

Aviation Liability Proposal

AVIATION

Exclusions and Provisions:

AV512	Pilots Endorsement
2000a	Date Recognition Exclusion Endorsement
AV310	Limits of the Company's Liability Coverage F and G
PA313	Asbestos Exclusion Endorsement
AV460	Mechanical Breakdown – Clarification
AV464	Aircraft Turbine Engine Endorsement
AV730	Law Enforcement
AV48C	War, Hi-Jacking and Other Perils Exclusion Clause
CTXGA	Exclusion of Certified Acts of Terrorism
PDPAM	Notice of Terrorism Insurance Coverage
AV337	Territorial Exclusion Endorsement
GMEX	Mexico – Warning



JIM GRAY, MAYOR

LFUCG

6-26-2013

Auto/General/Public Officials Liability
Recommended Proposal

PROPOSAL OF INSURANCE AND RISK MANAGEMENT

Prepared for:

**Lexington-Fayette Urban County
Government**

Policy Period: July 1, 2013 to July 1, 2014



Powell · Walton · Milward
a division of J. Smith Lanier & Co.

Prepared by:

Kevin C. Kelly
Vice-President

Brenda Stickrod
Senior Account Manager

May 31, 2013

MISSION STATEMENT

To glorify God by providing exceptional value, absolute integrity, and excellence to:

- Our Customers - Through innovative leadership in providing products and services, while establishing our value to them in a long-term relationship.
- Our Employees/Shareholders - Through opportunities for every individual to set and achieve goals that fulfill their unique purpose while they contribute to the long-term financial stability of Powell-Walton-Milward, *a division of J. Smith Lanier & Co.*
- Our Suppliers - Through access to our customers and information in the development and marketing of their products and service.
- Our Community - Through corporate and personal participation in each of the communities we serve by providing our time, our talents, and our treasure for the betterment of life.

SERVICE TEAM

At Powell-Walton-Milward, *a division of J. Smith Lanier & Co.*, we believe the best way to effectively give your business the service it deserves is through a team effort. Our client service team concept is designed to give you consistent, knowledgeable service which can only occur by working with trained professionals.

*Powell-Walton-Milward
a division of J. Smith Lanier & Co.*

360 East Vine Street
Lexington, Kentucky 40508

Main Phone Number: 859-254-8023 Main Fax Number: 859-254-8020

COMMERCIAL LINES TEAM

Kevin C. Kelly kkelly@pwm-jsl.com	Vice-President	859-244-7609
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Brenda Stickrod bstickrod@pwm-jsl.com	Senior Account Manager	859-244-7684
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CLAIMS

Janet Tackett jtackett@pwm-jsl.com	Claim Analyst	859-244-7623
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ACCOUNT ADMINISTRATION – SERVICES AVAILABLE

Once your insurance coverage is placed, your Service Team will work closely with you and your insurers to effectively manage and administer your risk management program. Unlike some of our competition, the sales team at Powell-Walton-Milward will continue to be involved in handling your program. Therefore, the Service Team who knows your company the best, will continue to provide the services and forge the long-term partnership we are seeking.

Our Client Service Professionals are committed to the following:

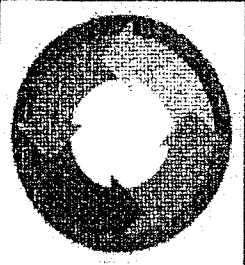
- Work closely with you on any matters relating to insurance and risk management.
- Provide an accurate summary of insurance coverages with policy terms, rates, and key conditions.
- Process requests for Certificates of Insurance within 48 hours.
- Policies will be reviewed within twenty-one (21) days of receipt.
- Policy change endorsements will be requested from the appropriate company and mailed to you within five (5) days from receipt.
- Contract Reviews, as needed, with specific feedback regarding insurance implications.
- Assist in reporting claims to insurers.
- Acquisition evaluation and coordination, as needed, including consultation on the insurance/risk ramifications of acquisitions and divestitures, when requested.
- Monitor insurance company audit and program adjustment activities to ensure that they are completed within the designated timeframe and that all reports are accurate.
- A returned phone call within 24 hours. Provide cellular phone numbers and home phone numbers for key personnel.
- Monitor the insurance marketplace for any new trends, products, and markets that may offer enhancements to your insurance program.
- Prepare reports as needed to assist you in determining current and past program loss and premium obligations.
- Consult with your risk management staff on insurance coverage questions.

CLAIM ADVOCACY – SERVICES AVAILABLE

- Review, edit and/or establish claim service instructions with claim administrators to meet your company's claims management needs:
 - Prepare corporate guidelines and direction for:
 - Investigations
 - Surveillance
 - Settlement Authority
 - Reserve Authorizations
 - Litigation Management
- Determine current issues and concerns with claims administrators:
 - Medical Case Management
 - Return to Work
 - General Communication
 - Reserving Practices
 - Location Coding
 - Claim Information Systems
- Determine if there are any internal claim management issues that need to be addressed:
 - Claim Reporting
 - Claim Procedure Manuals
- Gain access to the claim administrators claim information system
- Set up claim review schedule
- Review claim settlement authority requests as requested
- Conduct claim reserve evaluations as requested
- Maintain claim files on larger losses or specified types of losses as requested and monitor the progress on these files
- Analyze and respond to reservation of rights letters
- Serve as an advocate on all claim service issues including those issues involving claims from monopolistic states
- Assist with coverage questions
- Assist with litigation management issues (selection of defense counsel, establishment of litigation budgets)
- Assist with claims as requested

RISK CONTROL ADVOCACY – SERVICES AVAILABLE

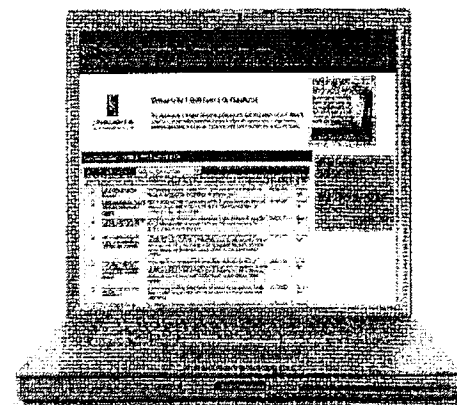
- Oversight of safety training programs
- Review existing loss control programs and provide recommendations for refinement
- Assistance with new safety prevention measures
- Coordinate loss control services provided by insurance carriers
- Review loss experience and identify loss trends



Technology Solutions

All of our clients receive access to online Risk Management resources through PWM/JSL. Your personalized Client Center that connects you to our agency and offers convenient tools and resources including:

- Direct Link to our Agency
- Online Industry Web Resources
- Access to hundreds of useful Property and Casualty and Human Resources/Benefits documents
- Overview of Workers Compensation State Statutes
- OSHA Reporting and Compliance
- DOT, Safety Manuals, Employee Education, Flyers, Training Materials



SCHEDULE OF NAMED INSUREDS

{Named Insureds listed below apply to all coverages unless specifically noted}

Special care must be taken to insure all legal entities of your business, including any LLC (*Limited Liability Corporation*), JV (*Joint Venture*), and Partnerships. Many insurance policies do not cover these entities unless they are specifically named on the policy. It is important to notify your agent if an entity is formed during the policy term. Let us know if one of your entities is not listed below.

Lexington-Fayette Urban County Government

RETAINED LIMIT LIABILITY INSURANCE

Named Insured: Lexington-Fayette Urban County Government
 Carrier Name: American Alternative Insurance Corporation (Munich Re)
 A.M. Best Rating: A+:XV as of November 30, 2012
 Policy Term: July 1, 2013 to July 1, 2014

LIMITS OF INSURANCE:

Line of Business	Specific Limit	Annual Aggregate	Underlying Retention	Coverage Trigger
Auto Liability	\$5,000,000	N/A	\$2,000,000	Accident
General Liability Law Enforcement Sexual Abuse Employee Benefits	\$5,000,000	\$5,000,000	\$2,000,000	Occurrence
Errors and Omissions Liability Employment Practices Liability Sexual Harassment Liability Miscellaneous Professional Liability	\$5,000,000	\$5,000,000	\$2,000,000	Occurrence

LIMITS STRUCTURE:

Separate limits applicable to General Liability (including Law Enforcement, Sexual Abuse and Employee Benefits Liability); Wrongful Acts (including Public Officials Liability, Employment Practices Liability, Sexual Harassment, and Miscellaneous Professional Liability); Auto Liability

NOTE:

- Defense Cost Inside the Limit
- Defense Cost Inside the Retention
- Annual Aggregate Limits apply separately to each of General Liability and Errors and Omissions
- The Law Enforcement Liability, Sexual Abuse, and Employee Benefits Liability Annual Aggregate Limits are part of and not in addition to the General Liability Annual Aggregate Limit
- The Annual Aggregate Limit for Employment Practices Liability, Sexual Harassment, and Miscellaneous Professional Liability is part of and not in addition to the Errors and Omissions Annual Aggregate Limit

CLAIMS ADMINISTRATION: Risk Management Service Company has been agreed to as the Claims Administrator

ENDORSEMENTS:

- RL 1000 CDEC Common Policy Declaration
- RL 1000 GLOC General Liability Coverage Part - Occurrence
- RL 1000 LC Liability Conditions Definitions and Exclusions
- RL 1000 LDEC Liability Coverage Parts Declarations
- RL 1000 MPOC Misc Professional Liability Coverage Part - Occurrence
- RL 1000 WROC Wrongful Acts Liability Coverage Part - Occurrence
- RL 2000 Claims TPA
- RL 2008 Employee Benefits (Wrongful Act Occurrence)
- RL 2015 Law Enforcement Endorsement
- RL 2024 Sexual Harassment Wrongful Act (Occurrence)
- RL 2046 Punitive or Exemplary Damages Amendment
- RL 2049 Pesticide or Herbicide Application Coverage
- RL 2067 Minimum Premium
- RL 2097 Sexual Abuse General Liability (Occurrence)
- RL 2034 Mold/Fungal Pathogens Exclusion

PREMIUM:

\$520,000.00	Premium Excluding TRIA
\$ 2,000.00	TRIA Premium
\$ 30,000.00	Local Government Municipal Tax
\$ 9,396.00	Kentucky Surcharge
\$561,396.00	Total Premium Including Local Government Municipal Tax and Kentucky Surcharge
	Minimum Premium - \$450,000

PREMIUM SUMMARY

DESCRIPTION OF COVERAGE	PREMIUM
Retained Limit Liability	\$561,396.000

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Financial Strength Ratings

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or under a voluntary agreement. Note: Companies voluntarily liquidated/dissolved generally are not insolvent.
	S	Suspended	Assigned to rated companies when sudden and significant events affect their balance sheet strength or operating performance and rating implications cannot be evaluated due to a lack of timely or adequate information.

Rating Outlooks

Assigned to an interactive Financial Strength Rating (A++ to D) to indicate its potential direction over an intermediate term, generally defined as 12 to 36 months.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Rating Modifiers

Modifier	Descriptor	Definition
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process.
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

Affiliation Codes

Indicates rating is based on a type of affiliation with other insurers.

g	Group	p	Pooled	r	Reinsured
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Not Rated Categories

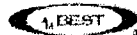
Assigned to companies reported on by A.M. Best, but not assigned a Best's Rating.

NR-1: Insufficient Data.	NR-2: Insufficient Size and/or Operating Experience.	NR-3: Rating Procedure Inapplicable.
NR-4: Company Request.	NR-5: Not Formally Followed.	

Rating Disclosure

The Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at www.ambest.com.

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AUTHORIZATION TO BIND

Insured: Lexington-Fayette Urban County Government

Choose the appropriate option:

- I hereby authorize Powell-Walton-Milward, a *division of J. Smith Lanier & Co.* to bind my coverage per the terms and conditions outlined in this Proposal.



Authorized Signature

6-26-2013

Date

I hereby authorize Powell-Walton-Milward, a *division of J. Smith Lanier & Co* to bind my coverage with changes as stated below. I understand these changes may result in possible additional underwriting requirements or more/less premium.

Authorized Signature

Date

DISCLAIMER

Proposal

J. Smith Lanier & Co. thanks you for the opportunity to discuss your insurance and risk management program. This summary is a brief overview of that program and is based on the exposure information you provided. Please refer to the policies for complete terms, conditions, limitations, definitions, and exclusions.

We have evaluated your exposures to loss and developed this proposal based upon the information that you have provided to us. If you are aware of other areas of potential exposure that need to be evaluated or of additional information of which we should be aware prior to binding of coverage, please bring the other areas or additional information to our attention as soon as possible. Should any of your exposures change after coverage is bound, please notify us immediately.

Client Contracts

In the event that you enter into a contract that has specific insurance requirements, J. Smith Lanier & Co. will review your contract, but only in regards to the insurance requirements of the contract. The scope of our review will be to determine if the current insurance program which you have placed through our agency addresses the types and amounts of insurance coverage referenced by the contract. We will identify the significant insurance obligations and will provide a summary of the changes required in your current insurance program to meet the requirements of the contract. Upon your authorization, we will make the necessary changes in your insurance program. We will also be available to discuss any insurance requirements of the contract with your attorney, if desired.

In performing a contract review, J. Smith Lanier & Co. is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, J. Smith Lanier & Co. is not undertaking to identify all potential liabilities that may arise under any such contracts. A contract review is provided solely for your information and should not be relied upon by third parties. Any descriptions of the insurance coverages are subject to the terms, conditions, exclusions, and other provisions of the contract and of the insurance policies and applicable regulations, rating rules or plans.

Compensation Disclosure (Including New York Regulation 194 Disclosure)

J. Smith Lanier & Co. is an insurance producer domiciled in the State of Georgia and licensed to sell insurance in additional states (including New York). Our licensed insurance producers are authorized by law to confer with you regarding 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. Our role in any particular insurance transaction typically involves one or more of these activities. Except in cases where J. Smith Lanier & Co. has a specific fee agreement to receive compensation from a client, we customarily receive compensation from insurers for our professional services in the form of a commission, which normally consists of a percentage of the premium collected by the insurers.

J. Smith Lanier & Co. may also receive additional compensation, under agreements with one or more insurers and/or insurance intermediaries, in the form of commission overrides or based on some combination of volume, profitability or other factors. We will receive compensation in connection with the sale of insurance products based upon the type of insurance contract that we sell and our arrangement with the insurer. Depending on the insurer and insurance contract that you select, compensation may be paid to J. Smith Lanier & Co. by the insurer selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract and the insurer 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.

At your request, we will be pleased to provide you with information about compensation expected to be received by J. Smith Lanier & Co. based in whole or in part on the sale of insurance to you and (if applicable) compensation expected to be received by us based in whole or in part on any alternative quotes presented to you by J. Smith Lanier & Co.

Property Proposal



ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2013 – July 1, 2014

Lexington-Fayette Urban County Government

EXECUTIVE SUMMARY

We are pleased to provide you with the 2013–2014 Alliant Property Insurance Program (APIP) attached renewal material.

“APIP” is the umbrella name which encompasses the Alliant property programs known as “PEPIP”, “HARPP”, “SIPP” and “SPIP” which are all property programs. As membership in these programs continues to expand, the acronym “APIP” more correctly depicts the membership of the various declarations within the program. Please note the manuscript coverage form will continue to be referred to as “PEPIP USA”.

The property market at the start of 2012 had rates generally increasing from a low of zero up to 10%. The pressure for increases began to slow at the start of the 4th quarter when Super Storm Sandy made landfall on the Northeast Coast of the U.S. Early indications of Sandy’s market impact were uncertain and the current damage estimate is about \$25B in insured losses. “Sandy” is still having an impact on the market especially for insureds that have catastrophe exposures such as Flood, Earthquake and Named Windstorm. As we enter the 2013/14 APIP renewal, most members will see rate increases in the 8% to 12% range (with higher increases for loss leaders). While rate increases are never welcome, for most insureds such an increase will still result in a renewal cost well below the commercial marketplace, which has been the norm for APIP since the program inception. Beyond the normal market pressure from program underwriters to increase rates where they believe warranted, weak investment returns for carriers is adding to rate pressure as underwriters are required to be more circumspect in their risk taking.

This year, in a further innovation designed to better utilize market capacity efficiently, we are introducing a new primary \$2.5M layer which will be placed with either Catlin (Best Rated A XV) or Lexington (Best Rated A XV). Lexington (Best Rated A XV) will continue to provide the majority of capacity in the \$2.5M x/s \$2.5M layer with the introduction of Lloyd’s of London (Best Rated A XV) as a quota-share partner. Excess limits will be placed with London, Bermudian, European and U.S Domestic markets (Best Rated minimum of A- VII) up to a limit of \$1,000,000,000. Members should note several key highlights for this year’s renewal:

- Maintain current sublimits with some minor form changes (see Page 2 for details)
- Increased Terrorism Limits
- Optional coverage for “Upgrade to Green” building coverage maintained
- Boiler & Machinery for participating members of the APIP Boiler Program maintained
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd’s (for those members eligible)
- Pollution Liability Coverage from Illinois Union Insurance Company (for those members eligible)

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 2013-2014 policy year property valuations will continue to be a key focus. As a reminder, it is underwriters intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five years. The cost of this service is included in the total annual cost. Members may also choose to have lower valued buildings appraised. The cost to have all or specific buildings appraised between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Year-over-Year Rate and Premium Comparison

<u>Lexington-Fayette Urban County Government</u>	<u>12-13</u> (at 01/23/2013)	<u>13-14</u>	<u>Variance</u>
Total Insurable Values:	\$ 765,115,723	\$ 809,368,642	5.78%
Account Rate (per hundred dollars):	0.0359193	0.0392162	9.18%
Earthquake TIV:	\$ 765,115,723	\$ 809,368,642	5.78%
Earthquake Limit:	\$ 100,000,000	\$ 100,000,000	0.00%
*Total Annual Cost:	\$ 274,824.00	\$ 317,403.78	15.49%

Major Coverage Changes effective 7/01/2013

<u>Item</u>	<u>12-13 Coverage or Sublimit</u> <u>Per Occurrence</u>	<u>13-14 Coverage or Sublimit</u> <u>Per Occurrence</u>	<u>Status</u>
Claims Reporting Acknowledgement Form(s)	Documents were provided with Policies	Attached is a claims acknowledgment form outlining the loss reporting provisions for Property (including B&M), Cyber and Pollution claims. We are requesting that all members read this form and sign acknowledging the procedures have been provided, reviewed, and understood. If you have specific questions, please contact your Alliant representative or our Claims Advocacy Group at (877) 725-7695	Final
Excess Terrorism Limits (For those who purchase this Optional Coverage)	\$250,000,000 Per Member/Entity \$550,000,000 Per Occurrence \$850,000,000 Program Aggregate	\$300,000,000 Per Member/Entity Per Occurrence \$800,000,000 Program Aggregate	Pending
Auto Physical Damage Deductible	Per Occurrence for Off Premises Vehicle Physical Damage	If Off-Premises coverage is included, 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 coverage is subject to the "All Risk" (Basic) Deductible.	Pending
Cyber Liability Coverage	As Expiring	Enhancements: <ul style="list-style-type: none"> ▪ Single Retention for all respective Insuring Agreements ▪ Coinsurance for Public Relations and Credit Monitoring lower from 20% to 10% ▪ Increased First Party Business Interruption – Hourly and Forensic sub-limits increased from \$25,000 to \$50,000 for each and Dependent Business Interruption increased from \$100,000 to \$150,000 ▪ PCI Fines and Penalties Endorsement added with a sub-limit of \$100,000 	Final
Pollution Liability	A Summary of Changes for Pollution Liability is included with the Coverage Summary		Final

PEPIP USA Form No 9. Master Policy Wording Changes Effective 7/01/2013

Status

• Section I, Item G. Deductible Provisions	Vehicle Physical Damage Deductible clarification wording added	Pending
• Section II, Item B. 21 Accidental Contamination	Section revised for clarification	Pending
• Section III, Item B. 5 Contingent Time Element Coverage	Added wording for clarification	Pending
• Section IV, Item J. Notice of Loss	Phone numbers are updated	Final
• Section IV, Item AF. Definitions, 1c.	Added definition for Flood Zones A&V for clarification	Pending
• Master Policy Endorsements	Added two new mandatory carrier endorsements (War & Terrorism Exclusion and Coverage Territory).	Pending
• Master Policy Wording Red Line Strike Out copy available upon request		

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 Proposal.



**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.

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: Lexington-Fayette Urban County Government

DECLARATION: 28-States & Counties

POLICY PERIOD: July 1, 2013 to July 1, 2014

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 809,368,642 as of May 23, 2013

**ALL RISK
COVERAGES &
LIMITS:**

- \$ 500,000,000 Per Occurrence: All Perils, Coverages (subject to policy exclusions) and Insureds/Members combined, subject to the following per occurrence and/or aggregate sub-limits as noted.
- \$ 100,000,000 Flood Limit - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)
- \$ 2,000,000 Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A , V, and all other 100 year exposures. This Sublimit does not increase the specific flood limit of liability for those Members(s)/Entity(ies) that purchase this optional dedicated coverage.
- \$ 100,000,000 Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)
- \$ 100,000,000 Combined Business Interruption, Rental Income and Tax Interruption and Tuition Income (and related fees) - except \$500,000 per Member/Entity subject to maximum of \$2,500,000 Per Occurrence limit if specific values for such coverage have not been reported as part of the Member(s)/Entity(ies) schedule of values held on file with Alliant Insurance Services, Inc. Coverage for power generating plants is excluded, unless otherwise specified.
- \$ 50,000,000 Extra Expense
- \$ 25,000,000 Miscellaneous Unnamed Locations for existing Members Excluding Earthquake coverage for Alaska and California Members. 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 member's Policy Limit of Liability if less than \$100,000,000 for 90 days excluding licensed vehicles for which a sublimit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sublimit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item
\$	5,000,000	Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item. Higher limits available for members with scheduled values greater than \$5,000,000 for an additional premium with underwriting approval
\$	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 sublimit shown. Projects valued between \$25,000,001 and \$50,000,000 can be added for an additional premium with underwriting approval
\$	2,500,000	Money & Securities for named perils only as referenced within the policy
\$	2,500,000	Unscheduled Fine Arts
\$	250,000	Accidental Contamination per occurrence and annual aggregate per member with \$500,000 annual aggregate for all insureds / members per declaration
\$	500,000	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)
\$	25,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)
\$	25,000,000	Transit
\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence

\$	2,500,000	Unscheduled Watercraft up to 27 feet
	Included	Per Occurrence for Off Premises Vehicle Physical Damage
\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned operated locations
\$	5,000,000	Per Occurrence and Annual Aggregate for Earthquake shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in this declaration combined that do not purchase Earthquake coverage
\$	5,000,000	Per Occurrence and Annual Aggregate for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in this declaration combined that do not purchase Flood coverage
\$	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
\$	100,000,000	Per Member/Entity Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18, 19, 20, 21, 26, 27, 28, 29, 30, 32, 33 and 34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)
\$	300,000,000	Per Occurrence, Per Member/Entity for Terrorism (Excess Layer) subject to;
\$	800,000,000	Annual Aggregate shared by all Members/Entities combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, 21, 26, 27, 28, 30, 32, 33 and 34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)
	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles
	Included	See Alliant Property Insurance Program (AIP) Pollution Liability Insurance Summary for applicable limits and deductibles

VALUATION:

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

EXCLUSIONS

(Including but not limited to):

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

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

"ALL RISK"

DEDUCTIBLE: \$ 250,000 Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

- \$ 250,000 Per Occurrence for Flood Zones A & V
- \$ 250,000 All Flood Zones Per Occurrence excluding Flood Zones A & V
- \$ 250,000 Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.
- \$ 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 Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment Per Occurrence and Annual Aggregate and shared by all members of this Declaration for the peril of Earthquake for members who do not purchase dedicated Earthquake limits
- \$ 50,000 Per Occurrence and Annual Aggregate and shared by all members of this Declaration for Fine Arts for the peril of Earthquake for members who do not purchase dedicated Earthquake limits
- \$ 10,000 Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment Per Occurrence and Annual Aggregate and shared by all members of this Declaration for the peril of Flood for members who do not purchase dedicated Flood limits

\$	50,000	Per Occurrence and Annual Aggregate and shared by all members of this Declaration for Fine Arts for the peril of Flood for members who do not purchase dedicated Flood limits
	24 Hour Waiting Period	for Service Interruption for All Perils and Coverages
	2.5% of Annual Tax Value	per Location for Tax Interruption
\$	100,000	Per Occurrence for Off Premises Vehicle Physical Damage ACV Vehicle Valuation Basis
\$	250,000	Per Occurrence for Contractor's Equipment
\$	250,000	Per Occurrence for Primary Terrorism
\$	500,000	Per Occurrence 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 Summary for details of coverage terms, limits and deductibles. (Cyber Liability)

TERMS & CONDITIONS:

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

Except Cyber Liability Premium is 100% 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

EXPIRING/RENEWAL OPTION 1	
	Annual Cost*
Total Property Premium:	\$ 295,302.00
Excess Boiler:	\$ 9,097.00
ABS Fee:	\$ 6,308.00
SLT&F's (Estimate)	\$ 6,696.78
Broker Fee:	\$ 0.00
TOTAL COST: (Including Taxes and Fees)	\$ 317,403.78

*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.

OPTIONAL QUOTE(S) All terms and conditions are the same as quoted above with the exception of the following:

RENEWAL OPTION 2	
SELECTIONS:	\$ 350,000 A/R Ded.
	\$ 350,000 CE Ded.
	\$ 350,000 Primary Terr. Ded.
	Annual Cost*
Total Property Premium:	\$ 289,668.00
Excess Boiler:	\$ 9,097.00
ABS Fee:	\$ 6,111.00
SLT&F's (Estimate)	\$ 6,572.83
Broker Fee:	\$ 0.00
TOTAL COST: (Including Taxes and Fees)	\$ 311,448.83
*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.	

RENEWAL OPTION 3	
SELECTIONS:	\$ 500,000 A/R Ded.
	\$ 500,000 CE Ded.
	\$ 500,000 Primary Terr. Ded.
	Annual Cost*
Total Property Premium:	\$ 281,218.00
Excess Boiler:	\$ 9,097.00
ABS Fee:	\$ 5,815.00
SLT&F's (Estimate)	\$ 6,386.93
Broker Fee:	\$ 0.00
TOTAL COST: (Including Taxes and Fees)	\$ 302,516.93
*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.	

IMPORTANT NOTICE: THE NONADMITTED & 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 OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

QUOTE VALID

UNTIL: July 1, 2013

BROKER: ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

Doug Wozniak, Senior Vice President

Kortney K. Bolton
 Assistant 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*

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

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

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

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

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

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to

NY Regulation 194

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

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

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



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

BOILER & MACHINERY PROPOSAL

NAMED INSURED: Lexington-Fayette Urban County Government

POLICY PERIOD: July 1, 2013 to July 1, 2014

COMPANIES: Lexington Insurance Company 100% of \$25,000,000 Primary
Foreign Excess Ins. Companies TBD
(See attached list of Companies)

TOTAL INSURED VALUES: \$ 809,368,642 as of May 23, 2013

STATUS/RATING: See attached list of Companies for Best's Guide Ratings, Admitted Status and Standard & Poor's Ratings.

COVERAGES & LIMITS:

\$	100,000,000	Boiler Explosion and Machinery Breakdown, (for those Member(s)/Entity(ies) 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 Member/Entity 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

NAMED INSURED CLAUSE: Named Insured covers entities you acquire or in which you have 50% or more ownership or contractual control prior to loss

NEWLY ACQUIRED

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

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

EXCLUSIONS

(Including but not limited to):

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

OBJECTS EXCLUDED:

(Including but not limited to):

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

NOTICE OF

CANCELLATION: 90 days except 10 days for non-payment of premium

DEDUCTIBLES:

- \$ 100,000 Except as shown for Specific Objects or Perils
 - \$ 100,000 Electronic Data Processing Media
 - \$ 100,000 Consequential Damage
 - \$ 100,000 Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface
 - \$ 100,000 Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface
 - \$ 100,000 Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface
 - \$ 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 Hours Business Interruption/Extra Expense Except as noted below
- 30 Days Business Interruption – Revenue Bond
- 24 Hour Waiting Period – Utility Interruption
- 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

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

Doug Wozniak, Senior Vice President

Kortney K. Bolton
Assistant Account Representative

NOTES:

- *Major pending and approved changes to the AIP 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*

IMPORTANT NOTICE: THE NONADMITTED & 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 OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

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

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

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

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

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

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to

NY Regulation 194

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

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

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



Alliant Property Insurance Program (APIP)

CYBER COVERAGE SUMMARY

TYPE OF INSURANCE:

Insurance Reinsurance

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, 2013 to July 1, 2014

RETROACTIVE DATE:

APIP/PEPIP

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

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.

COMPANIES:

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

COVERAGES & LIMITS:

THIRD PARTY LIABILITY	Ai.	\$	20,000,000	Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverages 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 (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:

THIRD PARTY LIABILITY <i>(Continued)</i>	B.	\$	500,000	Annual Policy Aggregate Limit of Liability for each Insured/Member Privacy Notification Costs coverage. Limit is \$1,000,000 if Beazley vendor services are used.
	C.	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Claims Expenses and Penalties for Regulatory Defense and Penalties PCI Fines and Penalties coverage added with sub-limit of \$100,000.
	D.	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability (Occurrence Based)
FIRST PARTY COMPUTER SECURITY	E.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Cyber Extortion Loss
	F.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Data Protection Loss and Business Interruption Loss
	G.			First Party Business Interruption Sub-Limits of Liability for each Insured/Member
		\$	50,000	1) Hourly Sublimit
	\$	50,000	2) Forensic Expense Sublimit	
	\$	150,000	3) Dependent Business Interruption Sublimit.	

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

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

Single Retention Endorsement added at the July 1, 2013 renewal.

COINSURANCE FOR SPECIFIC COVERAGES:	10%	For Public Relations Consultancy
	10%	For Credit File Monitoring

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

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

**SPECIFIC
COVERAGE
PROVISIONS:**

- A. Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for
- theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
 - Acts or incidents that directly result from the failure of computer security to prevent a security breach including
 - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
 - Failure to prevent transmission of malicious code from computer systems to third party computer systems
 - Participation in a denial of service attack directed against a third party computer system
 - The failure to timely disclose any of the above in violation of any breach notice law
 - The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
 - The failure to administer an identity theft prevention program
- B. Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:
- To hire security experts;
 - Notification provisions,
 - Public relations mitigation up to \$50,000 subject to 10% coinsurance
 - Credit monitoring for the purpose of mitigating potential damages and are subject to 10% coinsurance
 - Credit file monitoring,
 - Mailing and third party administrative costs
- C. Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.
- D. Website Media Content Liability** (occurrence based) pays on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
- Defamation, libel, slander, trade libel
 - Privacy violation
 - Invasion or interference with publicity
 - Plagiarism, piracy, misappropriation of ideas under implied contract
 - Infringement of copyright
 - Infringement of domain name, trademark
 - Improper deep-linking or framing within electronic content

**SPECIFIC
COVERAGE
PROVISIONS:
(Continued)**

- 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
- Radioactive

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:	60 days except 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 100% Earned Premium at Inception
OTHER SERVICES	Unlimited Access to e-Place Solutions as per attached brochure.
QUOTE VALID UNTIL:	July 1, 2013
BROKER:	ALLIANT INSURANCE SERVICES, INC. License No. 0C36861

NOTES: Coverage outlined in this Summary is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions.

IMPORTANT NOTICE: THE NONADMITTED & 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 OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

This summary of insurance is provided as a matter of convenience and information only. All information included in this summary, 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 summary does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this summary is also expressly conditioned on there being no material change in the risk between the date of this summary 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 summary whether or not this offer has already been accepted.

This summary 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 summary of insurance

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

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

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to

NY Regulation 194

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

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

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

Alliant Property Insurance Program (APIP)

POLLUTION LIABILITY COVERAGE SUMMARY

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 individuals(s) attached to each Declaration insured as per schedule on file with Insurer, listed below.

POLICY PERIOD: July 1, 2013 to July 1, 2014

RETROACTIVE DATE: July 1, 2011 for existing members included on the 2011-2012 policy at inception: For all other members 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 12, 2012

STANDARD & POORS RATING: AA- (Very Strong) *Pulled as of May 3, 2013*

ADMITTED STATUS: Non-Admitted in all states except Illinois

POLICY NUMBER: PPE G24544837 003

COVERAGE LOCATION: Per the following SOVs submitted on 6/30/2013:

1. PEPiP DEC 1 – SOVs
2. PEPiP DEC 2 – SOVs
3. PEPiP DEC 3 – SOVs
4. PEPiP DEC 4 – SOVs
5. PEPiP DEC 5 – SOVs
6. PEPiP DEC 8 – SOVs (Excludes SPIP)
7. PEPiP DEC 11 – SOVs
8. PEPiP DEC 12 – SOVs
9. PEPiP DEC 19 – SOVs
10. PEPiP DEC 20 – SOVs
11. PEPiP DEC 21 – SOVs
12. PEPiP DEC 26 – SOVs
13. PEPiP DEC 28 – SOVs
14. PEPiP DEC 30 – SOVs
15. PEPiP DEC 33 – SOVs
16. PEPiP DEC 34 – SOVs

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.

COVERAGES & LIMITS:

- \$ 1,000,000 **Per Pollution Condition**
- \$ 1,000,000 Per Pool Member Aggregate
- \$ 2,000,000 Per Pool Aggregate

- \$ 200,000 Fungi & Legionella Sublimit

- \$25,000,000 **Policy Aggregate**

EXTENDED REPORTING PERIOD:

For First Named Insured - To be determined at the time of election (additional premium can apply); Sixty (60) day basic extended reporting period available without additional premium

SPECIFIC COVERAGE PROVISIONS:

CLAIMS MADE AND REPORTED

Coverage A – New Pollution Conditions:

Third party bodily injury and property damage, first party and third party remediation costs and associated legal defense expense arising out of a pollution condition on, at, under, or migrating from a covered location, provided that the pollution condition commences on or after the retroactive date.

Coverage B – New Pollution Conditions From Covered Operations:

Third party bodily injury, property damage, remediation costs and associated legal defense expense resulting from a covered operation, provided that the pollution condition commences on or after the retroactive date.

Covered operations means (1) transportation and (2) street construction and repair services, utility construction and repair services, refuse collection, and spraying operations, including but not limited to the application of pesticides, herbicides or fertilizers in liquid or dry form, which are performed by or on behalf of a “named insured” outside the physical boundaries of a covered location.

Blanket Non-Owned Disposal Site (NODS) coverage, third party trigger only.

First and third party transportation of waste coverage

Defense Costs and Expenses are within Limits of Liability

The insurance afforded by this Policy shall apply in excess of and shall not contribute with any other such insurance.

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. *This includes storage tank pollution liability insurance.*

Underlying SIR shall erode the SIR on this policy, in the event there is an underlying policy where the SIR is paid and limits are exhausted there would be no SIR in order to access the PEP/IP coverage limits.

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

Coverage for mid-term transactions for values that are less than \$25,000,000, shall automatically be added as a covered location.

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

Solely with respect to “fungi”, the definition of “remediation costs” shall not include restoration costs

**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 (non-governmental claims for property damage only) and any associated legal defense costs. Also does not apply to remediation costs for asbestos or lead-based paint discovered in soil or groundwater (not arising out of a water storage tank).*
- Contractual Liability
- Divested Property
- Employer’s Liability
- Fines and Penalties
- First Party Property Damage – *Does not apply to remediation costs*
- Fraud or Misrepresentation
- Insured’s Internal Expenses
- Insured vs. Insured
- Intentional Non-Compliance
- 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 transported for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions*
- Material Change in Risk
- Naturally Occurring Materials
- Pre-Existing Conditions
- Products Liability. *Does not apply to pollution conditions directly related to reclaimed or recycled water processed at any covered location that is also a wastewater treatment plant.*
- Professional Liability
- Regulatory Compliance
- Work Product
- Failure to Follow Fungi and/or Legionella Management Plans
- Use, maintenance or operation of an automobile, aircraft, watercraft or other conveyance beyond the boundaries of a covered location. *This exclusion does not apply to transportation and the loading/unloading of an automobile.*
- War or Terrorism

RETENTION: \$ 75,000 Per Pollution Condition
 \$750,000 Underground Storage Tanks Specific
 \$10,000 In the event that a loss concurrently triggers both the Insured's Property policy and this Premises Pollution Liability policy, then a \$10K SIR for "fungi" shall apply. If the Property policy is NOT triggered, then the standard insured-specific SIR, as identified on the Dec Page, shall apply.

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
Environmental Emergency: 888-310-9553
(800) 951-4119(Fax)
CasualtyRiskEnvironmentalFirstNotice@acegroup.com

2) Robert Frey
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
415-403-1445
415-402-0773 – fax
rfrey@alliant.com

3) David Sutton
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
415-403-1417
415-402-0773 – fax
dsutton@alliant.com

NOTICE OF CANCELLATION: 60 days except 15 days for non-payment of premium

REINSTATEMENT PROVISIONS: Not Provided.

POLLUTION LIABILITY COST: Cost is included in Total Property Premium
100% Earned Premium at Inception

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

QUOTE VALID UNTIL: July 1, 2013

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

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This summary 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 summary of insurance

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

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

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to

NY Regulation 194

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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.

Summary of Changes for 2013-2014 Policy Term

The following items have been revised for the 2013-2014 policy term.

Coverage	2012-2013 Pollution Coverage	2013-2014 Pollution Coverage
Coverages and Limits	<p><i>Tier 1 Entity with < \$500M TIV</i></p> <p>\$ 500,000 Per Pollution Condition</p> <p>\$ 500,000 Per Member Aggregate</p> <p>\$ 200,000 Fungi & Legionella Sublimit</p> <p><i>Entity with > \$500M TIV</i></p> <p><i>Tier 2</i> Per Pollution Condition</p> <p>\$ 1,000,000 Per Member Aggregate</p> <p>\$ 1,000,000 Fungi & Legionella Sublimit</p> <p>\$ 200,000</p> <p>Policy Aggregate</p> <p>\$25,000,000</p>	<p>\$ 1,000,000 Per Pollution Condition</p> <p>\$ 1,000,000 Per Pool Member Aggregate</p> <p>\$ 2,000,000 Per Pool Aggregate</p> <p>\$ 200,000 Fungi & Legionella Sublimit</p> <p>\$25,000,000 Policy Aggregate</p>
Self-Insured Retention	<p><i>Tier 1 Entity with < \$500M TIV</i></p> <p><u>\$ 50,000</u> Per Pollution Condition</p> <p>\$750,000 Underground Storage Tanks Specific</p> <p>\$10,000 In the event that a loss concurrently triggers both, the Insured's Property policy and this Premises Pollution Liability policy, then a \$10K SIR for "fungi" shall apply. If the Property policy is NOT triggered, then the standard insured-specific SIR, as identified on the Dec Page, shall apply.</p> <p><i>Entity with > \$500M TIV</i></p> <p><i>Tier 2</i> Per Pollution Condition</p> <p><u>\$100,000</u> Underground Storage Tanks Specific</p> <p>\$750,000</p> <p>\$10,000 In the event that a loss concurrently triggers both, the Insured's Property policy and this Premises Pollution Liability policy, then a \$10K SIR for "fungi" shall apply. If the Property policy is NOT triggered, then the standard insured-specific SIR, as identified on the Dec Page, shall apply.</p>	<p><u>\$ 75,000</u> Per Pollution Condition</p> <p>\$750,000 Underground Storage Tanks Specific</p> <p>\$10,000 In the event that a loss concurrently triggers both, the Insured's Property policy and this Premises Pollution Liability policy, then a \$10K SIR for "fungi" shall apply. If the Property policy is NOT triggered, then the standard insured-specific SIR, as identified on the Dec Page, shall apply.</p>

Summary of Changes for 2013-2014 Policy Term Continued

Coverage	2012-2013 Pollution Coverage	2013-2014 Pollution Coverage
Automatic Acquisitions and Due Diligence	Values in excess of \$25,000,000 need to be reported within 90 days	<p>Coverage for mid-term transactions for values that are less than \$25,000,000, shall automatically be added as a covered location.</p> <p>Property purchased in the amount of or in excess of \$25,000,000 need to be reported within 90 days, along with a Phase I Environmental Site Assessment, or two (2) years of property insurance loss runs or a completed, signed application</p>
Exclusion for Failure to follow Asbestos and/or Lead-Based Paint Management Plan	Failure to follow Asbestos and/or Lead-Based Paint Management Plan	<Exclusion Deleted>
Exclusion for Landfills, Recycling Facilities, Ports, Airports or Oil and/or Gas Producing or Refining Facilities	<p>Landfills, Recycling Facilities, Ports, Airports or Oil and/or Gas Producing or Refining Facilities – <i>Exclusion for any such properties leased, owned or operated. However, ports, airports, and/or oil/gas producing properties may be submitted for UW review on a one-off basis. In the event that a port, airport, oil or gas producing property is scheduled onto the PEP/IP policy, such facility may not be subject to the same coverage terms or rates.</i></p>	<p>Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities</p> <p>Ports – <i>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</i></p> <p>Airports – <i>defined as a location whereby enplanement occurs and/or cargo is transported for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions</i></p>
Loss Reporting Requirements:	Written notice of any claim or pollution condition, as soon as practicable.	Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response



ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

2013-2014

NAMED INSURED

AS OF 05/23/2013

MEMBER: Lexington-Fayette Urban County Government
200 E. Main Street, Suite 925
Lexington, KY 40507

NAMED INSURED:

Lexington-Fayette Urban County Government

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.



ALLIANT INSURANCE SERVICES

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

May 23, 2013

Member: **Lexington-Fayette Urban County Government**

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 ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of 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 concurrence with the Secretary of State, 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 an 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, 2014, 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% 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 \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.



ALLIANT INSURANCE SERVICES

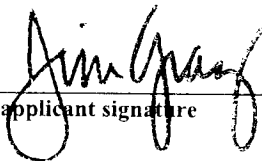
POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

WHAT YOU NEED TO DO NOW:

PLEASE "X" ONE OF THE BOXES BELOW AND RETURN THIS FORM TO YOUR INSURANCE BROKER.

<input checked="" type="checkbox"/>	I am interested in receiving a quote for Terrorism coverage as required to be offered under the Act. Please provide me with a quote.
<input type="checkbox"/>	I decline to purchase the Terrorism coverage as required to be offered under the Act.



Policyholder/applicant signature

JIM GRAY

Print Name

6-26-2013

Date

Lexington-Fayette Urban County Government

ALLIANT INSURANCE SERVICES

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 attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned email or mail to have it be included in your insurance records.

APIP Property Claims Reporting

Cyber Claims Reporting (*this is a claims made policy*)

Pollution Liability Claims Reporting (*this is a claims made policy*)

Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs

In effect: July 1, 2013 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: LFUCG

Authorized Signature: Patrick R. Johnston

PATRICK R. JOHNSTON
Print Name

6/26/2013
Date

DIRECTOR RISK MANAGEMENT
Title



ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM SUMMARY OF CLAIMS REPORTING

- I. First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Bob Frey First Vice President, Claims Manager Voice: (415) 403-1445 Email: rfrey@alliant.com Cell: (415) 518-8490 <i>After hours claims reporting number</i>	Diana Walizada Assistant Vice President Voice: (415) 403-1453 Email: dwalizada@alliant.com
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Address: Alliant Insurance Services, Inc.
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

Please be sure to copy APIP's Claim Administrator on all Claims correspondence:

Cathryn O'Meara
McLaren's
1301 Dove St., Suite 200
Newport Beach, CA 92660
Voice: (949) 757-1413 Fax: (949) 757-1692
Email: cathryn.omeara@mcclarens.com

- II. Cyber Carrier Beazley NY needs to also be provided with Notice of Claim immediately (If coverage applies):

Bob Frey
First Vice President, Claims Manager
Voice: (415) 403-1445
Cell: (415) 518-8490 After hours
Email: rfrey@alliant.com

Beth Diamond
Beazley Group
1270 Avenue of the America's, Suite 1200
New York, NY 10020
Telephone: (646) 943-5900 Fax: (546) 378-4039
Email: tmbclaims@beazley.com

Elaine G. Kim, CISR
Claims Advocate, Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1458 Fax: (415) 403-1466
Email: ekim@alliant.com

- III. Pollution Liability Carrier ACE Environmental, Risk Claims Manger (if coverage applies):

Bob Frey
First Vice President, Claims Manager
Voice: (415) 403-1445
Cell: (415) 518-8490 After hours
Email: rfrey@alliant.com

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

David Sutton
Claims Executive, Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1417 Fax: (415) 403-1466
Email: dsutton@alliant.com

PROPERTY LOSS REPORTING:

- 1) *Follow your organization's 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:*



All property and boiler & machinery 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 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: dwalizada@alliant.com

COPY APIP Claims Administrator: cathryn.omeara@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

Company Name: _____
Point of Contact: _____
Phone #: _____
Address: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Diana 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: 07/01/2013 to 07/01/2014

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: _____

CYBER LOSS REPORTING:

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



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 claims response 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: ekim@alliant.com And your Alliant representative

Today's Date: _____

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: Elaine G. Kim, CISR

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

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

Policy Information

Policy Number: C121280 Policy Period: 7/1/13 to 7/1/14

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: _____

CYBER LOSS REPORTING

A. REFER TO YOUR POLICY FOR COMPLETE CLAIM REQUIREMENTS

B. IMPORTANT POLICY LANGUAGE REGARDING:

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 Period**, 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.

POLLUTION CLAIMS REPORTING



Environmental Risk

IN THE EVENT OF AN ENVIRONMENTAL EMERGENCY:

- 1) *Follow your organization's 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:*



All pollution incidents must be reported within 7 days of discovery

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.

- 4) *Report the incident to your Alliant representative*

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

POLLUTION CLAIMS REPORTING



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@acegroup.com

CC Alliant Insurance: dsutton@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: David Sutton

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

Phone #: 415-403-1400

Policy Information

Policy Number: PPL G24544837 002 Policy Period: 7/1/13 to 7/1/14

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

Loss Information

Date of Incident/Claim: _____ Location: _____

Claimant Name/Address: _____

Description of Loss: _____

POLLUTION CLAIMS REPORTING

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

Name of Person Completing This Form: _____ Signature: _____

A. REFER TO YOUR POLICY FOR COMPLETE CLAIM REQUIREMENTS

B. IMPORTANT POLICY LANGUAGE REGARDING:

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.

Self-Insured Auto No-Fault Bond
Proposal

PROPOSAL OF INSURANCE AND RISK MANAGEMENT

Prepared for:

**Lexington-Fayette Urban County
Government**

Policy Period: August 16, 2013 to August 16, 2014



Powell · Walton · Milward
a division of J. Smith Lanier & Co.

Presented by:

Kevin C. Kelly
Vice-President

Mackenzie Huston
Account Manager

May 30, 2013

MISSION STATEMENT

To glorify God by providing exceptional value, absolute integrity, and excellence to:

- Our Customers - Through innovative leadership in providing products and services, while establishing our value to them in a long-term relationship.
- Our Employees/Shareholders - Through opportunities for every individual to set and achieve goals that fulfill their unique purpose while they contribute to the long-term financial stability of Powell-Walton-Milward, *a division of J. Smith Lanier & Co.*
- Our Suppliers - Through access to our customers and information in the development and marketing of their products and service.
- Our Community - Through corporate and personal participation in each of the communities we serve by providing our time, our talents, and our treasure for the betterment of life.

SERVICE TEAM

At Powell-Walton-Milward, a division of J. Smith Lanier & Co., we believe the best way to effectively give your business the service it deserves is through a team effort. Our client service team concept is designed to give you consistent, knowledgeable service which can only occur by working with trained professionals.

Powell-Walton-Milward
a division of J. Smith Lanier & Co.

360 East Vine Street
Lexington, Kentucky 40508

Main Phone Number: 859-254-8023

Main Fax Number: 859-254-8020

COMMERCIAL LINES TEAM

Kevin C. Kelly
kkelly@pwm-jsl.com

Vice-President

859-244-7609

Mackenzie Huston
mhuston@pwm-jsl.com

Account Manager

859-244-7637

CLAIMS

Janet Tackett
jtackett@pwm-jsl.com

Claim Analyst

859-244-7623

SERVICE COMMITMENT

Powell-Walton-Milward, a division of *J. Smith Lanier & Co.*, is committed to the client. We enjoy what we do and it shows in our work. Some of our more important qualities include:

- **A team of qualified insurance professionals**
 - Periodic evaluation of your insurance program
 - Certificates of Insurance
 - Policy forms, wording, and endorsements
 - Contracts (Insurance/Indemnification provisions)

- **Claims Management Services**
 - Resolve coverage issues
 - Claims reporting procedures
 - Timely settlements

- **Engineering Services**
 - Site surveys
 - Develop new or refined safety programs
 - Safety Training
 - Review Carrier recommendations for feasibility and effectiveness

CLIENT PORTAL

Client Portal is your personalized website that allows you to effortlessly click, connect, and communicate with Powell-Walton-Milward, *a division of J. Smith Lanier & Co.* It is designed to offer you time-saving tools and resources that build convenience into managing your everyday work tasks. Whether you want to view documents online, participate in plan/program surveys, or connect with over 300,000 peers in your industry, this is the place to be. It's easily accessible, hardworking, and just one of the many value-added services available when you partner with Powell-Walton-Milward, *a division of J. Smith Lanier & Co.*

Property and Casualty Client Features

- Choose from hundreds of Property & Casualty resources
- Property & Casualty Document Library and Newsletters
- Links to well-known, official industry websites
- Access Workers' Compensation statutes for all 50 states
- OSHA Compliance and create and maintain your OSHA log electronically
- Benchmark Surveys & Statistics

Benefit Client Features

- HR-related topics including a powerful search engine for quick and easy access
- Direct link to federal and state legislation guides
- Frequently Asked Questions (and Answers)
- Instant access to downloadable articles
- Benchmark Surveys & Statistics
- Compliance & Plan Designs
- Employee Communication & Education
- Links to well-known and official industry websites

Collaboration Center

- Our document posting capabilities allow a seamless exchange of information sharing from our agency to you.
- Accessible 24/7, postings from our agency are timely, relevant, and easy to locate in one convenient place online.

Survey Benchmarking

- Participate in benefit plan and/or Property & Casualty program surveys.
- Allows you to determine how your plans and programs compare to employers across the U.S.

Community

- You can share information and resources through an interactive forum that allows you to post questions, provide insight into other users' questions, and allows you to track responses based on topics or individual questions.
- Community postings are organized by topic so you can source information quickly and easily.

Exchange Internal Documents Online

- Access to information housed in one area
- Simplifies updates to reports, worksheets, questionnaires and policies

KENTUCKY NO-FAULT SELF-INSURER'S BOND

Named Insured: **Lexington-Fayette Urban County Government**

Carrier Name: **International Fidelity Insurance Company**

A.M. Best Rating: **A-:VII as of January 11, 2013**

Obligee: Commonwealth of Kentucky
Department of Insurance
215 West Main Street
P. O. Box 57
Frankfort, Kentucky 40602

Bond Amount: \$200,000

**Bond Termination
Requirements:** Sixty (60) Days Written Notice by the Surety to the
Commonwealth of Kentucky

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Financial Strength Ratings

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events affect their balance sheet strength or operating performance and rating implications cannot be evaluated due to a lack of timely or adequate information.

Rating Modifiers

Modifier	Descriptor	Definition
U	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
Pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)
S	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

Outlooks

Indicates potential direction of a Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Affiliation Codes

Indicates rating is based on a type of affiliation with other insurers.

g	Group	p	Pooled	r	Reinsured
---	-------	---	--------	---	-----------

Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at www.ambest.com.

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Version 062211

ADDITIONAL RECOMMENDED COVERAGES

We have been dependent upon information provided by you to evaluate your exposures to loss. However, if there are other areas that need to be evaluated, please bring these areas to our attention. *Specifically, we ask that you review and consider the following items:*

HIGHER LIMITS:	In today's litigious society, many businesses have found it necessary to increase their limits of liability to ensure adequate protection for their assets in the event of a loss. Higher limits of liability may be available. To ensure your level of comfort, please carefully review the limits of coverage shown in this proposal.
EMPLOYMENT PRACTICES LIABILITY:	The relationship between the employer and employee has become increasingly complex, and this has given rise to new insurance coverages to protect the employer. These coverages include wrongful termination, sexual harassment, and other coverages. It is important that you understand your exposures to loss in these critical areas.
DIRECTORS & OFFICERS LIABILITY:	Insures Corporate Directors and Officers against liability arising out of actual or alleged acts of mismanagement, omissions or errors in judgment in the execution of their duties.
FIDUCIARY LIABILITY:	The Employee Retirement Income Security Act of 1974 imposes personal liability on Fiduciaries of employee welfare plans for acts of mismanagement or errors in judgment. Fiduciary Liability Insurance covers such personal liability and includes Employee Benefits Liability which insures the corporation against claims arising out of errors or omissions made in the administration of Employee Benefit Plans. This coverage should be considered.
BUSINESS INTERRUPTION	A time element coverage which pays for loss of earnings when business operations are curtailed or suspended due to property loss as a result of an insured cause of loss. Also covered are loss of rents and rental value. Extra expenses incurred to continue operations at another location are included as long as they reduce the total amount of loss.
BUILDING ORDINANCE:	Provides coverage in the event there are building codes that mandate you to demolish remaining undamaged portions of the structure after partial damage. Coverage for increased cost of construction would also be included. Building codes have become more stringent as a result of City, State or Federal ordinances or laws (Americans with Disabilities Act {ADA}). An optional quote for this coverage can be provided, and should be considered.
EMPLOYEE DISHONESTY:	Loss of Money, Securities and Other Property caused by dishonest acts of your employees.
FLOOD INSURANCE:	Coverage against damage done by the rising or overflowing of bodies of water.

ADDITIONAL RECOMMENDED COVERAGES CONTINUED:

EARTHQUAKE Earthquake Insurance extends the covered property's protection to include earthquake and the earth movement associated with volcanic eruption. These occurrences are otherwise excluded.

CYBER LIABILITY: Despite a company's best effort to secure its computer systems, hackers, cyber thieves and cyber terrorists continue to successfully break into networks and cause catastrophic financial losses. In many cases, traditional property insurance programs do not cover these losses. Cyber Liability (Internet Liability Insurance) and Media Liability Insurance covers loss caused by fraudulent alteration or destruction of electronic information such as malicious copying of trade secrets, extortion, loss of business income caused by virus or destruction of electronic information, network security, etc.

POLLUTION Businesses are legally liable when environmental contamination originates from site or activity-related business operations. Environmental risk exists even if a business operation is fully compliant with the proper permits and procedures. Potential contamination from chemicals and materials used in normal business operations can linger in the soil and water for years. Accidents and ensuing legal suits from third-party claims for personal damage, bodily injury and property damage compensation are the #1 source of environmental insurance claims. Environmental/Pollution insurance offers a cost efficient safety net that protects against damages resulting from a range of exposures both on and off- site operations as well as during transportation (owned & non-owned).

EMPLOYED LAWYERS PROFESSIONAL LIABILITY: Provides payments compensatory damages resulting from a negligent act, error or omission that is related to the performance or failure to perform professional services. Lawyers Professional Liability policies in general are written on a Claims-Made basis.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY: Workers Compensation and Employers Liability Coverage insures against claims for work-related injuries or diseases suffered by employees that are compensable by statute and/or imposed by law as damages. Other states' insurance is incorporated in the policy and is activated by the appropriate entry on the declarations. Voluntary Workers Compensation and Employers Liability Coverage may be made effective for workers not subject to a Workers Compensation law.

BOILER & MACHINERY: Boiler & Machinery Coverage has three separate parts: damage from an accident to covered items, damage to the other property of the insured caused by an accident to the items covered, and loss of income due to damage to the items covered and/or damage to other insured property. The items covered consist of boilers and other heating devices. Most machinery and equipment, including electronic devise, can also be included. For example, ISO changed the name of the Boiler & Machinery Policy to the Equipment Breakdown Coverage form. Most insurance companies that write this coverage use their own forms and policies, but the structure of them is similar to the ISO version.

ADDITIONAL RECOMMENDED COVERAGES CONTINUED:

EXECUTIVE RISK: Defense outside the limit.

EMPLOYEE
BENEFITS
LIABILITY:

Covers the cost to employees that result from incorrect information provided regarding their employee benefits. This DOES NOT INCLUDE fiduciary responsibilities or any discrimination or harassment situations. A simple example is not providing the employee with the appropriate COBRA information following termination that results in the ex-employee losing benefits. Coverage is provided by most carriers on their own filed forms. Coverage is provided either with a separate coverage part, or as an endorsement to the CGL. ISO has developed a form, but it is not yet in wide usage. Key comparisons are the types of benefits covered. Claims-Made versus Occurrence and the employer contribution.

INTERNATIONAL
LIABILITY:

No question, we are living in a global economy. International commerce is not limited to the Fortune 500, either. Most small and midsize companies are doing business overseas, whether by exporting goods and services or simply having their employees travel abroad. Today, companies of every size – including yours, need world-class insurance to protect them against these increased risks. You need insurance that can grow with you as you expand your activities in foreign markets.

UMBRELLA
LIABILITY:

Liability Insurance for claims in excess of the limits of underlying primary policies or for claims covered by the Umbrella Policy, but not covered by the primary insurance program. Claims not covered by primary policies are subject to self-insured retention.

MONEY &
SECURITIES:

This coverage is used against loss of money and securities caused by theft, disappearance or destruction while located inside or outside your premises.

HORSE MORTALITY: All Risk of Mortality Including Accidents necessitating destruction on humane grounds.

FARM EQUIPMENT,
FARM PROPERTY:

Buildings or Equipment.

HIRED & NON-
OWNED
AUTOMOBILE
LIABILITY:

Covers leased automobiles and the use of employee-owned cars in the interest of the Named Insured.

HORSE LEGAL
LIABILITY:

To pay on behalf of the insured all sums which the insured shall become legally obligated to pay by reason of liability imposed upon him as a bail for physical loss or destruction of, or physical damage to horses. The property of others in the insured's care, custody or control.

ADDITIONAL RECOMMENDED COVERAGES CONTINUED:

**PROFESSIONAL
LIABILITY:**

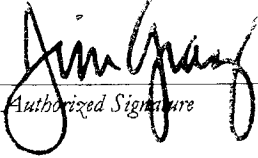
Sometimes called Errors & Omissions (E&O) Liability – results from errors or omissions in the performance of professional services. Companies that perform professional services for others can make mistakes – overlook a critical piece of information, misstate a fact, be misunderstood, forget to do something, misplace something, etc. – and be sued by their clients over allegations such as: Error, omission, or negligence in providing a service; Failure to provide a service; Fraud; Improper documentation or Malpractice.

AUTHORIZATION TO BIND

Insured: Lexington-Fayette Urban County Government

Choose the appropriate option:

- I hereby authorize Powell-Walton-Milward, a division of J. Smith Lanier & Co. to bind my coverage per the terms and conditions outlined in this Proposal.



Authorized Signature

6-26-2013

Date

- I hereby authorize Powell-Walton-Milward, a division of J. Smith Lanier & Co to bind my coverage with changes as stated below. I understand these changes may result in possible additional underwriting requirements or more/less premium.

Authorized Signature

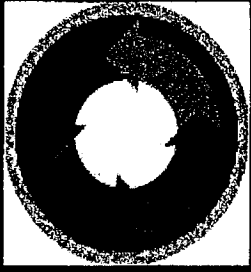
Date

PREMIUM SUMMARY

DESCRIPTION OF COVERAGE	ANNUAL PREMIUM
Surety Bond	\$ 2,500.00
Total Premium	\$ 2,500.00

Payment Plan:

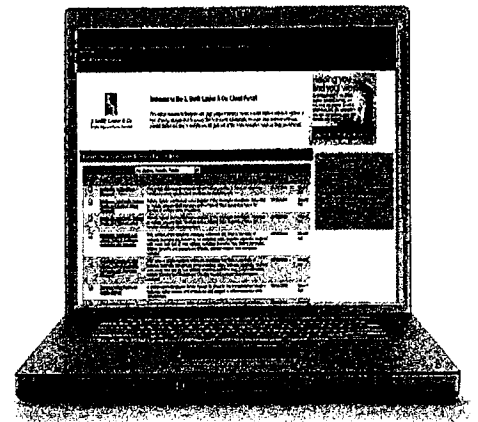
Agency Bill – Annual Premium



Technology Solutions

All of our clients receive access to online Risk Management resources through PWM/JSL. Your personalized Client Center that connects you to our agency and offers convenient tools and resources including:

- Direct Link to our Agency
- Online Industry Web Resources
- Access to hundreds of useful Property and Casualty and Human Resources/Benefits documents
- Overview of Workers Compensation State Statutes
- OSHA Reporting and Compliance
- DOT, Safety Manuals, Employee Education, Flyers, Training Materials



ACCOUNT ADMINISTRATION – SERVICES AVAILABLE

Once your insurance coverage is placed, your Service Team will work closely with you and your insurers to effectively manage and administer your risk management program. Unlike some of our competition, the sales team at Powell-Walton-Milward will continue to be involved in handling your program. Therefore, the Service Team who knows your company the best, will continue to provide the services and forge the long-term partnership we are seeking.

Our Client Service Professionals are committed to the following:

- Work closely with you on any matters relating to insurance and risk management.
- Provide an accurate summary of insurance coverages with policy terms, rates, and key conditions.
- Process requests for Certificates of Insurance within 48 hours.
- Policies will be reviewed within twenty-one (21) days of receipt.
- Policy change endorsements will be requested from the appropriate company and mailed to you within five (5) days from receipt.
- Contract Reviews, as needed, with specific feedback regarding insurance implications.
- Assist in reporting claims to insurers.
- Acquisition evaluation and coordination, as needed, including consultation on the insurance/risk ramifications of acquisitions and divestitures, when requested.
- Monitor insurance company audit and program adjustment activities to ensure that they are completed within the designated timeframe and that all reports are accurate.
- A returned phone call within 24 hours. Provide cellular phone numbers and home phone numbers for key personnel.
- Monitor the insurance marketplace for any new trends, products, and markets that may offer enhancements to your insurance program.
- Prepare reports as needed to assist you in determining current and past program loss and premium obligations.
- Consult with your risk management staff on insurance coverage questions.

CLAIM ADVOCACY – SERVICES AVAILABLE

- Review, edit and/or establish claim service instructions with claim administrators to meet your company's claims management needs:
 - Prepare corporate guidelines and direction for:
 - Investigations
 - Surveillance
 - Settlement Authority
 - Reserve Authorizations
 - Litigation Management

- Determine current issues and concerns with claims administrators:
 - Medical Case Management
 - Return to Work
 - General Communication
 - Reserving Practices
 - Location Coding
 - Claim Information Systems

- Determine if there are any internal claim management issues that need to be addressed:
 - Claim Reporting
 - Claim Procedure Manuals

- Gain access to the claim administrators claim information system

- Set up claim review schedule

- Review claim settlement authority requests as requested

- Conduct claim reserve evaluations as requested

- Maintain claim files on larger losses or specified types of losses as requested and monitor the progress on these files

- Analyze and respond to reservation of rights letters

- Serve as an advocate on all claim service issues including those issues involving claims from monopolistic states

- Assist with coverage questions

- Assist with litigation management issues (selection of defense counsel, establishment of litigation budgets)

- Assist with claims as requested

RISK CONTROL ADVOCACY – SERVICES AVAILABLE

- Oversight of safety training programs
- Review existing loss control programs and provide recommendations for refinement
- Assistance with new safety prevention measures
- Coordinate loss control services provided by insurance carriers
- Review loss experience and identify loss trends

DISCLAIMER

Proposal

Powell-Walton-Milward, a division of J. Smith Lanier & Co., thanks you for the opportunity to discuss your insurance and risk management program. This summary is a brief overview of that program and is based on the exposure information you provided. Please refer to the policies for complete terms, conditions, limitations, definitions, and exclusions.

We have evaluated your exposures to loss and developed this proposal based upon the information that you have provided to us. If you are aware of other areas of potential exposure that need to be evaluated or of additional information of which we should be aware prior to binding of coverage, please bring the other areas or additional information to our attention as soon as possible. Should any of your exposures change after coverage is bound, please notify us immediately.

Client Contracts

In the event that you enter into a contract that has specific insurance requirements, Powell-Walton-Milward will review your contract, but only in regards to the insurance requirements of the contract. The scope of our review will be to determine if the current insurance program which you have placed through our agency addresses the types and amounts of insurance coverage referenced by the contract. We will identify the significant insurance obligations and will provide a summary of the changes required in your current insurance program to meet the requirements of the contract. Upon your authorization, we will make the necessary changes in your insurance program. We will also be available to discuss any insurance requirements of the contract with your attorney, if desired.

In performing a contract review, Powell-Walton-Milward is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, Powell-Walton-Milward is not undertaking to identify all potential liabilities that may arise under any such contracts. A contract review is provided solely for your information and should not be relied upon by third parties. Any descriptions of the insurance coverages are subject to the terms, conditions, exclusions, and other provisions of the contract and of the insurance policies and applicable regulations, rating rules or plans.

Compensation Disclosure (Including New York Regulation 194 Disclosure)

Powell-Walton-Milward Insurance is an insurance producer domiciled in the State of Georgia and licensed to sell insurance in additional states (including New York). Our licensed insurance producers are authorized by law to confer with you regarding 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. Our role in any particular insurance transaction typically involves one or more of these activities. Except in cases where Powell-Walton-Milward has a specific fee agreement to receive compensation from a client, we customarily receive compensation from insurers for our professional services in the form of a commission, which normally consists of a percentage of the premium collected by the insurers.

Powell-Walton-Milward may also receive additional compensation, under agreements with one or more insurers and/or insurance intermediaries, in the form of commission overrides or based on some combination of volume, profitability or other factors. We will receive compensation in connection with the sale of insurance products based upon the type of insurance contract that we sell and our arrangement with the insurer. Depending on the insurer and insurance contract that you select, compensation may be paid to Powell-Walton-Milward by the insurer selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract and the insurer 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.

At your request, we will be pleased to provide you with information about compensation expected to be received by Powell-Walton-Milward based in whole or in part on the sale of insurance to you and (if applicable) compensation

expected to be received by us based in whole or in part on any alternative quotes presented to you by Powell-Walton-Milward.

Collection Disclosure

If this proposal results in your commitment to purchase one or more of the insurance products described in this proposal, Powell-Walton-Milward will submit to you, or caused to be submitted to you, an invoice for the insurance premiums associated with such insurance products. You are responsible for payment in full of the premium amounts set forth on our invoices within the payment terms set forth on the invoices. In the event that Powell-Walton-Milward or its designee commences legal action to collect amounts due under outstanding invoices or to enforce its rights under any insurance contracts, you will be responsible for payment of all reasonable attorneys' fees, court costs and expenses incurred by Powell-Walton-Milward in collecting past due amounts pursuant to such invoices or otherwise enforcing its legal rights under such contracts.

Workers' Compensation Proposal



**LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT
EXCESS WORKERS' COMPENSATION
PROPOSAL**

NAMED INSURED: Lexington Fayette Urban County Government

INSURANCE COMPANY: New York Marine & General Insurance Company

A.M. BEST GUIDE RATING: A (Excellent); Financial Size Category IX (\$250 Million to \$500 Million)

STANDARD & POORS RATING: BBB

POLICY TERM: July 1, 2013 to July, 2014

TYPE OF COVERAGE: Specific Excess Workers' Compensation and Employer's Liability Insurance

LIMITS: Statutory (a) Maximum Limit of Indemnity Per Occurrence
\$ 1,000,000 (b) (1) Employers' Liability Maximum Limit of Indemnity Per Occurrence

SELF-INSURED RETENTION: \$750,000 with \$250,000 otherwise recoverable

PREMIUM RATE: .2281% per \$100. of Payroll

ESTIMATED PAYROLL: \$142,110,234

ESTIMATED PREMIUM EXCLUDING TERROSIM: \$324,153

TRIA PREMIUM: \$ 2,836

TOTAL MINIMUM PREMIUM: \$294,290

TOTAL DEPOSIT PREMIUM: \$326,989

SUBJECT TO:

- ◆ Final Premium will be at least and not less than the minimum premium stated above.
- ◆ Require a full implementation of safety/loss control program and retention of TPA, approved by New York Marine and General Insurance Company, throughout the policy period.
- ◆ Receipt of signed application
- ◆ Receipt of Excel formatted employee concentration form with physical addresses.
- ◆ The Terrorism Charge is calculated separately and not included in the total rate above. It is subject to adjustment at audit.
- ◆ Applicable state endorsements plus other coverage additions/exclusions may apply.

SUBJECT TO (cont'd):

All other endorsements desired must be requested prior to binding and subject to approval.

- ◆ Please sign and return the attached Terrorism Disclosure. Same must be received within thirty (30) days of binding.
- ◆ New York Marine and General Insurance Company has the right, but not the obligation, to audit the TPA listed above.

QUOTE VALID UNTIL:

June 30, 2013

BROKER TEAM:

Alliant Insurance Services, Inc.
Newport Beach, California

Doug Wozniak
Senior Vice President

Kortney Bolton
Account Representative

This proposal is for information purposes only and does not amend, extend or alter the policy in any way. Please refer to the policy form for completed coverage and exclusion information.

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.alliantinsurance.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

To learn more about companies doing business in Kentucky, visit the Kentucky Department of Insurance website at <http://doi.ppr.ky.gov/kentucky>.



JIM GRAY, MAYOR
LFUCG 6-26-2013