

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2018 – July 1, 2019

EXECUTIVE SUMMARY

Attached please find materials associated with the renewal of the Alliant Property Insurance Program for the 2018-2019 period. An overview of the most significant issues concerning this years' renewal are discussed here.

Over the past few years, the property insurance market has been in a "soft" cycle with record amounts of capacity entering the market in search of financial return. This past year has seen an increase in the number of catastrophe losses primarily originating from Hurricanes Harvey, Irma and Maria (HIM). These events have effectively changed the marketplace with carriers now pushing for rate increases based on excessive losses to the industry in 2017. We would still call the current market "correcting" vs. "hard" because capacity is still available at levels close to pre-HIM levels. Consequently, for the 2018-2019 renewal, most insureds will see rate increases over expiring. For those insureds that have either experienced significant shock losses, or persistent attritional loss activity, rates may increase higher than average to maintain their rates relative to the risk they present. In keeping with the programs' general history; however, we expect overall rates to remain below that which can be achieved in the market for similar coverage.

The primary \$2,500,000 layer will be renewed with the program's long-term partner, Lexington Insurance Company, A.M. Best Rated A XV. Lexington will also continue to provide significant capacity in the \$22,500,000 x/s \$2,500,000 layer, sharing the layer 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 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 1st and 3rd 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) 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 2018-2019 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 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, 2018 – July 1, 2019
EXECUTIVE SUMMARY

Year-over-Year Rate and Premium Comparison

<u>City of Naperville</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>Variance</u>
Total Insured Values:	\$ 548,542,419	\$ 552,356,147	0.69%
Account Rate (per hundred dollars):	0.0522385	0.0568814	8.88%
Earthquake TIV:	\$ 548,542,419	\$ 552,356,147	0.69%
Earthquake Limit:	\$ 50,000,000	\$ 50,000,000	0.00%
*Total Annual Cost:	\$ 286,550.35	\$ 314,187.77	9.64%

* 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, 2018.

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 2018-2019 POLICY TERM

Coverage	2017-2018	2018-2019 Proposed Changes	Status
Unscheduled Infrastructure sub-limit	\$2,000,000 Sublimit 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).	<u>Sub-limit Reduction to \$750,000</u> This reduction in limit is due to significant claims activity for unscheduled infrastructure over the last two years, and is reflective of the limit that was provided by the program in earlier years.	Update
Terrorism Policies	Endorsement NMA 2914 Electronic Data included as part of policies	Endorsement NMA 2914 Electronic Data deleted from policies	Clarification
Cyber Policy Form	Information Security & Privacy (Beazley InfoSec)	Information Security & Privacy (Beazley InfoSec-2018). Enhancements noted below	Update
Cyber FIRST PARTY LOSS: Business Interruption Loss resulting from System Failure:	Not Covered	Increased to \$250,000	Enhancement
Cyber Dependent Business Interruption Loss:	\$500,000	Increased to \$750,000	Enhancement
Cyber Forensic Expense:	\$100,000	Increased to \$2,000,000	Enhancement
Cyber PCI:	\$100,000	Increased to \$2,000,000	Enhancement
Cyber Funds Transfer Fraud:	Not Covered	Increased to \$50,000	Enhancement

APIP SUMMARY OF PROPOSED CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2018-2019 POLICY TERM

Coverage	2017-2018	2018-2019 Proposed Changes	Status
Cyber Criminal Reward:	Not Covered	Increased to \$25,000	Enhancement
Cyber Public relations consultancy costs:	\$50,000 Cap	Increased to policy limit	Enhancement
Pollution Conditions / Indoor Environmental Conditions Self-Insured Retention	<p>\$75,000 Retention per Pollution Condition / Indoor Environmental Condition (not involving Mold)</p> <p>\$225,000 Aggregate Retention for all Pollution Conditions / Indoor Environmental Condition (not involving Mold)</p> <p>\$37,500 Maintenance Retention per Pollution Condition / Indoor Environmental Condition once the aggregate retention is exhausted (not involving Mold)</p>	<p>\$100,000 Retention per Pollution Condition / Indoor Environmental Condition (not involving Mold or Sewage Backup)</p> <p>\$300,000 Aggregate Retention for all Pollution Conditions / Indoor Environmental Condition (not involving Mold or Sewage Backup)</p> <p>\$50,000 Maintenance Retention per Pollution Condition / Indoor Environmental Condition once the aggregate retention is exhausted (not involving Mold or Sewage Backup)</p>	Update
Pollution Mold Self-Insured Retention (SIR)	\$250,000 Retention per Indoor Environmental Condition involving Mold	\$250,000 Retention per Indoor Environmental Condition involving Mold – does not aggregate	Update
Pollution Sewage Backup Self-Insured Retention (SIR)	Not Applicable	\$250,000 Retention per Pollution Condition / Indoor Environmental Condition involving Sewage Backup – does not aggregate	Update

Master Policy Form Wording Proposed Changes

Coverage	2017-2018	2018-2019 Proposed Changes	Status
Policy Term	July 1, 2017 to July 1, 2018	July 1, 2018 to July 1, 2019	Update
Section I, G. 6.	Library Book table	Updated library book values per US inflation calculator	Update

APIP SUMMARY OF PROPOSED CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2018-2019 POLICY TERM

Master Policy Form Wording Proposed Changes

Coverage	2017-2018	2018-2019 Proposed Changes	Status
Section IV, B. 15	<p>Last paragraph:</p> <p>This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the Insured establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus, mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy.</p>	<p>Last paragraph adjustment per underlined sentences:</p> <p>This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the Insured establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus, mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy. <u>Notwithstanding Section IV, Item R., Other Insurance, coverage provided under this paragraph shall apply as primary. Nothing herein contained shall be held to waive, vary, alter or extend any condition or provision of the policy other than as above stated.</u></p>	Pending

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

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: City of Naperville

DECLARATION: 5-Cities 5

POLICY PERIOD: July 1, 2018 to July 1, 2019

COMPANIES: See Attached List of Companies

**TOTAL INSURED
 VALUES:** \$ 552,356,147 as of June 05, 2018

**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.
- \$ 50,000,000 Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
- \$ 50,000,000 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.
- \$ 50,000,000 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 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.
\$	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 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).
\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery).

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

\$	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.

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 Except \$10,000 for the 'Naper Settlement' situated at 523 South Webster Street, Naperville, Illinois, 60540 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

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

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

\$ 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 minimum deductible per occurrence.

\$ 1,000 Per Occurrence for Specially Trained Animals.

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES: (continued)	\$	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.
	\$	10,000	Except \$250,000 for Fire Vehicles 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.
		Agreed Value	Contractor's Equipment/Vehicle Valuation Basis
	\$	50,000	Except \$10,000 for the 'Naper Settlement' situated at 523 South Webster Street, Naperville, I Per Occurrence for Contractor's Equipment.

SPECIAL TERMS 1: Vehicle Valuation is split as follows:

Ambulances are valued at Replacement Cost Value
 All Other Vehicles are valued at Actual Cash Value

Per Policy Limits

Special Terms Limit

Per Policy Deductible

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, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
- \$ 50,000 Except \$10,000 for the 'Naper Settlement' situated at 523 South Webster Street, Naperville, Illinois, 60540 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, 25-30 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, 25-30 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:

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*
Total Property Premium:	\$ 291,368.00
Excess Boiler:	\$ 5,483.00
ABS Fee:	\$ 4,869.00
SLT&F's (Estimate)	\$ 12,467.77
Broker Fee:	\$ 0.00
TOTAL COST †: (Including Taxes and Fees)	\$ 314,187.77
<p>*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.</p> <p>† 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)</p>	

PRINT DATE: June 5, 2018

PROPOSAL VALID UNTIL: July 1, 2018

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

Seth Cole
Senior Vice President

Justin Swarbrick
First Vice President

Eve M Wildhagen
Account Manager

NOTES:

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

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

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

BOILER & MACHINERY PROPOSAL

NAMED INSURED: City of Naperville
POLICY PERIOD: July 1, 2018 to July 1, 2019
COMPANIES: See Attached List of Companies
TOTAL INSURED VALUES: \$ 552,356,147 as of June 5, 2018
STATUS/RATING: See Attached List of Companies

COVERAGES & LIMITS: \$ 100,000,000 Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:

- Included Jurisdictional and Inspections.
- \$ 10,000,000 Per Occurrence for Service/Utility/Off Premises Power Interruption.
- Included Per Occurrence for Consequential Damage/Perishable Goods/Spoilage.
- \$ 10,000,000 Per Occurrence for Electronic Data Processing Media and Data Restoration.
- \$ 2,000,000 Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Named Insureds who purchase Dedicated Earthquake Coverage.
- \$ 10,000,000 Per Occurrence for Hazardous Substances/Pollutants/Decontamination.
- Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes.

NEWLY ACQUIRED LOCATIONS:

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

VALUATION:

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

EXCLUSIONS (Including but not limited to):

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

OBJECTS EXCLUDED: (Including but not limited to):

-) Insulating or refractory material
-) Buried Vessels or Piping

NOTICE OF CANCELLATION:

90 days except 10 days for non-payment of premium

DEDUCTIBLES:

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

Annual Cost

COST: Cost is included on Property Proposal

PRINT DATE: June 5, 2018

PROPOSAL VALID UNTIL: July 1, 2018

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

Seth Cole
Senior Vice President

Justin Swarbrick
First Vice President

Eve M Wildhagen
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)**

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, 2018 to July 1, 2019

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++, Superior, Financial Category XV (\$2 Billion or greater)
Effective October 5, 2017

STANDARD & POORS RATING: AA (Very Strong) as of April 13, 2018

ADMITTED STATUS: Non-Admitted in all states except Illinois

COVERAGE LOCATIONS: Per the following SOVs submitted and on file with carrier:

1. PEEIP DEC 1 – SOVs
2. PEEIP DEC 2 – SOVs
3. PEEIP DEC 3 – SOVs
4. PEEIP DEC 4 – SOVs
5. PEEIP DEC 5 – SOVs
6. PEEIP DEC 11 – SOVs
7. PEEIP DEC 12 – SOVs
8. PEEIP DEC 14 – SOVs
9. PEEIP DEC 19 – SOVs
10. PEEIP DEC 25 – SOVs
11. PEEIP DEC 26 – SOVs
12. PEEIP DEC 27 – SOVs
13. PEEIP DEC 28 – SOVs
14. PEEIP DEC 29 – SOVs
15. PEEIP DEC 30 – SOVs
16. PEEIP DEC 32 – SOVs (Excludes SPIP, except as endorsed)
17. PEEIP DEC 33 – SOVs
18. PEEIP 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
\$ 2,000,000 Per JPA/Pool 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 120 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 subsurface sewer line into any structure, including, but not limited to, 3rd 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:

- \$100,000 Per Pollution Condition or Indoor Environmental Condition retention except for Mold or Sewage Backup
- \$300,000 Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions except for Mold or Sewage Backup
- \$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Conditions except for Mold or Sewage Backup
- \$250,000 Per Named Insured retention applicable to Mold or Sewage Backup – *does not erode the Aggregate retention*
- \$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) Chubb Environmental Claims Manager
 Chubb USA Claims
 P.O. Box 5103
 Scranton, PA 18505-0510
 (800) 951-4119 (Fax – First Notices Only)
 (866) 635-5687 (Fax – All Other Items)
 First Notice Email: CasualtyRiskEnvironmentalFirstNotice@chubb.com

- 2) Chubb Environmental Incident ALERT
 Sign up 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) Akbar Sharif
 Alliant Insurance Services, Inc.
 1301 Dove Street, Suite 200
 Newport Beach, CA 92660
 949 260-5088
 949 756-2713 – fax
Akbar.Sharif@alliant.com

NOTICE OF CANCELLATION:

90 days except 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
 - Chubb will offer a single Mold Awareness Training Presentation, provided by Chubb ESIS personnel, for little or no additional cost. Must be held at one central location or online.
 - Due Diligence Program Overview
 - Chubb 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
 - Chubb will assist the insured in the creation of a single ACM/LBP plan for a minimal additional cost
 - Mold Operations & Maintenance (O&M) Plan
 - Chubb will assist the insured in the creation of a single Mold O&M plan for a minimal additional cost

QUOTE VALID UNTIL: July 1, 2018

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

Environmental Incident ALERTSM

Chubb Logistical Environmental Response Technology



Environmental releases can happen unexpectedly and at any moment. When these events occur companies are faced with the responsibility of cleanup and site remediation, not to mention the additional cost factors and regulatory implications that can be involved.

Environmental Incident ALERTSM is a complimentary program developed to assist Chubb Environmental clients find and dispatch qualified incident response contractors, monitor cleanup costs (in real time) and mitigate potential liabilities associated with environmental releases.

Services

- Incident Reporting
- Contractor Referrals
- Response Coordination Assistance
- Incident Documentation
- Invoice Review
- Customized Alerts
- Contractor Registration
- Subject - Relevant E-Marketing communications

Key Highlights

- 24/7 incident reporting via phone, web or mobile device
- Access to a database of over 3,500 response contractors that clients can independently engage for services
- Assistance with Federal/State/Local Regulatory reporting (through an Chubb vendor)
- Response coordination assistance (multilingual capabilities)
- Capability of establishing customized alerts via email and/or text message when the system is activated

- Complete data package delivered electronically
- Business Continuity - minimize disruption to the clients' business and focus on returning to normal operations

How to Access

Details of the program, including access to where Chubb Environmental clients can complete their enrollment, is available online at <https://ace.spillcenter.net>

- Once enrollment is complete, clients can report an environmental incident either online, by telephone or mobile device via the Environmental Incident ALERTSM application available on iPhone, Android and certain Blackberry models.

Visit <https://ace.spillcenter.net> to learn more about Environmental Incident ALERTSM

Contact us

Bob Winterburn
O 215.640.1451
E Robert.Winterburn@chubb.com

Steve Piatkowski
O 215.640.4890
E Steven.Piatkowski@chubb.com



Chubb. Insured.SM

Environmental Incident ALERTSM is offered through Spill Center, a North American leader in environmental regulatory reporting and spill support that draws from a database of more than 3,500 environmental cleanup contractors throughout North America who are experienced and equipped to react to particular kinds of spills. Reporting a spill using Environmental Incident ALERTSM services offered through Spill Center is not an indication that coverage is available under your policy. Any communications in connection with your use of Environmental Incident ALERTSM services offered through Spill Center are not intended to alter, amend or provide interpretive commentary on any insurance policy contracts. Spill Center is not a subsidiary or affiliate of the Chubb Group. Chubb Group disclaims all liability, loss, damages and other costs that may arise out of your use of or reliance upon any spill reporting services, other services, communications and representations or warranties made by Spill Center or its affiliates.

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at www.chubb.com. Insurance provided by Chubb American Insurance Company and its U.S. based Chubb underwriting company affiliates. All products may not be available in all states. This communication contains product summaries only. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers. Chubb is the world's largest publicly traded property and casualty insurance group. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to adverse group of clients. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index.

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, 2018 to July 1, 2019

POLICY #: TBD

TERRITORY: WORLD-WIDE

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

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:

Ai.	\$	25,000,000	Annual Policy and Program Aggregate Limit of Liability (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.
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:

BREACH RESPONSE

Breach Response Costs:	\$	500,000	Annual Policy Aggregate Limit of Liability for each Insured/Member Privacy Notification Costs coverage. (Limit is increased to \$1,000,000 if Beazley Vendor Services are used)
-------------------------------	----	---------	---

Insured's with TIV above \$500,000,000 have the option to increase the **Breach Response limit to \$1,000,000 (Limit is increased to \$2,000,000 if Beazley Vendor Services are used) with an additional premium of 10% of their allocated APIP cyber premium.*

FIRST PARTY LOSS

Business Interruption Loss:	\$	2,000,000	Member Aggregate Limit of Liability for each Insured/Member resulting from Security Breach
	\$	250,000	Member Aggregate Limit of Liability for each Insured/Member resulting from System Failure
Dependent Business Loss:	\$	750,000	Member Aggregate Limit of Liability for each Insured/Member resulting from Dependent Security Breach
Cyber Extortion Loss:	\$	2,000,000	Member Aggregate Limit of Liability for each Insured/Member Cyber Extortion Loss
Data Recovery Costs:	\$	2,000,000	Member Aggregate Limit of Liability for each Insured/Member Data Protection Loss

LIABILITY

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

Payment Card Liabilities & Costs:	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Payment Card Liabilities & Costs
Media Liability:	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability
ECRIME			
Fraudulent Instruction:	\$	50,000	Member Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Fraudulent Instruction.
Funds Transfer Fraud:	\$	50,000	Member Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Funds Transfer Fraud
Telephone Fraud:	\$	50,000	Member Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Telecommunications Fraud
CRIMINAL REWARD			
Criminal Reward:	\$	25,000	Member Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Criminal Reward.
COVERAGE ENDORSEMENT(S)			
Consequential Reputational Loss:	\$	50,000	Member Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Consequential Reputational Loss.
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

**Insured's 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 \$5,000 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 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. Breach Response** indemnifies the Insured Organization for Breach Response Costs incurred by the Insured Organization 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** indemnifies the Insured Organization for:
 - Business Interruption Loss* indemnifies the Insured Organization 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 Organization sustains as a result of a Dependent Security Breach or a Dependent System Failure that the Insured first discover during the Policy Period.

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

 - Data Recovery Costs* indemnifies the Insured Organization 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 Organization 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 Organization for any direct financial loss sustained resulting from:
 -) Fraudulent Instruction
 -) Funds Transfer Fraud
 -) Telephone Fraud
 That the Insured first discovers during the Policy Period.

SPECIFIC COVERAGE PROVISIONS: E. **Criminal Reward** indemnifies the Insured Organization for Criminal Reward Funds.
(Continued)

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
 -) Nuclear Incident
 -) Radioactive Contamination
 -) First Party Loss – with respects to Business Interruption as a result of System Failure only

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

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

REINSTATEMENT PROVISIONS: Optional reinstatement at 125% of the annual premium

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

OTHER SERVICES Unlimited Access to Beazley Breach Solutions

BROKER: 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 which are currently under negotiations. Please refer to Policy for specific terms, conditions and exclusions once coverage is bound.

**ALLIANT PROPERTY INSURANCE PROGRAM
2018-2019**

**NAMED INSURED SCHEDULE
AS OF 06/05/2018**

THE NAMED INSURED IS:

City of Naperville
400 South Eagle Street
Naperville, IL 60566-7020

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 Naperville

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. 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.

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.

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.

LOSS NOTIFICATION REQUIREMENT

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

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

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

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

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

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

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

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

Address:

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

Address:

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manager (if purchased):

ACE USA Claims
PO Box 5103
Scranton, PA 18505-0510
Environmental Emergency: (888) 310-9553
Fax: (800) 951-4119
Email: CasualtyRiskEnvironmentalFirstNotice@chubb.com

Address:

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

IN THE EVENT OF A

PROPERTY LOSS:

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

877-725-7695

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

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

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

PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.

BY MAIL: 100 Pine Street, 11th Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: rfrey@alliant.com AND dwalizada@alliant.com

Carbon Copy APIP Claims Administrator: sandra.doig@mclarens.com and your Alliant representative

Today's Date: _____

Type of Claim: (check all that apply)

- 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, 11th Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: _____

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

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss:

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

Name of Person Completing This Form: _____

Signature: _____

Per the 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

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

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

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

SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:

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

Please contact Beazley for a list of approved vendors.

CYBER FIRST NOTICE OF LOSS FORM

SEND TO: Beazley Group

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

BY FAX: (546) 378-4039

BY EMAIL: tmbclaims@beazley.com

CC Alliant Claims Department:
elaine.tizon@alliant.com , and your Alliant representative

Today's Date: _____

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

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

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

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

Policy Information

Policy Number: _____ Policy Period: _____

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

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

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

Name of Person Completing This Form: _____

Signature: _____

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

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

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.
4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.

(Cyber)

CHUBB

Chubb Environmental

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 to ACE Environmental Risk immediately at:

888-310-9553 or use ACE Alert App

4) Report the incident to Alliant

Akbar Sharif
Claims Advocate
949-260-5088
415-403-1466 – fax
asharif@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. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

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

CHUBB® CHUBB ENVIRONMENTAL FIRST NOTICE OF LOSS FORM

SEND TO: Chubb Environmental Claims Manager
BY MAIL: ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510
BY FAX: (800) 951-4119
BY EMAIL: CasualtyRiskEnvironmentalFirstNotice@chubb.com
CC Alliant Insurance: asharif@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: _____

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” **must also take all reasonable measures to provide immediate verbal notice to the Insurer.**

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

CHUBB®

APIP Pollution: Claim Reporting Fact Sheet

This page outlines the steps that should be taken BY YOUR ORGANIZATION, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through APIP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the **Emergency Response** issue and the reporting provisions:

III. DEFENSE AND SETTLEMENT C. The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

V. DEFINITIONS

F. “Emergency response” means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

T. “Pollution condition” means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

V. “Remediation costs” means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

B. The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is if there is a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information

Alliant Property Insurance Program 2018-2019 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 Illinois
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 08/30/17)	A+ (As of 08/16/16)	Non-Admitted
Aspen Insurance UK Limited	084806	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 12/15/17)	A (As of 01/26/18)	Non-Admitted
Atain Specialty Insurance Company	002842	A, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 12/21/17)	Not Rated (As of 04/06/18)	Non-Admitted
Chubb European Group Limited	086485	A++ , Superior; Financial Size Category 15; \$1,500,000,000 to \$2,000,000,000 or greater (As of 10/05/17)	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 07/14/17)	A (As of 03/28/17)	Non-Admitted
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/20/17)	A (As of 07/27/17)	Admitted
Hallmark Specialty Insurance Co.	010838	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 08/02/17)	Not Rated (As of 04/06/18)	Non-Admitted
Homeland Insurance Company of New York	010604	A, Excellent; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 02/03/18)	A- (As of 07/02/10)	Non-Admitted
Illinois Union Insurance Company	003510	A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 10/05/17)	AA (As of 06/24/16)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 15; \$1,500,000,000 to \$2,000,000,000 or greater (As of 05/02/17)	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 11/21/17)	A- (As of 02/28/18)	Non-Admitted

Alliant Property Insurance Program 2018-2019 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 Illinois
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 09/29/17)	A (As of 04/21/15)	Non-Admitted
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/23/17)	A+ (As of 06/06/17)	Non-Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/20/17)	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 07/07/17)	Not Rated (As of 06/21/17)	Non-Admitted
PartnerRe Ireland Insurance Ltd.	088621	A, Excellent Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/25/17)	A+ (As of 09/07/16)	Non-Admitted
Westchester Surplus Lines Insurance Company	004433	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 10/05/17)	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 12/07/17)	AA- (As of 10/28/11)	Admitted
XL Insurance America Inc.	002423	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 03/06/18)	A+ (As of 10/12/17)	Admitted

SURPLUS LINES DISCLOSURE

ILLINOIS

Notice to Policyholder:

This contract is issued, pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund.