



# City of Naperville

2020 – 2021

## Alliant Property Insurance Program (APIP)

Presented on June 3, 2020 by:

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## ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2020 – July 1, 2021

### EXECUTIVE SUMMARY

Attached please find the renewal summary of the Alliant Property Insurance Program (APIP) for the 2020-2021 period. An overview of the most significant issues concerning this year's renewal are discussed here.

The challenging market conditions that began in 2018 have worsened through the first half of 2020 and are expected to remain very difficult through the remainder of the year. Prior to the market change in 2018, the Property insurance market was in a "soft" cycle with record amounts of capacity entering the market in search of financial return. Historic natural catastrophe losses such as Hurricanes Harvey, Irma and Maria in 2017 and the California Wildfires in 2018 were key drivers of the shift in the market. These catastrophes along with increased attritional losses resulted in an unprofitable commercial insurance industry over the last several years. Lack of profitability resulted in carriers re-evaluating their books and seeking increased pricing while offering reduced terms and conditions. Rate increases were sought for most insureds in 2018 and 2019, but were more severe for insureds that experienced losses or had significant natural catastrophe exposure. This general trend has continued into early 2020; however, the market has recently become even more challenging due to the Coronavirus pandemic. As a result, insureds will continue to realize rate increases over expiring and, in many cases, a reduction in limits. Those insureds that have significant shock loss(es) or persistent attritional losses will experience even larger rate increases. In keeping with the programs' general history; however, we still expect overall rates to, in most cases, remain below that which can be achieved in the open market for similar coverage.

For the 2020/21 renewal, Lexington, Lloyd's and U.S. domestic underwriters will continue to provide coverage for the first \$25,000,000 of the program. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets with all A.M. Best Rated at least A- VII. Insureds should note several key highlights for this year's renewal:

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

Alliant Business Services (ABS) continues to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the program, property valuations continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every 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 an insureds 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, 2020 – July 1, 2021**

**EXECUTIVE SUMMARY**

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

<u>City of Naperville</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>Variance</u>
Total Insured Values:	\$ 566,982,417	\$ 557,603,158	-1.65%
Account Rate (per hundred dollars):	0.0661241	0.0811349	22.70%
Earthquake TIV:	\$ 566,982,417	\$ 557,603,158	-1.65%
Earthquake Limit:	\$ 50,000,000	\$ 50,000,000	0.00%
*Total Annual Cost:	\$ 374,911.86	\$ 452,410.65	20.67%

\* TOTAL COST includes: all premiums (except Cyber BBR 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, 2020.

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

**BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2020-2021 POLICY PERIOD AS OF MAY 19, 2020**

**PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020 Sub-limit Wording	2020-2021 Proposed Changes	Status
Automatic Acquisition	\$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 <u>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.</u> The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally, <u>automatic coverage is granted for up to 60 days</u> , subject to a sub-limit of \$2,500,000 for <u>Tier 1 Wind Counties, Parishes and Independent Cities (as defined in the Policy).</u> 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.	Clarification
Communicable Disease	\$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.	Not Covered	Limitation
Unscheduled Infrastructure	Unscheduled infrastructure including but not limited to Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets (including guardrails), Sidewalks (including guardrails), Culverts, Channels, Levees, Dikes, Berms, Embankments, Street Lights, Traffic Signals, Meters, Roadway or Highway Fencing, and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, <u>landfills (as more fully defined in the Policy), docks, piers, wharves,</u> street lights, traffic signals, meters, roadway or highway fencing ( <u>including guardrails</u> ), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).	Limitation
ISO CAT Deductible when applicable	Per Occurrence for ISO CAT Losses (Excluding Flood and Earthquake) as defined by meeting the following trigger: ISO's Property Claims Service (PCS) declaration of a numbered catastrophic event.	Per Occurrence for CAT Losses (Excluding Flood and Earthquake) as defined by meeting the following trigger: Property Claims Service (PCS) declaration of a numbered catastrophic event.	Update
Storm Deductible when applicable	Per Occurrence for Storm	Per Occurrence for Windstorm	Clarification
Program Declarations	Twenty four declarations	Twenty six declarations	Update
Pollution Policy	Summary of Proposed changes is provided with the Pollution Proposal for those who request the coverage.		
Cyber Policy	Summary of Proposed changes is provided with the Cyber Proposal for those who request the coverage.		

## MASTER POLICY FORM WORDING PROPOSED CHANGES

PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS

Coverage	2019-2020	2020-2021	Status
Policy Period	July 1, 2019 to July 1,2020	July 1, 2020 to July 1,2021	Update
Section I, B Named Insured	Lessors <u>and other part(ies) of</u> interest in all property of every description covered hereunder are included herein as Insured's for their respective rights and interests, it being understood that the inclusion hereunder of more than one covered party shall not serve to increase the Company's limit of liability.	Lessors interest in all property of every description covered hereunder are included herein as Insured's for their respective rights and interests, it being understood that the inclusion hereunder of more than one covered party shall not serve to increase the Company's limit of liability.	Update
Section I, E., 2. o. Unscheduled Infrastructure	Unscheduled infrastructure including but not limited to Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets (including guardrails), sidewalks (including guardrails), culverts, channels, levees, dikes, berms, embankments, street lights, traffic signals, meters, roadway or highway fencing, and all similar property unless specific values for such items have been reported as part of a Named Insured(s) schedule of values held on file in the offices of Alliant Insurance Services, Inc. Unscheduled infrastructure coverage is excluded for the peril of Earthquake, and for Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs;	<i>Refer to the redline version of the Policy for full details.</i>  Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, <u>landfills, docks, piers, wharves,</u> street lights, traffic signals, meters, roadway or highway fencing ( <u>including guardrails</u> ), and all similar property unless specific values for.....	Limitation
Section II, B. 4. Off Premises Service Interruption	It is understood and agreed that coverage under this Policy is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period of any suppliers furnishing heat, light, power, gas, water, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page, <u>and Section 1 (General Provisions) of this form.</u>	It is understood and agreed that coverage under this Policy is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period of any suppliers furnishing <u>incoming electricity, fuel, gas, water, steam or refrigeration or outgoing sewerage,</u> heat light, power, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page.	Clarification
Section II, B. 8. Building Laws	Included in first paragraph	Delete reference to " <u>local or state</u> "	Enhancement
Section II, B. 9. Demolition Cost	In the event of physical damage to property insured by a covered peril, this policy is extended to cover the cost of demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this Policy and resulting from enforcement of any <u>local or state</u> ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.	In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the cost of, <u>and the additional period of time required for,</u> demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this Policy and resulting from enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.	Enhancement

**Master Policy Form Wording Proposed Changes Continued**

**PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020	2020-2021	Status
<p>Section II, B.10. Increased Cost of Construction</p>	<p>In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of repair or replacement <u>occasioned</u> by the enforcement of any <u>local or state</u> ordinance or law including written guidelines used by the department of corrections in any state regulating.....</p>	<p>Refer to the redline version of the Policy for full details.</p> <p>In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of, <u>and the additional period of time required for repair or replacement caused by the enforcement of any ordinance or law (including written guidelines used by the department of corrections in any state) regulating.....</u></p> <p><u>Insurance under this section does not apply to:</u></p> <p>a. <u>Costs associated with the enforcement of any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or</u></p> <p>b. <u>Loss due to any ordinance or law that:</u></p> <p style="padding-left: 20px;">i. <u>The Named Insured was required to comply with before the loss even if the building was undamaged; and</u></p> <p style="padding-left: 20px;">ii. <u>The Named Insured failed to comply with.</u></p> <p><u>The coverage provided by this clause is sub-limited to USD as per Declaration Page.</u></p>	<p>Enhancement /Clarification</p>
<p>Section II, B. 14 Transit</p>	<p>This policy is extended to cover Personal Property of the Named Insured or property held by the Named Insured in trust or on commission or on consignment for which the Named Insured may be held legally liable while in due course of transit, worldwide, against all risks of Direct Physical Loss or Damage not excluded by this Policy to the property insured occurring during the period of this Policy.</p> <p>The coverage provided by this clause is sub-limited to <u>USD as per Declaration Page, and Section 1 (General Provisions) Clause E. of this form.</u></p>	<p>This Policy is extended to cover Personal Property of the Named Insured or property held by the Named Insured in trust or on commission or on consignment for which the Named Insured may be held legally liable while in due course of transit, worldwide, against all risks of Direct Physical Loss or Damage not excluded by this Policy to the property insured occurring during the period of this Policy.</p> <p><u>Permission is hereby granted to the Named Insured without prejudice to this insurance to accept the ordinary Bill-of-Lading used by carriers, including released and/or under-valued Bill-of-Lading and/or Shipping or Messenger receipts; and the Named Insured may waive subrogation against railroads under side track agreements; and except as otherwise provided, the Named Insured shall not enter into any special agreement with carriers releasing them from their common law or statutory liability.</u></p> <p><u>This Policy also covers damage and loss of use:</u></p> <p>a. <u>Occasioned by the acceptance by the Named Insured, Insured's agent, customer or consignee(s) or others of fraudulent Bill-of-Lading, Shipping or Messenger receipts;</u></p> <p>b. <u>Obtained by fraud or deceit, perpetrated by any person(s) who may represent themselves to be the proper party or parties to receive the property for shipment or to accept it for delivery.</u></p> <p>The coverage provided by this clause is sub-limited to <u>USD as per Declaration Page</u></p>	<p>Update</p>

**Master Policy Form Wording Proposed Changes Continued**

**PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020	2020-2021	Status
<p>Section II, B. 17 Protection and Preservation of Property</p>	<p>Last paragraph:</p> <p>Due to the unique nature of Health Care Facilities and Jails where it is deemed necessary to evacuate patients or inmates from the premises in order to reduce the physical loss potential from an actual or imminent loss or damage by a peril not excluded herein, <u>all terms and conditions of this clause will apply to the expenses incurred as a result of the evacuation.</u></p>	<p>Due to the unique nature of Health Care Facilities, <u>Education Facilities</u> and Jails where it is deemed necessary to evacuate <u>designated persons</u> from the premises in order to reduce the physical loss potential from an actual or imminent loss or damage by a peril not excluded herein, <u>the company will pay reasonable and necessary evacuation expenses incurred by the Named Insured. The following additional definitions apply to this Additional Time Element Coverage:</u></p> <p>a. Designated persons means:</p> <p>(1) Patients, residents and lawful occupants at a covered location, and/or</p> <p>(2) Those employees who are essential to implement the mandatory evacuation order at a covered location.</p> <p>b. Evacuation expenses means expenses incurred during the evacuation period to:</p> <p>(1) Transport designated persons to another location;</p> <p>(2) House and maintain designated persons at another location;</p> <p>(3) Return designated persons to the covered location or, if the covered location is not habitable, to a suitable alternative location.</p>	<p>Enhancement /Clarification</p>
<p>Section II, B. 19 Automatic Acquisition and Reporting Conditions</p>	<p>End of first paragraph:</p> <p>Additionally a sub-limit of \$2,500,000 applies to Tier 1 wind counties, parishes and independent cities <u>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.</u></p>	<p>End of first paragraph:</p> <p>Additionally, <u>automatic coverage is granted</u> for up to 60 days, <u>subject to a sub-limit of \$2,500,000 for additional property and/or interests in</u> Tier 1 wind counties, parishes and independent cities.</p>	<p>Clarification</p>
<p>Section II, B. 21 Accidental Contamination</p>	<p>This Policy is hereby extended to cover Business Interruption and Property Damage loss as a result of accidental contamination, discharge or dispersal from any source to Covered Property, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances so as to restore the Covered Property to the same condition as existed prior to loss. The coverage provided is sub-limited to USD as per Declaration page.</p> <p>If such contamination or dispersal is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon this extension shall provide coverage up to full limit of liability provided by this Policy.</p> <p>For the purposes of this Accidental Contamination clause only, the term "Covered Property", as covered by this Policy, is held to include Land (and Land Values) on which Covered Property is located whether or not the same are excluded by this Policy.</p>	<p><i>Refer to the redline version of the Policy for full details</i></p> <p>Coverage will be restricted to "cleanup, removal and disposal of the actual not suspected presence of Pollutants of Contaminant(s)."</p> <p>Pollutants or Contaminants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances listed in applicable environmental state, federal or foreign law or regulation, or as designated by the U.S. Environmental Protection Agency or similar applicable state or foreign governmental authority. Waste includes materials to be recycled, reconditioned or reclaimed. Pollutants or Contaminants does not include Fungus, Mold or Spore.</p>	<p>Limitation</p>

**Master Policy Form Wording Proposed Changes Continued**

**PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020	2020-2021	Status
Section II, C. 2 Property Not Covered	Standing timber, <u>bodies of water</u> , growing crops.	Standing timber, growing crops, water, <u>except water which is normally contained within any type of tank, piping system or other process equipment.</u>	Update
Section II, C. 8 Property Not Covered	Offshore property, oilrigs, underground mines, caverns and their contents. Railroad track is excluded unless values have been reported by the Named Insured.	Offshore property, oilrigs, underground mines, caverns, <u>or underground storage facilities</u> and their contents. Railroad track is excluded unless values have been reported by the Named Insured.	Update
Section III, B. 1 Ingress/Egress	This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a <u>20</u> mile radius of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.	This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a <u>10</u> mile radius of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.	Pending
Section III, B. 2 Interruption by Civil Authority	This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a <u>20</u> mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.	This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a <u>10</u> mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.	Pending
Section III, B. 3 Demolition and Increased Time to Rebuild	The Company shall, in the case of loss covered under this Policy, be liable also for loss to the interest covered by the Policy, occasioned by the enforcement of any <u>local or state</u> ordinance or law regulating the construction, repair or demolition of buildings or structures and in force	The Company shall, in the case of loss covered under this Policy, be liable also for loss to the interest covered by the Policy, occasioned by the enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures and in force	Enhancement



**Master Policy Form Wording Proposed Changes Continued**

**PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020	2020-2021	Status
Section III, B. 5 Tax Revenue Interruption	<p>First paragraph Except as hereinafter or heretofore excluded, this Policy insures against loss resulting directly from necessary interruption of sales, property or other tax revenue including, but not limited to Tribal Incremental Municipal Services Payments collected by or due the Named Insured <u>caused by</u> damage or destruction to property which is not operated by the Named Insured and which wholly or partially prevents the generation of revenue for the account of the Named Insured.</p>	<p>Except as hereinafter or heretofore excluded, this Policy insures against loss resulting directly from necessary interruption of sales, property or other tax revenue including, but not limited to Tribal Incremental Municipal Services Payments collected by or due the Named Insured <u>as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period</u> which is not operated by the Named Insured and which wholly or partially prevents the generation of revenue for the account of the Named Insured.</p>	Clarification
Section IV, B. 2 Exclusions	<p>Physical loss or damage by normal settling, shrinkage or expansion in building or foundation.</p>	<p>Physical loss or damage by settling, <u>cracking</u>, shrinkage, <u>bulging</u>, or expansion of <u>pavements, foundations, walls, floors, roofs or ceilings; all unless physical damage not otherwise excluded by this Policy ensues, in which event, this Policy will cover only such ensuing damage.</u></p>	Limitation
Section IV, B. 21 Exclusions		<p><i>Addition of the following exclusion to the General Conditions section:</i></p> <p>Lack of the following services:</p> <ul style="list-style-type: none"> <li>a. incoming electricity, fuel, gas, water, steam or refrigeration;</li> <li>b. outgoing sewerage; or</li> <li>c. incoming or outgoing telephone or similar services;</li> </ul> <p>all when caused by loss or damage to any property outside Insured Location(s).</p> <p>However, the above do not apply to OFF PREMISES SERVICE INTERRUPTION.</p>	Update
Section IV, New J. No Benefit to Bailee		<p><i>Addition of the following item to the General Conditions:</i></p> <p><b>NO BENEFIT TO BAILEE</b></p> <p>This Policy shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.</p>	Update

**Master Policy Form Wording Proposed Changes Continued**

**PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020	2020-2021	Status
Section IV, L Arbitration of Value	<p><u>n case</u> the Named Insured and the Company <u>shall</u> fail to agree as to the amount of loss, <u>then</u>, on the written demand of <u>either, each shall</u> select a competent and disinterested appraiser and <u>notify the other of</u> the appraisers selected. <u>The appraiser</u> shall first select a competent and disinterested umpire, and failing to agree upon such umpire, then, on request of the Named Insured or the Company such umpire shall be selected by judge of a court of record in the state in which <u>the property covered is located</u>.</p> <p>The appraisers shall as soon as practicable, appraise the loss stating separately the <u>loss of each item</u> and failing to agree, shall submit their differences <u>only</u> to the umpire. An award in writing <u>so itemized</u>, of any two <u>appraisers when filed with the Company</u> shall determine the amount of loss. The <u>party selecting him</u> shall pay <u>each</u> appraiser and the expenses of appraisal and umpire <u>shall be paid by the parties equally</u>.</p>	<p>If the Named Insured and the company fail to agree as to the amount of loss, <u>each shall</u> on the written demand of <u>other, made within sixty (60) days after receipt of proof of loss by the Company</u>, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and <u>place</u>. The appraisers shall first select a competent and disinterested umpire, and failing <u>for fifteen (15) days</u> to agree upon such umpire, then on <u>the</u> request of the Named Insured or the company, such umpire shall be selected by <u>a</u> judge of a court of record in the state in which <u>such appraisal is pending</u>. The appraisers shall <u>then</u> appraise the loss, stating separately the <u>fair market value at the time of loss</u> and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. <u>The Named Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal.</u></p>	Clarification
Section IV, N. Settlement of Loss		<p><i>Addition of the following item to the General Conditions section:</i></p> <p>SETTLEMENT OF LOSS</p> <p>All adjusted claims shall be paid or made good to the Named Insured within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the company. No loss shall be paid or made good if the Named Insured has collected the same from others</p>	Update
Section IV, AG Service of Suit Clause (USA) Applicable to Excess Carriers	<p>FLWA Service Corp, c/o Foley and Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520 (applicable to all markets except as noted below)</p>	<p><u>Lloyd's America Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25<sup>th</sup> Floor, New York, NY 10017 in respect of Insurers identified in Security Details section as "Lloyd's Stamp:" followed by 4 digits.</u></p> <p><u>Mendes and Mount, 750 Seventh Avenue, New York, NY 10019-6829 are the nominee in respect of any non-Lloyd's participation on this Contract.</u></p> <p><u>Note: FLWA Service Corp, c/o Foley and Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520 are the nominee for CA (applicable to all markets except as noted</u></p> <p><u>XL Catlin Insurance Company UK Limited, LIRMA C7509: Sarah Mims, XL Global Services Inc, 505 Eagleview Boulevard, Exton, PA 19341</u></p>	Update

**Master Policy Form Wording Proposed Changes Continued**  
**PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020	2020-2021	Status
Section IV, AH. 5 Tier I Windstorm Counties	Tier 1 Windstorm Counties not listed in the Policy, but are a part of market agreement	<p><u>Tier 1 Windstorm Counties now defined in the policy:</u></p> <p><u>Connecticut: Fairfield, Middlesex, New Haven, New London</u></p> <p><u>Delaware: Entire State, All Counties</u></p> <p><u>Maine: Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York</u></p> <p><u>Maryland: Anne Arundel, Baltimore, Baltimore City, Calvert, Cecil, Dorchester, Harford, Kent, Queen Anne's, St. Mary's, Somerset, Talbot, Wicomico, Worcester</u></p> <p><u>Massachusetts: Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk</u></p> <p><u>New Hampshire: Rockingham, Strafford</u></p> <p><u>New Jersey: Atlantic, Burlington, Cape May, Cumberland, Middlesex, Monmouth, Ocean, Salem, Union</u></p> <p><u>New York: Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk</u></p> <p><u>Rhode Island: Entire State, All Counties</u></p>	Update
Section IV, AH. 6 Tier II Windstorm Counties	Tier 2 Windstorm Counties not listed in the Policy, but are a part of market agreement	<p><u>Tier 2 Windstorm Counties now defined in the policy:</u></p> <p><u>Georgia: Brantley, Charlton, Effingham, Long, Wayne</u></p> <p><u>Louisiana: Acadia, Ascension, East Baton Rouge, Iberville, Jefferson Davis, Lafayette, St. Martin (North), Washington, West Baton Rouge</u></p> <p><u>Mississippi: George, Pearl River, Stone</u></p> <p><u>North Carolina: Bladen, Duplin, Gates, Hertford, Lenoir, Martin, Pitt</u></p> <p><u>South Carolina: Florence, Marion, Williamsburg</u></p> <p><u>Texas: Bee, Brooks, Fort Bend, Goliad, Hardin, Hidalgo, Jasper, Jim Wells, Wharton</u></p>	Update
Section V, D. 7. Special Conditions	Loss Clause: Any loss hereunder shall not reduce the amount of this Section, except in the event of payment of claim for total loss of an item specifically scheduled hereon.	Deleted in its entirety	Update
Section VIII, A. Coverage	This Policy insures <u>only Unmanned Aircraft</u> , that are usual to <u>your</u> business that <u>you</u> own or are required to insure, <u>to pay for any physical damage loss</u> sustained while not <b>In Flight</b> or <b>In Motion</b> and which are not the result of fire or explosion following crash or collision while the <b>Unmanned Aircraft</b> was <b>In Flight</b> or <b>In Motion</b> that are:	This Policy insures <u>against all risks of direct physical loss of or damage except as hereafter excluded occurring during the policy period to Unmanned Aircraft</u> , that are usual to <u>the Named Insured's</u> business <u>and</u> that <u>the Named Insured</u> own or are required to insure, sustained while not <b>In Flight</b> or <b>In Motion</b> and which are not the result of fire or explosion following crash or collision while the <b>Unmanned Aircraft</b> was <b>In Flight</b> or <b>In Motion</b> that are:	Clarification

**Master Policy Form Wording Proposed Changes Continued**

**PLEASE REFER TO THE RED LINE STRIKE OUT VERSION OF THE MASTER POLICY FOR FULL DETAILS**

Coverage	2019-2020	2020-2021	Status
Section IX General change		Added the word <u>Covered</u> before the word property throughout item 2	Clarification
Section IX, 6 Covered Property	Covered Property, as used in this Extension, means any property that:	Covered Property, as used in this Extension, means any property <u>not otherwise excluded in this Policy</u> that:	Clarification
Section IX, 10. D Conditions	In the event of an Accident to an Object as insured under this Extension that is concomitant with or followed by physical loss or damage incurred under the All Risks policy that this Extension attaches to, the deductible to be applied to the total loss shall be the applicable <u>Boiler &amp; Machinery</u> deductible.	In the event of an Accident to an Object as insured under this Extension that is concomitant with or followed by physical loss or damage incurred under the All Risk policy that this Extension <u>attached</u> to, the deductible to be applied to the total loss shall be the <u>highest</u> applicable deductible.	Clarification
Endorsement Section	Communicable Disease Endorsement 4	<i>Refer to the redline version of the Policy for full details.</i>  The previous Endorsement 4 which granted coverage for Communicable Disease has been replaced with LMA5393 which excludes Communicable Disease	Limitation
Endorsement Section		<i>The following has been added to the Policy. Refer to the redline version of the Policy for full details.</i>  Endorsement 5 – Property Cyber and Data Endorsement has been added to the policy. This Endorsement (LMA5400) is applicable only to capacity placed in the Lloyd’s of London market and is a mandatory exclusion for all cyber. This exclusion extends to all damage (including ensuing physical damage) as a result of a malicious cyber act. Additionally, this endorsement restricts the valuation of Data processing Media to the cost of the media plus restoration from backup.	Limitation

**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, 2020 to July 1, 2021

**COMPANIES:**              See Attached List of Companies

**TOTAL INSURED  
 VALUES:**                 \$ 557,603,158 as of June 03, 2020

**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 scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
- Not Applicable Per Occurrence for losses to locations in Tier 1 and/or Tier 2 Counties and resulting from a Named Windstorm.
- \$            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 Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, Per Declaration for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.
- \$            50,000,000 Extra Expense.

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

\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	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, automatic coverage is granted for up to 60 days, subject to a sub-limit of \$2,500,000 for Tier 1 Wind Counties, Parishes and Independent Cities (as defined in the Policy). The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.
\$	2,500,000	Money & Securities for named perils only as referenced within the policy.
\$	2,500,000	Unscheduled Fine Arts.
\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.

<b>ALL RISK COVERAGES &amp; LIMITS: (continued)</b>	\$	750,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
	\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery).
	\$	25,000,000	Transit.
	\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
	\$	2,500,000	Unscheduled Watercraft up to 27 feet.  Included Per Occurrence for Off Premises Vehicle Physical Damage.
	\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.

<b>ALL RISK COVERAGES &amp; LIMITS: (continued)</b>	\$	3,000,000	Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured’s schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.
	\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$	1,000,000	Claims Preparation Expenses.
	\$	50,000,000	Expediting Expenses.
	\$	1,000,000	Personal Property Outside of the USA.
		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.
		Not Covered	for Communicable Disease.
	\$	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).**

<b>“ALL RISK” DEDUCTIBLE:</b>	\$	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.
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<b>DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:</b>	\$	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).



**DEDUCTIBLES FOR  
SPECIFIC PERILS  
AND COVERAGES:  
(continued)**

	Not Applicable	for losses to locations in Tier 1 and/or 2 Counties and resulting from a Named Windstorm.
\$	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.
\$	500,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
\$	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.

**DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:**  
(continued)

See Special Terms 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, 18-30 and 32-35 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, 23-30 and 32-35 for Terrorism (Excess Layer) subject to;

\$ 1,400,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35, 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 attached Cyber Coverage Summary for applicable Limits. (Cyber Liability) If, insured purchases such coverage.

Included Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles. If, insured purchases such coverage.

**TERMS & CONDITIONS:**

Sub-limits, terms and conditions are subject to change.

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

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

Except Pollution Liability Premium is 25% Earned at Inception, unless there is a claim in which premium is deemed fully earned. If, insured purchases such coverage.

**NOTICE OF CANCELLATION:**

90 Days except 10 Days for non-payment of premium

	<b>Annual Cost*</b>
<b>Total Property Premium:</b>	\$ 425,302.00
<b>Excess Boiler:</b>	\$ 6,076.00
<b>ABS Fee:</b>	\$ 3,454.00
<b>SLT&amp;F's (Estimate)</b>	\$ 17,578.65
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST : (Including Taxes and Fees)</b>	\$ 452,410.65
<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 3, 2020

**PROPOSAL VALID UNTIL:** July 1, 2020

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

Seth Cole  
Senior Vice President

Justin Swarbrick  
First Vice President

Eve M Wildhagen  
Account Manager - Lead

**NOTES:**

- **Some coverage, limits, sub-limits, terms and conditions could change. Changes will be documented and accompany the Binder Confirmation for July 1, 2020 bound terms.**
- **Maximum All Risk limits estimated to bind between \$500,000,000 and \$1,000,000,000. If your All Risk limits are less than \$500,000,000 they are not expected to change.**
- **Major pending and approved changes to the APIP Program are described in the Executive Summary for renewing insureds.**
- **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, 2020 to July 1, 2021

**COMPANIES:** See Attached List of Companies

**TOTAL INSURED VALUES:** \$ 557,603,158 as of June 3, 2020

**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 3, 2020

**PROPOSAL VALID UNTIL:** July 1, 2020

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

Seth Cole  
Senior Vice President

Justin Swarbrick  
First Vice President

Eve M Wildhagen  
Account Manager - Lead

**NOTES:**

- ***Some coverage, limits, sub-limits, terms and conditions could change. Changes will be documented and accompany the Binder Confirmation for July 1, 2020 bound terms.***
- ***Major pending and approved changes to the APIP Program are described in the Executive Summary for renewing insureds.***
- ***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)**  
**CYBER INSURANCE SUMMARY PROPOSAL**  
**CORE COVERAGE**

**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), organization(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the ALLIANT PROPERTY INSURANCE PROGRAM (APIP), inclusive of PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP) and HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP) as their respective rights and interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern (all hereinafter referred to as Member(s) / Entity(ies)).

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

**POLICY PERIOD:** July 1, 2020 to July 1, 2021

**POLICY #:** TBD

**TERRITORY:** WORLD-WIDE

**RETROACTIVE DATE:** APIP/PEPIP  
*For new members – the retro active date will be the date of addition*  
July 1, 2020 For existing members included on the July 1, 2020/21 policy  
July 1, 2019 For existing members included on the July 1, 2019/20 policy  
July 1, 2018 For existing members included on the July 1, 2018/19 policy  
July 1, 2017 For existing members included on the July 1, 2017/18 policy  
July 1, 2016 For existing members included on the July 1, 2016/17 policy  
July 1, 2015 For existing members included on the July 1, 2015/16 policy  
July 1, 2014 For existing members included on the July 1, 2014/15 policy  
July 1, 2013 For existing members included on the July 1, 2013/14 policy  
July 1, 2012 For existing members included on the July 1, 2012/13 policy  
July 1, 2011 For existing members included on the July 1, 2011/12 policy  
July 1, 2010 For existing members included on the July 1, 2010/11 policy

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

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



<b>COVERAGES &amp; LIMITS:</b>		\$	25,000,000	<b>Annual Policy and Program Aggregate Limit of Liability</b> (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following limits and sub-limits as noted.
	<b>Ai.</b>			
		\$	2,000,000	<b>Insured/Member Annual Aggregate Limit of Liability</b> (subject to policy exclusions) for each Insured/Member, within the Annual Policy and Program Aggregate Limit of Liability (Aggregate for all coverages combined, including Claim Expenses) subject to the following limits and sub-limits as noted.
	<b>Aii.</b>			
<b>BREACH RESPONSE</b>		\$	500,000	<b>Aggregate Limit of Liability</b> for each Insured/Member (Limit is increased to \$1,000,000 if Beazley Nominated Services Providers are used)
<b>Breach Response Costs:</b>				
<b>FIRST PARTY LOSS</b>				
<b>Business Interruption Loss Resulting from Security Breach:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Business Interruption Loss Resulting from System Failure:</b>		\$	500,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Dependent Business Loss Resulting from Security Breach:</b>		\$	750,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Dependent Business Loss Resulting from System Failure:</b>		\$	100,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Cyber Extortion Loss:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Data Recovery Costs:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>LIABILITY</b>				
<b>Data &amp; Network Liability:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
<b>Regulatory Defense &amp; Penalties:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Payment Card Liabilities &amp; Costs:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Media Liability:</b>		\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses

**eCRIME**

<b>Fraudulent Instruction:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Funds Transfer Fraud:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Telephone Fraud:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member

**CRIMINAL REWARD**

<b>Criminal Reward:</b>	\$	25,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
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**COVERAGE  
ENDORSEMENT(S)**

<b>Reputation Loss:</b>	\$	50,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Claims Preparation Costs for Reputation Loss Claims Only:</b>	\$	50,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Computer Hardware Replacement Costs:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Invoice Manipulation:</b>	\$	100,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Cryptojacking:</b>	\$	25,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>RETENTION:</b>	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Claim or Incident for each Insured/Member with TIV up to \$500,000,000 at the time of policy inception 8 Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Claim or Incident for each Insured/Member with TIV greater than \$500,000,000 at the time of policy inception 8 Hour waiting period for Dependent/Business Interruption Loss

*\*Each Insured/Member with TIVs below \$262,500,000 will have the option to buy-down the retention from \$50,000 to \$5,000 with an additional premium of \$2,500 per Insured/Member. JPAs/ Pools and members with larger TIVs may request a quote for a retention buy down option, quotes will be provided on a case by case basis.*

**NOTICES:**

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

**This is a shared limit policy among the Named Insureds. The per Insured/Member policy limits are on a per claim or incident for each Insured/Member basis, sub-limits listed are aggregated per Insured/Member and are within the total Insured/Member aggregate limit. In the event of a claim/incident with multiple Insureds/Members exhausting the program aggregate limit provided by the Insurer to Insureds/Members, payment to all Insureds/Members for the claim/incident will be determined by the Insurer. Where coverages are aggregated, sub-limit and limits apply to all Insureds/Members for the entire Policy Period unless specifically stated otherwise. The policy aggregate limit is not a per Insured/Member maximum limit.**

**EXTENDED REPORTING PERIOD:**

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

**SPECIFIC COVERAGE PROVISIONS:**

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

**B. First Party Loss**

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

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

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

*Data Recovery Costs* indemnifies the Insured/Member for Data Recovery Costs incurred as a direct result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

**SPECIFIC COVERAGE PROVISIONS (cont):**

- 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 for a Data Breach, a Security Breach, the Insured's failure to disclose a Data Breach or Security Breach, or failure of the Insured to comply with the part of a Privacy Policy that specifically is related to disclosure, access or procedures related to Personally Identifiable Information.
- Regulatory Defense & Penalties* pays Penalties and Claims Expenses, which the Insured is legally obligated to pay because of a Regulatory Proceeding first made against any Insured during the Policy Period for a Data Breach or a Security Breach.
- Payment Card Liabilities & Costs* indemnifies the Insured/Member for PCI Fines, Expenses and Costs which it is legally obligated to pay because of a Claim first made against any Insured during the Policy Period.
- Media Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for electronic Media Liability.
- D. eCrime** indemnifies the Insured/Member for any direct financial loss sustained resulting from:
- *Fraudulent Instruction*
  - *Funds Transfer Fraud*
  - *Telephone Fraud*
- That the Insured first discovers during the Policy Period.
- E. Criminal Reward** indemnifies the Insured/Member for Criminal Reward Funds.
- Reputational Loss** indemnifies the Insured Organization for Reputation Loss that the Insured Organization sustains solely as a result of an Adverse Media Event that occurs during the Policy Period, concerning: a Data Breach, Security Breach, or Extortion Threat that the Insured first discovers during the Policy Period
- Computer Hardware Replacement Costs** indemnifies the Insured Organization for reasonable and necessary expenses incurred by the Insured Organization during the Period of Restoration to minimize, reduce or avoid Income Loss, over and above those expenses the Insured Organization would have incurred had no Security Breach, System Failure, Dependent Security Breach or Dependent System Failure occurred; which includes reasonable and necessary expenses incurred by the Insured Organization to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the Insured Organization that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a Security Breach.
- Invoice Manipulation** indemnifies the Insured Organization for Direct Net Loss resulting directly from the Insured Organization's inability to collect Payment for any goods, products or services after such goods, products or services have been transferred to a third party, as a result of Invoice Manipulation that the Insured first discovers during the Policy Period. Invoice Manipulation means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a third party as a direct result of a Security Breach or a Data Breach.

**Coverage Endorsement(s)**

**Cryptojacking** indemnifies the Insured Organization for any direct financial loss sustained resulting from Cryptojacking that the Insured first discovers during the Policy Period. Cryptojacking means the Unauthorized Access or Use of Computer Systems to mine for Digital Currency that directly results in additional costs incurred by the Insured Organization for electricity, natural gas, oil, or internet.

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

Coverage does not apply to any claim or loss from:

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

- |                         |  |
|-------------------------|--|
| <b>NOTICE OF CLAIM:</b> | <ul style="list-style-type: none"><li>• <b>IMMEDIATE NOTICE</b> must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)</li><li>• Claim notification under this policy is to:<br/>Beazley Group<br/>Attn: TMB Claims Group<br/>1270 Avenue of the Americas<br/>New York, NY 10020<br/><a href="mailto:tmbclaims@beazley.com">tmbclaims@beazley.com</a></li></ul> |
|-------------------------|--|

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

**CYBER COST:** Cost is included in Total Property Premium  
Premium is pro-rata as of July 1, 2020

**OTHER SERVICES** Unlimited Access to Beazley Breach Solutions website

**BROKER:** ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

**NOTES:**

- ***Some coverage, limits, sub-limits, terms and conditions could change. Changes will be documented and accompany the Binder Confirmation for July 1, 2020 bound terms***
- ***Major pending and approved changes to the APIP Cyber Program are described below in the Summary of Proposed Changes***
- ***This proposal 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 Summary are 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***

## SUMMARY OF CYBER INSURANCE CHANGES

**THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2020-2021 POLICY TERM**

Coverage	2019-2020	2020-2021 Proposed Changes	Status
Claims Preparation Costs for Reputation Loss Claims Only	N/A	\$50,000	New Coverage
Cryptojacking	N/A	\$25,000	New Coverage
Reinstatement Option	125% of Total Annual Program Premium	Not offered	Option Removed
Reputation Loss	Consequential reputational loss coverage for Data Breach and Security Breach	Expanded to include additional perils, replaced consequential reputational loss coverage	Enhancement

**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, 2020 to July 1, 2021

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

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

**A.M. BEST INSURANCE RATING::** A+, Superior, Financial Category XV  
(\$2 Billion or greater)  
Effective September 5, 2019

**STANDARD & POORS RATING:** AA (Very Strong) as of May 30, 2019

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

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

1. PEPID DEC 1 – SOVs
2. PEPID DEC 2 – SOVs
3. PEPID DEC 3 – SOVs
4. PEPID DEC 4 – SOVs
5. PEPID DEC 5 – SOVs
6. PEPID DEC 11 – SOVs
7. PEPID DEC 12 – SOVs
8. PEPID DEC 14 – SOVs
9. PEPID DEC 19 – SOVs
10. PEPID DEC 23 – SOVs
11. PEPID DEC 24 – SOVs
12. PEPID DEC 25 – SOVs
13. PEPID DEC 26 – SOVs
14. PEPID DEC 27 – SOVs
15. PEPID DEC 28 – SOVs
16. PEPID DEC 29 – SOVs
17. PEPID DEC 30 – SOVs
18. PEPID DEC 32 – SOVs (Excludes SPIP, except as endorsed)
19. PEPID DEC 33 – SOVs
20. PEPID DEC 34 – SOVs
21. PEPID DEC 35 – SOVs



**INSURED'S OWN  
SITES:  
CONTINUED**

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

**COVERAGES &  
LIMITS:**

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

**SUBLIMITS:**

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

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

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

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

\$ 500,000 Per Named Insured Crisis Management Response Costs Aggregate

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

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

**EXTENDED  
REPORTING PERIOD:**

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

**SPECIFIC COVERAGE  
PROVISIONS:**

**CLAIMS MADE AND REPORTED**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SPECIFIC COVERAGE  
PROVISIONS (cont):**

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

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

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

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

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

Illicit Abandonment is included in the definition of pollution condition.

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

Defense Costs and Expenses are within Limits of Liability.

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

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

**SPECIFIC COVERAGE PROVISIONS (cont):**

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

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

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

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

Coverage does not apply to any claim or loss from:

- Asbestos and Lead Based Paint – *This exclusion does not apply to claims for bodily injury or property damage, or clean-up costs for the remediation of soil, surface water, or groundwater, or clean-up costs that arise out of the inadvertent disturbance of asbestos or asbestos containing materials or lead-based paint.*
- Contractual Liability – *Does not apply liability that the Insured would have had in the absence of the contract or agreement, or the contract or agreement is an insured contract.*
- Employer Liability
- Criminal fines, penalties or assessments
- Internal Expenses - *Does not apply internal expenses incurred in response to emergency response costs, or pursuant to environmental laws that require immediate remediation of a pollution condition.*
- Insured vs. Insured

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

Coverage does not apply to any claim or loss from:

- Intentional Noncompliance – *does not apply to noncompliance based upon the Insured's good faith reliance upon the written advice of qualified outside counsel received in advance of such noncompliance, or the insured's reasonable response to mitigate a pollution condition or loss, provided that such circumstances are reported in writing to the Insurer within three (3) days of commencement.*
- Virus and Communicable Disease
- Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and Related Chemicals or Products – *includes any precursors, additives, daughter compounds or degradation by-products.*
- Prior Knowledge / Non-Disclosure
- Known Claims
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- Ports – *Defined as an Insured's own site on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *Defined as an Insured's own site whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- Change in Intended Use or Operation – *Loss arising from a material change in use or operations. For purposes of determining whether a change is material, any change in use that results in more stringent remediation standards than those imposed on the insured's own site at the effective date of the period of insurance shall be considered material. This exclusion does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a public entity.*
- Professional Liability
- Regulatory Compliance – *Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*
- Cyber Event – *Does not apply to losses covered by the Cyber Event coverage in this policy.*
- Work Product – *Does not apply to covered operations.*
- Sewage Backup – *Does not apply to an Insured's own site.*
- Nuclear fuel, assemblies and components
- Offshore operations
- Property Damage to Conveyances – *does not apply to loss or claims arising from the Insured's negligence*
- Workers Compensation
- Lead Contaminated Water
- War

<b>RETENTION:</b>	\$150,000	Per Pollution Incident retention except for specific retentions below
	\$450,000	Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below
	\$ 50,000	Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below
	5 Days	Waiting Period for Business Interruption
<b>SPECIFIC RETENTION:</b>	\$250,000	Per Named Insured retention applicable to microbial matter for K-12 school districts only – <i>does not erode the Aggregate retention</i>
	\$750,000	Underground Storage Tanks Specific – <i>does not erode the Aggregate retention</i>

### CLAIMS REPORTING NOTICE

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

### THIS IS A CLAIMS MADE POLICY

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

<b>LOSS REPORTING REQUIREMENTS:</b>	<p>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:</p> <p>1) Allianz Global Corporate &amp; Specialty          Attn: FNOL Claims Unit          1 Progress Point Parkway, 2<sup>nd</sup> Floor          O'Fallon, MO 63368          In emergency, call: (800) 558-1606          Fax: (800) 323-6450          Email: <a href="mailto:NewLoss@agcs.allianz.com">NewLoss@agcs.allianz.com</a>          Online Claims Reporting form available at:  <a href="http://www.agcs.allianz.com/global-offices/united-states">www.agcs.allianz.com/global-offices/united-states</a></p> <p>2) Akbar Sharif          Alliant Insurance Services, Inc.          1301 Dove Street, Suite 200          Newport Beach, CA 92660          949 260-5088          949 756-2713 – fax  <a href="mailto:Akbar.Sharif@alliant.com">Akbar.Sharif@alliant.com</a></p>
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<b>NOTICE OF CANCELLATION:</b>	90 days except 10 days for non-payment of premium
<b>REINSTATEMENT PROVISIONS:</b>	Not Provided.
<b>POLLUTION LIABILITY COST:</b>	Cost is included in Total Property Premium 25% Earned Premium at Inception; deemed 100% fully earned in the event of claim or loss
<b>QUOTE VALID UNTIL:</b>	July 1, 2020
<b>BROKER:</b>	<b>ALLIANT INSURANCE SERVICES, INC.</b> License No. 0C36861

**NOTES:**

- *Some coverage, limits, sub-limits, terms and conditions could change. Changes will be documented and accompany the Binder Confirmation for July 1, 2020 bound terms*
- *Major pending and approved changes to the APIP Pollution Program are described below in the Summary of Proposed Changes*
- *This proposal 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 Summary are 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*

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

**(RETAIN FOR YOUR  
RECORDS)**

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

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**FOR EMERGENCY RESPONSE TO ENVIRONMENTAL  
INCIDENTS**

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

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

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

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

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

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

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

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

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

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



## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021 Proposed Changes	Status
Pollution Liability Policy Term	July 1, 2018 to July 1,2019	July 1, 2020 to July 1,2021	Update
Sub-limits:	<p>\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sub-limit*</p> <p>\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*</p> <p>\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sub-limit*</p> <p>\$ 250,000 Per Named Insured Crisis Management Response Costs Sub-limit</p> <p>\$ 50,000 Per Named Insured Crisis Management Loss Sub-limit</p> <p>*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.</p>	<p>\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sub-limit*</p> <p>\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*</p> <p>\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sub-limit*</p> <p>\$ 250,000 Per Named Insured Crisis Management Response Costs Sub-limit</p> <p>\$ 500,000 Per Named Insured Crisis Management Response Costs Aggregate</p> <p>\$ 50,000 Per Named Insured Crisis Management Loss Sub-limit</p> <p>*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Crisis Management sub-limits and aggregate, which are in addition to the limits of liability.</p>	Enhancement
Other Insurance	The insurance afforded by this Policy shall apply as primary to any other valid, collectible insurance, with the exception of the following: policies specifically written to be in excess of this policy, losses due to or associated with products pollution, any tank fund, or any loss arising in whole or in part to microbial matter or legionella pneumophila.	The insurance afforded by this Policy shall apply as primary to any other valid, collectible insurance, with the exception of the following: policies specifically written to be in excess of this policy, any stand-alone pollution insurance purchased by a named insured, losses due to or associated with products pollution, any tank fund, or any loss arising in whole or in part due to microbial matter or legionella pneumophila.	Update

## SUMMARY OF PROPOSED CHANGES

### THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021 Proposed Changes	Status
Exclusions:	<i>Not Excluded</i>	Virus and Communicable Disease	Update
	<i>Not Excluded</i>	Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and Related Chemicals or Products – <i>includes any precursors, additives, daughter compounds or degradation by-products.</i>	Update
Retention:	<p>\$ 100,000 Per Pollution Incident retention except for specific retentions below</p> <p>\$ 300,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below</p> <p>\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below</p> <p>5 days Waiting Period for Business Interruption</p>	<p>\$ 150,000 Per Pollution Incident retention except for specific retentions below</p> <p>\$ 450,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below</p> <p>\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below</p> <p>5 days Waiting Period for Business Interruption</p>	Update
Minimum Earned Premium	25% Earned Premium at Inception	25% Earned Premium at Inception; deemed 100% fully earned in the event of claim or loss	Enhancement

**ALLIANT PROPERTY INSURANCE PROGRAM  
2020-2021**

**NAMED INSURED SCHEDULE  
As of 06/03/2020**

**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

**Alliant Property Insurance Program  
2020-2021 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
Allied World National Assurance Company	012526	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 02/28/20)	A- (As of 04/03/20)	Admitted
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 10/17/19)	A+ (As of 03/26/20)	Non-Admitted
Aspen Specialty Insurance Company	012630	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 04/01/20)	Not Rated (As of 05/06/20)	Non-Admitted
Ategrity Specialty Insurance Company	020603	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 10/25/19)	Not Rated (As of 05/06/20)	Non-Admitted
Chubb European Group Limited	086485	A++ , Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 12/11/19)	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 08/16/19)	A+ (As of 04/26/18)	Non-Admitted
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/13/19)	A (As of 07/27/17)	Admitted
Everest Indemnity Insurance Company	012096	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 05/02/19)	A+ (As of 12/22/15)	Non-Admitted
Hallmark Specialty Insurance Co.	010838	A- u, (Excellent); Financial Size Category 9; \$250,000,000 to \$500,000,000 (As of 03/02/20)	Not Rated (As of 05/06/20)	Non-Admitted
Homeland Insurance Company of New York (OneBeacon)	010604	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 04/23/20)	Not Rated (As of 05/06/20)	Non-Admitted
Interstate Fire and Casualty Ins. Co. (Pollution)	002267	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 09/05/19)	AA (As of 12/02/19)	Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 05/30/19)	A (As of 05/02/17)	Non-Admitted

**Alliant Property Insurance Program  
2020-2021 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
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 09/26/19)	A- (As of 02/28/18)	Non-Admitted
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 10/30/19)	A+ (As of 04/18/18)	Non-Admitted
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/12/19)	A+ (As of 05/17/19)	Non-Admitted
Liberty Mutual Fire Insurance Company	002282	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/30/19)	A (As of 07/17/14)	Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/10/19)	A+ (As of 06/14/19)	Non-Admitted
National Union Fire Insurance Co.	002351	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/12/19)	A+ (As of 05/17/19)	Admitted
PartnerRe Ireland Insurance Ltd.	088621	A+ u, (Superior); Financial Size Category 15; \$2,000,000,000 or Greater (As of 03/05/20)	A+ (As of 03/03/20)	Non-Admitted
RSUI Indemnity Company	012603	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 10/30/19)	A+ (As of 04/18/18)	Admitted
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/05/19)	A+ (As of 06/30/18)	Non-Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/20/19)	AA- (As of 10/28/11)	Admitted
XL Insurance America Inc.	002423	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/12/19)	AA- (As of 11/19/18)	Admitted

## Disclosures / Disclaimers

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

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

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

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

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

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

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

## NY Regulation 194 and General Broker Compensation Disclosure

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

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

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

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

## 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](http://www.alliant.com), and contact your Alliant service team should you have any questions.

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## Other Disclosures / Disclaimers Cont.

### FATCA:

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

### NRRA:

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

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

## Changes and Developments

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

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

### Loss Notification Requirements:

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



*Coverages, limits, sub-limits, terms and conditions could change. All changes will be advised prior to binding and accompany the Binder Confirmation for July 1, 2020 bound terms.*

## Binding Requirements Recap

Required no later than June 28, 2020:

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

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

## Request to Bind Coverage

### City of Naperville

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

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

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

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

**Did you know that Alliant works with premium financing companies?**

**Are you interested in financing your annual premium?**

<b>Yes, please provide us with a financing quote.</b>	<b>No, we do not wish to finance our premium.</b>
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## LOSS NOTIFICATION REQUIREMENT

### ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

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

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

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

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

Address:

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

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

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

Address:

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

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

Address:

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

Address:

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

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

Address:

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

Address:

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

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

## APIP Claims Reporting Acknowledgement(s) Receipt Form

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

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

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

**Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2020 until further notice**

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

**Insured Entity Name: City of Naperville**

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**Authorized Signature:**

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Print Name

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Date

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Title:

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

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

**877-725-7695**

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

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

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

**PROPERTY FIRST NOTICE OF LOSS FORM**

SEND TO: Alliant Insurance Services, Inc.

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

BY FAX: (415) 403-1466

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

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

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

Type of Claim: (check all that apply)

- Real Property                       Vehicles  
 Personal Property                       Other

**Insured's Name & Contact Information**

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

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

Phone #: \_\_\_\_\_ Email Address: \_\_\_\_\_

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

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

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

Phone #: 1-877-725-7695

Fax #: 415-403-1466

**Policy Information**

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

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

**Loss Information**

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

Description of Loss:

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

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

\_\_\_\_\_

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

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

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

**J. NOTICE OF LOSS**

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

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

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

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

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

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

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

**SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:**

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

Please contact Beazley for a list of approved vendors.

**CYBER FIRST NOTICE OF LOSS FORM****SEND TO:** Beazley Group**BY MAIL:** 1270 Avenue of the America's, Suite 1200, New York, NY 10020**BY FAX:** (546) 378-4039**BY EMAIL:** [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)**CC Alliant Claims Department:**  
[elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com) , and your Alliant representative

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

**Insured's Name & Contact Information**

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

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

Phone #: \_\_\_\_\_ Email Address: \_\_\_\_\_

**Broker/Agent's Name & Contact Information**Company Name: Alliant Insurance Services – Claims Point of Contact: Elaine TizonAddress: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111Phone #: 877-725-7695 Fax #:415-403-1466**Policy Information**

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

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

**Loss Information**

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

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

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

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

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



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

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

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

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

## ALLIANZ GLOBAL CORPORATE & SPECIALTY

IN THE EVENT OF AN

# ENVIRONMENTAL EMERGENCY:

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

**800-558-1606**

- 4) *Report the incident to Alliant*

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

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

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

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

**SEND TO:** ALLIANZ GLOBAL CORPORATE & SPECIALTY

**BY MAIL:** 1 Progress Point Parkway, 2<sup>nd</sup> Floor

**BY FAX:** (800) 323-6450

**BY EMAIL:** [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)

**CC Alliant Insurance:** [Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com) and your Alliant Representative

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

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

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

**Insured's Name & Contact Information**

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

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

**Phone #:** \_\_\_\_\_ **Email Address:** \_\_\_\_\_

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

## **SURPLUS LINES DISCLOSURE**

### **ILLINOIS**

#### **Notice to Policyholder:**

**This contract is issued by a domestic surplus lines insurer, as defined in Section 445a of the Illinois Insurance Code, pursuant to Section 445, and as such is not covered by the Illinois Insurance Guaranty Fund.**

## ALLIANT INSURANCE SERVICES

### POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

June 3, 2020

Named Insured: **City of Naperville**

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

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

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS, WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES [85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020]OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE.

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

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

**SELECTION OR REJECTION OF THE TERRORISM RISK INSURANCE ACT, as AMENDED  
(A.K.A.: TRIA, TRIEA, TRIPRA, TRIP OR TRIPA. We refer to these collectively as "TRIA".)**

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

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

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

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

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

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

\_\_\_\_\_  
Date

City of Naperville