



Alameda-Contra Costa Transit District

STAFF REPORT

TO: AC Transit Board of Directors
FROM: Denise Standridge, General Counsel
SUBJECT: District Insurance Renewals

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to bind Excess Workers' Compensation, Crime, Commercial Property, Boiler & Machinery and Auto Physical Damage and Fiduciary insurance policies for the District.

BACKGROUND/RATIONALE:

The District maintains Crime, Excess Workers' Compensation, Commercial Property, Auto Physical Damage, and Boiler & Machinery insurance, in addition to Excess Liability, Travel and Fiduciary insurance coverages. Insurance is renewed on an annual basis. In April 2016, the Board approved the renewal of the Excess Liability and Travel policies. At this time, staff is requesting the approval to bind the remaining insurance proposals for the 2016-2017 insurance renewal cycle. The Crime policy will expire June 30, 2016 at 12:01 a.m. The remaining policies, excluding the Fiduciary policy, expire on July 1, 2016 at 12:01 a.m. The Fiduciary policy expires July 31, 2016 at 12:01 a.m.

Crime

The Crime policy covers money, securities, or other tangible property belonging to the District or for which the District is legally liable. The 2015-16 premium was \$21,292; the 2016-17 proposed premium is \$22,105, an increase of \$813 or 3.82%. The coverage specifications are provided as Attachment 1.

Excess Workers' Compensation

The District maintains a \$1,000,000 self-insured retention for Workers' Compensation and procures a policy for Excess Workers' Compensation. Premiums are based on reported payroll. The 2015-16 premium was \$370,093. The 2016-17 proposed premium is \$377,457, an increase of \$7,364 or 1.99%. The coverage specifications are provided as Attachment 2.

Commercial Property, Auto Physical Damage, and Boiler & Machinery Coverage

This is a comprehensive property policy, with various deductibles as identified in Attachment 3. The 2015-16 premium was \$464,970; the 2016-17 proposed premium is \$464,970, the same as it was at the last renewal. The coverage specifications are provided as Attachment 3.

Fiduciary Insurance

This coverage protects board officials, trustees, and professional administrators of a pension plan and the plan itself with respect to errors and omissions (E&O) in the administration of employee benefit programs. Also insured is the Retirement Board itself, as the board members themselves can become personally liable. The policy under consideration provides a waiver of recourse provision to protect the members' personal assets. The 2015-16 premium was \$26,866; the 2016-17 proposed premium is \$26,866, the same as it was at the last renewal. The coverage specifications are provided as Attachment 4.

Staff recommends that the Board authorize the binding of the policies.

BUDGETARY/FISCAL IMPACT:

The fiscal impact for FY 2016-2017 will be approximately \$891,398.

ADVANTAGES/DISADVANTAGES:

Authorizing the binding of the policies will insure that the District maintains insurance coverage in the areas identified and that it maintains insurance provision compliance with its contractual obligations.

There are no disadvantages.

ALTERNATIVES ANALYSIS:

The District could choose to fully self-insure. This is not recommended as it leaves the District exposed to unknown financial liabilities and would violate various sections of existing agreements. Also, the District would need to revise the budget to allow for potential liabilities, especially in the workers' compensation area.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 15-153a

ATTACHMENTS:

1. Crime Policy Coverage Specifications
2. Excess Workers' Compensation Specifications
3. Commercial Property, Auto Physical Damage, and Boiler & Machinery Coverage
4. Fiduciary Liability Coverage Specifications

Approved by: Denise C. Standridge, General Counsel

Reviewed by: Claudia Allen, Chief Financial Officer

Prepared by: Jean Paul Popoff, Claims & Liability Administrator



Insurance Proposal for

Alameda Contra Costa Transit District

6/30/2016 - 6/30/2017

Crime Coverage

Presented by:

James Wilkey -- Senior Vice President
Makynia Yates -- Vice President

Wells Fargo Insurance Services USA, Inc.
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Petaluma CA 94954
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Fax: (866) 737-7095
www.wellsfargo.com/wfis
CA DOI #0D08408

Products and services are offered through Wells Fargo Insurance Services USA, Inc. and Wells Fargo Insurance Services of West Virginia, Inc., non-bank insurance agency affiliates of Wells Fargo & Company.

Products and services are underwritten by unaffiliated insurance companies except crop and flood insurance, which may be underwritten by an affiliate, Rural Community Insurance Company. Some services require additional fees and may be offered directly through third-party providers. Banking and insurance decisions are made independently and do not influence each other.

Please refer to the policy contract for specific terms, conditions, limitations and exclusions.

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This proposal is merely a descriptive summary of coverage provided by the insurance companies being proposed and should be used for reference purposes only. This is a quotation of coverage only. It is not a binder. This proposal does not amend or alter the insurance contract.

Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.

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General provisions

Please read this document carefully, and advise if any provisions contained herein are unclear or incorrect, and advise your Wells Fargo Insurance Services USA, Inc. ("Wells Fargo Insurance") team immediately if any coverage is not reflected correctly or if any risks or potential risks have not been identified.

This document states the A. M. Best Company rating for each listed insurance company. Ratings are based on overall performance and financial strength. Performance ratings range from a low of "C-" to the highest rating assigned, "A++." Some insurance companies are subject to "Not-Assigned" categories. Financial size categories range from "I" (up to \$1,000,000 in surplus) to "XV" (\$2,000,000,000 or more in surplus).

Admitted insurance companies afford certain regulatory protection not extended to non-admitted insurance companies. For example, your state's Insurance Guarantee Association does not offer its loss protection to non-admitted insurance companies in the event of insolvency.

When, in Wells Fargo Insurance's judgment, it is necessary or beneficial to do so, we will utilize the services of other intermediaries, sometimes referred to as Wholesalers or Managing General Agents (MGA's), to assist in accessing coverage for insureds or prospects. Such wholesale intermediaries may or may not be affiliated with Wells Fargo Insurance, and would be compensated by the insurance company out of insured-paid premiums.

In some instances, insurance coverage placements made by Wells Fargo Insurance require the payment of state surplus lines tax and fees, in addition to the insurance premium itself. Wells Fargo Insurance will attempt to identify any such applicable tax and fees in advance of requesting coverage bound. In all instances, however, payment of any surplus lines tax and fees is the sole responsibility of the insured.

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Named insureds

Note: Any entity not named as an insured may not be covered under this proposal. This includes partnerships, joint ventures, and newly formed entities of any type.

Named insured	Applicable policies
Alameda Contra Costa Transit District	Crime Coverage

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Crime coverage

Named insured: National Union Fire Ins Co of PA
Insurance carrier: Carrier name — Admitted
 A.M. Best rating: A, XV as of January 27, 2016
Policy number: TBD
Policy term: June 30, 2016 to June 30, 2017
Premium: \$ 22,105.00

Coverage: Covers money, securities, or other tangible property belonging to you or for which you are legally liable. In the event of a loss, the burden of proof rests with you.

Government Crime Policy CR0027 (05/06). Loss Discovered Form.

Coverage and Limits Per Expiring Policy

\$	5,000,000	Employee Theft -- Per Loss Coverage
	5,000,000	Forgery or Alteration
	500,000	Theft of Money & Securities – Inside Premises
	500,000	Robbery, Safe Burglary – Other Property – Inside Premises
	500,000	Outside the Premises
	5,000,000	Computer Fraud
	5,000,000	Funds Transfer Fraud
	5,000,000	Money Orders and Counterfeit Paper Currency

Deductible	\$	25,000	Employee Theft – Per Loss Coverage
		25,000	Forgery or Alteration
		25,000	Computer Fraud
		25,000	Funds Transfer Fraud
		25,000	Money Orders and Counterfeit Paper Currency
		5,000	Theft of Money & Securities – Inside Premises
		5,000	Robbery, Safe Burglary – Other Property – Inside Premises
		5,000	Outside the Premises

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Coverage Extensions

- Bonded Employees Exclusion Deleted Endorsement
- Include Treasurer or Tax Collectors as Employees
- Additional Named Insured Endorsement
- Economic Sanctions Endorsement
- Include Expenses Incurred to Establish Amount of Covered Loss: **\$25,000**
- Add Faithful Performance of Duty Coverage for Government Employees: **\$5,000,000**
- Omnibus Named Insured
- Add Credit, Debit or Charge Card Forgery: **\$5,000,000**
- Change Extended Period to Discover Loss (Loss Sustained Coverage): **120 Days**
- Impersonation Fraud Coverage: **\$100K Sublimit at \$25K Retention**

Subjectivities to Bind:

- Signed and Dated Application

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Service team

Senior Vice President

Manages your overall account, and brings all of Wells Fargo's resources together for your benefit.

James Wilkey

Direct line: (707) 773-1840

Email address: James.Wilkey@wellsfargo.com

Vice President

Responsible for completing all technical transactions regarding the delivery and maintenance of insurance and underwriting services.

Malynda Yates

Direct line: (707) 773-1816

Email address: Malynda.Yates@wellsfargo.com

Account Executive

Primary contact for day-to-day service. Handles questions you may have, monitors your account, processes endorsement requests and invoices.

Eileen M. Massa

Direct line: (707) 773-1832

Email address: Eileen.M.Massa@wellsfargo.com

Claims

Advocates on claims to troubleshoot servicing issues, answer questions about the claims process and assist with optimizing claims outcomes.

Jennet Horder

Commercial Lines Manager

Direct line: (707) 773-1821

Email address: Jennet.Horder@wellsfargo.com

Risk Control

Conducts site inspections, provides loss control insights, and acts as your advocate in relation to carrier loss control representatives.

Scott Rhymes

Risk Control Consultant

Direct line: (707) 773-1912

Email address: Scott.Rhymes@wellsfargo.com

Surety

Drawing from extensive surety experience across many industries, we provide access to surety bonds that meet your requirements.

Cathy Pinney

Account Executive

Direct line: (707) 773-1873

Email address: Cathy.Pinney@wellsfargo.com

Employee Benefits

Markets and provides consultation to your health and employee benefits, available to answer any related questions.

John Fradelizio

Senior Sales Executive Benefits

Direct line: (707) 773-1875

Email address: John.Fradelizio@wellsfargo.com

Certificates of insurance

Email address: Suzanne.Lindsay@wellsfargo.com

Office phone: (707) 773-1845

Office hours

8 a.m. – 5 p.m. Pacific Standard Time M - F

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Attachments

1. Coverages to consider
2. Client authorization to bind coverage
3. Evaluating financial strength and capacity of insurance markets
4. Insurance company financial information
5. Transparency and disclosure
6. Important disclosures
7. When to notify Wells Fargo Insurance
8. TRIA coverage options

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Coverages to consider

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention.

Specifically, we ask that you review the following items:

Kidnap, ransom and extortion, including dependent child coverage:

This provides coverage for kidnappings and other events through a combination of financial indemnification and expert crisis management. A basic policy can cover items such as ransom payment, loss of income, interest on bank loans, etc. This insurance provides assistance to the family and business with regard to independent investigations, negotiations, arrangement, and delivery of funds.

Flood:

Covers direct physical loss caused by excess of water on land that is normally dry. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.

Cyber liability/ network security:

- Inadvertent transmission of a computer virus, Trojan horse, key logger, etc.
- Sending an email that crashes another party's network
- Failure to prevent unauthorized access to computer systems by a third party or an unauthorized employee
- Disclosure of or misuse of confidential information
- Allegations of infringement of copyright, trademark, trade name, title, or slogan
- Allegations of defamation as a result of emails, web content, blog, or forum postings

Privacy liability: Covers liability of the company arising out of the unintentional and unauthorized disclosure or loss of non-public personal information or confidential corporation information in any format. This provides protection against a violation of any privacy regulations including the HITECH Act, HIPAA, GLBA, and Massachusetts 201 CMR 17 or the failure to comply with the company's own privacy policies.

Internet liability: Damages arising when your internet service provider goes down or is hacked.

Web content liability: Damages and defense costs arising from claims of libel, copyright or trademark infringement, or defamation; damages to a website by a hacker or disgruntled employee

Electronic communications: Damages and defense costs arising as a result of electronic communications, such as breach of confidence or infringement of any right to privacy, intellectual property rights, or any statutory duty (Example: some states now require notification to those affected by a loss of private information and provision of credit monitoring services at your cost).

Intangible assets: Damages to code, data, etc.

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Network extortion threat and reward payments: Reimburses the company for any extortion expense and reward paid by the company as a direct result of network extortion threat.

Pollution legal liability: This coverage helps mitigate the environmental risks that come with owning or operating a commercial real estate facility or site. We can design a policy to provide coverage for pre-existing unknown conditions, new conditions, on-site and off-site third party coverage for cleanup costs, bodily injury, and property damage.

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Client authorization to bind coverage

TO: Wells Fargo Insurance
1039A North Mc Dowell Blvd
Petaluma, CA, 94954

RE: Insurance Proposal

This proposal contains proprietary confidential information concerning Wells Fargo Insurance Services USA, Inc. ("Wells Fargo Insurance") and our Clients. It may not be distributed or reproduced without the express prior written consent of Wells Fargo Insurance. No disclosure concerning this proposal shall be made without the express prior written consent of Wells Fargo Insurance.

The intent of this proposal is to provide a highlight of the coverage offered in our insurance program, and is not meant to be all-inclusive. Read your actual policy(ies) for complete details including terms, conditions, limitations, and exclusions.

Exposure information, including but not limited to property values, auto schedules, payroll, and revenues, used in the proposal were those presented by you and should be carefully reviewed and/or appraised for adequacy.

I hereby acknowledge that, upon the renewal of the coverage described herein, unless I otherwise direct Wells Fargo Insurance or Wells Fargo Insurance otherwise notifies me, Wells Fargo Insurance intends to renew my coverage with the insurer that, at the time of such renewal, underwrites my coverage and thus Wells Fargo Insurance will not solicit any quotes or proposals from insurers on my behalf in connection with such renewal.

I have read and understand the terms and conditions of this proposal and the compensation Wells Fargo Insurance may receive in connection with Wells Fargo Insurance's services described in this proposal. All questions and concerns I had regarding any of the terms outlined above have been discussed and addressed with Wells Fargo Insurance.

Please check one:

- After careful review of your proposal dated (5/11/2016), we have decided to accept your proposal as presented.
- After careful review of your proposal dated (5/11/2016), we have decided to accept your proposal with the following changes:

Policy delivery (please check all that apply):

- Electronically via email
- Electronically posted on CyberSure
- Paper copy in 3-ring binder
- Via CD

Please have binders and your invoice prepared for the agreed-upon coverage.

Client signature

Name

Date

Company

Title

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Evaluating financial strength and capacity of insurance markets

Wells Fargo Insurance's objective is to place Clients risks with insurers that are financially sound. In assessing the financial strength of insurers, Wells Fargo Insurance relies upon statutory financial statements as well as the opinions and assessments of recognized rating agencies and other carrier review companies. Wells Fargo Insurance authorizes insurers that it believes, at the time of placement, have the financial ability to fulfill their claim payment obligations to our clients. Wells Fargo Insurance is not a guarantor of the solvency of insurers with which its brokers place business. However, our goal is to use reasonable measures to do business with financially healthy insurers. Our recommendations are based on financial and other relevant information that is available at the time of placement.

Wells Fargo Insurance Services USA, Inc. has appointed a group of experienced insurance professionals to serve on a Market Security Committee. This Committee is responsible for establishing and utilizing guidelines for the selection of insurers and supporting employees in their efforts to utilize financially sound insurers. In assessing the financial strength of insurers, the Committee relies upon the opinions and assessments of recognized rating agencies and other carrier review companies.

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Insurance company financial information

Objective assessments help insurance buyers make informed decisions

As your insurance broker, one of our objectives is to provide you with information and assessments published by rating agencies on the financial stability of the insurers currently underwriting your coverages, or of those insurers we recommend you consider.

The A.M. Best rating for the insurance companies represented in this proposal are as follows:

Name	A.M. Best rating	Effective date
National Union Fire Ins Co of PA	A XV	January 27, 2016

Financial strength ratings

A.M. Best rating	S&P rating	Rating agency assessment
A++, A+	AAA	Superior
A, A-	AAA, AA, AA-	Excellent
B++, B+	A+, A, A-	Good
B, B-	BBB+, BBB, BBB-	Fair, vulnerable to adverse conditions
C++, C+	BB+, BB, BB-	Marginal, financial security may be adequate
C, C-	B+, B, B-	Weak, vulnerable
D, E, F	CCC, CC, C	Poor, extremely vulnerable or failed

Financial size ratings

A.M. Best also assigns categories to insurance companies to indicate levels of statutory surplus and related funds.

A.M. Best financial size category	Adjusted policyholder surplus (in millions)	A.M. Best financial size category	Adjusted policyholder surplus (in millions)
I	Less than \$1	IX	\$250 - \$500
II	\$1 - \$2	X	\$500 - \$750
III	\$2 - 5	XI	\$750 - \$1,000
IV	\$5 - \$10	XII	\$1,000 - \$1,250
V	\$10 - \$25	XIII	\$1,250 - \$1,500
VI	\$25 - \$50	XIV	\$1,500 - \$2,000
VII	\$50 - \$100	XV	Above \$2,000
VIII	\$100 - \$250		

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Transparency and disclosure

Insurance is a highly regulated, competitive industry that fuels the U.S. economy and protects individuals and commercial entities from losses. There is nothing more important to our industry and to Wells Fargo Insurance than maintaining the trust of our customers and conducting business with the utmost integrity. We believe that our leadership role on disclosure should tie directly to our core values. Among these we state that we:

- Value and reward open, honest, two-way communication
- Do what is right for the customer
- Talk and act with the customer in mind
- Exceed our customers' expectations

Wells Fargo Insurance is proactively providing customers with complete transparency on standard and contingent commission income. We receive compensation from the insurance companies we represent when placing your insurance. Our compensation is usually a percentage of the premium you pay for your insurance policy or bond (a "commission"), which is paid to us by the insurance companies for placing and servicing your insurance or bonds with them. We also may receive fees agreed to in writing from our customers. Intermediaries, such as wholesale brokers, may sometimes be used to access certain insurance companies. Such intermediaries will allocate a portion of the compensation from the insurance companies to us and may, in some cases, be an affiliated company.

We receive payments from insurance companies to defray the cost of services provided for them, including advertising, training, certain employee compensation, and other expenses.

Consistent with longstanding industry practice, we may earn interest on premiums received from you and forwarded to the insurance companies through our bank accounts. We may also earn interest when the insurance company issues you a refund and that refund is processed through our bank accounts. We retain the interest earnings on our bank accounts.

Some of the insurance companies we represent may pay us additional commissions, sometimes referred to as contingent or bonus commissions, which may be based on the total volume of business we sell for them, and/or the growth rate of that business, retention rate, claims loss ratio, or other factors considering our entire book of business with an insurance company for a designated period of time.

The amount of premium you pay for a policy may change over the term of the policy. For example, your endorsement requests will affect the premium. Should the premium for any of your policies change, the amount of compensation paid to us by the insurance company would change accordingly.

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Important disclosures

Insurance products are offered through non-bank insurance agency affiliates of Wells Fargo & Company and are underwritten by unaffiliated insurance companies, with the exception of crop insurance which may be underwritten by an affiliated insurance company.

The coverage and limits presented in this proposal are a simplified outline of the respective insurance policies. The actual policies issued by the insurance company govern the coverage provided, and should be read for coverage terms, limits of liability, definitions, and conditions pertaining to your specific insurance program.

This proposal is based on exposures to loss and other underwriting information provided by the customer and made known to Wells Fargo Insurance Services USA, Inc. You must report all additions or corrections to these exposures so we may arrange the proper coverage.

All property values used in this proposal were provided by the customer and should be carefully reviewed and/or appraised for accuracy. Higher limits and additional coverages may be available upon request.

Wells Fargo Insurance Services USA, Inc. has attempted to place your business insurance with markets that have displayed evidence of being properly managed and of strong financial condition. For more information about Wells Fargo Insurance, insurance carrier selection and monitoring, please refer to the section on Evaluating Financial Strength and Capacity of Insurance Markets. In the pages herein, there may be proposals from companies that are identified as Non-admitted or Surplus Lines insurers. This designation means the insurance company is not licensed to do business in your state of domicile. The facts you should consider before placing coverage with a Non-admitted insurance company are as follows:

- If the insurance company becomes insolvent, the state insolvency fund will not cover any claims.
- Non-admitted carriers do not have to file their rates with the state and therefore their rates are not regulated.

Flatiron Capital, a premium finance company, is an affiliate of Wells Fargo Insurance Services USA, Inc. The use of Flatiron Capital is not a requirement for the purchase of insurance.

The extension of credit or the provision of bank products or services through Wells Fargo Bank, N.A., or its affiliates is not conditioned on and does not require the purchase of insurance through Wells Fargo Insurance Services USA, Inc.

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When to notify Wells Fargo Insurance

It is important that you advise Wells Fargo Insurance of any material changes in your operations which may have a bearing on your insurance program. Your insurers have evaluated and accepted the risks on the basis of the information given. Any variation of these details could lead to complication in the event of a loss.

These changes may include, but are not limited to:

- Changes of personnel affecting responsibility for insurance decisions.
- Personnel traveling overseas/on temporary assignment overseas/working on military bases.
- Acquisition or creation of new companies or subsidiaries and/or mergers in which you are involved or any legal change in the corporate structure.
- Purchase, sale, lease, construction, or occupancy of new premises; real estate alteration, vacating the premises, or temporary unoccupancy; extension or demolition of existing premises. This applies for both domestic and foreign locations.
- Increase in values of building, business personal property, or inventory for both scheduled and unnamed locations.
- Removal of business personal property or stock to new or temporary locations.
- Addition of new locations, equipment, or vehicles, whether hired, purchased, leased, or borrowed.
- Changes in processes, occupancy, products, revenue, sales, or business operations.
- Addition, alteration, or temporary disconnection of fire or burglary protection systems.
- Use of owned or non-owned aircraft or watercraft.
- Major changes in value or nature of goods being shipped.
- Employment of personnel in states in which you were previously not doing business.
- Election or appointment of a new C.E.O. or C.O.O., or change in control of either the Board of Directors or the stock ownership of the company.
- Changes in ERISA Plan Assets.
- Any written contracts executed with contractor, subcontractors, suppliers, or others.

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Terrorism Risk and Insurance Act 2002 (TRIA) coverage options

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least 5 million dollars and must have been committed by an individual or individuals, as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The Terrorism Risk Insurance Act, as amended in 2007, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program as an act of terrorism. The policy's other provisions will still apply to such an act.

See the section of this notice titled **Selection or rejection of terrorism insurance coverage**. If you choose to accept this offer of coverage, your premium will include the additional premium for terrorism as stated in this disclosure

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

Board of Directors
June 22, 2016
Agenda Item 5F
Staff Report 16-131
Attachment 1, Page 16

This proposal is merely a descriptive summary of coverage provided by the insurance companies being proposed and should be used for reference purposes only. This is a quotation of coverage only. It is not a binder. This proposal does not amend or alter the insurance contract.

Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.
Proposal date: 5/11/2016 Prepared for AC Transit Confidential. © 2014 Wells Fargo Insurance Services USA, Inc. All Rights Reserved.

Name of Insurance Company to which Application is made (herein called the "Insurer")

**Commercial Crime Policy and
Governmental Crime Policy**

Crime Insurance Application

**Section A.
GENERAL INFORMATION:**

1. Named Applicant: Alameda Contra Costa Transit District
Principal Address: 1600 Franklin Street, Oakland, CA 94612
2. Type of Organization: Public Private Not-For-Profit Governmental
3. Date Business Established: 1960 Annual Revenues: \$353,867,483
4. Website address: www.actransit.org

List (or attach a list of) ALL ENTITIES to be included as joint insureds (including Pension and Welfare plans) to be covered:

If all entities listed above (or attached to this application) are owned, controlled, or operated by the first named insured, check here If not, please provide details for each listed entity.
This application and any attachments include information for all joint insureds to be covered: check here

**Section B.
INSURANCE INFORMATION**

Present Coverage	Carrier:	Requested Coverage (if different)		
	Limit	Deductible	Limit	Deductible
Insuring Agreement				
Employee Theft	\$5M	\$25K	\$5M	\$25K
Forgery or Alteration	\$5M	\$25K	\$5M	\$25K
Inside Theft of Money & Securities	\$5M	\$25K	\$5M	\$25K
Inside Robbery of Other Property	\$500K	\$5K	\$500K	\$5K
Outside the Premises	\$500K	\$5K	\$500K	\$5K
Computer Fraud	\$5M	\$25K	\$5M	\$25K
Funds Transfer Fraud	\$5M	\$25K	\$5M	\$25K
Money Orders & Counterfeit	\$5M	\$25K	\$5M	\$25K
Other:	\$	\$	\$	\$

Expiring Annual Premium: \$
Expiration Date of Current Coverage 6/30/2016

Loss History (last six years, insured or uninsured): Check here if none

Date of Loss	Description	Paid Amount (exclusive of Loss Adjustment Expense)	Outstanding Amount (exclusive of Loss Adjustment Expense)	Open / Closed	Paid Date
		\$	\$		
		\$	\$		
		\$	\$		
		\$	\$		

For each loss listed above, please provide a description of the corrective measures taken:

Section C.

EXPOSURE INFORMATION

Total number of employees: U.S.: 2,025 Canadian: _____ Foreign: _____

Total number of volunteers: U.S.: _____ Canadian: _____ Foreign: _____

Complete the schedule below to include all individuals who handle, have access to or maintain records of money, securities or other property

	# U.S. & Canada	# Foreign		# U.S. & Canada	# Foreign		# U.S. & Canada	# Foreign
Chairman of the Board			Assistant Sales Managers			Payroll Clerks		
President			Branch Sales Manager			Outside Messenger		
Vice President			Purchasing Agents			General Superintendent		
Treasurer	1		Buyers & Asst. Buyers	3		Asst. or Factory Superintendent		
Asst. Treasurer			Assistant Purchasing Agent			Timekeepers		
Secretary			Collectors			Paymasters		
Asst. Secretary			Salesmen Outside & Collecting			Receiving Clerks		
Comptroller			Salesmen Outside & Not Collecting			Shipping Clerks		
Assistant Comptroller			Accountants & Auditors			Traffic Managers		
Advertising Managers			Bookkeeper			Watchmen		
Office Manager			Cashiers	5		Gatemen & Guards		
Department Managers			Credit Managers			Drivers (Collections)		
Branch Managers			Cash Handling Clerk	10		Drivers (No Collections)		
Assistant Branch Managers			Sales Managers			Volunteers - fund soliciting		
Directors and non-compensated officers			Directors, Trustees Administrators handling employee benefit plan funds			Others who handle, have access to or maintain records of money, securities or other property	6	
TOTAL			TOTAL			TOTAL		

Office Clerks, Secretaries, Stenographers, Typists, Telephone Operators, Inside Salesmen, Inside Messengers, Business Machine Operators, Porters & other Like Personnel.

	U.S.A. & CANADA	FOREIGN	GRAND TOTAL
TOTAL			

If there are foreign employees, please complete the Foreign Practices Questionnaire.

Total number of locations: U.S. 8 Canadian _____ Foreign _____

(attach a schedule of locations, or complete the information below)

State: CA County: Alameda Number of Locations: 6

State: CA County: Contra Costa Number of Locations: 1



State: CA County: San Francisco
 State: _____ County: _____
 State: _____ County: _____
 Total number of retail locations: _____

Number of Locations: 1
 Number of Locations: _____
 Number of Locations: _____

**Section D.
FINANCIAL INFORMATION**

Current Year (FYE 6/30/2015)
 Total Assets \$555.5M
 Total Equity / Net Assets <\$136.6>M
 Total Revenues \$353.9M
 Operating Income 69.7M
 Net Income / Change in Net Assets \$6.1M

Prior Year
 Total Assets \$498.4M
 Total Equity / Net Assets <\$347.7>M
 Total Revenues \$347.7M
 Operating Income \$70.6M
 Net Income / Change in Net Assets \$27.7M

**Section E.
UNDERWRITING INFORMATION**

- Describe your predominant business activity: Public Transportation
- Do you have cash exposure that exceeds the lowest deductible amount on your current Crime/Fidelity policy? (if yes, please complete the High Cash Questionnaire) Yes No
- Do you have precious metals, precious or semi-precious stones, pearls, furs, or articles containing such materials exposure that exceeds the lowest deductible amount on your current Crime/Fidelity policy? (if yes, please complete the Precious Metals Questionnaire) Yes No
- Do you have access to your client's funds/property (including money, securities, inventory, high value property, banking systems, wire transfer systems, computer systems & sensitive data, etc.)? Yes No
 - What type of property and \$ amount of value: _____
 - Number of employees who will be performing work for your client(s): _____
 - Total number of clients: _____
- Are corporate credit, debit, charge or purchasing cards used? Yes No
 - Number of Cards: 26
 - Maximum limit allowed under card: \$5,000 to \$25,000
 - Controls in place for preventing and identifying unauthorized transactions: Merchant Codes, Supervisor Review and Sign off, single use limit, recovery policy
- If "Guests' Property" coverage is elected, please provide the total number of guest rooms: _____ N/A

DISBURSEMENT PROCEDURES

- Are all checks countersigned? Yes No
 - Over what amount is dual signature required? _____
 - If there is no countersignature, who signs checks? _____
 - Are checks signed only by the owner principals(s) of the company? Yes No
- Is an approved voucher or Positive Pay system used? Yes No
- Are check signers instructed to require that all checks be accompanied by properly approved vouchers and/or invoices? Yes No
- Are systems designed so that no employee can control a process from beginning to end (i.e. request a check, approve a voucher and sign a check)? Yes No

11. Are bank accounts reconciled on a monthly basis? Yes No
 a. If not, how often _____
12. Are those who reconcile bank statements prohibited from:
 a. Handling deposits in the accounts they reconcile? Yes No
 b. Signing checks? Yes No
13. Does a second person review the reconciliation on a monthly basis and initial their approval of the information? Yes No

AUDIT PROCEDURES

14. How often and by who are audits of cash and accounts performed? Annually, by Internal Audit Department
15. How often and by who are inventory counts conducted? Annually, by Inventory Control
16. Is there a CPA letter to management relating to internal control weaknesses? (if so, please provide a copy) Yes No
17. If no CPA letter to management was issued, did the CPA make recommendations for improvement in internal control informally? (if so, provide details _____) Yes No
18. Is there an internal audit department? Yes No
19. Are all locations audited by the internal audit staff? Yes No
 a. How often? _____
 a. If no, please explain: _____
20. Are background checks performed on all new hires? Check all that apply: Yes No
 Criminal Prior Employment Credit History References Drug Testing
21. Are mid-employment screening performed when employees are promoted to sensitive positions? Yes No
22. Are employees' building access cards denied immediately upon termination and are all procurement, credit cards, etc. cancelled? Yes No
23. Are newly hired employees provided with a copy of your organization's fraud policy identifying and explaining conflicts of interest and other prohibited behavior? Yes No
24. Are employees required to complete conflict of interest disclosure forms annually? Mid & Senior Level Managers Yes No
25. Is there a system in place that allows employees to disclose suspicious or questionable activity confidentially? All reports deemed to Yes No
 a. If so, describe the procedure for investigating these reports _____

VENDOR INFORMATION N/A

26. Are background checks performed on vendors in order to determine ownership and financial capability prior to doing business with them? Yes No
27. Is an authorized vendor list utilized and updated annually for all annual purchases, with competitive bidding required over stated amounts? Yes No
28. Are vendors provided with a statement of your conflict of interest and gift policy (prohibiting gifts of any significant value)? Yes No

FUNDS TRANSFER AND COMPUTER SYSTEMS

29. What is the daily average number and dollar volume of wire transfers? Number: 2 Dollar: \$500k
30. What is the maximum dollar volume that may be transferred per day? \$10M
31. Is approval by more than one person required to initiate a wire transfer? Yes No
32. Does your financial institution call an employee other than one who requested the transfer before acting on the request? Yes No
33. Do you receive hard copy confirmations on all wire transfers and are they sent directly to a department not authorized to initiate transfers? Yes No
34. Are computer system access codes and passwords changed at least every 60 days? Yes No
35. Do any non-employees have access to the computer systems? Yes No
- a. If so, please explain _____

NOTICE TO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO ARKANSAS, NEW MEXICO AND WEST VIRGINIA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AUTHORITIES.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

NOTICE TO KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

NOTICE TO LOUISIANA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO MAINE APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.



NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO MINNESOTA APPLICANTS: A PERSON WHO FILES A CLAIM WITH INTENT TO DEFRAUD OR HELPS COMMIT A FRAUD AGAINST AN INSURER IS GUILTY OF A CRIME.

NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

NOTICE TO OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY (365:15-1-10, 36 53613.1).

NOTICE TO OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH MAY BE A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

NOTICE TO VERMONT APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH MAY BE A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

The undersigned authorized officer/manager of the applicant declares that the statements set forth herein are true. The undersigned authorized officer/manager agrees that if the information supplied on this application changes between the date of this application and the effective date of the insurance, he/she (undersigned) will, in order for the information to be accurate on the effective date of the insurance, immediately notify the insurer of such changes, and the insurer may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance

Signing of this application does not bind the applicant or the insurer to complete the insurance, but it is agreed that this application shall be the basis of the contract should a policy be issued.

All written statements and materials furnished to the insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Signed _____
(Applicant)

Date _____

Title General Manager
(must be signed by Authorized Representative)

Attest _____

Broker _____

License Number _____

Address _____



Insurance Proposal for

Alameda Contra Costa Transit District

7/1/2016 - 7/1/2017

Excess Workers' Compensation Coverage

Presented by:

James Wilkey – Senior Vice President
Malynda Yates – Vice President

Wells Fargo Insurance Services USA, Inc.
1039A North Mc Dowell Blvd
Petaluma CA 94954
Phone: (707) 773-1816
Fax: (866) 737-7095
www.wellsfargo.com/wfis
CA DOI #0D08408

Products and services are offered through Wells Fargo Insurance Services USA, Inc. and Wells Fargo Insurance Services of West Virginia, Inc., non-bank insurance agency affiliates of Wells Fargo & Company.

Products and services are underwritten by unaffiliated insurance companies except crop and flood insurance, which may be underwritten by an affiliate, Rural Community Insurance Company. Some services require additional fees and may be offered directly through third-party providers. Banking and insurance decisions are made independently and do not influence each other.

Please refer to the policy contract for specific terms, conditions, limitations and exclusions.

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Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.
Proposal date: 5/10/2016 Prepared for Alameda Contra Costa Transit District
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Named insureds

Note: Any entity not named as an insured may not be covered under this proposal. This includes partnerships, joint ventures, and newly formed entities of any type.

Named insured

1. Alameda Contra Costa Transit District

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Excess Workers' Compensation Coverage

Insurance Company	Safety National 2015/2016	Safety National 2016/2017
Am Best Rating	A+, Excellent, FSC XIII	A+, Excellent, FSC XIV
Policy Period	July 1, 2015 – July 1, 2016	July 1, 2016 – July 1, 2017
California Status	Admitted	Admitted
Policy Premium:	\$370,093.00	\$377,457.00

Covered State(s)	California	California
Workers' Compensation Coverage		
Coverage Limit	Statutory	Statutory
Employers Liability		
Per Occurrence	\$1,000,000	\$1,000,000
Annual Aggregate	\$1,000,000	\$1,000,000
Self Insured Retention:	\$1,000,000	\$1,000,000
Payroll Basis:	\$126,758,730	\$133,897,634
Rate:	.2764	.2819
Commission:	0%	0%
Subject to Audit:	Yes	Yes
Coverage Extensions:		
Named Insured Additional Endorsement	Included	Included
TRIA	Included	Included
Waiver of Subrogation	Included	Included

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Service team

Sales Executive

Manages your overall account, and brings all of Wells Fargo's resources together for your benefit.

James Wilkey

Direct line: (707) 773-1840
Email address: James.Wilkey@wellsfargo.com

Vice President

Responsible for completing all technical transactions regarding the delivery and maintenance of insurance and underwriting services.

Malynda Yates

Direct line: (707) 773-1816
Email address: Malynda.Yates@wellsfargo.com

Account Executive

Primary contact for day-to-day service. Handles questions you may have, monitors your account, processes endorsement requests and invoices.

Eileen M. Massa

Direct line: (707) 773-1832
Email address: Eileen.M.Massa@wellsfargo.com

Claims

Advocates on claims to troubleshoot servicing issues, answer questions about the claims process and assist with optimizing claims outcomes.

Tracy Sesky

Claims Consultant
Direct line: (707) 773-1865
Email address: Tracy.Sesky@wellsfargo.com

Risk Control

Conducts site inspections, provides loss control insights, and acts as your advocate in relation to carrier loss control representatives.

Scott Rhymes

Risk Control Consultant
Direct line: (707) 773-1912
Email address: Scott.Rhymes@wellsfargo.com

Surety

Drawing from extensive surety experience across many industries, we provide access to surety bonds that meet your requirements.

Cathy Pinney

Account Executive
Direct line: (707) 773-1873
Email address: Cathy.Pinney@wellsfargo.com

Employee Benefits

Markets and provides consultation to your health and employee benefits, available to answer any related questions.

John Fradelizio

Senior Sales Executive Benefits
Direct line: (707) 773-1875
Email address: John.Fradelizio@wellsfargo.com

Certificates of insurance

Email address: Suzanne.Lindsay@wellsfargo.com
Office phone: (707) 773-1845
Fax:

Office hours

8 a.m. – 5 p.m. Pacific Standard Time M - F

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General provisions

Please read this document carefully, and advise if any provisions contained herein are unclear or incorrect, and advise your Wells Fargo Insurance Services USA, Inc. ("Wells Fargo Insurance") team immediately if any coverage is not reflected correctly or if any risks or potential risks have not been identified.

This document states the A. M. Best Company rating for each listed insurance company. Ratings are based on overall performance and financial strength. Performance ratings range from a low of "C-" to the highest rating assigned, "A++." Some insurance companies are subject to "Not-Assigned" categories. Financial size categories range from "I" (up to \$1,000,000 in surplus) to "XV" (\$2,000,000,000 or more in surplus).

Admitted insurance companies afford certain regulatory protection not extended to non-admitted insurance companies. For example, your state's Insurance Guarantee Association does not offer its loss protection to non-admitted insurance companies in the event of insolvency.

When, in Wells Fargo Insurance's judgment, it is necessary or beneficial to do so, we will utilize the services of other intermediaries, sometimes referred to as Wholesalers or Managing General Agents (MGA's), to assist in accessing coverage for insureds or prospects. Such wholesale intermediaries may or may not be affiliated with Wells Fargo Insurance, and would be compensated by the insurance company out of insured-paid premiums.

In some instances, insurance coverage placements made by Wells Fargo Insurance require the payment of state surplus lines tax and fees, in addition to the insurance premium itself. Wells Fargo Insurance will attempt to identify any such applicable tax and fees in advance of requesting coverage bound. In all instances, however, payment of any surplus lines tax and fees is the sole responsibility of the insured.

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Attachments

1. Coverages to consider
2. Client authorization to bind coverage
3. Evaluating financial strength and capacity of insurance markets
4. Insurance company financial information
5. Transparency and disclosure
6. Important disclosures
7. When to notify Wells Fargo Insurance
8. TRIA coverage options
9. Notice of surplus lines placement

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Coverages to consider

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention.

Specifically, we ask that you review the following items:

Kidnap, ransom and extortion, including dependent child coverage:

This provides coverage for kidnappings and other events through a combination of financial indemnification and expert crisis management. A basic policy can cover items such as ransom payment, loss of income, interest on bank loans, etc. This insurance provides assistance to the family and business with regard to independent investigations, negotiations, arrangement, and delivery of funds.

Flood:

Covers direct physical loss caused by excess of water on land that is normally dry. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.

Cyber liability/ network security:

- Inadvertent transmission of a computer virus, Trojan horse, key logger, etc.
- Sending an email that crashes another party's network
- Failure to prevent unauthorized access to computer systems by a third party or an unauthorized employee
- Disclosure of or misuse of confidential information
- Allegations of infringement of copyright, trademark, trade name, title, or slogan
- Allegations of defamation as a result of emails, web content, blog, or forum postings

Privacy liability: Covers liability of the company arising out of the unintentional and unauthorized disclosure or loss of non-public personal information or confidential corporation information in any format. This provides protection against a violation of any privacy regulations including the HITECH Act, HIPAA, GLBA, and Massachusetts 201 CMR 17 or the failure to comply with the company's own privacy policies.

Internet liability: Damages arising when your internet service provider goes down or is hacked.

Web content liability: Damages and defense costs arising from claims of libel, copyright or trademark infringement, or defamation; damages to a website by a hacker or disgruntled employee

Electronic communications: Damages and defense costs arising as a result of electronic communications, such as breach of confidence or infringement of any right to privacy, intellectual property rights, or any statutory duty (Example: some states now require notification to those affected by a loss of private information and provision of credit monitoring services at your cost).

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Intangible assets: Damages to code, data, etc.

Network extortion threat and reward payments: Reimburses the company for any extortion expense and reward paid by the company as a direct result of network extortion threat.

Pollution legal liability: This coverage helps mitigate the environmental risks that come with owning or operating a commercial real estate facility or site. We can design a policy to provide coverage for pre-existing unknown conditions, new conditions, on-site and off-site third party coverage for cleanup costs, bodily injury, and property damage.

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Client authorization to bind coverage

TO: Wells Fargo Insurance
1039A North Mc Dowell Blvd
Petaluma, CA, 94954

RE: Insurance Proposal

This proposal contains proprietary confidential information concerning Wells Fargo Insurance Services USA, Inc. ("Wells Fargo Insurance") and our Clients. It may not be distributed or reproduced without the express prior written consent of Wells Fargo Insurance. No disclosure concerning this proposal shall be made without the express prior written consent of Wells Fargo Insurance.

The intent of this proposal is to provide a highlight of the coverage offered in our insurance program, and is not meant to be all-inclusive. Read your actual policy(ies) for complete details including terms, conditions, limitations, and exclusions.

Exposure information, including but not limited to property values, auto schedules, payroll, and revenues, used in the proposal were those presented by you and should be carefully reviewed and/or appraised for adequacy.

I hereby acknowledge that, upon the renewal of the coverage described herein, unless I otherwise direct Wells Fargo Insurance or Wells Fargo Insurance otherwise notifies me, Wells Fargo Insurance intends to renew my coverage with the insurer that, at the time of such renewal, underwrites my coverage and thus Wells Fargo Insurance will not solicit any quotes or proposals from insurers on my behalf in connection with such renewal.

I have read and understand the terms and conditions of this proposal and the compensation Wells Fargo Insurance may receive in connection with Wells Fargo Insurance's services described in this proposal. All questions and concerns I had regarding any of the terms outlined above have been discussed and addressed with Wells Fargo Insurance.

Please check one:

- After careful review of your proposal dated (5/10/2016), we have decided to accept your proposal as presented.
- After careful review of your proposal dated (5/10/2016), we have decided to accept your proposal with the following changes:

Policy delivery (please check all that apply):

- Electronically via email
- Electronically posted on CyberSure
- Paper copy in 3-ring binder
- Via CD

Please have binders and your invoice prepared for the agreed-upon coverage.

Client signature

Name

Date

Company

Title

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Evaluating financial strength and capacity of insurance markets

Wells Fargo Insurance's objective is to place Clients risks with insurers that are financially sound. In assessing the financial strength of insurers, Wells Fargo Insurance relies upon statutory financial statements as well as the opinions and assessments of recognized rating agencies and other carrier review companies. Wells Fargo Insurance authorizes insurers that it believes, at the time of placement, have the financial ability to fulfill their claim payment obligations to our clients. Wells Fargo Insurance is not a guarantor of the solvency of insurers with which its brokers place business. However, our goal is to use reasonable measures to do business with financially healthy insurers. Our recommendations are based on financial and other relevant information that is available at the time of placement.

Wells Fargo Insurance Services USA, Inc. has appointed a group of experienced insurance professionals to serve on a Market Security Committee. This Committee is responsible for establishing and utilizing guidelines for the selection of insurers and supporting employees in their efforts to utilize financially sound insurers. In assessing the financial strength of insurers, the Committee relies upon the opinions and assessments of recognized rating agencies and other carrier review companies.

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Insurance company financial information

Objective assessments help insurance buyers make informed decisions

As your insurance broker, one of our objectives is to provide you with information and assessments published by rating agencies on the financial stability of the insurers currently underwriting your coverages, or of those insurers we recommend you consider.

The A.M. Best rating for the insurance companies represented in this proposal are as follows:

Name	A.M. Best rating	Effective date
Safety National	A+, XIV	August 21, 2015

Financial strength ratings

A.M. Best rating	S&P rating	Rating agency assessment
A++, A+	AAA	Superior
A, A-	AAA, AA, AA-	Excellent
B++, B+	A+, A, A-	Good
B, B-	BBB+, BBB, BBB-	Fair, vulnerable to adverse conditions
C++, C+	BB+, BB, BB-	Marginal, financial security may be adequate
C, C-	B+, B, B-	Weak, vulnerable
D, E, F	CCC, CC, C	Poor, extremely vulnerable or failed

Financial size ratings

A.M. Best also assigns categories to insurance companies to indicate levels of statutory surplus and related funds.

A.M. Best financial size category	Adjusted policyholder surplus (in millions)	A.M. Best financial size category	Adjusted policyholder surplus (in millions)
I	Less than \$1	IX	\$250 - \$500
II	\$1 - \$2	X	\$500 - \$750
III	\$2 - 5	XI	\$750 - \$1,000
IV	\$5 - \$10	XII	\$1,000 - \$1,250
V	\$10 - \$25	XIII	\$1,250 - \$1,500
VI	\$25 - \$50	XIV	\$1,500 - \$2,000
VII	\$50 - \$100	XV	Above \$2,000
VIII	\$100 - \$250		

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Transparency and disclosure

Insurance is a highly regulated, competitive industry that fuels the U.S. economy and protects individuals and commercial entities from losses. There is nothing more important to our industry and to Wells Fargo Insurance than maintaining the trust of our customers and conducting business with the utmost integrity. We believe that our leadership role on disclosure should tie directly to our core values. Among these we state that we:

- Value and reward open, honest, two-way communication
- Do what is right for the customer
- Talk and act with the customer in mind
- Exceed our customers' expectations

Wells Fargo Insurance is proactively providing customers with complete transparency on standard and contingent commission income. We receive compensation from the insurance companies we represent when placing your insurance. Our compensation is usually a percentage of the premium you pay for your insurance policy or bond (a "commission"), which is paid to us by the insurance companies for placing and servicing your insurance or bonds with them. We also may receive fees agreed to in writing from our customers. Intermediaries, such as wholesale brokers, may sometimes be used to access certain insurance companies. Such intermediaries will allocate a portion of the compensation from the insurance companies to us and may, in some cases, be an affiliated company.

We receive payments from insurance companies to defray the cost of services provided for them, including advertising, training, certain employee compensation, and other expenses.

Consistent with longstanding industry practice, we may earn interest on premiums received from you and forwarded to the insurance companies through our bank accounts. We may also earn interest when the insurance company issues you a refund and that refund is processed through our bank accounts. We retain the interest earnings on our bank accounts.

Some of the insurance companies we represent may pay us additional commissions, sometimes referred to as contingent or bonus commissions, which may be based on the total volume of business we sell for them, and/or the growth rate of that business, retention rate, claims loss ratio, or other factors considering our entire book of business with an insurance company for a designated period of time.

The amount of premium you pay for a policy may change over the term of the policy. For example, your endorsement requests will affect the premium. Should the premium for any of your policies change, the amount of compensation paid to us by the insurance company would change accordingly.

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Important disclosures

Insurance products are offered through non-bank insurance agency affiliates of Wells Fargo & Company and are underwritten by unaffiliated insurance companies, with the exception of crop insurance which may be underwritten by an affiliated insurance company.

The coverage and limits presented in this proposal are a simplified outline of the respective insurance policies. The actual policies issued by the insurance company govern the coverage provided, and should be read for coverage terms, limits of liability, definitions, and conditions pertaining to your specific insurance program.

This proposal is based on exposures to loss and other underwriting information provided by the customer and made known to Wells Fargo Insurance Services USA, Inc. You must report all additions or corrections to these exposures so we may arrange the proper coverage.

All property values used in this proposal were provided by the customer and should be carefully reviewed and/or appraised for accuracy. Higher limits and additional coverages may be available upon request.

Wells Fargo Insurance Services USA, Inc. has attempted to place your business insurance with markets that have displayed evidence of being properly managed and of strong financial condition. For more information about Wells Fargo Insurance, insurance carrier selection and monitoring, please refer to the section on Evaluating Financial Strength and Capacity of Insurance Markets. In the pages herein, there may be proposals from companies that are identified as Non-admitted or Surplus Lines insurers. This designation means the insurance company is not licensed to do business in your state of domicile. The facts you should consider before placing coverage with a Non-admitted insurance company are as follows:

- If the insurance company becomes insolvent, the state insolvency fund will not cover any claims.
- Non-admitted carriers do not have to file their rates with the state and therefore their rates are not regulated.

Flatiron Capital, a premium finance company, is an affiliate of Wells Fargo Insurance Services USA, Inc. The use of Flatiron Capital is not a requirement for the purchase of insurance.

The extension of credit or the provision of bank products or services through Wells Fargo Bank, N.A., or its affiliates is not conditioned on and does not require the purchase of insurance through Wells Fargo Insurance Services USA, Inc.

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When to notify Wells Fargo Insurance

It is important that you advise Wells Fargo Insurance of any material changes in your operations which may have a bearing on your insurance program. Your insurers have evaluated and accepted the risks on the basis of the information given. Any variation of these details could lead to complication in the event of a loss.

These changes may include, but are not limited to:

- Changes of personnel affecting responsibility for insurance decisions.
- Personnel traveling overseas/on temporary assignment overseas/working on military bases.
- Acquisition or creation of new companies or subsidiaries and/or mergers in which you are involved or any legal change in the corporate structure.
- Purchase, sale, lease, construction, or occupancy of new premises; real estate alteration, vacating the premises, or temporary unoccupancy; extension or demolition of existing premises. This applies for both domestic and foreign locations.
- Increase in values of building, business personal property, or inventory for both scheduled and unnamed locations.
- Removal of business personal property or stock to new or temporary locations.
- Addition of new locations, equipment, or vehicles, whether hired, purchased, leased, or borrowed.
- Changes in processes, occupancy, products, revenue, sales, or business operations.
- Addition, alteration, or temporary disconnection of fire or burglary protection systems.
- Use of owned or non-owned aircraft or watercraft.
- Major changes in value or nature of goods being shipped.
- Employment of personnel in states in which you were previously not doing business.
- Election or appointment of a new C.E.O. or C.O.O., or change in control of either the Board of Directors or the stock ownership of the company.
- Changes in ERISA Plan Assets.
- Any written contracts executed with contractor, subcontractors, suppliers, or others.

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Terrorism Risk and Insurance Act 2002 (TRIA) coverage options

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least 5 million dollars and must have been committed by an individual or individuals, as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The Terrorism Risk Insurance Act, as amended in 2007, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program as an act of terrorism. The policy's other provisions will still apply to such an act.

See the section of this notice titled **Selection or rejection of terrorism insurance coverage**. If you choose to accept this offer of coverage, your premium will include the additional premium for terrorism as stated in this disclosure

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

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Selection or rejection of terrorism insurance coverage

Line of Coverage	Annual Premium	Accept	Reject
Excess Workers' Compensation	Included	XX	

XX Please check here if you **do** wish to include this coverage and specify above which lines of coverage. Please sign and date below.

_____ Check here if you **do not** wish to include Terrorism coverage. Please sign and date below.

Signature: _____

Title: _____

Date: _____

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Insurance Proposal for

Alameda Contra Costa Transit District

7/1/2016 - 7/1/2017

Property, Auto Physical Damage, and Boiler & Machinery Coverage

Presented by:

James Wilkey – Senior Vice President
Malynda Yates – Vice President

Wells Fargo Insurance Services USA, Inc.
1039A North Mc Dowell Blvd
Petaluma CA 94954
Phone: (707) 773-1816
Fax: (866) 737-7095
www.wellsfargo.com/wfis
CA DOI #0Do8408

Products and services are offered through Wells Fargo Insurance Services USA, Inc. and Wells Fargo Insurance Services of West Virginia, Inc., non-bank insurance agency affiliates of Wells Fargo & Company.

Products and services are underwritten by unaffiliated insurance companies except crop and flood insurance, which may be underwritten by an affiliate, Rural Community Insurance Company. Some services require additional fees and may be offered directly through third-party providers. Banking and insurance decisions are made independently and do not influence each other.

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General provisions

Please read this document carefully, and advise if any provisions contained herein are unclear or incorrect, and advise your Wells Fargo Insurance Services USA, Inc. ("Wells Fargo Insurance") team immediately if any coverage is not reflected correctly or if any risks or potential risks have not been identified.

This document states the A. M. Best Company rating for each listed insurance company. Ratings are based on overall performance and financial strength. Performance ratings range from a low of "C-" to the highest rating assigned, "A++." Some insurance companies are subject to "Not-Assigned" categories. Financial size categories range from "I" (up to \$1,000,000 in surplus) to "XV" (\$2,000,000,000 or more in surplus).

Admitted insurance companies afford certain regulatory protection not extended to non-admitted insurance companies. For example, your state's Insurance Guarantee Association does not offer its loss protection to non-admitted insurance companies in the event of insolvency.

When, in Wells Fargo Insurance's judgment, it is necessary or beneficial to do so, we will utilize the services of other intermediaries, sometimes referred to as Wholesalers or Managing General Agents (MGA's), to assist in accessing coverage for insureds or prospects. Such wholesale intermediaries may or may not be affiliated with Wells Fargo Insurance, and would be compensated by the insurance company out of insured-paid premiums.

In some instances, insurance coverage placements made by Wells Fargo Insurance require the payment of state surplus lines tax and fees, in addition to the insurance premium itself. Wells Fargo Insurance will attempt to identify any such applicable tax and fees in advance of requesting coverage bound. In all instances, however, payment of any surplus lines tax and fees is the sole responsibility of the insured.

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Named insureds

Note: Any entity not named as an insured may not be covered under this proposal. This includes partnerships, joint ventures, and newly formed entities of any type.

Named insured	Applicable policies
Alameda Contra Costa Transit District	Property, Auto Physical Damage, and Boiler & Machinery Coverage

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Premium overview

Coverage	2015/2016 Expiring Premium	2016/2017 Renewal Premium
Property, Auto Physical Damage, & Boiler and Machinery Coverage	\$464,970	\$464,970

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Commercial property, auto physical damage and boiler & machinery coverage

	Travelers Insurance Company	Travelers Insurance Company
Policy Term	July 1, 2015 to July 1, 2016	July 1, 2016 to July 1, 2017
AM Best Rating	A++, Superior, Financial Size Category XV, \$2 Billion or Greater	A++, Superior, Financial Size Category XV, \$2 Billion or Greater
California Status	Admitted	Admitted
Coverage	All Risk of Direct Physical Loss or Damage Including Equipment Breakdown, Auto Physical Damage, Contractor's Equipment & Earth Movement Sprinkler Leakage. Excluding Earthquake And Flood As Respects Property/Time Element Coverages	All Risk of Direct Physical Loss or Damage Including Equipment Breakdown, Auto Physical Damage, Contractor's Equipment & Earthquake Sprinkler Leakage. Excluding Earthquake And Flood As Respects Property/Time Element Coverages
Statement of Values	\$589,860,985	\$589,860,985
Limits:	\$100,000,000 Per Occurrence	\$100,000,000 Per Occurrence
	<i>Subject to the following sublimits:</i>	<i>Subject to the following sublimits:</i>
Vehicle Physical Damage	\$50,000,000	\$50,000,000
	Including over the road exposures	Including over the road exposures
Outdoor Property including Debris Removal	25% of physical loss/damage for all Insured locations sustaining covered physical loss/damage plus \$500,000. Trees, Shrubs and plants - \$5,000 per item	25% of physical loss/damage for all Insured locations sustaining covered physical loss/damage plus \$500,000. Trees, Shrubs and plants - \$5,000 per item
Accounts Receivable	\$5,000,000	\$5,000,000
Earthquake Sprinkler Leakage	\$1,000,000	\$1,000,000
Business Interruption/Rental Value	\$12,399,875	\$12,344,050
Extended Rental Value	60 days	60 days
Civil Authority	30 days	30 days
Ordinance or Law - Increased Period of Restoration	\$250,000	\$250,000

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	Travelers Insurance Company	Travelers Insurance Company
Demolition/Increased Cost of Construction		
<i>Ordinance or Law</i>	\$25,000,000	\$25,000,000
<i>Demolition</i>	\$2,500,000	\$2,500,000
<i>Increased Cost of Construction</i>	\$2,500,000	\$2,500,000
<i>EDP Data/Media</i>	\$5,000,000	\$5,000,000
<i>Extra Expense</i>	\$1,000,000	\$1,000,000
<i>Civil/Military Authority</i>	30 days	30 days
<i>Fine Arts</i>	\$1,000,000 subject to a maximum of \$5,000 any one item	\$1,000,000 subject to a maximum of \$5,000 any one item
<i>Pollution Cleanup and Removal</i>	\$100,000	\$100,000
<i>Miscellaneous Unnamed Locations</i>	\$1,000,000 subject to maximum \$5,000,000	\$1,000,000 subject to maximum \$5,000,000
<i>Newly Acquired Property</i>	120 Days, not to exceed \$5,000,000	120 Days, not to exceed \$5,000,000
<i>Claims Data Expense</i>	\$100,000	\$100,000
<i>Service Interruption</i>	\$1,000,000	\$1,000,000
<i>Property in Transit</i>	\$1,000,000	\$1,000,000
<i>Valuable Papers</i>	\$5,000,000	\$5,000,000
<i>Expediting Expense</i>	\$1,000,000	\$1,000,000
<i>Course of Construction</i>	Not Covered	Not Covered
<i>Unscheduled bridges, tunnels, catwalks, streets, pavements, roads, highways, culverts, street lights, traffic signals</i>	Not Covered	Not Covered

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	Travelers Insurance Company	Travelers Insurance Company
Personal Property of employees, directors, officers, Trustees of the Insured located Outside of the US, Canada and Puerto Rico	\$2,500 per Employee; \$50,000 any one occurrence. Coverage excludes outside the USA.	\$2,500 per Employee; \$50,000 any one occurrence. Coverage excludes outside the USA.
Contractors Equipment	\$627,055	\$627,055
	Subject to the following sublimits:	Subject to the following sublimits:
Leased/Rented Equipment from Others	Not covered	Not covered
Newly Acquired	\$50,000	\$50,000
Rental Reimbursement	Not covered	Not covered
Miscellaneous Tools/Equipment	Not covered	Not covered
Boiler and Machinery	\$25,000,000	\$25,000,000
Business Interruption	Included	Included
Off Premises Property damage	Follows property	Follows property
Consequential Damage	\$250,000	\$250,000
Extra Expense	Follows property	Follows property
Rental Value	Follows property	Follows property
Contingent BI/EE	Not covered	Not covered
Expediting Expense	Follows property	Follows property
Hazardous Substances/Pollutants	\$250,000	\$250,000
Spoilage	Part of Consequential Damage	Part of Consequential Damage
Computer Equipment/EDP	Follows property	Follows property
Data Restoration	Follows property	Follows property
Demolition and ICC/Costs of Construction	Follows property	Follows property
Service Interruption	\$1,000,000	\$1,000,000
Ammonia Contamination	\$250,000	\$250,000
Water Damage	\$250,000	\$250,000
Newly Acquired Property	Follows property	Follows property
Errors and Omissions	Follows property	Follows property
Extended Period of Restoration	60 days	60 days
Limited Fungus, Wet Rot and Dry Rot Coverage	\$100,000	\$100,000

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	Travelers Insurance Company	Travelers Insurance Company
Deductibles:		
All Other Perils	\$100,000	\$100,000
Vehicles	\$25,000	\$25,000
Buses	\$100,000	\$100,000
Earthquake Sprinkler Leakage	2%/\$100,000	2%/\$100,000
Service Interruption	\$25,000	\$25,000
Boiler and Machinery	\$25,000	\$25,000
Boiler & Machinery: Rental Value or Extra Expense	48 hour waiting period on Interruption of Service waiting period	48 hour waiting period on Interruption of Service waiting period
Exclusions	Newly acquired locations outside of California	Newly acquired locations outside of California
	Furs; jewels; jewelry; precious, semi-precious stones or metals.	Furs; jewels; jewelry; precious, semi-precious stones or metals.
	Watercraft	Watercraft
	Golf course greens, tees, fairways, sand-traps	Golf course greens, tees, fairways, sand-traps
	Money, securities, notes, tickets	Money, securities, notes, tickets
	Any type of dam	Any type of dam
	Tax value for tax interruption	Tax value for tax interruption
	Rolling Stock	Rolling Stock
	Ocean marine transit or worldwide transit	Ocean marine transit or worldwide transit
	Cyber secure(would need to complete an application if coverage is desired)	Cyber secure(would need to complete an application if coverage is desired)
	Nuclear Hazard, War, Military Action, Electronic Vandalism and Pathogenic or Poisonous Biological or Chemical Materials	Nuclear Hazard, War, Military Action, Electronic Vandalism and Pathogenic or Poisonous Biological or Chemical Materials
Coinsurance	Not Applicable	Not Applicable
Valuation	Replacement Cost	Replacement Cost
	Time Element-Actual Loss Sustained	Time Element-Actual Loss Sustained
	Contractors Equipment- ACV	Contractors Equipment- ACV
	Vehicles - ACV	Vehicles - ACV
Premium	\$464,970	\$464,970

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Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.
 Proposal date: 4/29/2016 Prepared for AC Transit Confidential. © 2014 Wells Fargo Insurance Services USA, Inc. All Rights Reserved.

Service team

Senior Vice President

Manages your overall account, and brings all of Wells Fargo's resources together for your benefit.

James Wilkey

Direct line: (707) 773-1840

Email address: James.Wilkey@wellsfargo.com

Vice President

Responsible for completing all technical transactions regarding the delivery and maintenance of insurance and underwriting services.

Malynda Yates

Direct line: (707) 773-1816

Email address: Malynda.Yates@wellsfargo.com

Account Executive

Primary contact for day-to-day service. Handles questions you may have, monitors your account, processes endorsement requests and invoices.

Eileen M. Massa

Direct line: (707) 773-1832

Email address: Eileen.M.Massa@wellsfargo.com

Claims

Advocates on claims to troubleshoot servicing issues, answer questions about the claims process and assist with optimizing claims outcomes.

Jennet Horder

Commercial Lines Manager

Direct line: (707) 773-1821

Email address: Jennet.Horder@wellsfargo.com

Risk Control

Conducts site inspections, provides loss control insights, and acts as your advocate in relation to carrier loss control representatives.

Scott Rhymes

Risk Control Consultant

Direct line: (707) 773-1912

Email address: Scott.Rhymes@wellsfargo.com

Surety

Drawing from extensive surety experience across many industries, we provide access to surety bonds that meet your requirements.

Cathy Pinney

Account Executive

Direct line: (707) 773-1873

Email address: Cathy.Pinney@wellsfargo.com

Employee Benefits

Markets and provides consultation to your health and employee benefits, available to answer any related questions.

John Fradelizio

Senior Sales Executive Benefits

Direct line: (707) 773-1875

Email address: John.Fradelizio@wellsfargo.com

Certificates of insurance

Email address: Suzanne.Lindsay@wellsfargo.com

Office phone: (707) 773-1845

Office hours

8 a.m. – 5 p.m. Pacific Standard Time M - F

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Attachments

1. Coverages to consider
2. Client authorization to bind coverage
3. Evaluating financial strength and capacity of insurance markets
4. Insurance company financial information
5. Transparency and disclosure
6. Important disclosures
7. When to notify Wells Fargo Insurance
8. TRIA coverage options

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Coverages to consider

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention.

Specifically, we ask that you review the following items:

Kidnap, ransom and extortion, including dependent child coverage:

This provides coverage for kidnappings and other events through a combination of financial indemnification and expert crisis management. A basic policy can cover items such as ransom payment, loss of income, interest on bank loans, etc. This insurance provides assistance to the family and business with regard to independent investigations, negotiations, arrangement, and delivery of funds.

Flood:

Covers direct physical loss caused by excess of water on land that is normally dry. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.

Cyber liability/ network security:

- Inadvertent transmission of a computer virus, Trojan horse, key logger, etc.
- Sending an email that crashes another party's network
- Failure to prevent unauthorized access to computer systems by a third party or an unauthorized employee
- Disclosure of or misuse of confidential information
- Allegations of infringement of copyright, trademark, trade name, title, or slogan
- Allegations of defamation as a result of emails, web content, blog, or forum postings

Privacy liability: Covers liability of the company arising out of the unintentional and unauthorized disclosure or loss of non-public personal information or confidential corporation information in any format. This provides protection against a violation of any privacy regulations including the HITECH Act, HIPAA, GLBA, and Massachusetts 201 CMR 17 or the failure to comply with the company's own privacy policies.

Internet liability: Damages arising when your internet service provider goes down or is hacked.

Web content liability: Damages and defense costs arising from claims of libel, copyright or trademark infringement, or defamation; damages to a website by a hacker or disgruntled employee

Electronic communications: Damages and defense costs arising as a result of electronic communications, such as breach of confidence or infringement of any right to privacy, intellectual property rights, or any statutory duty (Example: some states now require notification to those affected by a loss of private information and provision of credit monitoring services at your cost).

Intangible assets: Damages to code, data, etc.

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Network extortion threat and reward payments: Reimburses the company for any extortion expense and reward paid by the company as a direct result of network extortion threat.

Pollution legal liability: This coverage helps mitigate the environmental risks that come with owning or operating a commercial real estate facility or site. We can design a policy to provide coverage for pre-existing unknown conditions, new conditions, on-site and off-site third party coverage for cleanup costs, bodily injury, and property damage.

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Client authorization to bind coverage

TO: Wells Fargo Insurance
1039A North Mc Dowell Blvd
Petaluma, CA, 94954

RE: Insurance Proposal

This proposal contains proprietary confidential information concerning Wells Fargo Insurance Services USA, Inc. ("Wells Fargo Insurance") and our Clients. It may not be distributed or reproduced without the express prior written consent of Wells Fargo Insurance. No disclosure concerning this proposal shall be made without the express prior written consent of Wells Fargo Insurance.

The intent of this proposal is to provide a highlight of the coverage offered in our insurance program, and is not meant to be all-inclusive. Read your actual policy(ies) for complete details including terms, conditions, limitations, and exclusions.

Exposure information, including but not limited to property values, auto schedules, payroll, and revenues, used in the proposal were those presented by you and should be carefully reviewed and/or appraised for adequacy.

I hereby acknowledge that, upon the renewal of the coverage described herein, unless I otherwise direct Wells Fargo Insurance or Wells Fargo Insurance otherwise notifies me, Wells Fargo Insurance intends to renew my coverage with the insurer that, at the time of such renewal, underwrites my coverage and thus Wells Fargo Insurance will not solicit any quotes or proposals from insurers on my behalf in connection with such renewal.

I have read and understand the terms and conditions of this proposal and the compensation Wells Fargo Insurance may receive in connection with Wells Fargo Insurance's services described in this proposal. All questions and concerns I had regarding any of the terms outlined above have been discussed and addressed with Wells Fargo Insurance.

Please check one:

- After careful review of your proposal dated (4/29/2016), we have decided to accept your proposal as presented.
- After careful review of your proposal dated (4/29/2016), we have decided to accept your proposal with the following changes:

Policy delivery (please check all that apply):

- Electronically via email
- Electronically posted on CyberSure
- Paper copy in 3-ring binder
- Via CD

Please have binders and your invoice prepared for the agreed-upon coverage.

Client signature

Name

Date

Company

Title

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Evaluating financial strength and capacity of insurance markets

Wells Fargo Insurance's objective is to place Clients risks with insurers that are financially sound. In assessing the financial strength of insurers, Wells Fargo Insurance relies upon statutory financial statements as well as the opinions and assessments of recognized rating agencies and other carrier review companies. Wells Fargo Insurance authorizes insurers that it believes, at the time of placement, have the financial ability to fulfill their claim payment obligations to our clients. Wells Fargo Insurance is not a guarantor of the solvency of insurers with which its brokers place business. However, our goal is to use reasonable measures to do business with financially healthy insurers. Our recommendations are based on financial and other relevant information that is available at the time of placement.

Wells Fargo Insurance Services USA, Inc. has appointed a group of experienced insurance professionals to serve on a Market Security Committee. This Committee is responsible for establishing and utilizing guidelines for the selection of insurers and supporting employees in their efforts to utilize financially sound insurers. In assessing the financial strength of insurers, the Committee relies upon the opinions and assessments of recognized rating agencies and other carrier review companies.

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Insurance company financial information

Objective assessments help insurance buyers make informed decisions

As your insurance broker, one of our objectives is to provide you with information and assessments published by rating agencies on the financial stability of the insurers currently underwriting your coverages, or of those insurers we recommend you consider.

The A.M. Best rating for the insurance companies represented in this proposal are as follows:

Name	A.M. Best rating	Effective date
Travelers	A++ XV	2015

Financial strength ratings

A.M. Best rating	S&P rating	Rating agency assessment
A++, A+	AAA	Superior
A, A-	AAA, AA, AA-	Excellent
B++, B+	A+, A, A-	Good
B, B-	BBB+, BBB, BBB-	Fair, vulnerable to adverse conditions
C++, C+	BB+, BB, BB-	Marginal, financial security may be adequate
C, C-	B+, B, B-	Weak, vulnerable
D, E, F	CCC, CC, C	Poor, extremely vulnerable or failed

Financial size ratings

A.M. Best also assigns categories to insurance companies to indicate levels of statutory surplus and related funds.

A.M. Best financial size category	Adjusted policyholder surplus (in millions)	A.M. Best financial size category	Adjusted policyholder surplus (in millions)
I	Less than \$1	IX	\$250 - \$500
II	\$1 - \$2	X	\$500 - \$750
III	\$2 - 5	XI	\$750 - \$1,000
IV	\$5 - \$10	XII	\$1,000 - \$1,250
V	\$10 - \$25	XIII	\$1,250 - \$1,500
VI	\$25 - \$50	XIV	\$1,500 - \$2,000
VII	\$50 - \$100	XV	Above \$2,000
VIII	\$100 - \$250		

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Transparency and disclosure

Insurance is a highly regulated, competitive industry that fuels the U.S. economy and protects individuals and commercial entities from losses. There is nothing more important to our industry and to Wells Fargo Insurance than maintaining the trust of our customers and conducting business with the utmost integrity. We believe that our leadership role on disclosure should tie directly to our core values. Among these we state that we:

- Value and reward open, honest, two-way communication
- Do what is right for the customer
- Talk and act with the customer in mind
- Exceed our customers' expectations

Wells Fargo Insurance is proactively providing customers with complete transparency on standard and contingent commission income. We receive compensation from the insurance companies we represent when placing your insurance. Our compensation is usually a percentage of the premium you pay for your insurance policy or bond (a "commission"), which is paid to us by the insurance companies for placing and servicing your insurance or bonds with them. We also may receive fees agreed to in writing from our customers. Intermediaries, such as wholesale brokers, may sometimes be used to access certain insurance companies. Such intermediaries will allocate a portion of the compensation from the insurance companies to us and may, in some cases, be an affiliated company.

We receive payments from insurance companies to defray the cost of services provided for them, including advertising, training, certain employee compensation, and other expenses.

Consistent with longstanding industry practice, we may earn interest on premiums received from you and forwarded to the insurance companies through our bank accounts. We may also earn interest when the insurance company issues you a refund and that refund is processed through our bank accounts. We retain the interest earnings on our bank accounts.

Some of the insurance companies we represent may pay us additional commissions, sometimes referred to as contingent or bonus commissions, which may be based on the total volume of business we sell for them, and/or the growth rate of that business, retention rate, claims loss ratio, or other factors considering our entire book of business with an insurance company for a designated period of time.

The amount of premium you pay for a policy may change over the term of the policy. For example, your endorsement requests will affect the premium. Should the premium for any of your policies change, the amount of compensation paid to us by the insurance company would change accordingly.

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Important disclosures

Insurance products are offered through non-bank insurance agency affiliates of Wells Fargo & Company and are underwritten by unaffiliated insurance companies, with the exception of crop insurance which may be underwritten by an affiliated insurance company.

The coverage and limits presented in this proposal are a simplified outline of the respective insurance policies. The actual policies issued by the insurance company govern the coverage provided, and should be read for coverage terms, limits of liability, definitions, and conditions pertaining to your specific insurance program.

This proposal is based on exposures to loss and other underwriting information provided by the customer and made known to Wells Fargo Insurance Services USA, Inc. You must report all additions or corrections to these exposures so we may arrange the proper coverage.

All property values used in this proposal were provided by the customer and should be carefully reviewed and/or appraised for accuracy. Higher limits and additional coverages may be available upon request.

Wells Fargo Insurance Services USA, Inc. has attempted to place your business insurance with markets that have displayed evidence of being properly managed and of strong financial condition. For more information about Wells Fargo Insurance, insurance carrier selection and monitoring, please refer to the section on Evaluating Financial Strength and Capacity of Insurance Markets. In the pages herein, there may be proposals from companies that are identified as Non-admitted or Surplus Lines insurers. This designation means the insurance company is not licensed to do business in your state of domicile. The facts you should consider before placing coverage with a Non-admitted insurance company are as follows:

- If the insurance company becomes insolvent, the state insolvency fund will **not** cover any claims.
- Non-admitted carriers do not have to file their rates with the state and therefore their rates are not regulated.

Flatiron Capital, a premium finance company, is an affiliate of Wells Fargo Insurance Services USA, Inc. The use of Flatiron Capital is not a requirement for the purchase of insurance.

The extension of credit or the provision of bank products or services through Wells Fargo Bank, N.A., or its affiliates is not conditioned on and does not require the purchase of insurance through Wells Fargo Insurance Services USA, Inc.

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When to notify Wells Fargo Insurance

It is important that you advise Wells Fargo Insurance of any material changes in your operations which may have a bearing on your insurance program. Your insurers have evaluated and accepted the risks on the basis of the information given. Any variation of these details could lead to complication in the event of a loss.

These changes may include, but are not limited to:

- Changes of personnel affecting responsibility for insurance decisions.
- Personnel traveling overseas/on temporary assignment overseas/working on military bases.
- Acquisition or creation of new companies or subsidiaries and/or mergers in which you are involved or any legal change in the corporate structure.
- Purchase, sale, lease, construction, or occupancy of new premises; real estate alteration, vacating the premises, or temporary unoccupancy; extension or demolition of existing premises. This applies for both domestic and foreign locations.
- Increase in values of building, business personal property, or inventory for both scheduled and unnamed locations.
- Removal of business personal property or stock to new or temporary locations.
- Addition of new locations, equipment, or vehicles, whether hired, purchased, leased, or borrowed.
- Changes in processes, occupancy, products, revenue, sales, or business operations.
- Addition, alteration, or temporary disconnection of fire or burglary protection systems.
- Use of owned or non-owned aircraft or watercraft.
- Major changes in value or nature of goods being shipped.
- Employment of personnel in states in which you were previously not doing business.
- Election or appointment of a new C.E.O. or C.O.O., or change in control of either the Board of Directors or the stock ownership of the company.
- Changes in ERISA Plan Assets.
- Any written contracts executed with contractor, subcontractors, suppliers, or others.

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Terrorism Risk and Insurance Act 2002 (TRIA) coverage options

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least 5 million dollars and must have been committed by an individual or individuals, as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The Terrorism Risk Insurance Act, as amended in 2007, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism. The policy's other provisions will still apply to such an act.

See the section of this notice titled **Selection or rejection of terrorism insurance coverage**. If you choose to accept this offer of coverage, your premium will include the additional premium for terrorism as stated in this disclosure

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

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Flood insurance selection/rejection form

Standard property policies including, but not limited to, homeowners policies, dwelling policies, or commercial property insurance policies exclude coverage for flooding events.

As your insurance professionals, we strongly recommend that you purchase flood insurance.

I understand that flood insurance coverage is available for the property located at the address below. I make the elections or rejections for coverage as indicated below. I also understand that my election and/or rejection of this coverage will apply to all future renewals, continuations, and changes unless I notify my insurance brokerage firm otherwise in writing.

<u>Type of coverage</u>	<u>Accept</u>	<u>Reject</u>	<u>Unavailable</u>
Building coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contents/personal property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excess building coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excess contents/personal property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Applicant's signature

Date

Address of property

Sales Executive/Account Executive/Representative's signature

Date

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Windstorm/hail acknowledgement form

Property policies, such as homeowners policies, dwelling policies, and commercial property insurance policies may exclude coverage for windstorm and hail events (including, but not limited to, hurricane and tornado). As your insurance brokerage firm, we strongly recommend that you purchase this important coverage. It is possible that coverage as recommended below may not be available from the carriers we represent.

I hereby acknowledge the acceptance, rejection, or unavailability of windstorm and hail coverage as indicated below. It will be conclusively presumed this election, rejection, and/or acknowledgement of unavailability will apply to all future renewals, continuations, changes or replacements thereof.

<u>Type of coverage</u>	<u>Accept</u>	<u>Reject</u>	<u>Unavailable</u>
Building coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Applicant's signature

Date

Address of property

Sales Executive/Account Executive/Representative's signature

Date

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY EXCESS COVERAGE PART

Effective Date of Change: 04/26/2015
Change Endorsement No.: 2
Named Insured: Alameda Contra Costa Transit District (AC Transit)

The following item(s):

- | | |
|---|---|
| <input type="checkbox"/> Insured's Name | <input type="checkbox"/> Insured's Mailing Address |
| <input type="checkbox"/> Policy Number | <input type="checkbox"/> Company |
| <input type="checkbox"/> Effective/Expiration Date | <input type="checkbox"/> Insured's Legal Status/Business of Insured |
| <input type="checkbox"/> Payment Plan | <input type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Additional Interested Parties: | <input checked="" type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Limits/Exposures | <input type="checkbox"/> Self-Insured Retention |
| <input type="checkbox"/> Covered Property/Located Description | <input type="checkbox"/> Classification/Class Codes |
| <input type="checkbox"/> Rates | <input type="checkbox"/> Underlying Insurance |

is (are) changed to read **{See Additional Page(s)}**:

The above amendments result in a change in the premium as follows:

<input checked="" type="checkbox"/> NO CHANGES	<input type="checkbox"/> TO BE ADJUSTED AT AUDIT	ADDITIONAL PREMIUM	RETURN PREMIUM
		\$	\$

M. J. [Signature]
Countersigned By: (Authorized Representative)

POLICY CHANGES ENDORSEMENT DESCRIPTION

It is hereby understood and agreed form CX 27 00 09 08 Underlying Claims-Made Coverage endorsement is revised and replaced per the attached form.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNDERLYING CLAIMS-MADE COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

SCHEDULE

Retroactive Date: 04/01/1999 as respects Employee Benefits Liability

(Enter Date Or "NONE" If No Retroactive Date Applies.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

If any "controlling underlying insurance" is written on a claims-made basis, the following applies to the insurance provided by this Coverage Part which is excess over that underlying insurance:

A. Paragraph 1.c. under Section I – Coverages is replaced by the following:

If the "controlling underlying insurance" requires, for a particular claim, that the "injury or damage" occur on or after the Retroactive Date shown in the Declarations of that insurance in order for that coverage to apply, then this insurance will only apply to that "injury or damage" which occurs on or after the Retroactive Date shown in the Schedule of this endorsement but before the end of the policy period of this Coverage Part. If the "controlling underlying insurance" requires, for a particular claim, that the "event" causing the particular "injury or damage" takes place on or after the Retroactive Date shown in the Declarations of that insurance in order for that coverage to apply, then this insurance will apply to the claim only if the "event" causing that "injury or damage" takes place on or after the Retroactive Date shown in the Schedule of this endorsement but before the end of the policy period of this Coverage Part.

A claim for damages for such "injury or damage" must be first made against the insured during this policy period or any extended reporting period provided under this Coverage Part. A claim will be considered first made under this Coverage Part:

- (1) When notice of such claim is received and recorded by any insured or by us, whichever comes first, if the "controlling underlying insurance" is written on a claims-made and recorded basis; or
- (2) When notice of such claim, after being received by any insured, is reported to us in writing, if the "controlling underlying insurance" is written on any other claims-made basis.

B. The following is added to Section II – Limits Of Insurance:

The "retained limit" will only be reduced or exhausted by payments of claims, or defense expenses if the limits of "controlling underlying insurance" are reduced by defense expenses for that insurance, that are made during the policy period, or any Extended Reporting Period, of this Coverage Part.

C. The following Section is added:

CLAIMS-MADE EXTENDED REPORTING PERIOD

- 1. Any provisions under the "controlling underlying insurance" relating to an Extended Reporting Period for which a separate premium charge is made do not apply to this insurance, unless an Extended Reporting Period is purchased under this insurance.



Insurance Proposal for

Retirement Board of AC Transit's Employee Retirement Plan (FKA Alameda Contra Costa Transit District Employee Pension Plan)

Fiduciary Liability Coverage

8/1/2016 - 8/1/2017

Presented by:

James Wilkey – Senior Vice President
Malynda Yates – Vice President
Wells Fargo Insurance Services USA, Inc.
1039A North McDowell Blvd
Petaluma CA 94954
Phone: (707) 773-1816
www.wellsfargo.com/wfis
CA DOI #oDo8408

Products and services are offered through Wells Fargo Insurance Services USA, Inc. and Wells Fargo Insurance Services of West Virginia, Inc., non-bank insurance agency affiliates of Wells Fargo & Company.

Products and services are underwritten by unaffiliated insurance companies except crop and flood insurance, which may be underwritten by an affiliate, Rural Community Insurance Company. Some services require additional fees and may be offered directly through third-party providers. Banking and insurance decisions are made independently and do not influence each other.

Please refer to the policy contract for specific terms, conditions, limitations and exclusions.

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Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.
Proposal date: 6/7/2016 Prepared for Alameda Contra Costa Transit District
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Service team

Senior Vice President

Manages your overall account, and brings all of Wells Fargo's resources together for your benefit.

James Wilkey

Direct line: (707) 773-1840
Email address: James.Wilkey@wellsfargo.com

Vice President

Responsible for completing all technical transactions regarding the delivery and maintenance of insurance and underwriting services.

Malynda Yates

Direct line: (707) 773-1816
Email address: Malynda.Yates@wellsfargo.com

Account Executive

Primary contact for day-to-day service. Handles questions you may have, monitors your account, processes endorsement requests and invoices.

Eileen M. Massa

Direct line: (707) 773-1832
Email address: Eileen.M.Massa@wellsfargo.com

Claims

Advocates on claims to troubleshoot servicing issues, answer questions about the claims process and assist with optimizing claims outcomes.

Tracy Sesky

Claims Consultant
Direct line: (707) 773-1865
Email address: Tracy.Sesky@wellsfargo.com

Risk Control

Conducts site inspections, provides loss control insights, and acts as your advocate in relation to carrier loss control representatives.

Scott Rhymes

Risk Control Consultant
Direct line: (707) 773-1912
Email address: Scott.Rhymes@wellsfargo.com

Surety

Drawing from extensive surety experience across many industries, we provide access to surety bonds that meet your requirements.

Cathy Pinney

Account Executive
Direct line: (707) 773-1873
Email address: Cathy.Pinney@wellsfargo.com

Employee Benefits

Markets and provides consultation to your health and employee benefits, available to answer any related questions.

John Fradelizio

Senior Sales Executive Benefits
Direct line: (707) 773-1875
Email address: John.Fradelizio@wellsfargo.com

Certificates of insurance

Email address: Suzanne.Lindsay@wellsfargo.com
Office phone: (707) 773-1845

Office hours

8 a.m. – 5 p.m. Pacific Standard Time M - F

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Proposal date: 6/7/2016 Prepared for Alameda Contra Costa Transit District
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General provisions

Please read this document carefully, and advise if any provisions contained herein are unclear or incorrect, and advise your Wells Fargo Insurance Services USA, Inc. ("Wells Fargo Insurance") team immediately if any coverage is not reflected correctly or if any risks or potential risks have not been identified.

This document states the A. M. Best Company rating for each listed insurance company. Ratings are based on overall performance and financial strength. Performance ratings range from a low of "C-" to the highest rating assigned, "A++." Some insurance companies are subject to "Not-Assigned" categories. Financial size categories range from "I" (up to \$1,000,000 in surplus) to "XV" (\$2,000,000,000 or more in surplus).

Admitted insurance companies afford certain regulatory protection not extended to non-admitted insurance companies. For example, your state's Insurance Guarantee Association does not offer its loss protection to non-admitted insurance companies in the event of insolvency.

When, in Wells Fargo Insurance's judgment, it is necessary or beneficial to do so, we will utilize the services of other intermediaries, sometimes referred to as Wholesalers or Managing General Agents (MGA's), to assist in accessing coverage for insureds or prospects. Such wholesale intermediaries may or may not be affiliated with Wells Fargo Insurance, and would be compensated by the insurance company out of insured-paid premiums.

In some instances, insurance coverage placements made by Wells Fargo Insurance require the payment of state surplus lines tax and fees, in addition to the insurance premium itself. Wells Fargo Insurance will attempt to identify any such applicable tax and fees in advance of requesting coverage bound. In all instances, however, payment of any surplus lines tax and fees is the sole responsibility of the insured.

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A note about “Claims Made” policies

Some of the quotes provided in this proposal **may be** offered on a Claims Made or a Claims Made and Reported basis. A brief description of Claims Made and Claims Made and Reported forms is included below for your reference.

Claims Made

1. Under a **claims-made** form, the policy that is in effect at the time that a claim is made against you is the policy that will respond to that claim, regardless of when the wrongful act occurred (subject to any retroactive date). This differs from an **occurrence** form, which responds to claims resulting from accidents, incidents or injuries occurring while the policy was in effect, regardless of when a claim for damages is brought.
2. If your policy has a **retroactive date**, the wrongful act must have occurred after the retroactive date in order for the policy to respond to a claim.

You may have the right to purchase an extended reporting period (ERP) endorsement if the policy is cancelled or not renewed. This endorsement will provide a period of time to continue to report claims that arise resulting from wrongful acts that occurred after any retroactive date and before the end of your policy period. The ERP (often called “tail” coverage) must be requested within a specific time frame and the additional premium, which typically is required prior to the tail period begins, is fully earned.

Claims Made and Reported

A type of claims made policy in which a claim must be both made against the insured and reported to the insurer during the policy period for coverage to apply.*

**Source: IRMI Glossary of Insurance and Risk Management Terms.*

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Premium overview

Coverage	Expiring Premium	Renewal Premium
Fiduciary liability	\$26,866	\$26,866

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Named insureds

Note: Any entity not named as an insured may not be covered under this policy. This includes partnerships, joint ventures, and newly formed entities of any type.

Named insured
Retirement Board of AC Transit's Employee Retirement Plan (FKA Alameda Contra Costa Transit District Employee Pension Plan)

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Executive liability
Fiduciary liability

Insurance Company	Hudson Insurance Company	Hudson Insurance Company
Policy Term	August 1, 2015 to August 1, 2016	August 1, 2016 to August 1, 2017
AM Best Rating	A, XV FSC \$2 Billion or Great	A, XV FSC \$2 Billion or Great
California Status	Admitted	Admitted
Policy Form(s)	The Euclid Vanguard ESF-31210001 9-2012	The Euclid Vanguard ESF-31210001 9-2012
Endorsement(s)	CA Amendatory Endorsement Public Entity Fiduciary Liability Endorsement Extended Reporting Period Endorsement Other Insurance Endorsement Defense Costs Allocation Endorsement Contract Exclusion Endorsement Amend Defense and Settlement Endorsement Acceptance of Substitute Carrier Application Endorsement	CA Amendatory Endorsement Public Entity Fiduciary Liability Endorsement Extended Reporting Period Endorsement Other Insurance Endorsement Defense Costs Allocation Endorsement Contract Exclusion Endorsement Amend Defense and Settlement Endorsement Acceptance of Substitute Carrier Application Endorsement

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Insurance Company	Hudson Insurance Company	Hudson Insurance Company
Limit(s)	\$5,000,000 \$1,250,000 Trustee Claims Expenses Sublimit \$250,000 Voluntary Compliance Program \$1,500,000 HIPPA & HITECH Fines & Penalties Sublimit \$250,000 Section 4975 Penalties Sublimit \$100,000 Cyber Essentials	\$5,000,000 \$1,250,000 Trustee Claims Expenses Sublimit \$250,000 Voluntary Compliance Program \$1,500,000 HIPPA & HITECH Fines & Penalties Sublimit \$250,000 Section 4975 Penalties Sublimit \$100,000 Cyber Essentials
Retention(s)	\$50,000	\$50,000
What is Covered?		
Wrongful act	Wrongful Act means: 1. Any breach of the responsibilities, obligations or duties imposed upon fiduciaries of a Plan by an Employee Benefit Law; 2. Any negligent act, error or omission by any Insured in the Administration of any Plan; and 3. With respect to Claims Expenses only, any negligent act, error or omission, other than a wrongful employment practice, by an Insured solely in such Insured's capacity as a trustee of a Plan that is not otherwise covered in subparagraphs (1) and (2) above.	Wrongful Act means: 1. Any breach of the responsibilities, obligations or duties imposed upon fiduciaries of a Plan by an Employee Benefit Law; 2. Any negligent act, error or omission by any Insured in the Administration of any Plan; and 3. With respect to Claims Expenses only, any negligent act, error or omission, other than a wrongful employment practice, by an Insured solely in such Insured's capacity as a trustee of a Plan that is not otherwise covered in subparagraphs (1) and (2) above.

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Insurance Company	Hudson Insurance Company	Hudson Insurance Company
Plan administration coverage included	Yes	Yes
Additional coverage grants	<p>Voluntary compliance program expenditures [I.B] \$250,000</p> <p>Privacy Breach coverage [I.C] – needs amendment to properly refer to Crisis Notification Expenditures. Will include forensics, credit monitoring, notification, public relations. \$250,000</p> <p>Covered penalties: Section 502© of ERISA, or PPA 2006, 5% Section 502(i) of ERISA, 20% Section 502(l) of ERISA, HIPAA/HITECH fines, PPACA, 15% excise tax Section 4975 IRC, Section 502(a)(3) of ERISA.</p> <p>\$1,500,000 HIPPA & HITECH Fines & Penalties Sublimit</p> <p>\$250,000 Section 4975 Penalties Sublimit</p> <p>\$1,250,000 Trustee Claims Expenses Sublimit</p>	<p>Voluntary compliance program expenditures [I.B] \$250,000</p> <p>Privacy Breach coverage [I.C] – needs amendment to properly refer to Crisis Notification Expenditures. Will include forensics, credit monitoring, notification, public relations. \$250,000</p> <p>Covered penalties: Section 502© of ERISA, or PPA 2006, 5% Section 502(i) of ERISA, 20% Section 502(l) of ERISA, HIPAA/HITECH fines, PPACA, 15% excise tax Section 4975 IRC, Section 502(a)(3) of ERISA.</p> <p>\$1,500,000 HIPPA & HITECH Fines & Penalties Sublimit</p> <p>\$250,000 Section 4975 Penalties Sublimit</p> <p>\$1,250,000 Trustee Claims Expenses Sublimit</p>
Defense & Settlement Provisions		
Duty to defend	Yes	Yes
Defense costs	Inside limits	Inside limits
Carrier required to get Insured's consent?	Yes	Yes
Hammer clause	No	No

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Insurance Company	Hudson Insurance Company	Hudson Insurance Company
Counsel Selection		
Carrier selects	Has final approval of insured's recommendation.	Has final approval of insured's recommendation.
Insured selects	Yes, with the insurer's final approval must notify insurer with 20 days of claim.	Yes, with the insurer's final approval must notify insurer with 20 days of claim.
Persons — who is insured?		
Employees	Yes, in his or her administration of a plan or in his or her capacity as a fiduciary or trustee of a Plan	Yes, in his or her administration of a plan or in his or her capacity as a fiduciary or trustee of a Plan
Seasonal or temporary employees	No	No
Directors and officers	No, unless a committee member or employee of a plan, or trustee.	No, unless a committee member or employee of a plan, or trustee.
Partners	No	No
Stockholders	No	No
Leased employees	No	No
Independent contractors	No	No
Spousal extension	Yes, including domestic partners	Yes, including domestic partners
Other individuals	Trustees or committee members of a plan in the capacity as a fiduciary or trustee	Trustees or committee members of a plan in the capacity as a fiduciary or trustee

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Insurance Company	Hudson Insurance Company	Hudson Insurance Company
Damages (or Loss)		
Punitive (and exemplary) damages	Yes, where permitted by law	Yes, where permitted by law
Multiplied damages	Yes, where permitted by law	Yes, where permitted by law
Most favored jurisdiction wording	Yes: Enforceability of this paragraph shall be governed by the applicable law that most favors coverage for such penalties and punitive, exemplary and multiplied damages.	Yes: Enforceability of this paragraph shall be governed by the applicable law that most favors coverage for such penalties and punitive, exemplary and multiplied damages.
Injunctive, non-monetary, declaratory relief	No	No
Penalties up to 5% under ERISA & 502(i)	Yes	Yes
Penalties up to 20% under ERISA §502(l)	Yes	Yes

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Attachments

1. Coverages to consider
2. Client authorization to bind coverage
3. Evaluating financial strength and capacity of insurance markets
4. Insurance company financial information
5. Transparency and disclosure
6. Important disclosures
7. When to notify Wells Fargo Insurance
8. TRIA coverage options

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Coverages to consider

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention.

Specifically, we ask that you review the following items:

Higher limits:

In today's litigious society, many businesses have found it necessary to increase the limits of liability to ensure they are adequate to protect their assets in the event of a loss. Higher limits of liability may be available. Please carefully review the limits to ensure your level of comfort with the limits.

Flood:

Covers direct physical loss caused by excess of water on land that is normally dry. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.

Cyber liability/ network security:

- Inadvertent transmission of a computer virus, Trojan horse, key logger, etc.
- Sending an email that crashes another party's network
- Failure to prevent unauthorized access to computer systems by a third party or an unauthorized employee
- Disclosure of or misuse of confidential information
- Allegations of infringement of copyright, trademark, trade name, title, or slogan
- Allegations of defamation as a result of emails, web content, blog, or forum postings

Privacy liability: Covers liability of the company arising out of the unintentional and unauthorized disclosure or loss of non-public personal information or confidential corporation information in any format. This provides protection against a violation of any privacy regulations including the HITECH Act, HIPAA, GLBA, and Massachusetts 201 CMR 17 or the failure to comply with the company's own privacy policies.

Internet liability: Damages arising when your internet service provider goes down or is hacked.

Web content liability: Damages and defense costs arising from claims of libel, copyright or trademark infringement, or defamation; damages to a website by a hacker or disgruntled employee

Electronic communications: Damages and defense costs arising as a result of electronic communications, such as breach of confidence or infringement of any right to privacy, intellectual property rights, or any statutory duty (Example: some states now require notification to those affected by a loss of private information and provision of credit monitoring services at your cost).

Intangible assets: Damages to code, data, etc.

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Network extortion threat and reward payments: Reimburses the company for any extortion expense and reward paid by the company as a direct result of network extortion threat.

Pollution legal liability: This coverage helps mitigate the environmental risks that come with owning or operating a commercial real estate facility or site. We can design a policy to provide coverage for pre-existing unknown conditions, new conditions, on-site and off-site third party coverage for cleanup costs, bodily injury, and property damage.

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Client authorization to bind coverage

TO: Wells Fargo Insurance
1039A North Mc Dowell Blvd
Petaluma, CA, 94954

RE: Insurance Proposal

This proposal contains proprietary confidential information concerning Wells Fargo Insurance Services USA, Inc. ("Wells Fargo Insurance") and our Clients. It may not be distributed or reproduced without the express prior written consent of Wells Fargo Insurance. No disclosure concerning this proposal shall be made without the express prior written consent of Wells Fargo Insurance.

The intent of this proposal is to provide a highlight of the coverage offered in our insurance program, and is not meant to be all-inclusive. Read your actual policy(ies) for complete details including terms, conditions, limitations, and exclusions.

Exposure information, including but not limited to property values, auto schedules, payroll, and revenues, used in the proposal were those presented by you and should be carefully reviewed and/or appraised for adequacy.

I hereby acknowledge that, upon the renewal of the coverage described herein, unless I otherwise direct Wells Fargo Insurance or Wells Fargo Insurance otherwise notifies me, Wells Fargo Insurance intends to renew my coverage with the insurer that, at the time of such renewal, underwrites my coverage and thus Wells Fargo Insurance will not solicit any quotes or proposals from insurers on my behalf in connection with such renewal.

I have read and understand the terms and conditions of this proposal and the compensation Wells Fargo Insurance may receive in connection with Wells Fargo Insurance's services described in this proposal. All questions and concerns I had regarding any of the terms outlined above have been discussed and addressed with Wells Fargo Insurance.

Please check one:

- After careful review of your proposal dated (6/3/16), we have decided to accept your proposal as presented.
- After careful review of your proposal dated (6/3/16), we have decided to accept your proposal with the following changes:

Policy delivery (please check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Electronically via email | <input type="checkbox"/> Paper copy in 3-ring binder |
| <input type="checkbox"/> Electronically posted on CyberSure | <input type="checkbox"/> Via CD |

Please have binders and your invoice prepared for the agreed-upon coverage.

Client signature Name Date

Company Title

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Evaluating financial strength and capacity of insurance markets

Wells Fargo Insurance's objective is to place Clients risks with insurers that are financially sound. In assessing the financial strength of insurers, Wells Fargo Insurance relies upon statutory financial statements as well as the opinions and assessments of recognized rating agencies and other carrier review companies. Wells Fargo Insurance authorizes insurers that it believes, at the time of placement, have the financial ability to fulfill their claim payment obligations to our clients. Wells Fargo Insurance is not a guarantor of the solvency of insurers with which its brokers place business. However, our goal is to use reasonable measures to do business with financially healthy insurers. Our recommendations are based on financial and other relevant information that is available at the time of placement.

Wells Fargo Insurance Services USA, Inc. has appointed a group of experienced insurance professionals to serve on a Market Security Committee. This Committee is responsible for establishing and utilizing guidelines for the selection of insurers and supporting employees in their efforts to utilize financially sound insurers. In assessing the financial strength of insurers, the Committee relies upon the opinions and assessments of recognized rating agencies and other carrier review companies.

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Insurance company financial information

Objective assessments help insurance buyers make informed decisions

As your insurance broker, one of our objectives is to provide you with information and assessments published by rating agencies on the financial stability of the insurers currently underwriting your coverages, or of those insurers we recommend you consider.

The A.M. Best rating for the insurance companies represented in this proposal are as follows:

Name	Rating agency assessment
Hudson Insurance Company	AM Best Rating

Financial strength ratings

A.M. Best rating	S&P rating	Rating agency assessment
A++, A+	AAA	Superior
A, A-	AAA, AA, AA-	Excellent
B++, B+	A+, A, A-	Good
B, B-	BBB+, BBB, BBB-	Fair, vulnerable to adverse conditions
C++, C+	BB+, BB, BB-	Marginal, financial security may be adequate
C, C-	B+, B, B-	Weak, vulnerable
D, E, F	CCC, CC, C	Poor, extremely vulnerable or failed

Financial size ratings

A.M. Best also assigns categories to insurance companies to indicate levels of statutory surplus and related funds.

A.M. Best financial size category	Adjusted policyholder surplus (in millions)	A.M. Best financial size category	Adjusted policyholder surplus (in millions)
I	Less than \$1	IX	\$250 - \$500
II	\$1- \$2	X	\$500 - \$750
III	\$2 - 5	XI	\$750 - \$1,000
IV	\$5 - \$10	XII	\$1,000 - \$1,250
V	\$10 - \$25	XIII	\$1,250 - \$1,500
VI	\$25 - \$50	XIV	\$1,500 - \$2,000
VII	\$50 - \$100	XV	Above \$2,000
VIII	\$100 - \$250		

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Transparency and disclosure

Insurance is a highly regulated, competitive industry that fuels the U.S. economy and protects individuals and commercial entities from losses. There is nothing more important to our industry and to Wells Fargo Insurance than maintaining the trust of our customers and conducting business with the utmost integrity. We believe that our leadership role on disclosure should tie directly to our core values. Among these we state that we:

- Value and reward open, honest, two-way communication
- Do what is right for the customer
- Talk and act with the customer in mind
- Exceed our customers' expectations

Wells Fargo Insurance is proactively providing customers with complete transparency on standard and contingent commission income. We receive compensation from the insurance companies we represent when placing your insurance. Our compensation is usually a percentage of the premium you pay for your insurance policy or bond (a "commission"), which is paid to us by the insurance companies for placing and servicing your insurance or bonds with them. We also may receive fees agreed to in writing from our customers. Intermediaries, such as wholesale brokers, may sometimes be used to access certain insurance companies. Such intermediaries will allocate a portion of the compensation from the insurance companies to us and may, in some cases, be an affiliated company.

We receive payments from insurance companies to defray the cost of services provided for them, including advertising, training, certain employee compensation, and other expenses.

Consistent with longstanding industry practice, we may earn interest on premiums received from you and forwarded to the insurance companies through our bank accounts. We may also earn interest when the insurance company issues you a refund and that refund is processed through our bank accounts. We retain the interest earnings on our bank accounts.

Some of the insurance companies we represent may pay us additional commissions, sometimes referred to as contingent or bonus commissions, which may be based on the total volume of business we sell for them, and/or the growth rate of that business, retention rate, claims loss ratio, or other factors considering our entire book of business with an insurance company for a designated period of time.

The amount of premium you pay for a policy may change over the term of the policy. For example, your endorsement requests will affect the premium. Should the premium for any of your policies change, the amount of compensation paid to us by the insurance company would change accordingly.

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Important disclosures

Insurance products are offered through non-bank insurance agency affiliates of Wells Fargo & Company and are underwritten by unaffiliated insurance companies, with the exception of crop insurance which may be underwritten by an affiliated insurance company.

The coverage and limits presented in this proposal are a simplified outline of the respective insurance policies. The actual policies issued by the insurance company govern the coverage provided, and should be read for coverage terms, limits of liability, definitions, and conditions pertaining to your specific insurance program.

This proposal is based on exposures to loss and other underwriting information provided by the customer and made known to Wells Fargo Insurance Services USA, Inc. You must report all additions or corrections to these exposures so we may arrange the proper coverage.

All property values used in this proposal were provided by the customer and should be carefully reviewed and/or appraised for accuracy. Higher limits and additional coverages may be available upon request.

Wells Fargo Insurance Services USA, Inc. has attempted to place your business insurance with markets that have displayed evidence of being properly managed and of strong financial condition. For more information about Wells Fargo Insurance, insurance carrier selection and monitoring, please refer to the section on Evaluating Financial Strength and Capacity of Insurance Markets. In the pages that follow, there may be proposals from companies that are identified as Non-admitted or Surplus Lines insurers. This designation means the insurance company is not licensed to do business in your state of domicile. The facts you should consider before placing coverage with a Non-admitted insurance company are as follows:

- If the insurance company becomes insolvent, the state insolvency fund will **not** cover any claims.
- Non-admitted carriers do not have to file their rates with the state and therefore their rates are not regulated.

Flatiron Capital, a premium finance company, is an affiliate of Wells Fargo Insurance Services USA, Inc. The use of Flatiron Capital is not a requirement for the purchase of insurance.

The extension of credit or the provision of bank products or services through Wells Fargo Bank, N.A., or its affiliates is not conditioned on and does not require the purchase of insurance through Wells Fargo Insurance Services USA, Inc.

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When to notify Wells Fargo Insurance

It is important that you advise Wells Fargo Insurance of any material changes in your operations which may have a bearing on your insurance program. Your insurers have evaluated and accepted the risks on the basis of the information given. Any variation of these details could lead to complication in the event of a loss.

These changes may include, but are not limited to:

- Changes of personnel affecting responsibility for insurance decisions.
- Personnel traveling overseas/on temporary assignment overseas/working on military bases.
- Acquisition or creation of new companies or subsidiaries and/or mergers in which you are involved or any legal change in the corporate structure.
- Purchase, sale, lease, construction, or occupancy of new premises; real estate alteration, vacating the premises, or temporary unoccupancy; extension or demolition of existing premises. This applies for both domestic and foreign locations.
- Increase in values of building, business personal property, or inventory for both scheduled and unnamed locations.
- Removal of business personal property or stock to new or temporary locations.
- Addition of new locations, equipment, or vehicles, whether hired, purchased, leased, or borrowed.
- Changes in processes, occupancy, products, revenue, sales, or business operations.
- Addition, alteration, or temporary disconnection of fire or burglary protection systems.
- Use of owned or non-owned aircraft or watercraft.
- Major changes in value or nature of goods being shipped.
- Employment of personnel in states in which you were previously not doing business.
- Election or appointment of a new C.E.O. or C.O.O., or change in control of either the Board of Directors or the stock ownership of the company.
- Changes in ERISA Plan Assets.
- Any written contracts executed with contractor, subcontractors, suppliers, or others.

This proposal is merely a descriptive summary of coverage provided by the insurance companies being proposed and should be used for reference purposes only. This is a quotation of coverage only. It is not a binder. This proposal does not amend or alter the insurance contract.

Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.

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Terrorism Risk and Insurance Act 2002 (TRIA) coverage options

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least 5 million dollars and must have been committed by an individual or individuals, as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The Terrorism Risk Insurance Act, as amended in 2007, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism. The policy's other provisions will still apply to such an act.

See the section of this notice titled **Selection or rejection of terrorism insurance coverage**. If you choose to accept this offer of coverage, your premium will include the additional premium for terrorism as stated in this disclosure

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

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Selection or rejection of terrorism insurance coverage

Line of Coverage	Annual Premium	Accept	Reject
Fiduciary	Included in Premium	X	

Please check here if you **do** wish to include this coverage and specify above which lines of coverage. Please sign and date below.

Check here if you **do not** wish to include Terrorism coverage. Please sign and date below.

Signature: _____

Title: _____

Date: _____

This proposal is merely a descriptive summary of coverage provided by the insurance companies being proposed and should be used for reference purposes only. This is a quotation of coverage only. It is not a binder. This proposal does not amend or alter the insurance contract.

Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.

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