



City of Naperville

Special Excess Liability for the Alliant National Municipal Liability (ANML) Program Proposal

Presented by Seth Cole
Date Presented June 5, 2024

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Table of Contents

Company Profile.....	2
Alliant Advantage	3
Your Service Team	4
Named Insured.....	5
Premium Summary	6
Special Excess Liability Coverage	7
Disclosures.....	12
NY Regulation 194.....	13
Privacy.....	13
FATCA:	13
NRRRA:	14
Guarantee Funds.....	14
Claims Reporting:.....	14
Changes and Developments	14
Certificates / Evidence of Insurance	15
Flood Disclosure	16
Optional Coverages	17
Glossary of Insurance Terms	17
Request to Bind Coverage.....	18

Company Profile

Alliant provides risk management, insurance, and consulting services to thousands of clients nationwide, delivering tailored products and services engineered to mitigate risk, improve performance, and promote long-term growth. Our core business includes property and casualty insurance services, middle-market brokerage, employee benefits, and underwriting, each staffed with dedicated industry specialists who understand the unique market dynamics facing their clients.

In addition to our 90-plus year legacy of service and results, Alliant is one of the industry's fastest-growing organizations. As America's 10th largest insurance brokerage, we have an active presence in every U.S. market and an extensive arsenal of best-in-class resources and intelligence that moves our clients forward in today's competitive market climate.

Alliant has a broad reach that covers a wide range of industries, including:

- Agriculture
- Aviation
- Construction
- Energy and Marine
- Environmental
- Healthcare
- Financial Institutions
- Law
- Public Entity
- Real Estate
- Tribal Nations
- And many more

Alliant Advantage

	Alliant	Competition
90 years of leadership in meeting the insurance needs of businesses and public entities across the US.	✓	
National presence with best-in-class resources and expertise.	✓	
Privately owned and operated.	✓	
Flat management structure with no bureaucracy, empowering senior leadership to take a hands-on approach to client service that expands the entire lifecycle of the relationship.	✓	
A full-service insurance agency that addresses all of your risk and insurance needs, including property, casualty, life, and health.	✓	
A diverse team of industry specialists who understand the unique needs of your business.	✓	
Considerable buying power through more than 40 insurance carriers, enabling for the delivery of the best coverage at the most competitive pricing	✓	
State-licensed support staff.	✓	
A full-service approach that includes risk management services to help identify hazards and present options.	✓	
Workers' compensation insurance claims management at no additional charge.	✓	

Your Service Team

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Named Insured

City of Naperville
Naperville Public Library
Naperville Settlement
Fireman's Pension Board
Police Pension Board
Foreign Fire Insurance Board

NAMED INSURED DISCLOSURE

- Name Insured(s) should match State of Incorporation filing. Inform Alliant if there is a difference or change
- The First Named Insured policy status granted includes certain rights and responsibilities. These responsibilities do not apply to other Named Insureds on the policy. Some examples for First Named Insured status include; (1) being designated to act on behalf of all insureds for making policy changes, (2) receiving of correspondence, (3) distributing claim proceeds, and (4) making premium payments
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act.

Premium Summary

Coverage	Expiring Premium*		Renewal Premium*	
Special Excess Liability	\$	267,750.00	\$	315,400.25
TOTAL	\$	267,750.00	\$	315,400.25

*Excludes TRIA premium

*Includes surplus lines taxes/fees and wholesaler fee

*Surplus Lines tax waived in expiring premium

Payment Terms

- Premium is due within 30 days of policy inception.
- Agency Bill
- Payment Plan: Annual

Options

- Exclude Employment Practices Liability Defense Reimbursement Limit
- Include Employment Practices Liability Defense Reimbursement Limit - \$100,000
- Renewal Premium above includes Employment Practices Liability Defense Reimbursement Limit - \$250,000 as per expiring.
- 2% Additional Premium to add TRIA

Special Excess Liability Coverage

	Present Coverage	Proposed Coverage
Insurance Company	<ul style="list-style-type: none"> Great American E&S Insurance Company – 82% Starstone Specialty Insurance Company – 18% 	<ul style="list-style-type: none"> Great American E&S Insurance Company – 85% Starstone Specialty Insurance Company – 15%
A.M. Best Rating	<ul style="list-style-type: none"> A+ (Superior), Financial Size Category: XV (Greater than or Equal to \$2 Billion) as of December 15, 2023 A- (Excellent), Financial Size Category: XII (\$1 Billion to Less than \$1.25 Billion) as of August 11, 2023 	<ul style="list-style-type: none"> A+ (Superior), Financial Size Category: XV (Greater than or Equal to \$2 Billion) as of December 15, 2023 A- (Excellent), Financial Size Category: XII (\$1 Billion to Less than \$1.25 Billion) as of August 11, 2023
Standard & Poor's Rating	<ul style="list-style-type: none"> A+ (Strong) as of February 29, 2024 Not Rated 	<ul style="list-style-type: none"> A+ (Strong) as of February 29, 2024 Not Rated
Illinois Status	Non-Admitted	Non-Admitted
Policy/Coverage Term	July 1, 2023 to July 1, 2024	July 1, 2024 to July 1, 2025
Policy #	<ul style="list-style-type: none"> 1827323-07 APEICS1827323-07 	TBD

Schedule of Named Insureds

- | | |
|---|---|
| <ul style="list-style-type: none"> City of Naperville Naperville Public Library Naperville Settlement Fireman's Pension Board Police Pension Board Foreign Fire Insurance Board | <ul style="list-style-type: none"> City of Naperville Naperville Public Library Naperville Settlement Fireman's Pension Board Police Pension Board Foreign Fire Insurance Board |
|---|---|

Coverage

Special Excess Liability Policy for the Alliant National Municipal Liability (ANML) Program	Special Excess Liability Policy for the Alliant National Municipal Liability (ANML) Program
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Limits

\$ 40,000,000 Policy Aggregate	\$ 40,000,000 Policy Aggregate
\$ 10,000,000 Completed Operations Hazard Annual Aggregate	\$ 10,000,000 Completed Operations Hazard Annual Aggregate

Special Excess Liability Coverage - Continued

	Present Coverage		Proposed Coverage	
Limits – Continued	\$ 10,000,000	Any one Occurrence, Wrongful act or offense for Bodily Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Liability, or Personal Injury or any combination thereof in excess of Your “Retained Limit”.	\$ 10,000,000	Any one Occurrence, Wrongful act or offense for Bodily Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Liability, or Personal Injury or any combination thereof in excess of Your “Retained Limit”.
Retained Limit	\$ 2,000,000		\$ 2,000,000	
Defense Inside/Outside the Limit	Inside the Limit		Inside the Limit	
Who has the Duty to Defend	Insured		Insured	
Endorsement & Exclusions (including but not limited to)	<ul style="list-style-type: none"> • Illinois Notice • General Service of Suit • Surplus Lines Notification – Great American Only • Quota Share Endorsement for ANML – Great American Only • Schedule of Named Insureds and Retained Limits • Special Excess Liability Policy for The Alliant National Municipal Liability Program (ANML) • Blanket Additional Insured and Primary Non-Contributory • Dam Extension 		<ul style="list-style-type: none"> • Illinois Notice • General Service of Suit • Surplus Lines Notification – Great American Only • Quota Share Endorsement – Great American Only • Schedule of Named Insured and Retained Limits • Special Excess Liability Policy for The Alliant National Municipal Liability Program (ANML) • Blanket Additional Insured and Primary Non-Contributory • Dam Extension 	

Special Excess Liability Coverage - Continued

	Present Coverage	Proposed Coverage
Endorsement & Exclusions – Continued (including but not limited to)	<ul style="list-style-type: none"> • Defense Cost Endorsement - Employment Practices Liability Claims • Amended Employment Practices Liability Condition • Exclusion of Certified Acts of Terrorism • War Exclusion • Blanket Waiver of Subrogation Endorsement • Exclusion - Access or Disclosure of Confidential or Personal Information Data Related Liability - With Limited Bodily Injury Exception • Organic Pathogens Exclusion • Perfluoroalkyl or polyfluoroalkyl substances (PFAS) Exclusion • Silica Exclusion • Global Sanctions Endorsement • Illinois Changes • Reinsurance Declaration Statement – StarStone • Claims Cooperation Endorsement - StarStone • OFAC Advisory Notice to Policyholders – StarStone Only • Privacy Notice - StarStone Only • Endorsement - Employment Practices Liability Defense Reimbursement - \$250,000 Limit 	<ul style="list-style-type: none"> • Defense Cost Endorsement - Employment Practices Liability Claims • Amended Employment Practices Liability Condition • Exclusion of Certified Acts of Terrorism • War Exclusion • Blanket Waiver of Subrogation Endorsement • Cyber Exclusion • Organic Pathogens Exclusion • Perfluoroalkyl or polyfluoroalkyl substances (PFAS) Exclusion • Silica Exclusion • Global Sanctions Endorsement • IL Changes • Reinsurance Declaration Statement – StarStone • Claims Cooperation Endorsement - StarStone • OFAC Advisory Notice to Policyholders - StarStone Only • Privacy Notice - StarStone Only • Biometric Information Exclusion – NEW • Employment Practices Liability Defense Reimbursement – Excluded, see options below
Total Cost Excluding TRIA	Total Annual Cost: \$ 255,000.00 Annual Premium Waived Surplus Lines Tax \$ 12,750.00 Wholesaler Fee \$ 267,750.00 Total Cost	Total Annual Cost (Includes Employment Practices Defense Reimbursement - \$250,000 Limit) \$ 290,585.00 Annual Premium \$ 10,286.00 Surplus Lines Tax \$ 14,529.25 Wholesaler Fee \$ 315,400.25 Total Cost

Special Excess Liability Coverage - Continued

	Present Coverage	Proposed Coverage
Optional Coverage	No Longer Applicable	Employment Practices Liability Defense Reimbursement Limit - Excluded Total Annual Cost: \$ 272,850.00 Annual Premium \$ 9,659.00 Surplus Lines Tax <u>\$ 13,643.00 Wholesaler Fee</u> \$ 296,152.00 Total Cost Employment Practices Liability Defense Reimbursement - \$100,000 Limit Total Annual Cost: \$ 282,400.00 Annual Premium \$ 9,997.00 Surplus Lines Tax <u>\$ 14,120.00 Wholesaler Fee</u> \$ 306,517.00 Total Cost
Additional Premium to Add TRIA	No Longer Applicable	2% of the Premium, subject to taxes and fees
Minimum Earned Premium	25%	25%
Quote Valid Until	No Longer Applicable	June 30, 2024
Binding Conditions	No Longer Applicable	<ul style="list-style-type: none"> • A written request to bind coverage • Signed TRIA Form • Any changes of TPA/Self-Administered status must be approved by Great American

See Disclaimer Page for Important Notices and Acknowledgment

Disclosures

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

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

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

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

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

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. 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

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

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

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

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures / Disclaimers

FATCA:

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

Other Disclosures / Disclaimers - Continued

NRRA:

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

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.

Claims Reporting:

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

Changes and Developments

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

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

Other Disclosures / Disclaimers - Continued

Certificates / Evidence of Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy, nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

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

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

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides coverage automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgement of all disclaimers and disclosures.

Flood Disclosure

Flooding is a serious threat to both personal and commercial clients. Flooding can happen anywhere, not just zone referred to as high-risk areas (Special Flood Hazard Area). Your Alliant team is ready to explain how it works and the associated costs.

Basic Facts

Congress created the NFIP in 1968 in response to the rising cost of taxpayer-funded disaster relief for flood victims and the increasing amount of damage caused by floods. The NFIP makes federally backed flood insurance available in communities that agree to adopt and enforce floodplain management ordinances to reduce future flood damage. The NFIP is self-supporting for the average historical loss year. This means that unless there is a widespread disaster, operating expenses and flood insurance claims are financed through premiums collected.

Commercial buildings or residential dwellings owned by commercial entities are considered commercial property. All others are residential dwellings

The [FEMA Summary for Commercial Property](#) and [FEMA Standard Summary of Coverage](#) provides information on the following:

- Types of Flood Insurance Coverage
- What is a Flood- “a General and temporary condition of partial or complete inundation of two or more acres of normally dry land area”...
- Deductibles – various options to meet your financial needs
- What is Covered and What is Not
- The valuation of the Property – Actual Cash Value or Replacement Cost

Additional Information

- Flood Zones
 - <https://www.fema.gov/flood-zones>
- Excess Flood Insurance (contact your Producer for additional information)
 - Increased limits over the maximum flood limit provided by NFIP

FEMA Glossary of Flood Terms

<https://www.fema.gov/national-flood-insurance-program/definitions>

Please indicate your selection:

- ☐ I would like to receive a flood quote
- ☐ I do NOT wish to purchased flood insurance

Signature: _____

Date: _____

Name Printed / Typed: _____

Company Name: _____

Optional Coverages

The following represents a list of insurance coverages that may not be included in this proposal but are optional and may be available with further underwriting information. This list is not inclusive of all coverages and if you have questions contact your Alliant representative. If you would like addition quotes please check Yes/No across from the coverage below, sign and return.

Optional Coverages

Other Coverage Options

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here which are unique to your organization.

- Business Income/Extra Expense
- Earthquake
- Employed Lawyers
- Employee Benefits Liability
- Equipment Breakdown
- Food Borne Illness
- Foreign Insurance
- Garagekeepers Liability
- Hired Auto Physical Damage
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Network Security / Privacy Liability and Internet Media Liability
- Non-Owned & Hired Automobile Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Professional Liability
- Property in Transit
- Property of Others (Clients, Employees, Other)
- Special Events Liability
- Spoilage
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers Compensation & Employers Liability
- Workplace Violence

Glossary of Insurance Terms

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

<http://insurancecommunityuniversity.com/university-resources/insurance-glossary-free>

<https://consumers.ambest.com/content.aspx?rec=261613>

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

Request to Bind Coverage

City of Naperville

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

Coverage Line	Bind Coverage for:
Special Excess Liability for the Alliant National Municipal Liability (ANML) Program	
<ul style="list-style-type: none"> With Employment Practices Liability Defense Reimbursement \$250,000 Limit With Employment Practices Liability Defense Reimbursement \$100,000 Limit Without Employment Practices Liability Defense Reimbursement Limit 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Did you know that Alliant works with premium financing companies? Are you interested in financing your annual premium?

Yes, please provide us with a financing quote.	No, we do not wish to finance our premium.
<input type="checkbox"/>	<input type="checkbox"/>

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

Signature of Authorized Insured Representative

Date

Title

Printed / Typed Name

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