



ABAG PLAN CORPORATION

Summary of Liability Program 2007-08

The Association of Bay Area Governments (ABAG) is responsible for administering the Pooled Liability Assurance Network (PLAN) Corporation. The PLAN is a non-profit corporation, formed in 1986, whose purpose is to benefit the citizens of each member community by establishing a stable, cost-effective self-insurance, risk sharing and risk management program for each member. ABAG administers the PLAN under the direction of its member communities.

Coverage Provided: General and Auto Liability

- Bodily Injury
- Property Damage
- Personal Injury
- Public Officials Errors And Omissions
- Employee Benefit Plan Administration Liability

Major Exclusions or Uncovered Damages:

- Intentional or Expected Damages
- Pollution
- Hospital or Airport Operations
- Dam Failure or Destruction
- Nuclear Material
- Eminent Domain, Condemnation, Inverse Condemnation
- Aircraft
- Transit Systems
- Failure to Supply Gas, Water, or Electricity
- Workers Compensation, Disability or Unemployment Benefits
- Employment Practices Liability
- Damages to a Covered Party
- Punitive Damages
- Plaintiff Attorney Fees

Details for Fiscal Year 2007-08

Policy Term: 7/1/2007 to 7/1/2008

Primary Coverage: ABAG PLAN Corporation

Policy Number: GAL 2006-07

Limit of Liability: \$5 Million Per Occurrence, **EXCEPT** \$250,000 for Employee Benefit Plan Administration Liability

Excess Coverage: Insurance Company of the State of PA

Policy No.: 7251684

Limit of Liability: \$10 Million Excess \$5 Million PLAN Coverage

Excess Coverage: Lexington Insurance Company

Policy No.: 6502038

Limit of Liability: \$5 Million Excess \$5 Million PLAN Coverage and \$10 Million ICSPA Excess Policy

See attached Summary of Excess Insurance for More Information

Covered Entities & Deductible:

American Canyon: \$25K; Atherton: \$25k; Benicia: \$25k, Burlingame: \$250k; Campbell: \$100k; Colma: \$50k; Cupertino: \$250k; Dublin: \$50k; East Palo Alto: \$100k; Foster City: \$100k; Gilroy: \$50k; Half Moon Bay: \$50k; Los Altos: \$100k; Los Altos Hills: \$25k; Los Gatos: \$50k; Millbrae: \$100k; Milpitas: \$100K; Morgan Hill: \$100k; Newark: \$100k; Pacifica: \$50k; Portola Valley: \$25k; Ross: \$25k; San Br San Carlos: \$100k; San Mateo: \$250k; Saratoga: \$25k; South San Francisco: \$100k; Suisun City: \$25k; Tiburon: \$50k; Woodside: \$25k.

This summary is for informational purposes only and does not alter, amend or change the coverage. Please refer to the Memorandum of Coverage for actual terms conditions & exclusions.



DRIVER SPECIALTY GROUP

Confirmation of Coverage Bound
Excess Liability - \$10mil xs \$5mil SIR

Named Insured: ABAG PLAN Corporation

Coverage: Special Excess Liability Policy for Public Entities
Policy Form 70108 (03/98)

Company: The Insurance Company of the State of Pennsylvania
A.M. Best's Rating: A+ XV
Standard & Poors Rating: AA+
California Status: Admitted

Policy Number: 7251684

Policy Term: July 1, 2007 - July 1, 2008

Annual Premium: \$ 551,800.37 Total Policy Premium
Premium includes Terrorism Coverage
Minimum Earned Premium 25%

Limits of Insurance: Aggregate Limits
\$ 10,000,000 Products-Completed Operations Hazard Aggregate
\$ 10,000,000 Errors & Omissions Liability Aggregate, other than
personal injury offense wrongful acts
\$ 10,000,000 Employee Benefit Liability Aggregate

Per Occurrence or Wrongful Act or Employee Benefit Wrongful Act Limit
\$ 10,000,000 Any one occurrence or wrongful act or employee benefit
wrongful act or series of continuous, repeated, or related
occurrences or wrongful acts or employee benefit
wrongful acts

Retained Limit: \$ 5,000,000 Any one occurrence or wrongful act or employee benefit
wrongful act or series of continuous, repeated, or related
occurrences or wrongful acts or employee benefit
wrongful acts

Rate/Audit: Exposure Base: Population
Estimated Annual Exposure: 923,556
Rate Basis: Per capita
Rate: \$0.597400
Audit Period: *Not Subject to Audit*



DRIVER SPECIALTY GROUP

- Subject to:
- 1) Premium Payment is due within 30 days of effective date
 - 2) Completed applications for all members within 60 days of binding
 - 3) Public Response is added for no additional premium. Limits are \$250,000 Public Response sublimit and \$50,000 Crisis Management Limit
 - 4) Violation of Communication Endorsement is newly added and required by the company

- Attachments:
- 1) Violation of Communication or Information Law Exclusion Endorsement
 - 2) Economic or Trade Sanctions Condition Endorsement
 - 3) Act of Terrorism Retained Limit Endorsement
 - 4) No Fault, Uninsured Motorist or Underinsured Motorist Law Exclusion Endorsement
 - 5) Fungus Exclusion Endorsement
 - 6) Notification of Claim or Suit Endorsement
 - 7) Public Response
 - 8) Dam Amendatory Endorsement – City of San Mateo
 - 9) Blanket Additional Insured Endorsement
 - 10) Blanket Waiver of Subrogation Endorsement
 - 11) Limits of Insurance Amendatory Endorsement
 - 12) Named Insured Endorsement
 - 13) Schedule of Underlying Insurance
 - 14) Special Excess Liability Policy Dec



DRIVER SPECIALTY GROUP

***Excess Liability - \$5mil xs \$15mil Underlying
Proposal 2007/2008***

Named Insured: ABAG PLAN Corporation

Coverage: Excess Liability - Occurrence

Company: Lexington Insurance Company
*A.M. Best's Rating: A+ XV
Standard & Poors Rating: AA+
California Status: Non-Admitted*

Proposed Term: July 1, 2007 - July 1, 2008

| | | |
|-----------------|----------------------|-----------------------------------|
| Annual Premium: | \$ 130,000.00 | Policy Premium |
| | \$ 3,900.00 | Surplus Lines Tax |
| | \$ 162.50 | Surplus Lines Fee |
| | <u>\$ 134,062.50</u> | Total Annual Premium |
| | | <i>Minimum Earned Premium 25%</i> |

| | | |
|----------------------|---------------|--------------------------|
| Limits of Insurance: | \$ 5,000,000 | Each Occurrence |
| | \$ 5,000,000 | Annual Aggregate |
| | \$ 10,000,000 | Underlying Company Limit |

Exposure Base: Population - 923,556

Subject to: 1) Dam Exposure Information (inspection report) for San Mateo

Attachments:

- 1) Terrorism Disclosure / Rejection
- 2) Patrol Access Endorsement
- 3) Minimum Earned Premium
- 4) XS/FF Act of Terrorism Retained Limit
- 5) CA Surplus Lines Endorsement
- 6) Accident Insurance Endorsement



DRIVER SPECIALTY GROUP

Commissions are customarily paid by the insurance carriers to their agents and to brokers as a percentage of premiums. In addition to the commissions that Alliant Insurance Services, Inc., receives, its related entity, Alliant Underwriting Services (AUS) may receive compensation from Alliant Insurance and/or the carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, the related entities of Alliant Business Services (ABS) and/or Strategic HR may receive compensation from Alliant Insurance and/or the carrier for providing designated, value-added services. Services contracted for by the client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Alliant Insurance and/or the carrier. Except as specifically directed by the client, AIS and its affiliates may also receive income as a result of contingent income agreements with insurance carriers. Further information is available upon written request directed to: Alliant Insurance Services, Attention: Chief Operating Officer, 1301 Dove Street, Suite 200, Newport Beach, CA 92660.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations.

Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poors have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com

For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com

To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov

Excess Liability Named Insured

1. American Canyon, City of
2. Atherton, Town of
3. Benicia, City of
4. Burlingame, City of
5. Campbell, City of
6. Colma, Town of
7. Cupertino, City of
8. Dublin, City of
9. East Palo Alto, City of
10. Foster City, City of
11. Gilroy, City of
12. Half Moon Bay, City of
13. Town of Hillsborough
14. Los Altos, City of
15. Los Altos Hills, Town of
16. Los Gatos, Town of
17. Millbrae, City of
18. Milpitas, City of
19. Morgan Hill, City of
20. Newark, City of
21. Pacifica, City of
22. Portola Valley, Town of
23. Ross, Town of
24. San Bruno, City of
25. San Carlos, City of
26. San Mateo, City of
27. Saratoga, City of
28. South San Francisco, City of
29. Suisun City, City of
30. Tiburon, Town of
31. Woodside, Town of