



President
Mr. Roger Carroll
Town of Loomis

Vice President
Mr. Steve Baker
City of Yreka

Secretary
Ms. Brooke Woodcox
City of Rio Dell

Treasurer
Ms. Linda Romaine
Town of Fort Jones

**SMALL CITIES ORGANIZED RISK EFFORT
BOARD OF DIRECTORS
MEETING**

**A Action
I Information**

Date: Friday, June 16, 2017
Time: 10:00 AM

Location: Gaia Hotel & Spa
4125 Riverside Place
Anderson, CA

**1 Attached
2 Hand Out
3 Separate
Cover
4 Verbal
5 Previously
Mailed**

PAGE **A. CALL TO ORDER**

B. ROLL CALL

C. APPROVAL OF AGENDA AS POSTED

A 1

D. PUBLIC COMMENTS

This time is reserved for members of the public to address the Board of Directors on matters of SCORE that are of interest to them.

Pg. 5 **E. CONSENT CALENDAR**

All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request an item to be considered separately. If not, the Board will take action to accept and file the items below.

A 1

- Pg. 6* 1. Board of Directors Meeting *Draft* Minutes – March 31, 2017
- Pg. 14* 2. US Bank Custodial Account Statement –March – May 2017
- Pg. 33* 3. Local Agency Investment Fund (LAIF) Quarterly Statement of Investment – March 31, 2017
- Pg. 34* 4. Treasurer’s Report as of March 31, 2017
- Pg. 35* 5. SCORE Checking Account Transaction List – March – May 2017
- Pg. 39* 6. Investment Statements from Chandler Asset Management – March – May 2017
- Pg. 51* 7. ACI Utilization Report – January – March 2017
- Pg. 55* 8. Company Nurse Injury Summary Report – February 2017
- Pg. 58* 9. ACI 2016-2018 Contract – approved by Board on June 24, 2016
- Pg. 63* 10. Loss Control Grant Fund FY 16/17 Usage
- Pg. 64* 11. Bickmore – Actuarial Letter of Engagement dated January 3, 2017
- Pg. 66* 12. York Workers’ Compensation Amendment Two – approved by BOD March 31, 2017
- Pg.70* 13. York Liability Amendment Two – approved by BOD March 31, 2017

The Small Cities Organized Risk Effort or SCORE, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.



F. ADMINISTRATIVE REPORTS

- 1. President’s Report** I 4
Roger Carroll will address the Board on items pertaining to SCORE.
- 2. CJPRMA Update** I 4
Roger Carroll will update the Board on CJPRMA matters pertinent to SCORE. Minutes of the last meeting can be found at <http://www.cjprma.org/>
- 3. LAWCX Update** I 4
Michael Simmons will update the Board on LAWCX matters pertinent to SCORE. Minutes of the last meeting can be found at <http://lawcx.org/>
- 4. ERMA Update** I 4
John Duckett will update the Board on ERMA matters pertinent to SCORE. Minutes of the last meeting can be found at www.ermajpa.org/
- 5. Alliant Update** I 4
Marcus Beverly will update the Board on Alliant matters pertinent to SCORE.

G. FINANCIAL

- Pg. 73* **1. Quarterly Financials for QE March 31, 2017** A 2
Board Members will review the March 31, 2017 Quarterly financials and Statement of Net Assets presented by Gilbert Associates, Inc. and may take action to Accept and File and give direction.
- Pg. 88* **2. Delegation of Investment Authority to SCORE Treasurer** A 1
The Board will be asked to review and approve Resolution 17-01 Authorizing Investment of SCORE funds.
- 3. Premium Payment Plan Requests for FY 17/18** A 2
The Board has received premium payment plan requests for FY 17/18 from two members. The Board will review and may approve the proposed Premium installment payment plans.

 - Pg. 90* **a. City of Tulelake**
 - Pg. 91* **b. City of Isleton**

H. JPA BUSINESS

- Pg. 93* **1. Identity Fraud Coverage FY 17/18** A 1
The Board will review the Travelers quote will consider renewing coverage.
- Pg. 100* **2. Lexipol Memorandum of Understanding (MOU)** A 1
The Board will be presented with a contract for review and may consider approving.



Pg. 104	3. LAWCX Workers' Compensation Claims Audit – 2017 <i>The Board will receive a copy of the LAWCX Workers' Compensation Claims Audit.</i>	I 1
	4. Memoranda of Coverage (MOC) <i>Annually, the Board reviews SCORE's Memorandums of Coverage and approves or makes changes to the current version.</i>	A 1
Pg. 114 Pg. 167	a. Liability MOC Approval b. Workers' Compensation MOC Approval	
<i>Time Certain</i> 12:00 p	Lunch	
	5. 17/18 Property Program Renewal	A 1
Pg. 169	a. SCORE Property Renewal Proposal <i>The Board of Directors will be asked to review and approve the renewal of the FY 17/18 Property coverage with Alliant Property Insurance Program.</i>	
Pg. 245	b. APIP Claims Reporting Acknowledgements <i>The Board of Directors will be provided with an outline and be asked to acknowledge the reporting procedure guidelines that should be followed immediately after a Property, Pollution or Cyber Liability loss or incident.</i>	
Pg. 247	c. Cyber Liability Options <i>The Board will review and members may decide to purchase additional cyber liability coverage.</i>	
	6. SCORE Dividends Payable <i>The Board will be presented with information about outstanding balances payable.</i>	A 1
Pg. 256 Pg. 257	a. Crescent City b. Williams	
Pg. 258	7. Adoption of the FY 17/18 SCORE Program Budget <i>Annually, the Board reviews and adopts the Program Budget which includes Administrative Operating expenses and expense of retaining risk and risk transfer.</i>	A 1
Pg. 267	8. Discussion about October Long Range Planning Meeting Topics <i>Staff will request feedback from Board members as respects the Long Range Planning Discussion Topics.</i>	
Pg. 268	I. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES	I 4
Pg. 269	J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95	

**REQUESTING AUTHORITY



1. Workers' Compensation
a. SCWA-556017 v. City of Crescent City**

K. REPORT FROM CLOSED SESSION I 4

L. INFORMATION ITEMS I

- 1. CAJPA Conference – September 12-15, 2017 in South Lake Tahoe, CA
 - 2. SCORE Resource Contact Guide
 - 3. SCORE Glossary of Terms
 - 4. SCORE Travel Reimbursement Form
- Pg. 271
Pg. 279
Pg. 288

M. CLOSING COMMENTS

N. ADJOURNMENT

UPCOMING MEETING
Board of Directors Teleconference Meeting – August 25, 2017

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715. The Agenda packet will be posted on the SCORE website at www.scorejpa.org. Documents and material relating to an open session agenda item that are provided to the SCORE Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815. Access to some buildings and offices may require routine provisions of identification to building security. However, SCORE does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.



CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Board and, if there is any item requiring clarification or amendment, it should be removed for separate discussion. The Board should adopt the Consent Calendar excluding those items removed.

RECOMMENDATION: The Program Administrator recommends adoption of the Consent Calendar after review by the Board of Directors. *Items requested to be removed from Consent will be placed back on the agenda in an order determined by the President.*

FISCAL IMPACT: None

BACKGROUND: Items of importance, that may not require discussion, are included on the Consent Calendar for adoption.

ATTACHMENT:

1. Board of Directors Meeting *Draft* Minutes – March 31, 2017
2. US Bank Custodial Account Statement –March – May 2017
3. Local Agency Investment Fund (LAIF) Quarterly Statement of Investment – March 31, 2017
4. Treasurer’s Report as of March 31, 2017
5. SCORE Checking Account Transaction List – March – May 2017
6. Investment Statements from Chandler Asset Management – March – May 2017
7. ACI Utilization Report – January – March 2017
8. Company Nurse Injury Summary Report – February 2017
9. ACI 2016-2018 Contract – approved by Board on June 24, 2016
10. Loss Control Grant Fund FY 16/17 Usage
11. Bickmore – Actuarial Letter of Engagement dated January 3, 2017
12. York Workers’ Compensation Amendment Two – approved by BOD March 31, 2017
13. York Liability Amendment Two – approved by BOD March 31, 2017



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
March 31, 2017**

Member Cities Present:

Roger Frith, City of Biggs
Wes Heathcock, City of Colfax
Randy Johnsen, City of Dunsmuir
Sarah Griggs, City of Etna
Linda Romaine, Town of Fort Jones
Jim Goodwin, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton
Shelley Grey, City of Montague

Muriel Howarth Terrell, City of Mt. Shasta
Robert Meacher, City of Portola
Brooke Woodcox, City of Rio Dell
John Duckett, City of Shasta Lake
Gwenna MacDonald, City of Susanville
Jenny Coelho, City of Tulelake
Paulette Velador, City of Tulelake
Diana Howard, City of Weed

Member Cities Absent:

Robert Jankovitz, City of Isleton

Steve Baker, City of Yreka

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Kevin Wong, Gilbert Associates, Inc.

Dorienne Zumwalt, York Risk Services
Cameron Dewey, York Risk Services
Craig Nunn, York Risk Services

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 10:02 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Kathy LeBlanc

SECOND: Roger Frith

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

Roger Carrol wanted to thank all of those SCORE members who responded to his email regarding Credit Card handling and if any member is interested in the responses he can provide on request.

E. CONSENT CALENDAR

1. Board of Directors Meeting Draft Minutes – January 27, 2017
2. US Bank Custodial Account Statement – January – February 2017
3. SCORE Checking Account Transaction List – January – March 21, 2017
4. Investment Statements from Chandler Asset Management – January – February 2017
5. Target Solutions Monthly Utilization Report – November – February 2017
6. DKF Proposal FY 16/17, FY 17/18, FY 18/19 – Approved by Board on April 1, 2016
7. FY 17/18 Service Calendar Final – Draft Approved by Board on January 27, 2017
8. Alliant Additional Commission Opt Out – signed February 8, 2017

A motion was made to approve the Consent Calendar as presented.

MOTION: Roger Frith

SECOND: Robert Meacher

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. President's Report

Mr. Roger Carroll reported that the PARMA Conference was great and mentioned the different tracks they offered for training. Members were encouraged to attend one of the future conferences.

F2. Alliant Update

Michelle Minnick provided an update regarding the Form 700's that are due on Monday April 3, 2017. Members were also reminded to submit their APIP Property Renewal Packets so the Alliant staff can update the Underwriters. It was also mentioned that the Alliant staff was unable to provide estimates of the property program premiums as not all members had submitted their renewal information. Marcus Beverly also noted that the members can expect to see an increase of 10-15% in the Property Program due to losses. Lastly he mentioned that a Preliminary Property Budget will be sent out as soon as we receive the rates back from the Underwriter.

F3. CJPRMA Update

Mr. Roger Carroll noted our Excess Coverage could be going up as there are some big claims coming in – he mentioned that SCORE should focus on anything that can help to control our costs.

F4. ERMA Update

John Duckett provided the Board of Directors with a brief update of the ERMA meeting and noted that they reviewed and approved their Memorandum of Coverage (MOC) as well as some of their goals. It was noted that SCORE does not provide Employment Practices Liability (EPL) but if you are not a member of ERMA you have coverage through CJPRMA with a \$500,000 deductible. ERMA members have EPL coverage with a \$25,000 deductible, except for Weed.

F5. LAWCX Update

Steve Baker was not present so no update was provided.

G. FINANCIAL

G.1. Investment Policy

Marcus Beverly presented the Investment Policy and mentioned it had been reviewed by Chandler Investments – he noted there were a couple of cosmetic changes but nothing substantial. Kevin Wong noted that the SCORE policy is more conservative than the government code and generally speaking we were intentionally conservative – members agreed with the suggested changes.

A motion was made to approve the Investment Policy as presented in the agenda.

MOTION: Linda Romaine

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

G.2. Quarterly Financial Report – Period Ended December 31, 2016

Kevin Wong first provided the Board with an update regarding staffing and noted that Cindy Conklin has left her position and Gilbert Associates has been working with a temporary employee. He indicated that the October and January invoices should have been sent out but were not and so in April they will be getting caught up so members should expect to see a statement and any current open invoices. He then presented a summary of the Quarterly Financial Report for the Period Ended December 31, 2016.

-) Total Assets increased by \$600,000 (from \$13.3 Million to \$13.9 Million)
-) Total Net position has increased by approximately \$600,000
-) Revenues and expenses in comparison to the budget are on track at about the 50% mark which is to be expected given we are halfway through the fiscal year.

A motion was made to accept and file the Quarterly Financial Report for the Period Ended December 31, 2016.

MOTION: John Duckett

**SECOND: Muriel Howarth
Terrell**

**MOTION CARRIED
UNANIMOUSLY**

G.3. Gilbert & Associates Service Agreement FY 17/18

Marcus Beverly noted the SCORE - Gilbert & Associates agreement expires at the end of the fiscal year and they have offered to extend their current contract for one year with no increase. The Proposal and amendment was included in the packet and shows no change in services or fees for the next year.

A motion was made to approve the Gilbert Amendment for FY 17-18.

MOTION: John Duckett

SECOND: Muriel Howarth-Terrell

MOTION CARRIED UNANIMOUSLY

H. JPA BUSINESS

H.1. Alliant Crime Program (ACIP)

Marcus Beverly reminded members to consider obtaining a quote for the ACIP Crime Program as there are multiple limits and deductibles available. Mike Simmons noted that \$1 million dollars does not go as far as it used to and reminded members about the recent City of Placentia claim which is nearing \$5 million in total. He highlighted that you will not have Faithful Performance coverage unless you purchase coverage in the ACIP Program – this coverage includes not just theft of money but a “failure to perform faithful duty” as part of an employee’s regular job responsibilities (i.e. failure to deposit a check timely). Also included in ACIP is a separate limit for forensic accounting which is not typically included in a standard Crime Bond.

H.2. Loss Control Grant Fund Program

Marcus Beverly mentioned this program renews annually and noted that members often stack a couple years of funding together to help complete a large project. Members were encouraged to use the money to help with anything that can help to reduce exposure to losses.

A motion was made to approve the Loss Control Grant Funds for FY 17/18.

MOTION: Robert Meacher

SECOND: Roger Frith

MOTION CARRIED UNANIMOUSLY

H.3.a. Liability Actuarial Review

Marcus Beverly provided a review of the Liability Actuarial Study and noted that Mike Harrington was not able to attend today and so he will be attending the October meeting. Marcus noted that the SCORE funds at the 70% Confidence Level (CL), 1.5% Discount Level rate.

-) Combined rates have decreased 3.6% (from \$3.62 last year to \$3.49 this year)
-) Outstanding Liabilities in the Banking Layer have increased from \$218,000 to \$262,000
-) Outstanding Liabilities in the Shared Layer have decreased from \$917,000 to \$849,000



A motion was made to accept the draft Actuarial Report and request final report from the actuary.

MOTION: Roger Frith

SECOND: Wes Heathcock

**MOTION CARRIED
UNANIMOUSLY**

H.3.b. Workers' Compensation – Actuarial Review

Marcus Beverly provided a review of the Workers' Compensation Actuarial Study and noted that the rates and outstanding liabilities are going up. Marcus noted that the SCORE funds the Workers' Compensation Program at the 75% Confidence Level (CL), 1.5% Discount Level rate and reminded members this was a change approved by the Board last year as the rates had gone down at that time. He mentioned overall our assets have increased and our net position has improved.

A motion was made to accept the draft Actuarial Report and request final report from the actuary.

MOTION: Wes Heathcock

SECOND: Roger Frith

**MOTION CARRIED
UNANIMOUSLY**

NOTE: At this time the Board requested a review of Item H.5.A.

H.5.a. FY 17/18 Funding Rates – Liability

Marcus Beverly noted that the rates have gone down and we are recommending to stay at the 70% CL. Since there has been a decrease in rates it appears there is no need for a cap. He also mentioned that we received a refund of approximately \$40,000 from CJPRMA which will be applied to the funding based on percentage of payroll. Members were advised to evaluate their Ex Mod as it relates to their percent of total losses to their percent of total payroll.

A motion was made to accept the 70% Confidence Level Liability Program Funding Rates as presented in the agenda – Banking Layer Rate \$1.37 and Shared Layer Rate \$2.12.

MOTION: Robert Meacher

SECOND: Roger Frith

**MOTION CARRIED
UNANIMOUSLY**

H.5.b. FY 17/18 Funding Rates – Workers' Compensation

Marcus Beverly noted that the rates for the Workers' Compensation program are going up by 5.1% to \$1.73 for the Banking Layer and \$4.03 for the Shared Layer. He indicated the calculation is performed similar to the Liability Program with the exception of the Mini-Cities which is treated as one member. He also reminded members that the composition of the Mini-Cities has changed and there are a total of four members who have been moved out of the Mini-Cities due to their three-year payroll average exceeding \$500,000. It was mentioned that LAWCX has not released their rates yet so it is currently estimated in the budget presented. Members were also reminded that SCORE is transitioning to a



different Administrative Funding Formula over the next three years (First Year FY 17/18—30% Fixed/70% Payroll; Second Year FY 18/19—40% Fixed/60% Payroll; Third Year FY 19/20—50% Fixed/50% Payroll).

A motion was made to accept the 75% CL rates Workers’ Compensation Program as presented in the agenda – Banking Layer Rate \$1.73 and Shared Layer Rate \$4.03.

MOTION: Linda Romaine

SECOND: Roger Frith

**MOTION CARRIED
UNANIMOUSLY**

H.6. York Fee Proposal

Marcus Beverly noted we are at the end of the York Contract period and highlighted that we received the LAWCX Audit of the Workers’ Compensation Claims in which York scored 100%. He went on to mention that Ariel Leonhard is doing a great job of managing SCORE claims. York’s annual administrative fee was lowered to \$825/member (from \$1,000/member) and due to the geography of SCORE members there was no reason to negotiate a lower fee for Preferred Provider (PPO) savings as there are few PPOs near SCORE members. A question was posed related to the timing of Request for Proposals (RFPs) for SCORE’s vendors and it was mentioned that there is no current policy - it was suggested in the next two years we price check to ensure we are getting a good deal.

A motion was made to approve the York Claims Services contract as presented in the agenda.

MOTION: Roger Frith

**SECOND: Muriel Howarth-
Terrell**

**MOTION CARRIED
UNANIMOUSLY**

H.7. FY 17/18 Score Preliminary Budget

Marcus Beverly presented the Board with the preliminary budget and reviewed the changes to the Administrative expenses – he noted that the York Contract has been approved earlier in this meeting and so those changes will need to be updated in regards to the Claims Administrative portion of the budget. Lastly Marcus encouraged all members with police to receive Lexipol’s Daily Training Bulletins (DTB’s) as this alone could help to save on defense of a claim.

H.8. SCORE TRAINING DAY

Marcus Beverly indicated that since Mike Harrington did not attend today he will present at the October meeting. York is planning a presentation on Modified Duty and Return to Work Restrictions. Chandler will cover the Investment Report and we are hoping to have ERMA present some information about EPL. There is one topic of case law that we thought might be interesting regarding the expansion of FMLA benefits. Some other suggestions were:

-) How to properly terminate an employee
-) City Council training
-) Loss Control training – David Patzer to present claims analysis and Scorecard



-) Review of Best Practices and possible additions
-) Dangerous conditions and trail immunities
-) Uncovering/preventing financial fraud

H.4. Risk Control Services Update - DKF

John Balestrini provided the Board with an update of the Risk Control Services.

I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 12:21 P.M, pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

- 1. Liability**
 - a. Marquez v. Biggs*

- 2. Workers' Compensation**
 - a. SCWA-65667 v. Susanville*
 - b. SCWA-555866, SCWA-540951, SCWA-268050 v. Susanville*

J. REPORT FROM CLOSED SESSION

The Board returned from closed session at 12:40 P.M. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

K. INFORMATION ITEMS

K1. FY 16/17 Resource Contact Guide

This was provided as an information item only.

K2. Glossary of Terms

This was provided as an information item only.

K3. SCORE Travel Reimbursement Form

This was provided as an information item only.

L. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

There were no discussion items.



M. CLOSING COMMENTS

There were no closing comments.

N. AJOURNMENT

The meeting was adjourned at 12:41 P.M.

NEXT MEETING DATE: June 16, 2017 in Anderson, CA

Respectfully Submitted,

Brooke Woodcox, Secretary

Date

DRAFT

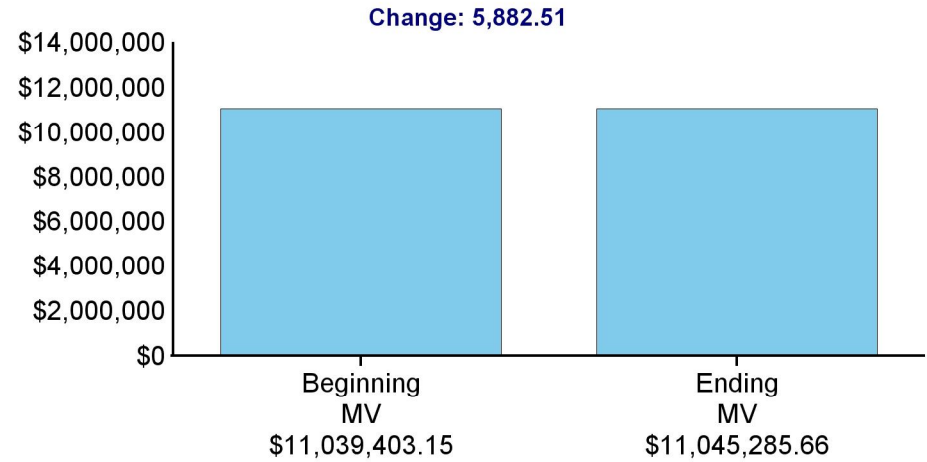


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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March 1, 2017 to March 31, 2017

MARKET VALUE SUMMARY

	Current Period 03/01/17 to 03/31/17
Beginning Market Value	\$11,039,403.15
Taxable Interest	15,831.08
Fees and Expenses	-1,210.95
Long Term Gains/Losses	1,069.91
Change in Investment Value	-9,807.53
Ending Market Value	\$11,045,285.66



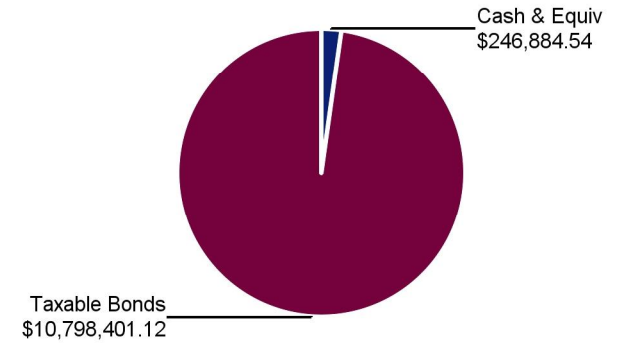


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

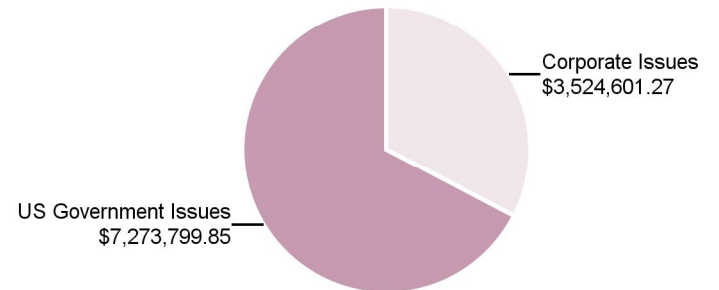
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March 1, 2017 to March 31, 2017

ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	246,884.54	2.20	2,678.40
Taxable Bonds	10,798,401.12	97.80	170,142.22
Total Market Value	\$11,045,285.66	100.00	\$172,820.62



Fixed Income Summary



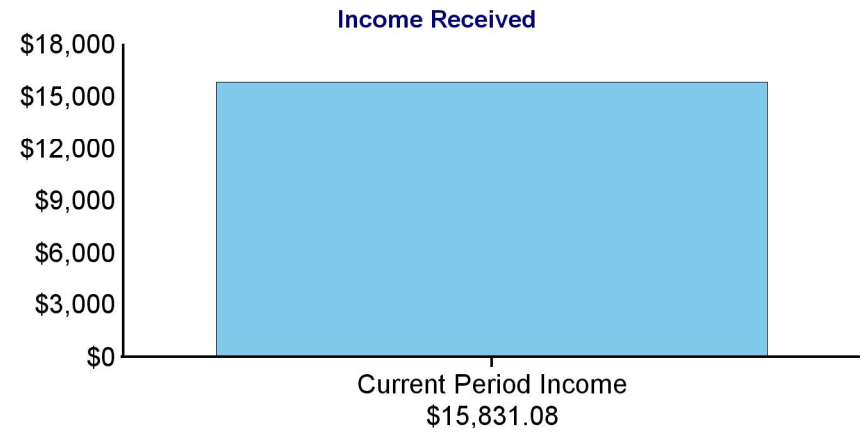


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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March 1, 2017 to March 31, 2017

INCOME SUMMARY

	Income Received Current Period
Taxable Interest	15,831.08
Total Current Period Income	\$15,831.08





SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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March 1, 2017 to March 31, 2017

CASH SUMMARY

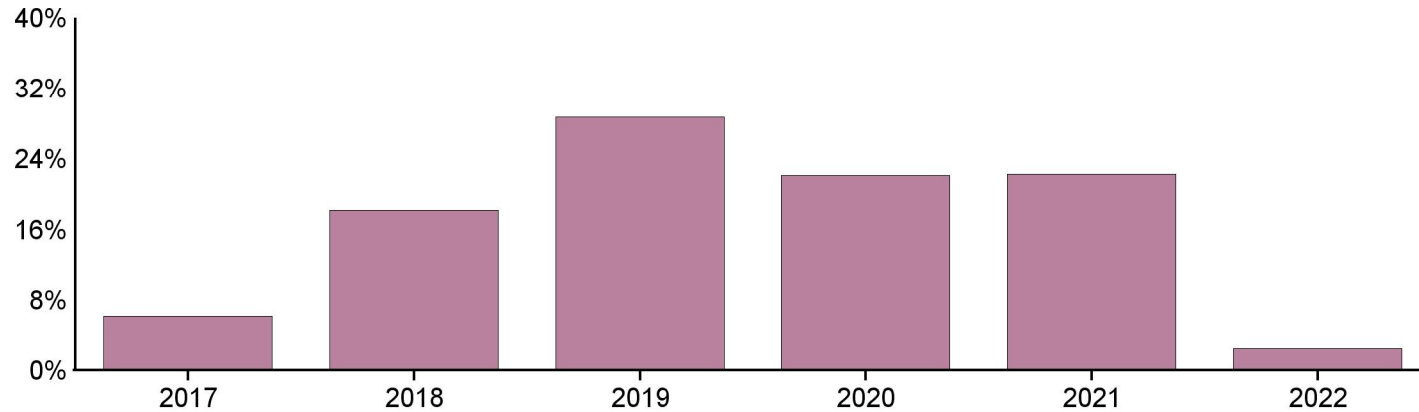
	Principal Cash	Income Cash	Total Cash
Beginning Cash 03/01/2017	-\$572,612.21	\$572,612.21	\$0.00
Taxable Interest		15,831.08	15,831.08
Fees and Expenses	-1,210.95		-1,210.95
Purchases	-379,118.26		-379,118.26
Sales	328,033.99		328,033.99
Net Money Market Activity	36,464.14		36,464.14
Ending Cash 03/31/2017	-\$588,443.29	\$588,443.29	\$0.00



SMALL CITIES ORGANIZED
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March 1, 2017 to March 31, 2017

BOND SUMMARY



	Par Value	Market Value	Percentage of Category
MATURITY			
2017	660,000.00	662,942.40	6.14
2018	1,953,009.00	1,957,101.33	18.13
2019	3,087,572.70	3,101,058.19	28.72
2020	2,400,000.00	2,393,033.30	22.16
2021	2,460,000.00	2,409,595.15	22.31
2022	275,000.00	274,670.75	2.54
Total of Category	\$10,835,581.70	\$10,798,401.12	100.00

MOODY'S RATING

Aaa	7,934,419.02	7,891,169.98	73.08
Aa1	135,000.00	134,592.30	1.25
Aa2	250,000.00	248,747.50	2.30
A1	1,135,000.00	1,141,439.55	10.57
A2	545,000.00	547,466.00	5.07
A3	285,000.00	286,002.90	2.65



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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March 1, 2017 to March 31, 2017

BOND SUMMARY (continued)

	Par Value	Market Value	Percentage of Category
N/A	551,162.68	548,982.89	5.08
Total of Category	\$10,835,581.70	\$10,798,401.12	100.00

S&P RATING

AAA	532,211.09	528,162.91	4.89
AA+	4,350,000.00	4,326,870.15	40.07
AA	105,000.00	105,022.05	0.97
AA-	550,000.00	554,220.10	5.13
A+	560,000.00	561,591.95	5.20
A	865,000.00	867,357.45	8.04
A-	135,000.00	135,464.40	1.25
N/A	3,738,370.61	3,719,712.11	34.45
Total of Category	\$10,835,581.70	\$10,798,401.12	100.00

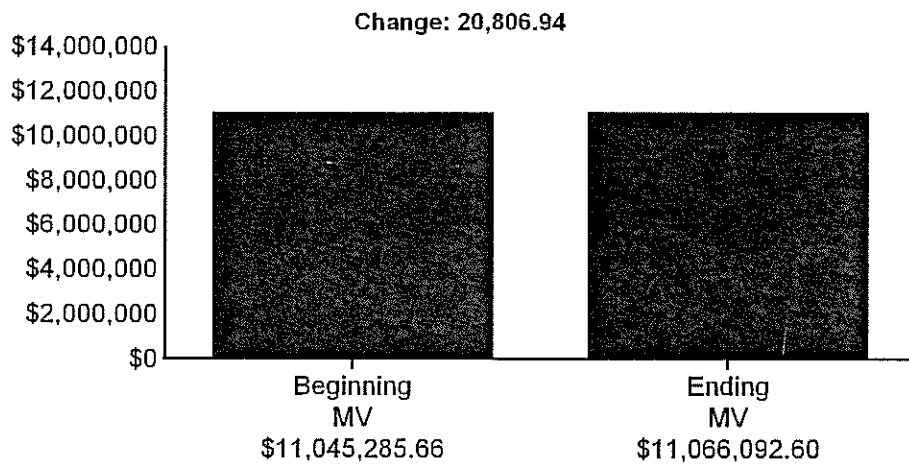


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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April 1, 2017 to April 30, 2017

MARKET VALUE SUMMARY

	Current Period 04/01/17 to 04/30/17
Beginning Market Value	\$11,045,285.66
Taxable Interest	2,540.77
Fees and Expenses	-1,212.20
Long Term Gains/Losses	-2,163.80
Short Term Gains/Losses	0.09
Change in Investment Value	21,642.08
Ending Market Value	\$11,066,092.60

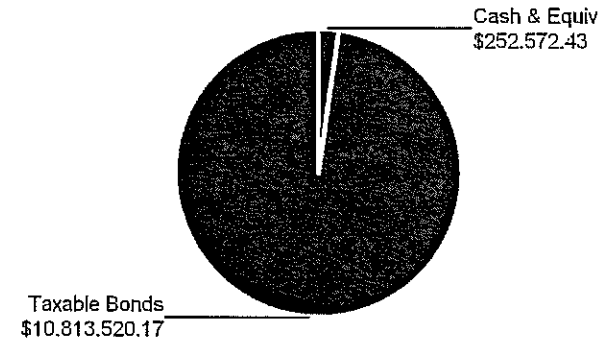




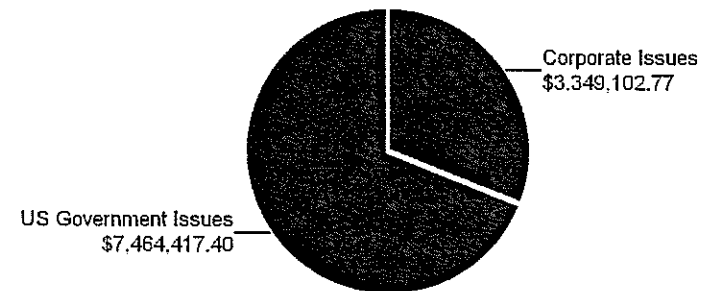
SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	252,572.43	2.30	2,719.14
Taxable Bonds	10,813,520.17	97.70	170,430.30
Total Market Value	\$11,066,092.60	100.00	\$173,149.44



Fixed Income Summary





SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

Page 4 of 21
April 1, 2017 to April 30, 2017

CASH SUMMARY

	Principal Cash	Income Cash	Total Cash
Beginning Cash 04/01/2017	-\$588,443.29	\$588,443.29	\$0.00
Taxable Interest		2,540.77	2,540.77
Fees and Expenses	-1,212.20		-1,212.20
Purchases	-174,173.44		-174,173.44
Sales	178,297.36		178,297.36
Net Money Market Activity	-5,452.49		-5,452.49
Ending Cash 04/30/2017	-\$590,984.06	\$590,984.06	\$0.00



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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April 1, 2017 to April 30, 2017

ASSET DETAIL (continued)

Security Description	Shares/Face Amt	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Microsoft Corp - 594918BP8 1.550 08/08/2021	140,000.000	98.0150	137,221.00	139,739.55	-2,518.55	1.2	2,170.00	1.58
Total Corporate Issues			\$3,349,102.77	\$3,258,027.37	\$91,075.40	30.3	\$62,880.30	
Total Taxable Bonds			\$10,813,520.17	\$10,642,564.59	\$170,955.58	97.7	\$170,430.30	
Total Assets			\$11,066,092.60	\$10,894,712.66	\$171,379.94	100.0	\$173,149.44	
Estimated Current Yield								1.56

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

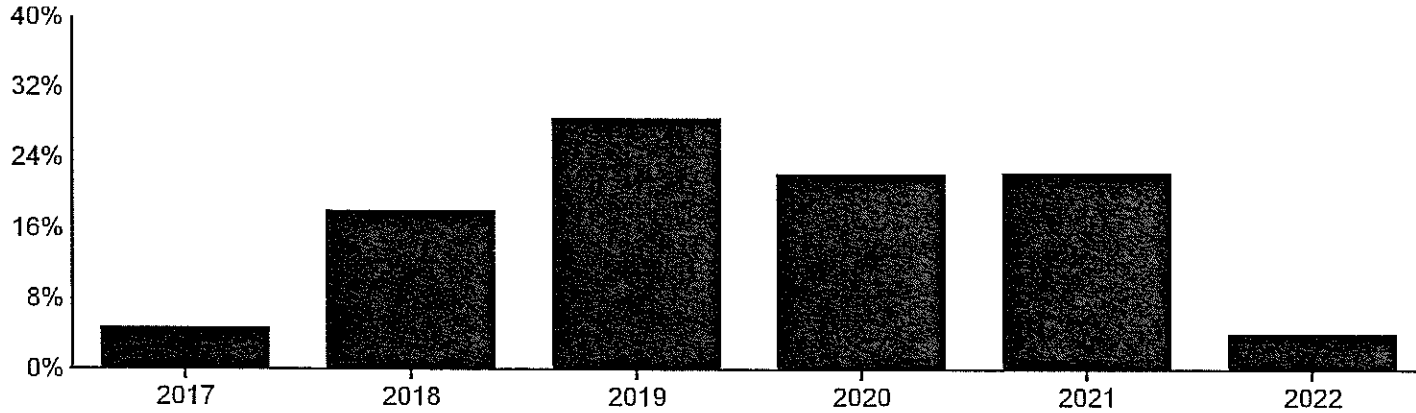
Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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April 1, 2017 to April 30, 2017

BOND SUMMARY



MATURITY	Par Value	Market Value	Percentage of Category
2017	510,000.00	512,711.40	4.75
2018	1,942,338.20	1,945,938.50	18.00
2019	3,069,946.14	3,083,892.57	28.52
2020	2,400,000.00	2,398,321.30	22.18
2021	2,460,000.00	2,422,159.15	22.39
2022	450,000.00	450,497.25	4.16
Total of Category	\$10,832,284.34	\$10,813,520.17	100.00

MOODY'S RATING

Aaa	8,214,910.58	8,188,106.38	75.71
Aa1	135,000.00	134,665.20	1.25
Aa2	250,000.00	249,613.80	2.31
A1	985,000.00	991,848.50	9.17
A2	545,000.00	546,977.60	5.06
A3	285,000.00	286,277.70	2.65



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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April 1, 2017 to April 30, 2017

BOND SUMMARY (continued)

	Par Value	Market Value	Percentage of Category
N/A	417,373.76	416,030.99	3.85
Total of Category	\$10,832,284.34	\$10,813,520.17	100.00

S&P RATING

AAA	510,606.85	507,401.76	4.69
AA+	4,350,000.00	4,336,105.10	40.10
AA	105,000.00	105,024.15	0.97
AA-	550,000.00	554,551.50	5.13
A+	520,000.00	522,267.80	4.83
A	755,000.00	757,317.95	7.01
A-	135,000.00	135,556.20	1.25
N/A	3,906,677.49	3,895,295.71	36.02
Total of Category	\$10,832,284.34	\$10,813,520.17	100.00

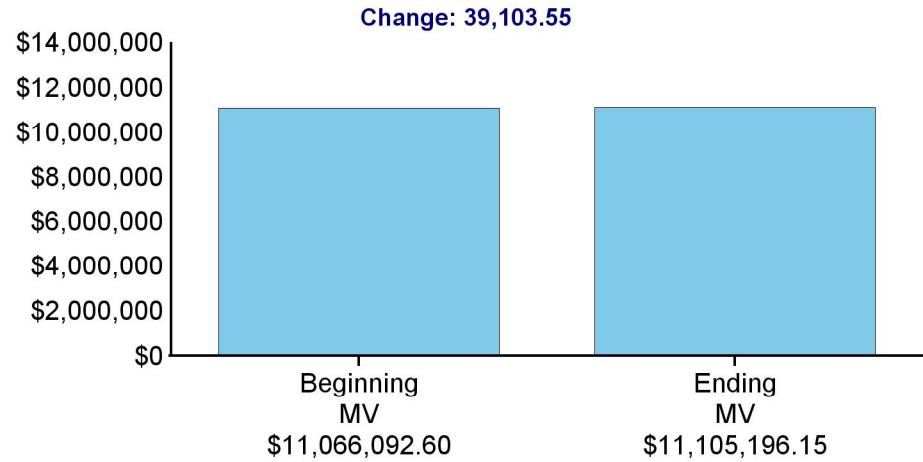


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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May 1, 2017 to May 31, 2017

MARKET VALUE SUMMARY

	Current Period 05/01/17 to 05/31/17
Beginning Market Value	\$11,066,092.60
Taxable Interest	27,084.43
Fees and Expenses	-1,214.07
Long Term Gains/Losses	75,912.01
Short Term Gains/Losses	1.02
Change in Investment Value	-62,679.84
Ending Market Value	\$11,105,196.15



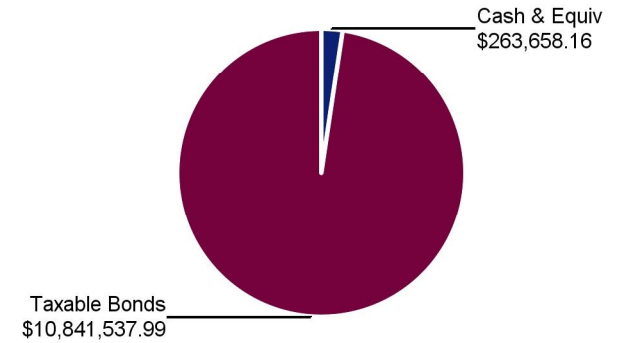


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

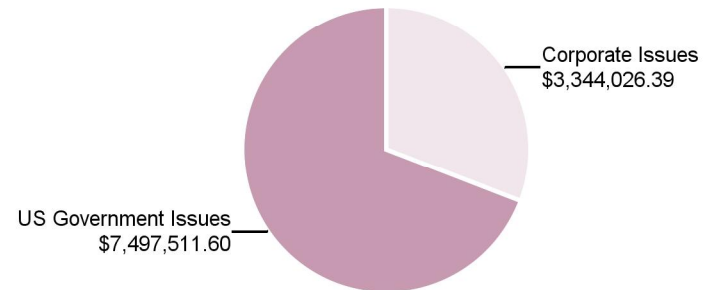
Page 2 of 23
May 1, 2017 to May 31, 2017

ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	263,658.16	2.40	2,788.20
Taxable Bonds	10,841,537.99	97.60	173,928.39
Total Market Value	\$11,105,196.15	100.00	\$176,716.59



Fixed Income Summary



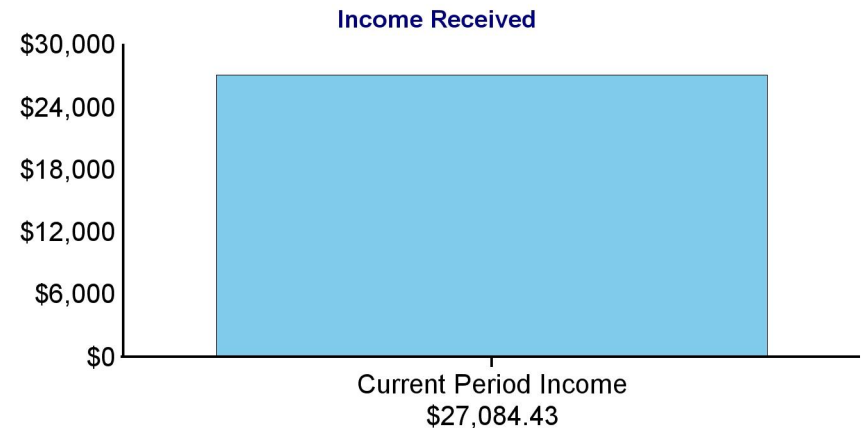


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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May 1, 2017 to May 31, 2017

INCOME SUMMARY

	Income Received Current Period
Taxable Interest	27,084.43
Total Current Period Income	\$27,084.43





SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

Page 4 of 23
May 1, 2017 to May 31, 2017

CASH SUMMARY

	Principal Cash	Income Cash	Total Cash
Beginning Cash 05/01/2017	-\$590,984.06	\$590,984.06	\$0.00
Taxable Interest		27,084.43	27,084.43
Fees and Expenses	-1,214.07		-1,214.07
Purchases	-385,196.40		-385,196.40
Sales	370,193.97		370,193.97
Net Money Market Activity	-10,867.93		-10,867.93
Ending Cash 05/31/2017	-\$618,068.49	\$618,068.49	\$0.00



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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May 1, 2017 to May 31, 2017

ASSET DETAIL

Security Description

Shares/Face Amt	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Cash & Equivalents							
Cash/Money Market							
Bank Of Tokyo Mitsubis C P - 06538BU76 07/07/2017							
220,000.000	99.8920	219,762.40	219,120.24	642.16	2.0	2,632.07	1.20
First American Government - 31846V203 Oblig Fd Cl Y #3763							
43,895.760	1.0000	43,895.76	43,895.76	0.00	0.4	156.13	0.36
Total Cash/Money Market		\$263,658.16	\$263,016.00	\$642.16	2.4	\$2,788.20	
Cash							
Principal Cash		-618,068.49	-618,068.49		-5.6		
Income Cash		618,068.49	618,068.49		5.6		
Total Cash		\$0.00	\$0.00	\$0.00	0.0	\$0.00	
Total Cash & Equivalents		\$263,658.16	\$263,016.00	\$642.16	2.4	\$2,788.20	

Taxable Bonds

US Government Issues

F H L M C - 3137EADP1
0.875 03/07/2018

300,000.000	99.7720	299,316.00	225,281.25	74,034.75	2.7	2,625.00	0.88
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Federal Home Loan Bks - 313378A43
1.375 03/09/2018

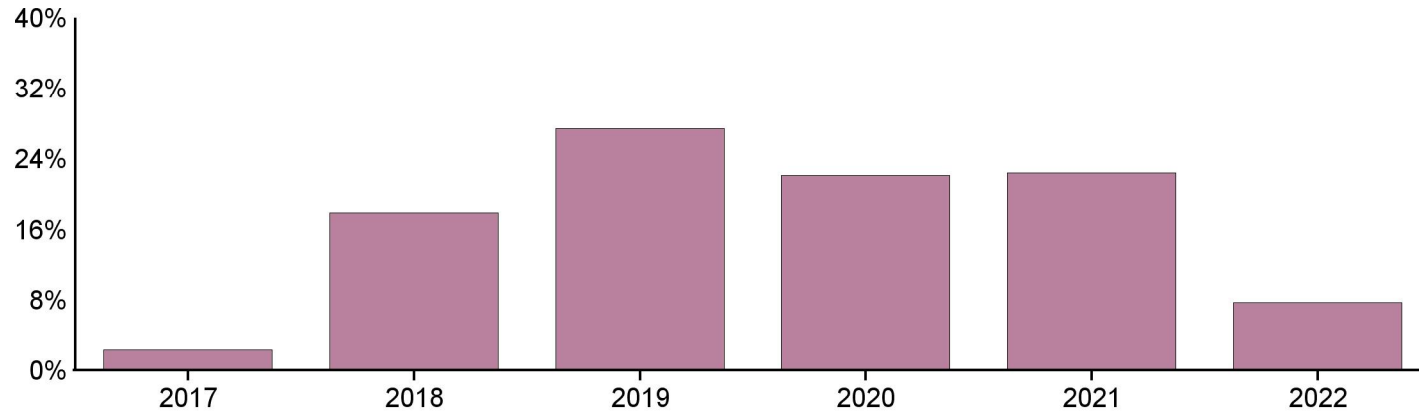
215,000.000	100.0740	215,159.10	213,970.15	1,188.95	1.9	2,956.25	1.37
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SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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May 1, 2017 to May 31, 2017

BOND SUMMARY



	Par Value	Market Value	Percentage of Category
MATURITY			
2017	255,000.00	257,396.25	2.38
2018	1,934,311.27	1,936,850.31	17.87
2019	2,963,023.60	2,977,191.63	27.46
2020	2,400,000.00	2,401,824.40	22.15
2021	2,460,000.00	2,429,597.20	22.41
2022	835,000.00	838,678.20	7.73
Total of Category	\$10,847,334.87	\$10,841,537.99	100.00

MOODY'S RATING

Aaa	8,207,683.29	8,189,971.01	75.55
Aa1	135,000.00	134,589.60	1.24
Aa2	145,000.00	144,976.80	1.34
A1	1,120,000.00	1,128,925.45	10.41
A2	545,000.00	547,716.65	5.05
A3	285,000.00	286,713.75	2.64



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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May 1, 2017 to May 31, 2017

BOND SUMMARY (continued)

	Par Value	Market Value	Percentage of Category
N/A	409,651.58	408,644.73	3.77
Total of Category	\$10,847,334.87	\$10,841,537.99	100.00
S&P RATING			
AAA	493,863.26	491,358.40	4.53
AA+	4,375,000.00	4,365,171.95	40.26
AA-	550,000.00	554,654.55	5.12
A+	515,000.00	518,303.95	4.78
A	895,000.00	899,773.40	8.30
A-	135,000.00	135,600.75	1.25
N/A	3,883,471.61	3,876,674.99	35.76
Total of Category	\$10,847,334.87	\$10,841,537.99	100.00



BETTY T. YEE
California State Controller

**LOCAL AGENCY INVESTMENT FUND
 REMITTANCE ADVICE**

Agency Name	S.C.O.R.E.
Account Number	40-04-001

As of 04/14/2017, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2017.

Earnings Ratio		.00002126194403179
Interest Rate		0.78%
Dollar Day Total	\$	36,506,481.60
Quarter End Principal Balance	\$	405,719.56
Quarterly Interest Earned	\$	776.20



May 8, 2017

TREASURER'S REPORT

Attached is the investment report for the period ended 3-31-2017, in accordance with Government Code 53646(b) which requires the authority Treasurer to submit quarterly to the Chief Executive Officer and the legislative body (Board of Directors), a quarterly Investment Report within thirty (30) days following the end of the quarter covered by the report. The report shall contain the following elements; the type of investment, issuer, maturity, par and dollar amounts invested; for the funds managed by contracted parties including lending programs; the market value and source of valuation. The Treasurer must also include a description of the compliance with the stated investment policy. The description of the holdings and market value are not required if all of the Authority's funds are invested in LAIF or equivalent. The Treasurer must also include a statement regarding its ability to meet the next six (6) months cash expenditure requirements.

The Authority's funds are invested in LAIF and with Chandler Asset Management. The statements for those accounts are included as part of this Investment Report.

It is the belief of the Treasurer that the funds held in liquid investments are more than sufficient to meet the Authority's cash flow needs for the following six months, and that the investment in LAIF and other securities is in keeping with the investment policy of the Authority, as duly authorized by the Board of Directors.

Respectfully submitted,

A handwritten signature in blue ink that reads "L. Romaine".

Linda Romaine, Treasurer

**Small Cities Organized Risk Effort
Check Detail
March through May 2017**

Type	Num	Date	Name	Memo	Account	Paid Amount	Original Amount
Check	2826	03/09/2017	City of Yreka	Loss Control Grant Fund FY 16/17	100-01 - Scott Valley Bank		-13,411.61
				Carry over into FY 17/18 Loss Control Grant Fund	173 - Prepaid Risk Service/Grant Fund	-112.20	112.20
				FY 16/17 Loss Control Grant Fund	Grant Fund Program	-13,299.41	13,299.41
TOTAL						-13,411.61	13,411.61
Check	2827	03/09/2017	DKF Solutions Group, LLC	Invoice 12910	100-01 - Scott Valley Bank		-8,333.33
				Invoice 12910 Mar 2017	675 - Loss Control Services - DKF	-8,333.33	8,333.33
TOTAL						-8,333.33	8,333.33
Check	2828	03/09/2017	Champion Awards	Invoice 41740	100-01 - Scott Valley Bank		-83.31
				Feb 2017	605 - BOD Activities	-83.31	83.31
TOTAL						-83.31	83.31
Bill Pmt -Check	2845	03/16/2017	City of Biggs	Allocated Dividends	100-01 - Scott Valley Bank		-11,611.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-11,611.00	11,611.00
TOTAL						-11,611.00	11,611.00
Bill Pmt -Check	2846	03/16/2017	City of Colfax	VOID: Allocated Dividends	100-01 - Scott Valley Bank		0.00
TOTAL						0.00	0.00
Bill Pmt -Check	2847	03/16/2017	City of Dorris	Allocated Dividends	100-01 - Scott Valley Bank		-5,968.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-5,968.00	5,968.00
TOTAL						-5,968.00	5,968.00
Bill Pmt -Check	2848	03/16/2017	City of Etna	Allocated Dividends	100-01 - Scott Valley Bank		-8,089.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-8,089.00	8,089.00
TOTAL						-8,089.00	8,089.00
Bill Pmt -Check	2849	03/16/2017	City of Ione	VOID: Allocated Dividends	100-01 - Scott Valley Bank		0.00
TOTAL						0.00	0.00
Bill Pmt -Check	2850	03/16/2017	City of Live Oak	Allocated Dividends	100-01 - Scott Valley Bank		-48,239.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-48,239.00	48,239.00
TOTAL						-48,239.00	48,239.00
Bill Pmt -Check	2851	03/16/2017	City of Montague	Allocated Dividends	100-01 - Scott Valley Bank		-6,760.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-6,760.00	6,760.00
TOTAL						-6,760.00	6,760.00
Bill Pmt -Check	2852	03/16/2017	City of Portola	Allocated Dividends	100-01 - Scott Valley Bank		-27,899.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-27,899.00	27,899.00
TOTAL						-27,899.00	27,899.00
Bill Pmt -Check	2853	03/16/2017	City of Rio Dell	Allocated Dividends	100-01 - Scott Valley Bank		-27,085.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-27,085.00	27,085.00
TOTAL						-27,085.00	27,085.00
Bill Pmt -Check	2854	03/16/2017	City of Shasta Lake	Allocated Dividends	100-01 - Scott Valley Bank		-110,161.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-110,161.00	110,161.00
TOTAL						-110,161.00	110,161.00
Bill Pmt -Check	2855	03/16/2017	City of Susanville	Allocated Dividends	100-01 - Scott Valley Bank		-99,799.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-99,799.00	99,799.00
TOTAL						-99,799.00	99,799.00
Bill Pmt -Check	2856	03/16/2017	City of Weed	Allocated Dividends	100-01 - Scott Valley Bank		-39,587.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-39,587.00	39,587.00
TOTAL						-39,587.00	39,587.00
Bill Pmt -Check	2857	03/16/2017	City of Yreka	Allocated Dividends	100-01 - Scott Valley Bank		-109,426.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-109,426.00	109,426.00
TOTAL						-109,426.00	109,426.00

**Small Cities Organized Risk Effort
Check Detail
March through May 2017**

Type	Num	Date	Name	Memo	Account	Paid Amount	Original Amount
Bill Pmt -Check	2858	03/16/2017	Fort Jones, Town of	Allocated Dividends	100-01 - Scott Valley Bank		-8,935.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-8,935.00	8,935.00
TOTAL						-8,935.00	8,935.00
Bill Pmt -Check	2859	03/16/2017	Loyalton, City of	Allocated Dividends	100-01 - Scott Valley Bank		-7,461.00
Bill	2016-17	03/13/2017		Allocated Dividends	950 - Dividends	-7,461.00	7,461.00
TOTAL						-7,461.00	7,461.00
Bill Pmt -Check	2860	03/16/2017	Gilbert Associates, Inc.	29330 ENG	100-01 - Scott Valley Bank		-13,200.00
Bill	316445	02/28/2017		For Accounting Services for the 1st QTR of 2017	505 - Accounting Services- Gilbert	-13,200.00	13,200.00
TOTAL						-13,200.00	13,200.00
Bill Pmt -Check	2861	03/16/2017	York Insurance Services Group, Inc-CA		100-01 - Scott Valley Bank		-16,500.80
Bill	500015665	03/01/2017		liability Claims Administration Mar 2017	722 - Claims Admin - GL	-8,125.00	8,125.00
Bill	500015664	03/01/2017		WC Claims Administration Mar 2017	721 - Claims Admin - WC	-8,375.80	8,375.80
TOTAL						-16,500.80	16,500.80
Bill Pmt -Check	2862	03/28/2017	DKF Soutions Group, LLC		100-01 - Scott Valley Bank		-16,666.66
Bill	12838	01/01/2017		invoice 12838 1/1/17 Consulting Services	675 - Loss Control Services - DKF	-8,333.33	8,333.33
Bill	12876	02/01/2017		Invoice 12876 2/1/17 Consulting Services	675 - Loss Control Services - DKF	-8,333.33	8,333.33
TOTAL						-16,666.66	16,666.66
Bill Pmt -Check	2863	03/28/2017	Gaia Hotel	3/31/17 Catering BOD BOE 367500	100-01 - Scott Valley Bank		-1,272.31
Bill	Boe 367500	03/28/2017		3/31/17 BOD Catering BOE 367500	605 - BOD Activities	-1,272.31	1,272.31
TOTAL						-1,272.31	1,272.31
Check	2864	03/29/2017	Randy L. Johnsen	PARMA Conference reimbursement for Feb 2017	100-01 - Scott Valley Bank		-1,177.62
TOTAL				PARMA Conference reimbursement for Feb 2017	610 - Member Conference Reimbursement	-1,177.62	1,177.62
						-1,177.62	1,177.62
Check	2865	03/30/2017	City of Tulelake	Travel Reimbursement to Board Meeting 10/16 & 1/17	100-01 - Scott Valley Bank		-333.25
TOTAL				Travel Reimbursement to Board Meeting 10/16 & 1/17	605 - BOD Activities	-333.25	333.25
						-333.25	333.25
Bill Pmt -Check	2866	04/13/2017	City of Colfax		100-01 - Scott Valley Bank		-451.64
Bill	BOD 1/27/17	04/13/2017	Colfax	BOD reimbursement 1/27/17 (Wes Heathcock)	605 - BOD Activities	-155.15	155.15
Bill	BOD 3/31/17	04/13/2017	Colfax	BOD 3/31/17 reimbursement (Wes Heathcock)	605 - BOD Activities	-296.49	296.49
TOTAL						-451.64	451.64
Bill Pmt -Check	2867	04/13/2017	City of Montague	Dividend Payable Oct 2010 & 2011	100-01 - Scott Valley Bank		-61,849.00
Bill	Oct 2010/2011	04/13/2017	Montague	Oct 2010 Dividend Payable	Dividends Payable	-25,933.00	25,933.00
Bill			Montague	Oct 2011 Dividend Payable	Dividends Payable	-35,916.00	35,916.00
TOTAL						-61,849.00	61,849.00
Bill Pmt -Check	2868	04/13/2017	City of Tulelake	BOD 3/31/17 Reimbursement (Jenny Coelho)	100-01 - Scott Valley Bank		-165.85
Bill	BOD 3/31/17	04/13/2017	Tulelake	BOD 3/31/17 Reimbursement (Jenny Coelho)	605 - BOD Activities	-165.85	165.85
TOTAL						-165.85	165.85
Bill Pmt -Check	2869	04/13/2017	DKF Soutions Group, LLC	WC Consulting Services 4/1/17	100-01 - Scott Valley Bank		-8,333.33
Bill	12966	04/13/2017		WC Consulting Services	675 - Loss Control Services - DKF	-8,333.33	8,333.33
TOTAL						-8,333.33	8,333.33
Bill Pmt -Check	2870	04/13/2017	Muriel Terrell	BOD 3/31/17 reimbursement (Muriel Terrell)	100-01 - Scott Valley Bank		-74.90
Bill	BOD 3/31/17	04/13/2017	Mt. Shasta	BOD 3/31/17 reimbursement (Muriel Terrell)	605 - BOD Activities	-74.90	74.90
TOTAL						-74.90	74.90
Bill Pmt -Check	2871	04/13/2017	Roger Frith	BOD 3/31/17 Reimbursement (Roger Frith)	100-01 - Scott Valley Bank		-93.41
Bill	BOD 3/31/17	04/13/2017	Biggs	BOD 3/31/17 Reimbursement (Roger Frith)	605 - BOD Activities	-93.41	93.41
TOTAL						-93.41	93.41
Bill Pmt -Check	2872	04/13/2017	Shelley Gray	BOD 3/31/17 Reimbursement (Shelly Gray)	100-01 - Scott Valley Bank		-110.84
Bill	BOD 3/31/17	04/13/2017	Montague	BOD 3/31/17 Reimbursement (Shelly Gray)	605 - BOD Activities	-110.84	110.84
TOTAL						-110.84	110.84

**Small Cities Organized Risk Effort
Check Detail
March through May 2017**

Type	Num	Date	Name	Memo	Account	Paid Amount	Original Amount
Bill Pmt -Check	2873	04/13/2017	York Insurance Services Group, Inc-CA		100-01 - Scott Valley Bank		-16,500.80
Bill	500015904	04/13/2017		WC Claim Admin April 2017	721 - Claims Admin - WC	-8,375.80	8,375.80
Bill	500015905	04/13/2017		Liab Claim Admin April 2017	722 - Claims Admin - GL	-8,125.00	8,125.00
TOTAL						-16,500.80	16,500.80
Bill Pmt -Check	2874	04/13/2017	City of Colfax	Loss Control FY 16-17 Grant Reimbursement	100-01 - Scott Valley Bank		-2,675.84
Bill	FY 16-17 Loss Contro	04/13/2017		Loss Control FY 16-17 Grant Reimbursement	Grant Fund Program	-2,675.84	2,675.84
TOTAL						-2,675.84	2,675.84
Bill Pmt -Check	2875	04/28/2017	ACI Specialty Benefits (Corp)	Add 20 Employees of Fort Jones 1/5/17 - 8/31/17	100-01 - Scott Valley Bank		-360.00
Bill	19069 O	01/12/2017	Fort Jones	Add 20 Employees of Fort Jones 1/5/17 - 8/31/17	EAP	-360.00	360.00
TOTAL						-360.00	360.00
Bill Pmt -Check	2876	04/28/2017	Town of Loomis	Loss Control Grand Fund FY 16/17 (1467.80 to b	100-01 - Scott Valley Bank		-4,232.20
Bill	48409	04/16/2017		Loss Control Grand Fund FY 16/17 (1467.80 to b	Grant Fund Program	-4,232.20	4,232.20
TOTAL						-4,232.20	4,232.20
Bill Pmt -Check	2877	05/19/2017	Bickmore Risk Services	Actuarial Review WC/GL Program	100-01 - Scott Valley Bank		-10,000.00
Bill	BRS-0015103	05/05/2017		Actuarial Review WC/GL Program	Actuarial Study	-5,000.00	5,000.00
Bill				Actuarial Review WC/GL Program	Actuarial Study	-5,000.00	5,000.00
TOTAL						-10,000.00	10,000.00
Bill Pmt -Check	2878	05/19/2017	City of Portola		100-01 - Scott Valley Bank		-2,976.49
Bill	Parma Feb 2017 1of 2	05/16/2017		PARMA travel Exp Robert Meacher 2/15/17 Split w/ 610 - Member Conference Reimbursement		-1,000.00	1,000.00
Bill	PARMA Feb 2017 2of 2	05/16/2017		PARMA Travel 2/15/17 Robert Meacher Split w/ Co Grant Fund Program		-791.52	791.52
Bill	5192017	05/19/2017		Loss Control Grant Fund 16/17	Grant Fund Program	-1,184.97	1,184.97
TOTAL						-2,976.49	2,976.49
Bill Pmt -Check	2879	05/19/2017	City of Rio Dell	Bod Reimbursement 1/27/17 Brooke Woodcox	100-01 - Scott Valley Bank		-274.98
Bill	BOD 1/27/17	05/01/2017		Reimbursement Travel BOD 1/27/17 Brooke Woodcox 605 - BOD Activities		-274.98	274.98
TOTAL						-274.98	274.98
Bill Pmt -Check	2880	05/19/2017	City of Susanville		100-01 - Scott Valley Bank		-31,435.02
Bill	Grant Fund	06/30/2016			Grant Fund Program	-15,633.69	15,633.69
Bill	4172017	04/17/2017		Loss Control Grant Funds 16/17	Grant Fund Program	-15,801.33	15,801.33
TOTAL						-31,435.02	31,435.02
Bill Pmt -Check	2881	05/19/2017	DKF Soutions Group, LLC	Consulting Services May 2017	100-01 - Scott Valley Bank		-8,333.33
Bill	13007	05/01/2017		Consulting Services May 2017	675 - Loss Control Services - DKF	-8,333.33	8,333.33
TOTAL						-8,333.33	8,333.33
Bill Pmt -Check	2882	05/19/2017	Loyalton, City of	Loss Control Grant Fund 16/17	100-01 - Scott Valley Bank		-668.77
Bill	5122017	05/12/2017		Loss Control Grant Fund 16/17	Grant Fund Program	-668.77	668.77
TOTAL						-668.77	668.77
Bill Pmt -Check	2883	05/19/2017	York Insurance Services Group, Inc-CA		100-01 - Scott Valley Bank		-24,625.80
Bill	500016012	05/01/2017		Invoice 500016012 5/1/17 GL	722 - Claims Admin - GL	-8,125.00	8,125.00
Bill	500016011	05/01/2017		Invoice 500016011 5/1/17 WC	721 - Claims Admin - WC	-8,375.80	8,375.80
Bill	500015240	05/19/2017		Invoice 500015240 11/1/16 GL Billed late	722 - Claims Admin - GL	-8,125.00	8,125.00
TOTAL						-24,625.80	24,625.80
Check	5297-5303	03/16/2017	York Insurance Services Group, Inc-CA	Checks 5297 - 5303 3/1/17 - 3/15/17	106-01 - Trust - Liab_SVB		-34,936.33
Check				Checks 5297 - 5303 3/1/17 - 3/15/17	Liability Claim Payments	-34,936.33	34,936.33
TOTAL						-34,936.33	34,936.33
Check	5304-5308	03/31/2017	York Insurance Services Group, Inc-CA	Check's 5304 - 5308 3/16/17 - 3/31/17	106-01 - Trust - Liab_SVB		-9,189.34
Check				Check's 5304 - 5308 3/16/17 - 3/31/17	Liability Claim Payments	-9,189.34	9,189.34
TOTAL						-9,189.34	9,189.34
Check	5309-5315	04/17/2017	York Insurance Services Group, Inc-CA	Fund Request 4/1/17 -4/15/17 Checks 5309-5315	106-01 - Trust - Liab_SVB		-31,890.57
Check				Fund Request 4/1/17 -4/15/17 Checks 5309-5315	Liability Claim Payments	-31,890.57	31,890.57
TOTAL						-31,890.57	31,890.57
Check	5316-5319	04/30/2017	York Insurance Services Group, Inc-CA	Funding GL Check #'s 5316-5319	106-01 - Trust - Liab_SVB		-7,829.58

**Small Cities Organized Risk Effort
Check Detail
March through May 2017**

Type	Num	Date	Name	Memo	Account	Paid Amount	Original Amount
TOTAL				Funding GL Check #'s 5316-5319	Liability Claim Payments	-7,829.58	7,829.58
						-7,829.58	7,829.58
Check	5320-5322	05/16/2017	York Insurance Services Group, Inc-CA	Fund Request GL 5/1/17-5/15/17	106-01 - Trust - Liab - SVB		-1,546.64
				Fund Request GL 5/1/17-5/15/17	Liability Claim Payments	-1,546.64	1,546.64
TOTAL						-1,546.64	1,546.64
Check	38731-38803	03/16/2017	York Insurance Services Group, Inc-CA	Funding 3/1/17-3/15/17 Check #'s 38731 - 38803	106-02 - Trust - WC - SVB		-24,038.08
				Funding 3/1/17-3/15/17 Check #'s 38731 - 38803	Workers' Compensation Claims	-24,038.08	24,038.08
TOTAL						-24,038.08	24,038.08
Check	38804-38883	03/31/2017	York Insurance Services Group, Inc-CA	Funding 3/16/17 - 3/31/17 Check #'s 38804 - 38883	106-02 - Trust - WC - SVB		-28,845.05
				Funding 3/16/17 - 3/31/17 Check #'s 38804 - 38883	Workers' Compensation Claims	-28,845.05	28,845.05
TOTAL						-28,845.05	28,845.05
Check	38884-38935	04/03/2017	York Insurance Services Group, Inc-CA	Fund Transfer 4/1/17 - 4/15/17 Check #'s 38884-3	106-02 - Trust - WC - SVB		-87,867.20
				Fund Transfer 4/1/17 - 4/15/17 Check #'s 38884-3	Workers' Compensation Claims	-87,867.20	87,867.20
TOTAL						-87,867.20	87,867.20
Check	38936-38965	04/30/2017	York Insurance Services Group, Inc-CA	Fund Request WC 4/16/17 - 4/30/17 Check #'s 38936-38965	106-02 - Trust - WC - SVB		-29,591.55
				Fund Request WC 4/16/17 - 4/30/17 Check #'s 38936-38965	Workers' Compensation Claims	-29,591.55	29,591.55
TOTAL						-29,591.55	29,591.55
Check	38966-39043	05/16/2017	York Insurance Services Group, Inc-CA	Fund Request WC 5/1/17 - 5/15/17	106-02 - Trust - WC - SVB		-25,179.92
				Fund Request WC 5/1/17 - 5/15/17	Workers' Compensation Claims	-25,179.92	25,179.92
TOTAL						-25,179.92	25,179.92

Monthly Account Statement

Small Cities Organized Risk Effort

March 1, 2017 through March 31, 2017

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

US Bank
Christopher Isles
(503)-464-3685

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PORTFOLIO CHARACTERISTICS

Average Duration	2.39
Average Coupon	1.56 %
Average Purchase YTM	1.57 %
Average Market YTM	1.57 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.60 yrs
Average Life	2.46 yrs

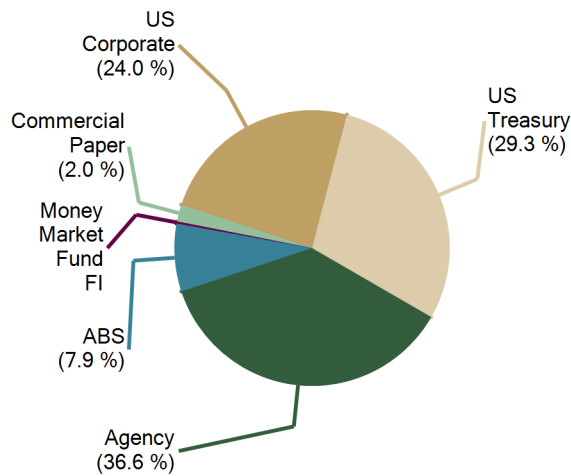
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	11,038,582	11,045,097
Accrued Interest	39,151	37,780
Total Market Value	11,077,733	11,082,877
Income Earned	13,866	14,559
Cont/WD		-1,211
Par	11,068,109	11,083,157
Book Value	11,046,839	11,062,140
Cost Value	11,052,463	11,068,153

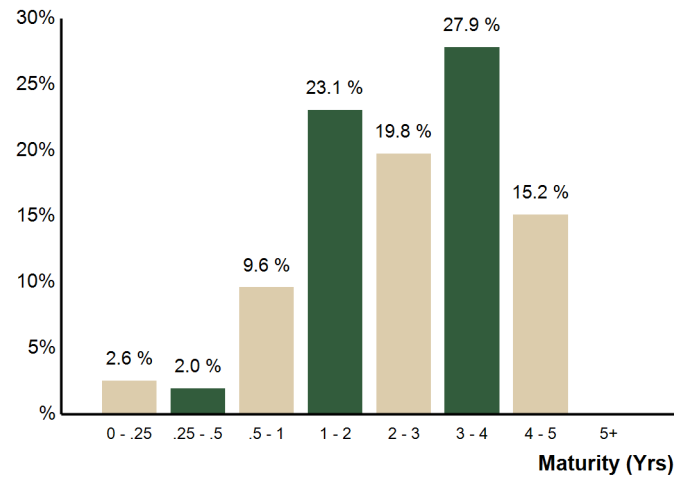
TOP ISSUERS

Issuer	% Portfolio
Government of United States	29.3 %
Federal National Mortgage Assoc	20.3 %
Federal Home Loan Bank	10.1 %
Federal Home Loan Mortgage Corp	6.3 %
John Deere ABS	2.2 %
Honda ABS	2.0 %
Bank of Tokyo-Mit UFJ	2.0 %
Toyota ABS	1.4 %
Total	73.5 %

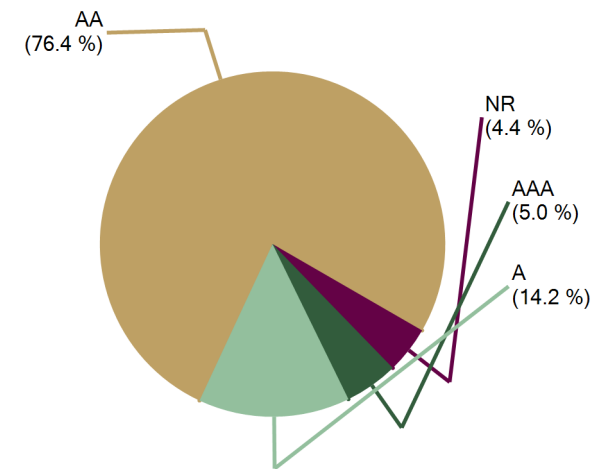
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006	
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	0.06 %	0.43 %	0.43 %	0.24 %	1.28 %	1.07 %	2.88 %	3.13 %	40.42 %
BAML 1-5 Yr US Treasury/Agency Index	0.05 %	0.37 %	0.37 %	-0.08 %	1.14 %	0.92 %	2.64 %	2.89 %	36.78 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.05 %	0.43 %	0.43 %	0.10 %	1.25 %	1.08 %	2.70 %	2.96 %	37.76 %



**Small Cities Organized Risk Effort
Joint Powers Authority
March 31, 2017**

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Client's investment policy.

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" rated by a NRSRO; 20% maximum; 5% per issuer	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% per issuer	Complies
Negotiable CDs	"A" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Banker's Acceptances	A-1 rated or equivalent by a NRSRO; 30% maximum; 5% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or equivalent by a NRSRO; 25% maximum; 5% per issuer; 270 days max maturity; Issuing Corp must be organized and operating within U.S., having total assets in excess of \$500 million.	Complies
Medium Term Notes	"A-" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Asset-Backed Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated by two NRSROs; 20% maximum; 10 per fund	Complies
Repurchase Agreements	5% per issuer; 1 year max maturity; Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Max Per Issuer	5% per issuer (except US Government, Agencies, Supranationals, and LAIF)	Complies
Maximum maturity	5 years	Complies



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$11,046,839.03
Acquisition	
+ Security Purchases	\$379,118.26
+ Money Market Fund Purchases	\$343,865.07
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$722,983.33
Dispositions	
- Security Sales	\$75,383.54
- Money Market Fund Sales	\$379,118.26
- MMF Withdrawals	\$1,210.95
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$224,163.13
- Calls	\$0.00
- Principal Paydowns	\$28,487.32
Total Dispositions	\$708,363.20
Amortization/Accretion	
+/- Net Accretion	\$99.34
	\$99.34
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$581.84
	\$581.84
Ending Book Value	\$11,062,140.34

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$64,039.48
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$75,383.54
Accrued Interest Received	\$70.31
Interest Received	\$14,915.93
Dividend Received	\$7.97
Principal on Maturities	\$224,163.13
Interest on Maturities	\$836.87
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$28,487.32
Total Acquisitions	\$343,865.07
Disposition	
Withdrawals	\$1,210.95
Security Purchase	\$379,118.26
Accrued Interest Paid	\$0.00
Total Dispositions	\$380,329.21
Ending Book Value	\$27,575.34

Monthly Account Statement

Small Cities Organized Risk Effort

April 1, 2017 through April 30, 2017

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

US Bank
Christopher Isles
(503)-464-3685

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PORTFOLIO CHARACTERISTICS

Average Duration	2.38
Average Coupon	1.56 %
Average Purchase YTM	1.58 %
Average Market YTM	1.53 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.59 yrs
Average Life	2.46 yrs

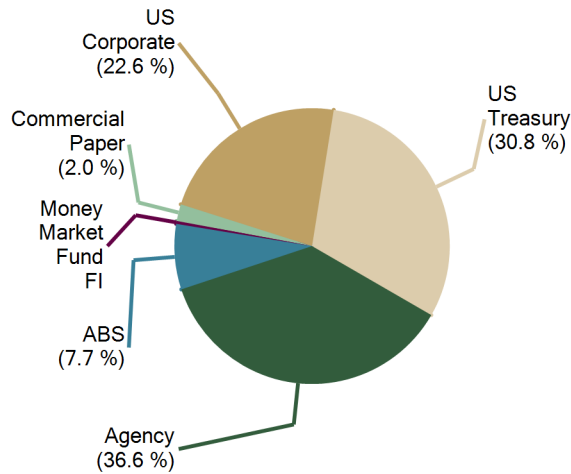
ACCOUNT SUMMARY

	Beg. Values as of 3/31/17	End Values as of 4/30/17
Market Value	11,045,097	11,070,738
Accrued Interest	37,780	44,412
Total Market Value	11,082,877	11,115,150
Income Earned	14,559	14,379
Cont/WD		-1,212
Par	11,083,157	11,090,392
Book Value	11,062,140	11,068,675
Cost Value	11,068,153	11,072,398

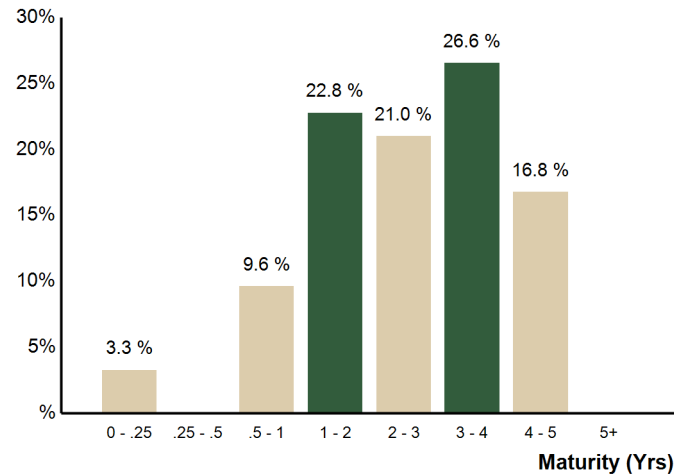
TOP ISSUERS

Issuer	% Portfolio
Government of United States	30.8 %
Federal National Mortgage Assoc	20.3 %
Federal Home Loan Bank	10.1 %
Federal Home Loan Mortgage Corp	6.3 %
John Deere ABS	2.2 %
Bank of Tokyo-Mit UFJ	2.0 %
Honda ABS	1.9 %
Chubb Corporation	1.4 %
Total	74.8 %

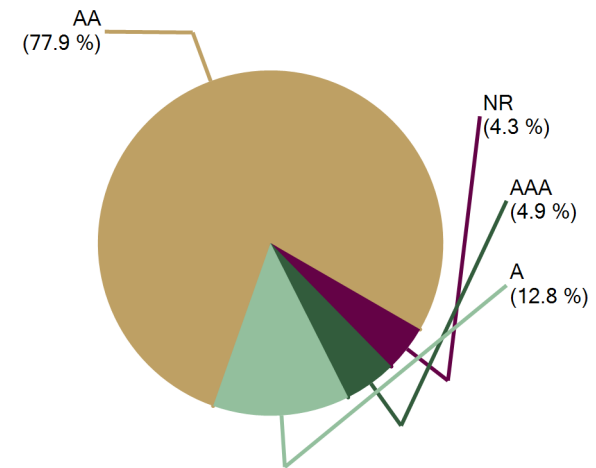
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 4/30/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	0.30 %	0.55 %	0.73 %	0.50 %	1.30 %	1.05 %	2.87 %	3.14 %	40.84 %
BAML 1-5 Yr US Treasury/Agency Index	0.31 %	0.51 %	0.68 %	0.23 %	1.16 %	0.89 %	2.63 %	2.89 %	37.20 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.32 %	0.57 %	0.75 %	0.38 %	1.27 %	1.06 %	2.69 %	2.96 %	38.21 %



Small Cities Organized Risk Effort
Joint Powers Authority
April 30, 2017

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Client's investment policy.

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" rated by a NRSRO; 20% maximum; 5% per issuer	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% per issuer	Complies
Negotiable CDs	"A" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Banker's Acceptances	A-1 rated or equivalent by a NRSRO; 30% maximum; 5% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or equivalent by a NRSRO; 25% maximum; 5% per issuer; 270 days max maturity; Issuing Corp must be organized and operating within U.S., having total assets in excess of \$500 million.	Complies
Medium Term Notes	"A-" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Asset-Backed Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated by two NRSROs; 20% maximum; 10 per fund	Complies
Repurchase Agreements	5% per issuer; 1 year max maturity; Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Max Per Issuer	5% per issuer (except US Government, Agencies, Supranationals, and LAIF)	Complies
Maximum maturity	5 years	Complies



Reconciliation Summary

As of 4/30/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$11,062,140.34
Acquisition	
+ Security Purchases	\$174,173.44
+ Money Market Fund Purchases	\$186,135.68
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$360,309.12
Dispositions	
- Security Sales	\$0.00
- Money Market Fund Sales	\$174,390.99
- MMF Withdrawals	\$1,212.20
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$150,000.00
- Principal Paydowns	\$28,297.36
Total Dispositions	\$353,900.55
Amortization/Accretion	
+/- Net Accretion	\$126.27
	\$126.27
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$11,068,675.18

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$27,575.34
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$6,793.34
Dividend Received	\$13.73
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$150,000.00
Interest from Calls/Redemption	\$1,031.25
Principal Paydown	\$28,297.36
Total Acquisitions	\$186,135.68
Disposition	
Withdrawals	\$1,212.20
Security Purchase	\$174,173.44
Accrued Interest Paid	\$217.55
Total Dispositions	\$175,603.19
Ending Book Value	\$38,107.83

Monthly Account Statement

Small Cities Organized Risk Effort

May 1, 2017 through May 31, 2017

Chandler Team

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Custodian

US Bank
Christopher Isles
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PORTFOLIO CHARACTERISTICS

Average Duration	2.44
Average Coupon	1.59 %
Average Purchase YTM	1.61 %
Average Market YTM	1.54 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.64 yrs
Average Life	2.52 yrs

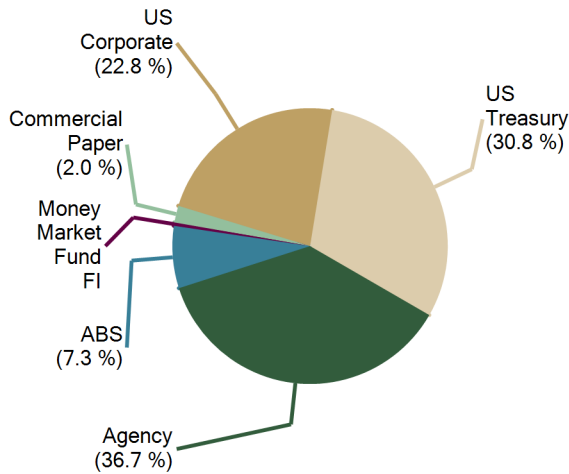
ACCOUNT SUMMARY

	Beg. Values as of 4/30/17	End Values as of 5/31/17
Market Value	11,070,738	11,104,548
Accrued Interest	44,412	37,027
Total Market Value	11,115,150	11,141,575
Income Earned	14,379	14,800
Cont/WD		-1,214
Par	11,090,392	11,111,231
Book Value	11,068,675	11,090,028
Cost Value	11,072,398	11,093,936

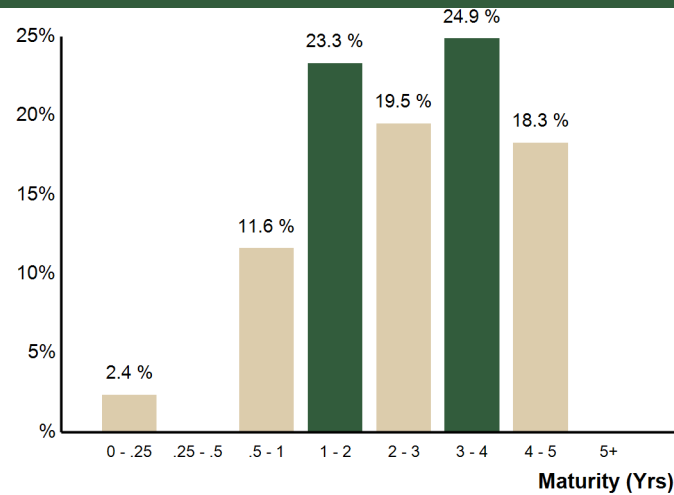
TOP ISSUERS

Issuer	% Portfolio
Government of United States	30.8 %
Federal National Mortgage Assoc	20.4 %
Federal Home Loan Bank	10.0 %
Federal Home Loan Mortgage Corp	6.2 %
John Deere ABS	2.0 %
Bank of Tokyo-Mit UFJ	2.0 %
Honda ABS	1.8 %
Exxon Mobil Corp	1.4 %
Total	74.7 %

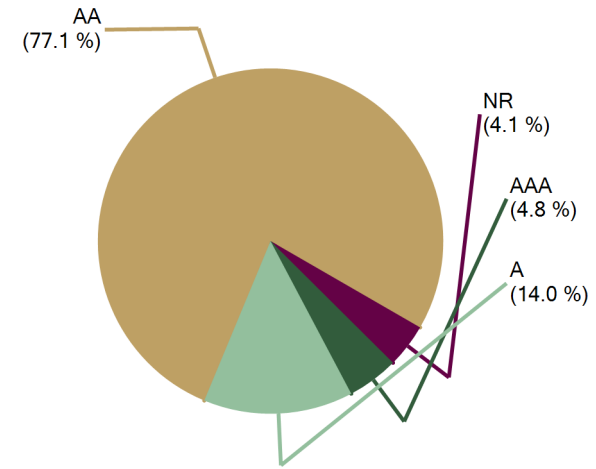
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 5/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	0.25 %	0.61 %	0.98 %	0.86 %	1.26 %	1.08 %	2.93 %	3.14 %	41.19 %
BAML 1-5 Yr US Treasury/Agency Index	0.22 %	0.58 %	0.90 %	0.59 %	1.10 %	0.90 %	2.68 %	2.89 %	37.50 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.24 %	0.62 %	0.99 %	0.75 %	1.21 %	1.08 %	2.75 %	2.96 %	38.54 %



**Small Cities Organized Risk Effort
Joint Powers Authority
May 31, 2017**

COMPLIANCE WITH INVESTMENT POLICY

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Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" rated by a NRSRO; 20% maximum; 5% per issuer	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% per issuer	Complies
Negotiable CDs	"A" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Banker's Acceptances	A-1 rated or equivalent by a NRSRO; 30% maximum; 5% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or equivalent by a NRSRO; 25% maximum; 5% per issuer; 270 days max maturity; Issuing Corp must be organized and operating within U.S., having total assets in excess of \$500 million.	Complies
Medium Term Notes	"A-" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Asset-Backed Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated by two NRSROs; 20% maximum; 10 per fund	Complies
Repurchase Agreements	5% per issuer; 1 year max maturity; Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Max Per Issuer	5% per issuer (except US Government, Agencies, Supranationals, and LAIF)	Complies
Maximum maturity	5 years	Complies



Reconciliation Summary

As of 5/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$11,068,675.18
Acquisition	
+ Security Purchases	\$385,196.40
+ Money Market Fund Purchases	\$167,812.12
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$553,008.52
Dispositions	
- Security Sales	\$225,244.50
- Money Market Fund Sales	\$160,810.12
- MMF Withdrawals	\$1,214.07
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$105,000.00
- Calls	\$0.00
- Principal Paydowns	\$39,949.47
Total Dispositions	\$532,218.16
Amortization/Accretion	
+/- Net Accretion	\$180.48
	\$180.48
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$381.96
	\$381.96
Ending Book Value	\$11,090,027.98

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$38,107.83
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$225,244.50
Accrued Interest Received	\$707.30
Interest Received	\$22,838.55
Dividend Received	\$24.10
Principal on Maturities	\$105,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$39,949.47
Total Acquisitions	\$393,763.92
Disposition	
Withdrawals	\$1,214.07
Security Purchase	\$385,196.40
Accrued Interest Paid	\$1,565.52
Total Dispositions	\$387,975.99
Ending Book Value	\$43,895.76

1/1/2017 - 3/31/2017

Employee Assistance Program Utilization Report Utilization Summary and Analysis



SCORE

January 1, 2017 - March 31, 2017

Projected Annual Rate:

0%

Previous Utilization Rate: 0%

Overall Utilization

There was no utilization reported this period.

Work/Life Utilization

In this time period there were 0 cases that were opened.

ACI Specialty Benefits is committed to addressing the needs of today's flexible, tech-savvy workforce with 24/7 access to services and resources through mobile apps, employee landing pages, social media messaging, online videos and blogs. From comprehensive caretaking referrals to legal and financial wellness, ACI's comprehensive work-life benefits support a new generation of employees and family members.

Training and Onsite Services

Training Comment:

As a value-added partner, ACI's Training Department offers consultation, support services and flexible training options to fit the needs of any organization. This quarter, ACI was pleased to continue the Quarterly Management Training Series with "The Best Productivity Hacks: Work Smarter, Not Harder." Next quarter, look for the upcoming "The Secret to Engagement: Stress Management" training. Visit ACI's YouTube channel for 24/7 access to more trainings and popular videos. Contact ACI at 800-932-0034 and ask to speak with a member of the training team, or email ACI at training@acispecialtybenefits.com to learn more about training services and options available.

Newsletters

ACI provided the following HealthY-mails this quarter: New Goals for the New Year; Taking a Relationship Inventory; 6 Steps to De-Stress by Debunking Mind Myths.

Formal Referrals

The Supervisory Referral process is a powerful yet easy-to-use tool for managers to address employee behavior concerns. Examples of workplace issues that can be resolved through this process include: difficulty working with others, anger management, substance abuse, loss of productivity, absenteeism, and more.

The Supervisory Referral process reduces the amount of time managers spend dealing with workplace issues and maximizes the potential for issues to be resolved.

To begin a Supervisory Referral, or for more information or consultation, contact the ACI Clinical Department at 800-932-0034.

Number of Formal Referrals: 0

Number of Informal Referrals: 0

1/1/2017 - 3/31/2017

Employee Assistance Program Utilization Report

Utilization Hours

Consultation: Supervisor, Management and Outside Consultants	1.00
Total Program Hours this Period:	1.00

Utilization Comments

The global revenue from wearable technology is expected to reach 53 billion U.S. dollars in 2019, more than ten times its value five years prior. Today's employees are interacting with more devices than ever before, from smartphones and tablets to smartwatches and fitness trackers. ACI Specialty Benefits utilizes the latest mobile, global and social technology to engage users in every way possible. From videos on YouTube to live chat, online intake, mobile app and text access to services, ACI provides on-demand benefits and resources to meet tech-savvy employees' needs 24/7.

From 1/1/2017 to 3/31/2017, SCORE achieved an annualized utilization rate of 0.0%. With ACI's data calculated in real-time, annualized utilization rates presented in this report may be subject to a <2% variation.

This period's Utilization Rate was the same as the previous period.

1/1/2017 - 3/31/2017

Employee Assistance Program Utilization Report

Primary Issue for Assessment

Primary Issue	New	Previous Quarter	Year To Date
Emotional	0	1	0

Nearly \$44 billion is lost by businesses and corporations each year due to the effects of depression, including lost productivity and lost work days (according to the Journal of AMA). Utilizing ACI's Employee Assistance Program services helps employees and family members better address everyday work and life issues affecting mental, emotional, and/or behavioral health.

New Issues this Quarter

■ Emotional (NaN)

*Any WorkLife and Personal Services cases are detailed later in the report, and 'Other Issues' includes issues <1%.

Injury Summary Report

Date Comparison: 2/1/2017 - 2/28/2017



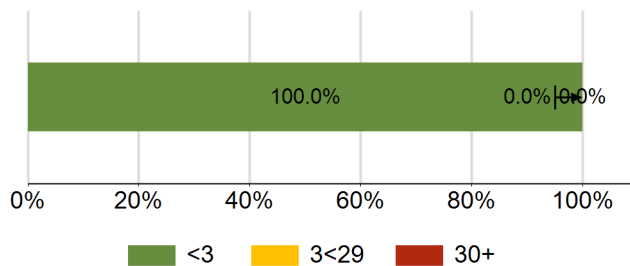
SCORE (Small Cities Organize Risk Effort)

City of Weed

Last Name SSN (last 4 Digits)	Injury Date/Time 1st CN Report Date/Time Most Recent Report D/T	Call Conf # Lag Days	# of Calls to CN ER Status	Action	Nature of Injury Part of Body	Treatment Facility Injury Department
Q1180001 - Weed (City), CA						
Barham	2/6/2017 10:20 PM	325148	Calls: 2	Triaged: N		Dignity Health Mount Shasta ER
5092	02/07/2017 12:49 AM	1 Days	ER: Y	Treated: Y	Hand	Front Yard
	02/07/2017 03:21 AM					

Totals for City of Weed

Total Incidents	1	Total Incidents	1	Total Incidents	1
Totals Calls	2	Total Treated	1 100%	Total Triaged	0 0%
Average Calls per Incidents	2.0	Total Not Treated	0 0%	Total Not Triaged	1 100%
Average Reporting Lag in Days	1.0	Total Treated	1	Total Triaged	0
Lag Days < 3 Days	1 100.0%	Triaged to Treatment	0 0%	Triaged to ER	0 0%
Lag Days 3<29 Days	0 0.0%	Treated w/out Triage	1 100%	Triaged to Non-ER	0 0%
Lag Days 30+ Days	0 0.0%			Triaged to Self Care	0 0%
		Total Treated	1		
		Treated to ER	1 100%		
		Treated to Non-ER	0 0%		
		Total to ER	1		
		Triaged to ER	0 0%		
		To ER w/out Triage	1 100%		



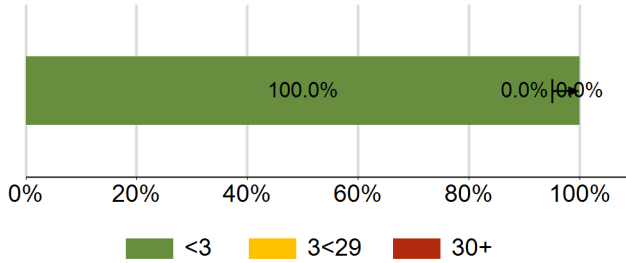
Injury Summary Report

Date Comparison: 2/1/2017 - 2/28/2017



Totals for SCORE (Small Cities Organize Risk Effort)

Total Incidents	1
Totals Calls	2
Average Calls per Incidents	2.0
Average Reporting Lag in Days	1.0
Lag Days < 3 Days	1 100.0%
Lag Days 3<29 Days	0 0.0%
Lag Days 30+ Days	0 0.0%



Total Incidents	1	
Total Treated	1	100%
Total Not Treated	0	0%
Total Treated	1	
Triaged to Treatment	0	0%
Treated w/out Triage	1	100%
Total Treated	1	
Treated to ER	1	100%
Treated to Non-ER	0	0%
Total to ER	1	
Triaged to ER	0	0%
To ER w/out Triage	1	100%

Total Incidents	1
Total Triaged	0 0%
Total Not Triaged	1 100%
Total Triaged	0
Triaged to ER	0 0%
Triaged to Non-ER	0 0%
Triaged to Self Care	0 0%

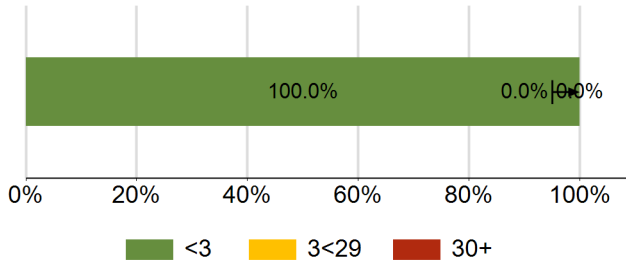
Injury Summary Report

Date Comparison: 2/1/2017 - 2/28/2017



Report Totals

Total Incidents	1	
Totals Calls	2	
Average Calls per Incidents	2.0	
Average Reporting Lag in Days	1.0	
Lag Days < 3 Days	1	100.0%
Lag Days 3<29 Days	0	0.0%
Lag Days 30+ Days	0	0.0%



Total Incidents	1	
Total Treated	1	100%
Total Not Treated	0	0%
Total Treated	1	
Triaged to Treatment	0	0%
Treated w/out Triage	1	100%
Total Treated	1	
Treated to ER	1	100%
Treated to Non-ER	0	0%
Total to ER	1	
Triaged to ER	0	0%
To ER w/out Triage	1	100%

Total Incidents	1	
Total Triaged	0	0%
Total Not Triaged	1	100%
Total Triaged	0	
Triaged to ER	0	0%
Triaged to Non-ER	0	0%
Triaged to Self Care	0	0%



SCORE Service Renewal 2016

June 10, 2016

Marcus Beverly
 Vice President
SCORE
 1792 Tribute Road, Suite 450
 Sacramento, CA 95815

This letter is a confirmation of renewal for the EAP benefits offered by ACI Specialty Benefits for SCORE. It has been a pleasure to provide service to SCORE's employees and their family members for the past eight years. On behalf of the entire ACI staff, we appreciate your continued trust in ACI's benefits and services.

Program Highlights:

- Board Meeting January 23rd at the Gaia Resort
- Customized Employee Landing Page: <http://score.acieap.com/>
- Monthly HealthYMail Newsletters:
 "Goal Setting", "Maximizing Productivity", "Financial Wellness", "De-clutter E-clutter", "Relationship Building", "Coping with Crisis", "Veterans", "Leadership", "Fall Perks", "Modern Families", "Improve Performance" and "Holiday Message"

Please take a moment to review and confirm the renewal terms.

Renewal Terms	SCORE
Renewal Date	September 15, 2016
Renewal Term	Two Years
Programs Provided	Employee Assistance Program Corporate Package
Renewal Rate	\$2.25 PEPM
Employee Count	347
Cities Covered	City of Biggs, City of Colfax, City of Dunsmuir, City of Etna, City of Isleton, City of Live Oak, Town of Loomis, City of Loyallon, City of Mount Shasta, City of Portola, City of Shasta Lake, City of Susanville, City of Tulelake, City of Weed, City of Yreka

6480 Weathers Place, Suite 300 | San Diego, CA 92121 | 800.932.0034 | www.acispecialtybenefits.com





This service renewal is subject to the same terms and conditions as the [Master Service Agreement](#). Non-renewal notices must be sent in writing 90 days prior to termination date.

Attached please find the updated Exhibit A which outlines the current service offerings. After reviewing the Service Renewal and initialing Exhibit A, please sign and return this document. Please keep a copy of each for your records.

If you have any questions or comments about this renewal, please contact your Account Manager, Kathryn Mullis.

A handwritten signature in blue ink, appearing to read "J. Clark", written over a horizontal line.

SCORE Signature

The word "President" written in blue ink, appearing to be a signature, over a horizontal line.

Title

The date "6/29/16" written in blue ink, over a horizontal line.

Date

A handwritten signature in black ink, appearing to read "Ann D. Clark", written over a horizontal line.

ACI Signature

CEO

Title

The date "6/29/2016" written in black ink, over a horizontal line.

Date

SUMMARY OF BENEFITS

Prepared for: **SCORE**
 Provider: **ACI Specialty Benefits**
 Policy: **Employee Assistance Program: Corporate**
 Summary Date: **6/10/2016**
 Start Date: **9/15/2016**
 Anniversary Date: **9/15/2018**



Benefit Description

ACI Specialty Benefits (ACI) will provide employee assistance program (EAP) services, including assessment, referral and short-term problem resolution. Following assessment, the employee or family member may be referred for therapy or other professional services.

ACI will also provide comprehensive work/life referrals, resources and services.

Problem Assessment

- Face-to-Face Sessions

EAP Work/Life Services

- **Legal assistance** for **unlimited** number of issues per year. Includes 60-minute in-office or telephonic consultation with local attorney and 25% discount for continued services
- Telephonic **financial assistance** for **unlimited** number of issues per year. Includes 30-day financial coaching benefit with 90-day action plan take-away.
- **Unlimited child care, elder care, pet care** and **education** referrals
- **Unlimited** referrals and resources for **personal services**
- **Veteran Connection**
- **Identity theft prevention/recovery.** Includes 60-minute consultation
- **Affinity™ Online** work/life website services
- **100% Follow-up** for all requests, referrals and services utilized

Training and Orientations



- Virtual and Onsite
- **Unlimited** Employee Orientations
 - **Unlimited** Manager and Supervisor Trainings
 - **Unlimited** Live 'N Learn Seminars
 - Just-Do-It Training consultation and facilitation tools for onsite management
 - 24/7 access to training videos on ACI's YouTube Channel

Clinical Services

- **Unlimited** clinical consulting on difficult employee issues
- Access to panel of in-house clinicians

Provider Network Availability

- Over 40,000 providers nationwide



HR Support Services

- Critical Incident Response
 - Onsite Critical Incident Stress Debriefing (CISD)
 - Critical Incident Stress Management (CISM)
 - Disaster Contingency Consultation Materials
- Consultation for substance abuse case management and support for return-to-work transition
- Direct supervisory referrals for work performance problems
- Management consultation regarding difficult employee issues
- Consultation and development of policies to prevent workplace violence and manage high risk situations
- Support to Human Resources during workforce reductions, management changes, reorganizations, plant closures, and other transitions

Program Promotion and Web Services



- ACI's comprehensive promotional plan includes:
- **Digital Marketing:** EAP flyers, brochures, summary plan descriptions, wallet cards, and supervisory resource manuals
 - **Social Media and Content Marketing:** Social@ACI platforms, videos on YouTube, regularly updated content on ACI's Blog, and monthly HealthYMail™ e-newsletter
 - **Mobile Marketing:** myACI App and Quick Response (QR) Codes
 - **Web Services:**
 - **Landing Page:** website with access to services
 - **Virtual Folder:** HR and management resource center
 - **Affinity™ Online** work/life website services
 - Online access to ACI's website: www.acispecialtybenefits.com
 - Co-branding with client's logo available

Program Access: Mobile Apps and Intuitive Technology

- 24-hour, 365 day-a-year nationwide toll free number (800.932.0034)
- Always live-answer
- Multilingual assistance, 175 languages
- **myACI App** and QR codes for mobile access
- **Social@ACI platforms** and **online portals** for convenient access

Reporting

- Quarterly utilization reports with executive overview
- Annual cost analysis available on request
- Full-color graphs and charts display key metrics and demographic data

Eligibility

- **Easy Access:** No cumbersome membership IDs or Social Security Numbers required
- **All Employees**
- **Dependents:** Spouse, domestic partners, dependents, *all family members regardless of location*

Termination of Benefits

30 days from employee termination date at no cost to employer

Rate Summary



ACI Specialty Benefits
800.932.0034
www.acispecialtybenefits.com

Initials: SCORE _____
ACI **AC** _____

Program	Session Model	Employee Count	Per Employee Per Month
Corporate EAP and Work/Life	3 Sessions Per Year	347	\$2.25

Program Assumptions

Rate:

- Rates guaranteed for two years
- Rates assume no broker commission
- Commissions paid first year only

Onsite:

- On-sites provided for employee groups of 15 or more
- Four (4) hours Per Year of On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch 'n Learn Seminars Per City
**Additional trainings available at a reduced rate of \$125/hour*
- Trainer's travel fees are included
- ACI attendance at one (1) on-site meeting per year
- One annual executive year-end review
- One (1) On-Site Critical Incident Stress Debriefing (CISD) Per City Per Year (2 hours per incident)

Materials:

- ACI Specialty Benefits provides unlimited virtual marketing materials from ACI's library of templates. Printed and custom materials are available at an additional cost

Compliance:

- In adherence of HIPAA regulations, ACI Specialty Benefits does not provide written utilization reporting to groups of under 115 employees. Account managers will provide telephonic quarterly usage summaries
- Admin fee assessed for separate billing

Cities Covered

City of Biggs, City of Colfax, City of Dunsmuir, City of Etna, City of Isleton, City of Live Oak, Town of Loomis, City of Loyaltown, City of Mount Shasta, City of Portola, City of Shasta Lake, City of Susanville, City of Tulelake, City of Weed, City of Yreka

Additional Onsite Fees

ACI provides a variety of services over and above package inclusions, available on a fee-for-service basis.

Type of Service	Fee-for-service
Onsite Critical Incident Stress Debriefing (CISD)	Over contracted hours: \$325 per hour
Conflict Resolution/Mediation	\$350 per hour
Onsite Lay-Off and RIF Support	Over contracted hours: \$325 per hour
Executive Coaching	\$350 per hour
Late Cancellation Fee	\$225 per hour



SCORE Loss Control Grant Fund Member Utilization FY 2016/17 as of 6-7-17

Member Entity	TOTAL Grant Fund Allocation	Amount requested during FY 16-17	Remaining amount available	Notes
Biggs *	\$2,354.12	\$2,354.12	\$0.00	*Request made by Paul Pratt 5/10/17 for fence at lift station
Colfax *	\$2,675.84	\$2,675.84	\$0.00	*Request made by Shanna Stahl 4/10/17 for cones, barricade strobe light, vinyl flags, flagger paddles, and road work signage
Dunsmuir	\$3,687.57			
Etna *	\$2,288.51			
Fort Jones *	\$2,109.51			
Isleton	\$1,029.90	\$1,029.90	\$0.00	*Request made to use fund for Libert Cassidy Whitmore Training
Live Oak	\$5,725.91	TBD		*Request made by Jim Little 4/13/17 for Sidewalk Repair project (est. request \$1,000-\$1,500)
Loomis *	\$4,232.20	\$5,700.00	-\$1,467.80	*Request made by Roger Carroll for Sidewalk Repair project (total cost \$5,700) *NOTE: Amount requested exceeded amount available - \$1,467.80 will be used from FY 17/18 Loss Control Grant Funds
Loyalton *	\$2,000.00	\$668.77	\$1,331.23	*Request made by Kathy LeBlanc \$816 for purchase of office chair, reflective vest, internal/external lighting
Montague *	\$2,162.80	\$1,804.00	\$358.80	*NOTE: Only submitted receipts in amount of \$668.77. REQUEST FOR \$1,331.23 submitted
Mt. Shasta	\$11,086.83	\$11,086.83	\$0.00	*Request made by David Dunn 4/17/17 for purchase of Automated External Defibrillator (AED)
Portola *	\$3,920.17	\$1,946.49	\$1,973.68	*Request made by Muriel Howarth Terrell for Public Works Safety Gear & equipment, Self-Contained Breathing Apparatus (SCBA), gloves, eye wash station supplies and sound ear protection
Rio Dell *	\$4,995.32			*Request made 3/27/17 by Robert Meacher \$761.52 for PARMA related travel expenses.
Shasta Lake	\$12,421.76	\$12,421.76	\$0.00	*Request made 4/19/17 by Robert Meacher \$1,184.97 for Security Cameras at Public Works Yard
Susanville	\$15,801.33	\$15,801.33	\$0.00	*Request made 2/15/17 by Jessaca Lugo for ADA Bathroom improvements for full FY 16/17 allocation *NOTE: Amount requested indicated carryover into FY 17/18 as project total is estimated at \$80,000
Tulelake*	\$2,197.13			
Weed	\$8,968.87			
Yreka	\$13,299.41	\$13,411.61	-\$112.20	*Request made 12/13/16 by Debbie Ramirez for purchase of office chairs, Public Works Chairs, Police Vests, Garage Bay Door & opener. *NOTE: Amount requested exceeded amount available - \$112.20 will be used from FY 17/18 Loss Control Grant Funds
Total:	\$100,957.18			

* Mini-Cities



Tuesday, January 3, 2017

Mr. Marcus Beverly
Pool Administrator
Small Cities Organized Risk Effort
c/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

RE: Actuarial Services Engagement Letter

Dear Mr. Beverly:

Thank you for the opportunity to provide actuarial services to the Small Cities Organized Risk Effort (SCORE). The following is a brief outline of our understanding of the scope of work to be performed and our fees.

SCORE is seeking professional actuarial advice with regard to its self-insured workers' compensation and liability programs. The objectives of the studies are to provide a projection of outstanding liabilities and claim costs. Each report will include the following items:

- Provide a projection of outstanding losses and loss adjustment expenses for all preceding fiscal years as of June 30 of the current fiscal year end. The outstanding losses and loss adjustment expenses are to be stated at the expected level, as well as at various confidence levels.
- Provide a projection of program assets to the current fiscal year end for comparison with the outstanding liabilities to determine the program funding surplus or deficit at the expected level, as well as at various confidence levels. (For 2017-18 and later studies)
- Provide program funding levels for the next program year at the expected level, as well as at various confidence levels.
- Provide appropriate rates for claims incurred during the next program year at the expected level, as well as at various confidence levels.
- Each of the estimates specified above will be provided on both discounted and full value bases.
- Each of the estimates specified above will be provided separately for the banking layer and the pooling layer.
- Estimates of the program's cash flow requirements for a given number of fiscal years, separately identified for each accident year.
- Provide a statement of compliance with GASB #10 and GASB #30.
- Optional: Provide an update of program liabilities at June 30 of the current fiscal year end based upon loss data valued as of June 30.

We will agree to complete the scope of work discussed above for the following fees:

<u>Project Component</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
WC 12/31 Study	\$5,000	\$5,300	\$5,430
WC 6/30 Update (optional)	1,250	1,280	1,310
Liability 12/31 Study	5,000	5,300	5,430
Liability 6/30 Update (optional)	1,250	1,280	1,310
Total Fees	\$12,500	\$13,160	\$13,480

NOTE: The 2016-17 projects include the study based on 12/31/16 loss data and update based on 6/30/17 loss data. 2017-18 and 2018-19 projects are similarly defined.

We will agree to one personal visit as part of the fees outlined above. Should other services beyond the scope of work outlined above be required, we will bill for our time and out of pocket expenses at the rates specified below.

<u>Consultant</u>	<u>Hourly Rate</u>
Fellow	\$250
Associate	200
Actuarial Staff	100
Administrative Staff	50

Our target delivery date for the draft reports is within four weeks after the receipt of complete data.

Please call me at (916) 244-1162 with any questions you may have with regard to our proposal.

Respectfully Submitted,

Bickmore



Mike Harrington, FCAS, MAAA
 President, Actuarial Consulting, Bickmore
 Fellow, Casualty Actuarial Society
 Member, American Academy of Actuaries

**SECOND AMENDMENT TO THE
WORKERS' COMPENSATION SELF-INSURANCE CLAIMS
ADMINISTRATION AGREEMENT**

This Second Amendment to that certain Workers' Compensation Self-Insurance Claims Administration Agreement dated as of July 1, 2012, and as subsequently amended (collectively the "Agreement") by and between Small Cities Organized Risk Effort Joint Powers Authority ("SCORE") and York Risk Services Group, Inc. ("York").

WITNESSETH

WHEREAS, the parties wish to extend the term of their Agreement;

WHEREAS, the parties wish to amend the fee schedule of this Agreement as set forth herein; and

WHEREAS, York has moved to a new corporate office and herein provides notice of the address change for purposes of SCORE providing any notice to York as required by the Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 1 of the Agreement entitled "Term of Agreement" shall be revised to include the following contract period:

"The term of this Agreement has been extended to include the period from July 1, 2017, through June 30, 2020. After June 30, 2020, the term may be extended for two additional one-year periods by mutual agreement of the parties."

2. Effective July 1, 2017, Section 2 of the Agreement entitled "Compensation" shall be revised to include the attached Exhibit A.
3. The Agreement is hereby revised so that any notice to York shall be sufficient if sent via certified or express mail (with capacity to demonstrate receipt) and addressed to:

York Risk Services Group, Inc.
Attn: Jody A. Moses, Senior Vice President
333 City Blvd. West, Suite 1500
Orange, CA 92868

With a copy to:

York Risk Services Group, Inc.
Attn: Michael Krawitz, General Counsel
One Upper Pond Road
Building F, 4th Floor
Parsippany, NJ 07054

4. All other terms of the Agreement shall remain in force and unchanged. Any conflicts between this Amendment and the original Agreement, including any prior executed amendments, shall be superseded by the terms provided herein.

In Witness Whereof, the parties have executed this amendment to be effective as of July 1, 2017.

SMALL CITIES ORGANIZED
RISK EFFORT JOINT POWERS
AUTHORITY

YORK RISK SERVICES GROUP, INC.

By: 

Name: Roger Carroll

Title: President

By: 

Jody A. Moses

Senior Vice President

EXHIBIT A

WORKERS' COMPENSATION CLAIMS ADMINISTRATION SERVICES	FLAT ANNUAL FEE
Year 1 (July 1, 2017-June 30, 2018)	\$100,509.67
Year 2 (July 1, 2018-June 30, 2019)	\$101,515.00
Year 3 (July 1, 2019-June 30, 2020)	\$102,530.00
Option Year 4 (July 1, 2020-June 30, 2021)	\$103,555.00
Option Year 5 (July 1, 2021-June 30, 2022)	\$104,590.00
Annual fee of \$850 per member per year (mini-cities count as one member combined)	
PRICING NOTES	
<p>The annual flat fee proposed contemplates handling all claims activity in a 12-month period (claims already open at the beginning of the 12-month term and any new claims reported during the 12-month term). The pricing quoted includes all indemnity, future medical and medical only claims as listed. The flat annual fee includes all services detailed in this proposal, including, but not limited to, the ancillary services listed below.</p>	
Ancillary Services included in flat annual fee	
Excess Reporting Account Management Data Management Trust Account (Excluding Check and Bank Charges) Management Attendance at Claim Review Meetings	Monthly Computer Loss Information Special Quarterly and Annual Reports Claim Reporting (fax, telephonic) On-Line 5020 Reporting Preparation of 1099's Annual Stewardship Report Standard Reporting Requirements

Managed Care Fees:

DETAIL	FEE		
MEDICAL BILL REVIEW – WORKERS COMPENSATION			
	July 1, 2017- June 30, 2018	July 1, 2018- June 30, 2019	July 1, 2019-June 30, 2020
Fee Per Bill	\$9.50	\$9.50	\$9.50
PPO	23%	24%	26%
Negotiated Savings			

CASE MANAGEMENT	FEE		
	July 1, 2017- June 30, 2018	July 1, 2018- June 30, 2019	July 1, 2019-June 30, 2020
Telephonic Nurse Case Management – Per hour	\$99	\$99	\$99
Field Nurse Case Management - Per hour	\$99	\$99	\$99
Mileage	IRS Rate	IRS Rate	IRS Rate
UTILIZATION REVIEW	FEE		
	July 1, 2017- June 30, 2018	July 1, 2018- June 30, 2019	July 1, 2019- June 30, 2020
Medical Coordinate/Nurse Review	\$67/\$147/\$147	\$68/\$148/\$148	\$69/\$149/\$149
Medical Director/Peer Review	\$235	\$250	\$250
Specialty Review/Appeals	\$400	\$400	\$400

Optional Medicare Reporting & Medicare Set Asides (MSAs)	
Medicare Reporting	No charge
Standard MSA with or without submission to CMS for approval	\$2,750.00 flat rate
Final Settlement Document Submission	\$75.00 flat rate
SSA and SSDI Checks	\$125.00 per hour
Medicare Check	\$50.00 flat rate
Conditional Payment Investigation	\$150.00 flat rate
Conditional Payment Resolution	\$125.00 per hour

SECOND AMENDMENT TO THE SERVICE AGREEMENT

This Second Amendment to that certain Service Agreement dated as of July 1, 2012, and as subsequently amended (collectively the "Agreement") by and between Small Cities Organized Risk Effort Joint Powers Authority ("SCORE") and York Risk Services Group, Inc. ("York").

WITNESSETH

WHEREAS, the parties wish to extend the term of their Agreement;

WHEREAS, the parties wish to amend the fee schedule of this Agreement as set forth herein; and

WHEREAS, York has moved to a new corporate office and herein provides notice of the address change for purposes of SCORE providing any notice to York as required by the Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 1 of the Agreement entitled "Term of Agreement" shall be revised to include the following contract period:

"The term of this Agreement has been extended to include the period from July 1, 2017, through June 30, 2020. After June 30, 2020, the term may be extended for two additional one-year periods by mutual agreement of the parties."

2. Effective July 1, 2017, Section 2 of the Agreement entitled "Compensation" shall be revised to include the attached Exhibit A.
3. The Agreement is hereby revised so that any notice to York shall be sufficient if sent via certified or express mail (with capacity to demonstrate receipt) and addressed to:

York Risk Services Group, Inc.
Attn: Jody A. Moses, Senior Vice President
333 City Blvd. West, Suite 1500
Orange, CA 92868

With a copy to:

York Risk Services Group, Inc.
Attn: Michael Krawitz, General Counsel
One Upper Pond Road
Building F, 4th Floor


Parsippany, NJ 07054

4. All other terms of the Agreement shall remain in force and unchanged. Any conflicts between this Amendment and the original Agreement, including any prior executed amendments, shall be superseded by the terms provided herein.

In Witness Whereof, the parties have executed this amendment to be effective as of July 1, 2017.

SMALL CITIES ORGANIZED
RISK EFFORT JOINT POWERS
AUTHORITY

YORK RISK SERVICES GROUP, INC.

By: 
Name: Roger Carroll
Title: President


By: 
Jody A. Moses
Senior Vice President

EXHIBIT A

GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES	FLAT ANNUAL FEE
Year 1 (July 1, 2017-June 30, 2018)	\$99,450.00
Year 2 (July 1, 2018-June 30, 2019)	\$99,450.00
Year 3 (July 1, 2019-June 30, 2020)	\$101,440.00
Option Year 4 (July 1, 2020-June 30, 2021)	\$101,440.00
Option Year 5 (July 1, 2021-June 30, 2022)	\$103,468.00
Annual fee of \$850 per member per year	

Optional Investigation Services

York charges \$80.00 per hour plus expenses at the rates outlined below:

Allocated Expenses for Investigation Services

<i>Expenses</i>	<i>Rates</i>
Miles	Prevailing IRS rate
Photographs	\$2.50 per color print
Photocopying	\$.25 per page
Telephone Charges	Included
Secretarial Services	\$6.00 per page
File Set Up	\$25.00 per file
Audio Cassettes	\$3.00 per cassette
Video Cassettes	\$15.00 per cassette
Other Expenses	At cost

Allocated Loss Adjustment Expense (ALAE)
<ul style="list-style-type: none"> • Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at hearings or pretrial conferences. • Fees of court reporters and all court costs, court fees and court expenses • Fees for service of process • Costs of undercover operatives and detectives • Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams • Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceedings • Costs for independent medical examination or evaluation for rehabilitation • Costs for copies of any public records or medical records • Costs of depositions and court reported or recorded statements • Costs and expenses of subrogation • Costs of engineers, handwriting experts or any other type of expert used • Witness fees and travel expenses • Costs of photographers and photocopy services • Costs of appraisal fees and expenses • Costs of outside investigation, signed or recorded statements



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 16, 2017**

Agenda Item G.1.

QUARTERLY FINANCIALS FOR QE MARCH 31, 2017

ACTION ITEM

ISSUE: The Board of Directors receives a quarterly report on the financial status of SCORE. Gilbert Associates will present SCORE's Financials for Quarter ending March 31, 2017 to the Board of Directors for their review.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: None.

BACKGROUND: The Board of Directors reviews the quarterly financials for accuracy and refers questions for follow-up, or receives and files the report as presented.

ATTACHMENT(S): Quarterly Financial Reports as of March 31, 2017

Small Cities Organized Risk Effort
Statement of Net Position
As of March 31, 2017 and March 31, 2016

	Mar 31, '17	Mar 31, '16
ASSETS		
Current Assets		
Checking/Savings		
Scott Valley Bank - General	\$ 303,487.33	\$ 266,842.70
Scott Valley Bank - Liability	30,815.38	30,503.26
Scott Valley Bank - Workers' Comp	31,168.72	33,096.38
LAIF		
LAIF	405,719.56	403,400.07
Total Checking/Savings	771,190.99	733,842.41
Other Current Assets		
Chandler - Investment Account		
Chandler - Investments	10,821,457.23	10,719,700.22
Chandler - Unrealized Gain (Loss)	(23,055.96)	87,862.63
US Bank	246,762.05	227,024.02
Total Chandler - Investment Account	11,045,163.32	11,034,586.87
Interest Receivable	38,555.86	37,049.21
Member Accounts Receivable	1,144,967.94	684,692.09
Claim Recovery Receivable	449,612.55	240,327.65
Prepaid Insurance	196,786.84	195,806.97
Prepaid Administration	68,468.25	58,260.75
Prepaid Expenses	20,143.17	21,924.92
Prepaid Grant Fund	112.20	
Total Other Current Assets	12,963,810.13	12,272,648.46
Total Current Assets	13,735,001.12	13,006,490.87
TOTAL ASSETS	\$ 13,735,001.12	\$ 13,006,490.87

Small Cities Organized Risk Effort
Statement of Net Position
As of March 31, 2017 and March 31, 2016

	Mar 31, '17	Mar 31, '16
LIABILITIES		
Accounts Payable	16,890.33	4,250.00
Deferred Income	417,570.75	271,859.73
Dividend Payable to Members	158,887.00	387,811.00
Total Current Liabilities	593,348.08	663,920.73
Long Term Liabilities		
Claims Reserves - Non-Current		
Claims Reserves - W/C	2,141,070.91	2,218,743.56
Claims Reserves - Liability	424,576.61	500,380.66
Total Claims Payable - Non-Current	2,565,647.52	2,719,124.22
IBNR		
IBNR Reserves - W/C	1,343,641.00	1,581,576.00
IBNR Reserves - Liability	851,118.00	556,523.00
Total IBNR	2,194,759.00	2,138,099.00
ULAE		
ULAE - W/C	170,640.00	182,509.00
ULAE - Liability	63,050.00	84,944.00
Total ULAE	233,690.00	267,453.00
Total Long Term Liabilities	4,994,096.52	5,124,676.22
TOTAL LIABILITIES	5,587,444.60	5,788,596.95
NET POSITION		
Net Position - Workers' Compensation		
Board Designated - W/C	1,250,000.00	1,250,000.00
Workers' Compensation Banking Layer	1,056,884.69	1,212,164.13
Net Position - Liability		
Board Designated - Liability	2,500,000.00	2,500,000.00
Liability Banking Layer	812,897.97	882,118.10
Undesignated Net Position		
Unrestricted 393-02	2,150,509.15	372,546.99
Net Revenues Over (Under) Expenditures	377,264.71	1,001,064.70
TOTAL NET POSITION	\$ 8,147,556.52	\$ 7,217,893.92

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Year to Date Ended March 31, 2017 and March 31, 2016

	<u>Jan '17 - Mar '17</u>	<u>Jul '16 - Mar '17</u>	<u>Jul '15 - Mar '16</u>
Ordinary Revenue			
Revenue			
Member Contributions	\$ 860,572.65	\$ 2,571,017.23	\$ 2,565,172.22
Member Assessment/Refunds	100,339.00	100,339.00	177,759.00
Bank/SVB Interest	177.25	586.83	
Bank/LAIF Interest	776.20	2,080.59	1,651.12
Managed Portfolio (Investment)	42,182.20	126,634.35	120,099.86
Miscellaneous Income	40,049.31	40,454.31	37,310.00
Total Operating Revenue	<u>1,044,096.61</u>	<u>2,841,112.31</u>	<u>2,901,992.20</u>
Operating Expenses			
General and Administrative Expenses			
B of D Activities	4,250.87	14,314.79	16,147.82
Conference	1,541.12	3,593.29	1,907.05
Dues & Subscriptions	4,850.00	4,850.00	1,600.00
Insurance	-	-	575.00
ID Fraud Coverage	781.23	5,468.59	-
Safety Services	24,999.99	74,999.97	59,099.97
Safety Training	11,757.50	37,822.59	30,826.87
User Funding Assessment (WC)	-	17,240.50	18,543.23
Total Administration	<u>48,180.71</u>	<u>158,289.73</u>	<u>128,699.94</u>
Consulting Services			
Accounting Services	13,200.00	39,600.00	38,250.00
Investment Mgmt Fees	3,627.76	10,820.93	10,780.53
Administration Costs	59,718.25	179,154.75	174,782.25
Audit Services			
Audit - Financial	-	20,300.00	20,300.00
Total Audit Services	<u>-</u>	<u>20,300.00</u>	<u>20,300.00</u>
Claims Services			
Claims Management -WC	33,259.25	83,514.05	83,757.20
Claims Management - Liability	24,375.00	65,000.00	89,375.00
Claims Admin Annual Fee	8,750.00	26,250.00	21,750.00
Total Claims Services	<u>66,384.25</u>	<u>174,764.05</u>	<u>194,882.20</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Year to Date Ended March 31, 2017 and March 31, 2016

	<u>Jan '17 - Mar '17</u>	<u>Jul '16 - Mar '17</u>	<u>Jul '15 - Mar '16</u>
Legal	-	-	
Total Consulting Services	142,930.26	424,639.73	438,994.98
Total General and Administrative Expenses	191,110.97	582,929.46	567,694.92
Insurance Expenses			
Insurance Premiums	194,804.14	583,773.42	582,349.47
Total Insurance Expenses	194,804.14	583,773.42	582,349.47
Claims Expenses			
Claims Payments			
Claim Payments - WC	169,157.09	789,934.02	444,083.22
Change in Recovery Receivable	(435,889.58)	(585,515.67)	
Claim Payments - Liability	79,758.73	183,452.77	139,523.84
Total Claim Payments	(186,973.76)	387,871.12	583,607.06
Changes in Claims Liabilities			
Change in Reserves	112,621.47	86,597.51	(491,841.78)
Total Claims Expenses	(74,352.29)	474,468.63	91,765.28
Grant Fund Program	13,299.41	15,054.56	41,087.86
Dividends	599,776.00	599,776.00	687,141.00
Total Expenses	924,638.23	2,256,002.07	1,970,038.53
Net Operating Revenue	119,458.38	585,110.24	931,953.67
Other Revenue (Expense)			
ERMA Dividend Exp	-	(30,325.00)	
Investment Gain/Loss	5,177.57	(177,520.53)	69,111.03
Net Revenue Over (Under) Expenses	<u>\$ 124,635.95</u>	<u>\$ 377,264.71</u>	<u>\$ 1,001,064.70</u>
Net Position, Beginning		<u>\$ 7,770,291.81</u>	<u>\$ 6,216,829.22</u>
Net Position Ending		<u>\$ 8,147,556.52</u>	<u>\$ 7,217,893.92</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Year to Date Ended Mar 31, 2017

	<u>Jul '16 - Mar '17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Revenue				
Revenue				
Member Contributions	\$ 2,571,017.23	\$ 3,461,832.00	\$ (890,814.77)	74.3%
Member Assessment/Refunds	100,339.00	-	\$ 100,339.00	100.0%
Bank/LAIF Interest	2,667.42	-	2,667.42	100.0%
Managed Portfolio	126,634.35	-	126,634.35	100.0%
Miscellaneous Income	40,454.31	-	40,454.31	100.0%
Total Operating Revenue	<u>2,841,112.31</u>	<u>3,461,832.00</u>	<u>(620,719.69)</u>	<u>82.1%</u>
Operating Expenses				
Bank Service Charges	-	1,600.00	(1,600.00)	0.0%
B of D Activities	14,314.79	5,000.00	9,314.79	286.3%
Conference	3,593.29	-	3,593.29	100.0%
Contingency Reserve	-	25,000.00	(25,000.00)	0.0%
Dues & Subscriptions	4,850.00	1,000.00	3,850.00	485.0%
Insurance	-	500.00	(500.00)	0.0%
ID Fraud Coverage	5,468.59	20,000.00	(14,531.41)	27.3%
Member Conference Reimbursemen	-	19,000.00	(19,000.00)	0.0%
Miscellaneous Expenses	-	5,028.00	(5,028.00)	0.0%
Safety Services	74,999.97	100,000.00	(25,000.03)	75.0%
Safety Training	37,822.59	47,000.00	(9,177.41)	80.5%
User Funding Assessment (WC)	17,240.50	24,948.00	(7,707.50)	69.1%
Total Administration	<u>158,289.73</u>	<u>249,076.00</u>	<u>(90,786.27)</u>	<u>63.6%</u>
Consulting Services				
Accounting Services	39,600.00	52,800.00	(13,200.00)	75.0%
Actuarial Study	-	10,000.00	(10,000.00)	0.0%
Administration Costs	179,154.75	238,873.00	(59,718.25)	75.0%
Appraisal Services	-	-	-	0.0%
Audit Services				
Claims Audit	-	11,200.00	(11,200.00)	0.0%
Audit - Financial	20,300.00	20,300.00	-	100.0%
Total Audit Services	<u>20,300.00</u>	<u>31,500.00</u>	<u>(11,200.00)</u>	<u>64.4%</u>
Bookkeeping Services	-	1,000.00	(1,000.00)	0.0%
Claims Services				
Claims Management -WC	83,514.05	100,510.00	(16,995.95)	83.1%
Claims Management - Liability	65,000.00	97,500.00	(32,500.00)	66.7%
Claims - Annual Fees	26,250.00	26,000.00	250.00	101.0%
Total Claims Services	<u>174,764.05</u>	<u>224,010.00</u>	<u>(49,245.95)</u>	<u>78.0%</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Year to Date Ended Mar 31, 2017

	<u>Jul '16 - Mar '17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Investment Fees	10,820.93	13,000.00	(2,179.07)	83.2%
Legal	-	7,000.00	(7,000.00)	0.0%
Total Consulting Services	424,639.73	578,183.00	(153,543.27)	73.4%
Total General and Administrative Expense	582,929.46	827,259.00	(244,329.54)	70.5%
Insurance Expenses				
Insurance Premiums	583,773.42	374,103.00	209,670.42	156.0%
Total Insurance Expenses	583,773.42	374,103.00	209,670.42	156.0%
Claims Expenses				
Claims Payments				
Claim Payments - WC	789,934.02		789,934.02	100.0%
Claim Payments - Liability	183,452.77		183,452.77	100.0%
Total Claim Payments	973,386.79	-	973,386.79	100.0%
Changes in Claims Liabilities				
Change in Reserves	86,597.51	-	86,597.51	100.0%
Change in IBNR	-	-	-	0.0%
Change in Recovery Receivables	(585,515.67)		(585,515.67)	
Change in ULAE	-	-	-	0.0%
Total Claims Expenses	474,468.63	-	474,468.63	100.0%
Grant Fund Program	15,054.56	-	15,054.56	100.0%
Dividends	599,776.00	-	599,776.00	100.0%
General Contingency				
Total Expenses	2,256,002.07	1,201,362.00	1,054,640.07	187.8%
Net Operating Revenue	585,110.24	2,260,470.00	(1,675,359.76)	25.9%
Other Revenue (Expense)				
ERMA Dividends	(30,325.00)	-	(30,325.00)	100.0%
Investment Gain/Loss	(177,520.53)	-	(177,520.53)	100.0%
Net Revenue Over (Under) Expenses	\$ 377,264.71	\$ 2,260,470.00	\$ (1,883,205.29)	

Small Cities Organized Risk Effort
 Supplemental Schedule
 Workers' Compensation Banking Layer Equity by Member
 July 2016 through March, 2017

	<u>*Biggs*</u>	<u>*Colfax*</u>	<u>Crescent City</u>	<u>*Dorris*</u>	<u>Dunsmuir</u>	<u>*Etna*</u>
Member Contributions						
Banking Layer Work Comp Contributions	6,056.25	\$ 7,083.00	\$ -	\$ -	\$ 6,378.00	\$ 5,905.50
Shared Layer Distributions to Banking	1,804.00	2,399.00	2,309.00	567.00	4,522.00	1,324.00
Total Member Contributions	<u>7,860.25</u>	<u>9,482.00</u>	<u>2,309.00</u>	<u>567.00</u>	<u>10,900.00</u>	<u>7,229.50</u>
Total Contributions	<u>7,860.25</u>	<u>9,482.00</u>	<u>2,309.00</u>	<u>567.00</u>	<u>10,900.00</u>	<u>7,229.50</u>
Claims Cost						
Banking Layer Incurred Expense	-	-	-	-	4,815.85	17,200.00
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,815.85</u>	<u>17,200.00</u>
Net Contributions over Expenses	<u><u>7,860.25</u></u>	<u><u>9,482.00</u></u>	<u><u>2,309.00</u></u>	<u><u>567.00</u></u>	<u><u>6,084.15</u></u>	<u><u>(9,970.50)</u></u>
Beginning Banking Layer Equity: July 1, 2016	29,464.00	52,312.97	(11,657.81)	5,577.21	44,975.46	24,094.00
Distribution from Banking	(4,428.00)	(5,888.00)	-	(1,391.00)	(10,158.00)	(3,250.00)
Ending Banking Layer Equity: December 31, 2016	<u><u>\$ 32,896.25</u></u>	<u><u>\$ 55,906.97</u></u>	<u><u>\$ (9,348.81)</u></u>	<u><u>\$ 4,753.21</u></u>	<u><u>\$ 40,901.61</u></u>	<u><u>\$ 10,873.50</u></u>

Mini Cities

Small Cities Organized Risk Effort
 Supplemental Schedule
 Workers' Compensation Banking Layer Equity by Member
 July 2016 through March, 2017

	<u>*Fort Jones*</u>	<u>Ione</u>	<u>Live Oak</u>	<u>*Loomis*</u>	<u>*Loyalton*</u>	<u>*Montague*</u>
Member Contributions						
Banking Layer Work Comp Contributions	\$ 4,882.50	\$ -	\$ 13,223.25	\$ 11,754.00	\$ 2,174.25	\$ 5,181.00
Shared Layer Distributions to Banking	746.00	117.00	10,698.00	3,381.00	314.00	1,046.00
Total Member Contributions	<u>5,628.50</u>	<u>117.00</u>	<u>23,921.25</u>	<u>15,135.00</u>	<u>2,488.25</u>	<u>6,227.00</u>
Total Contributions	<u>5,628.50</u>	<u>117.00</u>	<u>23,921.25</u>	<u>15,135.00</u>	<u>2,488.25</u>	<u>6,227.00</u>
Claims Cost						
Banking Layer Incurred Expense	-	-	10.11	-	1,304.08	-
Total Expenses	<u>-</u>	<u>-</u>	<u>10.11</u>	<u>-</u>	<u>1,304.08</u>	<u>-</u>
Net Contributions over Expenses	<u><u>5,628.50</u></u>	<u><u>117.00</u></u>	<u><u>23,911.14</u></u>	<u><u>15,135.00</u></u>	<u><u>1,184.17</u></u>	<u><u>6,227.00</u></u>
Beginning Banking Layer Equity: July 1, 2016	(9,493.94)	17,334.67	121,955.89	52,731.00	9,761.00	(17,912.50)
Distribution from Banking	(1,831.00)	(3,582.00)	(27,225.00)	(8,298.00)	(771.00)	(2,567.00)
Ending Banking Layer Equity: December 31, 2016	<u><u>\$ (5,696.44)</u></u>	<u><u>\$ 13,869.67</u></u>	<u><u>\$ 118,642.03</u></u>	<u><u>\$ 59,568.00</u></u>	<u><u>\$ 10,174.17</u></u>	<u><u>\$ (14,252.50)</u></u>

Mini Cities

Small Cities Organized Risk Effort
 Supplemental Schedule
 Workers' Compensation Banking Layer Equity by Member
 July 2016 through March, 2017

	<u>Mt. Shasta</u>	<u>*Portola*</u>	<u>*Rio Dell*</u>	<u>Shasta Lake</u>	<u>Susanville</u>	<u>*Tulelake*</u>
Member Contributions						
Banking Layer Work Comp Contributions	\$ 31,808.25	\$ 11,479.50	\$ 15,565.50	\$ 29,403.75	\$ 47,317.50	\$ 5,559.75
Shared Layer Distributions to Banking		2,883.00	3,518.00	22,013.00	20,748.00	108.00
Total Member Contributions	<u>31,808.25</u>	<u>14,362.50</u>	<u>19,083.50</u>	<u>51,416.75</u>	<u>68,065.50</u>	<u>5,667.75</u>
Total Contributions	<u>31,808.25</u>	<u>14,362.50</u>	<u>19,083.50</u>	<u>51,416.75</u>	<u>68,065.50</u>	<u>5,667.75</u>
Claims Cost						
Banking Layer Incurred Expense	30,084.47	24,753.82	21,790.27	6,113.30	117,661.94	-
Total Expenses	<u>30,084.47</u>	<u>24,753.82</u>	<u>21,790.27</u>	<u>6,113.30</u>	<u>117,661.94</u>	<u>-</u>
Net Contributions over Expenses	<u><u>1,723.78</u></u>	<u><u>(10,391.32)</u></u>	<u><u>(2,706.77)</u></u>	<u><u>45,303.45</u></u>	<u><u>(49,596.44)</u></u>	<u><u>5,667.75</u></u>
Beginning Banking Layer Equity: July 1, 2016	(7,561.51)	7,648.12	38,510.97	265,580.54	277,892.08	5,568.00
Distribution from Banking	-	(7,077.00)	(8,634.00)	(59,023.00)	(61,290.00)	(266.00)
Ending Banking Layer Equity: December 31, 2016	<u><u>\$ (5,837.73)</u></u>	<u><u>\$ (9,820.20)</u></u>	<u><u>\$ 27,170.20</u></u>	<u><u>\$ 251,860.99</u></u>	<u><u>\$ 167,005.64</u></u>	<u><u>\$ 10,969.75</u></u>

Mini Cities

Small Cities Organized Risk Effort
 Supplemental Schedule
 Workers' Compensation Banking Layer Equity by Member
 July 2016 through March, 2017

	<u>Weed</u>	<u>Williams</u>	<u>Yreka</u>	<u>Total W/C Banking Layer</u>
Member Contributions				
Banking Layer Work Comp Contributions	\$ 19,698.00	\$ -	\$ 36,033.75	\$ 259,503.75
Shared Layer Distributions to Banking			21,504.00	\$ 100,001.00
Total Member Contributions	<u>19,698.00</u>	<u>-</u>	<u>57,537.75</u>	<u>359,504.75</u>
Total Contributions	<u>19,698.00</u>	<u>-</u>	<u>57,537.75</u>	<u>359,504.75</u>
Claims Cost				
Banking Layer Incurred Expense	16,713.55	-	78,273.33	318,720.72
Total Expenses	<u>16,713.55</u>	<u>-</u>	<u>78,273.33</u>	<u>318,720.72</u>
Net Contributions over Expenses	<u><u>2,984.45</u></u>	<u><u>-</u></u>	<u><u>(20,735.58)</u></u>	<u><u>40,784.03</u></u>
Beginning Banking Layer Equity: July 1, 2016	117,167.61	53,759.00	267,151.90	1,344,858.66
Distribution from Banking	(24,046.00)	(39,792.00)	(59,241.00)	(328,758.00)
Ending Banking Layer Equity: December 31, 2016	<u><u>\$ 96,106.06</u></u>	<u><u>\$ 13,967.00</u></u>	<u><u>\$ 187,175.32</u></u>	<u><u>\$ 1,056,884.69</u></u>

Mini Cities

Small Cities Organized Risk Effort
 Supplemental Schedule
 Liability Banking Layer Equity by Member
 July, 2016 through March, 2017

	Biggs	Colfax	Crescent City	Dorris	Dunsmuir
Member Contributions					
Banking Layer Liability Contributions	4,152.00	4,973.25	-	-	8,334.00
Shared Layer Distributions to Banking	8,020.00	11,228.00	10,083.00	2,401.00	
Total Member Contributions	<u>12,172.00</u>	<u>16,201.25</u>	<u>10,083.00</u>	<u>2,401.00</u>	<u>8,334.00</u>
Total Contributions	<u>12,172.00</u>	<u>16,201.25</u>	<u>10,083.00</u>	<u>2,401.00</u>	<u>8,334.00</u>
Claims Cost					
Banking Layer Incurred Expense	32,737.97	2,567.82	-	-	(26,301.57)
Total Claims Cost	32,737.97	2,567.82	-	-	(26,301.57)
Net Contributions over Expenses	<u>(20,565.97)</u>	<u>13,633.43</u>	<u>10,083.00</u>	<u>2,401.00</u>	<u>34,635.57</u>
Beginning Banking Layer Equity: July 1, 2016	19,132.12	33,852.00	25,174.00	14,903.00	(40,026.77)
Distributions From Banking Layer	(7,183.00)	(11,925.00)	(22,001.00)	(4,577.00)	
Ending Banking Layer Equity: March 31, 2016	<u>(8,616.85)</u>	<u>35,560.43</u>	<u>13,256.00</u>	<u>12,727.00</u>	<u>(5,391.20)</u>

Small Cities Organized Risk Effort
 Supplemental Schedule
 Liability Banking Layer Equity by Member
 July, 2016 through March, 2017

	Etna	Fort Jones	Ione	Isleton	Live Oak	Loomis
Member Contributions						
Banking Layer Liability Contributions	3,946.50	3,304.50	-	3,047.25	11,507.25	9,329.25
Shared Layer Distributions to Banking	5,837.00	3,362.00	8,684.00		16,201.00	14,219.00
Total Member Contributions	<u>9,783.50</u>	<u>6,666.50</u>	<u>8,684.00</u>	<u>3,047.25</u>	<u>27,708.25</u>	<u>23,548.25</u>
Total Contributions	<u>9,783.50</u>	<u>6,666.50</u>	<u>8,684.00</u>	<u>3,047.25</u>	<u>27,708.25</u>	<u>23,548.25</u>
Claims Cost						
Banking Layer Incurred Expense	5,008.00	-	-	6,678.57	(20,774.00)	(494.50)
Total Claims Cost	5,008.00	-	-	6,678.57	(20,774.00)	(494.50)
Net Contributions over Expenses	<u>4,775.50</u>	<u>6,666.50</u>	<u>8,684.00</u>	<u>(3,631.32)</u>	<u>48,482.25</u>	<u>24,042.75</u>
Beginning Banking Layer Equity: July 1, 2016	12,456.00	23,495.00	36,923.00	(15,390.43)	63,239.88	(26,079.44)
Distributions From Banking Layer	(4,839.00)	(7,104.00)	(12,064.00)		(21,014.00)	
Ending Banking Layer Equity: March 31, 2016	<u>12,392.50</u>	<u>23,057.50</u>	<u>33,543.00</u>	<u>(19,021.75)</u>	<u>90,708.13</u>	<u>(2,036.69)</u>

Small Cities Organized Risk Effort
 Supplemental Schedule
 Liability Banking Layer Equity by Member
 July, 2016 through March, 2017

	Loyalton	Montague	Mt. Shasta	Portola	Rio Dell	Shasta Lake
Member Contributions						
Banking Layer Liability Contributions	1,537.50	3,611.25	26,280.75	7,600.50	9,499.50	30,346.50
Shared Layer Distributions to Banking	4,129.00	5,259.00	23,611.00	12,055.00	13,952.00	53,704.00
Total Member Contributions	<u>5,666.50</u>	<u>8,870.25</u>	<u>49,891.75</u>	<u>19,655.50</u>	<u>23,451.50</u>	<u>84,050.50</u>
Total Contributions	<u>5,666.50</u>	<u>8,870.25</u>	<u>49,891.75</u>	<u>19,655.50</u>	<u>23,451.50</u>	<u>84,050.50</u>
Claims Cost						
Banking Layer Incurred Expense	-	142.50	25,690.40	3,991.63	4,518.35	15,226.74
Total Claims Cost	-	142.50	25,690.40	3,991.63	4,518.35	15,226.74
Net Contributions over Expenses	<u>5,666.50</u>	<u>8,727.75</u>	<u>24,201.35</u>	<u>15,663.87</u>	<u>18,933.15</u>	<u>68,823.76</u>
Beginning Banking Layer Equity: July 1, 2016	21,162.50	11,435.33	(47,948.77)	66,660.15	55,800.38	139,610.72
Distributions From Banking Layer	(6,690.00)	(4,194.00)		(20,822.00)	(18,451.00)	(51,138.00)
Ending Banking Layer Equity: March 31, 2016	<u>20,139.00</u>	<u>15,969.08</u>	<u>(23,747.42)</u>	<u>61,502.02</u>	<u>56,282.53</u>	<u>157,296.48</u>

Small Cities Organized Risk Effort
 Supplemental Schedule
 Liability Banking Layer Equity by Member
 July, 2016 through March, 2017

	Susanville	Tulelake	Weed	Williams	Yreka	Total Liability Banking Layer
Member Contributions						
Banking Layer Liability Contributions	33,627.00	3,781.50	25,432.50	-	31,840.50	222,151.50
Shared Layer Distributions to Banking	39,132.00	4,134.00	7,442.00	9,483.00	47,063.00	299,999.00
Total Member Contributions	72,759.00	7,915.50	32,874.50	9,483.00	78,903.50	522,150.50
Total Contributions	72,759.00	7,915.50	32,874.50	9,483.00	78,903.50	522,150.50
Claims Cost						
Banking Layer Incurred Expense	36,479.91	2,869.04	31,853.88	-	11,127.36	131,322.10
Total Claims Cost	36,479.91	2,869.04	31,853.88	-	11,127.36	131,322.10
Net Contributions over Expenses	36,279.09	5,046.46	1,020.62	9,483.00	67,776.14	390,828.40
Beginning Banking Layer Equity: July 1, 2016	106,445.42	23,574.00	54,952.54	20,461.00	142,650.94	742,482.57
Distributions From Banking Layer	(38,509.00)	(7,330.00)	(16,505.00)	(15,882.00)	(50,185.00)	(320,413.00)
Ending Banking Layer Equity: March 31, 2016	104,215.51	21,290.46	39,468.16	14,062.00	160,242.08	812,897.97



DELEGATION OF INVESTMENT AUTHORITY TO SCORE TREASURER

ACTION ITEM

ISSUE: Annually, the Board is asked to review and approve a resolution authorizing the SCORE Treasurer to invest or reinvest funds, including the sale or exchange of securities.

RECOMMENDATION: Delegate investment authority to the Treasurer by approving Resolution 17-01.

FISCAL IMPACT: None

BACKGROUND: Government Code 53607 provides for delegation of the authority of the legislative body of a local agency to invest funds to the Treasurer. However, such delegation cannot exist beyond one year, so the Board needs to re-authorize the Treasurer to invest the funds for SCORE.

ATTACHMENTS: SCORE Resolution 17-01

REFERENCE: Government Code Sections:

- 53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.
- 16429.1.(b) Notwithstanding any other law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.



RESOLUTION 17-01

**RESOLUTION AUTHORIZING INVESTMENT OF MONIES IN
THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer, and

WHEREAS, The Small Cities Organized Risk Effort (SCORE) Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purposes of investment stated therein is in the best interest of Small Cities Organized Risk Effort.

NOW THEREFORE, BE IT RESOLVED, that the SCORE Board of Directors does hereby authorize the deposit and withdrawal of Small Cities Organized Risk Effort monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16428.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer’s Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following Small Cities Organized Risk Effort officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund effective immediately:

- SCORE Treasurer – Linda Romaine

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 17-01 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Small Cities Organized Risk Effort held on the 16th day of June 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SCORE President

SCORE Secretary



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 16, 2017**

Agenda Item G.3.a.

**PREMIUM PAYMENT PLAN REQUEST FOR 17/18
CITY OF TULELAKE**

ACTION ITEM

ISSUE: The City of Tulelake has provided written notice to the SCORE Program Administrators requesting an installment payment plan for their 17/18 contributions to the Liability Program.

The City's total deposit is \$31,185 and they have requested quarterly installments, calculated as follows:

-) July 1st Payment: \$7,796.25
-) Remaining balance of \$23,388.75 + 3% admin fee = \$24,090.40.
-) Three payments of \$8,030.13, invoiced on October 1st, January 1st, and April 1st.

Last year the City requested and the Board approved a payment plan for both the Liability and Workers' Compensation Programs, with 10% down and ten monthly installments.

RECOMMENDATION: Review and approve payment plan as requested.

FISCAL IMPACT: Administrative fee of \$701.65 in addition to the premium of \$31,185.

BACKGROUND: The City of Tulelake joined SCORE in 2011 and has paid their liability premiums in full. They joined the Workers' Compensation Program in FY 15/16 and requested a monthly installment premium payment plan for both programs which the Board approved at the June 2015 meeting. The Board approved the same premium payment plan for FY 16/17 at the June 2016 meeting. This year they are requesting a quarterly payment plan for the Liability Program only. At the October 2015 meeting the Board approved a 3% Administrative Fee on the unpaid premium balance to go into effect in FY 16/17.

ATTACHMENTS: City of Tulelake Payment Plan Request (*HANDOUT*)



**PREMIUM PAYMENT PLAN REQUESTS FOR 17/18
CITY OF ISLETON**

ACTION ITEM

ISSUE: The City of Isleton has provided written notice to the SCORE Program Administrators requesting an installment payment plan for their 17/18 contributions to the Liability Program.

RECOMMENDATION: If the Board agrees to the installment plan, the Program Administrators recommend collecting half of their funding, \$12,876.50 up front on July 1st. The remaining balance of \$13,262.80, including a 3% administrative fee of \$386.30, will be paid in 10 equal installments of \$1,326.30, beginning in September 2017 and concluding in June 2018.

FISCAL IMPACT: Administrative fee of \$386.30 in addition to the premium of \$25,753.

BACKGROUND: The City of Isleton has previously requested an installment premium payment plan for Fiscal Years 14/15, 15/16 and 16/17 which the Board has approved. They are asking for a similar arrangement for the FY 17/18 fiscal year. At the October 2015 meeting the Board also approved a 3% Administrative Fee on the unpaid premium balance to go into effect in FY 16/17.

ATTACHMENTS: City of Isleton Payment Plan Request



City of Isleton

101 Second Street

P.O. Box 716

Isleton, Sacramento Co., California 95641

Tel: 916-777-7770

June 7, 2017

VIA EMAIL

Marcus Beverly, CPCU, AIC, ARM-P
First Vice President
Alliant Insurance Services, Inc.
2180 Harvard Street, Ste. 460
Sacramento, Ca. 95815

RE: Requesting a payment plan.

Mr. Marcus Beverly,

Thank you for contacting our office in regards to our premiums. The City of Isleton is requesting a payment plan for next year's premiums. Should you have any questions, please contact this office 916-777-7770.

Truly yours,

Yvonne Zepeda

City Clerk, signing by direction of City Manager

CC:

Charles Bergson, P.E.

City Manager

IDENTITY FRAUD QUOTE

ACTION ITEM

ISSUE: As the Program Administrator we are always looking to the future for potential risk exposures for SCORE members. Identity Fraud is an exposure for all SCORE employees and we would like to present information from Travelers regarding ID Fraud coverage.

RECOMMENDATION: The Program Administrator recommends approval of the FY 17/18 ID Fraud Coverage with Travelers.

FISCAL IMPACT: Annual Premium \$2,957 as part of the Administrative Expenses.

BACKGROUND: Previously the Board was asked about interest in obtaining a quote for Identity Fraud Coverage and members expressed interest in purchasing this coverage for all members. Not only can ID fraud resolution be a costly experience it can leave the affected employee vulnerable to significant out-of-pocket expenses to re-establish their credit and prove to financial institutions that fraud actually occurred. In an effort to provide the employees of SCORE member cities with a proactive tool to help combat Identity Theft we are presenting information regarding ID Fraud Coverage which would provide employees with tools to help them recover from ID Theft. The coverage would provide:

-) Reimbursement of expenses associated with resolving a fraud event (travel, lost wages, Attorney fees)
-) Online education resources to help prevent becoming a victim
-) Dedicated identity fraud claim unit to help employees through the resolution process
-) Fees charged for copies of medical records (related to medical identity fraud)
-) Help with Document replacement (social security card, birth certificate, passport, etc.)
-) Family Coverage (spouse, child under the age of 18)

ATTACHMENTS:

1. Travelers ID Fraud Expense Reimbursement Coverage Highlights
2. Travelers ID Fraud Expense Reimbursement Coverage Checklist
3. Travelers SCORE ID Fraud Quote



Identity Fraud Expense Reimbursement

COVERAGE HIGHLIGHTS

Identity fraud is the fastest-growing white-collar crime in America, impacting one in every 20 consumers.*

Why you need protection

Becoming a victim of identity fraud is a frightening, frustrating experience. It can happen to anyone at any time in a variety of ways, ranging from a stolen wallet or home burglary to online theft of your personal information.

Recovering from identity fraud means more than just canceling credit cards. Not only can it be a complicated and stressful experience, but it can cost your employee or member of your organization hours of time and out-of-pocket expenses to re-establish their credit and clear their name. The hard reality is that victims must painstakingly prove, often to disbelieving creditors, that the debts are not their own. Purchasing identity fraud expense reimbursement coverage for your employees or members can be an affordable and compelling addition to your benefits suite.

Coverage highlights

Travelers Identity Fraud Expense Reimbursement coverage pays for expenses associated with resolving an identity fraud event and perhaps most importantly, gives people tools and information to reduce their risk of future additional fraud.

Each year, the number of identity fraud cases rises; most recently 12.6 million adults in the United States were victims. On average, it takes an individual more than 37 hours and \$535 in out-of-pocket expenses* to clean up the mess caused by an identity thief.

In addition to expense reimbursement, Travelers also offers Identity Fraud Resolution Service through Identity Theft 911, which includes:

- Exclusive online education resources providing tips and information to help avoid becoming a victim
- 24/7 personal access to an expert fraud specialist
- Document replacement help (i.e., Social Security card, birth certificate, passport, etc.)

In the event of an actual identity fraud, services include:

- Step-by-step guidance through the resolution process, including unlimited assistance to restore a victim's identity
- 3-in-1 credit reporting
- One year of free credit, cyber and fraud monitoring

*Javelin Strategy & Research, February 2013 Report

Claim scenarios

Bogus charge accounts while on business travel

An executive was on business in Brazil when his identity was stolen and significant charges were made to his corporate card. In order to file an affidavit of loss with the local Brazilian authorities, he was required to provide a sworn statement in person. Total expenses for time off work, travel expenses, phone charges and the cost to replace the executive's passport were \$4,500.

Medical identity fraud

A woman from Illinois discovered a number of questionable billings on her medical insurance annual summary of benefits. Someone had stolen her and her children's identities to secure medical services in their names.

After struggling with the health care institution to release the personal medical information, she hired an attorney to help. The attorney was able to contest the services and clean up her medical history. It took more than six months to resolve the identity fraud and cost nearly \$6,000 in attorney's fees, lost wages and fees for copies of X-rays and other medical records.

Why Travelers?

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries.
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability.
- With offices nationwide, we possess national strength and local presence.
- Our dedicated underwriters, and claim professionals offer extensive industry and product knowledge.

Travelers knows ID Fraud.

To learn more, talk to your independent agent or visit travelersbond.com.



Available through the Travelers Wrap+[®], SelectOne+[®] and Executive Choice+[®] suite of products.

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Identity Fraud Expense Reimbursement

COVERAGE CHECKLIST

Why your clients need our protection

Identity Fraud Expense Reimbursement is available through the Travelers Wrap+[®], SelectOne+SM and Executive Choice+SM suite of products and delivers a truly comprehensive coverage solution. The following checklist illustrates key coverages and features every insured should have as part of their insurance program to protect their employees or members should any become a victim of the rising crime of identity fraud.

Coverage	Travelers policy	Their policy
Lost wages – up to a maximum payment of \$1,000 per week for a maximum period of five weeks, as a result of absence from employment, including for wrongful incarceration	✓	
Attorney’s fees – with Travelers’ prior consent, including: <ul style="list-style-type: none"> • Removing criminal or civil judgments wrongly entered against the victim • Challenging information in a credit report • Defending suits brought incorrectly by merchants or their collection agencies • Pursuing the release of medical records solely for the purpose of investigating medical-related identity fraud • Contesting wrongfully incurred tax liability; or • Contesting the wrongful transfer of ownership of an insured person’s tangible property 	✓ ✓ ✓ ✓ ✓ ✓	
Fees for the re-application and re-issuance of government-issued personal identification documentation – including passports, commercial and non-commercial drivers licenses, state and federal personal identification cards, and Social Security cards compromised as a result of identity fraud	✓	
Fees charged for copies of medical records – including X-rays, obtained solely for the purpose of investigating medical-related identity fraud	✓	
Dedicated identity fraud claim unit – experts who can provide guidance to insured victim to assist in the recovery of their identity and credit history	✓	
Reasonable costs for travel and accommodations incurred by the insured person – up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to: <ul style="list-style-type: none"> • Participate in the defense of lawsuits brought against the insured person by financial institutions, health care providers, merchants, other credit grantors or their collection agencies • Challenge the accuracy or completeness of any information in a consumer credit report • Participate in the criminal prosecution of the perpetrators of the identity fraud, or • File in-person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the identity fraud occurred, as required by local law 	✓ ✓ ✓ ✓	

Coverage	Travelers policy	Their policy
Family coverage – including residents of the insured person’s household, provided they are either a spouse, child under the age of 18 or parent	✓	
Daycare and eldercare expenses – incurred solely as a direct result of any identity fraud discovered during the policy period	✓	
Coverage for thefts committed by family members	✓	
Insureds choose their own attorney	✓	
Limit options – ranging from \$1,000 to \$25,000	✓	
Retention options – ranging from \$0 to \$250	✓	

Identity Fraud Resolution Service

In addition to expense reimbursement, Travelers also offers Identity Fraud Resolution Service through Identity Theft 911, which includes:

- Exclusive online education resources providing tips and information to help avoid becoming a victim
- 24/7 personal access to an expert fraud specialist
- Document replacement help (i.e., Social Security card, birth certificate, passport, etc.)

In the event of an actual identity fraud, services include:

- Step-by-step guidance through the resolution process, including unlimited assistance to restore a victim’s identity
- 3-in-1 credit reporting
- One year of free credit, cyber and fraud monitoring

Travelers knows ID Fraud.

To learn more, talk to your independent agent or visit travelersbond.com.

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Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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June 5, 2017

Michelle Minnick
 Alliant Insurance Services, Inc.
 2180 Harvard Street, Suite 460
 Sacramento, CA 95815

**RE: Small Cities Organized Risk Effort (SCORE)- A Joint Powers Authority – the Master Policy Holder
 Identity Fraud Expense Reimbursement Master Policy - Renewal QUOTATION
 ID-1000SL ID Fraud Master Declaration**

Dear Michelle,

On behalf of Travelers Excess and Surplus Lines Company we are pleased to offer this **renewal** quotation for **Identity Fraud Expense Reimbursement Insurance** pursuant to the following terms and conditions:

Limit of Liability	Retention	Annual Premium (includes Family Coverage and Resolution Services)
\$25,000	\$0	\$2,957

ENDORSEMENTS: The titles and headings are for convenience only. Please refer to the policy and endorsements for a description of coverage:

- ID-1006 Ed. 04-01 Schedule of Membership Programs
 “any current full-time employee, part-time employee, or elected official of a scheduled city below that is a member of Small Cities Organized Risk Effort (SCORE)- A Joint Powers Authority:

1. Biggs	7. Mt Shasta	13. Weed
2. Dunsmuir	8. Portola	14. Yreka
3. Isleton	9. Rio Dell	15. Colfax
4. Loomis	10. Shasta Lake	16. Etna
5. Loyalton	11. Susanville	17. Ft Jones
6. Montague	12. Tulelake	18. Live Oak”
- ID-1013 Ed. 05-10 Family Coverage Endorsement
- ID-1019 Ed. 05-10 Identity Fraud Resolution Services
- ID-1026 Ed. 05-10 Certificate of Insurance
- ILT-1069 Ed. 07-08 Service of Lawsuit Endorsement

COMMISSION: 15%

ASSUMPTIONS: Producer is licensed for Surplus Lines in the state of California

Master Policy Holder will provide indicated coverage as a customer/membership benefit at no additional expense to insured persons.

The quote(s) contained in this document are valid for 30 days. Travelers reserves the right to change the quotes in this document, or to refuse to bind coverage entirely, based on adverse change in the risk(s) to be insured prior to the effective date of the policy(ies) noted in this document.

CONTINGENCIES: This quote is subject to the underwriter's receipt and satisfactory review of the following prior to the quotation expiration date set forth below:

N/A

Thank you for the opportunity to offer this insurance proposal. We look forward to discussing this opportunity with you further.

Sincerely,

A handwritten signature in black ink, appearing to read "Noel K. Posson", written over a horizontal line.

Noel K. Posson

cc: *Kelly Ziemann*



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 16, 2017**

Agenda Item H.2.

LEXIPOL MEMORANDUM OF UNDERSTANDING (MOU)

ACTION ITEM

ISSUE: The current Memorandum of Understanding with Lexipol has been updated to include the cost of providing Daily Training Bulletins (DTBs) for all seven member police departments. Documentation of such training has been an essential element in the defense of police civil rights suits and is recommended by the Program Administrators as a cost-effective way to prevent and defend such claims.

RECOMMENDATION: Given the increase in the Lexipol subscription and the current administrative process the Program Administrators request the Board approve paying for the full cost of each member's annual subscription to Lexipol including Daily Training Bulletins (DTB's) for all members.

FISCAL IMPACT: Total funding of \$25,685, an increase of \$3,812 over current funding, to pay for DTBs for all member police departments.

BACKGROUND: SCORE began funding member subscriptions to Lexipol in 2007. SCORE pays for member police agencies to subscribe to the Lexipol on-line policy and procedure manual to maintain up-to-date training for their operations. Last year the Program Administrators arranged for Lexipol to invoice SCORE directly with all members having a 7/1 renewal date, rather than having members pay for the service and submit invoices for reimbursement at various times throughout the year. For FY 16/17 and FY 17/18, Lexipol increased the cost of their on-line policy and procedure updates by 10%, for a total of \$21,873 for all seven members with police departments.

ATTACHMENT(S): Lexipol Memorandum of Understanding, with FY 17/18 pricing.

Memorandum of Understanding

Lexipol LLC (Lexipol) and the Small Cities Organized Risk Effort (SCORE) agree to the terms of this Memorandum of Understanding (MOU or Agreement) as a means to enhance and encourage professionalism through defensible and continuously updated Law Enforcement policy in the State of CA. Under this MOU, SCORE members will obtain subscription to Lexipol's online policy and integrated policy training suite of risk management services at a favorable rate.

More specifically, as part of this Agreement,

Lexipol will:

- Provide SCORE agencies a full annual subscription to Lexipol's on-line policy and training services at a discounted rate as set forth on Attachment 1. The pricing set forth on Attachment 1 is for 2016 and 2017, and pricing for subsequent years is subject to revision at Lexipol's discretion.
- Provide SCORE access to Lexipol's reporting portal to view overall status of participating SCORE members. (With permission of the subscribing agency)
- Collaborate with SCORE to promote Lexipol services with outreach efforts, marketing and participation at association events.

SCORE will:

- Pay the annual fees of subscribing members at pricing as provided in Attachment 1, upon 30 days of invoice.
- Promote the Lexipol Law Enforcement Policy Manual program at meetings, events, conferences and through newsletters and other communications to members.
- Encourage members' utilization of the Lexipol online policy manual and training
- Provide a link to Lexipol's website on the association's webpage free of charge.
- Provide a list of member departments with contact information (main contact name, title, address, phone number and email address) which will be kept confidential by Lexipol and used specifically for member confirmation and program promotion.

TERM

The effective date of this Agreement is July 1st, 2016 and will remain in effect through June 30th, 2018. After June 1st, 2017, either party may cancel this Agreement with 90 days written notice to the other party.

Cancellation of this agreement will not terminate subscribing agency contracts with Lexipol and funding responsibilities will shift to the individual subscribing agencies.

OTHER

SCORE confirms that this MOU does not violate any Federal, State or local laws, rules or regulations applicable to SCORE, and that any funds received by SCORE will be utilized in accordance with the SCORE charter and all applicable federal, state and local laws, rules and regulations. This agreement does not create a formal partnership, association or joint venture between Lexipol and SCORE

Use of logo or copyrighted materials will be agreed by both parties in advance.

IN WITNESS WHEREOF, the Parties execute this MOU on the date set below their respective signatures.

SCORE:

By: _____

Date: _____

LEXIPOL, LLC:

By: _____
Van Holland, CFO

Date: _____

Attachment 1

PRICING

Discounts will be offered to SCORE Members based on the following table:

Company	Sworn Officers	2016 DTBs	2016 Pricing	add DTBs	2017 Pricing
Etna PD	2	No	1,950	(360)	1,590
Rio Dell PD	7	No	2,250	792	3,042
Mount Shasta PD	9	No	2,500	1,595	4,095
Yreka PD	15	No	2,750	2,420	5,170
Tulelake PD	3	Yes	2,950		2,315
Weed PD	10	Yes	3,688		3,688
Susanville PD	16	Yes	5,785		5,785
			21,873		25,685

Annual subscription is effective annual as of July 1st



LAWCX WORKERS' COMPENSATION CLAIMS AUDIT—2017

INFORMATION ITEM

ISSUE: SCORE's excess Workers' Compensation coverage provider, LAWCX, conducts a claims audit every two years to gauge the performance of SCORE's claims administrator. The most recent audit was completed in March, 2017, and was performed on 10 open claims including all 8 claims with incurred costs of \$75,000 or more. York achieved 100% compliance in each of the audit categories.

The only exception noted to LAWCX standards was reference to the caseload of the future medical examiner, with 238 claims v. the allowable maximum of 200.

Given the nature of managing Workers' Compensation claims and the high standards set by LAWCX and SCORE, 100% compliance is an exceptional result. The audit report is attached for reference and discussion as needed.

RECOMMENDATION: None - Information Item.

FISCAL IMPACT: None.

BACKGROUND: SCORE has been a member of LAWCX since the inception of the Workers' Compensation program in 1993.

ATTACHMENT(S): LAWCX Workers' Compensation Claims Audit 2017

Workers' Compensation Claims Audit – 2017

for

Small Cities Organized Risk Effort (SCORE) LAWCX

SCOREJPA.org

Small Cities Organized Risk Effort - A Joint Powers Authority

March 22, 2017

The logo for Farley Consulting Services, LLC, featuring the letters 'FCS' in a bold, dark blue font. The letters are partially enclosed by a dark blue swoosh that curves around them from the bottom and right sides.

F A R L E Y
CONSULTING SERVICES, LLC

P.O. Box 5928 ~ Oceanside, CA 92052
Phone: 760.533.3439 ~ Fax: 760.722.1760
farleyconsulting@cox.net

An Independent Claims Management
Consulting Firm



March 22, 2017

Ms. Michelle Minnick
Alliant Insurance Services
1792 Tribute Road, #450
Sacramento, CA 95815

LAWCX-Workers' Compensation Claims Audit – 2017

This report summarizes the results of an audit of workers' compensation claims for the Small Cities Organized Risk Effort (SCORE). FCS reviewed 10 active indemnity claims including all 8 claims that have generated incurred costs of \$75,000 or more, occurring since SCORE joined the LAWCX program on 7/1/93. The review was conducted from 3/15/17 through 3/16/17 via remote access to the claims management information system of York Risk Group (York), SCORE's claims administration firm in Roseville, California.

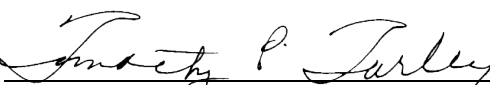
The project includes:

1. Discussions with Ms. Dorianne Zumwalt of York throughout the audit process.
2. Presentation of audit findings to Ms. Zumwalt via teleconference on 3/20/17.
3. Receipt and consideration of York's reply to findings presented during that presentation.
4. Comparison of SCORE claims handling performance with similar California public pooling entities.
5. Evaluation of York's compliance with specific claims handling standards for LAWCX claims.

FCS appreciates the opportunity to complete this important project for SCORE.

Respectfully submitted,

FARLEY CONSULTING SERVICES

by 
Timothy P. Farley, CPCU
President

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Appendix

Audit List

I. Executive Summary

The audit of 10 open claims including all 8 active claims with incurred costs of \$75,000 or more finds complete compliance with LAWXCX claims administration standards unique to the handling of LAWXCX member claims and with accepted industry standards utilized by FCS when assessing administrator competence. The audit concludes that York is providing competent claims administration services to SCORE.

FCS provides the following observations and recommendations based on this audit:

1. York is adequately staffed to handle the SCORE account. The primary examiner has a compliant caseload. Ariel Leonhard has 134 indemnity claims and 23 future medical claims. Marietta Orden-Schaab has a caseload of 238 future medical only claims. This exceeds the allowable maximum of 200.
2. Case reserves for the claims reviewed are accurate. No reserve accuracy/calculation deficiencies are identified.
3. Benefit level calculations are accurate for all 10 claims. The calculations are clearly documented in York's information system.
4. Investigation is thorough on all of the claims reviewed. A majority of these claims are open for future medical care only. Most investigation has been completed for some time.
5. Eight of the claims reviewed involve some degree of litigation. Litigation management is effective on all eight claims.
6. The claims reviewed comply with accepted claims handling standards for diary review. No diary deficiencies are identified.
7. York is maintaining organized claims handling material. Claim documentation was observed via access to the York Claims Connect information system. No documentation clarity deficiencies are identified.
8. The audit concludes that supervision is effective. Daily activity notes for SCORE claims exhibit consistent supervisory instruction and evaluation.
9. Seven of the claims reviewed qualified as reportable to excess providers. All seven claims were reported timely to the LAWXCX excess administrator. The administrator has appropriately instructed York to discontinue reporting on a few of these claims due to the likelihood of no excess exposure.

These and other elements of this study are discussed in more detail in the remainder of this report.

Exhibit 1 – Workers' Compensation Audit Scoring Summary

Audit Category	2017 Audit Scores
Critical Claim Audit Areas	
Contact with injured worker*	100%
Contact with member	100%
Diary systems: how often are files reviewed?*	100%
Documentation/explanation of file activities*	100%
Planning, direction, and follow-up	100%
Medical direction and control*	100%
Handling permanent disability issues	100%
Settlement of claims and closure efforts*	100%
Organization, appearance, and claim data maintenance	100%
Direction of Special Issues and Control of Vendors	
Litigation direction and management*	100%
Rehabilitation/SJDB direction and management	100%
Investigation and subrosa activity*	100%
Subrogation identification and management	n/a
Excess insurance identification and management	100%
Excess insurance identification and reporting	100%
Financial Accountability	
Reserve adequacy and accuracy*	100%
Medical payment processing	100%
Indemnity payments processed accurately*	100%
File information equals computer data*	100%
Reconciling or "balancing" the claim file	100%

Aggregate Scoring – Weighted

The overall score achieved by York is 100%. This score applies additional significance to categories marked with an asterisk (*) (weighted averaging). Those marked categories make up 75% of the scoring impact.

II. Audit Results

A. Background

The Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Authority directed Farley Consulting Services, LLC (FCS) to audit the claims administration of its excess workers' compensation program to determine the efficiency, effectiveness, and consistency of claims administration services and the accuracy of loss experience reports.

Pursuant to LAWCX's Joint Exercise of Powers Agreement, each LAWCX member must have its claims audited at least every two years. The last audit of SCORE claims was conducted in February 2015.

FCS was directed to review claims with incurred costs of \$75,000 or more that occurred since SCORE joined LAWCX on 7/1/93.

This audit seeks to assure SCORE and LAWCX that York is providing effective claims administration service in compliance with California workers' compensation statutory guidelines and service requirements unique to the LAWCX program.

B. Claims Handling Analysis

This section of the report discusses specific elements of workers' compensation claims handling. Recommendations for improvement are incorporated into the discussion of each element.

1. Staffing/Caseloads

The recommended maximum open indemnity caseload is 175, including some future medical only claims. Future medical examiners can have a caseload up to 200.

Ariel Leonhard has a caseload of 134 indemnity claims and 23 future medical claims. Her caseload is compliant. Marietta Orden-Schaab has a caseload of 238 future medical only claims. Her caseload exceeds the allowable maximum of 200.

2. Accuracy of Case Reserves

SCORE claim reserves should anticipate:

- Information contained in Form 5020 (Employer's Report of Occupational Injury or Illness)
- Information contained in Form 5021 (Physician's First Report of Injury or Illness)
- Anticipated temporary disability (TD) benefits

- Anticipated medical costs
- Employee's wage information
- Anticipated vocational rehabilitation (VR) benefits
- Anticipated permanent disability (PD) benefits
- Consideration of *Labor Code* 4850 benefits
- Life expectancy and average annual medical costs for future medical claims
- Anticipated legal expense
- Injury history information obtained through The Index System, a nationwide database subscribed to by York
- Other related injuries (apportionment)
- Incorporation of ACOEM guidelines

All of the claims reviewed are accurately reserved. No deficiencies are identified.

Reserve recommendations are based on the review of files for similar public entities in California.

3. Payments/Settlements

This category evaluates:

- The accuracy of calculation and distribution of temporary disability benefits.
- The accuracy of calculation and distribution of permanent disability benefits.
- The reasonableness and accuracy of stipulated settlement or compromise and release resolutions.

The audit identified no benefit calculation errors. No deficiencies are identified.

4. Quality of Investigation

Proper investigation for SCORE workers' compensation claims includes:

- Making prompt contact with the injured employee and witnesses (48 hours from York's receipt of loss notice).
- Verifying that the injury is work related.
- Securing injury history through use of The Index System.
- Canvassing for possible witnesses to the industrial accident.
- Obtaining recorded or written statements regarding the incident from injured employees or witnesses when possible.

- Follow-up contact with medical providers to gain a clear understanding of the severity of the injury and the anticipated duration of disability.
- Obtaining police accident reports when the industrial injury is the result of a traffic accident.
- Obtaining updated wage information to accurately calculate benefits.
- Identifying claims with rehabilitation potential and effectively monitoring rehabilitation progress.
- Timely assignment of field investigation to independent contractors when necessary.
- Identification and pursuit of other parties responsible for the injury (subrogation).

York is consistently complying with these investigation criteria. No investigation deficiencies are identified.

5. Litigation Management

Eight of the claims reviewed involved some element of litigation. Litigation activity undertaken by defense counsel is appropriate. Requests for authority to proceed with particular activity made by counsel were responded to quickly. Data for all claims reviewed exhibits timely status updates from defense counsel.

6. Diary/Case Closure

Industry standards require that active indemnity claims generate and document some adjustor activity every 30 days. Cases similar to those reviewed for this project that have been settled by stipulated award in which the only remaining issue is future medical care can maintain an extended diary (90 to 180 days is appropriate). The following minimum activity should take place and be documented in the case file for all open active indemnity claims:

- A reassessment of the accuracy of case reserves
- Response to any inquiries from the applicant's attorney
- Response to any inquiry or comment made by defense counsel
- Response to any mail received since the previous diary review
- Identification and response to any evidence of discharge medical information or permanent and stationary status

York is consistently maintaining appropriate diaries on the claims reviewed. No diary maintenance deficiencies are identified.

7. Claim Data Organization and Documentation Clarity

Logical file organization is extremely important on workers' compensation claims. These claims can generate a great deal of medical and employment-related documentation. The adjustor's ability to properly handle a claim is directly related to his or her ability to assimilate this data and competently assess compensability, duration of benefit disbursement, and value of final PD settlement.

All material reviewed for this audit was observed via access to York's Claims Connect information system. That system is efficiently capturing vital daily claims administration activity. No documentation clarity deficiencies are identified.

8. Supervision

FCS concludes that supervisory activity complies with industry standards. Supervisory instructional notes are seen consistently in the information system.

9. Excess Reporting

Seven of the claims reviewed qualified for excess reporting. All seven claims were reported timely to the LAWCX administrator.



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 16, 2017**

Agenda Item H.4.a.

MEMORANDUM OF COVERAGE (MOC) APPROVAL - LIABILITY

ACTION ITEM

ISSUE: The Board annually reviews and approves the Liability Memorandum of Coverage (MOC). The SCORE MOC is an “underlying” form that incorporates the excess Memorandum of Coverage provided by the California Joint Powers Risk Management Authority (CJPRMA), with a few modifications, most notably the SCORE MOC does not provide coverage for Employment Practices Liability.

This year CJPRMA has made a few significant changes and some minor ones that are described in the attached summary, along with a red-line version of the changes to the MOC. The significant changes are highlighted in the summary and include the addition of drone coverage, a definition of “routine governmental operations” related to coverage for contractual liability, exclusion of all wage claims by employees, an alternative “hammer” clause to cap CJPRMA’s exposure in the event of a dispute regarding the value of a claim, and a narrowing of the sewer backup coverage to exclude discharge into public waterways.

Note that the retained limit for drone coverage is only \$500 (v. \$500,000 for other claims) but the drone must be registered with CJPRMA¹ and operated by a remote pilot certified with a small UAS rating, pursuant to FAA regulations for any coverage to apply. The applicable sublimit is \$7 million subject to a \$2 million aggregate for claims above \$5 million.

There are two recommended changes to the underlying SCORE Liability MOC, to clean up references to CJPRMA exclusions that no longer exist (for EPL coverage) or have changed numbers (Land Use).

RECOMMENDATION: Review and approve the FY 17/18 SCORE Liability Memorandum of Coverage, incorporating the changes to the CJPRMA Liability MOC per the attached.

FISCAL IMPACT: None.

BACKGROUND: SCORE annually reviews and approves the Liability Memorandum of Coverage (MOC), including any recommended changes based on member feedback and/or changes made to the excess MOC provided by CJPRMA.

ATTACHMENT(S):

1. FY 17/18 SCORE Liability MOC with tracked changes
2. FY 17/18 CJPRMA Liability MOC with tracked changes and summary

¹ The FAA already requires these UAVs to be registered with them so this does not seem to be an undo additional burden.

SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
UNDERLYING MEMORANDUM OF COVERAGE
FORM NO. LIAB-187

1. COVERAGE AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, Small Cities Organized Risk Effort (SCORE) agrees to pay on behalf of the Member City Loss resulting from any occurrence covered by the terms of the California Joint Powers Risk Management Authority Memorandum of Coverage or the CSAC-EIA Group Purchase Pollution Liability Policy, as that Policy applies to SCORE, effective concurrently with the period stated on the declarations, except as amended by the following provisions:

2. LIMITS OF LIABILITY

The Limits of Liability stated under Item 3a of the Declarations applies to each occurrence covered by the terms and conditions incorporated from the California Joint Powers Risk Management Authority Memorandum of Coverage.

The Limits of Liability stated under Item 3b of the Declarations applies to each occurrence covered by the terms and conditions incorporated from the CSAC-EIA Group Purchase Pollution Liability Policy.

In the event of a coverage dispute, under no circumstances shall SCORE be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I – Coverages, plus interest at the same rate as SCORE earned on investments for the time period involved.

3. COVERAGE PERIOD

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

4. AMENDMENTS

- A. ~~Exclusion #4 and Endorsement #1~~ Coverage for employment practices liability of in the California Joint Powers Risk Management Authority Memorandum of Coverage does not apply to this Memorandum of Coverage and the following exclusion is effective:

This Memorandum of Coverage does not apply to claims by a potential, present or former employee arising out of employment-related practices, policies, acts or omissions, including any violation of civil rights, termination, coercion, demotion, evaluation, reassignment, discipline, defamation, sexual harassment, harassment, humiliation or discrimination directed at that person. This exclusion extends to claims of the spouse, child, unborn child or fetus, parent, brother or sister of that person as a consequence of

injury to the person at whom any of the employment-related practices, policies, acts or omissions described above are directed. This exclusion applies to claims of negligent supervision and/or claims of failure to prevent such employment-related practices, policies, acts or omissions.

- B. This Memorandum of Coverage does not apply to claims arising out of skateboard parks.
- C. Exclusion #22, Land Use, 44 of the California Joint Powers Risk Management Authority Memorandum of Coverage includes the following:

This exclusion shall not apply to inverse condemnation liability arising from accidentally caused physical injury to or destruction of tangible property, including all resulting loss of use of such property, for which the *covered party* may be legally responsible.

- D. This Memorandum of Coverage does not apply to claims arising out of paintball courses owned, operated or maintained by the member city or claims arising out of paintball parks existing on property owned or leased to the member city.

5. GLOSSARY

The conditions of this Memorandum of Coverage shall be applied as if the glossary of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS-means the ultimate net loss as defined in the Memorandum of Coverage issued by CJPRMA for this period concurrent with the period stated in the declarations and amended by the Memorandum.

MEMBER CITY OR MEMBER ENTITY- a signatory to the Joint Powers Agreement forming the Small Cities Organized Risk Effort Joint Powers Authority. This meaning shall apply to the term Member City or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

6. OTHER COVERAGE OR INSURANCE

The coverage afforded by the Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

7. NOTICE OF OCCURRENCE

Upon the happening of any occurrence likely to involve SCORE under this Memorandum of Coverage, the Member City shall give notice, either written or oral, as soon as practicable to the Claims Administrator of SCORE. Such notice shall contain particulars sufficient to

identify the Member City and fullest information obtainable at the time. If legal proceedings are begun, the Member City shall forward to the SCORE Claims Administrator each paper therein, or a copy thereof, received by the Member City or the Member City's representative, together with copies of reports or investigations with respect to such claim proceedings.

8. DEFENSE

SCORE shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member City, which in the opinion of SCORE may create liability on the part of SCORE under the terms of this Memorandum of Coverage.

9. PAYMENT OF LOSS

Upon final determination of loss, SCORE will promptly pay on behalf of the Member City the amount of loss falling within the terms of this Memorandum of Coverage.

10. SUBROGATION

In the event of any payment under this Memorandum of Coverage, SCORE will be subrogated to all the Member City's rights of recovery against any person or organization and SCORE shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the loss to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

11. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SCORE.

To be valid, this agreement must be signed by either the President or Vice-President of SCORE. The Agreement will be issued by the Program Administrator.

Mr. Roger Carroll, President

Date

SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-187

ENDORSEMENT NO. 1

It is understood and agreed that the coverage provided under Form No LIAB-17 to the Members of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

Notwithstanding anything to the contrary, Amendment 4.B of the Memorandum of Coverage, excluding coverage for skateboard parks, does not apply to the following Member skateboard parks:

-) Loyalton, California
-) Miner Street Park located in Yreka, California
-) 441 South Gulling Street in Portola, California.
-) 1200 North Street in Susanville, California.
-) 1525 Median in Shasta Lake, California.
-) 9th and B Streets in Biggs, California.
-) Loomis, CA

Mr. Roger Carroll, President

Date

SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-187

ENDORSEMENT NO. 2

It is understood and agreed that the coverage provided under Form No LIAB-17 to the members of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

ARBITRATION OF COVERAGE DISPUTES

(a) Coverage Determinations

The Administrator, in conjunction with the claims adjuster, shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the *Authority's* right to deny coverage on all or part of a claim, if a loss subsequently exceeds the *retained limit*.

A decision by the Administrator to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing to the administrator within thirty (30) calendar days of the date of the Administrator's written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The Administrator, in conjunction with the claims adjuster, and the *covered party* will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the *covered party* must be submitted to the administrator within thirty (30) calendars days from the date of the noticed decision by the Board of Directors.

Under no circumstances shall SCORE be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I – Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved.

(a) Arbitration Procedures for Resolving Disputes

1) **Selection of Arbitrators**

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with the *Authority* or the *covered party* or *parties*.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension or chairperson grants an extension.

Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between either side and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

2) **Discovery**

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) **Testimony Under Oath**

The testimony of witnesses shall be given under oath.

4) **Length of Hearing**

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) **Certified Shorthand Reporter**

Either side wishing a certified shorthand reporter record shall make arrangements directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) **Funding of Defense and Payment of Claims Pending Resolution of Dispute**

If the duty to defend is at issue, during the course of the arbitration proceedings provided herein, the *covered party* will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such *defense costs*, the *Authority* will reimburse the *covered party* as directed by the panel.

(c) **Effects of Arbitration Decisions**

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) **General Law**

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

Mr. Roger Carroll, President

Date

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

ITEM: 5	TITLE: APPROVAL OF PROPOSED MEMORANDUM OF COVERAGE CHANGES FOR 2017-2018
MEETING: 5/24 & 5/25/2017	
GENERAL MANAGER: 	

Recommended Actions:

Staff recommends the Board of Directors approve the updated Memorandum of Coverage (MOC) changes to become effective July 1, 2017.

Strategic Direction:

This item addresses Strategic Goal 1, Employ Customizable Products and Services to be Competitive.

Item Explanation:

Staff consulted Board Counsel regarding the current Memorandum of Coverage and identified areas within the MOC that require clarification. There are items within the Memorandum of Coverage that have been unclear and created concerns by our members. The proposed changes are not intended to minimize or limit any coverage currently provided to the membership, but to clarify areas that are either out of date or present conflicts for the member. Byrne Conley worked with the general manager to finalize the list of items being recommended for inclusion in the 2017-2018 MOC.

Staff met with Dr. William Deeb, Broker at AON Risk Services, to review the current MOC to identify and rectify coverage gaps with our current reinsurer Munich Re. Board Counsel and staff met with a coverage expert attorney provided by AON to evaluate MOC language for the renewal.

The following list identifies the specific items where modifications to the MOC are being recommended:

- Page 1, insert reference to Government Code section authorizing pooling.
- Page 1, specify that small drone aircraft are not "aircraft" for purposes of exclusions.

- Page 2, define “routine governmental operations” for which contractual assumption of liability is covered. List examples automatically within definition, and permit staff to address others case-by-case in advance of the loss.
- Page 3, specify that additional covered party status is for not more than required by contract and does not expand coverage beyond terms of what is covered in the MOC.
- Page 5, tighten exclusion from Damages definition so that it is all wage claims by employees, not just EPL claims.
- Page 9, put in title for Fireworks Retained Limit so it is more prominent.
- Page 10, alternative “hammer” clause where Authority can tender amount necessary to settle and cap exposure if there is a dispute whether to settle a claim.
- Page 11, eliminate duplicate language (was supposed to be stricken when next paragraph added).
- Page 12, define “subsidence” for limit. [Question, should we reference earthquake? Limit it to property damage instead of bodily injury and property damage?]
- Page 12, added “bacterial pathogens” to mold sublimit.
- [Page 12, note we discussed defining Daycare Operations; but this affects the reinsurance layer, only and should be discussed with the reinsurer.]
- Page 15, add “failure to enter into” a contract to breach of contract exclusion.
- Page 16, add FLSA claims to labor disputes exclusion.
- Page 18, add reference to criminal acts in intentional acts exclusion.
- Page 18, define “land use planning” and “land use regulation” including examples.
- [Note, do we want to address taxi ordinances or otherwise address adoption and enforcement of municipal ordinances?]
- Page 20, narrowed sewer backup exception to pollution exclusion to backup into home or business, not discharge into public waterways.
- Page 21, add to pollution cleanup exclusion an explicit reference to citizen suits under the Clean Water Act.
- Page 27, add back in former language re arbitration, to be applied when determining how much a member gets to credit toward Retained Limit where there are multiple covered Members, or payment from an additional insured endorsement jointly for a Member and outside party. Also, provide that by mutual agreement the Authority and a covered party can agree to arbitrate coverage disputes, setting forth a procedure for doing so.

Staff has also prepared a new endorsement to the Memorandum of Coverage for the coverage of Drones. CJPRMA has collected data from its members and multiple members currently operate drones. It also appears that many more members will be in the process of purchasing drones for their operations. The endorsement proposes coverage for a five million dollar retained limit and a reinsurance program for an extended two million dollars provided by Munich Re. The cost of commercial drone coverage is very cost effective. CJPRMA will provide the Board of Directors with a renewal option that includes primary commercial coverage for a part of or the full CJPRMA retention. The endorsement specifically states the requirements for inclusion within the program and requires that all drones be reported to CJPRMA to qualify for coverage. The draft Drone Endorsement is attached to this agenda bill.

A copy of the proposed 2017-2018 MOC has been attached to this agenda bill. The items listed above are included within this copy and are identified with red text.

The majority of the changes within the MOC will have little or no effect on the participants in the liability program. The Executive Committee reviewed this document at their May Meeting and agreed that the modifications are appropriate and necessary. A copy of this draft MOC has been provided to Munich Re for their review.

The general manager recommends the Board of Directors approve the proposed MOC as provided for the 2017-2018 program year.

Fiscal Impact:

1. None. The implementation of the modifications of the MOC will not have an adverse fiscal impact on the program participants.

Exhibits:

1. 2017-2018 Memorandum of Coverage with red edits
2. Draft Drone Endorsement NO. 7

2017 - 2018 Memorandum of Coverage



California Joint Powers
Risk Management Authority

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8) **ENDORSEMENTS** Attached

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

MEMORANDUM OF COVERAGE

PROGRAM YEAR: 2017-2018

This coverage document shall be in effect from July 1, 2017 through June 30, 2018.

In consideration of the payment of the deposit premium, the *Authority* agrees with the *covered parties* as follows:

SECTION I - COVERAGES

The *Authority* will pay up to the *limit of coverage* those sums for *ultimate net loss* in excess of the *retained limit* that the *covered parties* become legally obligated to pay as *damages* because of *bodily injury, property damage, personal injury, public officials errors and omissions* or *employment practices liability* as those terms are herein defined and to which this agreement applies, caused by an *occurrence* during the coverage period, except as otherwise excluded.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled self-insurance pursuant to California Government Code section 990.8. This Memorandum is a negotiated agreement among the *members* of the *Authority* and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles that require interpretation of ambiguous language against the drafter of such agreement. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the *members* of the *Authority*, acting through the Board of Directors in adopting this Memorandum. As the *Authority* is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have an obligation to provide "Cumis" counsel to a *covered party* in disputed coverage situations under California Civil Code section 2860. Finally, failure to provide notice to a *covered party* of any coverage dispute shall not operate to waive any of the provisions of this Memorandum.

SECTION II - DEFINITIONS

- 1) **Aircraft** means a vehicle designed for the transport of persons or property principally in the air. Aircraft does not include Small Unmanned Aircraft as defined in 14 Code of Federal Regulations Section 107.3.
- 2) **Airport** means an area of land or water used or intended to be used for the landing and taking off of *aircraft*; including an appurtenant area used or intended to be used for *airport* buildings or other *airport* facilities or right of way; and *airport* buildings and facilities located in any of these areas. "*Airport*" includes a heliport.

- 3) **Authority** shall mean the California Joint Powers Risk Management Authority created by the JPA Agreement.
- 4) **Automobile** means a land motor vehicle, trailer or semi-trailer.
- 5) **Bodily injury** means *bodily injury*, sickness, disease or emotional distress sustained by a person, including death resulting from any of these at any time. *Bodily injury* includes *damages* claimed by any person or organization for care, loss of services or death resulting at any time from the *bodily injury*.
- 6) **Care, Custody or Control Hazard** includes all *property damage* to: (1) property that the *covered party* rents or occupies; (2) premises the *covered party* sells, gives away or abandons, if the *property damage* arises out of any part of those premises; (3) property loaned to the *covered party*; and (4) personal property in the care, custody or control of the *covered party*.
- 7) **Covered Indemnity Contract** means that part of any contract or agreement pertaining to the *covered party's* routine governmental operations under which the *covered party* assumes the tort liability of another party to pay for *bodily injury* or *property damage* to a third person or organization. This definition applies only to liability that would be imposed by law in the absence of any contract or agreement, arising out of an *occurrence* to which this Agreement applies. **Routine governmental operations include the Covered Party's lease of premises, easement or license agreement, use of facilities or equipment, mutual aid agreement, or other agreement approved by Authority staff in advance of the loss.**
- 8) **Covered party** means:
 - (a) A *member entity* of the California Joint Powers Risk Management Authority. This includes all entities named in its declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board) or similar entities coming under the entity's direction or control, or for which the entity's board members sit as the governing body, except a hospital board or commission, regardless of how such body is denominated.
 - (b) A member of a joint powers authority that is a *member entity* herein, which participates in said jpa's liability program. This includes all entities named in its declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board) or similar entities coming under the entity's direction or control, or for which the entity's board members sit as the governing body, except a hospital board or commission, regardless of how such body is denominated.
 - (c) Any person or entity identified as a *covered party* holding a certificate of coverage duly issued by the *Authority*, for *occurrences* during the coverage period identified in the certificate of coverage; if a particular activity is identified in the certificate of coverage, the person or entity is a *covered*

party only for occurrences arising out of the described activity. Coverage will not be broader than what the Member Entity is required to provide by the contract or agreement, nor for higher limits than required by the contract, nor broader than the coverage provided under this Memorandum.

- (d) Any person who is an official, *employee* or volunteer of a person or entity covered by (a), (b), or (c) herein, whether or not compensated, while acting in an official capacity for or on behalf of such person or entity, including while acting on any outside board at the direction of such person or entity, except a hospital board or commission, regardless of how such body is denominated. *Covered party* shall not include any person whose conduct is not within the course and scope of his or her employment or office with the *covered party* at the time of the act or acts that give rise to liability.
- (e) With respect to any *automobile* owned or leased by a *covered party* (described in (a), (b) or (c) above), or loaned to or hired for use by or on behalf of the *covered party*, any person while using such *automobile*, and any person or organization legally responsible for the use thereof, provided the actual use is with the express permission of the *covered party*, but this protection does not apply to:
 - 1) Any person or organization, or any agent or *employee* thereof, operating an *automobile* sales agency, repair shop, service station, storage garage or public parking place, with respect to an *occurrence* arising out of the operation thereof; or
 - 2) The owner or any lessee, other than the *covered party*, of any *automobile* hired by or loaned to the *covered party* or to any agent or *employee* of such owner or lessee.

This agreement does not provide uninsured or underinsured motorist coverage.

- (f) Notwithstanding sections (d) and (e) above, the defense and indemnity coverage afforded by this agreement to a past or present official, *employee* or volunteer of a *member entity* (described in (a) or (b) above) is not broader than the *member entity's* duty to defend and indemnify its official, *employee* or volunteer pursuant to California Government Code sections 815 to 815.3, 825 to 825.6, and 995 to 996.6, inclusive and any amendments thereof. If the *member entity* which employs the official, *employee* or volunteer is not obligated under the Government Code to provide a defense, or to provide indemnity, for a claim, or if said *member entity* refuses to provide such defense and/or indemnity to said official, *employee* or volunteer, then this agreement shall not provide for any such defense or indemnity coverage to said official, *employee* or volunteer. All immunities, defenses, rights and privileges afforded to a *member entity* under Government Code sections 815 to 815.3, 825 to 825.6, and 995 to 996.6, inclusive and any amendments

thereof, shall be afforded to the *Authority* to bar any defense or indemnity coverage under this agreement to that *member entity's* official, *employee* or volunteer.

(g) No person or entity is a *covered party* with respect to the conduct of any current or past partnership, joint venture or joint powers authority unless all members are *covered parties* under (a) or (b) herein. However, for any person (1) who is an official, *employee*, or volunteer of an entity covered by (a) or (b) herein, (2) who participates in the activities of any partnership, joint venture or joint powers authority (or any separate agency or entity created under any joint powers agreement by the named entity), and (3) who is acting for or on behalf of an entity covered by (a) or (b) herein at the time of the *occurrence*, then coverage is afforded by this agreement. Such coverage will be in excess of and shall not contribute with any collectible insurance or other coverage provided to the other joint powers authority, agency or entity.

(9) **Dam** means any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which either (a) is 25 feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel or watercourse, to the maximum possible water storage elevation; or (b) has an impounding capacity of 50 acre-feet or more.

Any such barrier which is not in excess of 6 feet in height, regardless of storage capacity, or which has a storage capacity not in excess of 15 acre-feet, regardless of height, shall not be considered a *dam*.

No obstruction in a canal used to raise or lower water therein or divert water therefrom, no levee, including but not limited to a levee on the bed of a natural lake the primary purpose of which levee is to control floodwater, no railroad fill or structure, and no road or highway fill or structure, no circular tank constructed of steel or concrete or both, no tank elevated above the ground, and no barrier which is not across a stream channel, watercourse, or natural drainage area and which has the principal purpose of impounding water for agricultural use shall be considered a *dam*.

No obstruction in the channel of a stream or watercourse which is 15 feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground shall be considered a *dam*.

The levee of an island adjacent to tidal waters in the Sacramento-San Joaquin Delta, as defined in California Water Code section 12220, even when used to impound water, shall not be considered a dam and the impoundment shall not be considered a reservoir if the maximum possible water storage elevation of the

impounded water does not exceed four feet above mean seal level, as established by the United States Geological Survey 1929 datum.

No noncircular tank, constructed of steel or concrete, or both, that is constructed in a county of the third class by a public agency, under the supervision of a civil engineer registered in the state, that does not exceed 75 acre feet in capacity or 30 feet in height, and no barrier that is not across a stream channel, watercourse, or natural drainage area and that has the principal use as a sewage sludge drying facility shall be considered a *dam*.

Nor shall any impoundment constructed and utilized to hold treated water from a sewage treatment plant be considered a *dam*. Nor shall any wastewater treatment or storage pond exempted from state regulation and supervision by California Water Code section 6025.5 be considered a *dam*.

- 10) **Damages** means compensation in money recovered by a party for loss or detriment it has suffered through the acts of a *covered party*. *Damages* include (1) attorney fees not based on contract awarded against the *covered party*, (2) interest on judgments, or (3) costs, for which the *covered party* is liable either by adjudication or by compromise with the written consent of the *Authority*, if the fees, interest or costs arise from an *occurrence* to which this coverage applies. *Damages* also include reasonable attorney fees and necessary litigation expenses incurred by or for a party other than the *covered party*, which are assumed by the *covered party* in a *covered indemnity contract* where such attorney fees or costs are attributable to a claim for *damages* covered by this Memorandum.

~~*Damages with respect to employment practices liability*~~ shall not include those sums owed by a *covered party* to any employee or former employee as contract *damages*, any wages, salary, or benefit owed for work actually performed, or (whether prospective or retrospective) resulting from promotion or reinstatement, or any *damages* owing under an express contract of employment or an express obligation to make severance payments in the event of termination of employment.

Damages with respect to employment practices liability also shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement, nor sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

- 11) **Defense costs** means all fees and expenses incurred by any *covered party*, caused by and relating to the adjustment, investigation, defense or litigation of a claim to which this coverage applies, including attorney fees. *Defense costs* shall include adjusting expenses of a third party claims administrator which are specifically identifiable with a claim subject to this coverage.

Defense costs shall not include:

- (a) the office expenses, salaries of *employees* or officials, or expenses of the *covered party* or the *Authority*;
 - (b) any fee or expense relating to coverage issues or disputes between the *Authority* and any *covered party*; or
 - (c) attorney fees, interest on judgments, or costs awarded to a prevailing plaintiff against the *covered party*.
- 12) **Discrimination** means an act or failure to act with respect to any present or former *employee* or applicant for employment with regard to compensation, terms, conditions, privileges or opportunities of employment because of race, color, religion, age, sex, disability, pregnancy, national origin, sexual orientation, or other protected category or characteristic established pursuant to any applicable federal, state or local statute or ordinance.
- 13) **Employee** means a person whose labor or services is engaged and directed by a *covered party* described in definition 8 (a), (b) or (c) above. This includes part-time, seasonal, and temporary labor or services, as well as any person employed in a supervisory, managerial or confidential position. *Employee* shall not include an independent contractor, volunteer or agent, and shall not include any person performing work pursuant to a court order in lieu of a fine or jail sentence.
- 14) **Employment Practices Liability** means liability arising from *discrimination*, *sexual harassment*, and/or *wrongful termination* claimed by an *employee*, former *employee* or applicant for employment of a *covered party*.
- 15) **Limit of coverage** shall be the amount of coverage stated in the declaration page or certificate of coverage for each *covered party* per *occurrence*, subject to any lower sublimit stated in this Memorandum. For each *occurrence*, there shall be only one *limit of coverage* regardless of the number of claimants or *covered parties* against whom a claim is made. If the *covered parties* have different limits of coverage, the highest limit for any party found liable by a final judgment will apply.
- 16) **Marina** means facilities which include floating docks, boat berthing spaces, marine fueling operations, marine repair facilities, storage facilities for boats and other related marine materials, and other related facilities in which berthing spaces are leased or rented to members of the public for berthing of their private boats. *Marina* includes all of such facilities beyond locking gates, fences or barriers barring access to non-lessees and within waterways enclosed by any breakwater or similar structure, and any repair and storage facilities wherever located.
- 17) **Medical malpractice** means the rendering of or failure to render any of the following services:

- (a) medical, surgical, dental, psychiatric, psychological counseling, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or any services provided by a health care provider as defined in section 6146 (c), (2), (3) of the California Business and Professions Code.
- (b) furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

Medical malpractice does not include first aid administered by *employees*, nor does it include advice or services rendered by a 911 emergency dispatcher.

- 18) **Member Entity** means a signatory to the JPA Agreement creating the California Joint Powers Risk Management Authority.
- 19) **Nuclear material** means source material, special *nuclear material*, or byproduct material. “Source material”, “special *nuclear material*”, and “byproduct material” have the meanings given to them by the Atomic Energy Act of 1954 or in any law amendatory thereof.
- 20) **Occurrence** means:
 - (a) with respect to *bodily injury* or *property damage*: an accident, including continuous or repeated exposure to substantially the same generally harmful conditions, which results in *bodily injury* or *property damage* neither expected nor intended from the standpoint of the *covered party*. *Property damage* that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the *occurrence* that caused it.
 - (b) with respect to *personal injury*, *public officials errors and omissions liability* and *employment practices liability*, respectively: an offense described in the definitions of those terms in this coverage agreement.
- 21) **Personal injury** means injury, other than *bodily injury*, arising out of one or more of the following offenses:
 - (a) false arrest, detention or imprisonment, or malicious prosecution;
 - (b) wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
 - (c) publication or utterance of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products or services, or oral or written publication of material that violates a person’s right of privacy.
 - (d) *discrimination* or violation of civil rights.

- (e) injury resulting from the use of reasonable force for the purpose of protecting persons or property.
- 22) **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, airborne particles or fibers, asbestos, lead and waste. Waste includes material to be recycled, reconditioned or reclaimed. The term *pollutants* as used herein does not mean potable water, agricultural water, water furnished to commercial users or water used for fire suppression.
- 23) **Property damage** means:
- (a) physical injury to tangible property, including all resulting loss of use of that property; or
 - (b) loss of use of tangible property that is not physically injured or destroyed.
- 24) **Public officials errors and omissions** means any actual or alleged misstatement or misleading statement or act or omission by any *covered party* (individually or collectively) arising in the course and scope of their duties with the *covered party* or claimed against them solely by reason of their being or having been public officials or *employees*, and which results in damage neither expected nor intended from the standpoint of the *covered party*.
- 25) **Retained limit** means the amount, identified in the applicable declaration or certificate of coverage, of *ultimate net loss* which the *member entity* must incur or become liable for before the *Authority* is obligated to make any payment, subject to the following:
- (a) For each *occurrence*, there shall be only one *retained limit* regardless of the number of claimants or *covered parties* against whom a claim is made. If the *covered parties* have different *retained limits*, the lowest *retained limit* of any party found liable will apply. Payment of the *retained limit* shall be apportioned among the *covered parties* in accordance with their proportionate shares of liability.
 - (b) If the payment is for a settlement, the *retained limit* shall be apportioned among the *covered parties*, in accordance with the respective parties' agreed upon or court-determined share of liability. In the event that the apportionment requires ~~arbitration~~ court-determination, the *covered parties* will pay all costs of the California Joint Powers Risk Management Authority in seeking such determination, including its attorney's fees in proportion to the court's determination of liability.
 - (c) In the event that a structured settlement, whether purchased from or through a third party or paid directly by the *covered party* in installments, is utilized in the resolution of a claim or suit, only the present value of the

agreed-upon payments (the present value cost of the structured settlement) shall be considered in determining satisfaction of the *covered party's retained limit*.

- (d) The amount which the *covered party* must “incur or become liable for” so that the *retained limit* is satisfied and this coverage attaches may include sums paid on behalf of the *covered party* by:
- 1) A commercial insurance carrier because of a policy purchased by the *covered party*;
 - 2) A commercial insurance carrier because of an additional insured endorsement issued to the *covered party*;
 - 3) A self-insurance pooling joint powers authority which provides coverage to the *covered party*;
- or
- 4) A party making payment because of a contractual indemnity agreement with the *covered party*.

In the event that one of the sources listed above provides indemnity coverage to the *covered party* and other defendant(s) in the claim or suit, only those sums paid on behalf of the *covered party* shall be used to satisfy the *retained limit*. If payment is for a settlement, payment will be allocated between the *covered party* and the other defendant(s) in accordance with their court-determined shares of liability, or in an allocation according to liability as agreed upon by the *covered party* and the *Authority*. In the event that the *covered party* and the *Authority* are unable to agree upon an allocation, the matter will be submitted binding arbitration for a determination of the respective shares of liability. This determination will be according to the procedures set forth in the California Code of Civil Procedure, each side to bear its own costs.

Fireworks Retained Limit

For any fireworks display or demonstration sponsored or controlled by the covered party, if the covered party has not secured an additional insured endorsement in its favor from the fireworks vendor's insurance or coverage provider with limits in an amount of at least \$5 million dedicated, project specific aggregate limit, the Retained Limit will not be satisfied by any payment by the insurance or coverage provider for the vendor (see Definition 25(d)), and must instead be paid by the covered party; and the applicable Retained Limit will be increased by 50% (fifty percent) for any claim(s) arising out of the fireworks display or demonstration.

- 26) **Sexual harassment** means unwelcome sexual advances and/or requests for sexual favors and/or other verbal or physical conduct of a sexual nature that: (1)

are made a condition of employment; and/or (2) are used as a basis for employment decisions; and/or (3) create a work environment that is intimidating, hostile or offensive, or interfere with performance.

- 27) **Ultimate net loss** means the total of all *defense costs* incurred by the *covered parties* and all *damages* for which the *covered parties* are liable either by adjudication or by compromise with the written consent of the *Authority*, arising from an *occurrence* to which this coverage applies. However, *ultimate net loss* does not include defense expenses incurred by the *Authority* after the *Authority* assumes control of the negotiation, investigation, defense, appeal or settlement of any claim or proceeding. *Ultimate net loss* also does not include attorneys fees or costs awarded to the prevailing party in a suit except where such attorneys fees or costs are attributable to a claim for compensatory damages covered by this Memorandum.
- 28) **Wrongful termination** means termination of an employment relationship in a manner which is against the law and wrongful or in breach of an implied agreement to continue employment.

SECTION III - DEFENSE AND SETTLEMENT

The *Authority* shall have no duty to assume charge of investigation or defense of any claim. However, the *Authority*, at its own expense, shall have the right to assume the control of the negotiation, investigation, defense, appeal or settlement of any claim which the *Authority* determines, in its sole discretion, to have a reasonable possibility of resulting in an *ultimate net loss* in excess of the applicable *retained limit*. The *covered party* shall fully cooperate in all matters pertaining to such claim or proceeding.

If the *Authority* assumes the control of the handling of a claim, the *covered parties* shall be obligated to pay at the direction of the *Authority* any sum necessary for the settlement of a claim, or to satisfy liability imposed by law, up to the applicable *retained limit*.

No claim shall be settled for an amount in excess of the *retained limit* without the prior written consent of the *Authority* and the *Authority* shall not be required to contribute to any settlement to which it has not consented.

In the alternative, if a settlement demand acceptable to the *Authority* is not acceptable to the *covered party*, and the *Authority* tenders to the *covered party* an amount equal to the difference between the remainder of the *retained limit* and said settlement demand (or up to the applicable Limit of Coverage, whichever is less), then the *Authority's* agreement to indemnify or to pay on behalf of the *covered party* for the *ultimate net loss* hereunder shall be discharged and terminated, and the *Authority* shall have no further obligations with respect thereto.

SECTION IV - THE AUTHORITY'S LIMIT OF COVERAGE

The *limit of coverage* is the most the *Authority* will pay for *ultimate net loss* arising out of any *occurrence*, and the amount payable for *ultimate net loss* under this agreement shall be reduced by the amount of the *retained limit*. (For example, if the *covered party* has a \$40,000,000 *limit of coverage* and a \$500,000 *retained limit*, the *Authority* will pay not more than \$39,500,000 after exhaustion of the *retained limit*.) For each *occurrence*, there shall be only one *limit of coverage* regardless of the number of claimants or *covered parties* against whom a claim is made. ~~The *limit of coverage* for an additional *covered party* (including its officials, employees and volunteers) shall be the limit stated in its additional *covered party* certificate, regardless of the limit that applies to the *member entity*.~~

For any person or entity that is a covered party under Definition 8(c), or 8(c) and (d), pursuant to a certificate of coverage duly issued by the Authority, the limit of coverage will be the lower of: (1) the Limit stated in the Declarations page for the Member Entity; (2) any limit stated in the Additional Covered Party certificate or (3) the amount required to be provided by contract or agreement with the Member Entity.

Where this Agreement, or an endorsement or declaration, lists a "sublimit," that sublimit operates as the *limit of coverage*. (For example, if the *covered party* has a \$2,000,000 sublimit and a \$1,000,000 *retained limit*, the *Authority* will pay not more than \$1,000,000 after exhaustion of the *retained limit*.)

Should it appear to the Board of Directors that the total exposure for all claims in a program year may exceed a general aggregate limit for Pool D, the aggregate limit will be prorated between the *member entities*, on the basis of the *member entities'* respective premium contributions for the program year at issue. For purposes of determining whether the aggregate limit has been exhausted, the Board retains full discretion regarding placement of reserves, and payment of claims in order to equitably allocate the general aggregate limit. Once the general aggregate limit for such claims occurring during a program year has been exhausted, the *Authority* will have no further obligation to pay for covered ultimate net loss for such claims within Pool D, but this will not limit coverage which may be available within Pools B or C.

EPL Sublimit

A sublimit applies to *employment practices liability*. For any *claims* arising out of *employment practices liability*, the *limit of coverage* will be \$10,000,000 per *occurrence* all allegations by an *employee* or former *employee* or applicant for employment in the same *claim* shall be considered as one *occurrence* for the purpose of the *limit of coverage*. All *claims* by all *employees* or former *employees* or applicants for employment arising from the same act, policy, or course of conduct by a *covered party*

shall be considered as one *occurrence* for the purpose of the *limit of coverage*. All *claims* which allege *employment practices liability* for *occurrences* extending to a duration of more than one coverage period shall be treated as a single *occurrence* arising during the first coverage period when the *occurrence* begins.

This sublimit for *employment practices liability* will further be subject to an annual aggregate limit, so that the \$10,000,000 *limit of coverage* is the most the *Authority* will pay for all *ultimate net loss* arising out of *employment practices liability* for any *covered party* (inclusive of its *employees*, *commissions*, *agencies*, *districts*, *authorities* or *boards*), as defined in Section II(8)(a) or (b) for any coverage year.

Subsidence Sublimit

For *bodily injury*, *property damage* or *personal injury* arising out of the subsidence of land or earth, the sublimit will be \$5,000,000 per *occurrence*. **Subsidence means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion and/or contraction, *landslide*, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.**

Fungal Pathogens Sublimit/Aggregate Limit

A sublimit applies to any loss, cost or expense directly or indirectly arising out of or related to exposure to “fungal pathogens,” whether or not there is another cause of loss that may have contributed concurrently or in any sequence to the loss. The sublimit will be \$10,000,000 per *occurrence*, subject also to a \$5,000,000 annual aggregate collectively in Pool D only, for all *covered parties*. The designated general aggregate limit of \$5,000,000 is the most the *Authority* will pay from Pool D because of such claims for all *covered parties*, combined, in any *program year*.

“Fungal pathogens” as used herein, shall mean any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including, but not limited to, mold, mildew, mycotoxins, spores, **bacterial pathogens**, or any biogenic aerosols.

Sexual Abuse – Daycare Operations Sublimit/Aggregate Limit

A sublimit applies to “sexual abuse” arising out of daycare operations. The sublimit will be \$10,000,000 per *occurrence*, subject also to a \$5,000,000 annual aggregate collectively in Pool D only, for all *covered parties*. The designated general aggregate limit of \$5,000,000 is the most the *Authority* will pay from Pool D because of such claims for all *covered parties*, combined, in any *program year*. All claims based on or arising out of “sexual abuse” as respects daycare operations by the covered party’s employee and/or volunteer, or more than one of the covered party’s employees and/or volunteers acting in concert, will be considered as arising out of one *occurrence* regardless of:

- (1) the number of persons sexually abused;
- (2) the number of locations where the sexual abuse occurred;
- (3) the number of acts of sexual abuse; or
- (4) the period of time over which the sexual abuse took place.

An occurrence which extends to a duration of more than one coverage period shall be treated as a single occurrence arising during the first coverage period when the occurrence began.

As used herein, “sexual abuse” means any actual or alleged criminal sexual conduct of a person or persons acting in concert, which causes physical and/or mental injuries. “Sexual abuse” includes sexual molestation, sexual assault, sexual exploitation or sexual injury.

Terrorism Sublimit/Aggregate Limit

A sublimit applies to any loss, cost or expense directly or indirectly arising out of any act or multiple, related acts of *terrorism*, regardless of any other cause or event contributing concurrently or in sequence to the loss. The sublimit will be \$10,000,000 per occurrence, subject also to a \$5,000,000 annual aggregate collectively in Pool D, only, for all covered parties. The designated general aggregate limit of \$5,000,000 is the most the Authority will pay from Pool D because of such claims for all *covered parties*, combined, in any program year

As used in this sublimit, “terrorism” shall mean any activity that:

- (1) is declared by any authorized governmental official to be or to involve “terrorism,” terrorist activity or acts of terrorism; or,
- (2) includes, involves or is associated with the use or threatened use of force, violence or harm to human life, tangible or intangible property, the environment, natural resources, or the infrastructure or includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any biological, chemical, radioactive or nuclear agents, materials, devices or weapons, and
- (3) is intended, in whole or in part, to (i) intimidate, coerce, or frighten a civilian population; or (ii) disrupt or interfere with any segment of a local, national or global economy; or (iii) influence, disrupt or interfere with any government related operations, activities or policies; or (iv) promote, further or express opposition to any political, ideological, racial, ethnic, social or religious cause or objective.

Airports, Pollution, and Property of a Covered Party Sublimits/Aggregate Limits

Exclusions 2 (Airports), 27 (Pollution) and 29 (Property of a Covered Party) contain additional sublimits/aggregate limits.

SECTION V - COVERAGE PERIOD AND TERRITORY

This agreement applies to *bodily injury, personal injury, property damage, public officials errors and omissions* and *employment practices liability* which occurs anywhere in the world during the coverage period identified in the applicable declaration or certificate of coverage.

SECTION VI - EXCLUSIONS

(Captions provided for the exclusions are descriptive only and do not serve to either expand or limit coverage.)

This agreement does not apply to:

1) **Aircraft**

Claims arising out of the ownership, operation, use, maintenance or entrustment to others of any *aircraft* by a *covered party*. "Ownership, operation, use or maintenance" as used herein does not include static displays of *aircraft* in a park or museum setting.

2) **Airports**

Claims arising out of ownership, maintenance, management, supervision or the condition of any *airport*. However, this exclusion does not apply to *public officials errors and omissions* or *employment practices liability* coverage arising from the ownership, maintenance, management, supervision or the condition of any *airport*. Notwithstanding what is stated in the applicable declarations, *public officials errors and omissions* coverage described in this exception will be subject to a sublimit of \$5,000,000.

3) **Airshows**

Claims arising out of any air show sponsored or controlled by the *covered party*.

4) **Bid Specifications/Cost Overruns**

(a) Claims arising out of estimates of probable cost or cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans.

(b) Mechanic's lien claims, stop notice claims, change order claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims of breach of oral or written contract, third-party beneficiary claims, quantum meruit claims, and/or open account claims.

5) **Contractual Obligations**

Claims arising out of:

- (a) a failure to **enter into a contract, or failure to** perform or breach of a contractual obligation; or
- (b) *bodily injury or property damage* for which the *covered party* is obligated to pay *damages* by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for *damages*:
 - 1) assumed in a contract or agreement that is a *covered indemnity contract*, provided the *bodily injury or property damage* occurs subsequent to the execution of the contract or agreement; or
 - 2) that the *covered party* would have in the absence of the contract or agreement.

Notwithstanding this exclusion, the General Manager (or Board President or Vice President, in the absence of the General Manager) is granted authority to approve settlements involving promises to indemnify a co-defendant as part of the settlement. Any funds recovered from a co-defendant under such an agreement must be applied to *ultimate net loss* in addition to the *retained limit* before CJPRMA coverage is triggered.

6) **Damages Other Than Money**

Ultimate net loss arising out of relief, or redress, in any form other than money *damages*.

7) **Dams**

Claims arising out of partial or complete structural failure of a *dam* owned or operated by a *covered party*.

8) **Defamation**

Claims arising out of oral or written publication of material, if done by or at the direction of the *covered party* with knowledge of its falsity.

9) **Employment Liability**

Bodily injury to:

- (a) an *employee* of the *covered party* arising out of and in the course of:
 - 1) employment by the *covered party*; or

2) performing duties related to the conduct of the *covered party's* business.

(b) the spouse, child, unborn child or fetus, parent, brother or sister of the *employee* as a consequence of paragraph (a) above.

This exclusion applies to any obligation to share *damages* with or repay someone else who must pay *damages* because of the injury except under a *covered indemnity contract*.

This exclusion applies whether the *covered party* may be liable as an employer or in any other capacity.

10) **Employment Practices – Labor Disputes**

Under *employment practices liability*, to any potential or actual liability arising out of a lockout, strike, picket line, replacement or other similar action in connection with labor disputes or labor negotiations; or any liability arising from the failure to pay wages earned by an employee of a Covered Party, including but not limited to any claim or suit brought under the overtime compensation or minimum wage provisions of the Fair Labor Standards Act, 29 U.S.C. 201 et seq., or any state or local law governing the payment of overtime compensation or minimum wage.

11) **Employment Practices – Workers' Adjustment and Retraining**

Under *employment practices liability*, to any liability arising out of the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state or local law.

12) **Elected Officials – Employees - Restitution**

Claims by any *covered party* against its own past or present elected or appointed officials, *employees* or volunteers, where such claim seeks *damages* or restitution payable to the *covered party*.

13) **Employee Benefit Plans**

Benefits payable under any *employee* benefit plan (whether the plan is voluntarily established by the *covered party* or mandated by statute) because of unlawful *discrimination*.

This exclusion applies whether the *covered party* may be liable as an employer or in any other capacity.

14) **Employment Benefits**

Any obligation under any workers' compensation, unemployment compensation or disability benefits law or any similar law.

This exclusion applies whether the *covered party* may be liable as an employer or in any other capacity.

15) **ERISA**

Claims arising out of the Employee Retirement Income Security Act of 1974 or any law amendatory thereof, or any similar law or liability arising out of fiduciary activities as respects *employee* benefits plans.

16) **Failure to Supply**

Claims arising out of the failure to supply or provide an adequate supply of gas, water, electricity, storm drainage or sewage capacity when such failure is a result of the inadequacy of the *covered party's* facilities to supply or produce sufficient gas, water, electricity, storm drainage or sewage capacity to meet the demand. This exclusion does not apply if the failure to supply results from direct and immediate accidental damage to tangible property owned or used by any *covered party* to procure, produce, process or transmit the gas, water, electricity, storm drainage or sewage.

17) **Fines, Penalties, Punitive Damages**

Fines, assessments, penalties, restitution, disgorgement, exemplary or punitive *damages*. This exclusion applies whether the fine, assessment, penalty, restitution, disgorgement, exemplary or punitive *damage* is awarded by a court or by an administrative or regulatory agency. "Restitution" and "disgorgement" as used herein refer to the order of a court or administrative agency for the return of a specific item of property or a specific sum of money, because such item of property or sum of money was not lawfully or rightfully acquired by the *covered party*.

18) **Firing Ranges**

Claims arising out of the private use of a firing range owned, operated or maintained by a *covered party* where such private use is sanctioned by the *covered party*, except where such use is by a covered individual as defined in definition (8) (d). This exclusion does not apply to such private use where all of the following conditions are met:

- (a) A qualified range master is present at all times while the firing range is being utilized;
- (b) The firing range is only provided for the additional use of law enforcement divisions of other public agencies, and police academies, herein defined as

California P.O.S.T. (Peace Officers Standards & Training) Certified Basic Academies;

(c) Any agency using the firing range has provided an indemnification agreement which assumes full responsibility by the user agency for all liability arising out of their activities; and

(d) The user agency has provided liability coverage in an amount of not less than \$1,000,000 and has also provided a certificate of coverage which names the CJPRMA member as an additional covered party.

19) **Hospitals**

Claims arising out of ownership, maintenance, management, supervision or the condition of any hospital.

20) **Intentional Conduct**

Claims for injury or *damages* caused by intentional **or criminal** conduct done by the *covered party* with willful and conscious disregard of the rights or safety of others, or with malice. However, where the *covered party* did not authorize, ratify, participate in, consent to, or have knowledge of such conduct by its past or present *employee*, elected or appointed official, or volunteer, and the claim against the *covered party* is based solely on its vicarious liability arising from its relationship with such *employee*, official or volunteer, this exclusion does not apply to said *covered party*.

21) **Jumping/Propelling Activities**

Claims arising out of bungee jumping or propelling activities sponsored, controlled or authorized by a *covered party*.

22) **Land Use**

Claims arising out of or in connection with land use regulation, land use planning, the principles of eminent domain, condemnation proceedings or inverse condemnation by whatever name called, and whether or not liability accrues directly against any *covered party* by virtue of any agreement entered into by or on behalf of any *covered party*. **Land use planning and land use regulation include the approval or disapproval of any land-use entitlement including but not limited to general plan amendments, zoning amendments, variances, permits, tract maps, development agreements, owner-participation agreements, or disposition-and-development agreements; the approval or disapproval of any rent control ordinance, outdoor advertising ordinance, or adult bookstore ordinance; or the approval or disapproval of the operation of a marijuana dispensary, any ordinances governing that activity, and any and all enforcement efforts.**

23) **Marinas**

Claims arising out of:

- (a) or connected with *property damage* to private vessels or craft while present at or in a *marina* owned, operated or controlled by a *covered party* whether or not the vessel or craft is docked, moored or underway; or
- (b) *bodily injury* or *property damage* occurring on, in or about any boat owned or operated by the *covered party* (whether such vessel is being operated or has broken away from any dock or mooring) while present at or in a *marina* owned, operated or controlled by a *covered party*.

24) **Medical Malpractice**

Claims arising out of any professional *medical malpractice* (1) committed by a doctor, osteopath, chiropractor, dentist or veterinarian, or (2) committed by any health care provider (as defined in Business & Professions Code Section 6146(c) (2)) working for any hospital or hospital operated out-patient, in-patient or other clinic at the time of the *occurrence* giving rise to the loss. This exclusion shall not apply, however, to any injury arising out of emergency medical services rendered or which should have been rendered to any person or persons during the coverage period by any duly certified emergency medical technician, paramedic, or nurse who is employed by or acting on behalf of any *member entity* to provide such services, but is not employed at a hospital, clinic or nursing home facility.

25) **Multi Passenger Vehicles**

Claims arising out of the ownership, operation, maintenance or use of any vehicle (1) with over 30 passenger seats or carrying over 30 passengers and (2) which is owned, operated, maintained or used by any transit authority, transit system or public transportation system owned or operated by or on behalf of the *covered party*.

26) **Nuclear Material**

Claims arising out of the hazardous properties of *nuclear material*.

27) **Pollution**

Claims which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants* at any time.

- (a) This exclusion does not apply to fire fighting activities, including training burns, or intentional demolition or burns for the purpose of limiting a fire, or the discharge of *pollutants* for the purpose of controlling a fire; or to police

use of mace, oleoresin capsicum (O.C.), pepper gas or tear gas; or to weed abatement or tree spraying.

- (b) This exclusion does not apply to claims arising from sudden and accidental sewer backups **into a home or business, but this extension of coverage does not apply to backups, overflow or runoff into public waterways.** Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for claims described in this exception will be subject to a sublimit of \$5,000,000.
- (c) This exclusion does not apply to claims arising from the sudden and accidental discharge, dispersal, release, or escape of chlorine and other chemicals (gas, liquid or solid) which are being used or being prepared for use in fresh or wastewater treatment or in water used in swimming pools, wading pools or decorative fountains. Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for claims described in this exception will be subject to a sublimit of \$5,000,000.
- (d) This exclusion does not apply to claims arising from materials being collected as part of any drop-off or curbside recycling program implemented and operated by the *covered party*; if the materials have not been stored by the *covered party* or *parties* for a continuous period exceeding ninety (90) days. Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for claims described in this exception will be subject to a sublimit of \$5,000,000.
- (e) This exclusion does not apply to sudden and accidental discharges of *pollutants* occurring during the transportation or deposit of materials as part of garbage collection activities. However, the exclusion does apply after *pollutants* have been deposited at a landfill or garbage dump.
- (f) This exclusion does not apply to *bodily injury* or *property damage* arising from activities of the *covered party* to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize *pollutants*, but this exception will not apply to *bodily injury* or *property damage* caused by *pollutants* on or arising from premises, equipment or locations under the control of the *covered party*.
- (g) This exclusion does not apply to sudden and accidental discharges of *pollutants* from premises owned or controlled by a *Covered Party* as described in Definition 8(a) or (b) if the discharge is discovered within ten (10) days of the *occurrence* and reported to the *Authority* within thirty (30) days of discovery. Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for claims described in this exception will be subject to a sublimit of \$5,000,000.

As used in paragraphs (b), (c), (e) and (g) above, “sudden” means abrupt or immediate, and occurring within a period not exceeding twenty-four (24) hours; “accidental” means causing harm neither expected nor intended by a *covered party*.

Notwithstanding what is stated in the applicable declarations, any liability arising out of the actual, alleged or threatened exposure to asbestos or lead, which is covered by an exception within this exclusion, shall be subject to a sublimit of \$5,000,000.

28) **Pollution Clean Up**

Any loss, cost or expense, including *defense costs*, arising out of any:

- (a) request, demand or order that any *covered party* or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*; ~~or~~
- (b) claim or suit by or on behalf of a governmental authority for *damages* because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of *pollutants*; ~~or~~
- (c) claim or suit brought under the Clean Water Act, including state or federal enforcement actions under 33 U.S. Code sections 1319, et seq.; citizen suits brought under sections 1365, et seq.; or state enforcement actions brought under the California Water Code sections 13385, et seq.; or claims or suits brought under any similar law relating to discharge permit violations.

29) **Property of a Covered Party**

Property damage to:

- (a) property owned by the *covered party*;
- (b) property rented to or leased to the *covered party* where it has assumed liability for damage to or destruction of such property, unless the *covered party* would have been liable in the absence of such assumption of liability; or
- (c) *aircraft* or watercraft in the *covered party's* care, custody or control.

Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for any *property damage* not excluded by the language of this exclusion, but which is described in the *care, custody or control hazard*, shall be subject to a general aggregate limit within Pool D only. The designated general aggregate limit of \$5,000,000 is the most the *Authority* will pay from Pool D for all *ultimate net loss*

described in the *care, custody or control hazard* for all *covered parties*, combined, in any program year.

30) **Public Officials Errors & Omissions – Fiduciary Liability**

Under *public officials errors and omissions* coverage, claims (including emotional distress claims) arising from the *covered party's* activities in a fiduciary capacity including but not limited to those with respect to: (a) property, including related operations, in which the *covered party* is acting in a fiduciary or representative capacity; (b) a pension, welfare, profit sharing, mutual or investment trust fund or trust, benefit plan or similar activity in a fiduciary capacity; (c) the issuance, management of proceeds or repayment of bonds, notes or other debt instruments by any insured or any agent acting on behalf of such insured; or (d) the purchase, transfer or sale of any securities by any insured or agent acting on behalf of such insured.

31) **Public Officials Errors & Omissions – Bodily Injury or Property Damage**

Under *public officials errors and omissions* coverage, *bodily injury, personal injury*, or physical injury to tangible property, including all resulting loss of use of that property.

32) **Racing Contests**

Claims arising out of *automobile* or motorcycle drag racing, speed racing, or similar speed contests sponsored, controlled or participated in by a *covered party*.

33) **Reasonable Accommodation**

Any expense or cost incurred by a *covered party* arising from reasonable accommodation of any disabled person, including any *employee*.

34) **Refunds/Restitution**

Refund or restitution of taxes, fees or assessments.

35) **Reimbursement of Money**

Claims for refund, reimbursement or repayment of any monies to which a *covered party* was not legally entitled.

36) **Transit Authorities**

Claims arising out of the operation of vehicles by or on behalf of any transit authority, transit system, or public transportation system owned or operated by a *covered party*, unless the vehicles are owned or leased by the *covered party* and driven, maintained, and supervised by *employees* of the *covered party*. However, this exclusion does not apply to *public officials errors and omissions* coverage

arising from the operation of any transit authority, transit system, or public transportation system.

37) **Tumbling Devices**

Claims arising out of the ownership, maintenance or use of any trampoline or any other rebound tumbling device.

38) **Uninsured/Underinsured Motorists**

Uninsured or underinsured motorist coverage.

39) **Watercraft**

For any motorized watercraft owned, operated, rented, or loaned to a *covered party*, to (1) *bodily injury* or *property damage* arising out of the use of watercraft unless such use is by an entity *employee* acting within the course and scope of employment; and (2) to watercraft being used to carry persons or property for a charge. Charge, as used herein, includes any payment or fee, including a donation. Use includes operation and loading or unloading. Use does not include static displays of watercraft.

40) **Willful Violation of Statute**

Claims arising out of the willful violation of a statute or ordinance committed by the *covered party* or with its consent.

SECTION VII - CONDITIONS

1) **Covered party's Duties in the Event of Occurrence, Claim or Suit**

(a) The *covered party* shall notify the *Authority* within 30 days upon receipt of notice of a claim, or the setting of a reserve on any claim or suit including multiple claims or suits arising out of one *occurrence*, such claim or reserve amounting to fifty percent or more of the *retained limit*, Title 42 USC 1983 cases in which a complaint has been served and the plaintiff is represented by legal counsel or with reserves of twenty-five percent or more of the *retained limit*, or regardless of reserve, any claim involving:

- 1) one or more fatalities;
- 2) loss of a limb;
- 3) loss of use of any sensory organ;
- 4) quadriplegia or paraplegia;
- 5) third degree burns involving ten percent or more of the body;
- 6) serious facial disfigurement;

- 7) paralysis; or
- 8) closed head injuries.

Written notice containing particulars sufficient to identify the *covered party* and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the *covered party* and of available witnesses, shall be given by or for the *covered party* to the *Authority* or any of its authorized agents as soon as possible.

- (b) The *covered party* shall notify the *Authority* within 30 days upon receipt of lawsuit containing allegations involving *employment practices liability*. Where any lawsuit is reported after the 30 day period as required by this provision, all *defense costs* incurred prior to the date of late reporting will not constitute covered *ultimate net loss* eroding the *self insurance retention*. The *covered parties* shall cooperate in an early review of *employment practices liability* claims or suits with counsel appointed by the *Authority* at the expense of the *Authority*.
- (c) If claim is made or suit is brought against the *covered party* and such claim or suit falls within the description in paragraph (a) above, the *covered party* shall be obligated to forward to the *Authority* every demand, notice, summons or other process received by it or its representative.
- (d) The *covered party* shall cooperate with the *Authority* and upon its request assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the *covered party* because of *bodily injury, personal injury, property damage* or *public officials errors and omissions* with respect to which coverage is afforded under this Agreement; and the *covered party* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- (e) The *Authority* shall be entitled to complete access to the *covered party's* claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The *covered party* shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the *Authority*, and to provide the *Authority* with simultaneous copies of all correspondence provided to the *covered party* by its defense attorneys and/or agents.

2) **Action Against Authority/Subrogation**

- (a) No action shall lie against the *Authority* with respect to the coverages and related provisions defined in the Memorandum of Coverage (Memorandum) for the *Automobile/General Liability Program* unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of the Memorandum, nor until the amount of the *covered party's* obligation to

pay shall have been finally determined either by judgment against the *covered party* after actual trial or by written agreement of the *covered party*, the claimant and the *Authority*. Any person or organization or the representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under said Memorandum to the extent of the coverage afforded by said Memorandum. No person or entity shall have any right under said Memorandum to join the *Authority* as a party to any action against the *covered party* to determine the *covered party's* liability, nor shall the *Authority* be impleaded by the *covered party* or its legal representative.

(b) The *Authority* shall be subrogated to the extent of any payment hereunder (including all *ultimate net loss* incurred) to all the *covered party's* rights of recovery thereof, and the *covered party* shall do nothing after loss to prejudice such right and shall do everything necessary to secure such right. Any amount so recovered shall be apportioned as follows:

- 1) The *Authority* shall be reimbursed first to the extent of its actual payment thereunder. If any balance then remains unpaid, it shall be applied to reimburse the *covered party*.
- 2) The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted by the *Authority*, it shall bear the expenses thereof.

3) **Bankruptcy or Insolvency**

Bankruptcy or insolvency of the *covered party* shall not relieve the *Authority* of any of its obligations hereunder.

4) **Other Coverage**

If insurance or any other coverage with any insurer, joint powers authority or other source respectively is available to the *covered party* covering a loss also covered hereunder (whether on primary, excess or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such other insurance or coverage. This coverage shall be in excess of, and shall not contribute with, any insurance or coverage designed to cover the operator of an *automobile* or watercraft. This coverage shall be in excess of, and shall not contribute with, any insurance or coverage which names a *covered party* herein as an additional *covered party* or additional insured party, where coverage is extended to a loss also covered hereunder.

This "other coverage" paragraph shall not operate to increase the *covered party's retained limit* or the *Authority's limit of coverage* under this Memorandum because of any coverage afforded to the *covered party* by the Employment Risk Management Authority.

5) **Severability of Interests**

The term *covered party* is used severally and not collectively, but the inclusion herein of more than one *covered party* shall not operate to increase the limits of the *Authority's* liability or the *retained limit* applicable per *occurrence*.

6) **Accumulation of Limits**

An *occurrence* which extends to a duration of more than one coverage period shall be treated as a single *occurrence* arising during the first coverage period when the *occurrence* begins.

7) **Termination**

This Agreement may be terminated at any time in accordance with the Bylaws of the *Authority*.

8) **Changes**

Notice to any agent or knowledge possessed by any agent of the *Authority* or by any other person shall not affect a waiver or a change in any part of this Memorandum of Coverage, nor shall the terms of this Memorandum of Coverage be waived or changed, except by endorsement issued to form a part of this Memorandum of Coverage.

9) **Reduction of Limits**

In the event of reduction or exhaustion of the *retained limit* applicable to the *covered party* by reason of losses paid thereunder, this coverage shall (a) in the event of reduction pay the excess of the reduced underlying *retained limit*, or (b) in the event of exhaustion continue in force as underlying coverage. In no event shall the coverage apply until the *retained limit* is exhausted through the payment of *defense costs*, judgments and/or settlements to which the *Authority* has agreed.

10) **Coverage Disputes**

The General Manager shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the *Authority's* right to deny coverage on all or part of a claim, if a loss subsequently exceeds the *retained limit*.

A decision by the General Manager to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing within thirty (30) calendar days of the date of the General Manager's written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too

late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The General Manger and the *covered party* will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints.

Within sixty (60) days following any denial of coverage by the Board, the *covered party* may request, in writing, that the *Authority* initiate a declaratory relief action in Superior Court for a determination of the coverage matter. The declaratory relief action shall be initiated in the County of the *Authority's* home office, unless the *Authority* and *covered party* agree on a different venue.

Any determination by the Executive Committee, and by the Board of Directors if the matter is appealed to the Board of Directors, whether a Covered Party has breached parts (1)(a) or (b) of these Conditions concerning notice of a claim, and any determination whether the *Authority* has been prejudiced by that breach, so that this coverage does not apply, comes within the sole discretion of the Executive Committee and Board of Directors, respectively. Such determinations shall be conclusive, final and binding and shall not be the subject of any further review, whether by declaratory relief action or otherwise.

Under no circumstances shall the Authority be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under Section I – Coverages, plus interest at the same rate as the Authority earned on investments for the time period involved.

11) **Arbitration of Coverage Disputes**

(a) **Coverage Determinations**

Determinations regarding allocation of funds spent in settlement or defense of claims, for purposes of determining satisfaction of the Retained Limit under Definition 25, shall be subject to binding arbitration as set forth below. Additionally, the *Authority* and *covered parties* by mutual agreement may agree to submit any other coverage dispute to binding arbitration in the alternative to the procedure set forth in Section VII(10) above.

1) **Selection of Arbitrators**

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Alameda County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an

attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with the *Authority* or the *covered party* or *parties*.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension.

Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between the parties and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

2) **Discovery**

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) **Testimony Under Oath**

The testimony of witnesses shall be given under oath.

4) **Length of Hearing**

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) **Certified Shorthand Reporter**

Either side wishing a certified shorthand reporter record shall make arrangements directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) **Funding of Defense and Payment of Claims Pending Resolution of Dispute**

During the course of the arbitration proceedings provided herein, the *covered party* will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such *defense costs*, the *Authority* will reimburse the *covered party* as directed by the panel.

(c) **Effects of Arbitration Decisions**

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) **General Law**

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

PROGRAM YEAR 2016-2017

ENDORSEMENT NO. 1

Exclusions number 25 (Multi-Passenger Vehicles) and 36 (Transit Authorities), set forth in Section VI of the Memorandum of Coverage, are hereby modified by exempting therefrom the *member entity* listed below:

The school bus system operated by the Esparto Unified School District (YCPARMIA).

This endorsement is issued to:

1. **The Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)**

This endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

Effective date: July 1, 2016

July 1, 2016

Date



General Manager

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

PROGRAM YEAR 2016-2017

ENDORSEMENT NO. 2

Exclusion number 39 (Watercraft), set forth in Section VI of the Memorandum of Coverage, is hereby modified by exempting therefrom **The City of Lodi**, subject to the following conditions:

- 1) The exemption is applicable to the pontoon boats utilized for the City's camera safari tours.
- 2) Everyone on the boats is required to wear Coast Guard approved floatation devices.
- 3) A Coast Guard "Masters Limited" certification must be completed.

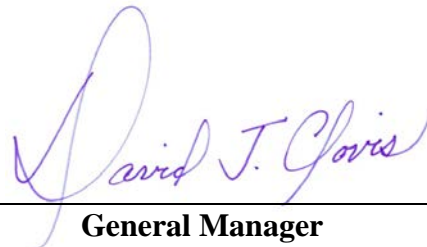
This endorsement is issued to: **The City of Lodi**

This endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

Effective date: July 1, 2016

July 1, 2016

Date



David J. Gavis

General Manager

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

PROGRAM YEAR 2016-2017

ENDORSEMENT NO. 3

With respect to any claims arising out of the ownership, maintenance, management, supervision or the condition of port facilities owned or controlled by the parties named below, there shall be no coverage in "Pool C" or "Pool D." Coverage in "Pool B" shall be excess of, and shall not contribute with, any insurance or coverage provided to the parties listed below by the insurer/coverage provider for any contractor (whether public or private) under contract to operate or service the port facilities. But coverage in "Pool B" shall not be excess of any insurance or coverage provided by or through the California Association of Port Authorities, the U.S. Ports & Terminal Operators Risk Purchasing Group, and shall instead apply (in excess of YCPARMIA's coverage) to satisfy part of the \$1 million Self Insured Retention under CAPA coverage.

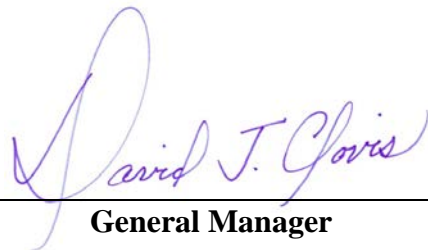
This endorsement is issued to: **The Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), and its member, the City of West Sacramento.**

This endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

Effective date: July 1, 2016

July 1, 2016

Date



General Manager

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

PROGRAM YEAR 2016-2017

ENDORSEMENT NO. 4

With respect to *bodily injury* or *property damage* arising out of, and caused by, a “Special Event,” the *Retained Limit* stated in the Declarations Page is amended to \$25,000.

For purposes of this Endorsement, “Special Event” means an event described below for which a third party (“Event Sponsor”), by written contract (including by permit agreement executed by the Event Sponsor), agrees to use facilities of the Covered Party for a specified period of time and activity, and agrees by the contract to indemnify and hold harmless the Covered Party from risk of loss arising from the event.

The indemnity and hold harmless agreement must provide that the Event Sponsor “agrees to indemnify and hold harmless [covered party] and its agents and employees from and against any injury, damage, claims, actions or suits arising out of the [Special Event], including those caused by negligence of the parties being indemnified and/or any dangerous condition of property of the parties being indemnified, and further agrees to defend and indemnify [covered party] from and against any injury, damage, claims, actions or suits arising out of or connected with the [special event].”

“Special event” includes:

1. Aerobics – Jazzercise demonstrations
2. Animal Acts/Shows (not Zoos or Circuses)
3. Antique Shows
4. Art Festivals
5. Art Shows
6. Auctions
7. Automobile Shows
8. Awards Presentations
9. Ballets
10. Banquets
11. Bazaars
12. Beauty Pageants
13. Bingo/Casino games
14. Block Parties, including those with Street Closures
15. Boat Shows

16. Body Building Contests
17. Business Meetings
18. Business Shows
19. Carnivals (not including mechanized rides)
20. Casino and Lounge Shows
21. Charity benefits, auctions and sales; fund raisers
22. Civic clubs and group meetings
23. Community Fairs
24. Concerts with total attendance of less than 1500
25. Consumer Shows
26. Conventions in Buildings
27. Craft Shows
28. Dance Shows/Recitals
29. Dances and Parties (except with Rap or Heavy Metal)
30. Debutante Balls
31. Dinner Theater
32. Dog Shows
33. Drill Team exhibitions
34. Educational exhibitions
35. Electronics Conventions
36. Ethnic Fairs or Celebrations
37. Evangelistic meetings
38. Expositions
39. Farmers' Markets
40. Fashion Shows
41. Fishing Shows or contests
42. Flea Markets
43. Flower Shows
44. Food concessions
45. Garden Shows
46. Graduations
47. Harvest Festivals
48. Holiday Shows
49. Home Shows
50. Horse Shows
51. Housing Shows
52. Instructional Classes
53. Job Fairs
54. Ladies Club events
55. Lectures
56. Livestock Shows
57. Luncheon Meetings
58. Mobile Home Shows
59. Musicals
60. Night Club Shows
61. Operas

62. Organized Sight Seeing Tours
63. Pageants
64. Parties with total attendance of less than 500
65. Picnics
66. Plays
67. Political Rallies
68. Proms
69. Quinceaneras
70. RV Shows
71. Religious Assemblies
72. Reunions
73. Rummage Sales
74. Scavenger Hunts
75. Scouting Jamborees
76. Seminars
77. Sidewalk Sales
78. Soap Box Derbies
79. Social Receptions or Gatherings
80. Speaking Engagements
81. Sporting events if non-professional, non-league, non-contact (bicycle races/rallies, equestrian events, golf, gymnastics, tennis, handball or racquetball, roller skating, handball, marathons, fun runs, 10K races, gymnastic competitions, ice skating shows, ski events)
82. Sporting events if non-professional, non-league, limited contact (baseball or softball, soccer, roller hockey, basketball)
83. Street Fairs
84. Swap Meets
85. Symphony Concerts
86. Teleconferences
87. Telethons
88. Theatrical Stage Performances
89. Trade Shows
90. Union Meetings
91. Vacation Shows
92. Voter Registration
93. Walk a Thons
94. Weddings and Receptions

“Special Event” does not include:

1. Aircraft/aviation events (static displays are not excluded)
2. All terrain boarding
3. Ballooning or balloon rides
4. Base jumping
5. Bouldering
6. Bungee Jumping

7. Carnival rides
8. Circuses
9. Concerts over 6 hours
10. Diving
11. Football (except passing camps with no contact drills)
12. Hang gliding/ parachuting/ parasailing
13. Jousting
14. Kayaking, rafting or canoeing in greater than Class 3 rapids
15. Lacrosse and Rugby
16. Mechanical amusement rides or services
17. Motorized sporting equipment including speed or demolition events
18. Mosh Pits
19. Mountain Biking
20. Parades
21. Power Boat Racing
22. Professional Sporting Activities: games, racing, or contest of a professional nature
23. Pyrotechnics or explosives
24. Rap or Heavy Metal concerts
25. Raves
26. Rock Climbing
27. Rodeo or Roping Events
28. Scuba Diving
29. Sporting events if part of a league
30. Sporting events if non-professional, full contact (football, ice hockey, rugby, boxing, wrestling, contact karate, contact martial arts)
31. Tractor or Truck Pulls
32. Trampolines
33. Zoos

Exclusion for participants. This endorsement does not apply to “bodily injury” or “property damage” to any person while practicing for or participating in any sports or athletic contest or exhibition, or while performing in any concert, show, or theatrical event.

Exclusion for sale alcohol. This endorsement does not apply to “bodily injury” or “property damage” arising from or caused, in whole or in part, by the Covered Party or Event Sponsor furnishing alcoholic beverages for which consumers are specifically charged by a third party vendor or caterer.

This Endorsement does not apply to liability arising from *Public Officials Errors and Omissions*.

This Endorsement does not eliminate the operation of any Exclusion in the Memorandum of Coverage.

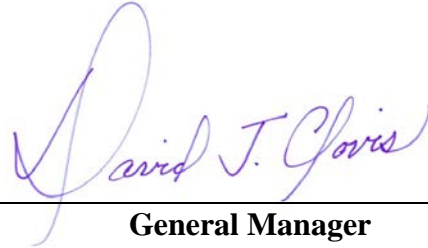
This endorsement does not provide drop down coverage or reduce the retained limit under the reinsurance program.

This Endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

Effective date: July 1, 2016

July 1, 2016

Date



David J. Gavis

General Manager

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

PROGRAM YEAR 2016-2017

ENDORSEMENT NO. 5

With respect to any claims arising out of the ownership, maintenance, management, supervision or the condition of port facilities owned or controlled by the party named below, there shall be no coverage.

This endorsement is issued to: **The City of Richmond**

This Endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

Effective date: July 1, 2016

July 1, 2016

Date



General Manager

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

PROGRAM YEAR 2017-2018

[PROPOSED] ENDORSEMENT NO. 7

Scheduled Unmanned Aerial Vehicle, with Sublimit

Unmanned Aerial Vehicle (UAV) or “drone” means an *Aircraft* (including its aerial system or control device) that is not controlled directly by a person from within or on the aircraft, and falls within the definition of Small Unmanned Aircraft under 14 Code of Federal Regulations section 107.3.

For UAVs owned or operated by a *Covered Party* that are scheduled for coverage pursuant to this endorsement, Exclusion 1 (Aircraft) is deleted, for *Bodily Injury* and *Property Damage* coverage, only, but subject to the *Retained Limit* and *Limit of Coverage* sublimit stated herein.

With respect to *bodily injury* or *property damage* arising out of, and caused by, the use of a scheduled UAV, the *Retained Limit* shall be as stated in this endorsement.

With respect to *bodily injury* or *property damage* arising out of, and caused by, the use of a scheduled UAV, the Limit of Coverage shall be subject to a Sublimit of \$7,000,000 per *Occurrence*, and further subject to a \$2,000,000 annual aggregate limit collectively in Pool D only, for all *Covered Parties*.

In order to be a scheduled UAV for purposes of this Endorsement, the *Member* must report to CJPRMA the size, weight, type, manufacturer, and value of the UAV, and it must be endorsed for coverage. In the event of a loss involving a UAV not scheduled and endorsed for coverage, there will be no coverage under this Endorsement.

In order for coverage to apply, the Member operating the UAV must be operated by a remote pilot certified with a small UAS rating, pursuant to FAA regulations. Unlicensed operation of a UAV is not covered under this Endorsement.

This Endorsement forms a part of the Memorandum of Coverage for the Program Year indicated above.

Retained Limit: **\$500**

Effective date: July 1, 2017

July 1, 2017
Date

David J. Clovis, General Manager



**SCORE MEMORANDUM OF COVERAGE (MOC) APPROVAL
WORKERS' COMPENSATION**

ACTION ITEM

ISSUE: The Board annually reviews and adopts or makes changes to the SCORE Workers' Compensation Memorandum of Coverage (MOC) based on member or Program Administrator feedback and/or changes made to the excess MOC provided by the Local Agencies Workers' Compensation Excess Joint Powers Authority (LAWCX), or their excess coverage provider, CSAC-EIA.

There are no changes to the CSAC-EIA MOC and no recommended changes to the SCORE MOC. One change to the LAWCX MOC provides for an appeal of any coverage denial to the Executive Committee before referring any subsequent appeal to a neutral arbitrator. This does not require a SCORE MOC change.

RECOMMENDATION: Review and approve the FY 17/18 SCORE Workers' Compensation Memorandum of Coverage with no changes.

FISCAL IMPACT: None.

BACKGROUND: SCORE's MOC incorporates the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) Memorandum of Coverage form. LAWCX's MOC in turn incorporates the terms and conditions of the CSAC-EIA Excess Workers' Compensation MOC. SCORE amends the adopted wording from LAWCX to exclude coverage for the salary continuation portion of Labor Code Section 4850 benefits.

ATTACHMENT(S): Draft FY 17/18 Workers' Compensation MOC, redline



SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION
UNDERLYING MEMORANDUM OF COVERAGE
FORM NO. WCOM-187

1. COVERAGE AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, SCORE agrees to pay on behalf of the Member City loss resulting from any accident or disease covered by the terms of the Local Agency Workers' Compensation Excess Joint Powers Authority Memorandum of Coverage effective for the Coverage Period shown under Item 2 of the Declarations to this Memorandum, except as amended by the following provisions:

2. LIMITS OF LIABILITY

The Limits of Liability applicable to this Memorandum of Coverage are as stated under Items 3a and 3b of the Declarations. This Memorandum of Coverage does not include a self-insured retention.

Under no circumstances shall SCORE be liable for consequential damages, "bad faith" damages, or any sums beyond the Limit of Liability shown in the Declarations.

3. EXCLUSIONS

This Memorandum of Coverage shall not apply to benefits due to any Member City employee or volunteer under Labor Code Section 4850 except to the extent the Member would be responsible for temporary disability benefits if Labor code Section 4850 did not apply.

4. GLOSSARY

The conditions of this Memorandum of Coverage shall be applied as if the glossary of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS - means the ultimate net loss as defined in the Memorandum of Coverage issued by LAWCX for this period concurrent with the period stated in the declarations and amended by the Memorandum.

MEMBER CITY OR MEMBER ENTITY - a signatory to the Joint Powers Agreement forming the Small Cities Organized Risk Effort Joint Powers Authority. This meaning shall apply to the term Member City or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.



Small Cities Organized Risk Effort
A Joint Powers Authority

5. OTHER COVERAGE OR INSURANCE

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

6. NOTICE OF LOSS

Upon the happening of any occurrence likely to involve SCORE under this Memorandum of Coverage, the Member City shall give notice as soon as practicable to the Claims Administrator of SCORE. Such notice shall contain particulars sufficient to identify the Member City and provide fullest information obtainable at the time. The Member City shall forward to SCORE Claims Administrator all written notices, demands or legal papers received by the Member City or the Member City's representative, together with copies of reports or investigations, with respect to such loss.

7. DEFENSE

SCORE shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member City, which in the opinion of SCORE may create liability on the part of SCORE under the terms of this Memorandum of Coverage.

8. PAYMENT OF LOSS

Upon final determination of loss, SCORE will promptly pay on behalf of the Member City the amount of loss falling within the terms of this Memorandum of Coverage.

9. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SCORE.

To be valid, this agreement must be signed by either the President or Vice-President of SCORE. The Agreement will be issued by the Program Administrator.

Mr. Roger Carroll, President

Date



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 16, 2017**

Agenda Item H.5.a.

2017/18 PROPERTY PROGRAM RENEWAL

ACTION ITEM

ISSUE: The Board of Directors annually reviews and approves SCORE’s Property Program renewal. The SCORE Property Program is currently placed through the Alliant Property Insurance Program (APIP) which renews July 1, 2017. SCORE’s Total Insurable Values (TIV) increased 9.27% as indicated below:

<u>Small Cities Organized Risk Effort (SCORE)</u>	<u>2016/17</u> <u>\$5,000 Deductible</u>	<u>2017/18</u> <u>\$5,000 Deductible</u>	<u>Variance</u>
Total Insurable Values:	\$ 284,117,438	\$ 310,454,759	9.27%
Total Annual Premium:	\$ 323,132.54	\$ 426,263.67	31.9%

SCORE received notice to anticipate rates increasing as a result of recent loss history. In 2016 SCORE received a 15% increase due to several years in a row with losses in excess of premiums paid:

-) \$265,000 in 2012/13
-) \$323,000 in 2013/14
-) \$315,000 in 2014/15
-) \$157,144 in 2015/16
-) \$296,000 in 2016/17

While the Program Administrators were able to have a few losses removed or reduced from the Property Loss Run, there was also an increase in Total Insured Values that contributed to the increase.

Given this information the Program Administrators requested additional deductible options at \$10,000 which limited the increase to 19% per the table below:

<u>Small Cities Organized Risk Effort (SCORE)</u>	<u>2016/17</u> <u>\$5,000 Deductible*</u>	<u>2017/18</u> <u>\$10,000 Deductible</u>	<u>Variance</u>
Total Insurable Values:	\$ 284,117,438*	\$ 310,454,759	9.27%
Total Annual Premium:	\$ 323,132.54*	\$ 390,264.19	19.7%



Small Cities Organized Risk Effort
Board of Directors Meeting
June 16, 2017

Agenda Item H.5.a. (Continued)

The attached Executive Summary provides a listing of changes to the Property coverage for FY 17/18.

RECOMMENDATION: Approve the FY 17/18 Property Insurance Renewal and the FY 17/18 Property Premium Deposit Calculations per the attached.

FISCAL IMPACT:

Option 1 - The projected total premium for a \$5,000 deductible is \$426,263.67, based on total insured values of \$310,454,759.

Option 2 - The projected total premium for a \$10,000 deductible is \$390,264.19, based on total insured values of \$310,454,759.

BACKGROUND: SCORE provides optional property insurance for their members through the Alliant Property Insurance Program. This is a joint purchase insurance program currently providing members up to \$1,000,000,000 in all risk limits. Premiums are based on each member’s exposures which are provided via a schedule of insured locations.

The City of Isleton has recently joined the Property Program effective 6/4/17 and has added approximately \$6.7 million in Total Insured Values to the pool.

ATTACHMENT(S):

\$5,000 Deductible

1. Property Deposit Calculations
2. Executive Summary
3. SCORE Property Proposal
4. SCORE Boiler and Machinery Proposal
5. SCORE Cyber Liability Proposal
6. SCORE Pollution Liability Proposal
7. List of Named Insureds
8. APIP Proposal Schedule of Carriers
9. TRIA Selection
10. Surplus Lines Disclosure
11. Claims Acknowledgement and Procedures

\$10,000 Deductible

1. Property Deposit Calculations
2. Executive Summary
3. SCORE Property Proposal
4. SCORE Boiler and Machinery Proposal
5. SCORE Cyber Liability Proposal
6. SCORE Pollution Liability Proposal
7. List of Named Insureds
8. APIP Proposal Schedule of Carriers
9. TRIA Selection
10. Surplus Lines Disclosure
11. Claims Acknowledgement and Procedures

*Highlighted attachments are the same as with \$5,000 option and have been deleted for space considerations

SCORE APIP Property Renewal FY 2017-2018 (as of 6/9/17)

\$5K DEDUCTIBLE

Formula/Allocation	Determined by BOD vote	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Total Values x Rate	TIV x Excess Rate	Pulled from Oasys	B&M Values x Rate	Pulled from Oasys	CEV x Rate		
MEMBER ENTITY	Property Deductible	Real Property Values	Personal Property Values	Income & Rents	Total Values (not incld Vehicles & Contractor Eq & COC)	Total Insured Values incld Real, Personal, BI, COC (TIV) (no Vehicles or CE)	Actual Course of Construction (COC) Values	Property Premium	Excess Property Premium	Boiler & Machinery Deductible	Boiler & Machinery Values	Excess Boiler & Machinery Premium	Contractor's Equipment Values (CEV)	Contractor's Equipment Premium
Rate/Amount								0.0850000	0.0178796			0.0010068		0.0716606
Biggs	\$5,000	\$5,940,647	\$4,327,513	\$0	\$10,268,160	\$10,521,911	\$0	\$8,728	\$1,881	\$5,000	\$10,268,160	\$103	\$145,000	\$104
Colfax	\$5,000	\$9,462,899	\$2,366,479	\$0	\$11,829,378	\$14,190,252	\$0	\$10,055	\$2,537	\$5,000	\$11,829,378	\$119	\$867,071	\$621
Dunsmuir	\$5,000	\$13,604,651	\$1,068,118	\$18,000	\$14,690,769	\$15,600,769	\$0	\$12,487	\$2,789	\$5,000	\$14,690,769	\$148	N/A	N/A
Etna	\$5,000	\$5,723,250	\$479,384	\$8,000	\$6,210,634	\$6,762,381	\$0	\$5,279	\$1,209	\$5,000	\$6,210,634	\$63	N/A	N/A
Fort Jones	\$5,000	\$2,921,213	\$1,464,190	\$7,000	\$4,392,403	\$4,922,903	\$0	\$3,734	\$880	\$5,000	\$4,392,403	\$44	N/A	N/A
Isleton (joined eff. 6/4/17)	\$5,000	\$5,605,252	\$412,000	\$0	\$6,017,252	\$6,762,252	\$0	\$5,115	\$1,209	\$5,000	\$6,017,252	\$61	\$75,000	\$54
Live Oak	\$5,000	\$22,506,973	\$13,519,462	\$131,000	\$36,157,435	\$37,174,552	\$383,946	\$30,734	\$6,647	\$5,000	\$36,157,435	\$364	N/A	N/A
Loomis	\$5,000	\$3,097,424	\$231,151	\$0	\$3,328,575	\$3,620,385	\$0	\$2,829	\$647	\$5,000	\$3,328,575	\$34	N/A	N/A
Loyalton	\$5,000	\$5,784,728	\$1,524,271	\$11,000	\$7,319,999	\$9,286,902	\$0	\$6,222	\$1,660	\$5,000	\$7,319,999	\$74	\$355,000	\$254
Montague	\$5,000	\$7,670,687	\$4,236,314	\$0	\$11,907,001	\$13,760,001	\$0	\$10,121	\$2,460	\$5,000	\$11,907,001	\$120	\$120,500	\$86
Mt. Shasta	\$5,000	\$8,354,702	\$2,060,538	\$35,000	\$10,450,240	\$10,450,240	\$0	\$8,883	\$1,868	\$5,000	\$10,450,240	\$105	N/A	N/A
Portola	\$5,000	\$5,119,499	\$1,116,506	\$0	\$6,236,005	\$7,511,005	\$0	\$5,301	\$1,343	\$5,000	\$6,236,005	\$63	\$250,000	\$179
Rio Dell	\$5,000	\$6,773,759	\$3,626,385	\$5,000	\$10,405,144	\$10,609,534	\$775,000	\$8,844	\$1,897	\$5,000	\$10,405,144	\$105	\$93,210	\$67
Shasta Lake	\$5,000	\$46,895,105	\$8,312,858	\$50,874	\$55,258,837	\$57,009,115	\$0	\$46,970	\$10,193	\$5,000	\$55,258,837	\$556	\$154,403	\$111
Susanville	\$5,000	\$15,361,787	\$5,557,785	\$139,000	\$21,058,572	\$24,972,300	\$0	\$17,900	\$4,465	\$5,000	\$21,058,572	\$212	\$117,300	\$84
Tulelake	\$5,000	\$7,617,057	\$2,670,890	\$7,500	\$10,295,447	\$11,004,947	\$0	\$8,751	\$1,968	\$5,000	\$10,295,447	\$104	N/A	N/A
Weed	\$5,000	\$10,536,650	\$1,507,243	\$0	\$12,043,893	\$13,506,450	\$0	\$10,237	\$2,415	\$5,000	\$12,043,893	\$121	\$107,015	\$77
Yreka	\$5,000	\$33,509,068	\$13,552,179	\$47,300	\$47,108,547	\$52,788,860	\$0	\$40,042	\$9,438	\$5,000	\$47,108,547	\$474	\$4,605,253	\$3,300
Grand Total		\$216,485,351	\$68,033,266	\$459,674	\$284,978,291	\$310,454,759	\$1,158,946	\$242,232	\$55,508		\$284,978,291	\$2,869	\$6,889,752	\$4,937
Grand Total FY 16-17		\$201,809,102	\$62,191,687	\$678,000	\$264,678,789	\$284,117,438	\$0	\$182,513	\$45,754		\$264,678,789	\$3,290	\$6,239,135	\$4,471
\$ Change		\$14,676,249	\$5,841,579	-\$218,326	\$20,299,502	\$26,337,321		\$59,719	\$9,754		\$20,299,502	-\$421	\$650,617	\$466
% Change		7.27%	9.39%	-32.20%	7.67%	9.27%		32.72%	21.32%		7.67%	-12.80%	10.43%	10.43%

SCORE APIP Property Renewal FY 2017-2018

\$5K DEDUCTIBLE

Formula/Allocation	Pulled from		Auto	Values x									
	Oasys	Oasys	Rate	TIV x Rate	TIV x Rate	TIV x Rate	% of TIV	% of TIV					
MEMBER ENTITY	Auto Physical Damage Deductible	Auto Physical Damage Values	Auto Physical Damage Premium	Terrorism Premium	Cyber Liability Premium	Pollution Premium	SL Taxes & Fees	ABS Fees	2017-2018 TOTAL DEPOSIT	2016-2017 Deposit	\$ Change Overall	% Change Overall	% of Total TIV
Rate/Amount			0.4950031	0.0002076	0.0005128	0.0005581	\$12,849	\$11,894					
Biggs	\$5,000	\$108,751	\$538	\$22	\$54	\$59	\$435	\$403	\$12,328	\$7,165	\$5,163	72%	3%
Colfax	\$5,000	\$1,493,803	\$7,394	\$29	\$73	\$79	\$587	\$544	\$22,039	\$13,863	\$8,177	59%	5%
Dunsmuir	\$5,000	\$910,000	\$4,505	\$32	\$80	\$87	\$646	\$598	\$21,372	\$13,775	\$7,597	55%	5%
Etna	\$5,000	\$551,747	\$2,731	\$14	\$35	\$38	\$280	\$259	\$9,907	\$8,344	\$1,563	19%	2%
Fort Jones	\$5,000	\$530,500	\$2,626	\$10	\$25	\$27	\$204	\$189	\$7,739	\$6,924	\$815	12%	2%
Isleton (joined eff. 6/4/17)	\$5,000	\$670,000	\$3,317	\$14	\$35	\$38	\$280	\$259	\$10,380	\$595	N/A	N/A	2%
Live Oak	\$5,000	\$1,017,117	\$5,035	\$77	\$191	\$207	\$1,539	\$1,424	\$46,217	\$38,859	\$7,358	19%	12%
Loomis	\$5,000	\$291,810	\$1,444	\$8	\$19	\$20	\$150	\$139	\$5,289	\$3,191	\$2,099	66%	1%
Loyalton	\$5,000	\$1,611,903	\$7,979	\$19	\$48	\$52	\$384	\$356	\$17,048	\$15,176	\$1,873	12%	3%
Montague	\$5,000	\$1,732,500	\$8,576	\$29	\$71	\$77	\$569	\$527	\$22,636	\$17,532	\$5,104	29%	4%
Mt. Shasta	N/A	N/A	N/A	\$22	\$54	\$58	\$433	\$400	\$11,823	\$9,795	\$2,028	21%	3%
Portola	\$5,000	\$1,025,000	\$5,074	\$16	\$39	\$42	\$311	\$288	\$12,654	\$6,480	\$6,174	95%	2%
Rio Dell	\$5,000	\$111,180	\$550	\$22	\$54	\$59	\$439	\$406	\$12,444	\$9,860	\$2,584	26%	3%
Shasta Lake	\$10,000	\$1,595,875	\$7,900	\$118	\$292	\$318	\$2,359	\$2,184	\$71,002	\$55,584	\$15,418	28%	18%
Susanville	\$5,000	\$3,796,428	\$18,792	\$52	\$128	\$139	\$1,034	\$957	\$43,763	\$41,891	\$1,871	4%	8%
Tulelake	\$5,000	\$709,500	\$3,512	\$23	\$56	\$61	\$455	\$422	\$15,352	\$9,639	\$5,713	59%	4%
Weed	\$5,000	\$1,355,542	\$6,710	\$28	\$69	\$75	\$559	\$517	\$20,809	\$11,367	\$9,442	83%	4%
Yreka	\$10,000	\$1,075,060	\$5,322	\$110	\$271	\$295	\$2,185	\$2,022	\$63,459	\$53,687	\$9,771	18%	17%
Grand Total		\$18,586,716	\$92,005	\$645	\$1,592	\$1,733	\$12,849	\$11,894	\$426,263	\$323,133	\$103,130	31.9%	100%
Grand Total FY 16-17		\$13,199,514	\$65,338	\$215	\$1,457	\$1,510	\$9,746	\$8,839	\$323,133				
\$ Change		\$5,387,202	\$26,667	\$429	\$135	\$223	\$3,103	\$3,055	\$103,130				
% Change		40.81%	40.81%	199.27%	9.27%	14.74%	31.84%	34.56%	31.92%				

SCORE APIP Property Renewal FY 2017-2018 (as of 6/9/17)

\$10K DEDUCTIBLE

Formula/Allocation	Determined by BOD vote	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Pulled from Oasys	Total Values x Rate	TIV x Excess Rate	Pulled from Oasys	B&M Values x Rate	Pulled from Oasys	CEV x Rate		
MEMBER ENTITY	Property Deductible	Real Property Values	Personal Property Values	Income & Rents	Total Values (not incld Vehicles & Contractor Eq & COC)	Total Insured Values incld Real, Personal, BI, COC (TIV) (no Vehicles or CE)	Actual Course of Construction (COC) Values	Property Premium	Excess Property Premium	Boiler & Machinery Deductible	Boiler & Machinery Values	Excess Boiler & Machinery Premium	Contractor's Equipment Values (CEV)	Contractor's Equipment Premium
Rate/Amount								0.0767501	0.0178796			0.0010068		0.0573285
Biggs	\$10,000	\$5,940,647	\$4,327,513	\$0	\$10,268,160	\$10,521,911	\$0	\$7,825	\$1,881	\$10,000	\$10,268,160	\$103	\$145,000	\$83
Colfax	\$10,000	\$9,462,899	\$2,366,479	\$0	\$11,829,378	\$14,190,252	\$0	\$9,024	\$2,537	\$10,000	\$11,829,378	\$119	\$867,071	\$497
Dunsmuir	\$10,000	\$13,604,651	\$1,068,118	\$18,000	\$14,690,769	\$15,600,769	\$0	\$11,220	\$2,789	\$10,000	\$14,690,769	\$148	N/A	N/A
Etna	\$10,000	\$5,723,250	\$479,384	\$8,000	\$6,210,634	\$6,762,381	\$0	\$4,711	\$1,209	\$10,000	\$6,210,634	\$63	N/A	N/A
Fort Jones	\$10,000	\$2,921,213	\$1,464,190	\$7,000	\$4,392,403	\$4,922,903	\$0	\$3,316	\$880	\$10,000	\$4,392,403	\$44	N/A	N/A
Isleton (joined eff. 6/4/17)	\$10,000	\$5,605,252	\$412,000	\$0	\$6,017,252	\$6,762,252	\$0	\$4,563	\$1,209	\$10,000	\$6,017,252	\$61	\$75,000	\$43
Live Oak	\$10,000	\$22,506,973	\$13,519,462	\$131,000	\$36,157,435	\$37,174,552	\$383,946	\$27,695	\$6,647	\$10,000	\$36,157,435	\$364	N/A	N/A
Loomis	\$10,000	\$3,097,424	\$231,151	\$0	\$3,328,575	\$3,620,385	\$0	\$2,499	\$647	\$10,000	\$3,328,575	\$34	N/A	N/A
Loyalton	\$10,000	\$5,784,728	\$1,524,271	\$11,000	\$7,319,999	\$9,286,902	\$0	\$5,563	\$1,660	\$10,000	\$7,319,999	\$74	\$355,000	\$204
Montague	\$10,000	\$7,670,687	\$4,236,314	\$0	\$11,907,001	\$13,760,001	\$0	\$9,083	\$2,460	\$10,000	\$11,907,001	\$120	\$120,500	\$69
Mt. Shasta	\$10,000	\$8,354,702	\$2,060,538	\$35,000	\$10,450,240	\$10,450,240	\$0	\$7,965	\$1,868	\$10,000	\$10,450,240	\$105	N/A	N/A
Portola	\$10,000	\$5,119,499	\$1,116,506	\$0	\$6,236,005	\$7,511,005	\$0	\$4,731	\$1,343	\$10,000	\$6,236,005	\$63	\$250,000	\$143
Rio Dell	\$10,000	\$6,773,759	\$3,626,385	\$5,000	\$10,405,144	\$10,609,534	\$775,000	\$7,930	\$1,897	\$10,000	\$10,405,144	\$105	\$93,210	\$53
Shasta Lake	\$10,000	\$46,895,105	\$8,312,858	\$50,874	\$55,258,837	\$57,009,115	\$0	\$42,356	\$10,193	\$10,000	\$55,258,837	\$556	\$154,403	\$89
Susanville	\$10,000	\$15,361,787	\$5,557,785	\$139,000	\$21,058,572	\$24,972,300	\$0	\$16,107	\$4,465	\$10,000	\$21,058,572	\$212	\$117,300	\$67
Tulelake	\$10,000	\$7,617,057	\$2,670,890	\$7,500	\$10,295,447	\$11,004,947	\$0	\$7,846	\$1,968	\$10,000	\$10,295,447	\$104	N/A	N/A
Weed	\$10,000	\$10,536,650	\$1,507,243	\$0	\$12,043,893	\$13,506,450	\$0	\$9,188	\$2,415	\$10,000	\$12,043,893	\$121	\$107,015	\$61
Yreka	\$10,000	\$33,509,068	\$13,552,179	\$47,300	\$47,108,547	\$52,788,860	\$0	\$36,100	\$9,438	\$10,000	\$47,108,547	\$474	\$4,605,253	\$2,640
Grand Total		\$216,485,351	\$68,033,266	\$459,674	\$284,978,291	\$310,454,759	\$1,158,946	\$217,721	\$55,508		\$284,978,291	\$2,869	\$6,889,752	\$3,950
Grand Total FY 16-17		\$201,809,102	\$62,191,687	\$678,000	\$264,678,789	\$284,117,438	\$0	\$182,513	\$45,754		\$264,678,789	\$3,290	\$6,239,135	\$4,471
\$ Change		\$14,676,249	\$5,841,579	-\$218,326	\$20,299,502	\$26,337,321		\$35,209	\$9,754		\$20,299,502	-\$421	\$650,617	-\$521
% Change		7.27%	9.39%	-32.20%	7.67%	9.27%		19.29%	21.32%		7.67%	-12.80%	10.43%	-11.66%

SCORE APIP Property Renewal FY 2017-2018

\$10K DEDUCTIBLE

Formula/Allocation	Pulled from Oasys	Auto Values x Rate	TIV x Rate	TIV x Rate	TIV x Rate	% of TIV	% of TIV						
MEMBER ENTITY	Auto Physical Damage Deductible	Auto Physical Damage Values	Auto Physical Damage Premium	Terrorism Premium	Cyber Liability Premium	Pollution Premium	SL Taxes & Fees	ABS Fees	2017-2018 TOTAL DEPOSIT	2016-2017 Deposit	\$ Change Overall	% Change Overall	% of Total TIV
Rate/Amount			0.4331277	0.0002076	0.0005128	0.0005581	\$11,665	\$10,599					
Biggs	\$10,000	\$108,751	\$471	\$22	\$54	\$59	\$395	\$359.22	\$11,253	\$7,165	\$4,088	57%	3%
Colfax	\$10,000	\$1,493,803	\$6,470	\$29	\$73	\$79	\$533	\$484	\$19,846	\$13,863	\$5,983	43%	5%
Dunsmuir	\$10,000	\$910,000	\$3,941	\$32	\$80	\$87	\$586	\$533	\$19,417	\$13,775	\$5,642	41%	5%
Etna	\$10,000	\$551,747	\$2,390	\$14	\$35	\$38	\$254	\$231	\$8,944	\$8,344	\$600	7%	2%
Fort Jones	\$10,000	\$530,500	\$2,298	\$10	\$25	\$27	\$185	\$168	\$6,954	\$6,924	\$30	0%	2%
Isleton (joined eff. 6/4/17)	\$10,000	\$670,000	\$2,902	\$14	\$35	\$38	\$254	\$231	\$9,349	\$595	N/A	N/A	2%
Live Oak	\$10,000	\$1,017,117	\$4,405	\$77	\$191	\$207	\$1,397	\$1,269	\$42,253	\$38,859	\$3,393	9%	12%
Loomis	\$10,000	\$291,810	\$1,264	\$8	\$19	\$20	\$136	\$124	\$4,750	\$3,191	\$1,559	49%	1%
Loyalton	\$10,000	\$1,611,903	\$6,982	\$19	\$48	\$52	\$349	\$317	\$15,267	\$15,176	\$91	1%	3%
Montague	\$10,000	\$1,732,500	\$7,504	\$29	\$71	\$77	\$517	\$470	\$20,399	\$17,532	\$2,867	16%	4%
Mt. Shasta	N/A	N/A	N/A	\$22	\$54	\$58	\$393	\$357	\$10,822	\$9,795	\$1,027	10%	3%
Portola	\$10,000	\$1,025,000	\$4,440	\$16	\$39	\$42	\$282	\$256	\$11,354	\$6,480	\$4,874	75%	2%
Rio Dell	\$10,000	\$111,180	\$482	\$22	\$54	\$59	\$399	\$362	\$11,364	\$9,860	\$1,503	15%	3%
Shasta Lake	\$10,000	\$1,595,875	\$6,912	\$118	\$292	\$318	\$2,142	\$1,946	\$64,923	\$55,584	\$9,339	17%	18%
Susanville	\$10,000	\$3,796,428	\$16,443	\$52	\$128	\$139	\$938	\$853	\$39,405	\$41,891	-\$2,487	-6%	8%
Tulelake	\$10,000	\$709,500	\$3,073	\$23	\$56	\$61	\$413	\$376	\$13,920	\$9,639	\$4,281	44%	4%
Weed	\$10,000	\$1,355,542	\$5,871	\$28	\$69	\$75	\$507	\$461	\$18,798	\$11,367	\$7,431	65%	4%
Yreka	\$10,000	\$1,075,060	\$4,656	\$110	\$271	\$295	\$1,983	\$1,802	\$57,770	\$53,687	\$4,083	8%	17%
Grand Total		\$18,586,716	\$80,504	\$645	\$1,592	\$1,733	\$11,665	\$10,599	\$386,785	\$323,133	\$63,653	19.7%	100%
Grand Total FY 16-17		\$13,199,514	\$65,338	\$215	\$1,457	\$1,510	\$9,746	\$8,839	\$323,133				
\$ Change		\$5,387,202	\$15,166	\$429	\$135	\$223	\$1,919	\$1,760					
% Change		40.81%	23.21%	199.27%	9.27%	14.74%	19.69%	19.91%					

A photograph of a modern glass skyscraper with a blue-tinted sky. A person is visible walking on a balcony on the right side of the building.

Small Cities Organized Risk Effort

2017 – 2018

Alliant Property Insurance Program (APIP)

Presented on June 9, 2017 by:

Marcus Beverly, CPCU, AIC, ARM-P
First Vice President

Michelle Minnick
Account Representative

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

EXECUTIVE SUMMARY

July 1, 2017 – July 1, 2018

Attached please find materials associated with the renewal of the Alliant Property Insurance Program for the 2017-2018 period. An overview of the most significant issues concerning this year's renewal are discussed here.

As has been the case for the past few years, the property insurance market continues to be soft with record amounts of financial capacity coming to the market in search of financial return. As such, underwriters are willing to price coverage competitively in spite of deteriorating loss ratios overall. This past year has seen an increase in the number of catastrophe losses throughout the world, and while none of these have been "signature" events such as 9/11, Hurricane Katrina, or Superstorm Sandy, 2016 has been dubbed "the year of the attritional catastrophe" which identifies a higher frequency of smaller events that lead to a higher than average catastrophe loss amount to the market. Consequently, for the 2017-2018 renewal, most insureds will see relatively flat to minor rate decreases over expiring. However, for those insureds that have either experienced significant shock losses, or persistent attritional loss activity, rates may increase to "right size" their rates relative to the risk they present. In keeping with the programs' general history however, we expect rates to remain below that which can be achieved in the market for similar coverage.

The primary \$2,500,000 layer will be renewed with the program's long-term partner, Lexington Insurance Company, A.M. Best Rated Au XV. Lexington will also continue to provide significant capacity in the \$22,500,000 x/s \$2,500,000 layer, sharing that layer with Lloyd's of London, A.M. Best Rated A XV. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets, all A.M. Best Rated of at least A- VII. Members should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating members of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1st and 3rd parties from Illinois Union Insurance Company, A.M. Best Rated A++ XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. **Please note claims reporting timeframe limitations for this coverage**

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2017-2018 policy year, property valuations will continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five to seven years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on a members schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

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

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
July 1, 2017 – July 1, 2018
EXECUTIVE SUMMARY

The following table depicts key statistics relative to last year:

Year-over-Year Rate and Premium Comparison

<u>Small Cities Organized Risk Effort</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017 (at 11/13/2016)</u>	<u>2017-2018</u>	<u>Variance</u>
Total Insured Values:	\$ 265,257,366	\$ 282,882,603	\$ 284,117,438	\$ 310,454,759	9.27%
Account Rate (per hundred dollars):	0.1091832	0.1262025	0.1137320	0.1373030	20.72%
Earthquake TIV:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 289,616.00	\$ 357,004.00	\$ 323,132.54	\$ 426,263.67	31.92%

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

The following pages are coverage items currently under review with the APIP markets to be effective on July 1, 2017.

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.

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

THE FOLLOWING ITEMS ARE PROPOSED CHANGES MADE FOR THE 2017-2018 POLICY TERM

Coverage	2016-2017	2017-2018 Proposed Changes	Status
Course of Construction and Additions (including New) for projects with project values not exceeding insured's sublimit	Up to \$50,000,000 in Total Project value available. Projects over \$25,000,000 are charged at account rate.	Up to \$100,000,000 in Total Project value available. Projects over \$25,000,000 are charged at account rate. Wood Frame construction is excluded if valued over \$50,000,000. All wood frame construction must have underwriting approval prior to binding	Pending
Communicable Disease	Not Covered	\$500,000 per occurrence and annual aggregate per insured limit subject to an aggregate of \$10,000,000 for all Declarations combined except Hospital Declarations	Pending
Drone "Unmanned Aerial Vehicle"	Not Covered	\$100,000 per occurrence while in Storage and in transit coverage subject to \$10,000 deductible. Not covered while in flight additional restrictions to apply	Pending
Mold / Fungus Resultant Damage	Not Covered	\$100,000 per occurrence, with a \$1,000,000 annual aggregate per Declaration.	Pending
Excess Terrorism	<p>\$500,000,000 Per Named Insured for Terrorism (Excess Layer) subject to:</p> <p>\$1,000,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p>\$1,300,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	<p>\$600,000,000 Per Named Insured for Terrorism (Excess Layer) subject to:</p> <p>\$1,100,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p>\$1,400,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	Approved
Pollution Coverage: Mold deductible	\$75,000 per occurrence	\$250,000 per occurrence	Approved
Cyber Coverage: Fraudulent Instruction Coverage Endorsement	Not Covered	\$50,000 Limit	Approved
Cyber Coverage: Telecommunication Fraud Endorsement	Not Covered	\$50,000 Limit	Approved

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

THE FOLLOWING ITEMS ARE PROPOSED CHANGES MADE FOR THE 2017-2018 POLICY TERM

Coverage	2016-2017	2017-2018 Proposed Changes	Status
Cyber Coverage: Consequential Reputational Loss Endorsement	Not Covered	\$50,000 Limit	Approved
Cyber Coverage: First Party Computer Security Covg. Endorsement	<ul style="list-style-type: none"> a. Forensic Expense \$50,000 a. Dependent Business Interruption sublimit \$150,000 b. Hourly Business Interruption sub-limit c. Not Referenced 	<ul style="list-style-type: none"> a. Forensic Expense limit \$100,000 b. Dependent Business Interruption sublimit \$500,000 c. Deleted the Hourly Business Interruption sub-limit d. Amended endorsement wording to refer to <u>bitcoins</u> 	Approved

Master Policy Form Wording Proposed Changes

Coverage	2016-2017	2017-2018 Proposed	Status
Policy Term	July 1, 2016 to July 1, 2017	July 1, 2017 to July 1, 2018	Renewal item
Section I, G. 6.	Library Book table	Updated library book values per US inflation calculator and updated list to Alliant Ins. Services, Inc. Programs' format.	Update
Section I, E. 2.p	p. Increased Cost of Construction <u>due to the enforcement of</u> building codes / ordinance or law. As per policy provisions;	p. Increased Cost of Construction <u>as a consequence of a requirement to comply with</u> building codes / ordinance or law. As per policy provisions;	Requested
Section II, B. 8.	This Policy is extended to include physical damage, business interruption loss, loss of interest 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 and occasioned by <u>the enforcement of</u> any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).	This Policy is extended to include physical damage, business interruption loss, loss of interest 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 and occasioned by <u>a requirement to comply with</u> any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).	Requested

Master Policy Form Wording Proposed Changes Continued

Coverage	2016-2017	2017-2018 Proposed	Status
Section II, B. 9.	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 <u>enforcement of</u> any local or state 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 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 <u>a requirement to comply with</u> any local or state 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.	Requested
Section II, B. 10.	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 occasioned by the <u>enforcement of</u> any local or state ordinance or law including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.	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 occasioned by <u>a requirement to comply with</u> any local or state ordinance or law including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.	Requested
Section III, B. 3.	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 <u>enforcement of</u> any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.	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 <u>a requirement to comply with</u> any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.	Requested

Master Policy Form Wording Proposed Changes Continued

Coverage	2016-2017	2017-2018 Proposed	Status
Section IV. B. Exclusions 11. e	Not restricted	With the limit increase for COC the following is added to this section: e. Excluding wood construction valued over USD 50,000,000	Pending
Section IV. AG. Additional Insured's/Loss Payees	It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included, <u>as per schedule held on file with Alliant Insurance Services, Inc.</u>	It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included <u>where required by contract.</u>	Requested
Section VIII, 2.(h)	Boiler and Machinery Ordinance or Law item	Replacing "enforcement" with "a requirement to comply with any"	Requested
Section VIII, 8. g (a)	Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to <u>enforcement</u> of an ordinance or law to which this coverage applies, exceed:	Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to <u>a requirement</u> of an ordinance or law to which this coverage applies, exceed:	Requested
Endorsements	Not provided	Mold /Fungus Resultant Damage coverage added via endorsement to the Policy Form. Sub-limit is added as noted above.	Requested

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

PROPERTY PROPOSAL

This Pricing is an Indication Only - It cannot be Bound until confirmed by the underwriter.

Unrated COC TIV is rated as All-Risk.

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: Small Cities Organized Risk Effort

DECLARATION: 4-Cities 4

POLICY PERIOD: July 1, 2017 to July 1, 2018

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 310,454,759 as of June 09, 2017

**ALL RISK
COVERAGES &
LIMITS:**

- \$ 1,000,000,000 Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
 - Not Covered Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
 - Not Covered Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
 - Not Covered Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
- \$ 100,000,000 Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
- \$ 50,000,000 Extra Expense.

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

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

ALL RISK COVERAGES & LIMITS: (continued)	\$	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.
	\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$	1,000,000	Claims Preparation Expenses.
	\$	50,000,000	Expediting Expenses.
	\$	1,000,000	Personal Property Outside of the USA.
		Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	\$	500,000	Per Occurrence and Annual Aggregate per insured limit for Communicable Disease subject to an APIP Program aggregate of \$10,000,000 for all declarations combined except Hospital declarations.

VALUATION:

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

EXCLUSIONS (Including but not limited to):

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

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

**"ALL RISK"
DEDUCTIBLE:**

Indication *

\$ 5,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:**

Not Covered All Flood Zones Per Occurrence excluding Flood Zones A & V.

Not Covered Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).

Indication *

Not Applicable for losses to locations in Tier 1 and/or 2 Counties located south of the State of Maryland and resulting from a Named Windstorm.

Not Covered Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.

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

\$ 500,000 Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters).

\$ 10,000 Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.

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

\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
\$	5,000	except for \$10,000 for City of Shasta Lake and City of Yreka. Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
	Agreed Value	Vehicle Valuation Basis
\$	5,000	Per Occurrence for Contractor's Equipment.
	Indication *	
	Not Applicable	Per Occurrence for All Weather Related Losses.
	Indication *	
	Not Applicable	Per Occurrence for Freeze.
	Indication *	
	Not Applicable	Per Occurrence for Hail.
	Indication *	
	Not 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.
	Indication *	
	Not Applicable	Per Occurrence for Storm.
	Indication *	
	Not Applicable	Per Occurrence for Wave Wash.
	Indication *	
	Not Applicable	Per Occurrence for Water Damage.

Indication *

Not Applicable Per Occurrence for Wind Damage.

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

\$	100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
\$	5,000	Per Occurrence Deductible for Primary Terrorism.
\$	600,000,000	Per Named Insured for Terrorism (Excess Layer) subject to;
\$	1,100,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
\$	1,400,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
\$	500,000	Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
	Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles
	Included	Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles.

TERMS & CONDITIONS:

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

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

NOTICE OF CANCELLATION:

90 Days except 10 Days for non-payment of premium

	Annual Cost*
Total Property Premium:	\$ 398,652.00
Excess Boiler:	\$ 2,869.00
ABS Fee:	\$ 11,894.00
SLT&F's (Estimate)	\$ 12,848.67
Broker Fee:	\$ 0.00
TOTAL COST †: (Including Taxes and Fees)	\$ 426,263.67

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment. This Pricing is an Indication Only - It cannot be Bound until confirmed by the underwriter. Unrated COC TIV is rated as All-Risk.

† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)

PRINT DATE: June 9, 2017

PROPOSAL VALID UNTIL: July 1, 2017

BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861
 Marcus Beverly, CPCU, AIC, ARM-P
 First Vice President
 Michelle Minnick
 Account Representative

NOTES:

-) **Major pending and approved changes to the APIP Program are described in the Executive Summary.**
-) **Change in Total Insurable Values will result in adjustment in premium**
-) **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**
-) **Some coverage, sub-limits, terms and conditions could change until negotiations with the insurance carriers have been finalized**
-) **This indication is based on the current loss experience and is subject to change if this members 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**
-) **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: Small Cities Organized Risk Effort
POLICY PERIOD: July 1, 2017 to July 1, 2018
COMPANIES: See Attached List of Companies
TOTAL INSURED VALUES: \$ 310,454,759 as of June 9, 2017
STATUS/RATING: See Attached List of Companies

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

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

NEWLY ACQUIRED LOCATIONS:

\$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 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
-) Furnace, Oven, Stove, Incinerator, Pot Kiln

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 9, 2017

PROPOSAL VALID UNTIL: July 1, 2017

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

Marcus Beverly, CPCU, AIC, ARM-P
First Vice President

Michelle Minnick
Account Representative

NOTES:

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

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

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

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

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

DECLARATION: Various Declarations as on file with Insurer

POLICY PERIOD: July 1, 2017 to July 1, 2018

POLICY #: Per Insured's Evidence of Coverage

TERRITORY: WORLD-WIDE

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

HARPP
For new members – the retro active date will be the date of addition
July 1, 2009 For members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a “No Known Losses Letter” then the retro date is the date that the member was added
July 1, 2010 For \$1,500,000 excess \$500,000

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

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

COVERAGES & LIMITS:

THIRD PARTY LIABILITY	Ai.	\$	25,000,000	Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insured's/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following sub-limits as noted.
	Aii.	\$	2,000,000	Annual Aggregate Limit of Liability for each Insured/Member for Information Security & Privacy Liability. Each Member of a JPA will have a \$2,000,000 Limit Each (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:
	B.	\$	500,000	Annual Policy Aggregate Limit of Liability for each Insured/Member Privacy Notification Costs coverage. (Limit is increased to \$1,000,000 if Beazley Vendor Services are used)

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

C.	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Claims Expenses and Penalties for Regulatory Defense and Penalties PCI Fines and Penalties coverage added with sub-limit of \$100,000.
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D.	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability (Occurrence Based)
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FIRST PARTY COMPUTER SECURITY	E.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Cyber Extortion Loss
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F.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Data Protection Loss and Business Interruption Loss
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G.	First Party Business Interruption Sub-Limits of Liability for each Insured/Member		
	\$	100,000	1) Forensic Expense Sublimit
	\$	500,000	2) Dependent Business Interruption Sublimit

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

COVERAGE ENDORSEMENT(S):	\$	50,000	Policy Aggregate Sublimit of Liability applicable to all loss under Insuring Agreement FI – Fraudulent Instruction . To indemnify the Named Insured for, in excess of the application Retention, resulting directly from an Insured having transferred, paid, or delivered any Money or Securities as a direct result of Fraudulent Instructions.
	\$	50,000	Policy Aggregate Sublimit of Liability applicable to all loss under Insuring Agreement TF – Telecommunications Fraud . To Indemnify the Insured Organization for any Telecommunications Fraud Loss , in excess of the applicable Retention, incurred by the Insured during the Policy Period.
	\$	50,000	Policy Aggregate Sublimit of Liability for all Consequential Reputational Loss . To indemnify the Named Insured for Consequential Reputational Loss , in excess of the applicable Retention, incurred by the Insured Organization during the Notification Period as a direct result of an incident for which Notification Services are provided pursuant to Insuring Agreement B.3 .
RETENTION:	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss
		8 Hour	Waiting period for first party claims
	\$	100,000	Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss
		8 Hour	Waiting period for first party claims
			Insured's with TIV below \$250,000,000 have the option to buy-down the retention from \$50,000 to \$5,000 with an additional premium of \$5,000 per entity.
NOTICE:			Policy coverage sections I.A - Information Security & Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense & Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements applies only to claims first made against the insured and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.
EXTENDED REPORTING PERIOD:			For First Named Insured - To be determined at the time of election (additional premium will apply)

SPECIFIC COVERAGE PROVISIONS:

- A. Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for
- J theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
 - J Acts or incidents that directly result from the failure of computer security to prevent a security breach including
 - o Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
 - o Failure to prevent transmission of malicious code from computer systems to third party computer systems
 - o Participation in a denial of service attack directed against a third party computer system
 - J The failure to timely disclose any of the above in violation of any breach notice law
 - J The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
 - J The failure to administer an identity theft prevention program
- B. Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:
- J To hire security experts;
 - J Notification provisions,
 - J Public relations mitigation up to \$50,000 subject to Nil coinsurance
 - J Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
 - o Credit file monitoring,
 - o Mailing and third party administrative costs
- To provide notification to:
- (a) Individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; and
 - (a) In the Underwriters' discretion, to individuals affected by an incident in which their **Personally Identifiable Non-Public Information** has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.
- C. Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.

SPECIFIC COVERAGE PROVISIONS:
(Continued)

- D. Website Media Content Liability** (occurrence based) days on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
 -) Defamation, libel, slander, trade libel
 -) Privacy violation
 -) Invasion or interference with publicity
 -) Plagiarism, piracy, misappropriation of ideas under implied contract
 -) Infringement of copyright
 -) Infringement of domain name, trademark
 -) Improper deep-linking or framing within electronic content

- E. Cyber Extortion** indemnifies the Insured/Member for costs incurred as a result of an extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.

- F. First Party Data Protection** indemnifies the Insured/Member for data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.

- G. First Party Network Business Interruption** indemnifies the Insured/Member for business interruption loss as a direct result of the actual and necessary interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

EXCLUSIONS:
(Including but not limited to)

- Coverage does not apply to any claim or loss from
-) Bodily Injury or Property Damage
 -) Any employer-employee relations, policies, practices
 -) Contractual Liability or Obligation
 -) Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
 -) Anti-Trust violations
 -) Unfair trade practices
 -) Unlawful collection or acquisition of Personally Identifiable Non-Public Information
 -) Distribution of unsolicited e-mails, facsimile, audio or video recording
 -) Prior knowledge or previously reported incidents
 -) Incidents occurring prior to retroactive date/continuity date
 -) Any act, error, omission, of computer security if occurred prior to policy inception
 -) Collusion
 -) Securities Act Violations
 -) Fair Labor Act Violations
 -) Discrimination
 -) Intentional Acts with regard to Privacy and Security Breach
 -) Infringement - Patent and Copyright
 -) Federal Trade Commission and related state, federal, local and foreign governmental activities
 -) Insured vs. Insured
 -) Money/Securities/Funds Transfer
 -) Broadcasting, Publications and Advertising
 -) War and Terrorism
 -) Pollution
 -) Nuclear Incident
 -) Radioactive Contamination

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

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

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

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

OTHER SERVICES Unlimited Access to Beazley Breach Solutions

BROKER: ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

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

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

POLLUTION LIABILITY COVERAGE PROPOSAL

TYPE OF INSURANCE: Insurance Reinsurance

TYPE OF COVERAGE: Claims Made and Reported Pollution Liability

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

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

POLICY PERIOD: July 1, 2017 to July 1, 2018

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

COMPANY: Illinois Union Insurance Company

A.M. BEST INSURANCE RATING:: A++, Superior, Financial Category XV (\$2 Billion or greater)
Effective June 22, 2016

STANDARD & POORS RATING: AA (Very Strong) as of April 18, 2017

ADMITTED STATUS: Non-Admitted in all states except Illinois

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

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

COVERAGE LOCATIONS: CONTINUED

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

COVERAGES & LIMITS:

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

SUBLIMITS:

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

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

EXTENDED REPORTING PERIOD:

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

SPECIFIC COVERAGE PROVISIONS:

CLAIMS MADE AND REPORTED

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

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

Coverage B – Transportation Coverage:

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

Coverage C – Non-Owned Disposal Site Coverage:

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

Supplemental coverage for First-party and Third-party claims arising out of pollution conditions and indoor environmental conditions resulting from covered operations is included. Covered operations are defined as any operations within the capacity of a public entity which are performed by or on behalf of a “named insured” outside the physical boundaries of a “covered location”.

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

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

Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers Third-party claims arising out of product pollution, provided the claim is first made during the policy period. Coverage of lead contamination of potable water is excluded.

All Named Insureds scheduled on this policy have the same rights as the First Named Insured; this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

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

Automatic Acquisition and Due Diligence – Property purchased in the amount of or in excess of \$25,000,000 need to be reported within 120 days, along with a Phase I Environmental Site Assessment, or two (2) years of property insurance loss runs or a completed, signed application.

Illicit Abandonment is included in the definition of pollution condition.

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

Defense Costs and Expenses are within Limits of Liability.

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

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

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

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

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

Coverage does not apply to any claim or loss from:

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

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

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

RETENTION:

- \$ 75,000 Per Pollution Condition or Indoor Environmental Condition except for Mold
- \$250,000 Per Pollution Condition or Indoor Environmental Condition – Mold
- \$375,000 Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions except for Mold
- \$ 37,500 Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions except for Mold
- \$750,000 Per Named Insured Aggregate retention applicable to Mold
- \$125,000 Per Named Insured maintenance retention applicable to Mold
- \$750,000 Underground Storage Tanks Specific
- 10 Days Waiting Period for Business Income and Extra Expense

CLAIMS REPORTING NOTICE

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

THIS IS A CLAIMS MADE POLICY

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

LOSS REPORTING REQUIREMENTS:

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

- 1) ACE Environmental Risk Claims Manager
 ACE USA Claims
 P.O. Box 5103
 Scranton, PA 18505-0510
 (888) 310-9553 24 Hour Environmental Emergency Hotline
 (800) 951-4119 (Fax – First Notices Only)
 (866) 635-5687 (Fax – All Other Items)
CasualtyRiskEnvironmentalFirstNotice@chubb.com

- 2) ACE Alert Program
 Sign up for ACE Alert at <https://ace.spillcenter.net/>
 24/7 incident reporting via phone, web or mobile device
 App Available on Apple App Store, Google Play and Blackberry App World

- 3) Akbar Sharif
 Alliant Insurance Services, Inc.
 1301 Dove Street, Suite 200
 Newport Beach, CA 92660
 949 260-5088
 415 403-1466 – fax
Akbar.Sharif@alliant.com

NOTICE OF CANCELLATION:

90 days except 15 days for non-payment of premium

REINSTATEMENT PROVISIONS:

Not Provided.

POLLUTION LIABILITY COST:

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

OTHER SERVICES:

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

QUOTE VALID UNTIL: July 1, 2017

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

ACE ALERTSM

ACE LOGISTICAL ENVIRONMENTAL RESPONSE TECHNOLOGY

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

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

ACEALERTSM Services

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

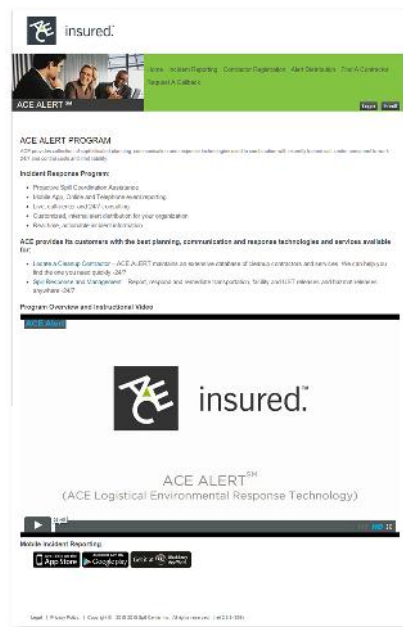
Key Highlights

- 24/7 incident reporting via phone, web or mobile device
- Access to a database of over 3,500 response contractors that clients can independently engage for services
- Assistance with Federal/State/Local Regulatory reporting (through an ACE vendor)
- Response coordination assistance (multilingual capabilities)
- Capability of establishing customized alerts via email and/or text message when the system is activated
- Complete data package delivered electronically
- Business Continuity – minimize disruption to the clients' business and focus on returning to normal operations

How to Access

- Details of the program, including access to where ACE Environmental Risk clients can complete their enrollment, is available online at <https://ace.spillcenter.net>
- Once enrollment is complete, clients can report an environmental incident either online, by telephone or mobile device via the ACE ALERTSM application available on iPhone, Android and certain Blackberry models

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



CONTACT US

Bob Winterburn
215 640-1451
Robert.Winterburn@esis.com

Steve Piatkowski
215 640-4890
Steven.Piatkowski@acegroup.com

ACE ALERTSM is offered through Spill Center, a North American leader in environmental regulatory reporting and spill support that draws from a database of more than 3,500 environmental cleanup contractors throughout North America who are experienced and equipped to react to particular kinds of spills.

Reporting a spill using Spill Center services does not constitute the reporting of a claim in accordance with the terms and conditions of your policy and nor is it an indication that coverage is available under any such policy. Any communications in connection with your use of Spill Center services are not intended to alter, amend or provide interpretive commentary on any insurance policy contracts. Spill Center is not a subsidiary or affiliate of the ACE Group. ACE Group disclaims all liability, loss, damages and other costs that may arise out of your use of or reliance upon any spill reporting services, other services, communications and representations or warranties made by Spill Center or its affiliates.

ACE USA is the U.S.-based retail operating division of the ACE Group, a global leader in insurance and reinsurance, serving a diverse group of clients. Headed by ACE Limited (NYSE: ACE), a component of the S&P 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at www.acegroup.com/us

Insurance provided by ACE American Insurance Company, Philadelphia, PA and in some jurisdictions, other insurance companies within the ACE Group. The product information above is a summary only. The insurance policy actually issued contains the terms and conditions of the contract. All products may not be available in all states. Surplus lines insurance sold only through licensed surplus lines producers.



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**ALLIANT PROPERTY INSURANCE PROGRAM
2017-2018
NAMED INSURED SCHEDULE
As of 06/09/2017**

THE NAMED INSURED IS:

Small Cities Organized Risk Effort
2180 Harvard St. STE 460
Sacramento, CA 95815

First Named Insured Member 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:

Small Cities Organized Risk Effort

City of Biggs

City of Colfax

City of Dunsmuir

City of Etna

City of Isleton

City of Live Oak

City of Loyalton

City of Montague

City of Mt. Shasta

City of Portola

City of Rio Dell

City of Shasta Lake

City of Susanville

City of Tulelake

City of Weed

City of Yreka

Town of Fort Jones

Town of Loomis

**Alliant Property Insurance Program
2017-2018 Policy Year
Schedule of Insurers (Proposed)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 08/17/16)	A+ (As of 07/29/10)
Aspen Insurance UK Limited	084806	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/11/16)	A (As of 06/25/02)
Atain Specialty Insurance Company	002842	A, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 11/08/16)	Not Rated (As of 05/16/17) Not Found
Chubb European Group Limited	086485	A++ , Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 06/22/16)	AA (As of 05/19/14)
Endurance Worldwide Insurance Limited	083234	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 03/28/17)	A (As of 12/05/06)
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 07/01/16)	A (As of 10/14/13)
Hallmark Specialty Insurance Co.	010838	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 06/08/16)	Not Rated (As of 05/16/17) Not Found
Homeland Insurance Company of New York	010604	A, Excellent; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 05/03/17)	A- (As of 07/02/10)
Interstate Fire & Casualty Company	002267	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 08/11/16)	AA (As of 03/17/16)
Illinois Union Insurance Company	003510	A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 06/22/16)	AA (As of 05/19/14)
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 05/02/17)	A (As of 05/02/17)

Alliant Property Insurance Program
2017-2018 Policy Year
Schedule of Insurers (Proposed)

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 09/02/16)	A- (As of 05/18/10)
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 08/19/16)	A (As of 04/21/15)
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 01/26/17)	A+ (As of 05/06/13)
Liberty Surplus Insurance Corporation	012078	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 03/08/17)	A (As of 07/17/14)
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/21/16)	A+ (04/23/07)
Maxum Indemnity Company	012563	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 01/18/17)	Not Rated (As of 05/16/17)
PartnerRe Ireland Insurance Ltd.	088621	A, Excellent Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/13/16)	A+ (As of 02/17/12)
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/16/16)	AA- (As of 10/28/11)
XL Insurance America Inc.	002423	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 08/03/16)	A+ (As of 10/30/13)

ALLIANT INSURANCE SERVICES

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

June 9, 2017

Named Insured: **Small Cities Organized Risk Effort**

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance.

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, 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, as amended*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

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

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

**SELECTION OR REJECTION OF THE TERRORISM RISK INSURANCE ACT of 2002 as AMENDED
(A.K.A.: TRIPRA 2015)**

WHAT YOU NEED TO DO NOW:

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 RESTRICTIVE COMPARED TO APIP TERRORISM LIMITS AND COVERAGES. THIS ACT DOES NOT FOLLOW OUR PROGRAM'S TERRORISM POLICIES.

PLEASE PLACE AN "X" IN ONE OF THE BOXES BELOW AND RETURN THIS FORM TO YOUR INSURANCE REPRESENTATIVE.

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

Policyholder/applicant signature

Print Name

Date

Small Cities Organized Risk Effort

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S**

INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Date: _____

Named Insured: _____

Authorized Signature:

D-1 (Effective July 21, 2011)

LOSS NOTIFICATION REQUIREMENT

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

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

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

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

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

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

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

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

Address:

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

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

Address:

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

Address:

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

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

Address:

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

Address:

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

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

IN THE EVENT OF A

PROPERTY LOSS:

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

877-725-7695

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

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

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

PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.

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

BY FAX: (415) 403-1466

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

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

Today's Date: _____

Type of Claim: (check all that apply)

- Real Property Vehicles
 Personal Property Other

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

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

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

Phone #: 1-877-725-7695

Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: _____

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

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss:

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

Name of Person Completing This Form: _____

Signature: _____

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

J. NOTICE OF LOSS

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

IN THE EVENT OF A
CYBER LOSS:

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

tmbclaims@beazley.com

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

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

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

SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:

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

Please contact Beazley for a list of approved vendors.

CYBER FIRST NOTICE OF LOSS FORM

SEND TO: Beazley Group

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

BY FAX: (546) 378-4039

BY EMAIL: tmbclaims@beazley.com

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

Today's Date: _____

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

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

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

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

Policy Information

Policy Number: _____ Policy Period: _____

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

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

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

Name of Person Completing This Form: _____

Signature: _____

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

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

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

(Cyber)



ACE Environmental Risk

**IN THE EVENT OF AN
ENVIRONMENTAL EMERGENCY:**

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

888-310-9553 or use ACE Alert App

- 4) Report the incident to Alliant**

Akbar Sharif
Claims Advocate
949-260-5088
415-403-1466 – fax
asharif@alliant.com

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

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

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



ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

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

Today's Date: _____

Notice of: (check all that apply)

- Pollution Incident Potential Claim Other _____
 Third-Party Claim Litigation Initiated

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

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

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

Phone #: 1-949-260-5088

Policy Information

Policy Number: _____ Policy Period: _____

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

Loss Information

Date of Incident/Claim: _____ Location: _____

Claimant Name/Address: _____

Description of Loss: _____

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

Name of Person Completing This Form: _____ Signature: _____

VII. REPORTING AND COOPERATION

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

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

B. The “insured” must:

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

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

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



APIP Pollution: Claim Reporting Fact Sheet

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

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

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

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

V. DEFINITIONS

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

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

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

VII. REPORTING AND COOPERATION

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

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

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

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

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

Disclosures / Disclaimers

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

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

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

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

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

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

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

NY Regulation 194 and General Broker Compensation Disclosure

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

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

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

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

Other Disclosures / Disclaimers Cont.

FATCA:

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

NRRA:

(Applicable if the insurance company is non-admitted)

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

Changes and Developments

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

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

Loss Notification Requirements:

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

Binding Requirements Recap

Required no later than June 30, 2017:

-) 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

Small Cities Organized Risk Effort

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.

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

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

The background of the top half of the page is a photograph of a modern glass building facade. The glass reflects the sky and surrounding structures. A person is visible walking on a balcony or walkway on the right side of the building. The overall color palette is dominated by blues and greys.

Small Cities Organized Risk Effort

2017 – 2018

Alliant Property Insurance Program (APIP)

Presented on June 9, 2017 by:

Marcus Beverly, CPCU, AIC, ARM-P
First Vice President

Michelle Minnick
Account Representative

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

EXECUTIVE SUMMARY

July 1, 2017 – July 1, 2018

Attached please find materials associated with the renewal of the Alliant Property Insurance Program for the 2017-2018 period. An overview of the most significant issues concerning this year's renewal are discussed here.

As has been the case for the past few years, the property insurance market continues to be soft with record amounts of financial capacity coming to the market in search of financial return. As such, underwriters are willing to price coverage competitively in spite of deteriorating loss ratios overall. This past year has seen an increase in the number of catastrophe losses throughout the world, and while none of these have been "signature" events such as 9/11, Hurricane Katrina, or Superstorm Sandy, 2016 has been dubbed "the year of the attritional catastrophe" which identifies a higher frequency of smaller events that lead to a higher than average catastrophe loss amount to the market. Consequently, for the 2017-2018 renewal, most insureds will see relatively flat to minor rate decreases over expiring. However, for those insureds that have either experienced significant shock losses, or persistent attritional loss activity, rates may increase to "right size" their rates relative to the risk they present. In keeping with the programs' general history however, we expect rates to remain below that which can be achieved in the market for similar coverage.

The primary \$2,500,000 layer will be renewed with the program's long-term partner, Lexington Insurance Company, A.M. Best Rated Au XV. Lexington will also continue to provide significant capacity in the \$22,500,000 x/s \$2,500,000 layer, sharing that layer with Lloyd's of London, A.M. Best Rated A XV. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets, all A.M. Best Rated of at least A- VII. Members should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating members of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1st and 3rd parties from Illinois Union Insurance Company, A.M. Best Rated A++ XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. **Please note claims reporting timeframe limitations for this coverage**

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2017-2018 policy year, property valuations will continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five to seven years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on a members schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

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

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
July 1, 2017 – July 1, 2018
EXECUTIVE SUMMARY

The following table depicts key statistics relative to last year:

Year-over-Year Rate and Premium Comparison

<u>Small Cities Organized Risk Effort</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017 (at 11/13/2016)</u>	<u>2017-2018</u>	<u>Variance</u>
Total Insured Values:	\$ 265,257,366	\$ 282,882,603	\$ 284,117,438	\$ 310,454,759	9.27%
Account Rate (per hundred dollars):	0.1091832	0.1262025	0.1137320	0.1245868	9.54%
Earthquake TIV:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 289,616.00	\$ 357,004.00	\$ 323,132.54	\$ 386,785.71	19.70%

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

The following pages are coverage items currently under review with the APIP markets to be effective on July 1, 2017.

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.

ALLIANT PROPERTY INSURANCE PROGRAM SUMMARY OF PROPOSED CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES MADE FOR THE 2017-2018 POLICY TERM

Coverage	2016-2017	2017-2018 Proposed Changes	Status
Course of Construction and Additions (including New) for projects with project values not exceeding insured's sublimit	Up to \$50,000,000 in Total Project value available. Projects over \$25,000,000 are charged at account rate.	Up to \$100,000,000 in Total Project value available. Projects over \$25,000,000 are charged at account rate. Wood Frame construction is excluded if valued over \$50,000,000. All wood frame construction must have underwriting approval prior to binding	Pending
Communicable Disease	Not Covered	\$500,000 per occurrence and annual aggregate per insured limit subject to an aggregate of \$10,000,000 for all Declarations combined except Hospital Declarations	Pending
Drone "Unmanned Aerial Vehicle"	Not Covered	\$100,000 per occurrence while in Storage and in transit coverage subject to \$10,000 deductible. Not covered while in flight additional restrictions to apply	Pending
Mold / Fungus Resultant Damage	Not Covered	\$100,000 per occurrence, with a \$1,000,000 annual aggregate per Declaration.	Pending
Excess Terrorism	<p>\$500,000,000 Per Named Insured for Terrorism (Excess Layer) subject to:</p> <p>\$1,000,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p>\$1,300,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	<p>\$600,000,000 Per Named Insured for Terrorism (Excess Layer) subject to:</p> <p>\$1,100,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p>\$1,400,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	Approved
Pollution Coverage: Mold deductible	\$75,000 per occurrence	\$250,000 per occurrence	Approved
Cyber Coverage: Fraudulent Instruction Coverage Endorsement	Not Covered	\$50,000 Limit	Approved
Cyber Coverage: Telecommunication Fraud Endorsement	Not Covered	\$50,000 Limit	Approved

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

THE FOLLOWING ITEMS ARE PROPOSED CHANGES MADE FOR THE 2017-2018 POLICY TERM

Coverage	2016-2017	2017-2018 Proposed Changes	Status
Cyber Coverage: Consequential Reputational Loss Endorsement	Not Covered	\$50,000 Limit	Approved
Cyber Coverage: First Party Computer Security Covg. Endorsement	a. Forensic Expense \$50,000 a. Dependent Business Interruption sublimit \$150,000 b. Hourly Business Interruption sub-limit c. Not Referenced	a. Forensic Expense limit \$100,000 b. Dependent Business Interruption sublimit \$500,000 c. Deleted the Hourly Business Interruption sub-limit d. Amended endorsement wording to refer to <u>bitcoins</u>	Approved

Master Policy Form Wording Proposed Changes

Coverage	2016-2017	2017-2018 Proposed	Status
Policy Term	July 1, 2016 to July 1, 2017	July 1, 2017 to July 1, 2018	Renewal item
Section I, G. 6.	Library Book table	Updated library book values per US inflation calculator and updated list to Alliant Ins. Services, Inc. Programs' format.	Update
Section I, E. 2.p	p. Increased Cost of Construction <u>due to the enforcement of</u> building codes / ordinance or law. As per policy provisions;	p. Increased Cost of Construction <u>as a consequence of a requirement to comply with</u> building codes / ordinance or law. As per policy provisions;	Requested
Section II, B. 8.	This Policy is extended to include physical damage, business interruption loss, loss of interest 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 and occasioned by <u>the enforcement of</u> any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).	This Policy is extended to include physical damage, business interruption loss, loss of interest 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 and occasioned by <u>a requirement to comply with</u> any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).	Requested

Master Policy Form Wording Proposed Changes Continued

Coverage	2016-2017	2017-2018 Proposed	Status
Section II, B. 9.	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 <u>enforcement of</u> any local or state 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 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 <u>a requirement to comply with</u> any local or state 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.	Requested
Section II, B. 10.	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 occasioned by the <u>enforcement of</u> any local or state ordinance or law including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.	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 occasioned by <u>a requirement to comply with</u> any local or state ordinance or law including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.	Requested
Section III, B. 3.	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 <u>enforcement of</u> any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.	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 <u>a requirement to comply with</u> any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.	Requested

Master Policy Form Wording Proposed Changes Continued

Coverage	2016-2017	2017-2018 Proposed	Status
Section IV. B. Exclusions 11. e	Not restricted	With the limit increase for COC the following is added to this section: e. Excluding wood construction valued over USD 50,000,000	Pending
Section IV. AG. Additional Insured's/Loss Payees	It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included, <u>as per schedule held on file with Alliant Insurance Services, Inc.</u>	It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included <u>where required by contract.</u>	Requested
Section VIII, 2.(h)	Boiler and Machinery Ordinance or Law item	Replacing "enforcement" with "a requirement to comply with any"	Requested
Section VIII, 8. g (a)	Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to <u>enforcement</u> of an ordinance or law to which this coverage applies, exceed:	Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to <u>a requirement</u> of an ordinance or law to which this coverage applies, exceed:	Requested
Endorsements	Not provided	Mold /Fungus Resultant Damage coverage added via endorsement to the Policy Form. Sub-limit is added as noted above.	Requested

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

PROPERTY PROPOSAL

This Pricing is an Indication Only - It cannot be Bound until confirmed by the underwriter.

Unrated COC TIV is rated as All-Risk.

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: Small Cities Organized Risk Effort

DECLARATION: 4-Cities 4

POLICY PERIOD: July 1, 2017 to July 1, 2018

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 310,454,759 as of June 09, 2017

**ALL RISK
COVERAGES &
LIMITS:**

\$	1,000,000,000	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
	Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
	Not Covered	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	100,000,000	Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
	\$	50,000,000 Extra Expense.

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

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

ALL RISK COVERAGES & LIMITS: (continued)	\$	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.
	\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$	1,000,000	Claims Preparation Expenses.
	\$	50,000,000	Expediting Expenses.
	\$	1,000,000	Personal Property Outside of the USA.
		Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	\$	500,000	Per Occurrence and Annual Aggregate per insured limit for Communicable Disease subject to an APIP Program aggregate of \$10,000,000 for all declarations combined except Hospital declarations.

VALUATION:

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

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

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

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

**"ALL RISK"
DEDUCTIBLE:**

Indication *

\$ 10,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:**

Not Covered All Flood Zones Per Occurrence excluding Flood Zones A & V.

Not Covered Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).

Indication *

Not Applicable for losses to locations in Tier 1 and/or 2 Counties located south of the State of Maryland and resulting from a Named Windstorm.

Not Covered Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.

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

\$ 500,000 Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters).

\$ 10,000 Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.

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

\$	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	Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
	Agreed Value	Vehicle Valuation Basis
\$	10,000	Per Occurrence for Contractor's Equipment.
	Indication *	
	Not Applicable	Per Occurrence for All Weather Related Losses.
	Indication *	
	Not Applicable	Per Occurrence for Freeze.
	Indication *	
	Not Applicable	Per Occurrence for Hail.
	Indication *	
	Not 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.
	Indication *	
	Not Applicable	Per Occurrence for Storm.
	Indication *	
	Not Applicable	Per Occurrence for Wave Wash.
	Indication *	
	Not Applicable	Per Occurrence for Water Damage.
	Indication *	
	Not Applicable	Per Occurrence for Wind Damage.

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

- \$ 100,000,000 Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
- \$ 10,000 Per Occurrence Deductible for Primary Terrorism.
- \$ 600,000,000 Per Named Insured for Terrorism (Excess Layer) subject to;
- \$ 1,100,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
- \$ 1,400,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
- \$ 500,000 Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
- Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles
- Included Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles.

TERMS & CONDITIONS:

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

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

NOTICE OF CANCELLATION:

90 Days except 10 Days for non-payment of premium

	Annual Cost*
Total Property Premium:	\$ 361,653.00
Excess Boiler:	\$ 2,869.00
ABS Fee:	\$ 10,599.00
SLT&F's (Estimate)	\$ 11,664.71
Broker Fee:	\$ 0.00
TOTAL COST †: (Including Taxes and Fees)	\$ 386,785.71

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment. This Pricing is an Indication Only - It cannot be Bound until confirmed by the underwriter. Unrated COC TIV is rated as All-Risk.

† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)

PRINT DATE: June 9, 2017

PROPOSAL VALID UNTIL: July 1, 2017

BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861
 Marcus Beverly, CPCU, AIC, ARM-P
 First Vice President
 Michelle Minnick
 Account Representative

NOTES:

-) **Major pending and approved changes to the APIP Program are described in the Executive Summary.**
-) **Change in Total Insurable Values will result in adjustment in premium**
-) **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**
-) **Some coverage, sub-limits, terms and conditions could change until negotiations with the insurance carriers have been finalized**
-) **This indication is based on the current loss experience and is subject to change if this members 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**
-) **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: Small Cities Organized Risk Effort
POLICY PERIOD: July 1, 2017 to July 1, 2018
COMPANIES: See Attached List of Companies
TOTAL INSURED VALUES: \$ 310,454,759 as of June 9, 2017
STATUS/RATING: See Attached List of Companies

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

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

NEWLY ACQUIRED LOCATIONS:

\$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 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
-) Furnace, Oven, Stove, Incinerator, Pot Kiln

NOTICE OF CANCELLATION:

90 days except 10 days for non-payment of premium

DEDUCTIBLES:

\$	10,000	Except as shown for Specific Objects or Perils.
\$	10,000	Electronic Data Processing Media.
\$	10,000	Consequential Damage.
\$	10,000	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 9, 2017

PROPOSAL VALID UNTIL: July 1, 2017

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

Marcus Beverly, CPCU, AIC, ARM-P
First Vice President

Michelle Minnick
Account Representative

NOTES:

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

Binding Requirements Recap

Required no later than June 30, 2017:

-) 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

Small Cities Organized Risk Effort

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.

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

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



2017/18 APIP CLAIMS REPORTING ACKNOWLEDGEMENTS

ACTION ITEM

ISSUE: The Alliant Property Insurance Program (APIP or PEPiP) requires its members to sign the Acknowledgement Form which outlines the steps that should be taken at the time a property, cyber liability or pollution loss occurs to assure that the claim is managed effectively from the start. **The notice requirements must be met to be sure that insurance coverage available through APIP remains in force and available for claims payment.** The Board is asked to acknowledge receipt of the Claims Reporting Information and Requirements.

FISCAL IMPACT: None.

RECOMMENDATION: Authorize President to sign on behalf of SCORE and provide signed acknowledgements to the Program Administrator.

BACKGROUND: The Alliant Property Insurance Program (APIP or PEPiP) includes property coverage for Member owned locations, Cyber Liability coverage and Pollution coverage. This Program has developed APIP Claims Reporting Procedures for Property, Cyber Liability and Pollution claims. These Reporting Requirements, as well as the applicable disclosures and signature forms, have been distributed to Members in advance of this meeting for their review. Members were instructed to retain these documents in their records so as to assist them in the event that a claim needs to be filed. The Administrators have asked that each Member sign and return the signature forms indicating that they acknowledge receipt of the information.

ATTACHMENT(S): APIP Claims Reporting Acknowledgement Form

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, 2017 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: Small Cities Organized Risk Effort

Authorized Signature:

Print Name

Date

Title:



CYBER LIABILITY OPTIONS

INFORMATION ITEM

ISSUE: Two excess Cyber coverage options are presented for member review, the APIP Cyber Enhancement Option (CEO) and a new option this year – Alliant Cyber Excess Solutions (ACES).

Both options are meant to enhance the coverage and increase the limits provided by the Cyber liability policy that is part of the APIP program previously discussed. Attached are summaries of both the options, with a request for proposal for the CEO coverage and a proposal for the ACES program.

RECOMMENDATION: None - Information Item. Provide direction to Program Administrator to obtain quote or bind order per member interest.

FISCAL IMPACT: To be determined

BACKGROUND: The JPA's property policy through APIP includes Cyber Liability coverage. Each member of the JPA has its own \$2 million Cyber Liability annual aggregate limit with sublimit of \$1 million for Privacy Notification costs. The Privacy Notification costs erode the annual aggregate. The Cyber Liability program as a whole has a \$25 million annual aggregate for all insureds or members combined.

With the increase in cyber attacks, a Cyber Liability Enhancement Option (CEO) is available and can be purchased at any time throughout the policy period. The coverage enhancement provides two options:

-) **Option #1** would replace the monetary limit with a per person limit for Privacy Notification costs. The per person limit is outside the policy's current dollar limits so that Privacy Notification costs do not erode the Cyber annual aggregate limit.
-) **Option #2** is available only if Option #1 has been purchased. Option #2 provides Excess Cyber Liability limits up to \$5 million.

This coverage option may be purchased by the JPA as a whole or by individual members of the JPA. An application will need to be completed to obtain a quote.

New for FY 17/18 is the ACES program coverage, with options that include dedicated limits for individual members and aggregate limits for the JPA. Unlike the attached information on the CEO program, members are provided a proposal with quotes for individual and JPA limits to assist in determining their options.

ATTACHMENT(S):

1. Cyber Enhancement Option (CEO) Summary
2. Alliant Cyber Excess Solutions (ACES) Insurance Proposal

APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



Dear valued APIP client:

Beazley Insurance Group has been a trusted partner to the APIP program over the last 5 years, providing cyber coverage to Insureds at a nominal cost.

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

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

Currently, APIP insureds have \$2 million in cyber limits to include all services related to a data breach with a sub-limit up to \$1 million for Privacy Notification Costs. There are two options available to enhance your coverage through CEO; however, **you must purchase Option 1 first in order to access Option 2**. The increased coverages and services available include:

Option 1 –

-) Separating breach notifications from the dollar limit and specifying the number of covered notifications so that notifications do not erode the APIP limit
-) No monetary cap for credit monitoring and call center services
-) Lower deductibles for privacy notification services
-) Separate, standalone limits for Legal, Forensics, Crisis Management or Public Relations Firms
-) Hands-on pre and post loss consultation from an expert team of cyber risk professionals.
-) Extensive risk management resources available for your organizations' stakeholders (Legal, IT, Risk, Compliance, etc.)
-) Short form application

Option 2 – Excess Limits available, up to \$5 Million for:

-) Regulatory Defense & Penalties
-) Website Media Content Liability
-) Cyber Extortion
-) Data Protection Loss & Business Interruption
-) Increased PCI Fines and Penalties (sub-limited)

A Cyber Enhancement Option indication can be provided in 5-7 business days with little information. Contact your Alliant broker or Account Representative for more information by returning the attached document. Thank you.

APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



APIP Cyber Enhancement Option (CEO):

Request:

Our Entity requests a proposal for the APIP Cyber Enhancement Option.

Declination:

Our Entity is not interested in the APIP Cyber Enhancement Option (CEO) that has been offered to us. We understand that Alliant has access to cyber insurance markets and can provide a quote for us in the future if we become interested. We decline to purchase the APIP Cyber Enhancement Option at this time.

Small Cities Organized Risk Effort

Signature

Date

Print Name and Title

Please return this page to your Alliant representative.

Premium for C.E.O. is excluded from the APIP Property Proposal.

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

ALLIANT CYBER EXCESS SOLUTIONS PROPOSAL

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

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

NAMED INSURED: Small Cities Organized Risk Effort (SCORE)

POLICY PERIOD: July 1, 2017 to July 1, 2018

INSURER: AXIS Insurance Company

A.M. BEST GUIDE RATING: A+ (Superior), Financial Size Category: XV (\$2 Billion or greater) as of November 3, 2016

STANDARD & POOR'S RATING: A+ (Strong) as of February 2, 2009

STATE STATUS: Admitted

RETROACTIVE DATE: Policy Inception

COVERAGES & LIMITS:	Dedicated Limits	Excess of APIP shared
Option 1:	\$ 2,000,000 Each	\$ 2,000,000 Each
	\$ 2,000,000 Total	\$ 2,000,000 Total
Option 2:	\$ 3,000,000 Each	\$ 2,000,000 Each
	\$ 3,000,000 Total	\$ 2,000,000 Total
Option 3:	\$ 3,000,000 Each	\$ 2,000,000 Each
	\$ 4,000,000 Pool Aggregate	\$ 2,000,000 Total
Option 4:	\$ 3,000,000 Each	\$ 2,000,000 Each
	\$ 10,000,000 Pool Aggregate	\$ 2,000,000 Total

ENDORSEMENTS & EXCLUSIONS: (including but not limited to)

-) Absolute Pending and Prior Litigation Exclusion Endorsement
-) Follow Sublimited Coverage (1st Excess)
 - o Notification Expense \$1M xs \$1M (\$500,000 xs \$500,000 if other than Beazley)
 - o PCI/DSS \$100,000 xs \$100,000
 - o Dependent Business Interruption \$500,000 xs \$500,000
-) State Amendatory Endorsement
-) State Fraud Statements

UNDERLYING INSURANCE:	Layer	Insurer	Limits	Retention	Policy Period
	Primary	Beazley	\$2,000,000	\$50,000	7/1/2017 – 7/1/2018

ANNUAL PREMIUM:

Option 1 per member:	\$2,000,000	\$See Attached	Annual Premium
	Limits		
Option 2 per member:	\$3,000,000	\$See Attached	Annual Premium
	Limits		
Option 3 entire pool:	\$3,000,000	\$ 25,403	Annual Premium
	Limits,\$4M		
	Pool		
	Aggregate		
Option 4 entire pool:	\$3,000,000	\$ 65,000	Annual Premium
	Limits\$10M		
	Pool		
	Aggregate		

CONDITIONS:) Premium must be paid to Alliant within 20 days of binding to meet the Warranty Requirements

BINDING CONDITIONS:) Copy of Underlying Binder Prior to Binding Coverage
) Copy of Underlying Policy Prior to Policy Issuance

PROPOSAL VALID: For 30 days

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

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

Small Cities Organized Risk Effort

Insured	TIV	\$2M x \$2M	\$3M x \$2M
City of Biggs	\$ 7,207,464	\$ 2,250	\$ 3,000
City of Colfax	\$ 12,865,008	\$ 2,250	\$ 3,000
City of Dunsmuir	\$ 14,690,769	\$ 2,250	\$ 3,000
City of Etna	\$ 6,752,381	\$ 2,250	\$ 3,000
City of Live Oak	\$ 36,720,613	\$ 3,309	\$ 3,818
City of Loyalton	\$ 9,211,902	\$ 2,250	\$ 3,000
City of Montague	\$ 13,546,299	\$ 2,250	\$ 3,000
City of Mount Shasta	\$ 10,450,240	\$ 2,250	\$ 3,000
City of Portola	\$ 6,357,934	\$ 2,250	\$ 3,000
City of Rio Dell	\$ 9,869,772	\$ 2,250	\$ 3,000
City of Shasta Lake	\$ 52,810,249	\$ 4,079	\$ 4,706
City of Susanville	\$ 25,422,300	\$ 2,776	\$ 3,203
City of Tule Lake	\$ 7,300,923	\$ 2,250	\$ 3,000
City of Weed	\$ 12,120,752	\$ 2,250	\$ 3,000
City of Yreka	\$ 52,823,364	\$ 4,079	\$ 4,706
Town of Fort Jones	\$ 4,932,903	\$ 2,250	\$ 3,000
Town of Loomis	\$ 3,329,285	\$ 2,250	\$ 3,000

Disclosures

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

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

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

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.

In order to complete the underwriting process, we require that you send us any additional information requested. We are not required to bind coverage prior to our receipt and underwriting acceptance of the requested information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer.

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

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

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

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

NY REGULATION 194 DISCLOSURE

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

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

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

Non-Admitted and Reinsurance Reform Act (NRRRA)

The Non-Admitted and Reinsurance Reform Act (NRRRA) was enacted into law July 2010 as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). The NRRRA reforms the regulation of surplus lines insurance by limiting regulatory authority

over surplus lines transactions to the "home state" of the insured and by setting federal standards for the collection of surplus lines premium taxes, insurer eligibility, and commercial purchaser exemptions. Most of the NRRRA provisions went into effect on July 21, 2011 with the largest change being the home state provision. Only the "home state of the insured" is permitted to require payment of surplus lines premium tax and regulate policy placement.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

IMPORTANT NOTICE: 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 OBLIGATIONS REGARDING FATCA

Named Insured Disclosure

Named Insureds are covered for all operations. Additional Insureds are only covered with respect to their interest in your operations. See each individual policy for details.

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- Are ALL entities listed as named insureds? Coverage is not automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Changes and Developments

Please keep your Alliant representative(s) informed so they can assist you in making the right decisions regarding your insurance needs.

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

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

CLAIMS REPORTING NOTICE

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

Pollution Claims Reporting Notice

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

EPL policy or a D&O with EPL:

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

CLAIMS MADE

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.

Property Co-insurance

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

Workers' Compensation Coverage

It is imperative that Alliant and/or the carrier be notified IMMEDIATELY when a policyholder hires employees and/or begins operations in any state not listed in PART 3. A on the INFORMATION PAGE of the policy. Failure to obtain a workers' compensation policy in some states may result in substantial fines levied on the policyholder dating back to the original date of hire. Coverage for other states under PART 3. C. (OTHER STATES INSURANCE) of the workers' compensation policy may not fulfill the coverage verification requirement imposed by some states

Certificates / Evidence of Insurance

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

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

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

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

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

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

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

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

Glossary of Insurance Terms

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

- <http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>
- <http://www.ambest.com/resource/glossary.html>
- <http://www.irmi.com/online/insurance-glossary/default.aspx>



SCORE DIVIDENDS PAYABLE - CRESCENT CITY

ACTION ITEM

ISSUE: The Board annually reviews the funds held in trust for withdrawn member, Crescent City to determine whether or not to distribute a portion of those funds. The table below shows the current balances as of March 31, 2017 available in deferred dividends and the Banking Layers for both the Workers' Compensation (WC) and Liability Programs, as well as the recommended distributions and remaining balances.

The city has a deficit of (-\$9,348.81) in their WC Banking Layer and a balance of \$13,256.00 in their Liability Banking Layer. The city has three open WC claims, all of which have crossed the \$25,000 Banking Layer threshold. They likely will not have another claim that falls within their WC Banking Layer but it is possible, so the remaining balance is recommended as a precaution. They have no open liability claims, and SCORE has no open liability claims from the time they were a member.

	Dividends	Work Comp Banking	Liability Banking
Current Balance	\$69,453.00	(-\$9,348.81)	\$13,256.00
Transfer to WC	(-\$21,092.81)	\$13,256.00	
Distribution	(-\$48,360.19)	\$21,092.81	(-\$13,256.00)
Remaining Balance	\$0	\$25,000.00	\$0

RECOMMENDATION: Transfer the remaining \$13,256.00 from the Liability Banking Layer and \$21,092.81 from remaining Dividends to the Workers' Compensation Banking Layer, distribute the remaining dividend balance of \$48,360.19, leaving \$25,000 to pay for any remaining Banking Layer claims.

FISCAL IMPACT: None. Funds are held in trust until disbursement.

BACKGROUND: Crescent City left SCORE effective 7/1/2011. Withdrawn SCORE members are eligible to receive up to 50% of their share of any dividends declared by the Board, with the remaining 50% held in trust until the applicable Program Years are closed. If the years are not closed the member may send a written request for release of their funds. Members agree that available return funds will be held by SCORE for five additional years before being released.

ATTACHMENT(S): None



Agenda Item H.6.b.

**SCORE DIVIDENDS PAYABLE
WILLIAMS**

ACTION ITEM

ISSUE: The Board annually reviews the funds held in trust for withdrawn Member City of Williams to determine whether or not to distribute a portion of those funds. The table below shows the current balances available in deferred dividends and the Banking Layers for both the Workers’ Compensation (WC) and Liability Programs, as well as the recommended distributions and remaining balances.

Williams has two open WC claims, both of which have crossed the \$25,000 Banking Layer threshold. However, they had a cumulative claim filed that could require a \$25,000 payment or more. They have no open liability claims, and SCORE has no open liability claims from the time they were a member.

	Dividends	Work Comp Banking	Liability Banking
Current Balance	\$21,750.00	\$13,967.00	\$14,062.00
Transfer from LBL	\$3,029.00		-\$3,029.00
Distribution	-\$24,779.00	\$11,033.00	-\$11,033.00
Remaining Balance	\$0	\$25,000	\$0

RECOMMENDATION: Distribute the remaining funds in the Liability Banking Layer, \$11,033 to the WC Banking Layer and \$3,029 to dividends. Distribute the remaining \$24,779 in dividends, leaving \$25,000 to pay for any remaining claims or assessments.

FISCAL IMPACT: None. Funds are held in trust until disbursement.

BACKGROUND: Williams left SCORE effective 7/1/2011. Withdrawn SCORE members are eligible to receive up to 50% of their share of any dividends declared by the Board, with the remaining 50% held in trust until the applicable Program Years are closed. If the years are not closed the member may send a written request for release of their funds. Members agree that available return funds will be held by SCORE for five additional years before being released.

ATTACHMENT(S): None



ADOPTION OF THE 17/18 SCORE PROGRAM BUDGET

ACTION ITEM

ISSUE: The Board of Directors must adopt a budget for each fiscal year prior to the commencement of that year. The Preliminary Budget presented in March has been updated to reflect final values for group purchase programs and administrative costs. The administrative expense budget is largely unchanged for next year with the following exceptions:

ADMINISTRATIVE EXPENSES

1. **Program Administration** increased 2.5%, per contract terms.
2. **Claims Audit** has decreased (-28.6%) based on the difference in conducting only the Work Comp audit versus conducting audits on both programs in 2016/17.
3. **Actuarial Services** increased \$600, or 6%, over 16/17.
4. **Investment Management Services** increased \$1,500, or 11.5%, to \$14,500.
5. **Board Meeting Expenses** increased by \$5,250; Training Day expenses decreased by \$2,000.
6. **Loss Control Services** are budgeted at \$105,000, a 5% increase per contract.
7. **Lexipol Policy Manual** increased 16.8% based on adding of Daily Training Bulletins.

RECOMMENDATION: Approve the FY 17/18 budget as presented or revised by the members.

FISCAL IMPACT: The FY 17/18 budget is \$3,785,491. The budget has increased by 10% over last year, mainly due to increased Workers' Compensation and Property Program funding, depending on the property deductible approved. Administration costs have increased 1.9% from the prior year due to the increase in loss control services and Lexipol policy manual services.

BACKGROUND: The budget uses estimates of payroll, property values and auto values, where appropriate, to calculate premium and expenses for SCORE member cities. The budget also recognizes the calculation of experience modification factors as adopted by the program's Master Plan Documents. The format of the budget discloses administrative expenses, the loss funding for the banking and shared risk layers, and the excess coverage for liability and worker's compensation. It includes other group purchase programs, i.e. the Property (APIP) program, Employee Assistance Program (EAP), Employment Practices Liability (EPL) coverage, and Pollution Liability program.

ATTACHMENTS: SCORE 17/18 Operating Budget

SCORE Summary of Deposits FY 2017-2018

MEMBER ENTITY	TOTAL Work Comp Deposit	TOTAL Liability Deposit	Property Premium Due 7/1/2017	ERMA EPLI Deposit Due 7/1/2017	EAP Premium Due 7/1/2017	2017-2018 Total Deposit	2016-2017 Total Deposit	% Change	Liability Deposit Due 7/1/2017	WC Quarterly Installment Due 7/1/2017	Crime Coverage Due 7/1/2017
Biggs	\$38,207	\$32,949	\$12,328	\$2,048	\$351	\$85,883	\$78,975	9%	\$32,949	\$9,551.70	\$950
Colfax	\$54,717	\$44,028	\$22,039	\$2,561	\$486	\$123,831	\$97,345	27%	\$44,028	\$13,679.18	\$950
Dunsmuir	\$62,346	\$62,041	\$21,372	N/A	\$486	\$146,245	\$125,093	17%	\$62,041	\$15,586.50	\$950
Etna	\$36,440	\$31,367	\$9,907	N/A	\$378	\$78,092	\$77,275	1%	\$31,367	\$9,109.95	N/A
Fort Jones	\$31,243	\$28,482	\$7,739	N/A	\$540	\$68,004	\$66,682	2%	\$28,482	\$7,810.87	N/A
Isleton	N/A	\$25,753	\$10,380	N/A	\$297	\$36,430	\$27,107	34%	Payment Plan	N/A	N/A
Live Oak	\$97,508	\$72,948	\$46,217	\$5,390	\$1,188	\$223,251	\$220,901	1%	\$72,948	\$24,376.98	\$950
Loomis	\$60,570	\$54,796	\$5,289	\$2,921	\$405	\$123,981	\$134,230	-8%	\$54,796	\$15,142.54	\$950
Loyalton	\$15,623	\$19,090	\$17,048	N/A	\$297	\$52,059	\$51,656	1%	\$19,090	\$3,905.87	\$950
Montague	\$32,107	\$29,427	\$22,636	N/A	\$0	\$84,170	\$81,374	3%	\$29,427	\$8,026.67	\$950
Mt. Shasta	\$271,522	\$137,740	\$11,823	\$7,716	\$1,107	\$429,908	\$357,192	20%	\$137,740	\$67,880.48	QUOTE
Portola	\$83,210	\$52,643	\$12,654	\$3,163	\$378	\$152,048	\$129,241	18%	\$52,643	\$20,802.62	N/A
Rio Dell	\$79,515	\$60,579	\$12,444	\$3,994	\$0	\$156,532	\$167,802	-7%	\$60,579	\$19,878.77	\$950
Shasta Lake	\$223,687	\$159,157	\$71,002	\$14,242	\$1,404	\$469,492	\$446,776	5%	\$159,157	\$55,921.76	\$950
Susanville	\$370,519	\$213,404	\$43,763	\$15,768	\$2,052	\$645,505	\$544,911	18%	\$213,404	\$92,629.73	N/A
Tulelake	\$35,578	\$31,185	\$15,352	\$1,409	\$513	\$84,037	\$77,153	9%	Payment Plan	\$8,894.59	QUOTE
Weed	\$142,047	\$116,631	\$20,809	\$5,043	\$1,026	\$285,556	\$289,118	-1%	\$116,631	\$35,511.67	\$3,325
Yreka	\$276,770	\$187,583	\$63,459	\$11,854	\$1,917	\$541,582	\$471,409	15%	\$187,583	\$69,192.46	\$2,531
Grand Total	\$1,911,609	\$1,359,801	\$426,263	\$76,109	\$12,825	\$3,786,608	\$3,444,240	10%	\$1,359,801	\$477,902.36	\$14,406

Paid by
member direct
to ACIP
Program

FY 2017/18 SCORE General Administration Budget DRAFT

	Category	Work Comp	Liability	Total FY 17-18	Prior Year FY 16-17	% Change
Revenues						
	400 Program Administration	\$65,261	\$179,584	\$244,845	\$238,873	2.5%
	400 Claims Administration	\$108,510	\$117,450	\$225,960	\$224,010	0.9%
	400 Other Expenses	\$192,211	\$179,703	\$371,913	\$376,160	-1.1%
	400 Banking Layer Deposit	\$382,043	\$306,046	\$688,089	\$633,866	8.6%
	400 Shared Risk Layer Deposit	\$888,101	\$471,070	\$1,359,171	\$1,167,596	16.4%
	400 Excess Coverage Deposit (LAWCX and CJPRMA)	\$276,143	\$139,205	\$415,348	\$322,794	28.7%
	400 Group Purchase Coverage			\$374,103.00	\$391,445	-4.4%
	499 Reimbursement from CJPRMA for Liability Safety Training				\$0	
	Total Revenues	\$1,912,268	\$1,393,057	\$3,679,428	\$3,354,744	9.7%

	Category	Work Comp	Liability	Total FY 17-18	Prior Year FY 16-17	% Change
Expenses						
	710 Program Administration	\$ 65,261	\$ 179,584	\$ 244,845	\$ 238,873	2.5%
	720 Claims Administration (ULAE) Per Member Annual Fee	\$ 8,000	\$ 18,000	\$ 26,000	\$26,000	0.0%
	721 Claims Administration WC (Unallocated Claims Expense)	\$ 100,510		\$ 100,510	\$100,510	0.0%
	722 Claims Administration GL (Unallocated Claims Expense)		\$ 99,450	\$ 99,450	\$97,500	2.0%
Other Expenses						
	505 Accounting Services	\$ 26,400	\$ 26,400	\$ 52,800	\$52,800	0.0%
	506 Financial Audit	\$ 10,150	\$ 10,150	\$ 20,300	\$20,300	0.0%
	507 Actuarial Review and Studies	\$ 5,300	\$ 5,300	\$ 10,600	\$10,000	6.0%
	509 Legal Expenses	\$ 2,000	\$ 5,000	\$ 7,000	\$7,000	0.0%
	510 Investment Management Fees	\$ 7,250	\$ 7,250	\$ 14,500	\$13,000	11.5%
	511 Claims Audit (WC in Fall 2017, GL in Fall 2018)	\$ 8,000	\$ -	\$ 8,000	\$11,200	-28.6%
	512 Custodial Account Bank Fees	\$ 125	\$ 125	\$ 250	\$1,100	-77.3%
	601 Checking Account Bank Fees	\$ 125	\$ 125	\$ 250	\$500	-50.0%
	605 Board Meeting Expenses	\$ 4,365	\$ 4,365	\$ 10,250	\$5,000	105.0%
	606 LRP and Training Day Meeting Expenses	\$ 9,000	\$ 9,000	\$ 18,000	\$20,000	-10.0%
	607 Company Nurse	\$ -	\$ -	\$ -	\$1,000	-100.0%
	608 Treasury Services (provided by Fort Jones)	\$ 500	\$ 500	\$ 1,000	\$1,000	0.0%
	609 Website	\$ -	\$ -	\$ -	\$0	
	610 Member Conference Reimbursements	\$ 9,500	\$ 9,500	\$ 19,000	\$19,000	0.0%
	612 Contingent Reserve	\$ 12,500	\$ 12,500	\$ 25,000	\$25,000	0.0%
	615 Dues & Subscriptions - CAJPA and PARMA	\$ 500	\$ 500	\$ 1,000	\$1,000	0.0%
	625 Insurance - Employee Dishonesty/Bonds for Treasurer	\$ 288	\$ 288	\$ 575	\$575	0.0%
	626 ID Fraud Coverage	\$ -	\$ 3,125	\$ 3,125	\$3,028	3.2%
	670 CAJPA Accreditation (2017)	\$ -	\$ -	\$ -	\$0	
	675 Loss Control Services DKF	\$ 52,500	\$ 52,500	\$ 105,000	\$100,000	5.0%
	676 Lexipol Law Enforcement Policy Manual	\$ 5,685	\$ 20,000	\$ 25,685	\$22,000	16.8%
	677 Target Solutions	\$ 12,575	\$ 12,575	\$ 25,150	\$25,000	0.6%
	678 Property Appraisals (every 6 Years)	\$ -	\$ -	\$ -	\$0	
	699 CA DIR OSIP Self Insurance Assessment	\$ 24,948	\$ -	\$ 24,948	\$24,948	0.0%
	999 Miscellaneous Expenses	\$ 500	\$ 500	\$ 1,000	\$1,000	0.0%
	Total Administration Expenses	\$ 365,981	\$ 476,737	\$ 842,717	\$827,259	1.9%

Red text are numbers that need to be updated

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**SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION PROGRAM
Fiscal Year 2017-18
Proposed Funding**

A	B	C	D	E	F	G	H	I	J
Formula/Allocation	CY 2016 Payroll + 3% Inflation Factor	Relative Loss Rate x Credibility Factor	(Projected Payroll x Ex Mod)/ExP Adjustment Factor	(ExP/\$100) x Rate	(ExP/\$100) x Rate	(ExP/\$100) x Rate	Banking + Shared + Excess Layers	(PP/\$100) x Banking, Shared and Excess Rates	(H) - (I)
MEMBER ENTITY	Projected Payroll (PP)	EX MOD	Ex-Mod Adjusted Payroll (ExP)	BANKING LAYER 75% CL \$0 to \$25K	SHARED LAYER 75% CL \$25K to \$250K	EXCESS LAYER \$250K TO STATUTORY LAW CX PREMIUM	Loss Funding	Unadjusted Loss Funding	Ex Mod Impact on Loss Funding Increase or (Decrease)
Rate/Amount	1.03	Calc		\$1.73	\$4.03	\$1.27	Calc	Calc	Calc
Colfax	\$664,432	0.85	\$585,160	\$9,999	\$23,243	\$7,210	\$40,452	\$44,450	(\$3,998)
Dunsmuir	\$655,259	1.03	\$697,080	\$11,911	\$27,689	\$8,589	\$48,189	\$43,837	\$4,353
Isleton (do not participate)									
Live Oak	\$1,398,545	0.75	\$1,079,395	\$18,444	\$42,875	\$13,300	\$74,619	\$93,563	(\$18,944)
Loomis	\$758,021	0.84	\$653,928	\$11,174	\$25,975	\$8,057	\$45,206	\$50,712	(\$5,505)
Mt. Shasta	\$2,002,042	1.69	\$3,494,018	\$59,704	\$138,788	\$43,051	\$241,543	\$133,937	\$107,606
Portola	\$820,614	1.15	\$970,792	\$16,588	\$38,561	\$11,962	\$67,111	\$54,899	\$12,212
Rio Dell	\$1,006,121	0.85	\$885,811	\$15,136	\$35,186	\$10,914	\$61,237	\$67,309	(\$6,073)
Shasta Lake	\$3,695,370	0.66	\$2,514,300	\$42,963	\$99,872	\$30,980	\$173,815	\$247,220	(\$73,406)
Susanville	\$4,091,391	1.08	\$4,570,981	\$78,106	\$181,567	\$56,321	\$315,994	\$273,714	\$42,280
Weed	\$1,750,507	0.92	\$1,663,853	\$28,431	\$66,091	\$20,501	\$115,023	\$117,109	(\$2,086)
Yreka	\$3,075,943	1.07	\$3,387,431	\$57,883	\$134,554	\$41,738	\$234,175	\$205,781	\$28,394
Subtotal Members	\$19,918,245	0.99	\$19,917,588	\$350,339	\$814,401	\$252,623	\$1,417,364	\$1,288,080	\$88,832
Biggs	\$398,466	1.13	\$391,536	\$6,690	\$15,552	\$4,824	\$27,067	\$26,657	\$410
Etna	\$376,289	1.13	\$369,744	\$6,318	\$14,687	\$4,556	\$25,561	\$25,174	\$387
Fort Jones	\$311,071	1.13	\$305,661	\$5,223	\$12,141	\$3,766	\$21,130	\$20,811	\$320
Loyalton	\$115,028	1.13	\$113,027	\$1,931	\$4,490	\$1,393	\$7,814	\$7,695	\$118
Montague	\$321,905	1.13	\$316,306	\$5,405	\$12,564	\$3,897	\$21,866	\$21,535	\$331
Tulelake	\$365,477	1.13	\$359,121	\$6,136	\$14,265	\$4,425	\$24,826	\$24,450	\$376
Subtotal Mini Cities	\$1,888,235	1.13	\$1,855,396	\$31,704	\$73,699	\$23,519	\$128,923	\$126,323	\$1,941
Grand Total	\$21,806,480	0.99	\$21,772,984	\$382,043	\$888,101	\$276,143	\$1,546,287	\$1,414,403	\$90,773

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**SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION PROGRAM
Fiscal Year 2017-18
Proposed Funding**

DRAFT

A	K	L	M	N	Q	R	S	T
Formula/Allocation	Assessment x %PP	(Total Admin x .3)/ Number of Members	(Total Admin x .7)/ %PP	(L) + (M)	(H) + (K) + (N)			
MEMBER ENTITY	LAWCX ASSESSMENT	30% ADMIN FIXED EXPENSE	70% ADMIN % PAYROLL	Proposed Admin Total FY 17-18	Proposed FY 17-18 TOTAL DEPOSIT	Prior Year FY 16-17 DEPOSIT	\$ Change Overall	% Change Overall
Rate/Amount	\$0	\$109,794	\$256,187	\$365,981	75% CL	75% CL		
Colfax	\$0	\$6,458	\$7,806	\$14,264	\$54,717	\$43,478	\$11,239	25.8%
Dunsmuir	\$0	\$6,458	\$7,698	\$14,157	\$62,346	\$60,425	\$1,921	3.2%
Isleton (do not participate)								
Live Oak	\$0	\$6,458	\$16,430	\$22,889	\$97,508	\$103,586	(\$6,078)	-5.9%
Loomis	\$0	\$6,458	\$8,905	\$15,364	\$60,570	\$70,666	(\$10,096)	-14.3%
Mt. Shasta	\$0	\$6,458	\$23,520	\$29,979	\$271,522	\$205,522	\$66,000	32.1%
Portola	\$0	\$6,458	\$9,641	\$16,099	\$83,210	\$69,071	\$14,139	20.5%
Rio Dell	\$0	\$6,458	\$11,820	\$18,279	\$79,515	\$92,853	(\$13,338)	-14.4%
Shasta Lake	\$0	\$6,458	\$43,414	\$49,872	\$223,687	\$208,106	\$15,581	7.5%
Susanville	\$0	\$6,458	\$48,066	\$54,525	\$370,519	\$304,324	\$66,195	21.8%
Weed	\$0	\$6,458	\$20,565	\$27,024	\$142,047	\$139,942	\$2,105	1.5%
Yreka	\$0	\$6,458	\$36,137	\$42,595	\$276,770	\$237,389	\$39,381	16.6%
Subtotal Members	\$0	\$71,043	\$234,003	\$305,047	\$1,722,411	\$1,259,294	\$463,117	36.8%
Biggs	\$0	\$6,458	\$4,681	\$11,140	\$38,207	\$37,503	\$704	1.9%
Etna	\$0	\$6,458	\$4,421	\$10,879	\$36,440	\$36,627	(\$188)	-0.5%
Fort Jones	\$0	\$6,458	\$3,655	\$10,113	\$31,243	\$30,672	\$571	1.9%
Loyalton	\$0	\$6,458	\$1,351	\$7,810	\$15,623	\$14,908	\$716	4.8%
Montague	\$0	\$6,458	\$3,782	\$10,240	\$32,107	\$32,410	(\$303)	-0.9%
Tulelake	\$0	\$6,458	\$4,294	\$10,752	\$35,578	\$34,613	\$966	2.8%
Subtotal Mini Cities	\$0	\$38,751	\$22,183	\$60,934	\$189,857	\$462,801	(\$272,944)	-59.0%
Grand Total	\$0	\$109,794	\$256,187	\$365,981	\$1,912,268	\$1,722,095	\$190,172	11.0%

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**SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
Fiscal Year 2017-18**

Proposed Funding

A	B	C	D	E	F	G	H	I	J	K
Formula/Allocation	CY 2016 Payroll x 3% Inflation Factor	Relative Loss Rate x Credibility Factor	Projected Payroll x Ex Mod	(Exp/\$100) x Rate	(Exp/\$100) x Rate	(Exp/\$100) x Rate	Banking + Shared + Excess Layers	(PP/\$100) x Banking, Shared and Excess Rates	(H) - (I)	Refund x %PP
MEMBER ENTITY	Projected Payroll (PP)	Ex Mod	Ex-Mod Adjusted Payroll (ExP)	BANKING LAYER at 70% CL \$0 to \$25,000	SHARED LAYER at 70% CL \$25,000 to \$500,000	EXCESS LAYER \$500k TO \$40M CJPRMA PREMIUM	LOSS FUNDING (LF)	UNADJUSTED LOSS FUNDING (ULF)	Ex Mod Impact on Loss Funding Increase or (Decrease)	CJPRMA REFUND
Rate Per \$100 or Am	1.03	Calc		\$1.37	\$2.12	\$0.63	Calc		Calc	-\$39,870
Biggs	\$398,466	0.96	\$384,101	\$5,334	\$8,211	\$2,426	\$15,971	\$16,424	(\$452)	-\$721
Colfax	\$664,432	0.89	\$590,566	\$8,202	\$12,624	\$3,731	\$24,556	\$27,386	(\$2,829)	-\$1,202
Dunsmuir	\$655,259	1.57	\$1,025,854	\$14,247	\$21,929	\$6,480	\$42,656	\$27,008	\$15,648	-\$1,186
Etna	\$376,289	0.94	\$354,359	\$4,921	\$7,575	\$2,238	\$14,735	\$15,509	(\$775)	-\$681
Fort Jones	\$311,071	0.95	\$296,360	\$4,116	\$6,335	\$1,872	\$12,323	\$12,821	(\$498)	-\$563
Isleton	\$200,376	1.28	\$257,460	\$3,576	\$5,504	\$1,626	\$10,705	\$8,259	\$2,447	-\$363
Live Oak	\$1,398,545	0.80	\$1,120,572	\$15,562	\$23,954	\$7,079	\$46,594	\$57,644	(\$11,049)	-\$2,530
Loomis	\$758,021	1.09	\$828,433	\$11,505	\$17,709	\$5,233	\$34,447	\$31,243	\$3,204	-\$1,371
Loyalton	\$115,028	1.00	\$114,696	\$1,593	\$2,452	\$725	\$4,769	\$4,741	\$28	-\$208
Montague	\$321,905	0.98	\$316,654	\$4,398	\$6,769	\$2,000	\$13,167	\$13,268	(\$101)	-\$582
Mt. Shasta	\$2,002,042	1.27	\$2,542,728	\$35,313	\$54,354	\$16,062	\$105,729	\$82,518	\$23,211	-\$3,622
Portola	\$820,614	0.93	\$762,540	\$10,590	\$16,300	\$4,817	\$31,707	\$33,823	(\$2,116)	-\$1,485
Rio Dell	\$1,036,304	0.87	\$904,770	\$12,565	\$19,341	\$5,715	\$37,621	\$42,713	(\$5,092)	-\$1,875
Shasta Lake	\$3,695,370	0.72	\$2,676,034	\$37,164	\$57,204	\$16,904	\$111,272	\$152,312	(\$41,040)	-\$6,686
Susanville	\$4,091,391	0.95	\$3,891,351	\$54,042	\$83,183	\$24,581	\$161,806	\$168,634	(\$6,828)	-\$7,402
Tulelake	\$365,477	0.96	\$352,322	\$4,893	\$7,531	\$2,226	\$14,650	\$15,064	(\$414)	-\$661
Weed	\$1,750,507	1.19	\$2,091,782	\$29,050	\$44,715	\$13,214	\$86,978	\$72,150	\$14,828	-\$3,167
Yreka	\$3,075,943	1.15	\$3,526,457	\$48,975	\$75,383	\$22,276	\$146,633	\$126,781	\$19,853	-\$5,565
Grand Total	\$22,037,040	1.03	\$22,037,040	\$306,046	\$471,070	\$139,205	\$916,321	\$908,298	\$8,023	-\$39,870

Verification of Total	\$	22,033,757		\$	306,000	\$	471,000	\$	139,205	\$	916,205		\$	39,870
Actuary Payroll	\$	22,261,000			\$46		\$70		\$0		\$116			
			Off Balance Factors		0.9865		0.99							

DRAFT

**SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
Fiscal Year 2017-18**

DRAFT

Proposed Funding

A	L	M	N	O	P	Q	R	S	U
Formula/Allocation	(PP/100) x Rate	(Total Admin/2)/ Number of Members	(Total Admin/2)/ %PP	(M) + (N)	Loss Funding + Refund + Pollution + Admin				Member PP/ Total PP
MEMBER ENTITY	CSAC/CPIEA Pollution Coverage	50% ADMIN FIXED EXPENSE	50% ADMIN % PAYROLL	Proposed FY 17-18 Admin Total	Proposed FY 17-18 TOTAL FINAL DEPOSIT	FY 16-17 TOTAL DEPOSIT	\$ Change Overall	% Change Overall	% Payroll (%PP)
Rate Per \$100 or Am	\$0.03670579	\$238,368	\$238,368	\$476,737	70% CL	70% CL			
Biggs	\$146	\$13,243	\$4,310	\$17,553	\$32,949	\$33,168	(219)	-0.7%	1.81%
Colfax	\$244	\$13,243	\$7,187	\$20,430	\$44,028	\$37,054	6,974	18.8%	3.02%
Dunsmuir	\$241	\$13,243	\$7,088	\$20,330	\$62,041	\$50,678	11,364	22.4%	2.97%
Etna		\$13,243	\$4,070	\$17,313	\$31,367	\$32,115	(748)	-2.3%	1.71%
Fort Jones	\$114	\$13,243	\$3,365	\$16,607	\$28,482	\$29,086	(604)	-2.1%	1.41%
Isleton		\$13,243	\$2,167	\$15,410	\$25,753	\$26,999	(1,246)	-4.6%	0.91%
Live Oak	\$513	\$13,243	\$15,128	\$28,370	\$72,948	\$71,261	1,687	2.4%	6.35%
Loomis	\$278	\$13,243	\$8,199	\$21,442	\$54,796	\$57,160	(2,364)	-4.1%	3.44%
Loyalton	\$42	\$13,243	\$1,244	\$14,487	\$19,090	\$20,406	(1,316)	-6.4%	0.52%
Montague	\$118	\$13,243	\$3,482	\$16,725	\$29,427	\$30,482	(1,055)	-3.5%	1.46%
Mt. Shasta	\$735	\$13,243	\$21,656	\$34,898	\$137,740	\$134,209	3,531	2.6%	9.08%
Portola	\$301	\$13,243	\$8,876	\$22,119	\$52,643	\$50,194	2,449	4.9%	3.72%
Rio Dell	\$380	\$13,243	\$11,209	\$24,452	\$60,579	\$60,278	301	0.5%	4.70%
Shasta Lake	\$1,356	\$13,243	\$39,972	\$53,214	\$159,157	\$167,237	(8,080)	-4.8%	16.77%
Susanville	\$1,502	\$13,243	\$44,255	\$57,498	\$213,404	\$182,598	30,806	16.9%	18.57%
Tulelake		\$13,243	\$3,953	\$17,196	\$31,185	\$31,252	(68)	-0.2%	1.66%
Weed	\$643	\$13,243	\$18,935	\$32,177	\$116,631	\$128,603	(11,972)	-9.3%	7.94%
Yreka	\$0	\$13,243	\$33,272	\$46,514	\$187,583	\$167,957	19,626	11.7%	13.96%
Grand Total	\$6,614	\$238,368	\$238,368	\$476,737	\$1,359,801	\$1,310,736	49,065	3.7%	100.00%

Verification of Total

Actuary Payroll

Yreka Already paid \$2,192 (required to pay 2 years up front so this is prorated)

SCORE ERMA FY 2017-2018

MEMBER ENTITY	Calendar Year 2016 DE9 Payroll (P)	Calendar Year 2015 DE9 Payroll	% CHANGE IN PAYROLL	DEDUCTIBLE	REFUND/ ASSESSMENT	2017-2018 PREMIUM	2016- 2017 PREMIUM
Rate/Amount							
Biggs (accepted 5/16/17)	\$386,860	N/A	N/A	\$25,000	N/A	\$2,048	N/A
Colfax	\$645,079	\$445,047	44.95%	\$25,000		\$2,561	\$1,757
Dunsmuir	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Etna	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fort Jones	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Isleton	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Live Oak	\$1,357,810	\$1,281,002	6.00%	\$25,000		\$5,390	\$5,057
Loomis	\$735,943	\$738,548	-0.35%	\$25,000		\$2,921	\$2,916
Loyalton	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Montague	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mt. Shasta	\$1,943,730	\$1,764,123	10.18%	\$25,000		\$7,716	\$6,964
Portola	\$796,713	\$721,331	10.45%	\$25,000		\$3,163	\$2,848
Rio Dell	\$1,006,121	\$978,061	2.87%	\$25,000		\$3,994	\$3,861
Shasta Lake	\$3,587,737	\$3,431,994	4.54%	\$25,000		\$14,242	\$13,548
Susanville	\$3,972,225	\$3,674,289	8.11%	\$25,000		\$15,768	\$14,505
Tulelake	\$354,832	\$349,348	1.57%	\$25,000		\$1,409	\$1,379
Weed	\$1,699,522	\$1,541,803	10.23%	\$100,000		\$5,043	\$4,561
Yreka	\$2,986,353	\$2,827,360	5.62%	\$25,000		\$11,854	\$11,161
Grand Total	\$19,086,065	\$17,752,905	7.51%		\$0	\$76,109	\$68,557

SCORE MEMBER PAYROLL AVERAGE OVER PRIOR 3 YEARS

(any member with 3yr payroll average exceeding \$500,000 will be treated as a regular full member and will be removed from the MC pool)

A	B	C	D	E	F
Formula/Allocation					
MEMBER ENTITY	CY 2016	CY 2015	CY 2014	AVERAGE	3YR AVERAGE ABOVE \$500K
	Per DE-9 Form	Per DE-9 Form	Per DE-9 Form	(B+C+D)/3	
Biggs	\$386,860	\$380,549	\$383,261	\$383,557	MINI CITY MEMBER
Colfax	\$645,079	\$445,047	\$444,870	\$511,665	YES
Dunsmuir	\$636,173	\$486,927	\$557,832	\$560,311	YES
Etna	\$365,329	\$371,095	\$346,139	\$360,854	MINI CITY MEMBER
Fort Jones	\$302,011	\$306,808	\$301,682	\$303,500	MINI CITY MEMBER
Isleton	\$194,540	\$209,919	\$250,125	\$218,195	MINI CITY MEMBER
Live Oak	\$1,357,810	\$1,281,001	\$1,243,636	\$1,294,149	YES
Loomis	\$735,943	\$738,548	\$706,570	\$727,020	YES
Loyalton	\$111,677	\$136,627	\$135,613	\$127,972	MINI CITY MEMBER
Montague	\$312,529	\$325,569	\$312,076	\$316,725	MINI CITY MEMBER
Mt. Shasta	\$1,943,730	\$1,764,123	\$1,708,545	\$1,805,466	YES
Portola	\$796,713	\$721,331	\$618,406	\$712,150	YES
Rio Dell	\$1,006,121	\$978,061	\$962,896	\$982,359	YES
Shasta Lake	\$3,587,737	\$3,431,994	\$3,226,333	\$3,415,355	YES
Susanville	\$3,972,225	\$3,674,289	\$3,524,068	\$3,723,527	YES
Tulelake	\$354,832	\$349,348	\$310,702	\$338,294	MINI CITY MEMBER
Weed	\$1,699,522	\$1,541,803	\$1,658,551	\$1,633,292	YES
Yreka	\$2,986,353	\$2,827,360	\$3,014,230	\$2,942,648	YES
Grand Total	\$21,395,184	\$19,970,398	\$19,705,535	\$20,357,039	



DISCUSSION ABOUT 2017/18 LONG RANGE PLANNING TOPICS

ACTION ITEM

ISSUE: The Program Administrators are requesting Board input on topics for the annual Long Range Planning Meeting which will be held on October 26, 2017 followed by the Board of Directors Meeting on October 27, 2017.

The Program Administrators offer the following suggestions:

-) Pre-meeting: New Member Orientation
-) Mini-Cities composition and cost allocation
-) EPL Training (ERMA sponsored) – Accommodating Disabled Employees &/or Updating Policies and Procedures
-) Risk Management Training – Topic TBD
-) Risk Management Scorecard – initial review of where we are with respect to meeting best practices and plans to address areas of need. Form RM committee?
-) Annual Report – present contents of annual report – financial condition, benchmarks/ratios, review of coverage and services, plans for future

RECOMMENDATION: Discuss and provide direction regarding agenda topics.

FISCAL IMPACT: Not to exceed \$18,000.

BACKGROUND: Every other year, SCORE holds a Long Range Planning Meeting to provide Board members with an opportunity to discuss the coverage programs, risk management and loss control services available to members as well as any topics that Members may want to address. Presentations will also be provided by the Program Administrators and SCORE partners. The Gaia Hotel in Anderson was selected as the destination for this year's meeting on October 26 and 27, 2017.

ATTACHMENTS: None



BACK TO AGENDA

**Small Cities Organized Risk Effort
Board of Directors Meeting
June 16, 2017**

Agenda Item I.

TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

INFORMATION ITEM

ISSUE: Time is reserved for members to discuss items of concern or interest to other members.

RECOMMENDATION: None – information only.

FISCAL IMPACT: None

BACKGROUND: None

ATTACHMENTS: None



CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54956.95, the Board will hold a Closed Session to discuss the following claims for payment of a tort liability loss or a public liability loss:

**Request for Authority

1. Workers' Compensation

- a. SCWA-556017 v. Crescent City**

FISCAL IMPACT: Unknown.

RECOMMENDATION: The Program Administrator cannot make a recommendation at this time, as the subject matter is confidential.

BACKGROUND: Confidential.

ATTACHMENTS: None.



INFORMATION ITEMS

INFORMATION ITEM

ISSUE: The following items are being presented as information for SCORE members.

RECOMMENDATION: None. This item is offered as information only.

BACKGROUND: None

FISCAL IMPACT: None

ATTACHMENT(S):

1. CAJPA Conference – September 12-15, 2017 in South Lake Tahoe
2. SCORE Resource Contact Guide
3. SCORE Certificate Request Form
4. SCORE Glossary of Terms
5. SCORE Travel Reimbursement Form

SCORE RESOURCE CONTACT GUIDE

FY 2016/17

PROGRAM ADMINISTRATION
 Alliant Insurance Services, Inc.
 2180 Harvard Street Ste 460
 Sacramento, CA 95815
 Main: (916) 643-2700 Fax: (916) 643-2750
www.Alliant.com

SUBJECT	MAIN CONTACT	PHONE	EMAIL
JPA MANAGEMENT ISSUES –coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	<p style="text-align: center;">Marcus Beverly</p> <p style="text-align: center;">Michael Simmons</p> <p style="text-align: center;">Michelle Minnick</p> <p style="text-align: center;">Joan Crossley</p>	<p style="text-align: center;">(916) 643-2704 (916) 660-2725 (cell)</p> <p style="text-align: center;">(415) 403-1425 (925) 708-3374 (cell)</p> <p style="text-align: center;">(916) 643-2715</p> <p style="text-align: center;">(916) 643-2712</p>	<p style="text-align: center;">Marcus.Beverly@alliant.com</p> <p style="text-align: center;">MSimmons@alliant.com</p> <p style="text-align: center;">Michelle.Minnick@alliant.com</p> <p style="text-align: center;">JCrossley@alliant.com</p>
JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.	<p style="text-align: center;">Michelle Minnick</p> <p style="text-align: center;">Marcus Beverly</p> <p style="text-align: center;">Joan Crossley</p>		
COVERAGE / RISK MANAGEMENT ISSUES – <ul style="list-style-type: none"> ➤ Certificates of coverage, additions/deletions of coverage’s, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review 	<p style="text-align: center;">Michelle Minnick</p> <p style="text-align: center;">Marcus Beverly</p> <p style="text-align: center;">Joan Crossley</p>		

SCORE RESOURCE CONTACT GUIDE

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CLAIMS ADMINISTRATION
 York Risk Services Group, Inc.
 P.O. Box 619079
 Roseville, CA 95678
 Main: (800) 922-5020 Fax: (866) 548-2637
www.yorkrsg.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIMS ADMINISTRATION – questions regarding liability and Workers’ Compensation claims handling can be forwarded to York Risk Services Group</p> <p>Property Recovery Program This program is designed to recover damages from a third party when a member has incurred a loss caused by a third party who was determined to be liable.</p> <p style="text-align: right;"><u>Liability Claims</u></p> <p style="text-align: center;"><u>Workers’ Compensation Claims</u></p> <p style="text-align: right;"><u>Subrogation</u></p>	<p style="text-align: center;">Cameron Dewey, Claims Manager Craig Nunn</p> <p style="text-align: center;">Ariel Leonhard, Claims Examiner Kristina Patterson, Unit Manager</p> <p style="text-align: center;">D’Ana Seivert, Subrogation Manager</p>	<p>(530) 243-3249 (925) 349-3891</p> <p>(916) 960-0974 (916) 746-6302</p> <p>(916) 960-0980</p>	<p>Cameron.Dewey@yorkrsg.com Craig.Nunn@yorkrsg.com</p> <p>ariel.leonhard@yorkrsg.com kristina.patterson@yorkrsg.com</p> <p>D’Ana.Seivert@yorkrsg.com</p>
<p>ADMINISTRATIVE ISSUES - annual contracts for services, IT issues, reports, service issues COMPUTER SERVICES, TRUST ACCOUNT SERVICES – loss runs, special reports, check registers, bank reconciliations</p>	<p>Dori Zumwalt, Sr. Account Manager</p>	<p>(916) 960-1017</p>	<p>dorienne.zumwalt@yorkrsg.com</p>

SCORE RESOURCE CONTACT GUIDE

FY 2016/17

CLAIM REPORTING AND TRIAGE SERVICES

Company Nurse Injury Hotline

Main: (888) 817-9282

<https://companynurse.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIM REPORTING AND TRIAGE SERVICES –Company Nurse strives to streamline injury reporting and reduce injury reporting lag time and overall cost</p> <ul style="list-style-type: none"> • Quick, easy, cost efficient way to immediately report workplace injuries • 24/7 Nurse Triage Hotline 1-888-545-9154 (Please ensure to use the city code specific to your member) 	<p>Carl Herman, Enrollment Services Manager</p>	<p>(480) 374-2441</p>	<p>info@companynurse.com</p> <p>service@companynurse.com</p>

ACCOUNTING SERVICES

Gilbert Associates, Inc.

Main: (916) 646-6464 Fax: (916) 929-6836

www.gilbertcpa.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ACCOUNTING SERVICES – any questions regarding accounting, accounts payable, invoicing, and checks can be forwarded to Gilbert Associates</p>	<p>Kevin Wong</p> <p>Cindy Conklin</p>	<p>(916) 646-6464</p>	<p>kswong@gilbertcpa.com</p> <p>Cindy.Conklin@gilbertcpa.com</p>

POLICE AND FIRE RISK MANAGEMENT SERVICES

Lexipol

Main: (949) 484-4444 Fax: (949) 484-4443

<http://www.lexipol.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>POLICE RISK MANAGEMENT SERVICES – Lexipol helps to review members' Police and Fire Risk Management policies and offers state-specific policy manuals that are integrated with scenario-based daily training on high-risk, low frequency events</p>			

SCORE RESOURCE CONTACT GUIDE

FY 2016/17

ERMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.ermajpa.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ERMA – provides loss prevention services designed to minimize employment practices liability (EPL) exposure of members</p> <p style="text-align: right;">Board Member - John Duckett</p> <p style="text-align: right;">Alternate - Roger Carroll</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Employee Reporting line • Attorney Hotline • Employment Practices Training 			<p style="text-align: right;">info@ermajpa.org</p> <p style="text-align: right;">jduckett@cityofshastalake.org</p> <p style="text-align: right;">rcarrol@loomis.ca.gov</p> <p style="text-align: right;">rkramer@bickmore.net</p> <p style="text-align: right;">gpreciado@bickmore.net</p>
		(530) 275-7427	
		(916) 652-1840	
	Rob Kramer , President	(916) 244-1117	
	Gerry Preciado , Director of Litigation Management	(916) 244-1139	

LAWCX POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.lawcx.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LAWCX – Provides Excess Workers’ Compensation coverage and additional training resources</p> <p style="text-align: right;">Board Member - Ron Stock</p> <p style="text-align: right;">Alternate - John Duckett</p> <p>Online Risk Control Services</p> <ul style="list-style-type: none"> • Employees can access online training courses by registering online at www.lawcx.org. • Video/Webinars – There are over 300 Training videos and over 30 recorded webinars available. Live Webinars are also available • Training Tools – Sample Training Matrices, Safety Communications, Safe Practices Guidelines • Programs/Forms Comprehensive Sample Programs with implementation guides and Sample Forms • Blog – Timely and informational reports from Risk Control Experts • Can you Risk It? Liability Exposures- real questions from actual members are answered 			<p style="text-align: right;">rstock@ci.weed.ca.us</p> <p style="text-align: right;">jduckett@cityofshastalake.org</p> <p style="text-align: right;">administrator@lawcx.org</p> <p style="text-align: right;">claims@lawcx.org</p>
		(530) 938-5027	
		(530) 275-7427	
	Beth Lyons , ARM-P Executive Director	(800) 541-4591 Ext. 8529	
	Tammy Vitali , Claims Manager	(800) 541-4591 Ext. 1114	

SCORE RESOURCE CONTACT GUIDE

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CJPRMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (925) 837-0667 Fax: (925) 290-1543

<http://www.cjprma.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CJPRMA – Provides Excess Liability coverage and additional training resources</p> <p style="text-align: right;">Board Member - Roger Carroll</p> <p style="text-align: right;">Alternate - John Duckett</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Five annual regional training workshops throughout California-previous years topics include Contractual Risk Transfer, Police Liability, Parks and Recreation Liability, and Sidewalk Liability Controls. • Two to four training sessions per year available at no charge. Topics include: police liability, tort issues, streets and sidewalks, contractual liability, employment practices • Personal assistance available to review contracts and to help look at any risk related issues (Contact David J. Clovis General Manager or Craig Schweikhard) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Certificates of Insurance tracking through Risk Console (cost for each user is \$100/year) • Pins Advantage (alternative to Risk Console) is available to all members at a reduced rate is provided on a month to month basis and can be canceled at any time. 	<p>Craig Schweikhard, Claim Administrator</p> <p>David J. Clovis, General Manager</p>	<p>(916) 652-1840</p> <p>(530) 275-7427</p> <p>(925) 290-1315</p> <p>(925) 290-1316</p>	<p>rcarrol@loomis.ca.gov</p> <p>jduckett@cityofshastalake.org</p> <p>craig@cjprma.org</p> <p>david@cjprma.org</p>

SCORE RESOURCE CONTACT GUIDE

FY 2016/17

LOSS CONTROL SERVICES

DKF Solutions

Fax: (707) 647-7200

www.dkfsolutions.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LOSS CONTROL SERVICES – DKF Solutions is the Loss Control Service Provider responsible for coordination for all Risk Management Training for SCORE. DKF has completed Risk Assessments for all members and is currently working on the approved Risk Control Plans for SCORE.</p> <p>Services available to all SCORE members Maintenance Training & Sewer Management Plans Phone and email hotline (contact David Patzer) On-Site Visit with Biomechanics Training & Review of Operations/Current Practices Online Training: Employees can access online training courses by going to: www.mysafetyofficer.com/employeetraining and entering the username “employee” and password “safety” which will grant access to the following training:</p> <ul style="list-style-type: none"> • Interactive Training: Free self-paced web training modules which include quiz questions are available to help facilitate knowledge about different topics ranging from Bloodborne Pathogens to Respiratory Protection. * requires Adobe Flash software • Tailgate Training: Free downloadable tailgate training materials covering topics from Aerial Lift Safety to Zoonotics • Webinar archive: access to one-hour webinars in your web browser covering topics ranging from Bloodborne Pathogens Regulations to SSO Volume Estimation * requires Adobe Flash software • ***NOTE: Monthly news update with a different article each month at http://www.dkfsolutions.com/blog/ 	<p>David Patzer</p> <p>John Balestrini</p> <p>Katie Frassinelli</p>	<p>(707) 373-9709</p> <p>(916) 532-5802</p>	<p>dpatzer@dkfsolutions.com</p> <p>john@dkfsolutions.com</p> <p>Kfrassinelli@dkfsolutions.com</p>

SCORE RESOURCE CONTACT GUIDE

FY 2016/17

EMPLOYEE ASSISTANCE PROGRAM
 ACI Specialty Benefits Corporation
 Main: (800) 932-0034 Fax: (858) 452-7819
www.acieap.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>EMPLOYEE ASSISTANCE PROGRAM - EAP provides 24 hour/365 day assistance to employees and their family members who can receive up to three counseling visits per year by contacting 1-800-932-0034 or by visiting the following website http://score.acieap.com</p> <ul style="list-style-type: none"> • Each city has 4 hours per year for On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch 'n Learn Seminars Per City per year • <i>Unlimited</i> Critical Incident Stress Management (CISM) Telephonic Consultation for Crisis response • Each city has 1 On-Site Critical Incident Stress Debriefing (CISD) per year for Crisis response • Legal and Financial Hardship Services- Employees and their family members have limited access to telephonic legal and financial hardship services (first 60 minutes are free and if they retain the attorney then additional time is offered at a discounted rate) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Wellness Resources The Core Platform wellness program is available to employees which includes workshops, personalized meal and exercise plans, articles about health, health logs, recipes, exercise tracker and log and blogs about wellness 	<p>Kathryn Mullis</p>	<p>(858) 736-0031</p>	<p>kmullis@acieap.com</p>

SCORE RESOURCE CONTACT GUIDE

FY 2016/17

TRAINING SERVICES Target Solutions Main: (800) 840-8048 Fax: (858) 487-8762 www.targetsolutions.com			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
TRAINING SERVICES – a Web-based Safety Training Platform Services Offered <ul style="list-style-type: none"> • OSHA Training Documentation • Online Video Library http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&customerid=19258&customerpath=score • Policy Templates (IIPP examples, Bloodborne Pathogens, HAZWOPER, Emergency Response Plans) • Training Records management (i.e. Diplomas, Certificates of Completion) • Continuing Education Courses for Fire and Safety Personnel 	Jennifer Jones , Account Manager	(858) 376-1632	jennifer.jones.@targetsolutions.com

CONCRETE CUTTING Precision Concrete Cutting Main: (866) 792-8006 Fax: (650) 240-3866 www.dontgrind.com			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
SIDEWALK TRIP HAZARD SERVICES Services Offered <ul style="list-style-type: none"> • Sidewalk Asset Management • Surveying Sidewalk Infrastructure • Repairing Uneven Sidewalk Panels 	Joseph Ortega Katrina Lynch	(650) 576-4303 (916) 847-7346	jortega@DontGrind.com Klynch@dontgrind.com

GLOSSARY OF TERMS

Term	Definition
4850	Labor Code 4850
AB 1234	Ethics Education for Local Officials
AB 1825	Harassment Prevention Training for Supervisors
Active Negligence	The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in
ACV (Actual Cash Value)	The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it
Adhesion	When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party—the insurer. The other party the insured does not take part in the preparation of the contract)
ATD (Aerosol Transmissible Diseases)	An epidemiologically significant disease that is transmitted via droplet or airborne route
Aggregate	The term used to describe the cumulative amount of all losses for a period of time.
Aggregate Stop Loss	A financial arrangement with a JPA’s excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would “drop down” and pay losses within the JPIA’s SIR, or pooled layer
AME (Agreed Upon Medical Examiner)	A medical provider who has been certified by the Division of Workers’ Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim.
Aleatory	An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties
ACIP (Alliant Crime Insurance Program)	Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job.
APIP (Alliant Property Insurance Program)	The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities
ADA (American Disability Act)	A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669-4000 or 1-800-669-6820 (TTY).
Assessment company	Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period)
AIS (Associate in Insurance Services)	Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance
AGRIP (Association of Governmental Risk Pools)	A national organization of JPA’s and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA
ALCM (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).

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ARM (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better
BOD/BD (Board of Directors)	body of elected or appointed members who jointly oversee the activities of a company or organization
BI (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
CAJPA (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs
CIPRA (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
CJPRMA (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to SCORE's Liability Program
California State Association of Governments (CSAC)	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
California State Association of Governments - Excess Insurance Authority (CSAC-EIA)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures
CalTIP (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987
Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members
CIC (Certified Insurance Counselor)	an insurance agent professional certification designation
Certified Industrial Hygienist (CIH)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them
Chartered Property Casualty Underwriter (CPCU)	CPCU is a professional designation in property-casualty insurance and risk management

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Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
Compromise and Release (C&R)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	an insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	describe the responsibilities and the obligations of both the insured and the insurance company
Confidence Level (CL)	an estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL
Contract	a legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration
Contract of Utmost Good Faith	as the insurance company relies on the truthfulness and integrity of the applicant when an issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims
Certified Safety Professional (CSP)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
California State Association of Counties Excess Insurance Authority (CSAC-EIA)	SCORE participates in a group purchase of pollution liability coverage with CSAC-EIA
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action
Definitions	clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
Difference In Conditions	A specialized property insurance policy written to provide coverage for perils

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(DIC)	not covered in a standard property policy or in the JPIA’s Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses
Directors and Officers (D&O)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
Date of Loss (DOL)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
Earthquake (EQ)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers’ Liability	Included as part of a worker’s compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers’ compensation benefits
Employment Practices Liability (EPL)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc
Endorsement	any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as “Pollution” and “Pollution Legal” Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
Employment Risk Management Authority (ERMA)	ERMA provides employment practices Liability coverage to SCORE members desiring such coverage
Errors and Omissions Insurance (E&O)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	describe the losses for which the insured is not covered
Executive Committee (EC)	committee within that organization which has the authority to make decisions and ensures that these decisions are carried out
Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL)

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Exposure	a condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage)
Financial Accounting Standards Board (FASB)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission
Fidelity Bonds	Written as financial guarantees of employees' honesty. Personnel with money-handling responsibilities are considered exposures to loss
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds
Generally Accepted Accounting Principles (GAAP)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
Governmental Accounting Standards Board (GASB)	GASB is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organization
General Liability	Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties)
Hazard	anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard)
Health Insurance Portability and Accountability Act (HIPAA)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and secure
Incurred But Not Reported (IBNR)	It is that part of the total claims that is unknown at any point in time. At any time, SCORE has claims that have not been reported or recognized by SCORE or has claims recognized by SCORE but without knowledge of the cost when such claim is finally closed. SCORE uses an actuary to project the costs of these unknown liabilities to SCORE <ul style="list-style-type: none"> - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or SCORE and expected future development on claims already reported
Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
Injury Illness Prevention Program (IIPP)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	a contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
Insurance Requirements in Contracts (IRIC)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.
Insurance Services Office, Inc. (ISO)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers

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Insuring agreements	state in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages
Limit	The most that will be paid in a loss
Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)	LAWCX provides excess coverage to SCORE's workers' compensation pool
Long Range Planning (LRP)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short-term (operational or tactical plans) for achieving interim goals.
Loss Adjustment Expense (LAE)	administrative expense to manage a claim to conclusion- Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees- Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
Maximum Medical Improvement (MMI)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
Memorandum of Coverage (MOC)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	a person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new)
Morale Hazard	an individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs)
Mutual interest company	the insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation

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Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	a total contribution for losses less excess insurance costs
Non Vacant land	refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches)
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation
Occurrence	A) In order for SCORE to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in
Peril	Cause of a loss
Permanent and Stationary (P&S)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
Permanent Disability (PD)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached
Personal Protective Equipment (PPE)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury
Physical Hazard	a hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps)
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. SCORE's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised
Principle of Indemnity	when a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less
Property Insurance	This covers the member for damage to its own property, sometimes called first-party coverage
Public Agency Risk Managers Association (PARMA)	A statewide association for risk managers in the public sector. Educational and lobbying activities

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Public Entity Property Insurance Program (PEPIP)	A group purchase program from which many SCORE members purchase their insurance
Public Risk Management Association (PRIMA)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes
Pure Risk	involves only the possibility of loss
QME (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal
Replacement Cost (RC)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, SCORE estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, SCORE collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	the chance or uncertainty of loss (also see Speculative Risks and Pure Risks)
Risk and Insurance Management Society (RIMS)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
Self-Insured Retention (SIR)	the maximum amount of exposure to a single loss retained by SCORE

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Severability of Interests Clause	An insurance policy provision clarifying that the word “insured,” as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants and permittees” policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	the greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer’s right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages
Temporary Disability Benefits (TD)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering
Third Party Administrator (TPA)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits
Total Insured Values (TIV)	The values shown on a member city’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss
Terrorism Risk Insurance Act (TRIA)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal "backstop" for insurance claims related to acts of terrorism.
Vacant land	refers to land that is unoccupied and unused, and/or has no structures on it
Vehicle Identification Number (VIN)	unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833

Small Cities Organized Risk Effort Board of Directors Travel Expense Reimbursement Form

**Please remember to provide all receipts/proof of purchase along with this form
in order to receive reimbursement.**

Payee Name (who the check should be made out to):

Payee Address (where payment should be sent):

Member City:

Date of Meeting:

Meeting or Committee:

Location of Meeting:

Total Mileage:

Total miles driven _____ X 2017 IRS Rate (\$0.535 *per mile*) = \$

Parking: \$ _____

Auto Rental: \$ _____

Total Hotel Accommodations: \$ _____

Other Expenses: \$ _____

Please explain: _____

TOTAL AMOUNT SUBJECT TO REIMBURSEMENT: \$

**ALL REIMBURSEMENT CHECKS WILL BE MADE OUT TO THE CITY
UNLESS OTHERWISE INDICATED ON THIS FORM.**

Signature _____ Date _____