

City of Valdez
Valdez City School District
BROKERAGE SERVICES PROPOSAL

Effective
From: 07/01/2016 To: 07/01/2017

Presented by:

David R. Hale
President



100 Cushman Street, Suite 200
Fairbanks, AK 99701

Phone: (907) 456-6671
Toll Free: (800) 570-6671
Fax: (907) 452-5214

Executive Summary

This quote has been based on the information you provided to us and on which we have relied and is subject to the terms and conditions of the policy forms. In the event the information provided to the underwriters/(re)insurers is not complete and accurate, it may allow the underwriters/(re)insurers to avoid liability for a particular claim or to void the policy entirely. If any material information has been excluded or if any of the information provided is now inaccurate please advise us immediately in order that we can seek revalidation of terms with underwriters/(re)insurers.

This quote is valid until 07/01/16 after which the pricing, terms, and conditions are subject to change. It does not constitute confirmation of full or further support of the placement at these terms; it is recommended, therefore, that you respond to us as soon as possible. We will not be responsible for any consequences that may arise from any delay or failure by you to respond to us by 06/30/16.

You are requested to review this indication to confirm that it accurately reflects the coverage conditions, limits and other terms that you require. If the indication of coverage and terms does not accord with your instructions please kindly advise us immediately by contacting David Hale at (907) 456-6671.

Client Service Team

Hale & Associates is committed to not only meeting your unique business demands, but to exceeding your expectations as a first class insurance broker and risk management partner. We know your value:

- a personal relationship with an increased access to your account team
- state-of-the-art market knowledge and expertise
- enhanced claims advocacy
- quicker, more streamlined processes (e.g., claims filing, certificate issuance)

The following is your Service Team:

Hale & Associates
Phone: (907) 456-6671
Fax: (907) 452-5214

David Hale
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david@hale-ins.com

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Hallie Woods
Account Executive
hallie@hale-ins.com

**CITY OF VALDEZ / VALDEZ CITY SCHOOL DISTRICT
PREMIUM SUMMARY**

	City			School District	
	2016-2017	2015-2016		2016-2017	2015-2016
Coverage	APEI	APEI		AML/JIA	AML/JIA
GL & Public Officials	61,188	66,441		31,459	27,845
Workers' Compensation	263,551	248,645		88,154	95,329
Business Auto	55,150	38,425		11,387	9,490
Police Professional	Incl	Incl		n/a	n/a
Student Accident	n/a	n/a		Incl	Incl
Loss Control Discount	n/a	n/a		-3,387	0
Member Dividend	-72,309*	-58,507		-1,284	-1,926
Sub Total	307,580	295,004		126,329	130,738
Marine - Zurich American	56,215	48,747		n/a	n/a
Commercial Property & Boiler & Machinery - Affiliated FM Ins.Co.	133,266	138,504		86,989	88,054
Public Employee Crime	4,293	4,293			
Bonds (est.)	5,000	5,000			
Brokerage Fee	30,000	30,000			
Grand Total	536,354	517,255		213,318	218,792

City: Renewal: Last Year:
 Reported Payroll: \$9,078,655 \$8,838,093
 Auto Count: 80 91
 *APEI issues Member Dividend check upon receipt of full payment of \$379,889.
 Optional: City APEI Three-Year Agreement discount (\$18,995).
 Marine: Est Gross Receipts \$1,315,000 \$1,195,875

School District:
 Reported Payroll: \$7,104,649 \$6,466,104
 Auto Count: 14 11
 Average Daily Membership: 655 604

Optional: School District AML/JIA Three-Year Participant Membership Agreement (\$6,550).

Note: Payrolls are subject to a Final Audit.

Optional Terrorism Insurance Coverage:
 Marine: Premium shown includes additional premium charge of \$ 1,498.
 Property: Premium shown includes additional premium charge of \$11,515.

**CITY OF VALDEZ
APEI PACKAGE**



Alaska Public Entity Insurance

Program Premium Summary
Policy Year: July 1, 2016 - July 1, 2017

Insured: City of Valdez

AcctID# 265

Part I Property & Mobile Equipment	Limit of Insurance	Coverage Limit Applies	Declared Value	Deductible	Gross Premium	Gross Prem w/ Optional 3-yr Agreement
Property - All Risk Coverage					\$0.00	\$0.00
Buildings			\$0			
Contents			\$0			
Fine Arts			\$0			
Docks & Other Structure			\$0			
Total Insured Value			\$0			
Mobile Equipment					\$0.00	\$0.00
Earthquake & Flood Coverage						
Equipment Breakdown Covg						

Part II Liability & Automobile	Limit of Insurance	Coverage Limit Applies	Deductible	Rated Payroll or Vehicle Count	Gross Premium	Gross Prem w/ Optional 3-yr Agreement
General Liability	\$15,500,000			\$9,078,655	\$61,187.73	\$58,128.34
Comprehensive Liability		Per Occurrence	\$0			
Public Officials E&O		Per Occ / Annual Agg	\$0			
Law Enforcement Liability		Per Occurrence	\$10,000			
Employment Practices Liability		Per Occurrence	\$10,000			
Employee Benefits Liability		Per Occurrence	\$0			
Sewer Backup Liability		Per Occurrence	\$10,000			
Non-owned Auto		Per Occurrence	\$1,000			
Volunteer Medical Coverage	\$50,000	Per Occurrence	\$0		Included	Included
Automobile					\$55,150.69	\$52,393.15
Liability	\$15,500,000	Per Occurrence	\$0	80	Included	Included
Physical Damage	Actual Cash Value		\$1,000	8	Included	Included
UM/UIM Liability	\$250,000	Per Occurrence	\$0		Included	Included
UM/UIM Physical Damage	\$25,000		\$250		Included	Included

Alaska Public Entity Insurance
Program Premium Summary (continued)
Policy Year: July 1, 2016 - July 1, 2017

Insured: City of Valdez

AcctID# 265

Part III Workers' Compensation	Limit of Insurance		Deductible	Rated Payroll	Gross Premium	Gross Prem w/ Optional 3-yr Agreement
Workers' Compensation (including Federal Act, if any)	Statutory		\$0	\$9,078,655	\$263,550.79	\$250,373.22
Employer's Liability	\$1,000,000					

Part IV Specialty Coverages	Limit of Insurance	Coverage Limit Applies		Deductible	Gross Premium	Gross Prem w/ Optional 3-yr Agreement
Public Entity Crime Coverage	\$1,000,000	Per Occurrence		\$2,500	Included	Included
Cyber Liability	\$2,000,000	Aggregate		\$2,500	Included	Included

Total Premium 2016/2017					\$379,889.21	\$360,894.71
Member Dividend Check to be issued upon receipt of premium payment					\$72,309.36	\$72,309.36
Premium Cost After Dividend					\$307,579.85	\$288,585.35



Automobile Premium Allocation

Policy Year 2016/2017

City of Valdez

AcctID#: 265

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
	1GNSKFEC6GR323636	2016	Chevrolet	Tahoe	0	N		\$625.00
	TBD	2016	Ford	Ambulance	177,196	Y	1,000	\$2,140.96
	2BP5GDFA4FV000052	2015	Bombardier	SnowMachine	0	N		\$0.00
	1GB3KYCG4FF556594	2015	Chevrolet	Silverado	0	N		\$275.00
	1GNSK3EC8FR296386	2015	Chevrolet	Tahoe 1500	0	N		\$625.00
	1GNSK3EC7FR295049	2015	Chevrolet	Tahoe 1500	0	N		\$625.00
	1FMCU9GX8FUC13851	2015	Ford	Escape	0	N		\$300.00
	1FT7X2B64FED18237	2015	Ford	F250	0	N		\$275.00
	1FMCU9GX6FUC13850	2015	Ford	Escape	0	N		\$300.00
	1FT8W3B66FED18236	2015	Ford	Crew Cab	0	N		\$275.00
	1FT7X2B68FEA88556	2015	Ford	F250	0	N		\$275.00
	1GD421CG2FF511026	2015	GMC	Sierra	0	N		\$275.00
	1GD521CG0FZ128981	2015	GMC	Sierra 3500	0	N		\$275.00
	3BPZL70X7FF273774	2015	Peterbilt	Labrie/Wittke	0	N		\$425.00
	TBD	2015	Pierce	Fire Truck	758,235	Y	1,000	\$7,951.35
	1GB0G2CG8E1117220	2014	Chevrolet	3500 Express	0	N		\$300.00



Automobile Premium Allocation

Policy Year 2016/2017

City of Valdez

AcctID#: 265

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
	1FTFX1EF7EKE73902	2014	Ford	F150	0	N		\$275.00
	1FMJU1G5XDEF46549	2013	Ford	Expedition	0	N		\$625.00
	1FT8W3B68DEB30282	2013	Ford	F350	0	N		\$275.00
	1FMCU9GX5DUC80517	2013	Ford	Escape	0	N		\$300.00
	1FMJU1G55DEF33725	2013	Ford	Expedition	0	N		\$625.00
	1FMCU9GX7DUC80518	2013	Ford	Escape	0	N		\$300.00
	1FMJU1G58DEF46548	2013	Ford	Expedition	0	N		\$625.00
	1HTWNAZT3DJ296200	2013	International	Vactor 2100 Plus	0	N		\$425.00
	1NPTL4EX1DD201110	2013	Peterbilt	Tanker Truck-T4	399,915	Y	1,000	\$4,368.15
	1FD8X3G6XCEC98795	2012	Ford	F350	0	N		\$275.00
	1FMJK1J50CEF05697	2012	Ford	Expedition	0	N		\$425.00
	1FMJU1G52CEF52246	2012	Ford	Expedition	0	N		\$625.00
	1FT7X2B65CEC31698	2012	Ford	F250	0	N		\$275.00
	1FDRF3H60CEC56139	2012	Ford	F350	0	N		\$275.00
	1FT8W3B67CEC31697	2012	Ford	F350	0	N		\$275.00
	1HTWCAAR4CJ086628	2012	International	Truck W/ STELLAR	0	N		\$275.00



Automobile Premium Allocation

Policy Year 2016/2017

City of Valdez

AcctID#: 265

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
	4P1CV01D2CA012625	2012	Pierce	Pumper/Velocity Chassis-E4	595,526	Y	1,000	\$6,324.26
	1FMJU1G52BEF46834	2011	Ford	Expedition	0	N		\$300.00
	1FTVX1EF9BKD92763	2011	Ford	F150	0	N		\$275.00
	1FTBF2B6XBEB00519	2011	Ford	F250	0	N		\$275.00
	1M2AU02C4BM004995	2011	Mack/HEIL	Trash	0	N		\$425.00
	1FDWF3HRXAE817226	2010	Ford	Ambulance-Ems 1	0	N		\$425.00
00073	1FMJU1G56AEA75902	2010	Ford	Expedition	0	N		\$300.00
	1FMJU1G53AE856906	2010	Ford	Expedition	0	N		\$625.00
00074	3BPZL00X2AF719460	2010	Heil /Peterbilt	28 Yd Trash Truck	0	N		\$425.00
00071	1NPTL40X7AD797259	2010	Peterbilt	367 Truck w/ Dumpbox, sander, hook	0	N		\$275.00
	4P1CV01H6AA010666	2010	Pierce	Pump Tanker-E2	511,671	Y	1,000	\$5,485.71
00069	JNAPC81L79AF75061	2009	Elgin/NISSIAN	Sweeper	0	N		\$275.00
00070	1FTVX14V99KC73453	2009	Ford	F150	0	N		\$275.00
00062	1NPTLU0X09D777057	2009	Peterbilt	Fire Truck-T3	227,426	Y	1,000	\$2,643.26
00061	INPTL40X49D781533	2009	Peterbilt	Truck	0	N		\$425.00
00065	1FMFU16568LA76593	2008	Ford	Expedition	0	N		\$625.00



Automobile Premium Allocation

Policy Year 2016/2017

City of Valdez

AcctID#: 265

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
00059	1FTWX315X8EC22318	2008	Ford	F350	0	N		\$275.00
00064	1FDAX57Y58EE24941	2008	Ford	f550	0	N		\$275.00
00063	1FTVX14528KE70902	2008	Ford	Pickup	0	N		\$275.00
00060	1HFTE354X84116957	2008	Honda	4 Wheel ATV	0	NA		\$0.00
00058	3BPZL00X78F718458	2008	Peterbilt/HEIL	Trash	0	N		\$275.00
00052	1FMFU16547LA65185	2007	Ford	Expedition	0	N		\$300.00
00057	1FDWF37P67EB42858	2007	Ford	Ambulance-EMS 2	0	N		\$425.00
00051	1FMFU16577LA35596	2007	Ford	Expedition	0	N		\$300.00
00045	1FMFU165X6LA31836	2006	Ford	Expedition	0	N		\$300.00
00049	1FTSX21586EC54058	2006	Ford	F250	0	N		\$275.00
00050	1FTWW31556EC68123	2006	Ford	Pickup-Utility 1	0	N		\$275.00
00031	1FMYU92Z15KA30834	2005	Ford	Escape	0	N		\$300.00
00030	1FMYU92ZX5KA30833	2005	Ford	Escape	0	N		\$300.00
00046	1FTRF14W25NB06664	2005	Ford	F150	0	N		\$275.00
00047	1GDE4E1285F523886	2005	Gmc	Crew Cab-Rescue Rig	0	N		\$275.00
00044	1CYCAK4864T046568	2004	Crane Carrier Co	Trash	0	N		\$425.00



Automobile Premium Allocation

Policy Year 2016/2017

City of Valdez

AcctID#: 265

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
00037	2FTRF18W84CA63723	2004	Ford	F150	0	N		\$275.00
00036	1FTNF1JL44EC70141	2004	Ford	F250	0	N		\$275.00
00043	1FDSX31L74EC70594	2004	Ford	F350	0	N		\$275.00
00032	1FDWC35L74HA93933	2004	Ford	Van	0	N		\$275.00
00029	1FMPU16L03LB98198	2003	Ford	Expedition	0	N		\$300.00
00040	1FDXE45FX2HB64751	2003	North Star	Murv	0	N		\$425.00
00026	1FMPU16L61LB44920	2001	Ford	Expedition	0	N		\$300.00
00027	1FMPU16L61LB44919	2001	Ford	Expedition	0	N		\$300.00
00023	1FMPU16L8YLB67769	2000	Ford	Expedition	0	N		\$300.00
00018	1FDKF38G5VEB42814	1997	Ford	F350	0	N		\$275.00
00006	1GBHK34K4SE279506	1995	Chevrolet	Pickup	0	N		\$275.00
00015	4ENBAAA8051004885	1995	Emergency One	Fire Truck-ENG-12	90,000	Y	1,000	\$1,269.00
00014	4ENBAAA82S1004886	1995	Emergency One	Fire Truck-ENG-14	40,000	Y	1,000	\$793.00
00013	1FDKE30F85HB84376	1995	Ford	Ambulance-EMS 3	0	N		\$425.00
00001	1GCEK14Z6NE121365	1992	Chevrolet	Pickup	0	N		\$275.00
	1517784	1988	Polaris		0	NA		\$0.00



Automobile Premium Allocation

Policy Year 2016/2017

City of Valdez

AcctID#: 265

Member Vehicle ID	VIN #	Model Year	Make	Model	Insured Value	Physical Damage Coverage?	Auto Phys Damage Deductible	Vehicle Premium
Total Vehicle Count: 80		Count of Vehicles with Physical Damage coverage: 8					\$55,150.69	



Workers' Compensation Premium Allocation

Policy Year 2016/2017

City of Valdez

AcctID#: 265

Class Code	Class Description	Payroll	Experience Mod	Loss Control Credit	Gross WC Premium	Gross WC Rate per \$100 of Payroll
5509	Street, Road, Maintenance	452,278	0.88	-15.0%	15,893.39	3.5141
6836	Harbor, Marine	709,130	0.88	-15.0%	24,973.86	3.5218
7520	Water Works Operators, Drivers	95,541	0.88	-15.0%	2,350.91	2.4606
7580	Sewage Treatment Operators, Drivers	249,155	0.88	-15.0%	6,130.77	2.4606
7710	Firefighters & Drivers	923,570	0.88	-15.0%	41,403.13	4.4829
7711	Firefighters & Drivers~Volunteers	52,000	0.88	-15.0%	2,331.13	4.4829
7720	Police Officers	1,246,628	0.88	-15.0%	32,304.38	2.5913
8810	Clerical, Professional, Elected Officials	1,587,976	0.88	-15.0%	5,006.37	0.3153
8831	Veterinary Incl Animal Control Officers	119,743	0.88	-15.0%	2,117.74	1.7686
9015	Building, Operators, Owners, Lease	1,023,050	0.88	-15.0%	38,546.73	3.7678
9102	Parks and Recreation	548,733	0.88	-15.0%	23,839.91	4.3445
9154	Theater Employees	289,216	0.88	-15.0%	5,226.18	1.8070
9403	Refuse Collectors	523,644	0.88	-15.0%	30,440.53	5.8132
9410	General Municipal Employees, Other	1,257,990	0.88	-15.0%	32,985.76	2.6221
		9,078,655			263,550.79	

Alaska Public Entity Insurance
UNINSURED/UNDERINSURED MOTORISTS COVERAGE SELECTION FORM

Policy Year: July 1, 2016 - July 1, 2017

Insured: City of Valdez

AcctID# 265

APEI's automobile policy includes Uninsured Motorists (UM) and Underinsured Motorists (UIM) bodily injury coverages with a policy limit of \$250,000 per accident. It also includes UM and UIM property damage coverage at a limit of \$25,000 per accident with a \$250 deductible. UM and UIM property damage coverage applies only to vehicles for which the member has purchased physical damage coverage.

Uninsured Motorists Coverage pays for bodily injury losses to you and your passengers as a result of an accident with a driver who has no liability protection and is legally responsible for the injuries or the damage. This includes a hit-and-run vehicle whose owner and operator cannot be identified.

Underinsured Motorists Coverage pays for bodily injury losses to you and your passengers as a result of an accident with a driver who has liability protection but not enough to pay the full amount that the injured person is legally entitled to recover as damages.

We offer higher limits of UM and UIM bodily injury at an additional cost for members desiring to increase their coverage. Please indicate below whether or not you wish to add coverage at these higher limits, and if so, which limits you are requesting.

Uninsured Motorists and Underinsured Motorists Coverage Selection

_____ I select UM/UIM bodily injury coverage at higher limits as indicated below:

	Split Limit (per Person / per Accident)	Additional Premium
_____	\$250,000 / \$300,000	\$10,620.00
_____	\$300,000 / \$500,000	\$19,313.06
_____	\$500,000 / \$500,000	\$21,458.30
_____	\$500,000 / \$1,000,000	\$23,385.24
_____	\$1,000,000 / \$2,000,000	\$44,624.06

_____ I decline high UM/UIM bodily injury limits, and will retain UM/UIM bodily injury coverage at the APEI standard limit of \$250,000 per accident for no additional premium

Signature of Member: _____

Date: _____



2233 Jordan Avenue
Juneau, AK 99801

Phone: (907) 523-9400
Fax: (907) 586-2008
www.akpei.com

AGREEMENT TO REMAIN IN APEI PROGRAM

The mission of Alaska Public Entity Insurance ("APEI") is to provide our members with stable, affordable insurance, broad insurance coverage, and effective risk management services to ensure that maximum funds are available for local government and education programs. APEI is a non-profit corporation, and all member contributions are allocated to, and utilized for, the payment of claims and program expenses. APEI is generally referred to as an insurance "pool", meaning that risks, liability, and expenses are shared on an equitable basis among all pool members.

In order to encourage membership stability and predictability, an important factor in procuring excess and reinsurance, the APEI Board of Directors has authorized the establishment of a program whereby a member's annual contribution will be discounted in exchange for an agreement to remain in the program for three years. Other than the annual application of the discount to the amount due from the participating member, a member's election to participate or not in this discount program will have no effect on any other aspect of the program as it relates to the member.

APEI and the undersigned member of APEI ("Member"), for mutual consideration, hereby agree as follows:

1. Except as provided in paragraph 3 below, Member agrees to remain a member of APEI for at least three years, through the conclusion of the 2018/2019 policy year that will end on June 30, 2019. Consistent with this paragraph, Member agrees not to give notice of intent to withdraw from the program during the three-year period, and further agrees not to seek quotes during that time from other potential insurers for coverage provided under the APEI program.
2. APEI agrees to provide Member with a discount on Member's annual contributions each year for the provision of insurance coverage under the program. Each policy year, the discount shall be 5% of the member's contribution.
3. If APEI determines that the a member's total annual contribution is expected to increase by more than 10% when compared to the preceding policy year, APEI will so notify Member and Member may, at its sole option, elect to cancel its commitment under this program without incurring charges or penalties under paragraph 4. Increases in contributions caused by increases in Member's payroll, total insured property value, or vehicle count are not considered part of the above-mentioned 10%.

Agreement to Remain in APEI Program – Policy Year 2016/17

4. If Member gives written notice to the Administrator (APEI Executive Director) of intent to withdraw from the program prior to the conclusion of this three year agreement, or otherwise acts inconsistent with the terms of this agreement, Member will forfeit all credits received during this three year term pursuant to this agreement and will be required to repay all such credits to APEI and will further be required to pay penalties in the amount of 5% of the total premium charged for the last year Member was in the APEI program, as determined by the Administrator.
5. This agreement is effective July 1, 2016 through June 30, 2019.

IN WITNESS WHEREOF, the parties hereto, acting through properly authorized officials, hereby execute this Agreement.

Member: _____

Alaska Public Entity Insurance

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

IMPORTANT – PREMIUM/COMPENSATION INFORMATION

General Liability premiums are subject to annual audit and adjustment; increases or decreases in annual premium may result. The adjustment will be based upon the rating plan of your policy.

Workers Compensation premiums are subject to annual audit and adjustment; increases or decreases in annual premium may result. The adjustment will be based upon your actual payroll and other variables such as the rules, rates, classification, and experience modification as promulgated by the various state rate bureaus and the Interstate Rate Bureau.

**CITY OF VALDEZ
MARINE**



725 S. Figueroa Street, 19th Floor, Los Angeles, CA 90017
office (213) 236-4500 | fax (213) 244-9655

06/08/2016

Quote # 1313966-01

TO: Hale & Associates, Inc
ATTN: Darlene Balog
FROM: Robert K Riske

Renewal of MAR354554714

Proposed Eff Date: 07/01/2016

INSURED: City of Valdez / The Port of Valdez

We are pleased to offer the following Quotation:

CARRIER: Zurich American Insurance Co AM Best Rating: A+ XV

Coverage: Marine Comprehensive Liability

Limits: \$1,000,000 Each occurrence
\$2,000,000 General Aggregate
\$ 50,000 Fire Damage Legal Liability
\$ 5,000 Medical Expense

Deductible: \$5,000 per occurrence

Terms: Policy Period: July 01, 2016 to July 01, 2017
No Flat cancellations. 25% minimum earned retained premium in the event of cancellation
Zurich Marine Comprehensive Liability (MCL) Form
MCL Wharfinger's Liability Coverage
MCL Stevedore's Liability Coverage
Lift Liability
Premises Medical Payment Coverage
Fire Legal Liability for Real Property
Personal Injury and Advertising Injury Liability Coverages
Time Element Pollution (Maritime operations only)
Inclusion of Additional Insured or Loss Payees
In - Rem
X-C-U
Detention
Personal Injury
Host Liquor Law Liability
Traveling Workmen
Alaska Law Suit
Incidental Medical Malpractice
Workboat Protection & Indemnity (excluding crew)
AIMU: Extended Radioactive Contamination Exclusion Clause with U.S.A. Endorsement
AIMU: U.S. Economic and Trade Sanctions Clause
MCL In Rem Endorsement
Warranted that the rated capacity of Lifts, Dry-Docks, Cranes - not to be exceeded.

Rate: Flat on est gross receipts of \$1,315,000
Terrorism coverage offered at \$1,498 a/p - if purchased



725 S. Figueroa Street, 19th Floor, Los Angeles, CA 90017
office (213) 236-4500 | fax (213) 244-9655

An order to bind must be received in writing prior to effective date of coverage. All orders must be confirmed by our Binder for coverage to be effective.

Flat Premium	\$	54,717.00
Total Gross Amount	\$	54,717.00

COMMISSION: 0.00% Balance due in 25 Days

25.00 % MINIMUM RETAINED PREMIUM IN THE EVENT OF CANCELLATION. NO FLAT CANCELLATIONS.
Fees are 100% Fully Earned.

We cannot bind without an application signed by the Insured, and as applicable, the signed TRIA.

This Quotation is valid for 0 days, or until inception of coverage, whichever is sooner.

For Non-Admitted Risks: In order to comply with Surplus Line Regulations for policies with multi-state exposures, the retailer must provide WWF with the percentage of the insured's business operations and/or employees that are located in each state outside the home state, (as defined by NRRA), prior to binding the policy. The surplus line taxes and fees are subject to change if it is determined that the premium allocations between or among states differ from any allocations that may or may not be contemplated in this quotation and/or binder.

Please review the above Quotation carefully; terms and/or conditions herein represent noteworthy highlights but may not serve as a complete itemization of conditions contained within the policy and may differ from those requested in your submission. In addition to the mentioned exclusions, the policy contains other standard exclusions; specimen policies are available upon request. Terms herein are summarized for use by a licensed broker and should not be submitted in this format to the applicant. Please call with any questions.

**THIS DISCLOSURE DOES NOT GRANT ANY COVERAGE OR CHANGE THE
TERMS AND CONDITIONS OF ANY COVERAGE UNDER ANY POLICY.**

**DISCLOSURE OF IMPORTANT INFORMATION
RELATING TO TERRORISM RISK INSURANCE ACT
SCHEDULE***

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

\$ 1,498 _____ accept _____ decline

*Any information required to complete this Schedule, if not shown above, will be shown in the quote or proposal.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government may pay a share of insured losses resulting from an act of terrorism. The federal share will decrease by 5% from 85% to 80% over a five year period while the insurer share increases by the same amount during the same period. The schedule below illustrates the decrease in the federal share:

January 1, 2015 – December 31, 2015 federal share: 85%

January 1, 2016 – December 31, 2016 federal share: 84%

January 1, 2017 – December 31, 2017 federal share: 83%

January 1, 2018 – December 31, 2018 federal share: 82%

January 1, 2019 – December 31, 2019 federal share: 81%

January 1, 2020 – December 31, 2020 federal share: 80%

C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;

3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a 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 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.

No act may be certified as an "act of terrorism" if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

**CITY OF VALDEZ AND VALDEZ CITY SCHOOLS
PROPERTY AND B&M**

INSURANCE PROPOSAL for City of Valdez and Valdez City Schools

To: Darlene Balog

From: Mike Landert

At: Hale & Associates, Inc.

Date: June 1, 2016

Our *promise* is to help protect the value created by our clients' business.

Our *process* is to assess and engineer risk, to help prevent and mitigate loss, and to provide capital for risk transfer purposes.

A. POLICY TERM:

01-July-2016 to 01-July-2017

B. NAMED INSURED:

City of Valdez and Valdez City Schools, and its wholly or majority owned subsidiaries and any interest which may now exist or hereinafter be created or acquired which are owned, controlled or operated by any one or more of those named insureds.

C. POLICY LIMIT:

This Company's total limit of liability, including any insured Business Interruption loss, will not exceed the Policy Limit of \$75,000,000 as a result of any one **occurrence** subject to the respective sub-limits of liability shown elsewhere in this Policy.

D. POLICY TERRITORY:

Coverage provided by this Policy is limited to property while located within: the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

E. INSURANCE PROVIDED:

This Policy covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, while located as follows:

See Attached Location Schedule.

F. SUB-LIMITS:

Unless otherwise stated below or elsewhere in this Policy, the following sub-limits of liability, including any insured Business Interruption loss, will be the maximum payable and will apply on a per **occurrence** basis.

The sub-limits stated below or elsewhere in this Policy are part of and not in addition to the Policy Limit.

When a limit of liability applies to a **location** or property, such limit of liability will be the maximum amount payable for all loss or damage.

There shall be no liability under this Policy when "NOT COVERED" is shown as a sublimit.

1. \$20,000,000 Earth Movement **annual aggregate** for all coverages provided, and is the maximum amount payable for all loss or damage caused by or resulting from Earth Movement, at the following **location(s)** not to exceed:

- | | | |
|----|--------------|---|
| | \$50,000 | 22. Providence Valdez Medical Center, 911 Meals Avenue, Valdez, AK, 99686
Earth Movement annual aggregate as respects Errors & Omissions, Off-Premises Service Interruption, Unnamed Locations and Supply Chain combined. |
| 2. | \$10,000,000 | Flood annual aggregate for all coverages provided, and is the maximum amount payable for all loss or damage caused by or resulting from Flood, at the following location(s) not to exceed: |
| | \$50,000 | 22. Providence Valdez Medical Center, 911 Meals Avenue, Valdez, AK, 99686
Flood annual aggregate as respects Errors & Omissions, Off-Premises Service Interruption, Unnamed Locations and Supply Chain combined. |
| 3. | \$150,000 | School Buses and Vehicles in Storage applicable at Bus Barn |

Additional Property Damage Coverage

\$1,000,000	Accounts Receivable
\$100,000	Arson or Theft Reward
Policy Limit	Brands and Labels
\$100,000	Change of Temperature
Policy Limit	Control of Damaged Property
\$500,000	Data, Programs or Software
Policy Limit	Debris Removal
Policy Limit	Decontamination Costs
\$100,000	Deferred Payment
Policy Limit	Demolition and Increased Cost of Construction
\$1,000,000	Errors and Omissions
\$250,000	Expediting Expenses
\$250,000	Fine Arts
\$50,000	Green Coverage not to exceed 25% of the amount of the property damage loss
\$50,000	Land and Water Clean Up Expense annual aggregate
\$100,000	Locks and Keys
\$100,000	Money and Securities
\$2,500,000	Newly Acquired Property
\$500,000	Off-Premises Service Interruption - Property Damage not to exceed \$50,000 for voice, data, and video services
\$100,000	Professional Fees
Policy Limit	Property Removed from a Location
Policy Limit	Protection and Preservation of Property - Property Damage not to exceed \$250,000 for security costs
\$100,000	Tax Treatment
\$100,000	Tenants Legal Liability
	Terrorism Coverage and the Supplemental United States Certified Act of Terrorism Endorsement
\$100,000	A. United States Certified Act of Terrorism coverage
\$100,000	B. Terrorism Coverage for Locations Outside of the United States annual aggregate but not to exceed \$100,000 annual aggregate for Property Removed from a Location, Unnamed Locations and Flood
\$500,000	Transit not to exceed \$250,000 for Business Interruption
\$1,000,000	Unnamed Locations
\$500,000	Valuable Papers and Records

Business Interruption Coverage

NOT COVERED	Gross Earnings
NOT COVERED	Gross Profits
NOT COVERED	Rental Income
\$3,000,000	Extra Expense

Business Interruption Coverage Extensions

\$100,000	Attraction Property
NOT COVERED	Civil or Military Authority
\$250,000	Computer Systems Non-Physical Damage annual aggregate
\$100,000	Contractual Penalties
\$100,000	Crisis Management not to exceed 30 Days
90 Days	Extended Period of Liability
\$500,000	Ingress/Egress
\$250,000	Leasehold Interest
\$100,000	Logistics Extra Cost
NOT COVERED	Off-Premises Service Interruption - Business Interruption
Policy Limit	Protection and Preservation of Property - Business Interruption
Policy Limit	Research and Development
\$100,000	Soft Costs
\$500,000	Supply Chain

G. DEDUCTIBLE AMOUNT:

This Company will not be liable for loss or damage, including any insured Business Interruption loss, in any one **occurrence** until the amount of loss or damage exceeds the deductible amount shown below and then this Company will only be liable for its share of the loss or damage in excess of the deductible amount. If two or more deductibles apply to a single **occurrence**, then no more than the largest deductible amount will apply. However, this Policy allows for the application of separate and distinct deductibles and deductibles for specific loss or damage as shown below.

The following deductible amounts shall apply per **occurrence**, unless otherwise stated, for insured loss or damage under this Policy:

1. Earthquake (per **location** for all coverages provided) at the following **location**:

22. Providence Valdez Medical Center, 911 Meals Avenue, Valdez, AK, 99686

This Company will not be liable for loss or damage unless the amount of loss or damage exceeds 5% of the combined value of the property and annual business interruption value that would have been earned at the time of such loss or damage at the **location** where loss or damage occurs plus that proportion of the 100% business interruption value at all other **locations** where business interruption loss ensues, in accordance with the valuation and business interruption sections of this policy, subject to a minimum deductible amount of \$100,000 per **location**. If coverage is provided for more than one **location**, this deductible percentage or minimum deductible amount will be applied separately to each **location**.

2. \$100,000 Flood (per **location** for all coverages provided) at **location** 22. Providence Valdez Medical Center, 911 Meals Avenue, Valdez, AK, 99686

3. Off Premises Service Interruption Qualifying Period:

The Company will not be liable for business interruption loss unless the period of liability exceeds 24 hours. Should the period of liability exceed this time period, the loss will be calculated beginning from the time of loss, subject to the applicable deductible(s) causing the interruption of services.

4. Data, Programs, or Software and Computer Systems Non-Physical Damage Deductible:

A. Data, Programs, or Software:

In the event of loss or damage to Data, Programs, or Software insured by this Policy caused by the malicious introduction of a machine code or instruction, no coverage is provided unless the period of liability exceeds 48 hours beginning from the time of insured loss or damage. The company's liability commences only after, and does not include, the waiting period specified.

If the period of liability exceeds 48 hours, the insured loss or damage will be calculated based upon the amount of such loss in excess of the waiting period, subject to a minimum deductible of \$100,000 combined for all coverages.

Any period in which business operations or services would have not been maintained, or any period in which goods would have not been produced will not be included as part of or serve to reduce the effect of any waiting period.

B. Computer Systems Non-Physical Damage:

In the event of loss resulting from the failure of the Insured's electronic data processing or media to operate as a direct result of a malicious act directed at the named Insured, no coverage is provided unless the period of liability exceeds 48 hours beginning from the time of insured loss or damage. The company's liability commences only after, and does not include, the waiting period specified.

If the period of liability exceeds 48 hours, the insured loss or damage will be calculated based upon the amount of such loss in excess of the waiting period, subject to a minimum deductible of \$100,000 combined for all coverages.

Any period in which business operations or services would have not been maintained, or any period in which goods would have not been produced will not be included as part of or serve to reduce the effect of any waiting period.

5. \$100,000 All Other Losses.

H. SPECIAL TERMS AND CONDITIONS:

1. Specific Earth Movement Exclusion - PRO 125 (4/15)

ADDITIONAL PROPERTY DAMAGE COVERAGE, **Earth Movement** does not apply to any property except at the following location(s):

22. Providence Valdez Medical Center, 911 Meals Avenue, Valdez, AK, 99686

2. Specific Flood Exclusion - PRO 128 (4/15)

ADDITIONAL PROPERTY DAMAGE COVERAGE, **Flood** does not apply to any property except at the following location(s):

22. Providence Valdez Medical Center, 911 Meals Avenue, Valdez, AK, 99686

3. Transmission and Distribution Systems Exclusion - PRO 132 (04/15)

PROPERTY EXCLUDED is amended to include:

Transmission and distribution systems, including poles, towers and fixtures, overhead conductors and devices, underground or underwater conduit, underground or underwater conductors and devices, line transformers, service meters, street lighting and signal systems.

4. Motor Vehicle Coverage - PRO 141 (4/15)

This Policy covers:

- a) Motor vehicles;
- b) Trucks; and
- c) Trailers;

Licensed for highway use.

PROPERTY EXCLUDED, item 7., is amended to:

7. Motor vehicles owned by directors, officers and employees of the Insured

Motor Vehicle Coverage Exclusion: With respect to Motor Vehicle Coverage, the following additional exclusions apply:

This Policy does not cover loss or damage resulting from:

- i) Collision; or
- ii) Overturn;

While such motor vehicles, trucks, and trailers are being operated under their own power; or being towed (whether or not in motion at the time of loss).

5. United States Certified Act of Terrorism 2015

As respects the United States, its territories and possessions and the Commonwealth of Puerto Rico, the definition of terrorism contained in DEFINITIONS is declared null and void and it is agreed that an event defined as a Certified Act of Terrorism under the terms of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this Policy shall be considered terrorism within the terms of this policy. Notwithstanding anything contained in this Policy to the contrary, this Policy provides coverage for direct physical loss or damage to insured property and any resulting Business Interruption loss, as provided in the Policy, caused by or resulting from a Certified Act of Terrorism only to the extent coverage is provided under the terms and conditions of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this policy. Any difference in limit between loss recoverable under the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT and this Policy is not recoverable under this Policy.

I. INDEX OF FORMS:

The following forms are made part of this Policy:

<u>Title</u>	<u>Form No.</u>	<u>Edition</u>
Declarations Page	PRO DEC 4100	(04/15)
Declarations	PRO S-1 4100	(04/15)
All Risk Coverage	PRO AR 4100	(04/15)
Supplemental United States Certified Act of Terrorism Endorsement	7312	(1/15)
Alaska Amendatory Endorsement	AFM 6505	(10/15)

Total Premium **including** the United States Certified Act of Terrorism coverage: \$215,160 at no commission

Total Premium **excluding** the United States Certified Act of Terrorism coverage: \$203,645 at no commission

Total Premium for the United States Certified Act of Terrorism: \$11,515 at no commission

If the option to purchase coverage for the United States Certified Act of Terrorism is elected, the Additional Property Damage Coverage Sub-Limit for Terrorism Coverage part A. will be amended to A. \$75,000,000

Engineering Fees: \$5,095 at no commission.

Applicable state taxes, surcharges and fees are not included in this proposal. Applicable state taxes, surcharges and fees will be added to the invoice.

Any variations between this proposal letter and Affiliated FM forms versus your application are not provided.

This proposal expires July 1, 2016.

Best Regards,

*Mike Landert
Senior Vice President
Sullivan & Associates of Oregon*

Location Schedule

1. City Hall, Old City Hall, Police Station, 212 Chenega Avenue, Valdez, AK, 99686, Index No. 092099.25
2. Fire Station and Old Fire Station, 212 Pioneer Drive, Valdez, AK, 99686
3. Police Station Parking Garage, 212 Tatitlek Street, Valdez, AK, 99686
4. City of Valdez Library, 212 Fairbanks Drive, Valdez, AK, 99686, Index No. 092099.27
5. Valdez Museum and Historical Archive, 217 Egan Drive, Valdez, AK, 99686, Index No. 092099.27
6. Council Chambers - Administration Complex, 211 Fairbanks Drive, Valdez, AK, 99686
7. Valdez Convention and Civic Center, 110 Clifton Drive, Valdez, AK, 99686, Index No. 092099.28
8. Waterwell #5 - Public Works Building & Tank, 1465 Mineral Creek Loop Road, Valdez, AK, 99686
9. Waterwell, Robe River/Sub Division, 311 Dylan Drive, Valdez, AK, 99686
10. Hillside Tank Farm Water Department, USS 411 Mineral Creek Canyon & USS 641 West Egan, Valdez, AK, 99686
11. Warehouse #1, 436 South Hazelet, Valdez, AK, 99686
12. Airport Terminal Building, 300 Valdez Airport Road, Valdez, AK, 99686, Index No. 092099.30
13. Valdez Senior Center, Inc., 1109 Meals, Valdez, AK, 99686, Index No. 092099.33
14. Alpine Woods Subdivision/Fire Station #4, 5040 Richardson Highway, Valdez, AK, 99686
15. Robe River Subdivision/Fire Station #3, 124 River Drive, Valdez, AK, 99686
16. Woody Woodman Teen Center, 414 West Hanagita Street, Valdez, AK, 99686, Index No. 092099.32
17. Mary Kevin Gilson Medical Center, 1001 Meals Avenue, Valdez, AK, 99686, Index No. 092099.33
18. George H. Gilson High School and Classrooms, 319 Robe River Drive, Valdez, AK, 99686, Index No. 092004.32
19. Hermon Hutchens Elementary School, 1109 West Klutina Street, Valdez, AK, 99686, Index No. 092004.34
20. School District Administration Building, 1112 West Klutina Street, Valdez, AK, 99686, Index No. 092004.34
22. Providence Valdez Medical Center, 911 Meals Avenue, Valdez, AK, 99686, Index No. 092099.33
23. Pump Station #4 - Tract A - USS641, 1104 West Egan, Valdez, AK, 99686
24. South Central Pump, 1555 Mineral Creek Loop Road, Valdez, AK, 99686
25. Baler Building - USS 0439, 500 South Sawmill, Valdez, AK, 99686, Index No. 002625.98
26. Valdez City Animal Shelter, 276 East Egan, Valdez, AK, 99686, Index No. 092099.27
27. Log Cabin @ Salmon View, Richardson Highway, Valdez, AK, 99686
28. Maintenance Shop #1 and #2, 602 West Egan, Valdez, AK, 99686
29. Bus Barn Building, 613 West Egan, Valdez, AK, 99686
30. George H. Gilson Junior High School, 357 Robe River Drive, Valdez, AK, 99686, Index No. 092004.32
31. Maintenance Building, 555 West Egan, Valdez, AK, 99686

Account: Portland - 1-60939 City of Valdez and Valdez City Schools

Policy: City of Valdez and Valdez City Schools - PC142RQ-00

Term: 01-July-2016 - 01-July-2017

Team: Eng: Greg W. Garland UW: Bradley M. Deardorff Admin: Kathryn L. Steele Producer: PF68 Sullivan & Associates of Oregon Fronting:

Type: AR 4100-CAT

Loc ID		Address		City		Su/Prv		County		Post Code		Total		Total Incl BM	
Ins Loc	Name	Address		City		Su/Prv		County		Post Code		Premium		Total Incl BM	
001	City Hall, Old City Hall, Police Station	212 Chenega Avenue		Valdez		AK		Valdez-Cordova		99686		4,764		5,003	
002	Fire Station and Old Fire Station	212 Pioneer Drive		Valdez		AK		Valdez-Cordova		99686		1,706		1,743	
003	Police Station Parking Garage	212 Tatitlek Street		Valdez		AK		Valdez-Cordova		99686		252		257	
004	City of Valdez Library	212 Fairbanks Drive		Valdez		AK		Valdez-Cordova		99686		1,728		1,865	
005	Valdez Museum and Historical Archive	217 Egan Drive		Valdez		AK		Valdez-Cordova		99686		2,468		2,522	
006	Council Chambers - Administration Complex	211 Fairbanks Drive		Valdez		AK		Valdez-Cordova		99686		749		765	
007	Valdez Convention and Civic Center	110 Clifton Drive		Valdez		AK		Valdez-Cordova		99686		4,247		4,584	
008	Waterwell #5 - Public Works Building & Tank	1465 Mineral Creek Loop Road		Valdez		AK		Valdez-Cordova		99686		2,256		2,305	
009	Waterwell, Robe River/Sub Division	311 Dylan Drive		Valdez		AK		Valdez-Cordova		99686		2,256		2,305	
010	Hillside Tank Farm Water Department	USS 411 Mineral Creek Canyon & USS 641 West Egan		Valdez		AK		Valdez-Cordova		99686		1,494		1,527	

Loc ID		Address		City		St/Prv		County		Post Code		Total	
Ins Loc	Name	Address		City		St/Prv		County		Post Code		Premium	Total Incl BM
011	Warehouse #1	436 South Hazelet		Valdez		AK		Valdez-Cordova		99686		1,659	1,695
012	Airport Terminal Building	300 Valdez Airport Road		Valdez		AK		Valdez-Cordova		99686		14,831	15,022
013	Valdez Senior Center, Inc.	1109 Meals		Valdez		AK		Valdez-Cordova		99686		9,678	9,892
014	Alpine Woods Subdivision/ Fire Station #4	5040 Richardson Highway		Valdez		AK		Valdez-Cordova		99686		413	422
015	Robe River Subdivision/ Fire Station #3	124 River Drive		Valdez		AK		Valdez-Cordova		99686		480	490
016	Woody Woodman Teen Center	414 West Hanagita Street		Valdez		AK		Valdez-Cordova		99686		1,754	1,792
017	Mary Kevin Gilson Medical Center	1001 Meals Avenue		Valdez		AK		Valdez-Cordova		99686		2,545	2,601
018	George H. Gilson High School and Classrooms	319 Robe River Drive		Valdez		AK		Valdez-Cordova		99686		28,206	30,017 Sch Dist
019	Hermion Hutchens Elementary School	1109 West Klutina Street		Valdez		AK		Valdez-Cordova		99686		17,666	19,069 Sch Dist
020	School District Administration Building	1112 West Klutina Street		Valdez		AK		Valdez-Cordova		99686		1,199	1,294 Sch Dist
022	Providence Valdez Medical Center	911 Meals Avenue		Valdez		AK		Valdez-Cordova		99686		42,851	44,029
023	Pump Station #4 - Tract A - USS641	1104 West Egan		Valdez		AK		Valdez-Cordova		99686		2,129	2,175

Loc ID		Address		City		St/Prv	County	Post Code	Total	
Ins Loc	Name	Address							Premium	Total Incl BM
024	South Central Pump	1555 Mineral Creek Loop Road	Valdez		AK		Valdez-Cordova	99686	2,146	2,193
025	Baler Building - USS 0439	500 South Sawmill	Valdez		AK		Valdez-Cordova	99686	2,278	2,328
026	Valdez City Animal Shelter	276 East Egan	Valdez		AK		Valdez-Cordova	99686	2,044	2,088
027	Log Cabin @ Salmon View	Richardson Highway	Valdez		AK		Valdez-Cordova	99686	950	971
028	Maintenance Shop #1 and #2	602 West Egan	Valdez		AK		Valdez-Cordova	99686	2,260	2,309
029	Bus Barn Building	613 West Egan	Valdez		AK		Valdez-Cordova	99686	5,237	5,348 Sch Dist
030	George H. Gilson Junior High School	357 Robe River Drive	Valdez		AK		Valdez-Cordova	99686	26,918	28,163 Sch Dist
031	Maintenance Building	555 West Egan	Valdez		AK		Valdez-Cordova	99686	7,603	7,769
									194,767	202,543

EDP	1,102	1,102
Terrorism	11,515	11,515
Total	207,384	215,160
Engineering Fee		\$5,095

Grand Total \$220,255

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

Insured Name: City of Valdez and Valdez City Schools Date: May 27, 2016

Account Number: 1-60939

Insurer Name: Affiliated FM Insurance Company

The Terrorism Risk Insurance Act of 2002, as amended and extended in 2005, 2007 and again in 2015, gives you the right as part of your property renewal policy to elect or reject insurance coverage for locations within the United States or any territory or possession of the United States for losses arising out of acts of terrorism, as defined and certified in accordance with the provisions of the act.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY PAYS 85% (AND BEGINNING ON JANUARY 1, 2016, SHALL THEN DECREASE BY 1 PERCENTAGE POINT PER CALENDAR YEAR UNTIL EQUAL TO 80 PERCENT) OF COVERED TERRORISM LOSSES EXCEEDING A STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER REFERENCED ABOVE. **ALSO, THERE IS A \$100,000,000,000 CAP ON THE FEDERAL AND INSURER SHARE OF LIABILITY STATING THAT IF THE AGGREGATE INSURED LOSSES EXCEED \$100,000,000,000 DURING ANY CALENDAR YEAR, NEITHER THE UNITED STATES GOVERNMENT NOR ANY INSURER THAT HAS MET ITS INSURER DEDUCTIBLE SHALL MAKE PAYMENT OR BE LIABLE FOR ANY PORTION OF THE AMOUNT OF SUCH LOSSES THAT EXCEED \$100,000,000,000.** THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE: UNDER FEDERAL LAW, YOU HAVE THE RIGHT TO ACCEPT OR REJECT THIS OFFER OF COVERAGE FOR TERRORIST ACTS COVERED BY THE ACT AS PART OF YOUR RENEWAL POLICY. IF WE DO NOT RECEIVE THIS SIGNED DISCLOSURE FORM PRIOR TO THE RENEWAL POLICY EFFECTIVE DATE OF **JULY 1, 2016**, THEN YOUR RENEWAL POLICY WILL REFLECT YOUR DECISION NOT TO PURCHASE THE TERRORISM COVERAGE PROVIDED BY THE ACT.

_____ I hereby elect to purchase coverage for terrorist acts covered by the act for an annual premium of **\$11,515**. This premium does not include applicable taxes or surcharges.

_____ I hereby decline this offer of coverage for terrorist acts covered by the act.

Policyholder/Applicant Signature

Print Name

Date

CRIME

Crime Coverage

Carrier Name: Hartford Fire Insurance Company
Policy Number: 52 FA 0233687 16
Effective Date: 7/1/16 at 12:01 a.m. standard time, at location of property insured
Expiration Date: 7/1/17 at 12:01 a.m. standard time, at location of property insured
Coverage: Coverage for employee theft of money, securities, or property.

Option 1 – As Expiring

CrimeSHIELD for Governmental Entities	Limit of Insurance	Deductible
1.A. Employee Theft - Per Loss	\$1,000,000	\$10,000
1.B. Employee Theft - Per Employee	N/A	N/A
2. Depositors Forgery or Alteration	\$1,000,000	\$10,000
3. Theft, Disappearance and Destruction - Money, Securities and Other Property	N/A	N/A
4. Robbery and Safe Burglary - Money and Securities	N/A	N/A
5. Computer and Funds Transfer Fraud	N/A	N/A
6. Money Orders and Counterfeit Currency	N/A	N/A
Total Premium:	\$4,293	

Option 2 – With Computer & Funds Transfer Fraud

CrimeSHIELD for Governmental Entities	Limit of Insurance	Deductible
1.A. Employee Theft - Per Loss	\$1,000,000	\$10,000
1.B. Employee Theft - Per Employee	N/A	N/A
2. Depositors Forgery or Alteration	\$1,000,000	\$10,000
3. Theft, Disappearance and Destruction - Money, Securities and Other Property	N/A	N/A
4. Robbery and Safe Burglary - Money and Securities	N/A	N/A
5. Computer and Funds Transfer Fraud	\$1,000,000	\$1,000,000
6. Money Orders and Counterfeit Currency	N/A	N/A
Total Premium:	\$5,363	

**Computer & Funds Transfer Fraud
Insuring Agreement 5:**

We 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 that property from inside the "premises" or "banking premises"

1. to a person (other than a "messenger") outside those "premises"; or
2. to a place outside those "premises".

And, we 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 your "transfer account".

To bind option 2 – we need the attached No Known Loss Letter signed.

City of Valdez
PO Box 307
Valdez, AK 99686

June 1, 2016

The Hartford
277 Park Avenue
New York, New York 10172

RE: Type of Policy: Crimeshield Policy for Governmental Entities
Issuing company: Hartford Fire Insurance Co
Policy #: 52 FA 0233687
Limit: \$1,000,000
Coverage: Computer and Funds Transfer Fraud
Policy Period: 07/01/2016 – 07/01/2017

The undersigned authorized representative of **City of Valdez** hereby states that as of the date of this letter no person or entity for which coverage is intended under the above referenced policy is aware of any act, error or omission that might give rise to a claim.

It is understood and agreed that without prejudice to any other rights and remedies of the Insurer, any claim based upon, arising from, or in any way related to any act, error, omission, fact or circumstance of which any such person has any knowledge or information will be excluded from coverage under the above referenced policy. This letter is deemed to be attached to and to form a part of the above referenced policy.

Signature: _____
Chairman, President, CFO, COO, CEO, or General Counsel

Title: _____
Chairman, President, CFO, COO, CEO, or General Counsel

Date: _____