Ventura County Transportation Commission

PROPERTY & LIABILITY INSURANCE PROPOSAL 2012-2013

Proudly Presented on November 16, 2012 by:

Seth Cole, First Vice President
Matt McManus, Asst. Vice President
Linh Campero, Account Manager

100 Pine Street, 11th Floor
San Francisco, CA 9411
Phone Number 415-403-1400 / Fax #415-402-0773

Alliant Insurance Services, Inc.
CA License No. 0C36861
www.alliantinsurance.com

VENTURA COUNTY TRANSPORTATION COMMISSION

Commercial General Liability

INSURANCE COMPANY:	Navigators Specialty Insurance Company
A.M. BEST RATING:	A (Excellent), X ($500 Million to $750 Million)
STANDARD & POOR'S RATING:	a+, stable
CA STATUS:	Non-Admitted
POLICY / COVERAGE TERM:	November 20, 2012 to November 20, 2013

Coverage Form: Occurrence

Limits:

$1,000,000	Each Occurrence
$2,000,000	General Aggregate
$2,000,000	Products / Completed Operations Aggregate
$1,000,000	Personal Injury / Advertising
$1,000,000	Hired & Non-Owned Auto
$50,000	Fire Legal Liability Any one Fire
Not Covered	Medical Payment

Deductible:

$10,000	BI/PD Each Occurrence
$10,000	Personal Injury/Advertising Each Occurrence

Premium:

$79,545.00 Premium
$ 300.00 Policy Fee
$ 2,594.96 Taxes & Fees
$82,439.96 Total Annual Premium

Terrorism Option: $3,182 (plus taxes & fees)

Endorsement & Major Exclusions:
(including but not limited to)

- Common Policy Dec. – Navigators Specialty Ins. Co.
- Schedule of Forms and Endts.
- Schedule of Named Insured(s)
- Assault & Battery Included
- Nuclear Energy Liability Exclusion
- Service of Suit
- Claims Reporting Procedures
- Disclosure Notice Terrorism Risk Insurance Program
- Exclusion of Certified Acts of Terrorism
- Cap on Losses from Certified Acts of Terrorism
- CGL Coverage Part Dec
- Cross Suits Exclusion
- CGL Coverage Form – Occurrence
- Asbestos, Sulfates, Lead & Arsenic Exclusion
- Definition of Employee Amendment
- Minimum Earned Premium & Premium Audit Endt. 100%, 12 Months
- Intellectual Property Amendment

VENTURA COUNTY TRANSPORTATION COMMISSION

Commercial General Liability - continued

Endorsement & Major Exclusions: (including but not limited to)	• Medical Payments Exclusion • Silica or Silica Related Dust Exclusion • Total Pollution Exclusion with a hostile fire Exception • Fungi or Bacteria (Mold) Exclusion • Primary and Non-Contributory • Deductible Liability Insurance • Limitation of Coverage to Designated Premises or Projects • Construction Management E&O Exclusion • Earth Movement Exclusion • Continuous or progressive injury and damage Exclusion • Non-Pyramiding of Limits Endorsement • Violation of Statutes that Govern E-mails, Fax, Phone Calls or Other Methods of Sending Material or Information Exclusion • Financial services Exclusion • Ventura County Transportation Commission Endt. • Warranty Endorsement – Work performed by subcontractors • Punitive & Exemplary Damages, Fines, Penalties and Multiplication of Damages Exclusion • Non-Owned Auto Endt. • Law Enforcement Activities Exclusion • Inverse Condemnation Exclusion
NRRA Statement:	**The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.**
Minimum Earned Premium:	25%
Quote Valid Until:	November 20, 2012
Policy Auditable:	Subject to Annual Audit
Binding Conditions:	• Written Request to Bind Coverage • *Acceptable Inspection / Loss Control Report* • Signed Terrorism selection / Rejection form

Broker: Alliant Insurance Services, Inc.
San Francisco, CA

Seth Cole, First Vice President
Matt McManus, Assistant Vice President
Linh Campero, Account Manager

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.

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VENTURA COUNTY TRANSPORTATION COMMISSION

Excess Liability

INSURANCE COMPANY:	American Safety Indemnity Company
A.M. BEST RATING:	A (Excellent); IX (250 Million to $500 Million)
STANDARD & POOR'S RATING:	a, Stable
CA STATUS:	Non-Admitted
POLICY / COVERAGE TERM:	November 20, 2012 to November 20, 2013

Coverage Form:	Occurrence
Limits:	
Each Occurrence	$10,000,000 excess of $1,000,000
General Aggregate	$10,000,000 excess of $1,000,000
Underlying Coverages & Limits:	Navigator Specialty Insurance Company $1,000,000 Each Occurrence $2,000,000 General Aggregate $2,000,000 Products-Completed Operations Aggregate $1,000,000 Personal &n Advertising Injury

Endorsement & Major Exclusions:
(including but not limited to)

- Commercial Excess Liability Policy
- Schedule of Underlying
- Airport Liability Exclusion
- Asbestos Exclusion
- Cap on Losses from Certified Acts of Terrorism
- Employment Related Practices Exclusion
- ERISA Exclusion
- Silica Dust Exclusion
- Violation of Statues in Connection with email, fax or phone call Exclusion
- Fungi or Bacteria Exclusion
- Infringement of copyright, paten, trademark, or trade secret Exclusion
- Limitation – Designated Project(s) or Premises
- Nuclear Energy Liability Exclusion
- Pollution Exclusion – Absolute (with hostile fire, heating ventilation & Air conditioning, upset or overturn of motor vehicle exception)
- Professional Liability Exclusion
- Property Damage Exclusion – Real and/or Personal Property
- Punitive or Exemplary Damages Exclusion
- Uninsured/Underinsured Motorist Exclusion
- War Exclusion
- Special Endorsement
- Ventura County Transportation Commission Endt.

VENTURA COUNTY TRANSPORTATION COMMISSION

Excess Liability - continued

Premium:	$40,000 Premium $ 1,300 Taxes & Fees **$41,300 Total Annual Premium**
NRRA Statement: (would only be applicable if insurance company is non-admitted)	**The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.**
Terrorism Option:	$4,956
Quote Valid Until:	November 20, 2012
Policy Auditable:	Not subject to audit
Binding Conditions:	• Written Request to Bind Coverage • Complete & sign Excess Liability Application • Signed TRIA selection (accepting or rejecting)
Broker:	**Alliant Insurance Services, Inc.** San Francisco, CA Seth Cole, First Vice President Matt McManus, Assistant Vice President Linh Campero, Account Manager

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VENTURA COUNTY TRANSPORTATION COMMISSION

Public Official & Employment Practices Liability

INSURANCE COMPANY:	ACE Westchester Fire Insurance Company
A.M. BEST RATING:	A+(Superior): XV ($2Billion or Greater)
STANDARD & POOR'S RATING:	aa, stable
CA STATUS:	Admitted
POLICY / COVERAGE TERM:	November 20, 2012 to November 20, 2013
RETROACTIVE DATE:	November 20, 1989

Coverage Form: Claims Made

Limits:

$5,000,000	Each Claim
$5,000,000	Aggregate
$25,000	Crisis Management Fund

Deductible:

$0	Public Officials' Liability
$25,000	Public Entity Reimbursement & Public Entity Liability
$25,000	Employment Practices Liability

Premium: $58,784

Endorsement &Exclusions:
(including but not limited to)

- Amended Definition of Claim per expiring
- Fungi Exclusion per expiring
- Bond Exclusion
- Amended Bodily Injury Exclusion per expiring
- Samia Maximous Exclusion per expiring
- Notice of Amended – General Counsel, Risk Manager
- Representation Amended – Partial Severability
- Notice of Cancellation – Non Cancellable except for Non Payment
- Exclusion B Amended – final Adjudication with Reimbursement of Claims Expenses
- Non-Rescindable Clause
- Defense and Settlement Endorsement – 75% /25%
- CA Amendatory
- Cap on Losses from Certified Acts of Terrorism
- Policy Holder Disclosure – Notice of Terrorism Insurance Coverage

Minimum Earned Premium: 25%

Extended Reporting Period: 12 Months for 100% of last annual premium

Quote Valid Until: November 20, 2012

Binding Conditions:	• Written Request to Bind Coverage
Broker:	**Alliant Insurance Services, Inc.** San Francisco, CA Seth Cole, First Vice President Matt McManus, Assistant Vice President Linh Campero, Account Manager

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CLAIMS REPORTING NOTICE

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

THIS IS A CLAIMS MADE POLICY

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

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

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VENTURA COUNTY TRANSPORTATION COMMISSION

Crime Coverage

INSURANCE COMPANY:	National Union Fire Ins. Co. of Pittsburg, PA
A.M. BEST RATING:	A (Excellent); XV ($2Billion or Greater)
STANDARD & POOR'S RATING:	A, Stable
CA STATUS:	Admitted
POLICY / COVERAGE TERM:	November 20, 2012 to November 20, 2013

Coverage Form: Discover Form (Occurrence)

Coverage:	Limits	Deductible
Employee Theft per Loss	$500,000	$5,000
Forgery or Alteration	$500,000	$5,000
Money order/Counterfeit Currency	$500,000	$0
Computer Fraud	$500,000	$5,000
Theft of Money & Securities – Inside the Premises	$ 25,000	$1,000
Robbery, Safe Burglary-Other Property - Inside Premises	$500,000	$1,000
Outside the Premises	$ 25,000	$1,000
Funds Transfer Fraud	$500,000	$5,000
Credit, Debit or Charge Card Forgery	$500,000	$5,000

Endorsement &Exclusions:
(including but not limited to)

- California Changes
- Add Faithful Performance of Duty Coverage $500,000 Limit
- Crime Advantage
- Include Treasurer or Tax Collector as Employees Endt.
- Bonded Employees Exclusion Deleted
- Diminution of deductible
- Prior Theft or Dishonesty: $10,000
- Additional Named Insured
- Fidelity Research & Investigative Settlement Clause (FRISC)

Premium: $2,442

Quote Valid Until: November 20, 2012

Binding Conditions:

- Written Request to Bind Coverage
- Confirmation of controls in place for countersignature and check signing authorities

Broker: Alliant Insurance Services, Inc.
San Francisco, CA

Seth Cole, First Vice President
Matt McManus, Assistant Vice President
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VENTURA COUNTY TRANSPORTATION COMMISSION

Property – Special Property Insurance Program (SPIP)

COMPANY	Lexington Insurace Companies		
STATUS/RATING:	Non-Admitted A, Excellent; XV ($2 Billion or Greater)		
DECLARATION:	8-Districts		
POLICY PERIOD:	November 20, 2012 to July 1, 2013		
TOTAL INSURED VALUES:	$ 2,677,600 as of November 16, 2012		
ALL RISK COVERAGES & LIMITS:	$	25,000,000	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.
		Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)
		Not Covered	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.
		Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)
	$	25,000,000	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.
	$	25,000,000	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.

Property – Special Property Insurance Program (SPIP) – Continued

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
$ 25,000,000	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)

Property – Special Property Insurance Program (SPIP) – Continued

$	25,000,000	Transit
$	2,500,000	Unscheduled Animals; not to exceed $50,000 per Animal, per Occurrence
$	2,500,000	Unscheduled Watercraft up to 27 feet
	Not Covered	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
$	25,000,000	Expediting Expenses
$	1,000,000	Personal Property Outside of the USA
$	25,000,000	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)
	Not Covered	Per Member/Entity for Terrorism (Excess Layer) subject to;
	Not Covered	Per Occurrence, All Members combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, 21, 26, 27, 28, 30, 32, 33 and 34 for Terrorism (Excess Layer) subject to;
	Not Covered	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.

Property – Special Property Insurance Program (SPIP) – Continued

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:

$	2,500	Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

	Not Covered	Per Occurrence for Flood Zones A & V
	Not Covered	All Flood Zones Per Occurrence excluding Flood Zones A & V
	Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the 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 Contractors 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

Property – Special Property Insurance Program (SPIP) – Continued

		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
	Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage
	RC Vehicle Valuation Basis	
	Not Covered	Per Occurrence for Contractor's Equipment
	$ 2,500	Per Occurrence for Primary Terrorism
	Not Covered	Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)
TERMS & CONDITIONS:	25% Minimum Earned Premium and cancellations subject to 10% penalty	
NOTICE OF CANCELLATION:	90 Days except 10 Days for non-payment of premium	
COVERAGE TERM:	November 20, 2012 to July 1, 2013	
PRO-RATA FACTOR:	0.6109589	

Property – Special Property Insurance Program (SPIP) – Continued

	Pro-Rated Annual Cost*
Pro-Rated Total Property Premium:	$ 2,585
Pro-Rated Excess Boiler:(Not Covered)	$ 0
Pro-Rated ABS Fee:	$ 90
Pro-Rated SLT&F's (Estimate)	$ 84
Pro-Rated Broker Fee:	$ 0
PRO-RATED TOTAL COST: (Including Taxes and Fees)	$ 2,759
	Annual Cost*
Total Property Premium:	$ 4,231
Excess Boiler:(Not Covered)	$ 0
ABS Fee:	$ 148
SLT&F's (Estimate)	$ 138
Broker Fee:	$ 0
TOTAL COST: (Including Taxes and Fees)	$ 4,517
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.	

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: November 20, 2012

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

Seth Cole, First Vice President
Matt McManus, Assistant Vice President
Linh Campero, Account Manager
Sheryl L. Fitzgerald, Account Manger - Lead

NOTES:

- ***Excess Carriers in the layers over $250,000,000 may require the use of their own policy forms in lieu of the PEPIP policy form.***
- ***Change in Total Insurable Values will result in adjustment in premium***
- ***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***

VENTURA COUNTY TRANSPORTATION COMMISSION

Boiler & Machinery - Special Property Insurance Program (SPIP)

COMPANIES: Lexington Insurance Co.

STATUS/RATING: Non-Admitted
A, Excellent; XV ($2 Billion or Greater)

POLICY PERIOD: November 20, 2012 to July 1, 2013

TOTAL INSURED VALUES: $ 2,677,600 as of November 16, 2012

COVERAGES & LIMITS:

$	25,000,000	Coverage excludes jurisdictional and all other boiler inspections 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:
	Not Covered	Inspection Services
$	10,000,000	Per Occurrence for Service/Utility/Off Premises Power Interruption
$	10,000,000	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
$	1,000,000	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

Boiler & Machinery - Special Property Insurance Program (SPIP) – Continued

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:

$	2,500	Except as shown for Specific Objects or Perils
$	2,500	Electronic Data Processing Media
$	2,500	Consequential Damage
$	2,500	Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface
$	50,000	Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface
$	100,000	Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface
$	250,000	Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface
$	350,000	Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface

$ 10 per foot / $2,500 Minimum Deep Water Wells

24 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

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.*

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

Seth Cole, First Vice President
Matt McManus, Assistant Vice President
Linh Campero, Account Manager

NOTES:

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

Alliant 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, 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 your state, visit the Department of Insurance website of that state.

NOTICE:

1. THE INSURANCE POLICY THAT YOU [HAVE PURCHASED] [ARE APPLYING TO PURCHASE] IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.

2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.

3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.

4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.

5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED

STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA D E PARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Date:____________________________

Insured:___________________________