicable in excess of the applicable JPA or Pool constituent member's deductible.</u> The specific deductibles for Flood, Earthquake and Wind will always apply to losses caused by those perils regardless if it is greater or less than the Pool Maintenance Deductible. The maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms & Conditions section below if those perils do not erode the annual aggregate deductible.	Clarification Pending Market Approval
Pollution Liability Coverage	Not Applicable	Addition of Lead Contaminated Water Exclusion:  "Loss" arising out of or related to "pollution conditions" involving, in whole or in part, lead within potable water, regardless of whether any such "pollution conditions" have otherwise been affirmatively disclosed to the Insurer in an Application for coverage pursuant to this Policy.	Update

Coverage	2015-2016	Proposed 2016-2017 Changes	Status
Excess Terrorism	<p><b>\$400,000,000</b> Per Member/Entity for Terrorism (Excess Layer) subject to:</p> <p><b>\$900,000,000</b> Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p><b>\$1,500,000,000</b> Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	<p><b>\$600,000,000</b> Per Member/Entity for Terrorism (Excess Layer) subject to:</p> <p><b>\$1,100,000,000</b> Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p><b>\$1,500,000,000</b> Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	Enhancement Pending Marketing Approval

**Master Policy Form Wording**

Policy Term	July 1, 2015 to July 1, 2016	July 1, 2016 to July 1, 2017	Renewal item
Section I, G. 6.	Library Book table	Updated library book values per U.S. inflation calculator	Update
Section II, B., 1. Ingress / Egress	This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a <u>10 mile radius</u> of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.	This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a <u>20 mile radius</u> of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.	Enhancement Pending Marketing Approval
Section II, B. 2. Interruption by Civil Authority	This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a <u>10 mile radius</u> of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.	This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a <u>20 mile radius</u> of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.	Enhancement Pending Marketing Approval
Section II, Item D. 7. Vehicle Replacement Valuation	<p>Second paragraph:</p> <p>If the values, provided by the Named Insured, provides a valuation based on <u>replacement cost</u>, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be <u>actual cash value</u>.</p>	<p>Second paragraph change only:</p> <p>If the values, provided by the Named Insured, provides a valuation based on <u>Replacement Cost (New)</u>, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be <u>Actual Cash Value</u>.</p>	Clarification Pending Market Approval



Coverage	2016-2016	Proposed 2016-2017 Changes	Status
Section III, Item B. 4. Contingent Time Element Coverage	Business interruption, rental income, tuition income and extra expense coverage provided by this Policy is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this Policy at direct supplier or direct customer locations <u>(whether such location is owned by the Named Insured or not)</u> that prevents a supplier of goods and/or services to the Named Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Named Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sub-limited to USD as per Declaration Page.	Deleted wording in parenthesis Business interruption, rental income, tuition income and extra expense coverage provided by this Policy is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this Policy at direct supplier or direct customer locations <del>(whether such location is owned by the Named Insured or not)</del> that prevents a supplier of goods and/or services to the Named Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Named Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sub-limited to USD as per Declaration Page.	Clarification Pending Market Approval
Section IV, Exclusions 1.	Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, <u>contamination</u> , rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.	Deleted "contamination" Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, <u>contamination</u> , rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.	Clarification Pending Market Approval
Section IV, Exclusions 18.	Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.	Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever. <u>Except as provided in Section II Property Damage, B. Extension of Coverage, 21. Accidental Contamination.</u>	Clarification Pending Market Approval
Section I, E., 2. Sub-limits g.	Unscheduled Landscaping, tees, sand traps, greens and athletic fields 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.;	Unscheduled Landscaping, tees, sand traps, greens, athletic fields, <u>and artificial turf</u> 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.;	Clarification Pending Market Approval
Section I, E., 2. Sub-limits h.	Scheduled Landscaping, tees, sand traps, greens, and athletic fields if specific values for such items have been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;	Scheduled Landscaping, tees, sand traps, greens, athletic fields, <u>and artificial turf</u> if specific values for such items have been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;	Clarification Pending Market Approval

Coverage	2015-2016	Proposed 2016-2017 Changes	Status
Section II, C. 3. Land	Land (including land on which covered property is located), and land values (except athletic fields, landscaping, sand traps, tees and greens).	Land (including land on which covered property is located), and land values (except athletic fields, landscaping, <u>artificial turf</u> , sand traps, tees and greens).	Clarification Pending Market Approval
Section II, D. 9. Landscaping	Landscaping, sand traps, tees, putting greens and athletic fields; the actual replacement cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD25,000 per item.	Landscaping, <u>artificial turf</u> , sand traps, tees, putting greens and athletic fields; the actual replacement cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD25,000 per item.	Clarification Pending Market Approval



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

**PROPERTY PROPOSAL**

**TYPE OF INSURANCE:**    ☒ Insurance    ☐ Reinsurance

**NAMED INSURED:**        CITY OF GLENDALE, Arizona

**DECLARATION:**            2-Cities 2

**POLICY PERIOD:**          July 1, 2016 to July 1, 2017

**COMPANIES:**              See Attached List of Companies

**TOTAL INSURED  
VALUES:**                    \$ 767,428,811 as of May 19, 2016

**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.
\$	75,000,000	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)
\$	7,500,000	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
\$	100,000,000	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)
\$	100,000,000	Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense



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

\$ 25,000,000 Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

180 Days Extended Period of Indemnity

See Policy Provisions \$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 90 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

\$ 1,000,000 Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item

\$ 5,000,000 or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item.

\$ 50,000,000 Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.

\$ 25,000,000 Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued between \$25,000,001 and \$50,000,000 can be added for an additional premium with underwriting approval

\$ 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

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

\$ 2,000,000 Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs)

	\$	25,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)
	\$	25,000,000	Transit
	\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence
	\$	2,500,000	Unscheduled Watercraft up to 27 feet
		Included	Per Occurrence for Off Premises Vehicle Physical Damage
	\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.
	\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately
	\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately
	\$	1,000,000	Claims Preparation Expenses
	\$	50,000,000	Expediting Expenses
	\$	1,000,000	Personal Property Outside of the USA
<b>ALL RISK COVERAGES &amp; LIMITS: (continued)</b>	\$	100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)

- Not Covered Per Named Insured for Terrorism (Excess Layer) subject to;
- Not Covered Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
- Not Covered Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)
- 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.
- Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles
- Included See Alliant Property Insurance Program (APIP) Pollution Liability Insurance Summary for applicable limits and deductibles

#### VALUATION:

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment / 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:

\$ 100,000 Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss

##### DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

\$ 250,000 All Flood Zones Per Occurrence excluding Flood Zones A & V

\$ 500,000 Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures)

	\$	100,000	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.
<b>DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:</b>			
<b>(continued)</b>			
	\$	1,000	Per Occurrence for Specially Trained Animals
	\$	500,000	Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits
	\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits
	\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits
		24 Hour	Waiting Period for Service Interruption for All Perils and Coverages
		2.5%	of Annual Tax Revenue Value per Location for Tax Interruption
	\$	25,000	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	Vehicle Valuation Basis
	\$	50,000	Per Occurrence for Contractor's Equipment
	\$	100,000	Per Occurrence for Primary Terrorism

Not Covered Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)

\$ 250,000 Per Occurrence for ISO CAT Losses (Excluding Flood and Earthquake) as defined by meeting the following trigger: ISO's Property Claims Service (PCS) declaration of a numbered catastrophic event

Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles. (Cyber Liability)

**SPECIAL TERMS 1:** ISO CAT (as defined by meeting the following trigger: "ISO's Property Claims Service (PCS) declaration of a numbered catastrophic event.")

ISO CAT (excluding flood & earthquake) Losses Special Terms Limit

\$ 250,000 Special Terms Deductible

**TERMS & CONDITIONS:**

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

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

**NOTICE OF CANCELLATION:**

90 Days except 10 Days for non-payment of premium

	Annual Cost*
<b>Total Property Premium:</b>	\$ 344,107.00
<b>Excess Boiler:</b>	\$ 8,920.00
<b>ABS Fee:</b>	\$ 8,781.00
<b>SLT&amp;F's (Estimate)</b>	\$ 11,296.86
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST †: (Including Taxes and Fees)</b>	\$ 373,104.86
*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:** May 19, 2016

**PROPOSAL VALID UNTIL:** July 1, 2016

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

Chris M. Tobin, ARM-P  
Senior Vice President

Pamela Dominguez  
Vice President

Banesa Laird  
Account Executive

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

**BOILER & MACHINERY PROPOSAL**

**NAMED INSURED:** CITY OF GLENDALE, Arizona  
**POLICY PERIOD:** July 1, 2016 to July 1, 2017  
**COMPANIES:** See Attached List of Companies  
**TOTAL INSURED VALUES:** \$ 767,428,811 as of May 19, 2016  
**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 Members who purchase Dedicated Earthquake Coverage
\$ 10,000,000	Per Occurrence for Hazardous Substances/ Pollutants/Decontamination
Included	Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

**NEWLY ACQUIRED LOCATIONS:**

\$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

**VALUATION:**

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

**EXCLUSIONS**

(Including but not limited to):

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

**OBJECTS EXCLUDED:**

(Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping
- Furnace, Oven, Stove, Incinerator, Pot Kiln

**NOTICE OF CANCELLATION:**

90 days except 10 days for non-payment of premium

**DEDUCTIBLES:**

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

	Annual Cost
<b>COST:</b>	Cost is included on Property Proposal
<b>PRINT DATE:</b>	May 19, 2016
<b>PROPOSAL VALID UNTIL:</b>	July 1, 2016
<b>BROKER:</b>	<b>ALLIANT INSURANCE SERVICES, INC.</b> License No. 0C36861  Chris M. Tobin, ARM-P Senior Vice President  Pamela Dominguez Vice President  Banesa Laird Account Executive  Patricia K. Guisler 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, sublimits, 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 INSURANCE SERVICES, INC.**  
**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**  
**CYBER LIABILITY PROPOSAL**

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

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

**NAMED INSURED:** Any member(s), entity(ies), agency(ies), organizations(s), enterprise(s) and/or  
individuals(s) attached to each Declaration insured as per schedule on file with Insurer.

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

**POLICY PERIOD:** July 1, 2016 to July 1, 2017

**TERRITORY:** WORLD-WIDE

**RETROACTIVE DATE:** APIP/PEPIP

*For new members – the retro active date will be the date of addition*

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

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

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

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

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

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

**HARPP**

*For new members – the retro active date will be the date of addition*

July 1, 2009 For members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit  
except for those members who did not provide a "No Known Losses  
Letter" then the retro date is the date that the member was added

July 1, 2010 For \$1,500,000 excess \$500,000

**CSU**

July 1, 2008 California State University and CSU Auxiliary Organizations

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

**COVERAGES & LIMITS:**

<b>THIRD PARTY LIABILITY</b>	Ai.	\$	25,000,000	<b>Annual Policy and Program Aggregate Limit of Liability</b> (subject to policy exclusions) for all Insured's/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following sub- limits as noted.
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**THIRD PARTY LIABILITY**  
(continued)

Aii.	\$	2,000,000	Annual Aggregate Limit of Liability for each Insured/Member for Information Security & Privacy Liability. Each Member of a JPA will have a \$2,000,000 Limit Each (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:
B.	\$	500,000	Annual Policy Aggregate Limit of Liability for each Insured/Member Privacy Notification Costs coverage. Limit is \$1,000,000 if Beazley vendor services are used.
C.	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Claims Expenses and Penalties for Regulatory Defense and Penalties  PCI Fines and Penalties coverage added with sub-limit of \$100,000.
D.	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability (Occurrence Based)

**FIRST PARTY COMPUTER SECURITY**

E.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Cyber Extortion Loss
F.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Data Protection Loss and Business Interruption Loss
G.			First Party Business Interruption Sub-Limits of Liability for each Insured/Member
	\$	50,000	1) Hourly Sublimit
	\$	50,000	2) Forensic Expense Sublimit
	\$	150,000	3) Dependent Business Interruption Sublimit.

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

RETENTION:	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss
		8	Hour waiting period for first party claims
	\$	100,000	Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss
		8	Hour waiting period for first party claims

**NOTICE:** Policy coverage sections I.A - Information Security & Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense & Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements applies only to claims first made against the insured and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

**EXTENDED  
REPORTING PERIOD:**

For First Named Insured - To be determined at the time of election (additional premium will apply)

**SPECIFIC COVERAGE PROVISIONS:**

**A. Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for

- theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
- Acts or incidents that directly result from the failure of computer security to prevent a security breach including
  - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
  - Failure to prevent transmission of malicious code from computer systems to third party computer systems
  - Participation in a denial of service attack directed against a third party computer system
- The failure to timely disclose any of the above in violation of any breach notice law
- The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
- The failure to administer an identity theft prevention program

**B. Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:

- To hire security experts;
- Notification provisions,
- Public relations mitigation up to \$50,000 subject to Nil coinsurance
- Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
  - Credit file monitoring,
  - Mailing and third party administrative costs

To provide notification to:

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



**SPECIFIC COVERAGE PROVISIONS:**  
**(Continued)**

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

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

Coverage does not apply to any claim or loss from

- Bodily Injury or Property Damage
- Any employer-employee relations, policies, practices
- Contractual Liability or Obligation
- Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
- Anti-Trust violations
- Unfair trade practices
- Unlawful collection or acquisition of Personally Identifiable Non-Public Information
- Distribution of unsolicited e-mails, facsimile, audio or video recording
- Prior knowledge or previously reported incidents
- Incidents occurring prior to retroactive date/continuity date
- Any act, error, omission, of computer security if occurred prior to policy inception
- Collusion
- Securities Act Violations
- Fair Labor Act Violations
- Discrimination
- Intentional Acts with regard to Privacy and Security Breach
- Infringement - Patent and Copyright
- Federal Trade Commission and related state, federal, local and foreign governmental activities
- Insured vs. Insured
- Money/Securities/Funds Transfer
- Broadcasting, Publications and Advertising
- War and Terrorism
- Pollution
- Nuclear Incident
- Radioactive Contamination

**NOTICE OF CLAIM:**

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

**NOTICE OF  
CANCELLATION:**

10 days for non-payment of premium

**REINSTATEMENT  
PROVISIONS:**

Optional reinstatement at 125% of the annual premium

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



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

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

**PROPOSAL VALID  
UNTIL:** July 1, 2016

**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.

**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, 2016 to July 1, 2017

**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:** Illinois Union Insurance Company

**A.M. BEST INSURANCE RATING:** A++u, Superior, Financial Category XV  
(\$2 Billion or greater)  
Effective July 2, 2015

**STANDARD & POORS RATING:** AA (Very Strong) as of March 23, 2016

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

**COVERAGE LOCATIONS:** Per the following SOVs submitted on 3/16/2016:

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

**COVERAGE  
LOCATIONS:  
CONTINUED**

Covered locations include any location owned, operated, managed, leased or maintained by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered location, that is not a pipe, provided that such pipes are located within a one thousand (1,000) foot radius of such covered location.

**COVERAGES  
& LIMITS:**

**\$25,000,000 Policy Program Aggregate (all insureds combined)**  
**\$ 2,000,000 Per Pollution Condition or Indoor Environmental Condition**  
**\$ 2,000,000 Per Named Insured Aggregate**

**SUBLIMITS:**

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

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

**EXTENDED  
REPORTING PERIOD:**

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

**SPECIFIC  
COVERAGE  
PROVISIONS:**

**CLAIMS MADE AND REPORTED**

**Coverage A – New Pollution Conditions or Indoor Environmental Conditions Coverage:**

First-party and third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition at a covered location, provided the claim is first made or the Insured first discovers such pollution condition or indoor environmental condition during the policy period.

**Coverage B – Transportation Coverage:**

First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation, provided the claim is first made or the Insured first discovers such pollution condition during the policy period.

**Coverage C – Non-Owned Disposal Site Coverage:**

Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site, provided the claim is first made during the policy period.

Supplemental coverage for First-party and Third-party claims arising out of pollution conditions and indoor environmental conditions resulting from covered operations is included. Covered operations are defined as 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".

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

Coverage for catastrophe management costs and emergency response costs (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, provided that the costs are reported to the insurer within fourteen (14) days.

Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers Third-party claims arising out of product pollution, provided the claim is first made during the policy period. 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; this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

Coverage for mid-term transactions for values that are less than \$25,000,000 shall automatically be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively.

Automatic Acquisition and Due Diligence – Property purchased in the amount of or in excess of \$25,000,000 need to be reported within 90 days, along with a Phase I Environmental Site Assessment, or two (2) years of property insurance loss runs or a completed, signed application.

Illicit Abandonment is included in the definition of pollution condition.

Mold, fungi and legionella pneumophila are included in the definition of an indoor environmental condition.

Defense Costs and Expenses are within Limits of Liability.

The insurance afforded by this Policy shall apply in excess of any other valid, collectible insurance, with the exception of policies specifically written to be in excess of this policy.

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

Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance, to which the coverage afforded pursuant to this Policy shall only apply in excess. Under such primary insurance policy shall erode the \$750,000 per pollution condition self-insured retention. *This includes storage tank pollution liability insurance.*

Blanket Coverage included for Non-Owned Disposal Sites. Includes Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, CERCLIS list or any functional equivalent of those listings, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal.



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

Coverage does not apply to any claim or loss from:

- Asbestos and Lead Based Paint. *This exclusion does not apply to Third-party claims for Bodily Injury, Property Damage or any associated legal defense expenses, nor to First-party Remediation Costs arising out of asbestos, asbestos-containing material, or lead-based paint discovered in soil or groundwater. Also does not apply to first-party remediation costs that first commenced during the policy period, do not arise out of or relate to any pollution conditions which existed prior to policy inception, are sudden, unintended and unexpected by the Insured and discovered within seven (7) days of commencement, as long as they are reported to the Insurer within twenty-one (21) days of discovery. This does not include coverage for asbestos or lead-based paint abatement, removal, or disposal resulting from the maintenance, renovation or physical improvement of a covered location.*
- Contractual Liability – *Does not apply to environmental indemnity obligations, or to liability of others that would have attached to the Insured in the absence of a contract or agreement.*
- Divested Property
- Employers Liability
- Criminal Fines and Criminal Penalties
- Fraud or Misrepresentation
- Sewage Backup – *based upon or arising out of the reverse flow of sewage through a sanitary lateral into any structure, including, but not limited to, 3<sup>rd</sup> party residences and commercial buildings. This exclusion does not apply to your insured locations.*
- First Party Property Damage – *Does not apply to remediation costs, emergency response costs, business interruption costs or catastrophe management costs.*
- Insured's Internal Expenses - *Does not apply to emergency response costs, along with any associated catastrophe management costs.*
- Insured vs. Insured
- Intentional Non-Compliance
- Known Conditions
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- Ports – *Defined as a location on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *Defined as a location whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- Material Change in Risk – *Does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a Public Entity.*
- Professional Liability
- Regulatory Compliance – *Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*

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

- Work Product
- Workers' Compensation
- Products Liability. *Does not apply to a pollution condition that first commences during transportation, or to pollution conditions resulting from the use of potable, reclaimed or recycled water processed at any covered location that is also a potable water or wastewater treatment plant, if applicable. Also does not apply to coverage afforded for product pollution pursuant to the Products Pollution Coverage Endorsement attached to this policy. Lead contamination of potable water is not covered and is excluded.*
- Lead Contaminated Water
- Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.
- War or Terrorism
- Any subsurface potable water, wastewater or storm water pipes leading to or exiting from a covered location, which is not a pipe, provided that such pipe sections are located beyond a one thousand (1,000) foot radius of such covered location.

**RETENTION:**

\$ 75,000	Per Pollution Condition or Indoor Environmental Condition
\$375,000	Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions
\$ 37,500	Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions
\$750,000	Underground Storage Tanks Specific
10 Days	Waiting Period for Business Income and Extra Expense

**CLAIMS REPORTING NOTICE**

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

**THIS IS A CLAIMS MADE POLICY**

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

**LOSS REPORTING  
REQUIREMENTS:**

Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:

- 1) ACE Environmental Risk Claims Manager  
ACE USA Claims  
P.O. Box 5103  
Scranton, PA 18505-0510  
(888) 310-9553 24 Hour Environmental Emergency Hotline  
(800) 951-4119 (Fax – First Notices Only)  
(866) 635-5687 (Fax – All Other Items)  
[CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)
- 2) ACE Alert Program  
Sign up for ACE Alert at <https://ace.spillcenter.net/>  
24/7 incident reporting via phone, web or mobile device  
App Available on Apple App Store, Google Play and Blackberry App World
- 3) Martin Fox-Foster  
Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101  
415-403-1417  
415-403-1466 – fax  
[Martin.Fox-Foster@alliant.com](mailto:Martin.Fox-Foster@alliant.com)

**NOTICE OF  
CANCELLATION:**

90 days except 15 days for non-payment of premium

**REINSTATEMENT  
PROVISIONS:**

Not Provided.

**POLLUTION  
LIABILITY COST:**

Cost is included in Total Property Premium  
100% Earned Premium at Inception

**OTHER SERVICES:**

Value-Added Engineering Package:

- Mold Awareness Training
  - ACE will offer a single Mold Awareness Training Presentation, provided by ACE ESIS personnel, for little or no additional cost. Must be held at one central location or online.
- Due Diligence Program Overview
  - ACE will provide up to 50 First Search Reports of government environmental databases for no additional charge
- Asbestos-Containing Materials (ACM)/Lead Based Paint (LBP) Plan
  - ACE will assist the insured in the creation of a single ACM/LBP plan for a minimal additional cost
- Mold Operations & Maintenance (O&M) Plan
  - ACE will assist the insured in the creation of a single Mold O&M plan for a minimal additional cost

**QUOTE VALID UNTIL:** July 1, 2016

**BROKER:**

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