

# CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

## AGENDA REGULAR MEETING WATER BOARD

Tuesday, October 28, 2025 – 9:30 a.m.

MARGARET H. CHANDLER WATER RECLAMATION PLANT  
399 CHANDLER PLACE  
San Bernardino, California

### WATER BOARD

TONI CALLICOTT  
President

### Commissioners

WAYNE HENDRIX, P.E.  
DAVID E. MLYNARSKI  
RIKKE V. JOHNSON  
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.

General Manager

ROBIN L. OHAMA

Deputy General Manager

STEVE R. MILLER

Director of Water Utility

KEVIN T. STEWART, P.E.

Director of Water Reclamation

CYNTHIA J. MOUSER

Director of Finance

JENNIFER L. SHEPARDSON

Director of Environmental &  
Regulatory Compliance

*“Trusted, Quality Service since 1905”*

### Welcome to a meeting of the Water Board of the City of San Bernardino

- The City of San Bernardino Municipal Water Department recognizes its obligation to provide equal access to those individuals with disabilities. Please contact the General Manager's Office (909-384-5191) two working days prior to the meeting for any requests for reasonable accommodation, to include interpreters.
- All documents for public review are on file with the Water Department located at 1350 South “E” Street, San Bernardino or may be accessed online at <https://www.sbmwd.org/agendacenter>
- Please turn off or mute your cell phone while the meeting is in session.
- Any member of the public desiring to speak to the Water Board concerning any matter not on the agenda, but which is within the subject matter jurisdiction of the Water Board, may address the body during the period reserved for public comments. Said total period for public comments shall not exceed forty-five (45) minutes unless such time limit is extended by the Water Board. A three-minute limitation shall apply to each member of the public unless such time limit is extended by the Water Board. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public.
- The Water Board may refer any item raised by the public to staff for appropriate action or have the item placed on the next agenda of the Water Board. However, no other action shall be taken nor discussion held by the Water Board on any item which does not appear on the agenda unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.
- Public comments will not be received on any item on the agenda when a public hearing has been conducted and closed.

THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT  
ENCOURAGES THE PUBLIC TO VIEW THIS WATER BOARD MEETING  
ONLINE. THE MEETING WILL BE LIVE STREAMED VIA YOUTUBE AT:  
<https://bit.ly/YouTubeSBWater>

MEMBERS OF THE PUBLIC WHO WISH TO COMMENT ON MATTERS BEFORE THE WATER BOARD MAY PARTICIPATE IN THE FOLLOWING WAYS:

1. IF ATTENDING IN PERSON, MAY PROVIDE COMMENT AT THE APPROPRIATE TIME DICTATED BY THE AGENDA AND WATER BOARD PRESIDENT.
2. COMMENTS AND CONTACT INFORMATION MAY BE E-MAILED TO [Comments@sbmwd.org](mailto:Comments@sbmwd.org) BY 8:30 A.M. THE DAY OF THE SCHEDULED MEETING TO BE INCLUDED IN THE WRITTEN RECORD.

### CALL TO ORDER

### ROLL CALL

1. ANNOUNCEMENTS BY MEMBERS OF THE WATER BOARD
2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board of any item not listed on the agenda. There is no limit on the number of items that may be discussed within the three-minute time limit. **To be called by the Water Board President, please see special public comments instructions above.**
3. PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board of any item listed on the agenda, excluding public hearings. There is no limit on the number of items that may be discussed within the three-minute time limit. **To be called by the Water Board President, please see special public comment instructions above.**
4. CONSENT CALENDAR

**MOTION:** That the motions indicated by consent calendar items 4A through 4D be adopted, except for \_\_\_\_\_.

MOTION: \_\_\_\_\_ SECONDED: \_\_\_\_\_

#### A. PAYROLL

**MOTION:** Approve the payroll for the pay period beginning October 20, 2025 through November 2, 2025.

#### B. CONTRACTS AND BILLS

**MOTION:** Approve the payment of contracts and bills to be presented at this meeting.

C. MINUTES

**MOTION:** Approve the minutes of October 14, 2025, of the Water Board.

- D. CLAIMS SETTLEMENTS – QUARTERLY REPORT: In accordance with Policy 20.090 – Claims Handling, the Environmental and Regulatory Compliance Division has prepared the Quarterly Claims Settlements Report detailing all claims processed for the period of July 2025 through September 2025, as submitted.

### DISCUSSION ITEMS

5. MEETING DATE CANCELLATION OF NOVEMBER 11, 2025 WATER BOARD

MEETING: On October 17, 2017, the Water Board approved Resolution No. 920, changing the Water Board meeting days to the second and fourth Tuesdays of each month. The first Regular Water Board Meeting in November is scheduled on Tuesday, November 11, 2025.

The Water Department observes Veteran's Day every year. This year, Veteran's Day lands on Tuesday, November 11, 2025, which is the first scheduled Regular Water Board meeting in November.

Staff recommends cancelling the November 11, 2025 Regular Water Board meeting and adjourning the October 28, 2025 regular meeting to November 25, 2025.

**MOTION:** Approve the cancellation of the November 11, 2025 Regular Water Board meeting and adjourn the October 28, 2025 regular meeting to November 25, 2025, at 9:30 a.m.

MOTION:\_\_\_\_\_ SECONDED:\_\_\_\_\_

6. APPROVAL OF PURCHASE ORDER FOR SERVICE INSTALLATIONS AT 1179

WEST HIGHLAND AVENUE: The San Bernardino Municipal Water Department (Department) utilizes the services of on-call contractors to augment staff's ability to respond promptly to requests for water service installations, supporting proposed development within the Department's service area.

Engineering received a request from G&D Construction to install a one (1) 2-inch Domestic by 1" Landscape Service Installation and one (1) 6-inch Fire Service Installation the following services:

Staff solicited bids from the Department's five (5) on-call contractors and two (2) bids were received and opened on October 13, 2025. Staff recommends that the Water Board approve the issuance of a Purchase Order in the amount of \$101,000.00 to EL-CO Contractors, Inc.

The funding source for this contract is Construction Orders assigned for Fiscal Year 2025:

- *No. 11208 2-inch Domestic by 1" Landscape Service Installation*
- *No. 11205 6-inch Fire Service Installation*

Construction Orders are generated each fiscal year to capture costs for installing typical service requests. G&D Construction will be issued an invoice to cover these installation fees and the water capacity charges established by Rule and Regulation No. 5. The installation fees collected will be deposited into Construction Orders Nos. 11208 and 11205 accounts.

**MOTION:** Approve the purchase order for the project installations located at 1179 W. Highland Ave by EL-CO Contractors, Inc. in the amount of \$101,000.00.

MOTION:\_\_\_\_\_ SECONDED:\_\_\_\_\_

7. CONTRACT NO. 1690 – MILLER ARCHITECTURAL CORPORATION – CHANGE ORDER NO. 4 – SBMWD WATER FACILITIES RELOCATION PROJECT (PROJECT NOS. C1410689 AND C1700196): On November 13, 2018, the Water Board approved Contract No. 1690 with Miller Architectural Corporation for the preliminary and final design of the SBMWD Water Facilities Relocation project that will consolidate and co-locate numerous Water Department functions to the 397 Chandler campus.

Change Order Nos. 1 and 2 were approved by the Water Board for additional work associated with a variety of modifications and the design development phase, respectively.

Change Order No. 3 was issued to Miller Architectural Corporation for an additional non-compensatory 1,825 calendar days. The original contract term expired on March 6, 2022. Due to the pandemic and closure or restricted access to various environmental and regulatory resources, the environmental documentation and project entitlement processes have been delayed.

The Consultant's scope of work includes engineering support during construction (ESDC). Because the project was divided into three distinct phases that were intended to be constructed in sequence, rather than concurrently, the duration of ESDC services would also need to be increased. A time extension of one hundred calendar days is recommended to be added to the contract time.

Change Order No. 4 in the amount of \$167,903.00 has been prepared for this extra work to be performed by Miller Architectural Corporation under Contract No. 1690. Upon Water Board approval, the revised contract end date will be June 14, 2027.

**MOTION:** Approve Change Order No. 4 to Contract No. 1690 with Miller Architectural Corporation, in the amount of ONE HUNDRED SIXTY-SEVEN THOUSAND NINE HUNDRED THREE DOLLARS AND 00/100 (\$167,903.00); and authorize the General Manager to execute the change order.

MOTION:\_\_\_\_\_ SECONDED:\_\_\_\_\_

8. ANNUAL CASUALTY EXCESS LIABILITY, AUTOMOBILE, CRIME SHIELD, DIRECTORS' & OFFICERS' (D&O) LIABILITY, CYBER SECURITY, POLLUTION LEGAL LIABILITY, UNDERGROUND STORAGE TANK (UST) LIABILITY & EMPLOYMENT PRACTICES LIABILITY INSURANCE RENEWAL – FY 2025/2026:  
Effective October 30, 2025, the Department must renew its annual liability insurance coverage for casualty, excess liability, automobile, crime shield, directors'/officers' liability, cyber security, pollution legal liability, and underground storage tank(s) liability.

The Department's insurance broker, Marsh Risk & Insurance Services (Marsh), has marketed the Department's 2025/2026 coverage requirements, negotiated terms, and received coverage quotes on behalf of the Department for all of the liability coverage listed, as well as employment practices liability (EPL), which is active until January 10, 2026.

The total cost of all policies discussed is \$990,274. Funding in the amount of \$1,130,000 was included in the 2025/2026 fiscal year budget for all liability lines of coverage.

**MOTION:** Approve the renewal of the casualty, automobile, crime shield, public officials - directors'/officers' liability, cyber security, pollution legal liability, and underground storage tank(s) liability, and employment practices liability for a total cost not-to-exceed \$990,274; and authorize the General Manager to bind these policies effective October 30, 2025.

MOTION:\_\_\_\_\_ SECONDED:\_\_\_\_\_

9. REPORTS:

- A. Report of the President
- B. Report of the Commissioners
- C. Report of the Directors
- D. Report of the General Manager

10. ADJOURNMENT

The next regular meeting of the Water Board is scheduled for *9:30 a.m., November 25, 2025*, upon Water Board approval, at The Margaret H. Chandler Water Reclamation Plant, 399 Chandler Place, San Bernardino, CA 92408.



**City of San Bernardino  
Municipal Water Department**

399 Chandler Place  
San Bernardino, CA 92408  
<http://www.sbcitywater.org>

*President Cecilia "Toni"  
Callicott*

**Commissioners**

*Wayne Hendrix  
David Mlynarski  
Rikke Johnson  
Thomas Brickley*

**MINUTES**

FOR THE

WATER BOARD OF THE CITY OF SAN BERNARDINO

**OCTOBER 14, 2025**

**CALL TO ORDER**

The Regular Meeting of the Water Board of the City of San Bernardino was called to order by President Toni Callicott at 9:30 AM, Tuesday, October 14, 2025, in-person and livestream via YouTube.

**ROLL CALL**

| Attendee Name            | Title           | Status  | Arrived |
|--------------------------|-----------------|---------|---------|
| Cecilia "Toni" Callicott | President       | Present | 9:30 AM |
| Wayne Hendrix            | Vice President  | Present | 9:30 AM |
| David Mlynarski          | Board Member    | Present | 9:30 AM |
| Rikke Johnson            | Board Member    | Present | 9:30 AM |
| Thomas Brickley          | Board Member    | Present | 9:30 AM |
| Miguel Guerrero          | General Manager | Present | 9:30 AM |

- ANNOUNCEMENTS BY THE BOARD:** Commissioner Johnson announced that the Golden Agers was hosting a Breast Cancer Awareness Walk at Ann Shirrells Park on Saturday, October 18, 2025.
- PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:** None.
- PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA:** None.

**4. CONSENT CALENDAR – ITEMS 4A THROUGH 4C:****A. PAYROLL:**

|                            | <u>Water Fund</u>     | <u>Sewer<br/>Treatment</u> | <u>Total</u>          |
|----------------------------|-----------------------|----------------------------|-----------------------|
| Claims:3014110-<br>3014335 |                       |                            |                       |
| Accounts Payable           | \$3,525,641.89        | \$1,704,802.97             | \$5,230,444.86        |
| Gross Payroll              | <u>\$495,116.77</u>   | <u>\$452,468.66</u>        | <u>\$947,585.43</u>   |
| 09/08/25-09/21/25          |                       |                            |                       |
| TOTALS                     | <u>\$4,020,758.66</u> | <u>\$2,157,271.63</u>      | <u>\$6,178,030.29</u> |

Payroll for the pay periods beginning September 22, 2025 through October 5, 2025, and October 6, 2025 through October 19, 2025.

**B. CONTRACTS AND BILLS:** Contracts and bills presented at this meeting.

**C. MINUTES:** September 23, 2025.

**RESULT: APPROVED 5-0 BY ROLL CALL VOTE**  
**MOVER:** W. Hendrix  
**SECONDER:** R. Johnson  
**ABSTAINED:** N/A  
**ABSENT:** N/A

**DISCUSSION ITEMS**

- 5. APPROVAL OF AGREEMENT WITH FOR THE COMPREHENSIVE WATER, SEWER TREATMENT, WHOLESALE WATER RATE AND CAPACITY CHARGES STUDY PROJECT– REQUEST FOR PROPOSAL NO. 1870:** The Department required a comprehensive evaluation of its water, sewer treatment, and wholesale water rates, along with capacity charges, to ensure they were financially sustainable, equitable, and aligned with regulatory requirements. Periodic rate and capacity charge studies were necessary to recover the full cost of providing service, support long-term capital and operational needs, and maintain compliance with state law.

Department staff solicited professional consulting services with demonstrated expertise in utility financial planning and rate analysis and issued Request for Proposal (RFP) No. 1870 for a Comprehensive Water, Sewer Treatment, Wholesale Water Rate and Capacity Charges Study. The Department received two (2) responses on September 26, 2025, and completed a thorough review and ranking of each proposal submitted. Staff recommended that Raftelis Financial Consultants, Inc. be awarded a Professional Service Agreement to provide a Comprehensive Water, Sewer Treatment, Wholesale Water Rate and Capacity Charges Study pursuant to RFP No. 1870.

The funding source for this contract was the FY 2025/2026 Water Budget Professional Services (Account Number 101400-5201) which currently had a total of \$238,785.00 in unencumbered funds.

**MOTION:** Approve the Professional Service Agreement with Raftelis Financial Consultants, Inc., in an amount not to exceed ONE HUNDRED SIXTY-EIGHT THOUSAND SEVEN HUNDRED SIXTY-FOUR AND 00/100 DOLLARS (\$168,764.00) for the Comprehensive Water, Sewer Treatment, Wholesale Water Rate and Capacity Charges Study in accordance with Request for Proposal No. 1870. The General Manager was authorized to execute the Agreement.

**RESULT: APPROVED 5-0 BY ROLL CALL VOTE**

**MOVER:** T. Brickley

**SECONDER:** W. Hendrix

**ABSTAINED:** N/A

**ABSENT:** N/A

6. **AUTOMATIC ANNUAL WATER CAPACITY CHARGE INCREASE FOR FISCAL YEAR 2026/2027:** Rule and Regulation No. 5 requires that “On July 1 of each calendar year the acquisition of service charge shall automatically increase in proportion to the published twelve-month increase measured in September each year in the Construction Cost Index. This index is published in “Engineering News Record,” a publication of McGraw-Hill, Inc.

The Board of Water Commissioners may, at its option, determine by resolution adopted prior to November 1, that such an increase shall not be effective for the next succeeding fiscal year (always starting on July 1). In the event the Construction Cost Index has not changed or has decreased, the charge shall not be changed.”

The “Engineering News Record (ENR)” Construction Cost Index showed a 2.2 percent increase for the period of September 2024 through September 2025.

Commissioner Hendrix asked why the Department was not waiting for the rate study to be completed before deciding on the increase before the Water Board.

General Manager Guerrero stated that while the Department could wait on this item, Rule and Regulation No. 5 called for an automatic increase, but there was an option in the Motion to forgo the increase if the Water Board voted to do so through a resolution.

The Water Board discussed both motions and chose to approve the 2.2 percent increase.

**MOTION:** Allow the automatic ENR increase to 2.2 percent to the water capacity charges in Rule and Regulation No. 5 to become effective July 1, 2026. Staff was directed to provide notification to current and future project holders of the effective date and amount of water capacity charge increases.

**RESULT:** APPROVED 5-0 BY ROLL CALL VOTE  
**MOVER:** W. Hendrix  
**SECONDER:** R. Johnson  
**ABSTAINED:** N/A  
**ABSENT:** N/A

7. **CONTRACT NO. 1729 – INFRASTRUCTURE ENGINEERING CORPORATION, AN ARDURRA COMPANY – CHANGE ORDER NO. 3 THIRD PARTY CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES PROJECTS (PROJECT NO. C17000194):** On May 12, 2020, the Water Board approved Contract No. 1729 with Infrastructure Engineering Corporation, an Ardurra Company (IEC) to provide Professional Third-Party Construction Management and Inspection Services (CM) for multiple simultaneous projects at the Water Reclamation Plant (WRP). The construction projects encountered various delays ranging from scarcity of material supply, manufacturing design challenges with the flares, and completion of requirements for permitting of the Tertiary Treatment System Project (TTS).

In February 2025, IEC notified the Department that funds under the existing agreement were nearly depleted, though significant work remained. IEC submitted Amendment Request No. 3 for additional Construction Management Services under Contract No. 1729. Change Order No. 3 needed ratification of these services and payment for outstanding invoices already submitted.

The funding source for this project was the FY 2025/2026 Sewer Treatment Fund Capital Improvement Project titled *CWF-Phase 4 Tertiary Treatment Project* (Project No. C1700194) which currently had a total of \$571,880.82 in unencumbered funds.

**MOTION:** Ratify Change Order No. 3 to Contract No. 1729 with Infrastructure Engineering Corporation, an Ardurra Company in the amount of TWO HUNDRED EIGHTY-NINE EIGHT HUNDRED FORTY-ONE AND 00/100 DOLLARS (\$289,841.00). The General Manager was authorized to execute the change order.

**RESULT:** APPROVED 5-0 BY ROLL CALL VOTE  
**MOVER:** W. Hendrix  
**SECONDER:** D. Mlynarski  
**ABSTAINED:** N/A  
**ABSENT:** N/A

8. **TRANSFER OF FUNDS AND APPROVAL OF CHANGE ORDER NO. 4 WITH INFRASTRUCTURE ENGINEERING CORPORATION, AN ARDURRA COMPANY (CONTRACT 1729) FOR THE THIRD-PARTY CONSTRUCTION MANAGEMENT SERVICES OF THE TERTIARY TREATMENT SYSTEM PROJECT (CO 00194):** On May 12, 2020, the Water Board approved Contract No. 1729 with Infrastructure Engineering Corporation, an Ardurra Company (IEC) to provide Professional Third-Party Construction Management and Inspection Services (CM) for multiple simultaneous projects at the Water Reclamation Plant (WRP).

The construction projects encountered various delays ranging from scarcity of material supply, manufacturing design challenges with the flares, and completion of requirements for permitting of the Tertiary Treatment System Project (TTS).

IEC proposed to provide full-time CMS services throughout August 2025, prior to the General Construction Contractor placing the project on suspension pending the delivery of equipment. During this suspension period, certain CMS overhead costs would continue to accrue and/or were necessary. It was anticipated that these part-time costs would persist through the end of November 2025. In December 2025, full-time costs were expected to resume as the General Contractor concluded their contractual obligations.

Change Order No. 4 in the amount of \$215,980.00 had been prepared for the extra work to be performed by IEC under Contract No. 1729 and upon Water Board approval, the revised contract end date would be December 31, 2025.

Staff proposed transferring funds from the project titled *Clean Water Factory – Phase 4 – Tertiary Treatment Design (C.O. 00138)* and requested a budget transfer in the amount of \$250,000.00 from the *Clean Water Factory Project – Phase 2 – Tertiary Treatment Design (C.O. 00138)* to the *Clean Water Factory Project – Phase 4 – Tertiary Treatment Construction (C.O. 00194)*.

**MOTION:** Approve the transfer of \$250,000.00 from the *Clean Water Factory Project – Phase 2 – Tertiary Treatment Design (C.O. 00138)* to the *Clean Water Factory Project – Phase 4 – Tertiary Treatment Construction (C.O. 00194)*; and

Approve Change Order No. 4 to Infrastructure Engineering Corporation, an Ardurra Company, in the amount of TWO HUNDRED FIFTEEN THOUSAND NINE HUNDRED EIGHTY AND 00/100 DOLLARS (\$215,980.00). The General Manager was authorized to execute the change orders.

**RESULT: APPROVED 5-0 BY ROLL CALL VOTE**

**MOVER:** D. Mlynarski

**SECONDER:** W. Hendrix

**ABSTAINED:** N/A

**ABSENT:** N/A

9. **CONTRACT NO. 1723 – MEYERS AND SONS CONSTRUCTION, LLC -CHANGE ORDER NO. 7 – TERTIARY TREATMENT SYSTEM PROJECT (PROJECT NO. C1700194):** On April 25, 2023, the Department entered into Contract No. 1723 with Myers & Sons Construction, LLC (Meyers), for the construction of the Tertiary Treatment System Project. Several change orders between November 2023 and March 2025 were issued and approved by the Water Board for a variety of issues related to Contract No. 1723.

During a field inspection of the new duct bank by Department staff, the need for two (2) additional tracer wires and four (4) additional access points/termination points was confirmed. As such, the Contractor installed the additional tracer wires and access points on the duct bank to facilitate future use and discovery.

Upon the Department's request, the Contractor would also add additional tracer wire, valve cans, and termination points around the Project site. Additional pipe support, deck design, conduit and wiring, concrete removal, local control placement, and trolley door modification work was necessary at this time.

Change Order No. 7 in the amount of \$185,732.16 was prepared for this extra work to be performed by Meyers under Contract No. 1723.

The funding source for this project was the FY 2025/2026 Sewer Treatment Fund Capital Improvement Project titled *CWF-Phase 4 Tertiary Treatment Project* (Project No. C1700194) which currently had a total of \$571,880.82 in unencumbered funds.

**MOTION:** Approve Change Order No. 7 to Contract No. 1723 with Meyers & Sons, LLC in the amount of ONE HUNDRED EIGHTY-FIVE THOUSAND SEVEN HUNDRED THIRTY-TWO AND 16/100 DOLLARS (\$185,732.16). The General Manager was authorized to execute the change order.

|                   |                                       |
|-------------------|---------------------------------------|
| <b>RESULT:</b>    | <b>APPROVED 5-0 BY ROLL CALL VOTE</b> |
| <b>MOVER:</b>     | R. Johnson                            |
| <b>SECONDER:</b>  | W. Hendrix                            |
| <b>ABSTAINED:</b> | N/A                                   |
| <b>ABSENT:</b>    | N/A                                   |

## 10. REPORTS:

**A. Report of the President – None.**

**B. Report of the Commissioners –** Commissioner Brickley thanked the Water Board for allowing him to attend Water Board meetings via Zoom on occasion in order to care for his sister.

**C. Report of the Directors –**

1. Director Shepardson stated that she was waiting on three (3) quotes for general liability, excess, and auto insurance renewals and once those were received, all of the insurance renewals would come before the Water Board for approval.
2. Director Shepardson stated that staff would be participating in the annual SAWPA River Walk on Thursday, October 16, 2025, to measure the Santa Ana River and collect data for compliance.

3. Deputy General Manager Ohama stated that the Water Conservation team would be attending the following events:

- Akoma Unity Center – Susan G Komen Breast Cancer Awareness Walk on Saturday, October 18, 2025 from 10:00 a.m. – 2:00 p.m.
- Parks and Recreation Trick or Treat event on Saturday, October 25, 2025 from 5:00 p.m. – 9:00 p.m.

**D. Report of the General Manager –**

1. General Manager Guerrero stated that Water Board Commissioners and staff would be attending the State of the City on Tuesday, October 14, 2025 at the California Theatre.
2. General Manager Guerrero stated that Water Conservation was planning an event to celebrate the Tertiary Treatment System and the Department's 120-year anniversary.

**11. ADJOURNMENT**

The next regular meeting of the Water Board was scheduled for *9:30 a.m., October 28, 2025*, at The Margaret H. Chandler Water Reclamation Plant, 399 Chandler Place, San Bernardino, CA 92408.

By: \_\_\_\_\_  
Miguel J. Guerrero  
General Manager

**CITY OF SAN BERNARDINO  
MUNICIPAL WATER DEPARTMENT**

**WATER BOARD  
STAFF REPORT**

**TO:** Miguel J. Guerrero, P.E., General Manager   
**FROM:** Jennifer Shepardson, Director of Environmental & Regulatory Compliance  
**SUBJECT:** CLAIMS SETTLEMENTS -- QUARTERLY REPORT  
**DATE:** October 17, 2025

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**BACKGROUND:**

In Policy 20.090 -- Claims Handling, it is required that the Environmental and Regulatory Compliance division provide the Board a quarterly written report detailing all claims processed within the authority granted in the policy. Attached is the quarterly report for the period of July 2025 through September 2025.

**RECOMMENDATION:**

Receive and file, as this report is provided for information only.

Respectfully submitted,



Jennifer L. Shepardson  
Director of Environmental & Regulatory Compliance

**QUARTERLY CLAIMS HANDLING REVIEW (07/01/2025 - 09/30/2025)**

| Date Closed/<br>Payment<br>Received | Incident<br>Number   | Date of<br>Incident | Event                                                       | Amount of<br>Claim | Name                      | Resolution                | \$ Received  | \$ Paid Out  |
|-------------------------------------|----------------------|---------------------|-------------------------------------------------------------|--------------------|---------------------------|---------------------------|--------------|--------------|
| 07/31/25                            | 23-135               | 09/07/23            | Hit and Damaged a<br>Gas Mainline                           | \$ 5,189.37        | So Cal Gas<br>Company     | Negotiated<br>Settlement  |              | \$ 5,189.37  |
| 09/02/25                            | 20-116               | 07/20/20            | EPL Claim                                                   | \$ 31,000.00       | Zurich Insurance          | Reconciliation<br>Payment | \$ 31,000.00 |              |
| 09/04/25                            | 19-011,<br>19-011(b) | 01/17/19            | Flange Failure<br>Caused Flooding to<br>Residence           | \$ 367,853.00      | Philadelphia<br>Insurance | Reconciliation<br>Payment |              | \$ 25,000.00 |
| 09/04/25                            | 19-078(b)            | 05/27/19            | Hit Fire Hydrant<br>Caused Sinkhole,<br>Injuring Pedestrian | \$ 354,350.00      | Philadelphia<br>Insurance | Reconciliation<br>Payment |              | \$ 25,000.00 |
| 09/04/25                            | 19-088               | 06/05/19            | 20 "Water Main<br>Break Flooded<br>Facility                 | \$ 1,259,998.00    | Philadelphia<br>Insurance | Reconciliation<br>Payment |              | \$ 25,000.00 |
| 09/04/25                            | 20-189               | 07/31/19            | Misattributed Leak<br>Caused Legal<br>Defense Expenses      | \$ 2,355.00        | Philadelphia<br>Insurance | Reconciliation<br>Payment |              | \$ 2,355.00  |
| 09/11/25                            | 24-051               | 05/01/24            | Traffic Collision<br>Involving Unit                         | \$ 20,279.26       | AAA Insurance             | Negotiated<br>Settlement  | \$ 17,350.22 |              |
|                                     |                      |                     |                                                             |                    |                           | <b>TOTAL:</b>             | \$ 48,350.22 | \$ 82,544.37 |

**CITY OF SAN BERNARDINO  
MUNICIPAL WATER DEPARTMENT**

**WATER BOARD  
STAFF REPORT**

**TO:** Water Board Commissioners  
**FROM:** Miguel J. Guerrero, P.E., General Manager  
**SUBJECT:** **MEETING DATE CANCELLATION OF NOVEMBER 11, 2025 WATER BOARD MEETING**  
**DATE:** October 21, 2025  
**CC:** R. Ohama, K. Stewart, S. Miller, J. Shepardson, C. Mouser

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**BACKGROUND:**

On October 17, 2017, the Water Board approved Resolution No. 920, changing the Water Board meeting days to the second and fourth Tuesdays of each month. The first Regular Water Board Meeting in November is scheduled on Tuesday, November 11, 2025.

The Water Department observes Veteran's Day every year. This year, Veteran's Day lands on Tuesday, November 11, 2025, which is the first scheduled Regular Water Board meeting in November.

Staff recommends cancelling the November 11, 2025 Regular Water Board meeting and adjourning the October 28, 2025 regular meeting to November 25, 2025.

**RECOMMENDATION:**

Staff recommends that the Water Board make the following motion:

- Approve the cancellation of the November 11, 2025 Regular Water Board meeting and adjourn the October 28, 2025 regular meeting to November 25, 2025, at 9:30 a.m.

Respectfully submitted,



Miguel J. Guerrero, P.E.  
General Manager

**CITY OF SAN BERNARDINO**  
**MUNICIPAL WATER DEPARTMENT**  
WATER BOARD  
STAFF REPORT

Received 10-15-25  
SBMWD AS  
General Manager

**TO:** Miguel J. Guerrero, P.E., General Manager   
**FROM:** Steve R. Miller, Director of Water Utility  
**SUBJECT:** APPROVAL OF PURCHASE ORDER FOR SERVICE INSTALLATIONS  
AT 1179 WEST HIGHLAND AVENUE  
**DATE:** October 14, 2025  
**CC:** Cindy Mouser (w/attach), Miriam Sifuentes (w/attach), Tim Potter (w/attach),  
Warren Huang (w/attach), Aaron Winchester (w/attach), Ted Brunson (w/attach)

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**BACKGROUND:**

The San Bernardino Municipal Water Department (Department) utilizes the services of on-call contractors to augment staff's ability to respond promptly to requests for water service installations, supporting proposed development within the Department's service area. Pipeline contractors are invited annually to submit their construction firms for consideration through PlanetBids. The submitted contractor qualification summaries are reviewed, and the Department approved a list of five (5) construction firms to serve as on-call contractors under Contract No. 1825, On-Call Potable Water and Sanitary Sewer Repair Services. Bids are solicited from this list of pre-approved on-call contractors for specific water service installation requests over the course of the following fiscal year.

The Department's Engineering section received a request from G&D Construction to install the following services:

- One (1) 2-inch Domestic by 1" Landscape Service Installation
- One (1) 6-inch Fire Service Installation

Staff solicited bids from the Department's five (5) on-call contractors to perform this work. Two bids were received and opened on October 13, 2025, and are as follows:

| <b><u>BIDDER'S NAME</u></b> | <b><u>PRICE</u></b> | <b><u>LOCATION OF BIDDER</u></b> |
|-----------------------------|---------------------|----------------------------------|
| EL-CO CONTRACTORS, INC      | \$101,000.00        | SAN BERNARDINO, CA               |
| TK CONSTRUCTION             | INCOMPLETE BID      | SAN BERNARDINO, CA               |
| DOMINGUEZ ENGINEERING INC.  | NO RESPONSE         | POMONA, CA                       |
| ROBERTS INC.                | NO RESPONSE         | IRVIN CA                         |
| MIKE PRICH AND SONS INC.    | NO RESPONSE         | BALDWIN PARK, CA                 |

October 14, 2025

**SUBJECT: APPROVAL OF PURCHASE ORDER FOR SERVICE INSTALLATIONS AT 1179 WEST  
HIGHLAND AVENUE**

Staff recommends that the Water Board approve the issuance of a Purchase Order in the amount of \$101,000.00 to EL-CO Contractors, Inc.

GOALS AND OBJECTIVES:

This project aligns with the Department's Strategic Plan under Goal No. 2: Modernize and Secure Critical Infrastructure by supporting new development with adequate domestic water, fire water, and sewer services to meet demand.

FISCAL IMPACT:

The funding source for this contract is Construction Orders assigned for Fiscal Year 2025:

- *No. 11208 2-inch Domestic by 1" Landscape Service Installation*
- *No. 11205 6-inch Fire Service Installation*

Construction Orders are generated each fiscal year to capture costs for installing typical service requests. G&D Construction will be issued an invoice to cover these installation fees and the water capacity charges established by Rule and Regulation No. 5. The installation fees collected will be deposited into Construction Orders Nos. 11208 and 11205 accounts.

RECOMMENDATION:

It is recommended that the Water Board make the following motion:

- **Approve the purchase order for the project installations located at 1179 W. Highland Ave by EL-CO Contractors, Inc. in the amount of \$101,000.00.**

Respectfully submitted,

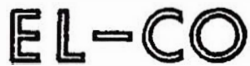


Steve Miller (Oct 14, 2025 15:50:06 PDT)

Steve R. Miller

Director of Water Utility

Attachments – EL-CO Contractors, Inc. Proposal

**CONTRACTORS, INC.**

1995 Nolan Street, San Bernardino, CA 92407 • Telephone (909) 887-2610 or 887-1013 • Fax (909) 880-9091  
P.O. Box 9130 San Bernardino, CA 92427

TO: Name City of San Bernardino Muni Water Dept  
Address 397 Chandler Street  
City San Bernardino, CA 92408

PROJECT:  
LOCATION:

DATE: \_\_\_\_\_ ATTN: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

We propose to furnish Labor & Material to perform the work hereafter specified.

BID DATE: October 10, 2025 - @2:00 pm

Atten: Aaron Winchester - aaron.winchestersbmwd.org

|                                |                |                    |
|--------------------------------|----------------|--------------------|
| 1 6402 North Mount McKinley    | Lump Sum Cost: | \$16,000.00        |
| 2 4751 North Golden Avenue     | Lump Sum Cost: | \$14,800.00        |
| 3 1238 North California Street | Lump Sum Cost: | \$14,600.00        |
| 4 2905 North Colima Avenue     | Lump Sum Cost: | \$16,000.00        |
| 5 3384 Broadmoor Boulevard     | Lump Sum Sum:  | \$17,000.00        |
| 6 857 West Edgehill Road       | Lump Sum Cost: | \$16,000.00        |
| 7 158 East Court Street        | Lump Sum Cost: | \$16,000.00        |
| 8 1179 West Highland Avenue    |                |                    |
| 2" Domestic - Lump Sum Cost:   |                | \$46,000.00        |
| Fireline - Lump Sum Cost:      |                | <u>\$55,000.00</u> |
| Total:                         |                | \$101,000.00       |

1. Permits & Inspection fee by others.
2. Engineering & Staking by others.
3. Construction water to be furnished & paid for by others.
4. All work completed by the 25th of each month is due and payable on the 10th of the following month.
5. Final billings will be based on actual measurements of work at the above prices.

General conditions, on the reverse side, are an integral part of the agreement.

ACCEPTED:

**EL-CO CONTRACTORS, INC.**  
STATE LICENSE NO. 317093

BY: \_\_\_\_\_

BY: John Wiles, Sec/GenMgr

DATED: \_\_\_\_\_

**CITY OF SAN BERNARDINO**  
**MUNICIPAL WATER DEPARTMENT**  
WATER BOARD  
STAFF REPORT

**TO:** Miguel J. Guerrero, P.E., General Manager   
**FROM:** Steve R. Miller, Director of Water Utility  
**SUBJECT:** **CONTRACT NO. 1690 – MILLER ARCHITECTURAL CORPORATION –  
CHANGE ORDER NO. 4 – SBMWD WATER FACILITIES  
RELOCATION PROJECT (PROJECT NOS. C1410689 AND C1700196)**  
**DATE:** October 21, 2025  
**CC:** C. Mouser (w/attach), W. Huang (w/attach), S. Morrison (w/attach)

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**BACKGROUND:**

On November 13, 2018, the Water Board approved Contract No. 1690 with Miller Architectural Corporation for the preliminary and final design of the SBMWD Water Facilities Relocation project that will consolidate and co-locate numerous Water Department functions to the 397 Chandler campus.

On August 12, 2020, the Water Board approved Change Order No. 1 to Contract No. 1690 with Miller Architectural Corporation for additional work associated with modifications to the space program after approval; introduction of additional second floor space with the envelop of the existing 397 Chandler building to accommodate all Water Utility field functions; adding a steel canopy connecting the new Administrative building and the existing 397 Chandler building; adding a 13,500 square foot (SF) warehouse building with approximately 2,128 SF of offices, restrooms, locker rooms, and other appurtenances.

On January 26, 2021, the Water Board approved Change Order No. 2 to Contract No. 1690 with Miller Architectural Corporation for additional work associated with the design development phase. Previously approved layouts were changed to address workflow concerns. Staff from the Water Distribution Section had to be relocated from a location on the second floor to a location on the first floor. Additional meetings and revisions of the design development documents were required to move the previously approved space on the second floor to a suitable location on the first floor. In addition, a decision was made to construct this project in several phases. This required the original bid document to be split into three (3) standalone bid documents so that they can be bid separately.

On August 9, 2022, Change Order No. 3 was issued to Miller Architectural Corporation for an additional non-compensatory 1,825 calendar days. The original contract term expired on March 6, 2022. Due to the pandemic and closure or restricted access to various environmental and regulatory resources, the environmental documentation and project entitlement processes have been delayed. The Consultant's scope of work includes engineering support during construction (ESDC). Because

Miguel J. Guerrero, P.E., General Manager

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October 21, 2025

**SUBJECT: CONTRACT NO. 1690 – MILLER ARCHITECTURAL CORPORATION –  
CHANGE ORDER NO. 4 – SBMWD WATER FACILITIES  
RELOCATION PROJECT (PROJECT NOS. C1410689 AND C1700196)**

the project was divided into three distinct phases that were intended to be constructed in sequence, rather than concurrently, the duration of ESDC services would also need to be increased.

During the first phase construction, additional site civil work was required to address SCE guy wires located either in close proximity or in the designed driveways, and a revision of the site plan to address ADA compliance for one of the walkways.

Architectural, structural, mechanical, plumbing, electrical, and technology updates are necessary to address new code cycle updates, as Phases II and III of the Project were designed many years ago, and the codes have changed.

Additional engineering support during construction (ESDC) services are required to complete Phases II and III of the Project. The consultant's original estimate of ESDC services was underestimated when compared to the actual utilization rate for Phase I. Comparing the scope of work for the three (3) phases, it was determined that additional ESDC effort would be necessary.

A time extension of one hundred calendar days is recommended be added to the contract time. Upon Water Board approval, the revised contract end date will be June 14, 2027.

Change Order No. 4 in the amount of \$167,903.00 has been prepared for this extra work to be performed by Miller Architectural Corporation under Contract No. 1690. A complete summary of the Change Order items prepared by the Department's Contracts Administrator is attached.

#### **GOALS AND OBJECTIVES:**

This project aligns with the Department's Strategic Plan under Goal No. 2: Modernize and Secure Critical Infrastructure. It supports the specific Subgoal No. 2.3: Deliver Priority Capital Projects.

#### **FISCAL IMPACT:**

The funding for this project is available from two (2) sources. The FY 2025/2026 Water Fund Capital Improvement Project, titled SBMWD Administration Facilities – Chandler Place (Project No. C1410689). Additional funding is available in the FY 2025/2026 Sewer Treatment Fund Capital Improvement Project titled, *SBMWD Administration Building* (Project No. C1700196). There are sufficient funds available to fund this change order.

Miguel J. Guerrero, P.E., General Manager

Page 3

October 21, 2025

**SUBJECT: CONTRACT NO. 1690 – MILLER ARCHITECTURAL CORPORATION –  
CHANGE ORDER NO. 4 – SBMWD WATER FACILITIES  
RELOCATION PROJECT (PROJECT NOS. C1410689 AND C1700196)**

**RECOMMENDATION:**

It is recommended that the Water Board make the following motion:

- Approve Change Order No. 4 to Contract No. 1690 with Miller Architectural Corporation, in the amount of ONE HUNDRED SIXTY-SEVEN THOUSAND NINE HUNDRED THREE DOLLARS AND 00/100 (\$167,903.00); and authorize the General Manager to execute the change order.

Respectfully submitted,



Steve Miller (Oct 21, 2025 13:24:14 PDT)

Steve R. Miller

Director of Water Utility

SRM:WH:vg:SDM

Attachment: Change Order No. 4 to Contract No. 1690

**CONTRACT NO. 1690**  
**CHANGE ORDER NO. 4**

DATE: October 20, 2025

OWNER: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

CONTRACTOR: MILLER ARCHITECTURAL CORPORATION

PROJECT: SBMWD WATER FACILITIES RELOCATION PROJECT (PROJECT NOS. C1410689 AND C1700196)

You are hereby requested to make the following described changes and/or additions to the project scope of work:

| Item No.                                         | Description<br>Changes and/or Additions | Decrease<br>Contract Price<br>(Contract Time) | Increase<br>Contract Price<br>(Contract Time) |
|--------------------------------------------------|-----------------------------------------|-----------------------------------------------|-----------------------------------------------|
| 1                                                | Additional consulting services          |                                               | \$6,000.00                                    |
| 2                                                | Revisions to bid documents              |                                               | \$76,900.00                                   |
| 3                                                | Additional engineering services         |                                               | \$85,003.00                                   |
|                                                  | <b>TOTAL</b>                            |                                               | \$167,903.00                                  |
| Original Contract Amount                         |                                         |                                               | \$1,133,614.00                                |
| Net Increase Due To Change Order No. 1           |                                         |                                               | \$125,412.00                                  |
| Net Increase Due to Change Order No. 2           |                                         |                                               | \$24,324.00                                   |
| Net Increase Due To Change Order No. 3           |                                         |                                               | \$0.00                                        |
| Contract Amount Prior To This Change Order       |                                         |                                               | \$1,283,350.00                                |
| Net Increase Due To This Change Order            |                                         |                                               | \$167,903.00                                  |
| Net Contract Amount, Including This Change Order |                                         |                                               | \$1,451,253.00                                |
| Net Change in Contract Price                     |                                         |                                               | 14.81%                                        |

The additional work contained with this Change Order can be performed incidental to the prime work and any Change Order work issued to date and is able to be completed concurrently with remaining work to be performed under the items of the Contract, without interference or delay to the Contractor. The work required by the Change Order can be completed within the time allotted for the original Contract plus the extensions to the Contract time made by this and any previously issued Change Orders.

The amounts indicated above shall be compensation in full for the work described including all direct and indirect, incidental or consequential costs or expenses, including but not limited to, extended overhead and other impact costs that have been or will be incurred by the Contractor.

Contract No. 1690  
Change Order No. 4

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The total Contract time is increased by one hundred (100) calendar days. The Contract completion date is now June 14, 2027.

ACCEPTED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
REPRESENTATIVE  
MILLER ARCHITECTURAL CORPORATION

RECOMMENDED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
REPRESENTATIVE  
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

RECOMMENDED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
DIRECTOR OF WATER UTILITY  
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
GENERAL MANAGER  
CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

**CONTRACT NO. 1690  
CHANGE ORDER NO. 4  
ITEM NO. 1 BREAKDOWN**

|                                       |                                                                                                                                                                                                                                                                  |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description:</b>                   | Additional consulting services                                                                                                                                                                                                                                   |
| <b>Reason:</b>                        | Additional consulting services were required during Phase I construction to address unforeseen site conditions, including civil work modifications near SCE guy wires impacting driveways and revisions to the site plan to ensure ADA compliance for a walkway. |
| <b>Prior Approval:</b>                | Warren Huang; Steve Miller; Miguel Guerrero                                                                                                                                                                                                                      |
| <b>Contractors<br/>Proposed Cost:</b> | \$6,000.00                                                                                                                                                                                                                                                       |
| <b>Total Cost:</b>                    | \$6,000.00                                                                                                                                                                                                                                                       |
| <b>Time Extension:</b>                | 0 Calendar Days                                                                                                                                                                                                                                                  |

**CONTRACT NO. 1690  
CHANGE ORDER NO. 4  
ITEM NO. 2 BREAKDOWN**

|                                       |                                                                                                                                                                                                                                       |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description:</b>                   | Revisions to bid documents                                                                                                                                                                                                            |
| <b>Reason:</b>                        | Updates to the bid documents were required to incorporate current architectural, structural, mechanical, plumbing, electrical, and technology code changes, as Phases II and III were originally designed under outdated code cycles. |
| <b>Prior Approval:</b>                | Warren Huang; Steve Miller; Miguel Guerrero                                                                                                                                                                                           |
| <b>Contractors<br/>Proposed Cost:</b> | \$76,900.00                                                                                                                                                                                                                           |
| <b>Total Cost:</b>                    | \$76,900.00                                                                                                                                                                                                                           |
| <b>Time Extension:</b>                | 0 Calendar Days                                                                                                                                                                                                                       |

**CONTRACT NO. 1690  
CHANGE ORDER NO. 4  
ITEM NO. 3 BREAKDOWN**

|                                       |                                                                                                                                                                                                                                                                                                           |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description:</b>                   | Additional engineering services                                                                                                                                                                                                                                                                           |
| <b>Reason:</b>                        | Additional Engineering Support During Construction (ESDC) services are needed for Phases II and III, as the original estimate was lower than the actual effort required in Phase I. Based on the comparable scope of all three phases, increased ESDC effort is necessary to complete the remaining work. |
| <b>Prior Approval:</b>                | Warren Huang; Steve Miller; Miguel Guerrero                                                                                                                                                                                                                                                               |
| <b>Contractors<br/>Proposed Cost:</b> | \$85,003.00                                                                                                                                                                                                                                                                                               |
| <b>Total Cost:</b>                    | \$85,003.00                                                                                                                                                                                                                                                                                               |
| <b>Time Extension:</b>                | 100 Calendar Days                                                                                                                                                                                                                                                                                         |

**CITY OF SAN BERNARDINO**  
**MUNICIPAL WATER DEPARTMENT**  
WATER BOARD  
STAFF REPORT

Received 10-22-25  
SBMWD AS  
General Manager

**TO:** Miguel J. Guerrero, P.E., General Manager 

**FROM:** Jennifer L. Shepardson, Director of Environmental & Regulatory Compliance

**SUBJECT:** ANNUAL CASUALTY EXCESS LIABILITY, AUTOMOBILE, CRIME SHIELD, DIRECTORS' & OFFICERS' (D&O) LIABILITY, CYBER SECURITY, POLLUTION LEGAL LIABILITY, UNDERGROUND STORAGE TANK (UST) LIABILITY & EMPLOYMENT PRACTICES LIABILITY INSURANCE RENEWAL – FY 2025/2026

**DATE:** October 15, 2025

**COPIES:** C. Mouser, E. Razo, File

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**BACKGROUND:**

Effective October 30, 2025, the Department will need to renew its annual liability insurance coverage for casualty, excess liability, automobile, crime shield, director's & officers' liability, cyber security, pollution legal liability and underground storage tanks liability.

The Department's insurance broker, Marsh Risk & Insurance Services (Marsh), has marketed the Department's 2025/2026 coverage requirements, negotiated terms, and received coverage quotes on behalf of the Department for casualty, excess liability, automobile, crime shield, directors' & officers' liability, cyber security, pollution legal liability and underground storage tank(s) liability. Quotes were also received for employment practices liability (EPL) although the Department's current EPL policy is active until January 10, 2026. Quotes received for EPL coverage from Allied World are competitive and offer better pricing terms than the Department's incumbent EPL carrier, Ironshore/Liberty. Additionally, acceptance of Allied World EPL coverage allows EPL coverage to renew at the same time as the rest of the Department's liability lines of coverage.

Marsh is still in the process of providing insurance underwriters Department information for casualty, excess liability and automobile coverage quotes. However, at the time of this report Marsh was able to secure a quote for casualty and automobiles that would meet the Department's need for coverage without having to purchase excess liability coverage. Additional quotes are being sought to explore the possibility of getting lower cost policies before the expiration date of October 30, 2025. For all lines of coverage, terms, premiums and self-insured retention or deductibles are discussed below.

***Casualty Package***

Casualty insurance covers an organization's negligent acts, omissions, injuries to persons caused by Department activities and other legal liability imposed upon the Department for damages to

property belonging to other parties. The expiring policy provided by Munich was comprised of \$2,000,000 coverage over \$1,000,000 self-insured retention (SIR) for an annual premium of \$412,000. The Department has opted to renew casualty coverage under Munich with coverage of \$5,000,000 and an SIR in the amount of \$1,000,000 for an annual premium of \$799,065, approximately 93.95% increase over the premium last fiscal year. This coverage includes the same coverage options as the expiring Munich policy. The increase in premiums is due to an increase in coverage limits from \$2,000,000 to \$5,000,000. In past years the Department would purchase casualty with excess coverage with minimum coverage limits of \$20,000,000 to meet the conditions of the consent decree agreement with the United States Environmental Protection Agency (USEPA) for the Department's Waterman and Newmark treatment plants.

### *Excess Liability*

An excess liability layer provides coverage above the casualty insurance limits. In fiscal year 2024/2025 the Water Board opted to forgo purchasing excess casualty insurance in excess of the \$2,000,000 casualty layer with \$1,000,000 SIR due to the cost associated with this coverage. The Department received only one quote in 2024/2025 for comparable coverage to 2023/2024 for \$10,000,000. This coverage was quoted from Aesir at a 127.2% increase over fiscal year 2023/2024 coverage (approximately \$1,037,903). This increase was due primarily to the tightening of the excess liability market and previous insurers ceasing to operate in this market. Additionally, two insurers, Starstone and Lexington, provided Marsh excess liability quotes that were comparable to the layers of excess insurance coverage the Department had in fiscal year 2023/2024, to meet the additional coverage requirements stipulated in the consent decree. Starstone had offered insurance coverage of \$5,000,000 over \$13,000,000 for a premium of \$333,812, and Lexington offered \$5,000,000 of coverage over \$18,000,000 for a cost of \$233,668. The total premium cost of the secondary layer of excess insurance was \$567,480 or 134.4% increase over fiscal year 2023/2024. The increase in premiums for the casualty and excess policies for fiscal year 2024/2025 when compared to this coverage in fiscal year 2023/2024 was approximately 87.07% and would require the Water Board to approve a transfer of \$698,678 from Department reserves to cover the purchase of these policies. The Water Board opted instead to direct staff to work with Marsh on other insurance alternatives for excess liability coverage and report back to the Water Board with their findings and possible alternatives. Additionally, the USEPA was approached to determine if the consent decree casualty coverage limits could be reduced. In recent talks with USEPA staff and their attorneys, with the support of the Department of Toxic Substance Control staff, the lead agency for the consent decree, USEPA has proposed that the Department try to attain at least \$5,000,000 of casualty coverage, not including any part of this amount as self-retention. The Munich quote described above meets this request.

### *Automobile*

No coverage quotes were realized for standalone automobile coverage. Automobile coverage is built into the casualty layer offered by Munich for 165 Department-owned vehicles. The SIR for automobile-related claims is set at \$1,000,000.

### ***Crime Shield***

The crime shield coverage insures losses due to theft; asset disappearance or destruction; employee dishonesty; forgery; computer fraud or counterfeit funds. The expiring policy from Hartford carried a \$1,000,000 for the following categories: Employee Theft Coverage; Faithful Performance of Duty; Premise Coverage; In-Transit Coverage; Forgery Coverage; Computer Fraud; Computer Restoration Expense, Funds Transfer & Fraud Coverage; Money Order & Counterfeit Currency Fraud Coverage; Credit Card Fraud and Social Engineering Coverage. Hartford provided the renewal proposal for fiscal year 2025/2026 at a 3.5% decrease over fiscal year (FY) 2024/2025. The premium for this insurance for FY 2024/2025 was set at \$5,453. The proposed premium for this coverage in FY 2025/2026 is \$5,264. The decrease is due to lack of Department claims and a competitive marketplace for this line of coverage. Retention for claims associated with this policy are set at \$10,000 per incident, the same as the retention held in FY 2024/2025.

### ***Directors' & Officers' Legal Liability***

Directors' & officers' legal liability insurance covers possible errors and omissions by the Department's management staff and Water Board. In FY 2024/2025, Chubb offered a quote for \$1,000,000 of coverage with a retention of \$100,000 for an annual premium of \$20,009. This year Chubb's has offered the same coverage terms and retention at the same premium of \$20,009.

### ***Cyber Security***

The cyber security policy insures losses due to network security interruptions, privacy data breaches and information technology system failures. The expiring policy from AIG carried a \$1,000,000 coverage limit with a retention of \$50,000 at an annual premium of \$21,677.34. AIG has offered to renew this same coverage at the same premium for fiscal year 2025/2026.

### ***Pollution Legal Liability (PLL)***

Pollution Legal Liability coverage protects the Department against third party bodily injury, property damage and remediation mitigation costs related to pollutant releases from Department properties, equipment or products. The expiring policy from Hamilton was comprised of \$10,000,000 per occurrence with \$20,000,000 aggregate for pollution-related damages. The deductible under the expiring policy was \$25,000 with a premium of \$195,189 applied over a 2-year term (\$97,594.50 expensed each year). Hamilton offered the same coverage also for a 2-year term starting in fiscal year 2025/2026 at a premium of \$201,045, a 3.0% increase over the expiring policy. This increase can be attributed to overall inflation affecting this marketplace. This premium will be expended over two years so the fiscal year 2025/2026 cost of coverage will be \$100,522.

### ***Underground Storage Tanks (USTs)***

The Department is responsible for five USTs. Three are located at the Water Reclamation Facility (399 Chandler Place), one double-chambered tank is located at the Water Utility yards (195 D Street), and the last one is located north of 1350 E Street at the E Street sewer lift station. These tanks hold fuel and/or waste oil used by the Department. In previous years these tanks were covered under the pollution legal liability line of insurance. This year, similarly, to last year, the incumbent insurer, Hamilton, was not willing to include coverage of these tanks under the Department's two-year pollution legal liability policy due to the age of the storage tanks (ages 29 – 39 years old). Therefore, Ironshore provided Marsh a coverage quote for these tanks in the amount of \$5,560. This quote is approximately 3.2% higher than last year's premium of \$5,390. This increase can also be attributed to overall inflation affecting this marketplace.

### ***Employment Practices Liability (EPL)***

Employment practices coverage protects the Department against claims from employees, such as those related to discrimination, retaliation, harassment or wrongful termination. The current policy from Liberty/Ironshore is due to expire January 10, 2026. Department staff has asked Marsh to seek out EPL insurers that would provide competitive quotes and be able to align the policy term with the rest of the Department's liability lines of coverage. Liberty/Ironshore's EPL policy carries a \$3,000,000 primary limit with a \$250,000 deductible at a premium of \$39,760. Allied World provided a quote on a policy with the same coverage limit and deductible with a premium of \$37,000 (plus an additional \$1,176.60 for surplus taxes and fees). Even with the non-admitted surplus taxes added, there is a cost savings of approximately 4.0% over the current Liberty/Ironshore policy. Also, the Allied World policy includes a "Duty to Defend" provision, which means the insurer handles all legal defense from the start of the claim. In addition, the Allied World policy term will align with the Department's other lines of coverage.

Total costs for liability insurance coverage for fiscal year 2025/2026 are compared to the total costs for this coverage in fiscal year 2024/2025 in the Coverage Summary Table below.

Subject: ANNUAL CASUALTY, EXCESS LIABILITY, AUTOMOBILE, CRIME SHIELD, DIRECTORS' & OFFICERS' (D&O), CYBER SECURITY POLLUTION LEGAL LIABILITY, UNDERGROUND STORAGE TANK (UST) LIABILITY AND EMPLOYMENT PRACTICES LIABILITY INSURANCE RENEWAL – FY 2025/2026

### **COVERAGE SUMMARY TABLE**

| COVERAGE                                                           | CARRIER         | 2025/2026<br>ANNUAL<br>PREMIUM | COVERAGE<br>TERMS                                                     | 2024/2025<br>ANNUAL<br>PREMIUM | VARIANCE      | PERCENT<br>INCREASE/DECREASE |
|--------------------------------------------------------------------|-----------------|--------------------------------|-----------------------------------------------------------------------|--------------------------------|---------------|------------------------------|
| Casualty                                                           | Munich          | \$799,065                      | \$5.0 M with<br>\$1.0 M SIR                                           | \$2,017,383*                   | \$(1,218,318) | -60.39                       |
| Crime Shield                                                       | The<br>Hartford | \$5,264                        | \$1.0 M with<br>\$10,000 SIR                                          | \$5,453                        | \$(189)       | -3.5                         |
| Public Officials -<br>Directors' &<br>Officers' Legal<br>Liability | Chubb           | \$20,009                       | \$1.0 M with<br>\$100,000 SIR                                         | \$20,009                       | -             | 0                            |
| Cyber Security                                                     | AIG             | \$21,677                       | \$1.0 M with<br>\$50,000 SIR                                          | \$21,677                       | -             | 0                            |
| Pollution Legal<br>Liability                                       | Hamilton        | \$100,522                      | \$10 M per<br>occurrence with<br>\$20 M aggregate<br>and \$25,000 SIR | \$97,595                       | \$2,928       | 3.0                          |
| Underground<br>Storage Tanks<br>(USTs)                             | Ironshore       | \$5,560                        | \$1.0 M with a<br>\$1.0 M SIR                                         | \$5,390                        | \$170         | 3.2                          |
| Employment<br>Practices Liability                                  | Allied<br>World | \$38,177                       | \$3.0 M with<br>\$250,000 SIR                                         | \$39,760                       | \$(1,583)     | -4.0                         |

\*Includes excess policies to meet at minimum \$20 M in coverage per the USEPA consent decree language. Break down is casualty: \$412,000; first excess layer: \$1,037,903; second excess layer: \$333,812; and third excess layer: \$233,668.

### **GOALS AND OBJECTIVES:**

This request to renew casualty, automobile, crime shield, public officials - directors' & officers' liability, cyber security, pollution legal liability, underground storage tank liability and employment practices liability; and authorize the General Manager to bind these policies effective October 30, 2025, aligns with the Department's current Strategic Plan under Goal #5: Ensure Financial Health and Transparency. The purchase of liability insurance will assist the Department's management team in risk-related cost budgeting and aid them in long-term financial planning for all the Department's enterprise funds.

### **FISCAL IMPACT:**

The total cost of all policies discussed above is \$990,274. Funding in the amount of \$1,130,000 was included in the 2025/2026 Fiscal Year Budget for all liability lines of coverage.

Miguel J. Guerrero, P.E., General Manager

October 15, 2025

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Subject: ANNUAL CASUALTY, EXCESS LIABILITY, AUTOMOBILE, CRIME SHIELD, DIRECTORS' & OFFICERS' (D&O), CYBER SECURITY POLLUTION LEGAL LIABILITY, UNDERGROUND STORAGE TANK (UST) LIABILITY AND EMPLOYMENT PRACTICES LIABILITY INSURANCE RENEWAL – FY 2025/2026

**Table 2: Budget vs. Premium Costs**

| <b>FUND:</b>     | <b>BUDGET:</b> | <b>PREMIUM COST:</b> | <b>REMAINING BUDGET:</b> |
|------------------|----------------|----------------------|--------------------------|
| Water:           | \$564,000      | \$494,261            | \$69,739                 |
| Sewer Treatment: | \$506,000      | \$443,432            | \$62,568                 |
| RIX:             | \$60,000       | \$52,581             | \$7,419                  |
| Total:           | \$1,130,000    | \$990,274            | \$139,726                |

**RECOMMENDATION:**

It is recommended that the Water Board make the following motion:

Approve the renewal of the casualty, automobile, crime shield, public officials - directors' & officers' liability, cyber security, pollution legal liability, underground storage tank liability and employment practices liability for a total cost not to exceed \$990,274; and authorize the General Manager to bind these policies effective October 30, 2025.

Respectfully submitted,



Jennifer L. Shepardson  
Director of Environmental & Compliance

Attachments: Marsh's FY 2025/2026 Proposal Spreadsheet  
Quote for FY 2025/2026 Munich (The Princeton Excess and Surplus Lines Casualty  
Quote for FY 2025/2026 Hartford Crime Renewal Quotation  
Quote for FY 2025/2026 Directors' & Officers' liability coverage by Chubb  
Quote for FY 2025/2026 Cyber Security by AIG  
Quote for FY 2025/2026 Pollution Legal Liability by Hamilton  
Quote for FY 2025/2025 Underground Storage Tank(s) (USTs) liability by  
Ironshore/Liberty  
Quote for FY 2025/2026 for Employment Practices Liability by Allied World

| CARRIER/PROGRAM          | LAYER   | Status        | COMMENTS                                                                                                                                                                                                                                                                                  |
|--------------------------|---------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aegis                    | Lead    | Declined      | Declined last year, but will consider primary.<br>Pending - Quoted 2024 - Can Entertain 10X13 - Will Be \$100K/Mil - Quoted 10X3 Layer.<br>Requested quote w/out wrongful acts but there would be no change in premium, since at this attachment GL and AL still pose a significant risk. |
| Aesir                    | XS      | Cleared       |                                                                                                                                                                                                                                                                                           |
| Ambridge                 | Lead    | Cleared       |                                                                                                                                                                                                                                                                                           |
| Lexington                | XS      | Cleared       |                                                                                                                                                                                                                                                                                           |
| Arch                     | XS      | Declined      | Declined - Outside Their Appetite.                                                                                                                                                                                                                                                        |
| Allied Public Risk (Apr) | XS      | Pending Quote | New Paper                                                                                                                                                                                                                                                                                 |
| APR                      | Lead/XS | Pending Quote | Looking at their various programs, including JPA                                                                                                                                                                                                                                          |
| Arcadian                 | XS      | Declined      | Declined - Attachment too low.                                                                                                                                                                                                                                                            |
| Ascot                    | XS      | Declined      | Declined - Not A Market For This Type Of Risk.                                                                                                                                                                                                                                            |
| Aspen                    | XS      | Declined      | Declined - Not A Market For This Risk Due To Their Water And Sewer Utility Operations.                                                                                                                                                                                                    |
| Aurenity                 | XS      | Cleared       | DECLINED DUE TO WATER & SEWER OPERATIONS                                                                                                                                                                                                                                                  |
| AWAC                     | XS      | Cleared       | Pending - UI Sent Excess \$10M Or \$15M.                                                                                                                                                                                                                                                  |
| Axis                     | XS      | Cleared       | Needs to attach at 10M. Wildfire exclusion                                                                                                                                                                                                                                                |
| Berkley / Gemini         | XS      | Cleared       | Considered - Claims Made Public Officials. Not Competitive.                                                                                                                                                                                                                               |
| Berkley PE               | Lead    | Cleared       | Considering - 5X15 attachment                                                                                                                                                                                                                                                             |
| Berkshire                | XS      | Cleared       | Would not be competitive - 2024 Berkely Public Entity offered \$5m excess \$10m premium \$425,000; Their \$3m excess \$2m was \$635,000                                                                                                                                                   |
| BHSI                     | XS      | Declined      | Pending - Excess \$10M UI Sent.                                                                                                                                                                                                                                                           |
| Bowhead                  | XS      | Cleared       | Declined - Tough Class To Consider And Almost Out Of Their Appetite. Need A 10M Attachment At Minimum                                                                                                                                                                                     |
| London Markets           | XS      | Declined      | Declined - Excess \$10M Or \$15M UI Sent.                                                                                                                                                                                                                                                 |
| C.N.A                    | XS      | Cleared       | Declined - limited market for water districts. Prefer higher attachment                                                                                                                                                                                                                   |
| Canopus                  | XS      | Declined      | Declined - Not A Market For Municipalities.                                                                                                                                                                                                                                               |
| Core                     | XS      | Cleared       | Declined - Canopus Said That They Could Look At It But Need A Minimum Attachment Point Of \$10M.                                                                                                                                                                                          |
| Endurance                | XS      | Declined      | Declined 2024 - Need To Hold For Higher Attachment.                                                                                                                                                                                                                                       |
| Euclid                   | XS      | Declined      | Declined - Not A Market For Municipalities.                                                                                                                                                                                                                                               |
| Everest                  | XS      | Declined      | Declined - Do Not Write In California.                                                                                                                                                                                                                                                    |
| Gamcustom                | XS      | Cleared       | Declined - Not Within Their Appetite.                                                                                                                                                                                                                                                     |
| Glatfelter's             |         |               | Declined - Due To Exposures                                                                                                                                                                                                                                                               |
|                          | Lead    | Pending       | Declined - Due To Prior Losses. - reconsidering now                                                                                                                                                                                                                                       |
| Grundy (Philadelphia)    | Lead    | Declined      | Declined - No Ready To Quote Due To Prior Losses.                                                                                                                                                                                                                                         |
| Hamilton                 | XS      | Declined      | Declined - Need To Attach Excess Of \$25M.                                                                                                                                                                                                                                                |
| HDI                      | XS      | Cleared       | 2024 Declined - Treaty Exclusion.                                                                                                                                                                                                                                                         |

|                  |      |                                               |                                                                                                                                                                                                                   |
|------------------|------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| James river      | XS   | Declined                                      | Declined - Class of business.                                                                                                                                                                                     |
| Kinsale          | XS   | Declined                                      | Cannot Write Over Program With Munich On The Package Program. Can quote of Munich doesn't quote.                                                                                                                  |
| Lexington        | XS   | Cleared                                       | quoted 2024                                                                                                                                                                                                       |
| Liberty          | XS   | Cleared                                       | interested - requested additional info and provided                                                                                                                                                               |
| Markel           | XS   | Cleared                                       | In review, we will have to pass as we are not a market for water utility operations.                                                                                                                              |
| Markel           | XS   | Declined                                      | Declined - Not A Market For Municipalities.                                                                                                                                                                       |
| Munich           | Lead | QUOTED 3 options. 2M x 1M, 2M x 500M, 5M x 1M | Incumbent. Will quote primary with optional retention - \$500k is lowest. Can provide 5M but not at the 500k SIR                                                                                                  |
| MAYS Specialty   | XS   | Cleared                                       |                                                                                                                                                                                                                   |
| Navg             | XS   | Cleared                                       | Declined - Can Offer SX10 But would need to add Wildfire & Failure To Supply exclusion.                                                                                                                           |
| Old Republic     | Lead | Declined                                      | Unfortunately I need to take a pass as we're not considering new casualty business at this time in Colorado due to the legal climate. This is also our position in California (as you know) and Washington State. |
| QBE              | XS   | Declined                                      |                                                                                                                                                                                                                   |
| Richmond Natl    | Lead | Declined                                      | Too Large a fleet                                                                                                                                                                                                 |
| Rsui             | XS   | Cleared                                       | Declined - Exposure.                                                                                                                                                                                              |
| Safety National  | Lead | Declined.                                     | Needs WC. Considered but declined due to Loss                                                                                                                                                                     |
| Upland           | XS   | Cleared                                       | Pending - Excess \$10M UI Sent .                                                                                                                                                                                  |
| Westchester      | XS   | Cleared                                       | Declined - Needs to be excess \$25M.                                                                                                                                                                              |
| Wright Specialty | Lead | Declined                                      | Prior Losses                                                                                                                                                                                                      |
| XI               | XS   | Cleared                                       | Declined - Not A Market For Municipalities.                                                                                                                                                                       |
| Metis/Obsidian   | XS   | Declined                                      | Declined due to risk in California, limited appetite in Cali.                                                                                                                                                     |
| Vantage          | XS   | Cleared                                       |                                                                                                                                                                                                                   |
| ZRC              | XS   | Cleared                                       | Declined in 2024- Cannot Entertain Municipalities.                                                                                                                                                                |



## 2025 City of San Bernardino Municipal Water Department - Financial & Coverage Comparison

|                     |                                                   |
|---------------------|---------------------------------------------------|
| First Named Insured | City of San Bernardino Municipal Water Department |
| Effective Date      | 10/30/2025                                        |
| Expiration Date     | 10/30/2026                                        |
| Broker Name         | Peter Kolodner                                    |
| Broker Phone        | 303-308-4998                                      |
| Broker Email        | Peter.Kolodner@marsh.com                          |
| Risk Practice       | Environmental Practice                            |
| Company Formation   | Private                                           |
| Coverages           | Pollution Legal Liability                         |

| Market              | A.M. Best Rating | Response                     |
|---------------------|------------------|------------------------------|
| Hamilton(incumbent) | A-XIV            | Quoted – See Summary Details |

### Premium Summary

| Limits<br><i>Per Pollution Condition/ Aggregate</i> | Deductible<br><i>Per Pollution Condition</i> | Hamilton<br><i>Expiring</i> | Hamilton<br><i>Renewal</i> |
|-----------------------------------------------------|----------------------------------------------|-----------------------------|----------------------------|
|                                                     |                                              | 2 Years                     |                            |
| \$10M / \$20M                                       | \$25,000                                     | \$195,189                   | \$201,045                  |
| Additional Premium for Terrorism:                   |                                              | Declined                    | 5%                         |
| Rate                                                |                                              | NA                          | 3%                         |
| Commission                                          |                                              | 17.5%                       |                            |

- 1) Multi-year policies apply with a single aggregate limit that is **not** re-instated annually;
- 2) TRIA coverage is not included in the premium options above. If you elect to **not** purchase TRIA, a full policy exclusion will apply;
- 3) See individual specimen forms for standard exclusions, terms, and conditions;
- 4) Full premium is due within 30 days of binding;
- 5) The options featured above are offered on a Non-Admitted Basis and subject to all applicable Surplus Lines Taxes and Fees (which are **not** included within the premiums noted above). Surplus lines carriers are subject to limited state financial solvency regulation and do not participate in state insurance guarantee funds that provide limited claims reimbursement to policy holders of insolvent carriers;

|                           | Hamilton<br><i>Expiring</i>                     | Hamilton<br><i>Renewal</i> |
|---------------------------|-------------------------------------------------|----------------------------|
| Form                      | ENV.IL 0001 (01/21)                             | As Expiring                |
| Coverage Trigger          | Claims-Made and Reported                        | As Expiring                |
| First Named Insured (FNI) | City of San Bernardino Municipal Water District | As Expiring                |
| Broad Named Insured(s)    | Included                                        | As Expiring                |
| Business Interruption     | Included \$5M sublimit<br>(3 day deductible)    | As Expiring                |
| Scheduled Additional      | City of San Bernardino                          |                            |



## 2025 City of San Bernardino Municipal Water Department - Financial & Coverage Comparison

|                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Scheduled Additional Named Insureds</b>                                                                                           | City of San Bernardino<br>City of Loma Linda<br>East Valley Water District<br>Board of Water Commissioners of the City of San Bernardino<br>Mt. Vernon Mutual Water Company<br>Colton/San Bernardino Regional Tertiary Treatment & Water Reclamation Authority Regional Tertiary Treatment Rapid Infiltration and Extraction<br>Any Entity | As Expiring                                                                                                                                                                                                                                         |
| <b>Additional Insured(s)</b>                                                                                                         | Included – Where required by written contract                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                     |
| <b>Covered Locations and retroactive dates:</b><br><br><i>Please confirm that the schedule of location and addresses are correct</i> | Covered Location means all locations identified in the "2023-2024 SB Water SOV - (Excluding WRP) Updated 8-7-23 jls" and provided to the Company. Covered Location also includes any associated subsurface potable water, wastewater or stormwater pipelines.                                                                              | Covered Location means all locations identified in the "2025-2026 SB Water SOV - (Excluding WRP) 6-4-2025" and provided to the Company. Covered Location also includes any associated subsurface potable water, wastewater or stormwater pipelines. |
| <b>Underground Storage Tanks</b>                                                                                                     | Known UST's are excluded unless scheduled (refer to Appendix A)                                                                                                                                                                                                                                                                            | As Expiring                                                                                                                                                                                                                                         |
| <b>Coverage Territory</b>                                                                                                            | Worldwide                                                                                                                                                                                                                                                                                                                                  | As Expiring                                                                                                                                                                                                                                         |
| <b>Minimum Earned Premium</b>                                                                                                        | 100% At Inception                                                                                                                                                                                                                                                                                                                          | As Expiring                                                                                                                                                                                                                                         |
| <b>On-site and Off-site Clean-up of Pre-existing Conditions</b>                                                                      | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |
| <b>On-site and Off-site Clean-up of New Conditions</b>                                                                               | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |
| <b>Third-party Claims for Bodily Injury and Property Damage for Pre-existing Pollution Conditions</b>                                | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |
| <b>Third-party Claims for Bodily Injury and Property Damage for New Pollution Conditions</b>                                         | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |
| <b>Legal Defense Expenses</b>                                                                                                        | Included – 25% Defense outside the limits                                                                                                                                                                                                                                                                                                  | As Expiring                                                                                                                                                                                                                                         |
| <b>Fines and Penalties</b>                                                                                                           | Civil fines, civil penalties, civil assessments, punitive, exemplary or multiplied damages where allowable by law for bodily injury and property damage                                                                                                                                                                                    | As Expiring                                                                                                                                                                                                                                         |
| <b>Non-Owned Disposal Sites (NODS)</b>                                                                                               | Included, blanket basis see policy for limitations                                                                                                                                                                                                                                                                                         | As Expiring                                                                                                                                                                                                                                         |
| <b>1<sup>st</sup> and 3<sup>rd</sup> Party Transportation Pollution</b>                                                              | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |
| <b>Emergency Response Costs</b>                                                                                                      | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |



## 2025 City of San Bernardino Municipal Water Department - Financial & Coverage Comparison

|                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                |             |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Illicit Abandonment</b>                                                                                                                     | Included                                                                                                                                                                                                                                                                                                                                                                                       | As Expiring |
| <b>Fungi and Legionella</b>                                                                                                                    | Included                                                                                                                                                                                                                                                                                                                                                                                       | As Expiring |
| <b>Known Conditions Exclusion</b>                                                                                                              | Any pollution condition that is known by a responsible insured and not disclosed is excluded                                                                                                                                                                                                                                                                                                   | As Expiring |
| <b>Asbestos and Lead Exclusion</b>                                                                                                             | Included<br>Exclusion does not apply to Bodily Injury, Property Damage or Cleanup of soil, groundwater, surface water or sediment. Or inadvertent disturbance of asbestos                                                                                                                                                                                                                      | As Expiring |
| <b>PFAS Exclusion</b>                                                                                                                          | Included                                                                                                                                                                                                                                                                                                                                                                                       | As Expiring |
| <b>Land Use and Engineering Controls Exclusion</b>                                                                                             | Not included                                                                                                                                                                                                                                                                                                                                                                                   | As Expiring |
| <b>Responsible Insured:</b>                                                                                                                    | Your "executive officer", director, partner, member or manager;<br>Any insured who has responsibility, in whole or in part, for risk control, risk management, health and safety or Environmental affairs, control or compliance; or<br>Any insured who signed or who has responsibility, in whole or in part, for completing the application on which we relied in issuing this Coverage Form | As Expiring |
| <b>Waiver of Subrogation:</b>                                                                                                                  | Included                                                                                                                                                                                                                                                                                                                                                                                       | As Expiring |
| <b>Disclosed Document Schedule</b>                                                                                                             | Included                                                                                                                                                                                                                                                                                                                                                                                       | As Expiring |
| <b>Other Insurance</b>                                                                                                                         | Primary excess other valid and collectible insurance                                                                                                                                                                                                                                                                                                                                           | As Expiring |
| <b>Choice of Law</b>                                                                                                                           | Silent                                                                                                                                                                                                                                                                                                                                                                                         | As Expiring |
| <b>Covid – 19 Exclusion</b>                                                                                                                    | Not Included                                                                                                                                                                                                                                                                                                                                                                                   | As Expiring |
| <b>Products Pollution</b>                                                                                                                      | Included for water supplied or sold by the insured                                                                                                                                                                                                                                                                                                                                             | As Expiring |
| <b>Biological Weapons</b>                                                                                                                      | Not included                                                                                                                                                                                                                                                                                                                                                                                   | As Expiring |
| <b>Key Coverage Restrictions/ Exclusions (not addressed above)</b><br><br><i>Please refer to respective policy forms for complete language</i> | Construction related activity exclusion (all locations)<br><br>Exclusion for contaminants outlined in the consent decree 03/24/2005<br><br>Perchlorate exclusion (site specific)<br><br>Historic fill exclusion (site specific)                                                                                                                                                                | As Expiring |

### Appendix A

|    | Covered Location                                           | Tank ID | Tank Size       | Contents     | Retroactive Date | Per Tank Deductible |
|----|------------------------------------------------------------|---------|-----------------|--------------|------------------|---------------------|
| 1. | TWO CHAMBERED UST<br>195 N. D STREET<br>SAN BERNARDINO, CA | 1       | 6,000 AND 5,000 | GAS & DIESEL | 10/31/1993       | \$100,000           |



## 2025 City of San Bernardino Municipal Water Department - Financial & Coverage Comparison

|    |                                |   |        |           |            |           |
|----|--------------------------------|---|--------|-----------|------------|-----------|
| 2. | 300 CHANDLER PLACE<br>(HDWRKS) | 2 | 10,000 | DIESEL    | 10/31/1995 | \$100,000 |
| 3. | 300 CHANDLER PLACE (RS1)       | 3 | 4,000  | DIESEL    | 10/31/1988 | \$100,000 |
| 4. | 300 CHANDLER PLACE (NR)        | 4 | 4,000  | DIESEL    | 10/31/1988 | \$100,000 |
| 5. | 300 CHANDLER PLACE (E ST)      | 5 | 4,000  | DIESEL    | 10/31/1992 | \$100,000 |
| 6. | 300 CHANDLER PLACE<br>(ARRWHD) | 6 | 1,000  | WASTE OIL | 10/31/1995 | \$100,000 |
| 7. | 300 CHANDLER PLACE (E ST)      | 7 | 1,000  | WASTE OIL | 10/31/2005 | \$100,000 |

### Subjectivities

#### Hamilton

Hamilton The Disclosure Notice of Terrorism Insurance Coverage

Hamilton Tax Payee Information Form

Policy number of storage tank policy

# Hartford Financial Products RENEWAL QUOTATION



9/15/2025

To: ANDREW BUTLER

Firm: MARSH USA LLC  
Address: 540 WEST MADISON AVE 12TH FLR  
City/State: CHICAGO, IL 60643  
Tel:  
E-mail: ANDREW.BUTLER@MARSH.COM

From: KURT KONKEY

Department: Middle Market Executive Liability  
Address:  
City/State:  
Tel: 1-312-506-8152  
E-mail: KURT.KONKEY@THEHARTFORD.COM

Please read this document carefully. This temporary and conditional Quote of Insurance contains time sensitive requirements to bind coverage.

Insured Name: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT  
PO BOX 710  
SAN BERNARDINO, CA 92402

Proposed Renewal of Policy Number: 83 FA 0298757-24

Proposed Policy Period: 10/30/2025 - 10/30/2026

Policy Form: THE HARTFORD CRIMESHIELD ADVANCED POLICY - CA00H00300 0909

Insuring Company: HARTFORD FIRE INSURANCE CO., an Admitted Company

Payment Terms: Within 30 days, and no later than 11/29/2025

Commission: 20.00%

Commission percentages shown are for direct commission only and do not include any applicable contingent commission or other forms of compensation.

Based upon the information provided regarding the above captioned account, we are pleased to provide you with the following temporary and conditional Quote for Insurance on behalf of the HARTFORD FIRE INSURANCE CO. **HARTFORD FIRE INSURANCE CO. is a member of The Hartford Insurance Group and is rated A+ (Superior), XV (\$2 billion or more in capital and surplus and conditional reserves) by A.M. Best.**

Please note that this Insurer is admitted to provide this coverage in the state of CA. It is your agency's/brokerage's responsibility to conform with the Laws & Regulations of the applicable jurisdiction, including, but not limited to, payment of premium taxes, procuring of affidavits and compliance with surplus lines laws.

Please be advised in those jurisdictions where countersignature is required, The Hartford will use its designated countersignature agent unless you request and receive authorization from The Hartford for use of an alternative countersignature agent. Responsibility for fees will be borne by you.

The Field Fidelity Department is an underwriting unit of Hartford Financial Products (HFP), one of the largest domestic providers of management liability insurance. HFP is a division of the member companies of The Hartford Financial Services Group, Inc. (NYSE:HIG). Through our individual underwriting units we offer a host of insurance products for management and professional liability including **Directors & Officers, Cyber Liability, Fiduciary/Fidelity, General Partnership, Errors and Omissions, and Employment Practices**. HFP is among the market leaders in providing innovative financial products including **Representations & Warranties**. If you would like to inquire further about any coverage listed above, please do not hesitate to contact us or to explore our web site at [The Hartford](http://TheHartford.com).

We appreciate this opportunity to work with you and look forward to discussing this temporary and conditional quote in further detail.

This quote is valid for 30 days from 9/15/2025 or until the inception date of the Proposed Policy Period, whichever date first arrives.

| Option 1 | CrimeSHIELD Advanced                                              | Limit of Insurance* | Deductible** |
|----------|-------------------------------------------------------------------|---------------------|--------------|
|          | IA1 - EMPLOYEE THEFT                                              | \$1,000,000         | \$10,000     |
|          | IA2 - EMPLOYEE THEFT CLIENT PREMISES                              | N/A                 | N/A          |
|          | IA3 - COMPUTER AND FUNDS TRANSFER FRAUD                           | \$1,000,000         | \$10,000     |
|          | IA4 - INSIDE THE PREMISES - MONEY, SECURITIES AND OTHER PROPERTY  | \$1,000,000         | \$10,000     |
|          | IA5 - OUTSIDE THE PREMISES - MONEY, SECURITIES AND OTHER PROPERTY | \$1,000,000         | \$10,000     |
|          | IA6 - DEPOSITORS FORGERY OR ALTERATION                            | \$1,000,000         | \$10,000     |
|          | IA7 - CREDIT, DEBIT OR CHARGE CARD FORGERY                        | \$1,000,000         | \$10,000     |
|          | IA8 - MONEY ORDERS AND COUNTERFEIT CURRENCY                       | \$1,000,000         | \$10,000     |
|          | IA9 - INVESTIGATIVE EXPENSES                                      | \$25,000            | \$0          |

|                                                  |          |                |
|--------------------------------------------------|----------|----------------|
| IA10 - COMPUTER SYSTEMS<br>RESTORATION EXPENSES  | \$25,000 | \$0            |
| IA11 IDENTITY RECOVERY EXPENSES<br>REIMBURSEMENT | \$25,000 | N/A            |
|                                                  |          |                |
| <b>ANNUAL PREMIUM:***</b>                        |          | <b>\$5,264</b> |

\* *LIMIT OF INSURANCE: In excess of the primary attachment point or primary deductible.*

\*\* *ATTACHMENT POINT / DEDUCTIBLE: Each Claim.*

\*\*\* *Statutory taxes, fees and/or guarantee fund taxes and other applicable state specific premium surcharges are separate and in addition to the indicated premium.*

| <b>POLICY BILLING INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type:</b> Broker Bill<br>Return Remittance to:<br><b>Via Check</b> (Made payable to Hartford Fire Insurance Company)<br>Hartford Fire Insurance Company<br>C/O Bank of America<br>3793 Collection Center Dr.<br>Chicago, IL 60693<br><b>Via Wire Transfer</b><br>ABA Number: 026-009-593<br>For Account: Hartford Fire Ins. Co.<br>Account Number: 375-157-7481<br>Reference: 00 83 FA 0298757-24 25 CITY OF SAN BERNARDINO<br>MUNICIPAL WATER DEPARTMENT<br>For billing inquiries email us at HFP-Billing@thehartford.com. |

## ENDORSEMENTS, EXCLUSIONS AND LIMITATIONS

| Form Number | Name                                                                                  | Applicable to Option # |
|-------------|---------------------------------------------------------------------------------------|------------------------|
| CA00H12601  | <u>BOND BILLING STATEMENT</u>                                                         | 1                      |
| CA00H00200  | <u>CRIMESHIELD ADVANCED POLICY DECLARATIONS</u>                                       | 1                      |
| CA00H00300  | <u>THE HARTFORD CRIMESHIELD ADVANCED POLICY</u>                                       | 1                      |
| CA00H10000  | <u>ADD FAITHFUL PERFORMANCE OF DUTY - WITH SUBLIMIT</u>                               | 1                      |
| HG00H00901  | <u>AMEND MAILING ADDRESS FOR NOTICE ENDORSEMENT</u>                                   | 1                      |
| CA00H09300  | <u>AMENDMENT FOR GOVERNMENTAL ENTITIES</u>                                            | 1                      |
| CA00H15700  | <u>DECEPTION FRAUD ENDORSEMENT (HIGHER LIMIT)</u>                                     | 1                      |
| CA00H15600  | <u>INCLUDE COVERAGE FOR VIRTUAL CURRENCY - SUBLIMITED</u>                             | 1                      |
| CA04H00400  | <u>CALIFORNIA AMENDATORY ENDORSEMENT</u>                                              | 1                      |
| CA04H00500  | <u>CALIFORNIA CANCELLATION AND NONEVAL ENDORSEMENT</u>                                | 1                      |
| CA04H10500  | <u>CALIFORNIA PREMIUM ENDORSEMENT</u>                                                 | 1                      |
| CA00H00700  | <u>JOINT INSURED</u>                                                                  | 1                      |
| HG00H12900  | <u>U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS<br/>CONTROL ("OFAC")</u> | 1                      |
| HG04H00100  | <u>NOTICE TO POLICYHOLDERS CALIFORNIA</u>                                             | 1                      |
| EL04R11102  | <u>IMPORTANT INFORMATION TO POLICYHOLDERS</u>                                         | 1                      |
| HR00H09300  | <u>PRODUCER COMPENSATION NOTICE</u>                                                   | 1                      |

*Note: Endorsement titles are used for ease of reference only. If you have questions regarding the scope of the above endorsements, please request a specimen copy using the corresponding form number above.*

## SUBJECTIVITIES

**This quote is subject to the underwriter's receipt review and acceptance of the following prior to binding:**

|     |
|-----|
| N/A |
|-----|

This group of subjectivities is required **prior to binding**, and in the event that they are not received, reviewed and accepted, The Hartford fully reserves its rights to amend the Policy. In addition, we do not waive any rights or defenses we may have in connection with the Policy, nor are we estopped from asserting all or any defenses that we may have available to us under the Policy.

This is a temporary and conditional quote and is conditioned upon underwriter's **receipt, review and acceptance** of the additional information specified above. If any such information is not received, reviewed and accepted by The Hartford, then we will take any and all action appropriate and allowed under state law, including but not limited to voiding *ab initio* and/or canceling this temporary and conditional quote and any binder issued pursuant thereto.

Please be aware that if prior to the effective date of binding coverage there is: a) any material change in the information requested by and/or submitted to The Hartford, or b) any material change in the hazard or risk contemplated in this quotation, the applicant must advise The Hartford immediately and prior to the effective date of the policy period. The Hartford fully reserves its rights with respect to the acceptance or denial of this risk in the event of any of the above.

Additionally, please be aware that if prior to the effective date of binding coverage there is any claim made against any insured or any notice of potential claim, occurrence, circumstance or wrongful act given under the expiring policy (if applicable), then we will take any and all action appropriate and allowed under state law, including but not limited to voiding *ab initio* and/or canceling this temporary and conditional quote and binder issued pursuant thereto.

### **CALIFORNIA NOTICE**

California Notice: The Hartford may charge a fee if this bond or policy is cancelled before the end of its term. The fee can range between 5% to 100% of the pro rata unearned premium. Please refer to the terms and conditions stated in the policy or bond. This notice does not apply to cancellations initiated by The Hartford.



HARTFORD FIRE INSURANCE CO.

**Date:** 9/15/2025

**Producer Code:** 83554508

MARSH USA LLC  
155 N WACKER DR  
CHICAGO, IL 60606

### **Producer's Advice of Premium for Fidelity**

**Insured:** CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT  
**Policy #:** 83 FA 0298757-24  
**Policy Term:** 10/30/2025 - 10/30/2026  
**Type of Policy:** CRIMESHIELD ADVANCED  
**Billing Term:** ANNUAL  
**Billing Type:** HFP BILL  
**Transaction Type:** RENEWAL

| Premium  |
|----------|
| \$ 5,264 |

**Comments:**

PLEASE NOTE THAT THIS IS A PRODUCER'S ADVICE OF PREMIUM ONLY. AN ORIGINAL INVOICE WILL BE SENT DIRECTLY TO YOUR ACCOUNTING DEPARTMENT.

SPECIMEN

# THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED DECLARATIONS



HARTFORD FIRE INSURANCE CO.  
Hartford Plaza, Hartford, CT 06115,  
**A stock insurance company, herein called the Insurer**

**Policy Number:** 83 FA 0298757-24

**ITEM 1. Named Insured:**

**Producer:** Code, Name and Address:

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT  
83554508  
MARSH USA LLC  
155 N WACKER DR  
CHICAGO, IL 60606

**ITEM 2. Address**

PO BOX 710  
SAN BERNARDINO, CA 92402

**ITEM 3. Policy Period:** From 12:01 a.m. on 10/30/2025 Inception Date To 12:01 a.m. on 10/30/2026 Expiration Date  
(Standard Time at your mailing address)

**ITEM 4. Coverages, Limits of Insurance and Deductibles:** Only Those **Insuring Agreements** That Are Designated With An "X" Are Included Under This **Policy**

|                                                                                                                           | Limit of Insurance | Deductible Amount |
|---------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|
| <input checked="" type="checkbox"/> Insuring Agreement 1 Employee Theft                                                   | \$1,000,000        | \$10,000          |
| <input type="checkbox"/> Insuring Agreement 2 Employee Theft Client Premises                                              | \$N/A              | \$N/A             |
| <input checked="" type="checkbox"/> Insuring Agreement 3 Computer And Funds Transfer Fraud                                | \$1,000,000        | \$10,000          |
| <input checked="" type="checkbox"/> Insuring Agreement 4 Inside The Premises <i>Money, Securities and Other Property</i>  | \$1,000,000        | \$10,000          |
| <input checked="" type="checkbox"/> Insuring Agreement 5 Outside The Premises <i>Money, Securities and Other Property</i> | \$1,000,000        | \$10,000          |
| <input checked="" type="checkbox"/> Insuring Agreement 6 Depositors Forgery or Alteration                                 | \$1,000,000        | \$10,000          |
| <input checked="" type="checkbox"/> Insuring Agreement 7 Credit, Debit Or Charge Card Forgery                             | \$1,000,000        | \$10,000          |
| <input checked="" type="checkbox"/> Insuring Agreement 8 Money Orders And Counterfeit Currency                            | \$1,000,000        | \$10,000          |
| <input checked="" type="checkbox"/> Insuring Agreement 9 Investigative Expenses                                           | \$25,000           | \$0               |
| <input checked="" type="checkbox"/> Insuring Agreement 10 Computer Systems Restoration Expenses                           | \$25,000           | \$0               |
| <input checked="" type="checkbox"/> Insuring Agreement 11 Identity Recovery Expenses Reimbursement                        | \$25,000           | \$N/A             |

**ITEM 5. Form numbers of Endorsements Forming Part of this Policy When Issued:**

**ITEM 6.** Cancellation of Prior Insurance: By acceptance of this **Policy** the "Insured" gives the Insurer notice cancelling prior policies or bonds numbered: FA 02987572401 the cancellations to be effective at the time this **Policy** becomes effective.

**ITEM 7. ADDRESS FOR NOTICES TO THE INSURER**

**(A) For Claims:**

The Hartford  
Hartford Financial Lines  
One Hartford Plaza  
Hartford, CT 06115

**HFPClaims@thehartford.com**

Fax: (917) 464-6000

**(B) For other than Claims:**

The Hartford  
Hartford Financial Lines  
One Hartford Plaza  
Hartford, CT 06115

**HFPEXpress@thehartford.com**

Fax: (866) 586-4550



\_\_\_\_\_  
**Authorized Representative**

09/15/2025

\_\_\_\_\_  
**Date**

# THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED

## I. CONSIDERATION CLAUSE

In exchange for the payment of premium and subject to the Declarations, Insuring Agreements, Exclusions, General Conditions, Definitions and terms of this Policy, the Insurer and "Insured" agree as follows:

**ONLY THOSE INSURING AGREEMENTS THAT ARE DESIGNATED WITH AN "X" ON THE POLICY DECLARATIONS PAGE ARE INCLUDED UNDER THIS POLICY.**

## II. INSURING AGREEMENTS

### INSURING AGREEMENT 1. - EMPLOYEE THEFT

The Insurer will pay for loss of or damage to "money", "securities" and "other property" incurred by the "Insured" which results directly from "theft" by an "employee", whether or not identifiable, while acting alone or in collusion with other persons.

### INSURING AGREEMENT 2. - EMPLOYEE THEFT CLIENT PREMISES

The Insurer will pay for loss of or damage to "money", "securities" and "other property" sustained by the "Insured's" "client" when such loss results directly from "theft" on said "client's premises" by the "Insured's" identified "employee".

### INSURING AGREEMENT 3. - Computer And Funds Transfer Fraud

1. The Insurer will pay for loss of and loss from damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of such "money", "securities" and "other property" from inside the "premises" or "banking premises":
  - a. to a person (other than a "messenger") outside those "premises"; or
  - b. to a place outside those "premises".
2. The Insurer will pay for loss of "money" or "securities" through "funds transfer fraud" resulting directly from "fraudulent transfer instructions" communicated to a "financial institution" and instructing such institution to pay, deliver, or transfer "money" or "securities" from the "Insured's" "transfer account".

### INSURING AGREEMENT 4. - INSIDE THE PREMISES *Money, Securities and Other Property*

1. The Insurer will pay for loss of "money" and "securities" inside the "premises" or "banking premises" resulting directly from "theft", disappearance or destruction.
2. The Insurer will pay for loss of or damage to "other property":
  - a. inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
  - b. inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".
3. The Insurer will pay for loss from damage to the "premises" or its exterior resulting from an actual or attempted:
  - a. "theft" of "money" or "securities"; or
  - b. "robbery" or "safe burglary" of "other property"if the "Insured" is the owner of the "premises" or is liable for damage to it.

4. The Insurer will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" or unlawful entry into those containers.

#### **INSURING AGREEMENT 5. - OUTSIDE THE PREMISES *Money, Securities and Other Property***

1. The Insurer will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
2. The Insurer will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

#### **INSURING AGREEMENT 6. - DEPOSITORS FORGERY OR ALTERATION**

1. The Insurer will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - a. made or drawn upon the "Insured"; or
  - b. made or drawn by one acting as the "Insured's" agent and drawn on the "Insured's" account or that are purported to have been so made or drawn.
2. The Insurer will treat mechanically or electronically produced or reproduced signatures the same as handwritten signatures.
3. If the "Insured" is sued for refusing to pay any instrument in 1. above, on the basis that it has been forged or altered and the "Insured" has the Insurer's written consent to defend against that suit, the Insurer will pay for any reasonable legal expenses that the "Insured" incurs and pays in such defense. The amount that the Insurer will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement. If a Deductible Amount applies to this Insuring Agreement, the Insurer will also apply it to the amount of legal expenses incurred in this Insuring Agreement.
4. The "Insured" must include with the "Insured's" proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss and describing both sides of said instrument.

#### **INSURING AGREEMENT 7. - CREDIT, DEBIT OR CHARGE CARD FORGERY**

The Insurer will pay for loss which results directly from forgery or alteration of written instruments required in conjunction with any credit, debit, or charge card issued to the "Insured" or any "employee" for business use.

#### **INSURING AGREEMENT 8. - MONEY ORDERS AND COUNTERFEIT CURRENCY**

1. The Insurer will pay for loss resulting directly from the "Insureds" having accepted in good faith and in the regular course of business, in exchange for merchandise, "money" or services:
  - a. money orders issued by any post office, express company or bank in any country that are not paid upon presentation; or
  - b. "counterfeit" paper currency of any country that is acquired during the regular course of business.

Unless otherwise shown in the Declarations, the Limit of Insurance under this Insuring Agreement is \$50,000 and there is no deductible applying to loss covered under this Insuring Agreement.

## **INSURING AGREEMENT 9 - INVESTIGATIVE EXPENSES**

The Insurer will pay for reasonable "investigative expenses" incurred and paid by the "Insured" per "occurrence" to establish the existence and determine the amount of loss covered under Insuring Agreements 1. through 8. if elected, provided that the amount of direct covered loss exceeds the Deductible Amount applicable to such covered loss.

## **INSURING AGREEMENT 10. - COMPUTER SYSTEMS RESTORATION EXPENSES**

The Insurer will pay for "computer systems restoration expense" resulting directly from any loss covered under INSURING AGREEMENT 1. - EMPLOYEE THEFT, INSURING AGREEMENT 2. - EMPLOYEE THEFT - CLIENT PREMISES or INSURING AGREEMENT 3. - COMPUTER AND FUNDS TRANSFER FRAUD incurred by the "Insured" but only if such covered loss is in excess of the Deductible applicable to such covered loss.

## **INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT**

The Insurer will provide reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft" provided that all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the "policy period" for which this Identity Recovery Expenses Reimbursement coverage is applicable; and
3. Such "identity theft" is reported to the Insurer as soon as practicable but in no event later than 60 days after it is first discovered by the "identity recovery insured."

## **III. LIMIT OF INSURANCE**

- A. The most that the Insurer will pay for loss and expense in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.
- B. INSURING AGREEMENT 11. IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage is subject to the limit set forth on the Declarations page.
  1. Legal costs as provided under paragraph d. of the definition of "identity recovery expenses" are part of, and not in addition to, the INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage limit.
  2. Lost Wages and Child and Elder Care Expenses as provided under paragraphs 5. and 6. of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$250 per day, not to exceed \$5,000 in total. This sublimit is part of, and not in addition to, the INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage limit. Coverage is limited to lost wages and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
  3. Mental Health Counseling as provided under paragraph 7. of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

## **IV. DEDUCTIBLE**

The Insurer will not pay for loss or expense in any one "occurrence" unless the amount of the loss or expense exceeds the Deductible Amount shown in the Declarations. The Insurer will then pay the amount of loss or expense in excess of the Deductible Amount, up to the Limit of Insurance. In the event that more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount will be applied.

## V. DEFINITIONS

- A. *"Banking premises"* means the interior portion of that part of any building occupied by a banking institution or similar safe depository.
- B. *"Client"* means any entity for which the "Insured" provides goods or services as specified in a written agreement, but only while the written agreement is in effect.
- C. *"Client's premises"* means the interior of that portion of any building that the "Insured's" "client" occupies in conducting its business.
- D. *"Computer System"* means: a computer and all input, output, processing, storage, off line media library and communication facilities which are connected to such computer, provided that such computer and facilities are:
1. under the direct operation and control of the "Insured";
  2. at an "electronic data processor" with whom the "Insured" has contracted for data processing services (including other financial institutions); or
  3. at an automated clearing house (including a Federal Reserve Bank), or other electronic communications system including but not limited to Fedwire, Clearing House Interbank Payment System (CHIPS) and Society for Worldwide International Financial Telecommunications (SWIFT);
- E. *"Computer Systems Restoration Expenses"* means reasonable expenses, incurred by the "Insured" with the Insurer's prior written consent, to reproduce or duplicate damaged or destroyed "data" or computer programs. If such "data" or computer programs cannot be duplicated from other "data" or computer programs, then "computer systems restoration expense" shall also include reasonable costs incurred for computer time, computer programmers, technical experts or consultants to restore such "data" or computer programs to substantially the same level of operational capability existing immediately before the covered loss. "Computer systems restoration expenses" shall not include 1) expenses incurred by any "client" 2) "Investigative Expenses" and 3) the "Insured's" internal corporate costs, including salaries.
- F. *"Controlled Partnership"* means a limited partnership in which and so long as the "Named Insured" owns or controls, directly or indirectly, more than 50% of the limited partnership interest and is the sole general partner.
- G. *"Counterfeit"* means an imitation of an actual valid original which is intended to deceive and to be taken as an original.
- H. *"Custodian"* means the "Insured", or any of the "Insured's" partners, an "LLC Manager", "LLC Member" or any "employee" while having the care and custody of "money", "securities" or "other property" inside the "premises", excluding any person while acting as a "watchperson" or janitor.
- I. *"Data"* means a representation of information, knowledge, facts, concepts or instructions which are processed and stored in a "computer system".
- J. *"Electronic Data Processor"* means a natural person, partnership or corporation authorized by the "Insured" to perform services as a data processor of the "Insured's" checks or other accounting records (not including preparation or modification of computer software or programs). A Federal Reserve Bank or clearinghouse shall not be construed to be an "electronic data processor".
- K. *"Employee"* means
1. a natural person:
    - a. while in the "Insured's" service or for 90 days after termination of such service; and
    - b. whom the "Insured" compensates directly by salary, wages, commissions; and
    - c. whom the "Insured" has the right to direct and control while performing services for the "Insured"

2. a natural person who is:
  - a. a trustee, officer, employee, administrator or manager of any "Employee Benefit Plan(s)" insured under this Policy; or
  - b. the "Insured's" director or trustee while that person is handling "money" or "securities" or "other property" of "Employee Benefit Plan(s)" insured under this Policy;
3. a natural person who is a director or trustee of the "Insured" while performing acts coming within the scope of the usual duties of an "employee" or while acting as a member of any of the "Insured's" elected or appointed committees to perform on the "Insured's" behalf, specific, as distinguished from general, directorial acts; or
4. a natural person who is furnished temporarily to the "Insured" by a temporary employment service firm to substitute for a permanent "employee" as defined in sub-paragraph (1) above, who is on leave, or to meet seasonal or short-term work load conditions and for whom the "Insured" has the right to direct and control while performing services for the "Insured"; provided, however, such persons are excluded while having care and custody of "other property" outside the "premises".
5. a natural person who is leased to the "Insured" under a written agreement between the "Insured" and a labor leasing firm, to perform duties related to the conduct of the "Insured's" business;
6. a natural person who is a non-compensated officer of the "Insured";
7. a natural person who is a volunteer of the "Insured's" who is not compensated, other than one who is a fund solicitor, while performing services for the "Insured" that are usual to the duties of an "Employee"; or
8. a natural person who is a former "employee", director, partner, member or trustee of the "Insured" retained as a consultant while performing services for the "Insured"; or
9. a natural person who is a guest student or intern of the "Insured" while pursuing studies or duties with the guidance or direction of the "Insured"; or
10. a natural person who is the "Insured's" partner, "LLC Manager" or "LLC Member", but the Insurer will not pay for loss caused by any partner, "LLC Manager" or "LLC Member", unless the amount of the loss exceeds the sum of:
  - a. any amounts the "Insured" owes that partner, "LLC Manager" or "LLC Member"; and
  - b. the value of that partner's partnership interest, or that "LLC Manager's" or "LLC Member's" ownership interest determined by the closing of the "Insured" organization's books on the date of discovery of the loss by the "Insured" organization by anyone not in collusion with the person causing the loss, and
  - c. any applicable Deductible Amount;

then the Insurer will pay the amount of loss excess of that sum, up to the Limit of Insurance applicable to INSURING AGREEMENT 1. - EMPLOYEE THEFT.

The foregoing notwithstanding, "employee" does NOT mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character.

- L. *"Employee Benefit Plan(s)"* means any welfare or pension Plan that is subject to the Employee Retirement Income Security Act (ERISA) of 1974, as amended, and which is sponsored by one or more of the "Insureds".
- M. *"Financial institution"* means a bank, savings bank, savings and loan association or similar thrift institution, a stockbroker, mutual fund, liquid assets fund, or similar investment institution in which the "Insured" maintains a "transfer account".

- N. *"Forgery"* means the signing of the name of another person or organization with intent to deceive; provided, however, that it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any reason.
- O. *"Fraudulent transfer instructions"* means:
1. fraudulent electronic, telegraphic, facsimile, cable, teletype or telephone instructions to a "financial institution" to debit a "transfer account" and to pay, transfer or deliver "money" or "securities" from such account and which instructions purport to have been authorized by the "Insured" but which have been fraudulently transmitted by another; or
  2. fraudulent written instructions to a "financial institution" to debit a "transfer account" and to pay, transfer or deliver "money" or "securities" from such account through an electronic funds transfer system at specified times or under specified conditions and which instructions purport to have been duly authorized by the "Insured" but which have been fraudulently issued, forged or altered by another.
- P. *"Funds transfer fraud"* means "theft" of "money" or "securities" from any of the "Insured's" "transfer accounts" at a "financial institution" and occurring through "fraudulent transfer instructions" communicated to such "financial institution".
- Q. *"Identity Recovery Expenses"* means the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an "identity theft":
1. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
  2. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the "Insured's" efforts to report an "identity theft" or amend or rectify records as to the "Insured's" true name or identity as a result of an "identity theft."
  3. Costs for up to twelve (12) credit reports from established credit bureaus dated within 12 months after the "Insured's" knowledge or discovery of an "identity theft".
  4. Legal Costs for reasonable attorney fees incurred, with the Insurer's prior written consent, for:
    - a. defending any civil suit brought against an "identity recovery insured" by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an "identity theft"; and
    - b. removing any civil judgment wrongfully entered against an "identity recovery insured" as a result of the "identity theft."
    - c. costs for challenging the accuracy or completeness of any information in a consumer credit report.
  5. Lost Wages

Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
  6. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

## 7. Mental Health Counseling

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

**R. "Identity Recovery Insured"** means a member of the board of directors, member of the board of trustees, officer, risk manager, in-house general Counsel, "LLC Manager", or "LLC Member". An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."

**S. "Identity Theft"** means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

**T. "Insured"** means the "Named Insured", any "Employee Benefit Plan(s)", any "non-ERISA" plan(s) and any "subsidiary" in existence as of the inception date of this Policy or formed by the "Insured" during the Policy Period.

**U. "Investigative Expenses"** means reasonable expenses incurred and paid by the "Insured", with the Insurer's prior written consent, in establishing the existence and amount of any direct loss covered under Insuring Agreements 1. through 8. within this Policy. The reasonableness of such expenses shall be determined by the Insurer and shall not include any of the "Insured's" internal corporate obligations such as "employee" wages or any other internal costs. "Investigative expenses" shall not include expenses incurred by any "client".

**V. "LLC Manager"** means any natural person who was is or becomes a manager, member of the board of managers, or a functionally equivalent executive of a limited liability company.

**W. "LLC Member"** means any natural person who has an ownership interest in a limited liability company.

**X. "Messenger"** means the "Insured", any "LLC Member" or "LLC Manager" or any "employee" while having care and custody of "money", "securities" and "other property" outside the "premises".

**Y. "Money"** means currency, coins and bank notes in current use and having a face value; and traveler's checks, register checks and money orders held for sale to the general public.

**Z. "Named Insured"** means any entity named in ITEM 1 of the Declarations of this Policy.

**AA. "Non-ERISA Plan(s)"** means any plan solely sponsored by any "Insured" that is not subject to the terms of ERISA.

**BB. "Occurrence"** means:

1. as respects INSURING AGREEMENT 1. - EMPLOYEE THEFT and INSURING AGREEMENT 2. - EMPLOYEE THEFT - CLIENT PREMISES, all loss caused by, or involving, one or more "employees", whether the result of a single act or a series of acts.
2. as respects INSURING AGREEMENT 6. - DEPOSITORS FORGERY OR ALTERATION, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
3. as respects INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage, all acts incidental to an "identity theft", any series of "identity thefts" and all "identity thefts" arising from the same method of operation, whether committed by one or more persons, shall be deemed to arise out of one act and shall be treated as one "identity theft". If an act causes a covered expense under INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage, to more than one "identity recovery insured", the limit of insurance and deductible for INSURING AGREEMENT 11. - IDENTITY RECOVERY

EXPENSES REIMBURSEMENT set forth on the Declaration page shall be the most the Insurer shall pay for all covered loss in the aggregate.

4. as respects all other Insuring Agreements, an act or series of related acts involving one or more persons; or an act or event or a series of related acts or events not involving any person.

**CC.** *"Other Property"* means any tangible property other than "money" or "securities" that has intrinsic value but does not include any property excluded under this Policy.

**DD.** *"Policy Period"* means the period from the Inception Date to the Expiration Date set forth in ITEM 3. of the Declarations at the local time of the address set forth in ITEM 2. of the Declarations, or any earlier termination date.

**EE.** *"Premises"* means the interior of that portion of any building which the "Insured" occupies in conducting the "Insured's" business.

**FF.** *"Robbery"* means the unlawful taking of "other property" from the care and custody of a person by one who has caused or threatened to cause that person bodily harm, or, committed an obviously unlawful act witnessed by that person, to the deprivation of the "Insured".

**GG.** *"Safe burglary"* means the unlawful taking of "other property" from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior, or, the taking of a safe or vault from inside the "premises".

**HH.** *"Securities"* means negotiable or non-negotiable instruments or contracts representing either "money" or "other property" and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use and evidences of debt issued in connection with credit or charge cards, which cards are not issued by the "Insured"; but "securities" do not include "money".

**II.** *"Subsidiary"* means any:

1. corporation in which and so long as any "Named Insured" owns or controls, directly or indirectly, more than 50% of the outstanding securities representing the right to vote for the election of the board of directors of such corporation;
2. limited liability company in which and so long as the "Named Insured" owns or controls, directly or indirectly, the right to elect, appoint or designate more than 50% of such entity's managers;
3. corporation operated as a joint venture in which and so long as the "Named Insured" owns or controls, directly or indirectly, exactly 50% of the issued and outstanding voting stock and which, pursuant to a written agreement with the owner(s) of the remaining issued and outstanding voting stock of such corporation, the "Named Insured" solely controls the management and operation of such corporation; or
4. a "Controlled Partnership"

With respect to any "subsidiary" which is a joint venture, limited liability company or "Controlled Partnership", loss occurring as a result of "theft" by "employee(s)" shall apply only if such loss results directly from "theft" by "employee(s)" of the "Insured". Loss occurring as a result of "theft" by "employee(s)" of other joint venture, limited liability company or limited partnership participants is not covered under INSURING AGREEMENT 1. EMPLOYEE THEFT of this Policy.

**JJ.** *"Theft"* means:

1. the unlawful taking of "money", "securities" or "other property" to the deprivation of the "Insured";
2. solely for the purposes of INSURING AGREEMENT 2. - EMPLOYEE THEFT - CLIENT PREMISES, the unlawful taking of "money", "securities" or "other property" to the deprivation of the "client".

**KK.** “*Transfer account*” means an account maintained by the “Insured” at a “financial institution” from which the “Insured” or the “Insured’s” authorized representative may cause the payment, transfer or delivery of “money” or “securities” by any means described in the “fraudulent transfer instructions” definition.

**LL.** “*Watchperson*” means any person whom the “Insured” retains specifically to have the care and custody of “other property” inside the “premises” and who has no other duties.

## **VI. EXCLUSIONS (*Applying To All Insuring Agreements Unless Otherwise Specified*)**

### **This Policy Does Not Apply To And The Insurer Will Not Pay For:**

#### **A. Accounting or Arithmetical Errors or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

#### **B. Acts Committed By A Named Insured Sole Practitioner**

Loss resulting from “theft”, or any other dishonest or criminal act committed by the “Named Insured” if such “Named Insured” is a sole practitioner, whether acting alone or in collusion with others.

#### **C. Acts of Employees, Managers, Directors, Trustees or Representatives**

Loss resulting from “theft” or any other dishonest or criminal act committed by any of the “Insured’s” “employees”, managers, directors, trustees or representatives whether acting alone or in collusion with other persons or while performing services for the “Insured” or otherwise except when covered under INSURING AGREEMENT 1. - EMPLOYEE THEFT or INSURING AGREEMENT 2. - EMPLOYEE THEFT - CLIENT PREMISES.

#### **D. Employee Cancelled Under Prior Insurance**

Loss caused by any “employee” of the “Insured” or by any “employee” of a predecessor in interest of the “Insured”, for whom similar prior insurance has been cancelled and not reinstated since the last cancellation.

#### **E. Exchanges or Purchases**

Loss resulting from the giving or surrendering of “money”, “securities” or “other property” in any exchange or purchase.

#### **F. Fire**

Loss from damage to the “premises” resulting from fire, however caused, except for loss of or damage to “money” or “securities” and loss from damage to a safe or vault under INSURING AGREEMENT 4. - INSIDE THE PREMISES MONEY, SECURITIES AND OTHER PROPERTY.

#### **G. Identity Recovery Insured Fraud, Dishonest or Criminal Acts**

Loss resulting from any fraudulent, dishonest or criminal act by an “identity recovery insured” or any person aiding or abetting an “identity recovery insured”, or by any authorized representative of an “identity recovery insured”, whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an “Insured” who has no knowledge of or involvement in such fraud, dishonesty or criminal act.

#### **H. Governmental Action**

Loss resulting from seizure or destruction of “money”, “securities” or “other property” by order of governmental authority.

#### **I. Indirect Loss**

Loss that is an indirect result of any act or "occurrence" covered by this Policy including but not limited to loss resulting from:

1. the "Insured's" inability to realize income that the "Insured" would have realized had there been no loss of or damage to "money", "securities" or "other property".
2. payment or damages of any type for which the "Insured" is legally liable. But the Insurer will pay compensatory damages arising directly from a loss covered under this Policy.
3. payment of costs, fees or other expenses the "Insured" incurs in establishing either the existence of or the amount of loss under this Policy, unless covered under INSURING AGREEMENT 9. - INVESTIGATIVE EXPENSES.

#### **J. Intellectual Property, Confidential Information And Electronic Data**

Loss resulting directly or indirectly from any "theft", disappearance, damage, destruction or disclosure of any intangible property including:

1. trade secrets, proprietary information, confidential information or any copyrights, patents, trademarks, proprietary manufacturing or processing procedures; or
2. secret or confidential information, including but not limited to credit card numbers, bank account numbers or any similar information, unless covered under INSURING AGREEMENT 11. IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage; or
3. "Data" unless covered under INSURING AGREEMENT 10. - COMPUTER SYSTEMS RESTORATION EXPENSES.

#### **K. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

1. any computation or comparison which involves in any manner a profit and loss computation; or
2. an inventory computation. However, where the "Insured" establishes wholly apart from such inventory computations that the "Insured" has sustained a loss covered under this Policy, then the "Insured" may offer the "Insured's" inventory records and actual physical count of inventory in support of the amount of loss claimed.

#### **L. Legal Expenses**

Expenses related to any legal action; provided however that this shall not apply to expenses covered under INSURING AGREEMENT 6. - DEPOSITORS FORGERY OR ALTERATION or INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT that meet the conditions set forth in **VII. GENERAL CONDITIONS, Q. LEGAL EXPENSES.**

#### **M. Money Operated Devices**

Loss of "money" and "other property" contained in any money operated device unless the amount of any "money" deposited in it is recorded by a continuous recording instrument in the device.

#### **N. Motor Vehicles or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers, or semi-trailers or equipment or accessories attached to them. This exclusion shall apply only to INSURING AGREEMENT 5. - OUTSIDE THE PREMISES - *Money, Securities and Other Property.*

#### **O. Noncompliance With Credit, Debit Or Charge Card Issuer's Requirements**

Loss resulting from any credit, debit or charge card if the "Insured" has not complied fully with the provisions, conditions or other terms under which the card was issued.

**P. Nuclear**

Loss resulting from nuclear reaction, nuclear radiation, or radioactive contamination, or any related act or incident.

**Q. Professional or Business Identity Theft.**

Loss resulting from "theft" of any professional or business identity.

**R. Risks Inherent in Insurance Operations**

Loss resulting directly or indirectly from contractual or extra contractual liability sustained by the "Insured" in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.

**S. Subcontractor and Other Representatives**

Loss resulting directly or indirectly by any agent, broker, factor, commission merchant, consignee, contractor, independent contractor, subcontractor or other similar representative. This exclusion shall only apply to INSURING AGREEMENT 1. -EMPLOYEE THEFT AND INSURING AGREEMENT 2. - EMPLOYEE THEFT - CLIENT PREMISES.

**T. Trading Losses**

Loss resulting directly or indirectly from any authorized or unauthorized trading of "money", "securities" or "other property", whether in the "Insured's" name or in a genuine or fictitious account.

**U. Transfer or Surrender of Money, Securities or Other Property**

Loss of or damage to "money", "securities" or "other property" after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

1. on the basis of unauthorized instructions; or
2. as a result of a threat to do bodily harm to any person; or
3. as a result of a threat to do damage to any "money", "securities" or "other property".

But this Exclusion does not apply under INSURING AGREEMENT 5. - OUTSIDE THE PREMISES - *Money, Securities and Other Property* to loss of "money", "securities" and "other property" while outside the "premises" or "banking premises" in the care and custody of a "messenger" if the "Insured":

1. had no knowledge of any threat at the time that the conveyance began; or
2. had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**V. Vandalism**

Loss from damages to the "premises" or to the exterior of any safe, vault, cash box, cash drawer or, cash register by vandalism or mischief.

**W. Voluntary Parting of Title To or Possession of Money, Securities or Other Property**

Loss resulting from the "Insured", or anyone acting on the "Insured's" express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any "money", "securities" or "other property". This exclusion shall only apply to INSURING AGREEMENT 4. - INSIDE THE PREMISES - *Money, Securities and Other Property* and INSURING AGREEMENT 5. - OUTSIDE THE PREMISES - *Money, Securities and Other Property*.

## **X. War and Similar Actions**

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion, or revolution, or any related act or incident.

## **VII. GENERAL CONDITIONS**

### **A. ARMORED MOTOR VEHICLE COMPANIES**

Under INSURING AGREEMENT 5. - OUTSIDE THE PREMISES - *Money, Securities and Other Property*, the Insurer will pay only for the amount of loss the "Insured" cannot recover:

1. under the "Insured's" contract with the armored motor vehicle company; and
2. from any insurance or indemnity carried by or for the benefit of customers of the armored motor vehicle company, or from the armored motor vehicle company.

### **B. CANCELLATION OF POLICY**

1. The first "Named Insured" shown in the Declarations may cancel this Policy by mailing or delivering to the Insurer advance written notice of cancellation.
2. The Insurer may cancel this Policy by mailing or delivering to the first "Named Insured" written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if the Insurer cancels for non-payment of premium; or
  - b. 60 days before the effective date of cancellation if the Insurer cancels for any other reason.
3. The Insurer will mail or deliver its notice to the first "Named Insured's" last mailing address known to the Insurer.
4. Notice of cancellation will state the effective date of cancellation. The "Policy Period" will end on that date.
5. If this Policy is cancelled, the Insurer will send the first "Named Insured" any premium refund due. If the Insurer cancels, the refund will be pro rata. If the first "Named Insured" cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **C. CANCELLATION AS TO ANY EMPLOYEE**

INSURING AGREEMENT 1. - EMPLOYEE THEFT and INSURING AGREEMENT 2. - EMPLOYEE THEFT - CLIENT PREMISES are cancelled as to any "employee":

1. immediately upon discovery by a member of the Risk Management Department or any officer, manager, or supervisor of the "Insured" not in collusion with the "employee" of "theft" or any other fraudulent or dishonest act in excess of \$25,000 committed by the "employee" whether before or after becoming employed by the "Insured"; or
2. on the date specified in a notice mailed to the "Insured". The date will be at least 30 days after the date of the mailing. The mailing of notice to the "Insured" at the last mailing address known to the Insurer will be sufficient proof of notice. Delivery of notice is the same as mailing.

## **D. CHANGES**

This Policy contains all of the agreements between the "Insured" and the Insurer concerning the insurance afforded. The first "Named Insured" shown in the Declarations is authorized to make changes in the terms of this Policy with the Insurer's consent. This Policy's terms can be amended or waived only by endorsement issued by the Insurer and made a part of this Policy.

## **E. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Policy is void in any case of fraud by the "Insured" as it relates to this Policy at any time. It is also void if the "Insured", at any time intentionally conceals or misrepresents a material fact, whether in the application or otherwise, concerning:

1. this Policy;
2. the "money", "securities" or "other property" covered under this Policy;
3. the "Insured's" interest in the "money", "securities" or "other property" covered under this Policy; or
4. a claim under this Policy.

## **F. CHANGE IN CONTROL**

### **1. Mergers and Acquisitions**

If, during the "Policy Period", any "Insured":

- a. merges with another entity such that the "Insured" is the surviving entity; or
- b. acquires a "Subsidiary",

then coverage shall be provided for such newly merged or acquired entity and its "Subsidiary(ies)" after the effective date of such merger or acquisition.

If the revenues of any newly merged or acquired entity or new "Subsidiary" exceed 15% of the total revenues of the "Named Insured" as reflected in its most recent consolidated audited financial statements prior to such merger or acquisition, the "Insureds" shall give the Insurer full details of the transaction in writing as soon as practicable, but in no event later than ninety (90) days after the date of such merger or acquisition and the Insurer shall be entitled to impose such additional terms, conditions, and premium as the Insurer, in its absolute discretion, chooses. There shall be no coverage for any newly merged or acquired entity or any of its subsidiaries unless the "Insureds" comply with the terms of this provision.

### **2. Takeover Of Named Insured**

If the "Named Insured" merges into or consolidates with another entity such that the "Named Insured" is not the surviving entity; or

- a. all, or substantially all of the assets of the "Named Insured" are acquired by another person or entity, group of persons or entities, or persons and entities acting in concert such that the "Named Insured" is not the surviving entity; or
- b. more than 50% of the securities representing the right to vote for the "Named Insured's" board of directors or managers is acquired by another person or entity, group of persons or entities, or persons and entities acting in concert,

then coverage shall immediately terminate as of the date of such transaction and any loss occurring upon or after such date shall not be covered hereunder.

## G. DISCOVERY

1. The Insurer will pay for loss which the "Insured" sustains through acts or events committed or occurring at any time and which are discovered by the "Insured" during the "Policy Period" or during the period provided in **VII. GENERAL CONDITIONS, L. EXTENDED PERIOD TO DISCOVER LOSS.**
2. Discovery of loss occurs when a member of the Risk Management Department or any officer, manager, or supervisor of the "Insured" first becomes aware of facts which would cause a reasonable person to assume that a loss covered by this Policy has been, or may be incurred even though the exact amount or the details of the loss may not then be known.
3. Discovery also occurs when the "Insured" receives notice of an actual or potential claim against the "Insured" alleging facts, which if true, would constitute a covered loss under this Policy.
4. No coverage will be available under this Policy for any loss which the "Insured" is aware of prior to the inception date of this Policy.
5. Regardless of the number of claims, the applicable limit of insurance set forth on the Declarations for INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT is the most the Insurer will pay per "occurrence" for the total of all loss or expense arising out of all "identity thefts" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.

## H. DISCOVERY SUPERSEDING LOSS SUSTAINED COVERAGE LIABILITY FOR PRIOR LOSSES

1. If this Policy has replaced similar prior insurance written by a company other than the Insurer, and such other insurance provided a period of time to discover loss occurring prior to the termination or cancellation of that coverage, and a loss is discovered within the period provided by prior insurance to discover losses, the Insurer will not pay for such loss unless the amount exceeds the Limit of Insurance under said prior Policy. The Insurer will then only pay the "Insured" for any excess loss subject to the Insuring Agreements, Exclusions and General Conditions of this Policy.
2. Any payment that the Insurer makes to the "Insured" under this insurance shall not exceed the difference between the amount of insurance under the "Insured's" prior Policy and the Limit of Insurance shown in the Declarations and the Insurer will not apply its Deductible Amount to any excess loss payment.

## I. DUTIES IN THE EVENT OF LOSS

After a member of the Risk Management Department or an officer, manager or supervisor of the "Insured" discovers a loss or a situation which may result in a loss of or damage to "money", "securities" or "other property", the "Insured" must:

1. notify the Insurer as soon as possible but no later than 90 days after discovery of loss.
2. submit to examination under oath at the Insurer's request and give the Insurer a signed statement.
3. give the Insurer a detailed, sworn proof of loss within 120 days.
4. cooperate with the Insurer in the investigation and settlement of any claim.
5. with respect to INSURING AGREEMENT 4. - INSIDE THE PREMISES - *Money, Securities and Other Property* and INSURING AGREEMENT 5. - OUTSIDE THE PREMISES - *Money, Securities and Other Property* notify the police if the "Insured" has reason to believe that the "Insured's" loss involves a violation of law.

6. with respect to INSURING AGREEMENT 11. - IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage, the "identity recovery insured" must send to the Insurer, within 60 days after its request, receipts, bills or other records that support the "Insured's" claim for "identity recovery expenses."

#### **J. EMPLOYEE BENEFIT PLANS**

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

1. The Insurer will pay for loss of or damage to "money", "securities" or "other property" of any "Employee Benefit Plan(s)" sponsored exclusively by the "Insured" resulting directly from "theft" by an "employee".

In no event shall coverage for any "Employee Benefit Plan(s)" be more than the Limit of Insurance shown on the Declarations under ITEM 4., INSURING AGREEMENT 1. - EMPLOYEE THEFT. Such limit shall be a part of and not in addition to the Limit of Insurance for INSURING AGREEMENT 1. - EMPLOYEE THEFT stated on the Declarations.

2. If any one or more "Employee Benefit Plans" are insured jointly with any other entity under this Policy, the "Insured" or the plan administrator must select a Limit of Insurance for INSURING AGREEMENT 1. - EMPLOYEE THEFT that is sufficient to provide a Limit of Insurance for each "Employee Benefit Plans" which is at least equal to that required if each Plan were separately insured.
3. Any payments the Insurer makes to the "Named Insured" for loss sustained by any "Employee Benefit Plan" will be held by that "Named Insured" for the use and benefit of the "Employee Benefit Plan" sustaining the loss.
4. If two or more "Employee Benefit Plans" are insured under this Policy, any payment which the Insurer makes for loss sustained by two or more "Employee Benefit Plans", or of commingled funds or "other property" of two or more "Employee Benefit Plans", which arises out of one "occurrence", is to be shared by each "Employee Benefit Plan" sustaining loss in the proportion that the Limit of Insurance required for each "Employee Benefit" Plan bears to the total of those limits.
5. The Deductible provision which applies to INSURING AGREEMENT 1. - EMPLOYEE THEFT shall not apply to loss which is sustained by any "Employee Benefit Plan(s)" subject to ERISA and which plan is covered under this insurance.

#### **K. EXAMINATION OF The Insured'S BOOKS AND RECORDS**

1. The Insurer may examine and audit the "Insured's" books and records as they relate to this Policy at any time during the "Policy Period" and up to three years afterward.
2. The Insurer may also examine and audit the books and records of any organization which the "Insured" newly acquired and that is deemed to be an "Insured" under this Policy.

#### **L. EXTENDED PERIOD TO DISCOVER LOSS**

The Insurer will pay for loss which the "Insured" sustained prior to the effective date of termination or cancellation of this insurance, which is discovered by the "Insured":

1. no later than 60 days from the date of the termination, cancellation or non-renewal; and
2. as respects any "Employee Benefit Plan(s)", no later than 1 year from the date of that termination, cancellation or non-renewal.

However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by the "Insured" to replace, in whole or in part, the insurance afforded by this Policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

#### **M. FACSIMILE SIGNATURES**

The Insurer will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

#### **N. INSPECTION AND SURVEYS**

1. The Insurer has the right but is not obligated to:
  - a. make inspections and surveys at any time;
  - b. give the "Insured" reports on the conditions the Insurer finds; and
  - c. recommend changes.
2. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or the safety of workers or the public. And, the Insurer does not warrant that conditions:
  - a. are safe or healthful; or
  - b. comply with laws, regulations, codes or standards.
3. This condition applies not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### **O. JOINT INSURED**

1. If more than one "Named Insured" is named in the Declarations, the first "Named Insured" will act for itself and for every other "Insured" for all purposes of this Policy. If the first "Named Insured" ceases to be covered, then the next "Insured" will become the first "Named Insured".
2. If any "Insured", "LLC Manager" or "LLC Member" or officer of an "Insured" has knowledge of any information relevant to this Policy, that knowledge is considered to be knowledge of every "Insured".
3. An "employee" of any "Insured" is considered to be an "employee" of every "Insured".
4. If this Policy or any of its Insuring Agreements is cancelled, terminated or non-renewed as to any "Insured", loss sustained by that "Insured" is covered only if discovered by the "Insured" during the period of time provided in **VII. GENERAL CONDITIONS, L. EXTENDED PERIOD TO DISCOVER LOSS**. This extended period to discover loss also terminates in accordance with paragraph 2 of that condition.
5. The Insurer will not pay a greater amount for loss sustained by more than one "Insured" than the Insurer would pay if all of the loss had been sustained by one "Insured".

#### **P. LEGAL ACTION AGAINST US**

The "Insured" may not bring any legal action against the Insurer involving loss:

1. unless the "Insured" has complied with all the terms of this Policy; and
2. until 90 days after the "Insured" has filed proof of loss with the Insurer; and
3. unless such action is brought within 2 years from the date that the "Insured" discovers such loss.

#### **Q. LEGAL EXPENSES**

The "Insured" shall immediately notify the Insurer of any claim or suit generating such expenses and shall not settle such claim or suit, or incur any related costs or expenses, without the Insurer's prior written authorization, nor shall

the "Insured" admit liability in any such claim or suit. The Insurer shall have no duty to defend any such claim or suit, but shall have the right to investigate, negotiate or settle any such claim or suit or to take over the conduct of the defense thereof. Moreover, if, in the Insurer's discretion, the Insurer advances payments for such suit, the Insurer may require a written undertaking, on its terms and conditions, guaranteeing the repayment of any expenses it pays that are determined to be not covered hereunder.

#### **R. LOSS COVERED UNDER MORE THAN ONE INSURING AGREEMENT OF THIS POLICY**

If two or more Insuring Agreements of this Policy apply to the same loss, the Insurer will pay the lesser of:

1. the actual amount of loss; or
2. the sum of the Limits of Insurance applicable to those Insuring Agreements.

#### **S. NON ACCUMULATION OF LIMIT OF INSURANCE**

Regardless of the number of years this Policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or "Policy Period" to "Policy Period".

#### **T. OTHER INSURANCE**

1. This Policy does not apply to loss recoverable or recovered under other insurance or indemnity. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this Policy will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity.
2. However, this Policy will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

#### **U. OWNERSHIP OF PROPERTY; INTERESTS COVERED**

1. Solely for purposes of INSURING AGREEMENT 1. - EMPLOYEE THEFT and INSURING AGREEMENTS 3. through 8., the property covered under this Policy is limited to "money", "securities" or "other property":
  - a. that the "Insured" owns or leases; or
  - b. that is owned by the "Insured's" "client" and which the "Insured" holds on its "premises"; or
  - c. which is in the custody of one acting as the "Insured's" "messenger" and while such "money", "securities" or "other property" is in transit; or
  - d. for which the "Insured" is legally liable, except for loss covered under INSURING AGREEMENT 2. EMPLOYEE THEFT - CLIENT PREMISES

Provided that the Insurer's liability will not apply to damage to the "premises" unless the "Named Insured" is the owner of such "premises" or is legally liable for such damage.

Notwithstanding the above, this Policy is for the "Insured's" benefit alone and no other person or organization has any rights or benefits. Any claim for a loss of "client" "money", "securities" or "other property" occurring on the "Insured's" "premises" or while in transit in the custody of a "messenger" may only be made by the "Insured" in the "Insured's" proof of loss.

2. Solely for purposes of INSURING AGREEMENT 2. - EMPLOYEE THEFT - CLIENT PREMISES, the property covered under this Policy is limited to "money", "securities" and "other property":
  - a. that the "Insured's" "client" owns or leases; or

- b. that is owned or leased by a customer of the "Insured's" "client" or
- c. for which the "Insured's" "client" is legally liable;

but only for "theft" that occurs and causes loss during the time the "Insured's" identified "employee" is engaged pursuant to a written agreement to perform services on the "client's premises".

Notwithstanding the above, this Policy is for the "Insured's" benefit alone and no other person or organization has any rights or benefits, including the "client". Any claim for loss of "money", "securities" or "other property" sustained by the "client" or customer of such "client" and caused by "theft" by an "employee" shall be made by the "Insured" in the "Insured's" proof of loss.

## **V. PREMIUMS**

The first "Named Insured" is responsible for the payment of all premiums and will be the payee for all return premiums the Insurer pays.

## **W. RECORDS**

The "Insured" must keep records of all "money", "securities" and "other property" covered under this Policy so the Insurer can verify the existence, cause and amount of any loss.

## **X. RECOVERIES**

1. Any recoveries made before the resolution of all or any part of a claim under this Policy shall be distributed/applied in the following order of priority:
  - a. to the party (either the "Insured" or the Insurer) to reimburse it for the reasonable and necessary costs of obtaining the recovery; and then
  - b. to the "Insured" to reduce the amount of covered loss.
2. Any recoveries made after the resolution of all or any part of a claim under this Policy shall be distributed/applied in the following order of priority:
  - a. to reimburse the party (either the "Insured" or the Insurer) for the reasonable and necessary costs of obtaining the recovery; and then
  - b. to the "Insured", until reimbursed for any excess covered loss sustained that exceeds the Limit of Insurance and the Deductible Amount, if any; and then
  - c. to the Insurer, until reimbursed for the amount paid; and then
  - d. to the "Insured", until reimbursed for that part of the loss equal to the Deductible Amount, if any; and then
  - e. to the "Insured" for any loss not covered.
3. Recoveries do not include any recovery:
  - a. from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
  - b. of original securities after duplicates of them have been issued.

## **Y. SPECIAL LIMIT OF INSURANCE FOR SPECIFIED PROPERTY (Insuring Agreement 4.)**

The Insurer will pay no more than \$25,000. for any one "occurrence" of loss of or damage to:

1. precious metals, precious or semi-precious stones, pearls, furs or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
2. manuscripts, drawings or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

## **Z. TERRITORY**

this Policy covers acts committed or events occurring anywhere in the world pursuant to **VII. GENERAL CONDITIONS, F. CHANGE IN CONTROL.**

## **AA. TRANSFER OF THE INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY**

1. The "Insured's" rights and duties under this Policy may not be transferred without the Insurer's written consent except in the case of death of an individual "Insured".
2. If the "Insured" dies, the "Insured's" rights and duties will be transferred to the "Insured's" legal representative but only while acting within the scope of duties as the "Insured's" legal representative. Until the "Insured's" legal representative is appointed, anyone having proper temporary custody of the "Insured's" "money", "securities" and "other property" will have the "Insured's" rights and duties but only with respect to that "money", "securities" and "other property".

## **BB. TRANSFER OF THE INSURED'S RIGHTS OF RECOVERY AGAINST OTHERS TO US**

The "Insured" must transfer to the Insurer all the "Insured's" rights of recovery against any person or organization for any loss the "Insured" sustained and for which the Insurer has paid or settled. The "Insured" must also do everything necessary to secure those rights and do nothing after loss to impair them.

## **CC. VALUATION**

1. Subject to the applicable Limit of Insurance, The Insurer will pay for:
  - a. loss of "money" but only up to and including its face value. The Insurer may, at its option, pay for a loss of "money" issued by any country other than the United States of America in either the face value in the "money" issued in that country, or, in the United States of America dollar equivalent determined by the rate of exchange as stated in The Wall Street Journal on the day that the loss occurred.
  - b. loss of "securities" but only up to and including their value as stated in The Wall Street Journal at the close of business on the day that the loss was discovered. But, the Insurer may, at its option, 1) pay the value of such "securities", 2) replace them in kind in which event the "Insured" must assign to the Insurer all the "Insured's" rights, title and interest in and to those "securities" or 3) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of:
    - i. the value of the "securities" as stated in The Wall Street Journal at the close of the business on the day the loss was discovered; or
    - ii. the Limit of Insurance.
  - c. loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the "other property" without deduction for depreciation, subject to 2. below. However, the Insurer will not pay for more than the lesser of :
    - i. the Limit of Insurance applicable to the lost or damaged "other property"; or
    - ii. the cost to replace the lost or damaged "other property" with "other property" of comparable material and quality and used for the same purpose; or

- iii. the amount that the “Insured” actually spends that is necessary to repair or replace the lost or damaged “other property”.
2. The Insurer will not pay on a replacement cost basis for any loss or damage:
- a. until the lost or damaged “other property” is actually repaired or replaced; and
  - b. unless the repair or replacement is made as soon as reasonably possible after the loss or damage.
- If the lost or damaged “other property” is not repaired or replaced, the Insurer will pay based on actual cash value.
3. The Insurer may, at its option, pay for loss of or damage to “other property” other than “money” in the “money” of the country in which the loss occurred; or in the United States of America dollar equivalent of the “money” of the country where the loss occurred determined by the rate of exchange on the day the loss was discovered. Any “other property” that the Insurer pays for or replaces becomes “other property” of the Insurer.

SPECIMEN

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

forms part

issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADD FAITHFUL PERFORMANCE OF DUTY - WITH SUBLIMIT**

This endorsement modifies insurance provided under the following:

**THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED POLICY**

**A. SCHEDULE**

| INSURING AGREEMENT                                         | LIMIT OF INSURANCE | DEDUCTIBLE AMOUNT |
|------------------------------------------------------------|--------------------|-------------------|
| <input checked="" type="checkbox"/> 1. Employee Theft      | \$1,000,000        | \$10,000          |
| <input type="checkbox"/> 12. Employee Theft - Per Employee | \$                 | \$                |

- B. 1. The following is added to the Insuring Agreement(s) checked above:  
The Insurer will also pay for loss which is caused by the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of the "Insured's" "money", "securities" and "other property".

The Insurer will indemnify any of the "Insured's" officials who are required by law to give bonds for the faithful performance of their service against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of the "Insured's" "money", "securities" and "other property".

2. The following **EXCLUSION** is added:

**DEPOSITORY FAILURE**

Loss resulting from the failure of any entity acting as a depository for the "Insured's" "money", "security" or "other property" for which the "Insured" is responsible.

3. Section **VII. GENERAL CONDITIONS, C. CANCELLATION AS TO ANY EMPLOYEE**, paragraph 1..is deleted and replaced by the following:
1. Immediately upon discovery by the "Insured" or any official or "employee" authorized to manage, govern or control the "Insured's" "employees" of any act on the part of an "employee" whether before or after becoming employed by the "Insured" which would constitute a loss covered under the terms of the Insuring Agreement, as amended by this endorsement.
4. The most the Insurer will pay for loss in any one "occurrence" under the Insuring Agreements shown in the **SCHEDULE** and as modified by this endorsement, is the **LIMIT OF INSURANCE** shown in the **SCHEDULE** and its **DEDUCTIBLE AMOUNT**. That **LIMIT OF INSURANCE** is part of, not in addition to, the Limit of Insurance shown in the Declarations as applicable to the **EMPLOYEE THEFT INSURING AGREEMENT(s)** checked above.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read 'A. Morris Tooker', is positioned above the printed name.

A. Morris Tooker, President

SPECIMEN

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

forms part

issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMEND MAILING ADDRESS FOR NOTICE ENDORSEMENT**

**I. Notice of Claim or Wrongful Act**

**A.** A notice of any **Claim** or **Wrongful Act** shall be given in writing to the following:

The Hartford  
Hartford Financial Lines  
One Hartford Plaza  
Hartford, CT 06115

**HFPClaims@thehartford.com**

Fax: (917) 464-6000

**B.** Where it is stated in the policy or declarations page that a notice of any **Claim** or **Wrongful Act** shall be given in writing to The Hartford, Hartford Plaza, Hartford CT 06115, it shall be deleted and replaced with the following:

Notice of any **Claim** or **Wrongful Act** shall be given in writing to the following:

The Hartford  
Hartford Financial Lines  
One Hartford Plaza  
Hartford, CT 06115

**HFPClaims@thehartford.com**

Fax: (917) 464-6000

**II. All Other Notices**

**A.** All notices other than a notice of **Claim** or **Wrongful Act** shall be given in writing to the following:

The Hartford  
Hartford Financial Lines  
One Hartford Plaza  
Hartford, CT 06115

**HFPEXpress@thehartford.com**

Fax: (866) 586-4550

- B. With the exception of notice of a **Claim** or **Wrongful Act**, where it is stated in the policy or declarations page that a notice shall be given in writing to The Hartford, Hartford Plaza, Hartford CT 06115 shall be deleted and replaced with the following:

All notices other than a notice of **Claim** or **Wrongful Act** shall be given in writing to the following:

The Hartford  
Hartford Financial Lines  
One Hartford Plaza  
Hartford, CT 06115

**HFPEXpress@thehartford.com**

Fax: (866) 586-4550

All other terms and conditions remain unchanged.



A. Morris Tooker, President

SPECIMEN

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

forms part

issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT FOR GOVERNMENTAL ENTITIES**

This endorsement modifies insurance provided under the following:

**THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED POLICY**

**A. The following exclusions are added to Section VI. EXCLUSIONS:**

**Bonded Employee**

Loss caused by any "employee" required by law to be individually bonded.

**Damages**

Damages for which the "Insured" is legally liable as a result of:

1. the deprivation or violation of the civil rights of any person by an "employee"; or
2. the tortious conduct of an "employee" except conversion of property of other parties held by the "Insured" in any capacity.

**Treasurer or Tax Collector**

Loss caused by a treasurer or tax collector by whatever name known.

**B. The following general conditions are added to Section VII. GENERAL CONDITIONS:**

**INDEMNIFICATION**

The Insurer will indemnify any of the "Insured's" officials who are required by law to give bonds for the faithful performance of their service against loss through "theft" by an "employee" who serves under them, subject to the Limit of Insurance.

**SOLE BENEFIT**

This insurance is for the "Insured's" sole benefit. No legal proceeding of any kind to recover on account of loss under this Policy may be brought by anyone but the "Insured".

All other terms and conditions remain unchanged.



A. Morris Tooker, President

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

forms part

issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DECEPTION FRAUD ENDORSEMENT (Higher Limit)**

This endorsement modifies insurance provided under the following:

**THE HARTFORD CRIMESHIELD® ADVANCED POLICY**

I. Section II. **INSURING AGREEMENTS**, is amended by the addition of the following:

**DECEPTION FRAUD**

The Insurer will pay for loss of "money" or "securities" resulting from "deception fraud," subject to the Limit of Insurance and Deductible stated in the SCHEDULE below.

**Deception Fraud SCHEDULE**

|                           |           |                   |          |
|---------------------------|-----------|-------------------|----------|
| <b>Limit of Insurance</b> | \$100,000 | <b>Deductible</b> | \$10,000 |
|---------------------------|-----------|-------------------|----------|

The above Limit of Insurance and Deductible apply per "occurrence."

II. Section V. **DEFINITIONS**, is amended by the addition of the following:

- "*Deception Fraud*" means the intentional misleading of a person to induce the "Insured" to part with "money" or "securities" by someone pretending to be an "employee," owner of the "Insured" or one of the following business relations:
  1. A "vendor;"
  2. A "customer;"
  3. A "custodian;" or
  4. A "messenger."
- "*Customer*" means a natural person or entity for whom the "Insured" provides goods or services.
- "*Vendor*" means a business entity that sells goods or services to the "Insured."

III. Section VI. **EXCLUSIONS**, is amended in the following manner:

1. Exclusion C. is deleted and replaced with the following:

Loss resulting from "theft," "deception fraud" or any other dishonest or criminal act committed by any of the "Insured's" "employees", managers, directors, trustees or representatives whether acting alone or in collusion with other persons or while performing services for the "Insured" or otherwise except when covered under INSURING AGREEMENT 1. – EMPLOYEE THEFT or INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES.

2. Exclusion **E.** is amended to include the following:

This exclusion shall not apply to the Deception Fraud Insuring Agreement.

3. The following exclusions are added:

- Loss or damage resulting directly or indirectly from “deception fraud.” This exclusion shall not apply to the Deception Fraud Insuring Agreement.
- Loss or damage:
  1. resulting from “theft” by an “employee;”
  2. resulting from “forgery” or alteration of:
    - a. checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money;” or
    - b. written instruments required in conjunction with any credit, debit or charge card;
  3. directly related to the use of any computer to fraudulently cause a transfer of “money” or “securities” from inside the “premises” or “banking premises;”
  4. resulting from “funds transfer fraud,”
  5. resulting from the “Insureds” having accepted in good faith and in the regular course of business, in exchange for merchandise, “money” or services:
    - a. money orders issued by any post office, express company or bank in any country that are not paid upon presentation; or
    - b. “counterfeit” paper currency of any country;
  6. resulting from any investments in “securities” or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;
  7. resulting from the failure, malfunction, inadequacy or illegitimacy of any product or service, including in the advertisement or labelling thereof;
  8. resulting from the failure of any party to perform, in whole or in part, under a contract;
  9. resulting from gambling, game of chance, lottery or similar game; and
  10. resulting from any party’s use or acceptance of any credit card, debit or similar instrument, whether or not genuine.

This exclusion shall only apply to the Deception Fraud Insuring Agreement.

- Loss of or damage to “other property.” This exclusion shall only apply to the Deception Fraud Insuring Agreement.
- Loss of “money” or “securities”:
  1. outside the “premises” in the care and custody of a “messenger” or an armored motor vehicle company; or
  2. inside the “premises” or “banking premises” resulting directly from disappearance or destruction.

This exclusion shall only apply to the Deception Fraud Insuring Agreement.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read 'A. Morris Tooker', written in a cursive style.

A. Morris Tooker, President

SPECIMEN

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

forms part

issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INCLUDE COVERAGE FOR VIRTUAL CURRENCY - SUBLIMITED**

This endorsement modifies insurance provided under the following:

**THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED POLICY**

**I. Section III. LIMIT OF INSURANCE, A.** is amended by the addition of the following:

Any coverage for loss of "virtual currency" under this Policy is subject to a sublimit of \$15,000 per "occurrence," which sublimit is part of and not in addition to any other Limit of Insurance applicable under this Policy.

**II. Section IV. DEDUCTIBLE,** is amended by the addition of the following:

The foregoing notwithstanding, any coverage for loss of "virtual currency" under this Policy is subject to a Deductible Amount of \$5,000 per "occurrence."

**III. Section V. DEFINITIONS, Y. "Money"** is amended by the addition of the following:

"Money" shall also include "virtual currency".

**IV. Section V. DEFINITIONS,** is amended by the addition of the following:

"Virtual currency" means a virtual or digital representation of value that is not issued by a central bank or a public authority, but may be accepted as a means of payment and can be transferred, stored or traded electronically, whether or not it is recognized as, or exchangeable for, legal tender.

**V. Section VII. GENERAL CONDITIONS, CC. VALUATION,** is amended by the addition of the following:

- The foregoing notwithstanding, in the event of loss of "virtual currency" covered under this Policy, the Insurer may, at its option:
  - (1) tender the value of the "virtual currency" in actual currency of the country in which the loss was sustained, or in the United States of America dollar equivalent, by taking the weighted average of the values of "virtual currency" in such actual currency as posted on the three largest relevant "virtual currency" exchanges, based on the volume of "virtual currency" exchanged, as of 12:00 PM EST on the day the loss is discovered; or
  - (2) replace the quantity of "virtual currency" of such loss.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read "A. Morris Tooker".

A. Morris Tooker, President

SPECIMEN

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

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issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CALIFORNIA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED POLICY**

Section **VII. GENERAL CONDITIONS**, paragraph **CC. VALUATION**, is amended by adding the following:

Actual cash value is calculated as the amount it would cost to repair or replace "other property", at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of "other property" regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

All other terms and conditions remain unchanged.



A. Morris Tooker, President

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

forms part

issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CALIFORNIA CANCELLATION AND NONRENEWAL ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED POLICY**

I. Section VII. **GENERAL CONDITIONS**, is amended as follows:

A. Section VII. **GENERAL CONDITIONS**, B. **CANCELLATION OF POLICY**, paragraph 2, is deleted and replaced by the following:

2. All Policies In Effect For More Than 60 Days

a. If this Policy has been in effect for more than sixty (60) days, or is a renewal of a Policy the Insurer issued, the Insurer may cancel this Policy only upon the occurrence, after the effective date of the Policy, of one or more of the following:

- (1) nonpayment of premium, including payment due on a prior Policy the Insurer issued and due during the current Policy term covering the same risks.
- (2) discovery of fraud or material misrepresentation by:
  - (a) Any "Insured" or its representative in obtaining this insurance; or
  - (b) The "Insured" or the "Insured's" representative in pursuing a claim under this Policy.
- (3) A judgment by a court or an administrative tribunal that the "Insured" has violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by the "Insured" or the "Insured's" representative, which materially increase any of the risks insured against.
- (5) Failure by the "Insured" or the "Insured's" representative to implement reasonable loss control requirements, agreed to by the "Insured" as a condition of Policy issuance, or which were conditions precedent to the Insurer's use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
  - (a) loss of, or changes in, the Insurer's reinsurance covering all or part of the risk would threaten the Insurer's financial integrity or solvency; or
  - (b) continuation of the Policy coverage would:

- (i) place the Insurer in violation of California law or the laws of the state where the Insurer is domiciled; or
- (ii) threaten the Insurer's solvency.

(7) A change by the "Insured" or the "Insured's" representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, unless the added, increased or changed risk is included in the Policy.

b. The Insurer will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first "Named Insured", and to the producer of record, at least:

- (1) ten (10) days before the effective date of cancellation if the Insurer cancels for a reason listed in paragraph 2.a. (1) or (2).
- (2) Thirty (30) days before the effective date of cancellation if the Insurer cancels for any other reason listed in paragraph 2 a.

**B. Section VII. GENERAL CONDITIONS, paragraph B. CANCELLATION OF POLICY, is amended by adding the following:**

**NONRENEWAL**

- 1. If the Insurer elects not to renew this Policy:
  - a. The Insurer will mail or deliver written notice stating the reason for nonrenewal to the first "Named Insured" shown in the Declarations and to the producer of record, at least sixty (60) days, but not more than one hundred twenty (120) days, before the expiration or anniversary date.
  - b. The Insurer will mail or deliver the Insurer's notice to the first "Named Insured", and to the producer of record, at the mailing address shown in the Policy.
- 2. The Insurer is not required to send notice of nonrenewal in the following situations:
  - a. If the transfer or renewal of a Policy, without any changes in terms, conditions, or rates, is between the Insurer and a member of the Insurer's insurance group.
  - b. If the Policy has extended for ninety (90) days or less, provided that notice has been given in accordance with Paragraph B.1. above.
  - c. If the "Insured" has obtained replacement coverage, or if the first "Named Insured" has agreed, in writing, within sixty (60) days of the termination of the Policy, to obtain that coverage.
  - d. If the Policy is for a period of no more than sixty (60) days and the "Insured" is notified at the time of issuance that it will not be renewed.
  - e. If the first "Named Insured" requests a change in the terms or conditions or risks covered by the Policy within sixty (60) days of the end of the Policy Period.
  - f. If the Insurer has made a written offer to the first "Named Insured", in accordance with the timeframes shown in paragraph B.1. above, to renew the Policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read "A. Morris Tooker".

A. Morris Tooker, President

SPECIMEN

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

forms part

issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CALIFORNIA PREMIUM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED POLICY**

This endorsement applies to the Policy and all of the INSURING AGREEMENTS forming part of this Policy.

**POLICY NO.** 83 FA 0298757-24

**NAMED INSURED:** CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

It is agreed that:

1. In compliance with the ruling of the Commissioner of Insurance of the State of California and the Opinion of the Attorney - General of that State requiring that the premium for all policies be endorsed thereon, the basic premium charged for the attached Policy for the period

from: 10/30/24

to: 10/30/2025

is: FIVE THOUSAND FOUR HUNDRED FIFTY  
THREE

Dollars \$5,453

2. This endorsement is effective as of 12:01 a.m. on 10/30/2025

All other terms and conditions remain unchanged.



A. Morris Tooker, President

Accepted: Signature Waived

\_\_\_\_\_  
, Authorized Representative

This endorsement, effective 12:01 am, 10/30/2025  
of policy number 83 FA 0298757-24

forms part

issued to: CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

by: HARTFORD FIRE INSURANCE CO.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**JOINT INSURED**

This endorsement modifies insurance provided under the following:

**THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED POLICY**

- ☒ Insuring Agreement 1 - Employee Theft
- ☐ Insuring Agreement 2 - Employee Theft Client Premises
- ☒ Insuring Agreement 3 - Computer And Funds Transfer Fraud
- ☒ Insuring Agreement 4 - Inside The Premises *Money, Securities and Other Property*
- ☒ Insuring Agreement 5 - Outside The Premises *Money, Securities and Other Property*
- ☒ Insuring Agreement 6 - Depositors Forgery or Alteration
- ☒ Insuring Agreement 7 - Credit, Debit Or Charge Card Forgery
- ☒ Insuring Agreement 8 - Money Orders And Counterfeit Currency
- ☒ Insuring Agreement 9 - Investigative Expenses
- ☒ Insuring Agreement 10 - Computer Systems Restoration Expenses
- ☒ Insuring Agreement 11 - Identity Recovery Expenses Reimbursement

Solely with respect to the Insuring Agreements indicated above, the Policy is amended as follows:

The following is/are added as a "Named Insured":

Colton, Regional Rapid Infiltration and Extraction Facility (RIX)

All other terms and conditions remain unchanged.



A. Morris Tooker, President



## U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the United States. **Please read this Notice carefully.**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals and Blocked Persons" or "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them. This list can be located on OFAC's web site at — <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is an SDN, as identified by OFAC, the policy is a blocked contract and all dealings with it must involve OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.

## NOTICE TO POLICYHOLDERS

### CALIFORNIA

FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM:  
ANY PERSON WHO KNOWINGLY PRESENTS FALSE OR FRAUDULENT INFORMATION TO OBTAIN OR AMEND  
INSURANCE COVERAGE OR TO MAKE A CLAIM FOR THE PAYMENT OF A LOSS IS GUILTY OF A CRIME AND MAY  
BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON.

SPECIMEN

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## IMPORTANT INFORMATION TO POLICYHOLDERS

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In the event you need to contact someone about this policy/bond for any reason, please contact your producer. If you have additional questions, you may contact the insurance company issuing this policy/bond at the following address and telephone number:

The Hartford  
Hartford Financial Lines  
One Hartford Plaza  
Hartford, CT 06115  
1-212-277-0400

If you have a problem with your insurance company, its producer or representative that has not been resolved to your satisfaction, please call or write to the Department of Insurance.

Consumer Services Division  
California Department of Insurance  
300 S. Spring Street  
Los Angeles, California 90013  
1-800-927-4357 or -1-213-897-8921

Written correspondence is preferable so that a record of your inquiry can be maintained. When contacting your producer, company or the Bureau of Insurance have your policy number available.



## Producer Compensation Notice

You can review and obtain information on The Hartford's producer compensation practices at [www.thehartford.com](http://www.thehartford.com) or at 1-800-592-5717.

SPECIMEN



Employers today face a dizzying array of employment laws, regulations and ongoing employment issues. Whether it involves employee discipline or termination, wage and hour, disability accommodation, or even the new frontier of social media, failure to comply with the ever-changing legal requirements can have a devastating impact on employee morale and the company's bottom line. CHUBB recognizes the unique burdens faced by employers today, and is pleased to announce that it has partnered with the nation's foremost employment and labor law firm, Littler Mendelson (Littler), to create a cutting edge employment practices risk management tool for CHUBB insureds, called EPL Assist™.

Assist™. With over 975 attorneys in 56 offices, Littler has both the expertise and the capacity to handle any employment matter, big or small. Through EPL Assist™, insureds have an unlimited ability to seek out expert advice and counsel as a benefit of the program.

### What is EPL Assist™?

EPL Assist™ is a cutting edge risk management program providing policyholders with a wide variety of legal content, forms and analysis, combined with the ability to interface directly with Littler lawyers dedicated to assisting CHUBB insureds in navigating what has become an employment law minefield. Through a secure web portal containing essential employment law resources and tools, as well as a toll free hotline service, CHUBB insureds with primary EPL coverage policies now have access to the content and advice necessary to compete in today's challenging legal environment.

### Insureds are provided:

- No cost, online and live access to the legal experts at Littler, the largest employment and labor firm in the U.S.
- Employment law updates, newsletters and related publications
- A compendium of online employment law resources through a secure website, including unlimited access to such content as:
  - Employment policies and practices
  - Human Resources forms library
  - Sample employee handbooks, including supplement information for all 50 states
  - State and national employment law summaries and reference materials
  - 50 state surveys on various employment law essentials, including such things as minimum wage and overtime requirements, protected classifications, new hire reporting requirements, meal and rest break requirements, and voting rights requirements
- Free harassment training webinars for up to 10 supervisors or managers
- Complimentary registration to Littler's nationwide breakfast briefing series
- Complimentary access to Littler's webinars and podcasts
- Discounted rates for various Littler events

### How do I access EPL Assist™?

To learn more about EPL Assist™, please contact your broker or visit [www.EPLAssist.com](http://www.EPLAssist.com).

Littler Mendelson P.C. is an independent law firm that is not an agent nor an affiliate of the CHUBB Group of Companies ("CHUBB Group"), and Littler Mendelson P.C. is solely responsible for the advice and guidance provided directly, or through the EPL Assist website. CHUBB Group and Littler Mendelson P.C. cannot guarantee that there will be fewer or less serious claims as a result of using the program. Littler Mendelson P.C. directly, or through the EPL Assist website may help an insured with risk assessment and improvement but it is not intended to supplant any duty to provide a workplace that is safe and complies with the law. CHUBB Group does not engage in giving legal advice and therefore encourages policyholders to seek the advice from their own legal counsel when implementing any and all employment practices. Please note that communication with Littler Mendelson P.C., either directly, or through the EPL Assist website is not notice to the CHUBB Group issuing company of a claim or an act or situation that may give rise to a claim. Nothing herein alters or amends in any way the insurance policy contract between the underwriting company and the policyholder.



In care of:

|                    |                                |                        |                                 |
|--------------------|--------------------------------|------------------------|---------------------------------|
| To:                | <u>Andrew Butler</u>           | From:                  | <u>Tyler Winiecki</u>           |
| Company:           | <u>Marsh</u>                   | Date:                  | <u>09/17/2025</u>               |
| Tel:               | <u>872-769-6796</u>            | Tel:                   | <u>773-782-0416</u>             |
| e-mail:            | <u>andrew.butler@marsh.com</u> | e-mail:                | <u>tyler.winiecki@chubb.com</u> |
| Re:                | <u>POL Quote</u>               | Pages including cover: | <u>11</u>                       |
| Licensed Producer: | <u></u>                        |                        |                                 |

|                     |                                                                       |
|---------------------|-----------------------------------------------------------------------|
| Account:            | <u>City of San Bernardino Municipal Water Department</u>              |
| Insured Address:    | <u>1350 South E Street</u><br><u>San Bernardino, California 92408</u> |
| Line of Coverage:   | <u>ACE Municipal Advantage Public Entity Liability</u>                |
| Type of Submission: | <u>Renewal</u>                                                        |
| Insuring Company:   | <u>ACE American Insurance Company</u>                                 |
| Effective Date:     | <u>10/30/2025</u>                                                     |
| Expiration Date:    | <u>10/30/2026</u>                                                     |

Dear Andrew,

I am pleased to offer the attached quotation for City of San Bernardino Municipal Water Department. The commission payable for placement of this business is 15%.

Thank you for considering the Chubb USA Companies as your market of choice. We look forward to working with you. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Tyler Winiecki  
Senior Underwriter - Professional Liability

Chubb – NA Financial Lines

The Insurer hereby indicates the coverage described below. However, any obligations the Insurer may have under this indication are conditioned upon each of the following conditions having first been met:

1. The Applicant has submitted to the Insurer the following documents, and the Insurer has received such documents no later than close of business on **10/30/2025**:
2. If coverage is subsequently bound by the Insurer, the Applicant has remitted the premium specified below to the Insurer so that the Insurer receives the premium no later than close of business on the 30th day from the date of this Binder or the Effective Date of this policy, whichever is later.

#### **PREMIUM INDICATION(S):**

#### ***ACE Municipal Advantage Public Entity Liability Terms:***

|   | Limit of Liability<br>Each Claim / Aggregate | Crisis<br>Management<br>Fund | Deductible or<br>SIR<br>Each Claim*              | Premium<br>(Policy<br>Period) | Terrorism<br>Risk<br>Insurance<br>Act<br>Premium | TOTAL<br>PREMIUM<br>DUE** |
|---|----------------------------------------------|------------------------------|--------------------------------------------------|-------------------------------|--------------------------------------------------|---------------------------|
| 1 | \$1,000,000                                  | \$25,000                     | IA. \$0<br>IA.2 and<br>IB. \$ 100,000<br>IC. N/A | \$20,099                      | \$0                                              | \$20,099                  |

\*A. Public Officials' Liability B. Public Entity Reimbursement & Public Entity Liability C. Employment Practices Liability

\*\*Any applicable taxes, surcharges or countersignature fees, etc., are in addition to the above quoted figures. Your office is responsible for making State Surplus Lines Filings and complying with all applicable laws.

#### **Please note the following:**

1. The policy includes terrorism coverage required by the Terrorism Risk Insurance Act of 2002. The Premium for the coverage is set forth above.
2. If bound, the insurance policy will include access to EPL Risk Management Services. EPL Risk Management Services is an interactive loss control activity available to ACE Municipal Advantage Public Entity Liability policyholders as part of CHUBB Financial Lines loss control services. The activity is available to policyholders at no additional cost, and there is no requirement that policyholders use the program. All communications with the EPL Risk Management Services are strictly confidential and will not be disclosed to the Insurer. Please see the enclosed material for more information about the EPL Risk Management Services

**Policy Form Number:** PF-23535 / PF-23536 (01/08)

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

#### **The following Endorsements will be added to the basic contract(s):**

| Endorsement Title | Additional Information (if applicable) | Number                                       |
|-------------------|----------------------------------------|----------------------------------------------|
| 1. Signatures     |                                        | CC-1K11k (04/22)<br>(All States except Ohio) |

|     |                                                                     |                     |
|-----|---------------------------------------------------------------------|---------------------|
| 2.  | Notice Amended Endorsement                                          | PF-33468 (02/11)    |
| 3.  | Trade Or Economic Sanctions Endorsement                             | PF-46422 (07/15)    |
| 4.  | Network Security or Privacy Exclusion                               | PF-37210 (02/12)    |
| 5.  | False Claims Act Exclusion                                          | PF-38981 (01/13)    |
| 6.  | Third Party EPL Coverage Exclusion                                  | PF-23569 (01/08)    |
| 7.  | Employment Practices Liability Exclusion                            | PF-23548 (01/08)    |
| 8.  | Bond Exclusion                                                      | PF-23541 (01/08)    |
| 9.  | Public Entity Enhancement Endorsement (\$250k Non Monetary Defense) | MS-375338.4 (11/23) |
| 10. | Limits of Liability Amended (Defense Inside)                        | MS-375338.3 (11/23) |
| 11. | Exclusion P Amended- Fines, Fees or Charges Exclusion               | MS-375338.2 (11/23) |
| 12. | Class Action Retention Endorsement (\$500k)                         | MS-375338.1 (11/23) |

#### Terrorism Endorsements:

|                                                     |                  |
|-----------------------------------------------------|------------------|
| Disclosure Pursuant to Terrorism Risk Insurance Act | TRIA-11e (08/20) |
|-----------------------------------------------------|------------------|

#### Policy Addendums:

|                                                                                                       |                    |
|-------------------------------------------------------------------------------------------------------|--------------------|
| U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders | PF-17914a (04/16)  |
| Chubb Producer Compensation Practices & Policies                                                      | ALL-20887a (03/16) |

**This indication will remain valid until: 10/30/2025**

If between the date of this Indication and the Effective Date of the policy there is a significant adverse change in the condition of this Applicant, or an occurrence of an event, or other circumstances which could substantially change the underwriting evaluation of the Applicant, then, at the Insurer's option, this quotation may be withdrawn by written notice thereof to Applicant. The Insurer also reserves the right to modify the final terms and conditions upon review of the completed application and any other information requested by the underwriter herein. If such material change in the risk is discovered after binding, the insurance coverage will be void ab initio ("from the beginning").

Note: If the Insuring Company noted above is either Westchester Surplus Lines Insurance Company or Illinois Union Insurance Company, then this insurance is issued pursuant to the state Surplus Lines laws that the insured is domiciled. Persons insured by Surplus Lines carriers do not have the protection of the above captioned state's Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer. **For purposes of surplus lines compliance, we require the producer to confirm, upon the binding of this placement, the insured's "home state" as defined in the Nonadmitted and Reinsurance Reform Act of 2010 (NRRA). If the state set forth in "Insured Address" in this quote is the insured's "home state," then no action is required. However, if the insured's "home state" is other than that set forth in "Insured Address," then you must notify us in writing prior to placement of the correct "home state" of the insured.**

Any applicable taxes, surcharges or countersignature fees, etc., are in addition to the above quoted figures. Your office is responsible for making State Surplus Lines Filings and complying with all applicable laws.

Sincerely,

TylerWiniecki  
Senior Underwriter - Professional Liability

Chubb – NA Financial Lines

Chubb. Insured.<sup>SM</sup>

# Premium Surcharges

The following surcharges will apply in addition to the premium. Some exemptions apply. Premium surcharges are subject to change at the anniversary dates of multiyear policies paid in annual installments. Collection and remittance of premium surcharges for surplus lines policies, if applicable, are the responsibility of the surplus lines broker.

## Florida Insureds

- |                                                                          |      |
|--------------------------------------------------------------------------|------|
| ➤ 2023 Florida Regular Assessment Surcharge<br>Effective January 1, 2023 | 0.7% |
| ➤ FIGA 2023 Emergency Assessment<br>Effective October 1, 2023            | 1.0% |

## Kentucky Insureds

- |                                |                        |
|--------------------------------|------------------------|
| ➤ Premium Surcharge            | 1.8%                   |
| ➤ Local Government Premium Tax | Varies by municipality |

## New Jersey Insureds

- |                                                        |      |
|--------------------------------------------------------|------|
| ➤ NJ Property-Liability Insurance Guaranty Association | 0.5% |
|--------------------------------------------------------|------|

## West Virginia Insureds

- |                     |       |
|---------------------|-------|
| ➤ Premium Surcharge | 0.55% |
|---------------------|-------|

## All Other Insureds

There are currently no premium surcharges in your state for this line of business. This is subject to change at the anniversary dates of multiyear policies paid in annual installments.

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

Coverage for acts of terrorism is included in your policy. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury---in consultation with the Secretary of Homeland Security, and the Attorney General of the United States--

-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government will reimburse 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. 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 exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is\_\_\_\_\_, and does not include any charges for the portion of losses covered by the United States government under the Act.

**I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER MY POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE MY COVERAGE, AND I HAVE BEEN NOTIFIED OF THE PORTION OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.**

## TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

|                                       |               |                            |                               |
|---------------------------------------|---------------|----------------------------|-------------------------------|
| Named Insured                         |               |                            | Endorsement Number            |
| Policy Symbol                         | Policy Number | Policy Period<br><b>to</b> | Effective Date of Endorsement |
| Issued By (Name of Insurance Company) |               |                            |                               |

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to the extent that trade or economic sanctions or similar laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

---

Authorized Representative



## U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders

This Policyholder Notice shall not be construed as part of your policy and no coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



### **Chubb Producer Compensation Practices & Policies**

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.aceproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

# San Bernardino Municipal Water Department

## Cyber Renewal Update / Quotes Proposal

### Cyber and Media

*October 30, 2025 to October 30, 2026*

Presented By:

Client Executive

Richard DeWiggins

Brandon Pham

Cyber Advisor/Placement

Damyn Adams

Presented On:

*The following Proposal of Insurance is intended only as a summary of coverage. For specific terms and conditions, please refer to the carrier quotation or policies of insurance for the company involved for the insurance specified herein.*



San Bernardino Municipal Water Department  
Cyber and Media

Expiring Program

\*all premiums before surplus lines fees and taxes

|         |          | Limits (M) |      |      | Sublimits (M)                                     |                                                    |                 |                     | Premium Details |              |             |
|---------|----------|------------|------|------|---------------------------------------------------|----------------------------------------------------|-----------------|---------------------|-----------------|--------------|-------------|
| Carrier | Location | L          | Po   | Xs   | IT Service Provider<br>Security/System<br>Failure | Non-IT Service Provider<br>Security/System Failure | Reputation Loss | Ransomware<br>Event | Premium         | RPM          |             |
| 0       | AIG      | USA        | 1.00 | 1.00 | 50k                                               | 1.0                                                | 1.0             | 1.0                 | 1.0             | \$20,995.00  | \$20,995.00 |
| 1.00    |          |            |      |      | 1.0                                               | 1.0                                                | 1.0             | 1.0                 | \$20,995.00     | \$ 20,995.00 |             |



## San Bernardino Municipal Water Department Cyber and Media

October 30, 2025 to October 30, 2026

### Primary Quotes Comparison

\*all premiums before surplus lines fees and taxes

|                                   | AIG<br>Expiring                 | AIG<br>Renewal Option 1         | AIG<br>Renewal Option 2         | AIG<br>Renewal Option 3         |
|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Policy Form / Paper               | Specialty Risk Protector        | Specialty Risk Protector        | Specialty Risk Protector        | Specialty Risk Protector        |
| Admitted Status                   | Non-Admitted                    | Non-Admitted                    | Non-Admitted                    | Non-Admitted                    |
| Prior Acts                        | Full Prior Acts                 | Full Prior Acts                 | Full Prior Acts                 | Full Prior Acts                 |
| Annual Aggregate Limits (M)       | 1.0                             | 1.0                             | 3.0                             | 5.0                             |
| Per Claim Retention (M)           | 100K                            | 50k                             | 100K                            | 100K / 30% Co-insurance for RW  |
| Waiting Period (WP) in Hours      | 18 Hours - BI<br>24 Hours - DBI | 12 Hours - BI<br>12 Hours - DBI | 12 Hours - BI<br>12 Hours - DBI | 12 Hours - BI<br>12 Hours - DBI |
| Annual Premium                    | \$20,995.00                     | \$20,995.00                     | \$51,537.00                     | \$78,731.00                     |
| PPM                               | \$20,995.00                     | \$20,995.00                     | \$17,179.00                     | \$15,746.20                     |
| \$ Premium Change                 |                                 | \$0.00                          | \$30,542.00                     | \$57,736.00                     |
| % Premium Change                  |                                 | 0%                              |                                 |                                 |
| Est. surplus lines tax + stamping | \$682.34                        | \$682.34                        | \$1,674.95                      | \$2,558.76                      |
| Premium + tax                     | \$21,677.34                     | \$21,677.34                     | \$53,211.95                     | \$81,289.76                     |
| Commission                        | 20%                             | 20%                             | 20%                             | 20%                             |



| Limits (\$M)                                    | Limits   | Limits   | Limits   | Limits   |
|-------------------------------------------------|----------|----------|----------|----------|
| Network security & privacy liability            | 1.0      | 1.0      | 3.0      | 5.0      |
| Media liability (Full)                          | 1.0      | 1.0      | 3.0      | 5.0      |
| Regulatory defense                              | 1.0      | 1.0      | 3.0      | 5.0      |
| PCI fines & penalties                           | 1.0      | 1.0      | 3.0      | 5.0      |
| Event Management                                | 1.0      | 1.0      | 3.0      | 5.0      |
| Notification                                    | 1.0      | 1.0      | 3.0      | 5.0      |
| Public Relations                                | 1.0      | 1.0      | 3.0      | 5.0      |
| Breach Coach/Legal                              | 1.0      | 1.0      | 3.0      | 5.0      |
| Forensics                                       | 1.0      | 1.0      | 3.0      | 5.0      |
| Credit monitoring                               | 1.0      | 1.0      | 3.0      | 5.0      |
| Business Interruption                           | 1.0      | 1.0      | 3.0      | 5.0      |
| Security/System Failure                         | 1.0      | 1.0      | 3.0      | 5.0      |
| NI Forensics                                    | 1.0      | 1.0      | 3.0      | 5.0      |
| Dependent Business Interruption                 |          |          |          |          |
| IT Service Provider Security/System Failure     | 1.0      | 1.0      | 3.0      | 5.0      |
| Non-IT Service Provider Security/System Failure | 1.00     | 1.0      | 3.0      | 5.0      |
| Other Provider Security/System Failure          | 100k     | 100k     | 100k     | 100k     |
| Extensions                                      |          |          |          |          |
| Cyber Extortion Costs                           | 1.0      | 1.0      | 3.0      | 3.5      |
| GDPR                                            | Included | Included | Included | Included |
| Criminal Reward                                 | 50k      | 50k      | 50k      | 50k      |
| Bricking of Hardware Coverage                   | Included | Included | Included | Included |
| Reputation Loss                                 | 1.0      | 1.0      | 3.0      | 5.0      |
| Cyber Crime Coverage                            | 250k     | 250k     | 250k     | 250k     |
| Panel Legal vs Consent for Legal                | Consent  | Consent  | Consent  | Consent  |
| Panel Vendors vs Consent for Client Vendor      | Consent  | Consent  | Consent  | Consent  |
| Additional/Changed Endorsements                 |          |          |          |          |
|                                                 |          |          |          |          |
|                                                 |          |          |          |          |

## San Bernardino Municipal Water Department

### Cyber and Media

October 30, 2025 to October 30, 2026

### Expiring vs Renewal

\*all premiums before surplus lines fees and taxes

#### Renewal Option 1

| Carrier | Location | Limits (M) |      |      | Expiring    |          | Renewal     |          | Change Year over Year |         |
|---------|----------|------------|------|------|-------------|----------|-------------|----------|-----------------------|---------|
|         |          | L          | Po   | Xs   | Premium     | RPM      | Premium     | RPM      | \$ YOY Δ              | % YOY Δ |
| 0       | AIG      | USA        | 1.00 | 1.00 | \$20,995.00 | \$20,995 | \$20,995.00 | \$20,995 | \$0.00                | 0.00%   |
|         |          |            | 1.00 |      | \$20,995.00 |          | \$20,995.00 |          | \$0.00                | 0.00%   |

#### Renewal Option 2

| Carrier | Location | Limits (M) |      |      | Expiring    |     | Renewal     |          | Change Year over Year |         |
|---------|----------|------------|------|------|-------------|-----|-------------|----------|-----------------------|---------|
|         |          | L          | Po   | Xs   | Premium     | RPM | Premium     | RPM      | \$ YOY Δ              | % YOY Δ |
| 0       | AIG      | USA        | 3.00 | 3.00 | \$20,995.00 |     | \$51,537.00 | \$17,179 | \$30,542.00           | 145.47% |
|         |          |            | 3.00 |      | \$20,995.00 |     | \$51,537.00 |          | \$30,542.00           | 145.47% |

#### Renewal Option 3

| Carrier | Location | Limits (M) |      |      | Expiring    |     | Renewal     |          | Change Year over Year |         |
|---------|----------|------------|------|------|-------------|-----|-------------|----------|-----------------------|---------|
|         |          | L          | Po   | Xs   | Premium     | RPM | Premium     | RPM      | \$ YOY Δ              | % YOY Δ |
| 0       | AIG      | USA        | 5.00 | 5.00 | \$20,995.00 |     | \$78,731.00 | \$15,746 | \$57,736.00           | 275.00% |
|         |          |            | 5.00 |      | \$20,995.00 |     | \$78,731.00 |          | \$57,736.00           | 275.00% |

San Bernardino Municipal Water Department  
Cyber and Media

October 30, 2025 to October 30, 2026

Subjectivities

(does not include standard subjectivities for underlying quotes, binders and policies)

| Layer | Carrier | Location | Subjectivity                                                                                                                                                                                                                                                  | Due Date | Satisfied | Notes |
|-------|---------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|-------|
| 0     | AIG     | USA      | Option 1: Subject to a CRA call within 1 month post-bind<br>Option 2: Subject to a call with our CRA team (prior to binding) to discuss some of the controls including the higher number of PSAs.<br>Option 3: Subject to a call with our CRA team per above. |          | Pending   |       |



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# **SAN BERNARDINO WATER DISTRICT 2025 POLLUTION LEGAL LIABILITY COVERAGE COMPARISON**

OCTOBER 10, 2025

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1. Executive Summary ..... 1

2. Coverage Outline ..... 2

## 1

## Executive Summary

Marsh is pleased to present this coverage proposal for Pollution Legal Liability insurance to San Bernardino Water District. Marsh approached the following markets on behalf of San Bernardino Water District to obtain quotes for environmental liabilities at their locations:

| Market              | A.M. Best Rating | Response                     |
|---------------------|------------------|------------------------------|
| Hamilton(incumbent) | A-XIV            | Quoted – See Summary Details |

## Premium Summary

| Limits<br><i>Per Pollution Condition/ Aggregate</i> | Deductible<br><i>Per Pollution Condition</i> | Hamilton<br><i>Expiring</i> | Hamilton<br><i>Renewal</i> |
|-----------------------------------------------------|----------------------------------------------|-----------------------------|----------------------------|
|                                                     |                                              | 2 Years                     |                            |
| \$10M / \$20M                                       | \$25,000                                     | \$195,189                   | \$201,045                  |
| Additional Premium for Terrorism:                   |                                              | Declined                    | 5%                         |
| Rate                                                |                                              | NA                          | 3%                         |
| Commission                                          |                                              | 17.5%                       |                            |

### Please Note:

- 1) Multi-year policies apply with a single aggregate limit that is **not** re-instated annually;
- 2) TRIA coverage is not included in the premium options above. If you elect to **not** purchase TRIA, a full policy exclusion will apply;
- 3) See individual specimen forms for standard exclusions, terms, and conditions;
- 4) Full premium is due within 30 days of binding;
- 5) The options featured above are offered on a Non-Admitted Basis and subject to all applicable Surplus Lines Taxes and Fees (which are **not** included within the premiums noted above). Surplus lines carriers are subject to limited state financial solvency regulation and do not participate in state insurance guarantee funds that provide limited claims reimbursement to policy holders of insolvent carriers;

# 2

---

## Coverage Outline

**Note:** Please refer to the individual quote endorsements and policy forms for complete language

|                                                                                                                                      | Hamilton<br>Expiring                                                                                                                                                                                                                                                                                                                       | Hamilton<br>Renewal                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form</b>                                                                                                                          | ENV.IL 0001 (01/21)                                                                                                                                                                                                                                                                                                                        | As Expiring                                                                                                                                                                                                                                         |
| <b>Coverage Trigger</b>                                                                                                              | Claims-Made and Reported                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |
| <b>First Named Insured (FNI)</b>                                                                                                     | City of San Bernardino Municipal Water District                                                                                                                                                                                                                                                                                            | As Expiring                                                                                                                                                                                                                                         |
| <b>Broad Named Insured(s)</b>                                                                                                        | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |
| <b>Business Interruption</b>                                                                                                         | Included \$5M sublimit<br>(3 day deductible)                                                                                                                                                                                                                                                                                               | As Expiring                                                                                                                                                                                                                                         |
| <b>Scheduled Additional Named Insureds</b>                                                                                           | City of San Bernardino<br>City of Loma Linda<br>East Valley Water District<br>Board of Water Commissioners of the City of San Bernardino<br>Mt. Vernon Mutual Water Company<br>Colton/San Bernardino Regional Tertiary Treatment & Water Reclamation Authority Regional Tertiary Treatment Rapid Infiltration and Extraction<br>Any Entity | As Expiring                                                                                                                                                                                                                                         |
| <b>Additional Insured(s)</b>                                                                                                         | Included – Where required by written contract                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                     |
| <b>Covered Locations and retroactive dates:</b><br><br><i>Please confirm that the schedule of location and addresses are correct</i> | Covered Location means all locations identified in the "2023-2024 SB Water SOV - (Excluding WRP) Updated 8-7-23 jls" and provided to the Company. Covered Location also includes any associated subsurface potable water, wastewater or stormwater pipelines.                                                                              | Covered Location means all locations identified in the "2025-2026 SB Water SOV - (Excluding WRP) 6-4-2025" and provided to the Company. Covered Location also includes any associated subsurface potable water, wastewater or stormwater pipelines. |
| <b>Underground Storage Tanks</b>                                                                                                     | Known UST's are excluded unless scheduled<br>(refer to Appendix A)                                                                                                                                                                                                                                                                         | As Expiring                                                                                                                                                                                                                                         |
| <b>Coverage Territory</b>                                                                                                            | Worldwide                                                                                                                                                                                                                                                                                                                                  | As Expiring                                                                                                                                                                                                                                         |
| <b>Minimum Earned Premium</b>                                                                                                        | 100% At Inception                                                                                                                                                                                                                                                                                                                          | As Expiring                                                                                                                                                                                                                                         |
| <b>On-site and Off-site Clean-up of Pre-existing Conditions</b>                                                                      | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |
| <b>On-site and Off-site Clean-up of New Conditions</b>                                                                               | Included                                                                                                                                                                                                                                                                                                                                   | As Expiring                                                                                                                                                                                                                                         |

|                                                                                                       |                                                                                                                                                                           |             |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Third-party Claims for Bodily Injury and Property Damage for Pre-existing Pollution Conditions</b> | Included                                                                                                                                                                  | As Expiring |
| <b>Third-party Claims for Bodily Injury and Property Damage for New Pollution Conditions</b>          | Included                                                                                                                                                                  | As Expiring |
| <b>Legal Defense Expenses</b>                                                                         | Included – 25% Defense outside the limits                                                                                                                                 | As Expiring |
| <b>Fines and Penalties</b>                                                                            | Civil fines, civil penalties, civil assessments, punitive, exemplary or multiplied damages where allowable by law for bodily injury and property damage                   | As Expiring |
| <b>Non-Owned Disposal Sites (NODS)</b>                                                                | Included, blanket basis see policy for limitations                                                                                                                        | As Expiring |
| <b>1<sup>st</sup> and 3<sup>rd</sup> Party Transportation Pollution</b>                               | Included                                                                                                                                                                  | As Expiring |
| <b>Emergency Response Costs</b>                                                                       | Included                                                                                                                                                                  | As Expiring |
| <b>Illicit Abandonment</b>                                                                            | Included                                                                                                                                                                  | As Expiring |
| <b>Fungi and Legionella</b>                                                                           | Included                                                                                                                                                                  | As Expiring |
| <b>Known Conditions Exclusion</b>                                                                     | Any pollution condition that is known by a responsible insured and not disclosed is excluded                                                                              | As Expiring |
| <b>Asbestos and Lead Exclusion</b>                                                                    | Included<br>Exclusion does not apply to Bodily Injury, Property Damage or Cleanup of soil, groundwater, surface water or sediment. Or inadvertent disturbance of asbestos | As Expiring |
| <b>PFAS Exclusion</b>                                                                                 | Included                                                                                                                                                                  | As Expiring |
| <b>Land Use and Engineering Controls Exclusion</b>                                                    | Not included                                                                                                                                                              | As Expiring |

|                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                               |             |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Responsible Insured:</b>                                                                                                                    | <p>Your "executive officer", director, partner, member or manager;</p> <p>Any insured who has responsibility, in whole or in part, for risk control, risk management, health and safety or Environmental affairs, control or compliance; or</p> <p>Any insured who signed or who has responsibility, in whole or in part, for completing the application on which we relied in issuing this Coverage Form</p> | As Expiring |
| <b>Waiver of Subrogation:</b>                                                                                                                  | Included                                                                                                                                                                                                                                                                                                                                                                                                      | As Expiring |
| <b>Disclosed Document Schedule</b>                                                                                                             | Included                                                                                                                                                                                                                                                                                                                                                                                                      | As Expiring |
| <b>Other Insurance</b>                                                                                                                         | Primary excess other valid and collectible insurance                                                                                                                                                                                                                                                                                                                                                          | As Expiring |
| <b>Choice of Law</b>                                                                                                                           | Silent                                                                                                                                                                                                                                                                                                                                                                                                        | As Expiring |
| <b>Covid – 19 Exclusion</b>                                                                                                                    | Not Included                                                                                                                                                                                                                                                                                                                                                                                                  | As Expiring |
| <b>Products Pollution</b>                                                                                                                      | Included for water supplied or sold by the insured                                                                                                                                                                                                                                                                                                                                                            | As Expiring |
| <b>Biological Weapons</b>                                                                                                                      | Not included                                                                                                                                                                                                                                                                                                                                                                                                  | As Expiring |
| <b>Key Coverage Restrictions/ Exclusions (not addressed above)</b><br><br><i>Please refer to respective policy forms for complete language</i> | <p>Construction related activity exclusion (all locations)</p> <p>Exclusion for contaminants outlined in the consent decree 03/24/2005</p> <p>Perchlorate exclusion (site specific)</p> <p>Historic fill exclusion (site specific</p>                                                                                                                                                                         | As Expiring |

**Appendix A**

|    | Covered Location                                           | Tank ID | Tank Size          | Contents     | Retroactive Date | Per Tank Deductible |
|----|------------------------------------------------------------|---------|--------------------|--------------|------------------|---------------------|
| 1. | TWO CHAMBERED UST<br>195 N. D STREET<br>SAN BERNARDINO, CA | 1       | 6,000 AND<br>5,000 | GAS & DIESEL | 10/31/1993       | \$100,000           |
| 2. | 300 CHANDLER PLACE<br>(HDWRKS)                             | 2       | 10,000             | DIESEL       | 10/31/1995       | \$100,000           |
| 3. | 300 CHANDLER PLACE (RS1)                                   | 3       | 4,000              | DIESEL       | 10/31/1988       | \$100,000           |
| 4. | 300 CHANDLER PLACE (NR)                                    | 4       | 4,000              | DIESEL       | 10/31/1988       | \$100,000           |
| 5. | 300 CHANDLER PLACE (E ST)                                  | 5       | 4,000              | DIESEL       | 10/31/1992       | \$100,000           |
| 6. | 300 CHANDLER PLACE<br>(ARRWHD)                             | 6       | 1,000              | WASTE OIL    | 10/31/1995       | \$100,000           |
| 7. | 300 CHANDLER PLACE (E ST)                                  | 7       | 1,000              | WASTE OIL    | 10/31/2005       | \$100,000           |

**Subjectivities****Hamilton**

Hamilton The Disclosure Notice of Terrorism Insurance Coverage

Hamilton Tax Payee Information Form

Policy number of storage tank policy

Marsh USA Inc.  
540 West Madison St.  
Chicago, IL 60661  
312.627.6734



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**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: 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](http://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 WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).**

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**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.**

**TO:** **Bilal (AJ) Oyewole** **VIA EMAIL**  
MARSH USA INC.  
540 West Madison Street  
Suite 1200  
Chicago, IL 60661  
bilal.oyewole@marsh.com

**REGARDING:** **City of San Bernardino Municipal Water Department**  
1350 South E Street  
San Bernardino, CA 92408-2725

**DATE:** September 28, 2025

|                  |
|------------------|
| <b>QUOTATION</b> |
|------------------|

**RENEWAL OF:** IRONTX30091001

**POLICY FORM:** Storage Tank Third Party Liability, Corrective Action and Cleanup Policy ENV-ST-P001-0418

**ISSUING COMPANY:** Liberty Surplus Insurance Corporation (LSIC), AM Best Rated A, XV  
175 Berkeley Street  
Boston, MA 02116

**INSURING AGREEMENTS:** 1.a. Third Party Bodily Injury and Property Damage  
1.b. Cleanup of Pollutants Due to Underground Storage Tank Releases

**EACH INCIDENT DEDUCTIBLE** **See attached tanks schedule**

**POLICY PERIOD:** October 30, 2025 – October 30, 2026

**RETROACTIVE DATE:** Please see schedule attached at the end of the document

**LIMITS OF LIABILITY:**

| Option | Per Each Pollution Incident | Aggregate Limit | Aggregate Claims Expense Limit | Policy Premium (Excluding TRIA) | Commission |
|--------|-----------------------------|-----------------|--------------------------------|---------------------------------|------------|
| 1      | \$1,000,000                 | \$1,000,000     | \$1,000,000                    | \$5,560                         | 17.5%      |

**TERRORISM:** Additional premium (3%) applies if this coverage is selected. See attached Terrorism Disclosure statement. If selected, the policy will provide both Certified and Noncertified Acts of Terrorism Coverage. A total terrorism exclusion will apply if this coverage is not elected.

**Coverage for losses resulting from: Premium Charge**  
 "Certified acts of terrorism" 1.5 % of Base Policy Premium  
 Noncertified acts of terrorism 1.5 % of Base Policy Premium

**COVERED LOCATIONS & STORAGE TANKS:**

| Loc. # | Location Name           |             |         |                | Street Address      |              |       | City               |                     |             | State       | Postal Code |
|--------|-------------------------|-------------|---------|----------------|---------------------|--------------|-------|--------------------|---------------------|-------------|-------------|-------------|
| 1      | Water Utility Yard      |             |         |                | 195 North D Street  |              |       | San Bernardino     |                     |             | CA          | 92401       |
| 2      | Water Reclamation Plant |             |         |                | 399 Chandler Place  |              |       | San Bernardino     |                     |             | CA          | 92408-2014  |
| 3      | Pump Station            |             |         |                | 1302 South E Street |              |       | San Bernardino     |                     |             | CA          | 92408-2725  |
| Loc. # | Tank #                  | Tank ID     | UST/AST | Year Installed | Capacity Gallons    | Construction | SW/DW | Contents           | Tank Effective Date | Retro. Date | Deductible  |             |
| 1      | 1                       | 1 (WU Yard) | UST     | 1993           | 11,000              | Fiberglass   | DW    | Gasoline<br>Diesel | 10-30-25            | 11-14-23    | \$1,000,000 |             |
| 2      | 1                       | 3 (Hdw rks) | UST     | 1987           | 10,000              | Fiberglass   | DW    | Diesel             | 10-30-25            | 11-14-23    | \$1,000,000 |             |
| 2      | 2                       | 4 (RS1)     | UST     | 1997           | 4,000               | Fiberglass   | DW    | Diesel             | 10-30-25            | 11-14-23    | \$1,000,000 |             |
| 2      | 3                       | 5 (NRC)     | UST     | 1991           | 4,000               | Fiberglass   | DW    | Diesel             | 10-30-25            | 11-14-23    | \$1,000,000 |             |
| 3      | 1                       | 6 (E St.)   | UST     | 1992           | 4,000               | Fiberglass   | DW    | Diesel             | 10-30-25            | 11-14-23    | \$1,000,000 |             |

**ADDITIONAL TERMS AND CONDITIONS WILL APPLY:**

1. Service of Suit Clause - California SC-7 (11/19)
2. Exclusion of Certified Acts of Terrorism TRIA-ENV-E002-0315
3. Sanction Limitation and Exclusion Clause SL-OFAC-0419
4. Claim and Notice Reporting E-TX-27 (10-19)
5. Schedule of Covered Locations and Storage Tanks Amendatory Endorsement E-TX-1 (7/02)
6. Cancellation - 100% Minimum Earned Premium E-TX-5 (02/19)
7. Deductible Amendatory Endorsement (Scheduled) E-TX-MAN (09/18)
8. Deductible Amendatory Endorsement (Scheduled) E-TX-MAN (09/18)
9. Additional Insured E-TX-9 (6/04)
10. Schedule of Insureds Endorsement E-TX-10 (8/09)
11. Notice Of Underground Storage Tank Removal E-TX-17 (10-19)

**THIS QUOTE IS SUBJECT TO THE RECEIPT AND SATISFACTORY REVIEW OF THE FOLLOWING REQUESTED INFORMATION.** We reserve the right to rescind our quote or issue a revised one based on our review of requested information.

1. Written request to bind prior to policy effective date
2. Surplus lines license information
3. Signed TRIA form or email confirming TRIA is rejected

4. Signed and completed Ironshore application

Liberty Mutual Environmental reserves the right to perform an Environmental Site Survey during the policy period. This survey will be at Liberty Mutual Environmental's own expense.

**If coverage is bound, the premium is due in full within 30 days of the effective date to Liberty Surplus Insurance Corporation. It is your responsibility to collect and pay all applicable taxes and fees.**

This quotation is a summary of coverage and not a binder of insurance. Actual policy terms and conditions will apply if coverage is bound. Please review specimen policy carefully. The coverage offered in this quotation might differ from that requested.

This quote is valid until 12:01 AM on October 28, 2025.

Thank you for giving us the opportunity to work with you on this account.

Best regards,



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Signature of authorized representative of  
Insurer  
Chantalle Samuel

---

Name

---

Production Specialist

---

Title

**Ironshore Environmental**  
**28 Liberty Street, 5th Floor**  
**New York, NY 10005**

**Email:** [IronEnviroTanks@ironshore.com](mailto:IronEnviroTanks@ironshore.com)

**Privacy Notice:** [CLICK HERE](#) to read Liberty Mutual's Privacy Notice including California Supplemental Privacy Policy (CCPA) (<http://libertymutual.com/privacy>)

**ELECTRONIC DELIVERY TERMS AND CONDITIONS**

PLEASE READ THESE ELECTRONIC DELIVERY TERMS AND CONDITIONS CAREFULLY. BY ACCEPTING THE ATTACHED QUOTE OR BINDER, AS APPLICABLE, YOU AGREE TO THE TERMS AND CONDITIONS BELOW, WHICH GOVERN HOW WE WILL DELIVER THE POLICY.

For purposes of these Electronic Delivery Terms and Conditions, the following definitions apply:

- “We,” “us,” and “our” refer to Liberty Mutual Insurance Company, its affiliates, and subsidiaries.
- “You” and “your” refer to the Broker of Record for the Insurance Policy, or other authorized representative of the Policyholder, to which the attached Binder or Quote, as applicable, is addressed.
- “Electronic Delivery” means either, at our discretion, (1) delivery via e-mail or as an attachment to an e-mail; or (2) delivery via an e-mail with a link to a website where the specified document is viewable with the use of a username and password.
- “Mail Delivery” means delivery via regular mail to the address shown on the Declarations page of the Policy.
- “Policyholder” collectively refers to the “Named Insured,” as defined by the Policy, and any related or affiliated entity of that Named Insured that is insured under the Policy.
- “Insurance Policy” or “Policy” refer to the insurance policy or policies described in the attached Binder or Quote and ultimately issued by us, including, but not limited to, policy jackets, endorsements and declarations pages, as well as any privacy policy, important notices, change declarations, audits, underwriting documentation, applications, questionnaires, surveys, and any other documents related to the insurance policy or policies issued to the Broker of Record or its designated representative.

**Authority to Act on Behalf of Policyholder**

You represent that you have the authority to act on behalf of the Policyholder with respect to all insurance matters related to the Policy, including, but not limited to, acceptance of the attached Quote or Binder, as applicable, and these Electronic Delivery Terms and Conditions. If you do not have such authority, you must notify us immediately, in which case we reserve the right to withdraw the attached Quote or Binder.

As a condition of the attached Quote or Binder, you agree to receive Electronic Delivery of the Policy, which you agree to promptly deliver to Policyholder.

If you intend to deliver the Policy electronically to the Policyholder, you represent and warrant that you will deliver the Policy in accordance with all applicable laws, including but not limited to any applicable laws relating to electronic transactions and communications, electronic policy delivery and Policyholder consent thereto.

### **Email Address of Record and Electronic Delivery**

Upon our request, you shall promptly designate an email address to use for Electronic Delivery of the Policy ("Email Address of Record"). Once you provide us with the Email Address of Record, we will deliver the Policy via Electronic Delivery at the E-mail Address of Record instead of by Mail Delivery.

You can change or update an Email Address of Record by contacting the assigned account analyst or underwriter. We will not be liable for any loss, liability, cost, expense or claim arising out of an incorrect or nonfunctioning Email Address of Record.

### **Electronic Delivery**

We will be deemed to have delivered the Policy when we send the Policy via Electronic Delivery at the E-mail Address of Record. You agree that it is your responsibility to then deliver the Policy to the Policyholder, in accordance with applicable law.

### **Duration of Consent**

You agree that Electronic Delivery will remain in effect and will apply to all future renewals, continuations, replacements and changes to any Policy unless:

- You, or someone else, on behalf of the Policyholder, withdraw consent in accordance with these Electronic Delivery Terms and Conditions; or
- We terminate, for any reason, the ability for you or the Policyholder to receive the Policy electronically.

You understand and agree that we are not liable for any loss, liability, cost, expense or claim arising out of these Electronic Delivery Terms and Conditions or your election to receive a paperless Policy by Electronic Delivery.

### **How to Withdraw Consent**

The Policyholder or you, on behalf of the Policyholder, may withdraw consent to receive the Policy by Electronic Delivery at any time by e-mailing the request to [ePolicyConsent@LibertyMutual.com](mailto:ePolicyConsent@LibertyMutual.com).

At our option, we may treat your provision of an invalid Email Address of Record or the subsequent malfunction of a previously valid Email Address of Record as a withdrawal of your consent to receive to receive the Policy by Electronic Delivery. We will not impose any fee to process the withdrawal of your consent. A withdrawal of your consent will be effective only after we have had a reasonable period of time to process the request.

### **Hardware and Software Requirements**

To access, view and retain the Policy that we make available to you, you must: have a device that will connect to the Internet, access to an e-mail account and access to an internet browser. We will update you if there are any changes to the hardware or software requirements that could impact your receiving the Policy.

By providing consent to receive the Policy by Electronic Delivery, you acknowledge that you and the Policyholder have the minimum hardware and software requirements listed in this section.

#### **Modification and Termination by Us**

We reserve the right, in our sole discretion, to discontinue any provision of the Policy by Electronic Delivery, or to terminate or change these Electronic Delivery Terms and Conditions at any time. We will provide you with notice of any such termination or change if required by law.

#### **Communications in Writing**

All communications in either electronic or paper format from us to you will be considered "in writing." You should print or download for your records a copy of the Policy and these Electronic Delivery Terms and Conditions.

#### **Paper Documents**

You or the Policyholder may request a paper copy of the Policy at any time at no additional charge by contacting the assigned account analyst or underwriter.

#### **Governing Law**

You acknowledge and agree that your consent to transact electronic business is being provided in connection with a transaction affecting interstate commerce that is subject to the federal Electronic Signatures in Global and National Commerce Act, and your state's UETA law as applicable.



**SURPLUS LINES LICENSE AND NPN INFORMATION**

Date: September 28, 2025

NAME OF INSURED: City of San Bernardino Municipal Water  
Department

POLICY TERM: \_\_\_\_\_

POLICY NUMBER: \_\_\_\_\_

**This policy is written on a surplus lines basis. In order to comply with state regulations, we need to gather information regarding the surplus lines producer remitting taxes for the above captioned policy.**

**This is the information of the Producer that remitted the taxes for this account.**

Firm Name: \_\_\_\_\_

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

Firm City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

License # \_\_\_\_\_ State Paid: \_\_\_\_\_

Name of Licensed Person: \_\_\_\_\_

NJ Surplus Lines Transaction # (if applicable): \_\_\_\_\_

**National Producer Number (NPN):** \_\_\_\_\_

Please indicate if the taxes have been paid: YES ☐ Date Paid: \_\_\_\_\_

NO ☐

**POLICYHOLDER DISCLOSURE  
NOTICE OF OFFER TO PURCHASE  
TERRORISM INSURANCE FOR POLICY PERIOD**

**This notice contains important information about the Terrorism Risk Insurance Act and your option to purchase terrorism insurance coverage. Please read it carefully.**

**THE TERRORISM RISK INSURANCE ACT**

The Terrorism Risk Insurance Act, including all amendments ("TRIA" or the "Act") establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. Currently, if an individual insurer's losses from "certified acts of terrorism" exceed a specified deductible amount, the government will reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury. Beginning calendar year 2020, the Federal Share is 80% and the Program Trigger is \$200,000,000.

**MANDATORY OFFER OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM" AND DISCLOSURE OF PREMIUM**

TRIA requires insurers to offer coverage for losses resulting from "certified acts of terrorism" that could otherwise be excluded and to specify the premium for this coverage. You have the option to accept or reject this coverage.

A "certified act of terrorism" means an[y] act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland, and the Attorney General of the United States:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to –
  - a. human life;
  - b. property; or
  - c. infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of –
  - a. an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
  - b. the premises of a United States mission; and
4. 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.

**HOW THE ACT AFFECTS YOUR POLICY AND WHAT YOU MUST DO**

**SELECTION OR REJECTION OF OPTIONAL TERRORISM INSURANCE COVERAGE**

You have the option of purchasing coverage for losses resulting from “certified acts of terrorism.” Coverage for losses resulting from “certified acts of terrorism” is still subject to, and may be limited by, all other terms, conditions and exclusions contained in your policy.

The premium charge for this coverage for the policy period is determined by applying \_\_% to the Base Policy Premium.

**Note:** With respect to Excess policies, this offer of coverage pertains only to those lines of business covered by TRIA and, more specifically, does not apply to commercial automobile insurance or to any line of business excluded by TRIA. In addition, this offer of coverage for “certified acts of terrorism” is expressly conditioned upon your acceptance of coverage for “certified acts of terrorism” on all underlying insurance policies that are subject to TRIA. If you reject such coverage on your primary liability policies, you must also reject it on your Excess policy.

If you reject this offer, you will not be covered for losses resulting from “certified acts of terrorism.”

Please indicate on the attached coverage election form, whether you accept or reject this offer. If we do not receive a completed Terrorism Coverage Election Form from you, coverage for “certified acts of terrorism” will be excluded from your policy.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

175 Berkeley Street, Boston, MA 02116

Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 1

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### SERVICE OF SUIT CLAUSE - CALIFORNIA

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS IN THIS POLICY

The Liberty Surplus Insurance Corporation hereby appoints the Corporation Service Company (which will be doing business in California as CSC-Lawyers Incorporating Service), 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833-3505 as the agent of Liberty Surplus Insurance Corporation in and for the State of California, upon whom all lawful process may be served in any action, "suit" or proceeding instituted in the said State by or on behalf of any insured or beneficiary against the Liberty Surplus Insurance Corporation, arising out of the insurance policy to which this provision is attached. A copy of any process, "suit", complaint or summons may be made upon the Office of the General Counsel, North America Specialty, Liberty Mutual Insurance, C/O Liberty Surplus Insurance Corporation, 175 Berkeley Street, Boston, MA 02116.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street, Boston, MA 02116  
Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 2

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### EXCLUSION OF CERTIFIED ACTS OF TERRORISM

It is hereby agreed that the policy is amended as follows:

**A.** The following exclusion is added:

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

**B.** The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury, damage or loss covered under any Coverage Part, Policy or underlying insurance to which this endorsement is applicable, and includes but is not limited to "bodily injury", "business interruption", "clean-up costs", "corrective action", "defense expense" or "property damage" as may be defined in any applicable Coverage Part, or Policy or underlying insurance.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street, Boston, MA 02116  
Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 3

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### SANCTION LIMITATION AND EXCLUSION CLAUSE

No Insurer shall be deemed to provide cover and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

All other terms, conditions and exclusions of this policy remain unchanged.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street, Boston, MA 02116  
Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 4

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### CLAIM AND NOTICE REPORTING

Subject to the claims and notice reporting provisions within the policy, claim and notice reports may be given in writing via:

**POSTAL SERVICE to:**  
Ironshore Environmental Claims CSO  
28 Liberty Street, 5th Floor  
New York, NY 10005

**E-MAIL to:**

[USClaims@ironshore.com](mailto:USClaims@ironshore.com)

**FAX to:**  
646-826-6601

By phone via:  
**24 Hour Claims Phone Number:**  
(888) 292-0249

All other terms and conditions remain unchanged.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street, Boston, MA 02116  
Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 5

**Effective Date:** October 30, 2025  
**Policy Number:** TBD  
**Issued To:** City of San Bernardino Municipal Water Department

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### SCHEDULE OF COVERED LOCATIONS AND STORAGE TANKS AMENDATORY ENDORSEMENT

It is agreed that **Item 6.a** and **Item 6.b** of the Declarations are deemed to include the following:

#### **Item 6.a. Covered Locations**

| Loc. # | Location Name           | Street Address      | City           | State | Postal Code |
|--------|-------------------------|---------------------|----------------|-------|-------------|
| 1      | Water Utility Yard      | 195 North D Street  | San Bernardino | CA    | 92401       |
| 2      | Water Reclamation Plant | 399 Chandler Place  | San Bernardino | CA    | 92408-2014  |
| 3      | Pump Station            | 1302 South E Street | San Bernardino | CA    | 92408-2725  |

This policy will not provide coverage for any Covered Location(s) other than the above-listed unless specifically scheduled onto the policy by endorsement.

#### **Item 6.b. Covered Storage Tanks**

The following Storage Tank(s) is (are) covered under the policy:

| Loc. # | Tank # | Tank ID     | UST/AST | Year Installed | Capacity Gallons | Const.     | SW/DW | Contents           | Tank Effective Date | Retro Date | Deductible  |
|--------|--------|-------------|---------|----------------|------------------|------------|-------|--------------------|---------------------|------------|-------------|
| 1      | 1      | 1 (WU Yard) | UST     | 1993           | 11,000           | Fiberglass | DW    | Gasoline<br>Diesel | 10-30-25            | 11-14-23   | \$1,000,000 |
| 2      | 1      | 3 (Hd wrks) | UST     | 1987           | 10,000           | Fiberglass | DW    | Diesel             | 10-30-25            | 11-14-23   | \$1,000,000 |
| 2      | 2      | 4 (RS1)     | UST     | 1997           | 4,000            | Fiberglass | DW    | Diesel             | 10-30-25            | 11-14-23   | \$1,000,000 |

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



| Loc. # | Tank # | Tank ID   | UST/AST | Year Installed | Capacity Gallons | Const.     | SW/DW | Contents | Tank Effective Date | Retro Date | Deductible  |
|--------|--------|-----------|---------|----------------|------------------|------------|-------|----------|---------------------|------------|-------------|
| 2      | 3      | 5 (NR C)  | UST     | 1991           | 4,000            | Fiberglass | DW    | Diesel   | 10-30-25            | 11-14-23   | \$1,000,000 |
| 3      | 1      | 6 (E St.) | UST     | 1992           | 4,000            | Fiberglass | DW    | Diesel   | 10-30-25            | 11-14-23   | \$1,000,000 |

If an Anniversary Date is listed, the above-listed tank(s) will be deleted from the above schedule on the corresponding above-listed Anniversary Date(s), respectively, unless updated integrity test results (Acceptable to the Company) are received by the Company sixty (60) days prior to the listed anniversary date and approved in writing by the company.

This policy will not provide coverage for any Storage Tank(s) other than the above-listed unless specifically scheduled onto the policy by endorsement.

All other terms and conditions remain unchanged.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street, Boston, MA 02116  
Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 6

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **CANCELLATION – 100% MINIMUM EARNED PREMIUM**

It is agreed that subparagraph e. of the condition entitled **Cancellation** set forth in **SECTION IV – CONDITIONS** is deleted in its entirety and replaced with the following:

- e. The premium amount stated in the Declarations shall be one hundred percent (100%) earned at inception. In the event this policy is cancelled, we shall have no obligation to return any premium to the Named Insured.

All other terms and conditions remain unchanged.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street, Boston, MA 02116  
Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 7

**Effective Date:** October 30, 2025  
**Policy Number:** TBD  
**Issued To:** City of San Bernardino Municipal Water Department

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### DEDUCTIBLE AMENDATORY ENDORSEMENT (SCHEDULED)

It is agreed that any "claim" arising from, out of, caused by, resulting from, contributed to, or in any way related to any "pollution incident" discovered during any "removal" or "investigation" of the below scheduled "underground storage tank systems" will be subject to a **\$500,000** per incident deductible, insured under this policy.

#### Schedule of Covered Locations and Storage Tanks

| Loc. # | Location Name           |         | Street Address     |                | City             |              | State |       |          | Postal Code |
|--------|-------------------------|---------|--------------------|----------------|------------------|--------------|-------|-------|----------|-------------|
| 2      | Water Reclamation Plant |         | 399 Chandler Place |                | San Bernardino   |              | CA    |       |          | 92408-2014  |
| Loc. # | Tank #                  | Tank ID | UST/AST            | Year Installed | Capacity Gallons | Construction |       | SW/DW | Contents | Retro Date  |
| 2      | 2                       | 4 (RS1) | UST                | 1997           | 4,000            | Fiberglass   |       | DW    | Diesel   | 11-14-23    |

It is agreed that the following is added to **SECTION VI – DEFINITIONS**:

"Removal" means the removal of any "underground storage tank system", whether in part or in its entirety, with no prior knowledge of a failure in or "pollution incident" from the "underground storage tank system".

"Investigation" means the taking or testing of soil or groundwater performed at or under any "covered location" by any insured, or any other party, and which is not required as the result of a failure in or verified "pollution incident" from the "underground storage tank system". "Investigation" shall include, but not be limited to, an investigation at or under a "covered location" that is performed as part of a property transfer, sale, lease or financing transaction.

All other terms and conditions remain unchanged.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

175 Berkeley Street, Boston, MA 02116

Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 8

**Effective Date:** October 30, 2025  
**Policy Number:** TBD  
**Issued To:** City of San Bernardino Municipal Water Department

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### DEDUCTIBLE AMENDATORY ENDORSEMENT (SCHEDULED)

It is agreed that any "claim" arising from, out of, caused by, resulting from, contributed to, or in any way related to any "pollution incident" discovered during any "removal" or "investigation" of the below scheduled "underground storage tank systems" will be subject to a **\$1,000,000** per incident deductible, insured under this policy.

#### Schedule of Covered Locations and Storage Tanks

| Loc. # | Location Name           |             | Street Address      |                | City             |              | State |                    |            | Postal Code |
|--------|-------------------------|-------------|---------------------|----------------|------------------|--------------|-------|--------------------|------------|-------------|
| 1      | Water Utility Yard      |             | 195 North D Street  |                | San Bernardino   |              | CA    |                    |            | 92401       |
| 2      | Water Reclamation Plant |             | 399 Chandler Place  |                | San Bernardino   |              | CA    |                    |            | 92408-2014  |
| 3      | Pump Station            |             | 1302 South E Street |                | San Bernardino   |              | CA    |                    |            | 92408-2725  |
| Loc. # | Tank #                  | Tank ID     | UST/AST             | Year Installed | Capacity Gallons | Construction | SW/DW | Contents           | Retro Date |             |
| 1      | 1                       | 1 (WU Yard) | UST                 | 1993           | 11,000           | Fiberglass   | DW    | Gasoline<br>Diesel | 11-14-23   |             |
| 2      | 1                       | 3 (Hdw rks) | UST                 | 1987           | 10,000           | Fiberglass   | DW    | Diesel             | 11-14-23   |             |
| 2      | 3                       | 5 (NRC)     | UST                 | 1991           | 4,000            | Fiberglass   | DW    | Diesel             | 11-14-23   |             |
| 3      | 1                       | 6 (E St.)   | UST                 | 1992           | 4,000            | Fiberglass   | DW    | Diesel             | 11-14-23   |             |

It is agreed that the following is added to **SECTION VI – DEFINITIONS**:

"Removal" means the removal of any "underground storage tank system", whether in part or in its entirety, with no prior knowledge of a failure in or "pollution incident" from the "underground storage tank system".

"Investigation" means the taking or testing of soil or groundwater performed at or under any "covered location" by any insured, or any other party, and which is not required as the result of a failure in or verified "pollution incident"

## **Storage Tank Third Party Liability, Corrective Action and Cleanup Policy**



from the "underground storage tank system". "Investigation" shall include, but not be limited to, an investigation at or under a "covered location" that is performed as part of a property transfer, sale, lease or financing transaction.

All other terms and conditions remain unchanged.

Specimen

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street, Boston, MA 02116  
Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 9

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### ADDITIONAL INSURED ENDORSEMENT

It is agreed that the following entities are included as Additional Insured(s). Coverage for such Additional Insured(s) applies under this Endorsement:

1. Solely to the Additional Insured's liability arising out of the Named Insured's "pollution incident" liability under the policy; and
2. Only if the Additional Insured is named in a suit as a co-defendant with the Named Insured, alleging the Additional Insured is liable on the basis described in paragraph 1 above.

#### Additional Insured(s)

City of Colton

All other terms and conditions remain unchanged.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street, Boston, MA 02116  
Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 10

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### SCHEDULE OF INSURED'S ENDORSEMENT

It is agreed that the following entities are included as an Insured pursuant to **SECTION II – WHO IS AN INSURED:**

#### SCHEDULE OF INSURED'S

Colton/San Bernardino Regional Tertiary Treatment and Water Reclamation Authority

All other terms and conditions remain unchanged.

# Storage Tank Third Party Liability, Corrective Action and Cleanup Policy



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

175 Berkeley Street, Boston, MA 02116

Toll-free number: 1-800-677-9163

### ENDORSEMENT NO. 11

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### NOTICE OF UNDERGROUND STORAGE TANK REMOVAL

It is agreed that the following is added to **SECTION IV – CONDITIONS:**

#### NOTICE OF UNDERGROUND STORAGE TANK REMOVAL

- a.) We must be given, in writing, notice for all "underground storage tank system" removals. The notice must be received by us 10 days prior to any such removal and sent via overnight delivery to the attention of:

Ironshore Environmental Claims CSO  
28 Liberty Street, 5th Floor  
New York, NY 10005

**E-MAIL to:**

IronEnviroTankPull@ironshore.com

**FAX to:**

646-826-6601

**By phone via:**

24 Hour Claims Phone Number:

(888) 292-0249

- b.) We reserve the right to have a representative present for all "underground storage tank system" removals.

All other terms and conditions remain unchanged.



## LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")

175 Berkeley Street, Boston, MA 02116

Toll-free number: 1-800-677-9163

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|                        |                                                   |
|------------------------|---------------------------------------------------|
| <b>Effective Date:</b> | October 30, 2025                                  |
| <b>Policy Number:</b>  | TBD                                               |
| <b>Issued To:</b>      | City of San Bernardino Municipal Water Department |

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### STORAGE TANK THIRD-PARTY LIABILITY CORRECTIVE ACTION AND CLEANUP POLICY

This policy provides:

- claims-made and reported coverage for storage tank third-party bodily injury and property damage liability;
- claims-made and reported (and "confirmed releases" discovered and reported) coverage for cleanup costs for aboveground storage tanks; and
- claims-made and reported (and "confirmed releases" discovered and reported) coverage for cleanup costs for underground storage tanks.

Defense costs will reduce both the deductible amount and the separate limit of insurance available to pay legal defense costs.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us", "our" and the "company" refer to the company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to **DEFINITIONS (SECTION VI)**. Insured means any person or organization qualifying as such under **WHO IS AN INSURED (SECTION II)**.

#### SECTION I – INSURING AGREEMENT

##### 1. Coverages

- a. Subject to the Limits of Insurance and the Deductible:

##### **Coverage A: Third Party Bodily Injury and Property Damage**

We will pay those sums that the insured becomes legally obligated to pay for compensatory damages because of "bodily injury" and "property damage" that arises from a "pollution incident" on, at, under or migrating from the "covered location", provided a "claim" is first made and reported to us during the "policy period" or Extended Reporting Period, if applicable.

##### **Coverage B: Cleanup of Pollutants Due to Underground Storage Tank Releases**

We will pay those reasonable and necessary costs that the insured incurs for "cleanup", "restoration costs" and "fines and penalties" due to a "confirmed release" resulting from a "pollution incident" from an "underground storage tank system", provided that:

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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- (1) a "claim" arising from a "confirmed release" is first made during the "policy period" or during the Extended Reporting Period, if applicable; or
- (2) the insured discovers the "confirmed release" during the "policy period" or during the Extending Reporting Period, if applicable.

### Coverage C: Cleanup of Pollutants Due to Aboveground Storage Tank Releases

We will pay those reasonable and necessary costs that the insured incurs for "cleanup", "restoration costs" and "fines and penalties" due to a "confirmed release" resulting from a "pollution incident" from an "aboveground storage tank system", provided that:

- (1) a "claim" arising from a "confirmed release" is first made during the "policy period" or during the Extended Reporting Period, if applicable; or
  - (2) the insured discovers the "confirmed release" during the "policy period" or during the Extending Reporting Period, if applicable.
- b. The insurance provided under **Coverage A**, **Coverage B** and/or **Coverage C** applies only if:
- (1) The "pollution incident" commences on or after the Retroactive Date shown in Item 3 of the Declarations and before the end of the "policy period";
  - (2) The "pollution incident" occurs in the United States, its territories or possessions or Canada; and
  - (3) The "claim", if any, is made in the United States, its territories or possessions, or Canada.

## 2. Defense

- a. We have the right and duty to defend, including the right to select and appoint counsel to represent, the insured against any "claim" to which this insurance applies. However, we will have no duty to defend the insured against any "claim", suit or action to which this insurance does not apply.
- b. The insured shall not admit or assume liability or settle or negotiate to settle any "claim" without the prior written consent of the company. The "insured" must notify the company of all settlement offers and the company will in turn present all settlement offers to the "insured". If the company recommends a monetary settlement which is acceptable to a claimant and is within the Limits of Insurance and the "insured" refuses to consent to such settlement, then the company's duty to defend shall end, the "insured" shall thereafter negotiate and defend such "claim" independently of the company, and the company's liability shall not exceed the amount, less the Deductible, for which the "claim" could have been settled if such recommendation was consented to.

To the extent the "insured" is entitled pursuant to applicable laws to select independent counsel at the company's expense, the attorneys' fees and other costs or expenses we will pay are limited to the rates the company would pay to counsel the company would have retained or could otherwise have retained in the community where the "claim" is being defended. Such independent counsel must also meet any reasonable requirements, experience, or qualifications standards that the company may deem appropriate. All such counsel shall keep the company fully informed and shall promptly respond to requests for information from the company. We will have the right to require that such counsel have errors and omissions insurance coverage. We retain the right to settle or approve the settlement of any "claim" and appeal any judgment at our expense.

- c. Our duty to defend under a. above will end at the earlier of the following times:

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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- (1) When we have exhausted the Aggregate Claims Expense Limit, as described in **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLE**, by the payments of “claims expenses” in the defense, investigation, settlement, or adjustment of “claims” and actions under this Paragraph 2., Defense; or
- (2) When an applicable limit of insurance is exhausted by the payment of damages arising from “bodily injury” and/or “property damage” and/or costs for “corrective action” or “cleanup”.

If our duty to defend ends upon exhaustion of the Aggregate Claims Expense Limit, we may, at our option and in our sole discretion, continue to defend any “claim” or action to which **Coverage A**, **Coverage B** and/or **Coverage C** apply at our own expense. We may withdraw from such defense by giving notice pursuant to Condition 15. of **SECTION IV – CONDITIONS**, and we shall have no further obligation for the defense, or any related expenses.

### 3. Exclusions – Coverages A, B, and C

The insurance does not apply to:

- a. any “claim” arising out of a “pollution incident” that was expected or intended by any insured, or an employee of any insured.
- b. any “claim” arising from a “pollution incident” that commenced prior to the inception of this policy (or date coverage first provided for any “underground storage tank system” or “aboveground storage tank system” added to this policy by endorsement during the “policy period”), if a “responsible insured” knew or could have reasonably foreseen that such “pollution incident” could have been expected to give rise to a “claim”.
- c. any criminal fines, criminal penalties or criminal assessments.
- d. any “claim” made by any insured against any other person or entity who is also an insured under this policy.
- e. any “claim” arising from one or more “pollution incidents” caused by, based upon, resulting from, or attributable to the insured’s intentional, knowing, willful or deliberate noncompliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body.
- f. any “claim” arising from the ownership, maintenance, use or entrustment to others of any aircraft, “auto”, rolling stock or watercraft. Use shall include the loading and unloading of any watercraft, aircraft or rolling stock. Use shall not include the loading or unloading of any “auto”.
- g. any costs, charges or expenses incurred by the insured for goods supplied by the insured or services performed by the staff and/or salaried employees of the insured, or its parent, subsidiary or affiliate.
- h. any “claim” arising from any consequence, whether direct or indirect, of war, invasion, act of a foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.
- i. any costs for removing, disposing, replacing, compensating a third-party for or recycling of the contents of any “aboveground storage tank system” or “underground storage tank system”.
- j. any costs, charges or expenses incurred to investigate or verify that a “confirmed release” under **Coverage B** or **Coverage C** has taken place.
- k. any “claim” arising out of “bodily injury” to:

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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- (1) An employee of the insured or its parent, subsidiary or affiliate arising out of and in the course of:
  - (a) Employment by the insured or its parent, subsidiary or affiliate; or
  - (b) Performing duties related to the conduct of the business of the insured or its parent, subsidiary or affiliate; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
  - (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- l. any obligation of the insured under workers' compensation, unemployment compensation or disability benefits law or similar law.
  - m. any liability or "claim" for liability of others assumed by the insured under any contract or agreement, unless the insured would have been liable in the absence of such contract or agreement.
  - n. under **Coverage A**, any "claim" arising out of "property damage" to:
    - (1) property owned, leased, loaned or rented by or to any insured; or
    - (2) property an insured has sold, leased, given away or abandoned.For "property damage" to real property, this exclusion shall apply to "property damage" on, at or under the real property.
  - o. any "claim" arising from one or more "pollution incidents" on, at, under, or migrating from a "covered location" if any of the "pollution incidents" commenced subsequent to the time such location is:
    - (1) sold;
    - (2) given away;
    - (3) abandoned; or
    - (4) sub-leased, unless the sub-lease has been approved in writing by us prior to the commencement of the sub-lease.
  - p. any liability or "claim" arising from the insured's goods or products manufactured, sold, handled or distributed (including warranties or representations made at any time with respect to use thereof, or the failure to provide warnings or instructions) after possession of such insured's products have been relinquished to others by the insured or others trading under its name.

### SECTION II – WHO IS AN INSURED

#### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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- c. An organization other than a partnership or joint venture, you are an insured. Your officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- 2. Each of the following is also an insured:**
- a. Your employees, other than your officers, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no employee is an insured for:
    - (1) "Bodily injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture) or to a co-employee while in the course of his or her employment or while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-employee as a consequence of paragraph (1)(a) above;
      - (c) For which there is an obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" for damage to property:
      - (a) Owned, occupied or used by,
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your employees, or, if you are a partnership or joint venture, by any partner or member.
  - b. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
- No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. "Claims" made;
  - c. "Confirmed releases"
  - d. "Pollution incidents"; or
  - e. Persons or organizations making "claims".
- 2. The Aggregate Limit is the most we will pay for the sum of:

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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- a. Damages under **Coverage A**;
  - b. Costs under **Coverage B**; and
  - c. Costs under **Coverage C**.
3. Subject to the Aggregate Limit, the Each Incident Limit is the most we will pay for the sum of:
- a. Damages under **Coverage A**;
  - b. Costs under **Coverage B**; and
  - c. Costs under **Coverage C**;
- because of one "pollution incident".

The Each Incident Limit shown in the Declarations of the policy in effect when the first "claim" arising out of the same, related or continuous "pollution incidents" was made and reported to us is the most we will pay for all covered "claims", reported to us during one or more "policy periods", arising out of such "pollution incident". To the extent a "claim" is made and covered in a subsequent "policy period", all such "claims" shall be deemed first reported to us during the "policy period" in which the first such "claim" was first reported to us.

4. The Aggregate Claims Expense Limit is the most we will pay for the sum of all "claims expenses" for defense we provide under Paragraph 2., **Defense** of the **INSURING AGREEMENT (SECTION I)**. "Claims expenses" will not reduce the Aggregate Limit.
5. For any one "pollution incident", this policy applies only to damages for "bodily injury" or "property damage", costs for "corrective action", "cleanup", "restoration costs", "fines and penalties" and/or "claims expenses" in excess of the Deductible shown in the Declarations. The Deductible amount does not reduce the Each Incident Limit, the Aggregate Limit or the Aggregate Claims Expense Limit. We may advance payment of part or all of the Deductible amount and, upon notification of such payment made, the insured shall promptly reimburse us. Payment of defense or amounts within the Deductible will not create any obligations or be construed as a waiver or estoppel of our rights under the policy.

### SECTION IV – CONDITIONS

#### 1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

#### 2. Duties In The Event Of Pollution Incident or Claim.

- a. It is a condition precedent to coverage under this Policy that:

**(1) Notice of "claim":**

In the event of a "claim" under **Coverage A**, the insured shall give us written notice as soon as practicable after receipt of the "claim" by the insured.

**(2) Notice of "confirmed release":**

In the event that a "pollution incident" has taken place which the insured has verified as a "confirmed release", the insured must report such "confirmed release, in writing, as soon as possible but in any event no later than (15) fifteen days after verifying the "confirmed release".

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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(3) When a “claim” has been made and/or reported as required herein or a “confirmed release” has been discovered and reported as required herein, the insured must forward to us as soon as practicable after receipt, or receipt by its representative or agent, all of the following:

(a) All technical reports, laboratory data, field notes or any other documents generated by or on behalf of the insured to investigate or abate a “pollution incident” or to implement “corrective action” or “cleanup”.

For “claims” or covered “confirmed releases” under **Coverage B** and/or **Coverage C**, the insured shall also forward documentation of the release, detection tests or procedures, such as system tightness tests or site checks, undertaken to investigate a suspected “pollution incident” and verify that a “confirmed release” has taken place;

(b) All correspondence between the insured and any third party claimant, including but not limited to any government agency;

(c) All demands, summons, notices or other processes or papers from a court of law, administrative agency or an investigative body;

(d) All expert reports, investigations and data collected by experts retained by the insured whether or not the insured intends to use the material for any purpose; and

(e) Any other information developed, discovered and/or possessed by the insured concerning the “claim” or “confirmed release”.

b. No costs, charges and expenses shall be incurred without our prior written approval for:

(1) the defense, investigation, or adjustment of “claims” or actions to which **SECTION I**, Paragraph 2., **Defense**, applies;

(2) preparing, developing, modifying or implementing a “corrective action” plan undertaken as part of a covered “corrective action”;

(3) “cleanup”; or

(4) “restoration costs”.

c. The insured shall not admit or assume any liabilities or settle any “claims” without our prior written consent.

d. The insured shall cooperate with us to the fullest extent possible by providing the assistance necessary to adjust, investigate and defend the “claim” or “confirmed release” under **Coverage A**, **Coverage B** or **Coverage C**. The insured agrees to provide us full access to interview any employee, agent, representative or independent contractor of the insured and to review any of the insured’s documents concerning the “claim” or “confirmed release”.

e. We shall have the right but not the duty to participate in decisions regarding “corrective action”, “cleanup” and “restoration costs”, and to assume direct control over all aspects of such “corrective action”, “cleanup” and “restoration costs”, and the adjustment of any “claim” under **Coverage A**, **Coverage B** or **Coverage C**, up to the limit of insurance. If we exercise our rights under this paragraph, the insured shall participate in discussions regarding “corrective action”, “cleanup” and “restoration costs”, and performance of “corrective action”, “cleanup” and “restoration costs”.

### 3. Legal Action Against Us.

No person or organization has a right under this policy:

a. To join us as a party or otherwise bring us into a suit asking for damages from an insured; or

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance.

- a. Where other insurance is available to an insured for damages for "bodily injury" or "property damage" or for costs for "corrective action" or "cleanup" covered under the terms and conditions of the Policy, our obligation to the insured shall be as follows:
  - (1) This insurance shall apply as excess insurance over any other valid insurance, whether collectible or not, be it primary or excess. This excess insurance shall in no way be increased or expanded as a result of the receivership, insolvency, or inability to pay of any insurer with respect to both the duty to indemnify and the duty to defend. This also applies to the insured while acting as a self-insured for any coverage.
  - (2) Where this insurance is excess insurance, we will pay only our share of the total amount of damage for "bodily injury" or "property damage" and costs for "corrective action" or "cleanup", if any, that exceeds the sum of:
    - (a) The total amount of all such other valid insurance, whether collectible or not; and
    - (b) The total of all deductible and self-insured amounts under all that other insurance.
- b. When this insurance is excess, we will have no duty to defend any "claim" or civil or administrative action that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so in accordance with Paragraph 2., **Defense** of the **INSURING AGREEMENT (SECTION I)**, but we will be entitled to the insured's rights against all those other insurers.

#### 5. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations and application are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### 6. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing to impair those rights. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

#### 7. Cancellation.

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - 1. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

## **Storage Tank Third Party Liability, Corrective Action and Cleanup Policy**

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- 2. 60 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The "policy period" will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **8. Changes.**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### **9. Inspections And Surveys.**

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not manage or exercise control over any premises or any "underground storage tank system" or "aboveground storage tank system", nor are we in control of any source of a "regulated substance". We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

### **10. Premiums.**

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

### **11. Transfer Of Your Rights And Duties Under This Policy.**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed,

## **Storage Tank Third Party Liability, Corrective Action and Cleanup Policy**

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anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

### **12. Notice When A limit Of Insurance Is Used Up.**

As soon as is practicable after we have knowledge that a Limit of Insurance is used up, we will notify the first Named Insured in writing. Any failure by us to provide any notice under this paragraph will not have the effect of increasing any Limit of Insurance.

### **13. Transfer Of Duties When A Limit of Insurance Is Used Up.**

- a. When we terminate our defense because a Limit of Insurance has been used up in payment of judgments and/or settlements, the Aggregate Claims Expense Limit is used up in the payment of "claims expenses" or pursuant to any provision of the policy:
  - (1) We will notify the Named Insured and any insured against whom a "claim" is pending, in writing, as soon as practicable, that we will no longer defend the insured or pay any "claims expenses."
  - (2) The Named Insured and any insured against whom a "claim" is pending will, as soon as practicable, arrange for the transfer of control of the defense of all such "claims" and against any insured.
  - (3) We will assist in, and all insureds must cooperate in, the transfer of control of the defense of all "claims" which are subject to that limit and which are reported to us before that limit is used up.
  - (4) We will take steps we deem appropriate to avoid a default in, or continue the defense of, such "claims" until the transfer is completed, provided the appropriate insured is cooperating in completing such transfer. The Named Insured and any insured against whom a "claim" is pending will reimburse us for any expenses we incur (for which expenses each Named Insured and each insured against whom a "claim" is pending are jointly and severally liable) to take such steps on and after the date on which the applicable Limit of Insurance is used up.
  - (5) We will take no action whatsoever with respect to any "claim" reported to us after the applicable Limit of Insurance has been used up.
- b. The duty to reimburse us will begin on the date the applicable Limit of Insurance is used up. The exhaustion of any Limit of Insurance, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

### **14. Duplicate Policies Provided to Governmental Agencies.**

Whenever requested by a governmental agency or the insured, we agree to provide a signed duplicate original of the policy and any endorsements.

### **15. Financial Responsibility and Reimbursement**

If this policy is issued to certify your compliance with the federal Environmental Protection Agency financial responsibility requirements or requirements of any "environmental law" imposed on you as an owner or operator of an "underground storage tank system" or "aboveground storage tank system" and we make payment accordingly, you agree to reimburse us for any payment made by us on your behalf which we would not have been obligated to make under the terms of this policy. Payment by us under this paragraph will not create any obligations or be construed as a waiver or estoppel of our rights under the policy.

## **SECTION V – EXTENDED REPORTING PERIOD**

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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1. You shall be entitled to an Extended Reporting Period if this policy is cancelled or nonrenewed by you or by us. The Extended Reporting Period shall not apply where:
  - (1) The Policy is terminated for fraud or non-payment of premium; or
  - (2) The Insured has purchased other insurance to replace the insurance provided under this Policy.
- a. With regard to an individual "covered location", you shall be entitled to an Extended Reporting Period if coverage for such location is terminated because:
  - (1) Coverage for the "covered location" is deleted from this Policy by us; or
  - (2) The "covered location" is:
    - (a) sold;
    - (b) given away;
    - (c) abandoned; or
    - (d) sub-leased, unless the sub-lease has been approved in writing by us prior to the commencement of the sub-lease.
2. The Extended Reporting Period will not extend the "policy period", change the scope of coverage provided or reinstate or increase the Limits of Insurance. The Extended Reporting Period will apply only to "claims":
  - a. Under **Coverage A** first made and reported; or
  - b. Under **Coverage B** or **Coverage C** first reported;

during the Extended Reporting Period and arising out of "pollution incidents" that occur before the end of the "policy period" but not before the Retroactive Date, if any, shown in the Declarations. Any such "claim" will be deemed first made and reported under **Coverage A**, or first reported under **Coverage B** or **Coverage C**, on the last day of the "policy period".
3. You shall be entitled to an Automatic Extended Reporting Period for a period of one-hundred eighty (180) days starting upon cancellation, nonrenewal, or termination of coverage as described above for no additional premium. This Automatic Extended Reporting Period shall not apply where the Named Insured has purchased the Optional Extended Reporting Period under paragraph 4. Below.
4. An Optional Extended Reporting Period of thirty-six (36) months is available, but only by an endorsement and for an extra charge. This Optional Extended Reporting Period starts upon cancellation, nonrenewal, or termination of coverage as described above. Once in effect, the Optional Extended Reporting Period may not be cancelled.

You must give us a written request for to purchase the Optional Extended Reporting Period within 30 days after the termination of coverage. The Optional Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due. The additional premium will not exceed 200% of the annual premium for this Policy.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Optional Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance.

### SECTION VI - DEFINITIONS

## **Storage Tank Third Party Liability, Corrective Action and Cleanup Policy**

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1. "Aboveground storage tank system" means any stationary tank, including any piping and appurtenances connected to the tank designated in Item 6 of the Declarations, provided such tank and any piping and appurtenances connected to the tank:
  - a. are on or at a "covered location";
  - b. are used solely to contain "regulated substances", hazardous waste or other waste product; and
  - c. has less than ten (10) percent of its volume beneath the surface of the ground.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment.
3. "Bodily injury" means physical injury, sickness, disease, building-related illness, mental anguish, shock or emotional distress, sustained by any person, including death resulting therefrom. "Bodily injury" shall also include medical monitoring costs.
4. "Claim" means a demand, notice or assertion of a legal right alleging liability or responsibility on the part of the insured.
5. "Claims expenses" means:
  - a. (1) fees, salaries and expenses of attorneys, legal interns and paralegals we retain (including our own employees); and  
(2) all other expenses we incur; that are directly allocable to the "claim".
  - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$100 a day because of time off from work.
  - d. All costs taxed against the insured.
  - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
6. "Cleanup" means:
  - a. activities to the extent required pursuant to "environmental laws" undertaken to remove, abate, contain, treat, detoxify or neutralize "pollutants", or to assess, test for or monitor the effects of "pollutants".
  - b. "corrective action".

"Cleanup" shall not include the removal, repair, upgrade, maintenance or replacement of any "underground storage tank system" or "aboveground storage tank system".
7. "Confirmed release" means a "pollution incident" from an "underground storage tank system" or an "aboveground storage tank system" that has been investigated and verified by or on behalf of the insured

## **Storage Tank Third Party Liability, Corrective Action and Cleanup Policy**

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utilizing a system tightness check, site check or other procedure approved by the “implementing agency” in accordance with 40 C.F.R. 280.52 or another applicable federal or state regulation or state statute.

8. “Corrective action” means response to a “confirmed release” as legally required by:
    - a. Subpart F of the federal underground storage tank regulations, 40 C.F.R. 280.60 through 280.66, 40 C.F.R. 280.72, or any other applicable federal regulations; or
    - b. Any applicable regulations promulgated by a state under an underground storage tank program approved by the federal Environmental Protection Agency in accordance with section 9004 of the Resource Conservation and Recovery Act of 1976, as amended.
  9. “Covered location” means any location designated in Item 6 of the Declarations and includes above, on and below the surface of the location, as well as the groundwater below the location.
  10. “Environmental laws” means the following statutes, any amendments thereto, any regulations promulgated thereunder; and any similar statutes or regulations of any state or province, or political subdivision thereof, of the United States or Canada in effect at the commencement of the “policy period”:
    - 1) the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA), 42 U.S.C. 9601-9675;
    - 2) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), 42 U.S.C. 6901-6992K; and 3) the Federal Water Pollution Control Act, 33 U.S.C. 1251-1387.“Environmental laws” includes any amendments to the statutes or regulations described above enacted or promulgated subsequent to the binder of coverage.
  11. “Fines and penalties” means punitive, exemplary or multiplied damages, and civil fines, penalties and assessments to the extent any of the foregoing is insurable under applicable law.
  12. “Implementing agency” means the federal Environmental Protection Agency (E.P.A.) or a state or local agency having jurisdiction over the “underground storage tank system” pursuant to an underground storage tank program approved by the federal E.P.A. in accordance with section 9004 of the Resource Conservation and Recovery Act of 1976, as amended, or other applicable statutes.
  13. “Natural resource damages” means damages, sought by a governmental or tribal natural resource damage trustee who is authorized to act in such capacity by a natural resource damage statute governing the assessment and restoration of natural resource damages, for the physical injury to or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value of land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)), any State, Local or Provincial government, any foreign government, any Native American tribe, or, if such resources are subject to a trust restriction on alienation, any member of a Native American tribes.
  14. “Policy period” means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of:
    - a. cancellation of this Policy; or
    - b. with respect to an individual “covered location”:
      - (1) the deletion of such location from this Policy by us; or
      - (2) the sale, giving away or abandonment of such location, or the sub-leasing of such location, unless the sub-lease has been approved in writing by us prior to the commencement of the sub-lease.
  15. “Pollutants” means:
- ENV-ST-P001-0418

## **Storage Tank Third Party Liability, Corrective Action and Cleanup Policy**

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- a. With regard to “pollution incidents” from “aboveground storage tanks”, any solid, liquid, gaseous, thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  - b. With regard to “pollution incidents” from “underground storage tank systems”, one or more “regulated substances”.
- 16.** “Pollution incident” means any spilling, leaking, emitting, discharging, escaping or leaching of “pollutants” from an “aboveground storage tank system” or an “underground storage tank system” designated in Item 6 of the Declarations on, in, into, or upon land, structures, the atmosphere, any watercourse or body of water including surface water or groundwater.
- The entirety of the same, interrelated, associated, repeated or continuous episodes of “pollution incidents” from the same “aboveground storage tank system” or “underground storage tank system” shall be deemed to be a single “pollution incident” commencing at the time of the initial “pollution incident”.
- 17.** “Property damage” means:
- a. Physical injury to or destruction of tangible property of parties other than the insured, including the resulting loss of use of that property;
  - b. Loss of use of tangible property of by parties other than the insured, that is not physically injured or destroyed.
  - c. Diminished value of property owned by parties other than the insured.
  - d. “Natural resource damages”.
- 18.** “Regulated substance” means:
- a. petroleum, including crude oil or any fraction thereof that is liquid at standard conditions of temperature and pressure.
  - b. hazardous substance as defined in section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) (but not including any substance regulated as hazardous under Subtitle C of the Resource Conservation and Recovery Act of 1976, as amended).
- 19.** “Responsible insured” means:
- a. The manager or supervisor of the insured responsible for environmental affairs or health and safety affairs, control or compliance at a “covered location”;
  - b. The manager of a “covered location”; or
  - c. Any officer, director, risk manager or partner of the insured.
- 20.** “Restoration costs” means reasonable and necessary costs incurred by the insured, with the company’s prior written consent, to repair, restore or replace that particular part of real or personal property that is damaged solely by work performed in the course of incurring covered “cleanup” in response to a “pollution incident” to which this policy applies. No coverage for “restoration costs” shall apply to any real or personal property which required removal, replacement or repair prior to being damaged during such work. “Restoration costs” shall not exceed the lesser of actual cash value of the particular part of the real or personal property which was damaged or the cost of repairing, restoring or replacing the damaged property with other property of like kind and quality. An adjustment for depreciation and the physical condition of such property immediately prior to being damaged during such work shall be made by the company, in its reasonable judgment, in determining actual cash value. If a repair or replacement results in better than like kind or quality, the company will not pay for the amount of the betterment,

## Storage Tank Third Party Liability, Corrective Action and Cleanup Policy

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except to the extent such betterments of the damaged property entail the use of green building materials which are environmentally preferable and of similar quality to those materials which comprised the damaged property. Such green building materials must be certified as such by an applicable national or international independent non-governmental certifying body, where such certification is available, or, in the absence of such certification, based on the judgment of the company in its sole discretion.

"Restoration costs" shall not include any costs due to or associated with the removal, repair, upgrade, maintenance or replacement of any "underground storage tank system" or "aboveground storage tank system".

21. "Underground storage tank system" means any tank, including any piping and appurtenances connected to the tank, designated in Item 6 of the Declarations provided such tank and any piping and appurtenances connected to the tank:

- a. are on, at or under a "covered location";
- b. are used solely to contain "regulated substances"; and
- c. has at least ten (10) percent of its volume beneath the surface of the ground.

In witness whereof, the company has caused this policy to be signed by its President and its Secretary at Boston, Massachusetts, and countersigned by a duly authorized representative of the company.

Liberty Surplus Insurance Corporation by:



President



Secretary



**ALLIED WORLD SURPLUS LINES INSURANCE COMPANY**

260 Franklin Street, Suite 930  
Boston, MA 02110  
USA

T: 857-288-6000  
F: 617-556-8060

|              |                                                                                             |                                    |            |
|--------------|---------------------------------------------------------------------------------------------|------------------------------------|------------|
| <b>To:</b>   | William X Yankus<br>Victor Insurance Services<br>1166 Ave of Americas<br>New York, NY 10036 | <b>Date:</b>                       | 09/23/2025 |
|              |                                                                                             | william.yankus@victorinsurance.com |            |
| <b>From:</b> | Kristina Brochu                                                                             | <b>Account #:</b>                  | 1301317    |
| <b>Re:</b>   | City of San Bernardino Municipal Water Department - ForceField Private Package              |                                    |            |

**QUOTATION VIA: EMAIL**

|                              |                                                   |                       |  |
|------------------------------|---------------------------------------------------|-----------------------|--|
| <b>Quote Expiration Date</b> | 10/30/2025                                        |                       |  |
| <b>Insured</b>               | City of San Bernardino Municipal Water Department |                       |  |
| <b>Address</b>               | 1350 South East Street<br>San Bernrdno, CA 92408  |                       |  |
| <b>Policy Period</b>         | <b>From:</b> 10/30/2025                           | <b>To:</b> 10/30/2026 |  |

|                |   |
|----------------|---|
| <b>Quote #</b> | 1 |
|----------------|---|

| Coverage Sections and Premium       |                                                   |                 |
|-------------------------------------|---------------------------------------------------|-----------------|
| Liability Coverage Section          |                                                   | Premium         |
| <input type="checkbox"/>            | Directors and Officers Liability Coverage Section | N/A             |
| <input checked="" type="checkbox"/> | Employment Practices Liability Coverage Section   | \$49,000        |
| <input type="checkbox"/>            | Fiduciary Liability Coverage Section              | N/A             |
| <input type="checkbox"/>            | Employed Lawyers Liability Coverage Section       | N/A             |
| <input type="checkbox"/>            | Crime Coverage Section                            | N/A             |
| <input type="checkbox"/>            | Kidnap and Ransom/Extortion Coverage Section      | N/A             |
| <b>Total Policy Premium</b>         |                                                   | <b>\$49,000</b> |

| Limit of Liability and Retention For Each Coverage Section<br>(Other than the Crime and Kidnap and Ransom/Extortion Coverage Sections) |                             |                           |                          |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------|--------------------------|
| Coverage Section                                                                                                                       | Separate Limit of Liability | Shared Limit of Liability | Retention*               |
| Employment Practices Liability Coverage Section                                                                                        | \$3,000,000                 |                           | All Claims:<br>\$200,000 |
| Third Party Liability Coverage Sublimit of Liability                                                                                   | Included                    |                           |                          |
|                                                                                                                                        |                             |                           |                          |

\* With respect to all Coverage Sections listed above, no Retention amount is applicable to Non-Indemnifiable Loss.

|                                     |
|-------------------------------------|
| <b>Aggregate Limit of Liability</b> |
| \$3,000,000                         |

| Other Coverage Limits and Sublimits                                                           |                    |
|-----------------------------------------------------------------------------------------------|--------------------|
| Coverage                                                                                      | Limit of Liability |
| Sublimit of Liability for                                                                     |                    |
| Punitive Damages Coverage Options for D&O and EPL Coverage Sections                           |                    |
| <input checked="" type="checkbox"/> No Punitive Damages Sublimit of Liability for D&O or EPL* |                    |

\* With respect to Punitive Damages Coverage, if "No Punitive Damages Sublimit of Liability for D&O or EPL" is selected above, the Limit of Liability for Punitive Damages shall be equal to either the D&O or the EPL Coverage Section Limit of Liability.

| Coverage Dates                                  |                                       |
|-------------------------------------------------|---------------------------------------|
| Coverage Section                                | Date                                  |
| Employment Practices Liability Coverage Section | Pending or Prior Date: Match Expiring |
|                                                 |                                       |

| Discovery Period |     |
|------------------|-----|
| 1 Year           | TBD |
| 2 Years          | TBD |
| 3 Years          | TBD |
| 4 Years          | TBD |
| 5 Years          | TBD |
| 6 Years          | TBD |

|                                     |                                                                              |
|-------------------------------------|------------------------------------------------------------------------------|
| Insurer                             | Allied World Surplus Lines Insurance Company                                 |
| Policy Form:                        |                                                                              |
| <a href="#">PP 00011 00 (06/14)</a> | - ForceField Private Package Employment Practices Liability Coverage Section |
| <a href="#">PP 00005 00 (06/14)</a> | - ForceField Private Package General Terms and Conditions                    |
| Declaration Form :                  |                                                                              |
| <a href="#">PP 00002 00 (06/14)</a> | - ForceField Private Package Declarations                                    |
| Premium Due Date                    | 30 Days from effective date of policy                                        |
| Commission                          | 20%                                                                          |

|         |   |
|---------|---|
| Quote # | 2 |
|---------|---|

| Coverage Sections and Premium       |                                                   |          |
|-------------------------------------|---------------------------------------------------|----------|
|                                     | Liability Coverage Section                        | Premium  |
| <input type="checkbox"/>            | Directors and Officers Liability Coverage Section | N/A      |
| <input checked="" type="checkbox"/> | Employment Practices Liability Coverage Section   | \$37,000 |
| <input type="checkbox"/>            | Fiduciary Liability Coverage Section              | N/A      |
| <input type="checkbox"/>            | Employed Lawyers Liability Coverage Section       | N/A      |
| <input type="checkbox"/>            | Crime Coverage Section                            | N/A      |
| <input type="checkbox"/>            | Kidnap and Ransom/Extortion Coverage Section      | N/A      |
| Total Policy Premium                |                                                   | \$37,000 |

| Limit of Liability and Retention For Each Coverage Section<br>(Other than the Crime and Kidnap and Ransom/Extortion Coverage Sections) |                             |                           |             |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------|-------------|
| Coverage Section                                                                                                                       | Separate Limit of Liability | Shared Limit of Liability | Retention*  |
| Employment Practices                                                                                                                   | \$3,000,000                 |                           | All Claims: |

|                                                      |          |  |           |
|------------------------------------------------------|----------|--|-----------|
| Liability Coverage Section                           |          |  | \$250,000 |
| Third Party Liability Coverage Sublimit of Liability | Included |  |           |
|                                                      |          |  |           |

\* With respect to all Coverage Sections listed above, no Retention amount is applicable to Non-Indemnifiable Loss.

|                                     |
|-------------------------------------|
| <b>Aggregate Limit of Liability</b> |
| \$3,000,000                         |

| Other Coverage Limits and Sublimits                                                           |                    |
|-----------------------------------------------------------------------------------------------|--------------------|
| Coverage                                                                                      | Limit of Liability |
| Sublimit of Liability for                                                                     |                    |
| Punitive Damages Coverage Options for D&O and EPL Coverage Sections                           |                    |
| <input checked="" type="checkbox"/> No Punitive Damages Sublimit of Liability for D&O or EPL* |                    |

\* With respect to Punitive Damages Coverage, if "No Punitive Damages Sublimit of Liability for D&O or EPL" is selected above, the Limit of Liability for Punitive Damages shall be equal to either the D&O or the EPL Coverage Section Limit of Liability.

| Coverage Dates                                  |                                       |
|-------------------------------------------------|---------------------------------------|
| Coverage Section                                | Date                                  |
| Employment Practices Liability Coverage Section | Pending or Prior Date: Match Expiring |
|                                                 |                                       |

| Discovery Period |     |
|------------------|-----|
| 1 Year           | TBD |
| 2 Years          | TBD |
| 3 Years          | TBD |
| 4 Years          | TBD |
| 5 Years          | TBD |
| 6 Years          | TBD |

|                                     |                                                                              |
|-------------------------------------|------------------------------------------------------------------------------|
| <b>Insurer</b>                      | Allied World Surplus Lines Insurance Company                                 |
| <b>Policy Form:</b>                 |                                                                              |
| <a href="#">PP 00011 00 (06/14)</a> | - ForceField Private Package Employment Practices Liability Coverage Section |
| <a href="#">PP 00005 00 (06/14)</a> | - ForceField Private Package General Terms and Conditions                    |
| <b>Declaration Form :</b>           |                                                                              |
| <a href="#">PP 00002 00 (06/14)</a> | - ForceField Private Package Declarations                                    |
| <b>Premium Due Date</b>             | 30 Days from effective date of policy                                        |
| <b>Commission</b>                   | 20%                                                                          |

|                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Endorsements</b>                                                                                                                                                                                                                          |
| 1. <a href="#">FF 00038 00 (04/16)</a> - Service of Suit<br>2. <a href="#">IL 00017 04 (11/08)</a> - California - Suits Involving a Surplus Lines Broker - Remedies<br>3. <a href="#">IL 00052 00 (04/22)</a> - Trade and Economic Sanctions |

4. [PP 00084 00 \(01/10\)](#) - Specific Claim Exclusion (Crawford, Edward; Johns, Stephen; Acosta, Yolanda; Monica, Sepulveda; Stewart, Joanna; Deanna, Lestina; Medina, Danny; Gabriel, Lujan)
5. [PP 00129 00 \(05/11\)](#) - Fair Labor Standards Act Coverage, Defense Costs Only - Subject to Retention and Sublimit (\$50k sublimit/ \$200k retention) (Applicable to quote(s) 1 only)
6. [PP 00129 00 \(05/11\)](#) - Fair Labor Standards Act Coverage, Defense Costs Only - Subject to Retention and Sublimit (\$50k sublimit/ \$250k retention) (Applicable to quote(s) 2 only)
7. [PP 00132 00 \(05/10\)](#) - OFAC Exclusion (Office of Foreign Assets Control)
8. [PP 00136 00 \(06/10\)](#) - Duty to Defend Coverage (Hammer clause - D&O, EPL or Fiduciary)
9. [PP 00152 00 \(08/11\)](#) - Endorsement Schedule
10. PP 00287 00 (10/16) - Workplace Violence Coverage (\$250k sublimit)
11. [PP 00631 00 \(09/19\)](#) - Amend Definition of Loss - Employment Claims Brought By Or On Behalf Of Canadian Employees
12. PP 00820 00 (05/21) - IRCA Violation Notice Coverage with Retention and Sublimit (\$100k sublimit/ \$200k retention) (Applicable to quote(s) 1 only)
13. PP 00820 00 (05/21) - IRCA Violation Notice Coverage with Retention and Sublimit (\$100k sublimit/ \$250k retention) (Applicable to quote(s) 2 only)
14. [PP 00877 00 \(04/23\)](#) - Employee Privacy Wrongful Act Endorsement - Includes Biometric Data And Failure To Obtain Consent Defense Costs Only Sublimit Applies (\$25k sublimit)

#### **Subjectivities**

##### **Quotation subject to Insurer's receipt, review and acceptance of:**

1. Prior to binding: Please provide more information about the open claims. Do you foresee any large payouts, etc.
2. Evidence of continuity for the purpose of backdating Pending & Prior Litigation date.
3. Surplus Lines Policy Information Form

**California Residents:** For information relating to the California Consumer Privacy Act, please go to the following link: <https://alliedworldinsurance.com/usa/>

#### **TERMS AND CONDITIONS**

This quote is strictly conditioned upon no material change in the risk, including a submission being made to the insurer of a claim or circumstance that might give rise to a claim, between the date of this quote and the policy inception date. In the event of such a change in risk, the insurer may, in its sole discretion, amend or withdraw this quote

#### **SURPLUS LINES DISCLOSURE**

This quotation is being offered on a surplus lines basis. As the producing broker, it will be your responsibility to furnish the Insurer with all necessary information regarding the Surplus Lines broker who will be responsible for complying with state surplus lines laws, including arranging for the payment of the applicable state tax and/or stamping fee should a policy be issued. In order to facilitate the timely collection of this information on behalf of the Insurer, you will be required to provide and affirm the contact name, address, license number, for such Surplus Lines broker prior to binding any transaction.

All other terms and conditions as per our Policy Form and any applicable endorsements referenced herein.

Thank you for choosing Allied World Surplus Lines Insurance Company a member company of Allied World Assurance Company Holdings Ltd.