



MARSH & McLENNAN  
AGENCY

It's our business  
to be there for you in the

**MOMENTS  
THAT  
MATTER.**

# Tulare Local Healthcare District

## Proposal for Insurance Services

EFFECTIVE: 07/01/19 - 07/01/20

**MARSH & MCLENNAN AGENCY TEAM**

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**CLIENT ADVOCATE**

Client Executive      **BRETT BUCHANAN**  
E: Brett.Buchanan@MarshMMA.com  
T: 415-230-7208

**WORLD CLASS SERVICE TEAM**

Client Executive      **JIM GONZALES**  
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Client Manager      **DRISANA WALLACE**  
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T: 858-750-4520

Property/Casualty Claims      **YVETTE BEAUBIEN**  
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Workers Comp. Claims      **CARRIE ROSTRON**  
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Risk & Loss Advisor      **CECILIA DEAN**  
E: Cecilia.Dean@MarshMMA.com  
T: 858-587-7451

Certificates      **DRISANA WALLACE**  
E: Drisana.Wallace@MarshMMA.com  
T: 858-750-4520

**SERVICING OFFICE**

San Diego      9171 Towne Centre Dr., Ste. 100  
San Diego, CA 92122  
Phone: (858) 457-3414 / (800) 321-4696  
Fax: (858) 452-7530  
www.MarshMMA.com

**REPORT ALL CLAIMS AND CIRCUMSTANCES TO**

Client Executive      **JIM GONZALES**  
E: Jim.Gonzales@MarshMMA.com  
T: 858-550-1147

**CARRIER SUMMARY**

INSURER	STATUS	AM BEST	PREMIUM	COMMENTS	POLICY FORM
<b>GENERAL LIABILITY</b>					
BETA	N/A	A VIII	\$ 6,500	<b>Option 1:</b> \$2M Occur./\$4M Agg.; Deductible: \$10K	Occurrence
			\$ 7,250	<b>Option 2:</b> \$3M Occur. / \$5M Agg. Deductible: \$10K	Occurrence
<b>DIRECTORS &amp; OFFICERS / EMPLOYMENT PRACTICES LIABILITY</b>					
BETA	N/A	A VIII	\$ 22,536	<b>Option 1:</b> \$3M Each Claim/Agg. Deductible: D&O \$10K / EPL \$25K	Claims Made
			\$ 25,027	<b>Option 2:</b> \$5M Each Claim/Agg. Deductible: D&O \$10K / EPL \$25K	Claims Made
<b>WORKERS COMPENSATION</b>					
BETA	N/A	A VIII	\$ 11,013		
<b>HIRED &amp; NON-OWNED AUTO</b>					
BETA	N/A	A VIII	\$ 2,500	Quoted	Occurrence
<b>PROPERTY</b>					
Affiliated	Admitted	A+ XV	\$ 237,400	<b>Option 1:</b> \$10K Deductible	Occurrence
			\$ 216,578	<b>Option 2:</b> \$100K Deductible Indication - Approx. premium shown	Occurrence
Zurich			Declined	Underwriting Guidelines / COC	

**NON-ADMITTED CARRIER DISCLOSURE NOTICE**

Insurer is not admitted or licensed by your home state. As such, insureds under this policy are not protected by any state guaranty fund in the event the insurer becomes insolvent. Surplus Lines taxes and fees may apply and are subject to change based upon respective Home State NRRRA regulatory updates.

**CLAIMS MADE POLICY**

A policy providing coverage that is triggered when a claim is made against the insured during the policy period and after any applicable retroactive/continuation dates stated in the policy. All claims must be reported within a specified time as described in the policy form. Timely reporting is required to minimize claim denial for late notice. Circumstances that may lead to a claim must also be reported within a specified time as described in the policy form. Each carrier has specific claims made wording, please refer to policy form for carrier specific reporting guidelines.

**KEY TO AM BEST FINANCIAL STRENGTH RATING**

Superior: A++, A+                      Excellent: A, A-                      Very Good: B++, B+

**KEY TO AM BEST FINANCIAL SIZE RATING (IN \$MILLIONS)**

Class I	Up to \$1	Class IX	\$250 to 500
Class II	\$1 to 2	Class X	\$500 to 750
Class III	\$2 to 5	Class XI	\$750 to 1,000
Class IV	\$5 to 10	Class XII	\$1,000 to 1,250
Class V	\$10 to 25	Class XIII	\$1,250 to 1,500
Class VI	\$25 to 50	Class XIV	\$1,500 to 2,000
Class VII	\$50 to 100	Class XV	\$2,000 or greater
Class VIII	\$100 to 250		

**KEY TO AM BEST OUTLOOK**

Positive                      Indicates possible rating upgrade due to favorable financial/market trends relative to the current  
 Stable                      Indicates low likelihood of a rating change due to stable financial/market trends.  
 Negative                      Indicates possible rating downgrade due to unfavorable financial / market trends relative to the current rating level.

**DISCLAIMER**

This document is for presentation purposes only. The precise coverage afforded is subject to the terms, conditions and exclusions of the policies as issued. Marsh & McLennan Insurance Agency LLC makes no representations, either expressed or implied, as to the adequacy of any limits of protection. Determination of the adequacy of the limits of protection is your responsibility. CA Insurance Lic. 0H18131 | MarshMMA.com

## SCHEDULE OF NAMED INSUREDS

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### NAMED INSURED AND MAILING ADDRESS

Tulare Local Healthcare District  
869 N. Cherry St.  
Tulare, CA 93274

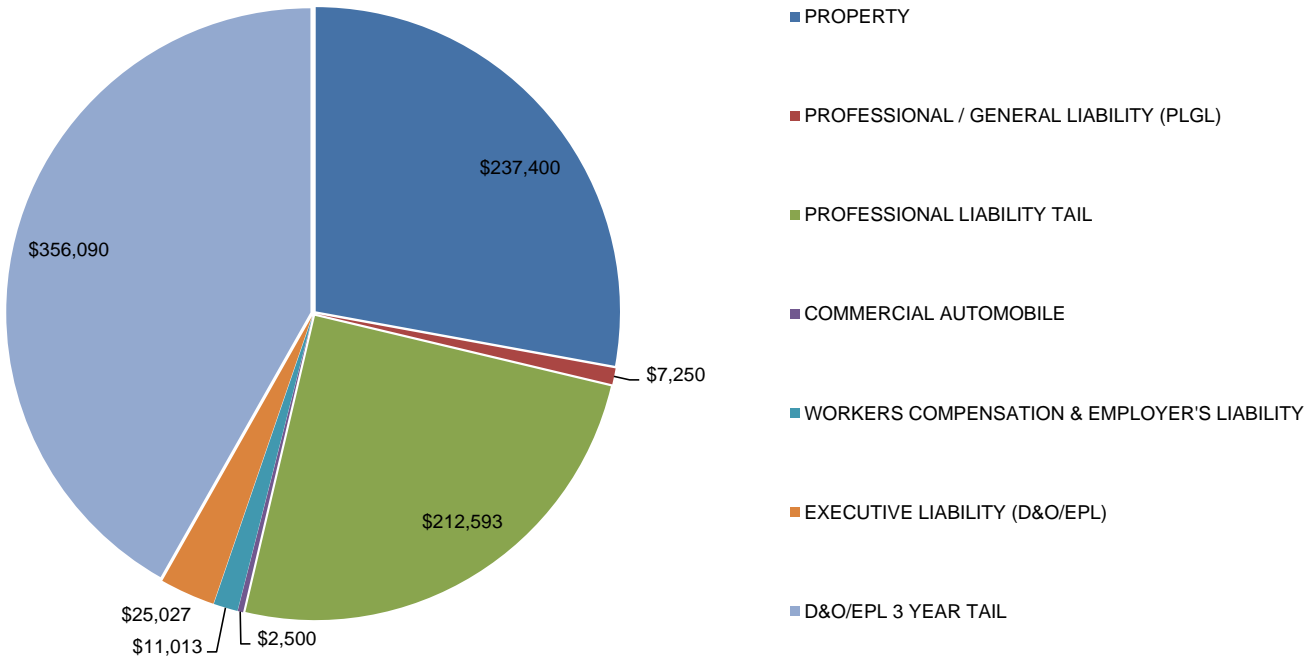
### SCHEDULE OF NAMED INSUREDS

**This is our understanding of your entire list of named insureds. This list may or may not appear on every policy. Each policy should be reviewed to confirm the appropriate list of named insureds.**

Tulare Local Healthcare District  
DBA Tulare Regional Medical Center  
Tulare Hospital Foundation  
Mineral King Lab  
Tulare Hospital Auxiliary (Inactive)  
Tulare Family X-Ray (Inactive)  
Tulare Physical Therapy (Inactive)  
Tulare District Health Care System Foundation (Inactive)  
Tulare District Health Care System Lab Drawing Station (Inactive)  
Tulare Surgical Services (Inactive)

**PREMIUM SUMMARY**

COVERAGE POLICY TERM	EXPIRING	RENEWAL	CHANGE
	07/01/18 - 07/01/19	07/01/19 - 07/01/20	
PROPERTY	\$ 152,539	\$ 237,400	55.63%
PROFESSIONAL / GENERAL LIABILITY (PLGL)	\$ 127,805	\$ 7,250	-94.33%
PROFESSIONAL LIABILITY TAIL	\$ 682,750	\$ 212,593	-68.86%
COMMERCIAL AUTOMOBILE	\$ 8,703	\$ 2,500	-71.27%
WORKERS COMPENSATION & EMPLOYER'S LIABILITY	\$ 183,055	\$ 11,013	-97.49%
EXECUTIVE LIABILITY (D&O/EPL)	\$ 145,672	\$ 25,027	-82.82%
D&O/EPL 3 YEAR TAIL	N/A	\$ 356,090	100%
<b>TOTAL PROGRAM COST</b>	<b>\$ 1,300,524</b>	<b>\$ 851,873</b>	<b>-34.50%</b>



Notes:

- \*Tail Premiums are one time payments
  - 7/1/1985 to 7/1/2018 PL Tail - \$682,750
  - 7/1/2018 to 7/1/2019 PL Tail - \$212,593
  - 7/1/1985 to 7/1/2019 D&O Tail 3 Year Extended Reporting Period - \$356,090
- \*18-19 Premium shown is what has been paid to BETA

**COVERAGE TERMS AND COMPARISON**

PROPERTY	EXPIRING	RENEWAL	CHANGE
	AFFILIATED FM	AFFILIATED FM	
COVERAGE TERM	07/01/18 - 07/01/19	07/01/19 - 07/01/20	
Per Occurrence Limit	\$ 218,609,238	\$ 315,290,741	44.23%
Blanket Real Property	Included	Included	
Blanket Personal Property	Included	Excluded Locations Scheduled	
Blanket Business Interruption - Rental Income	Included	Included	
Extra Expense	\$ 2,500,000	\$ 2,500,000	
Flood - Annual Aggregate	\$ 85,000,000	\$ 85,000,000	
Earthquake Sprinkler Leakage	Included	Included	
DEDUCTIBLE			
Each Loss Except	\$ 10,000	\$ 10,000	
Flood	\$ 100,000	\$ 100,000	
RATING BASIS			
Total Insurable Values	\$ 218,609,238	\$ 315,658,741	44.39%
Rate for Comparison - per \$100 of Values	0.07	0.08	7.78%
<b>Premium</b>	<b>\$ 152,539</b>	<b>\$ 237,400</b>	<b>55.63%</b>
<i>*Engineering Fees &amp; Terrorism Included in Premium</i>			
<b>Conditions</b>	Occurrence Form		
<b>Endorsements</b>	Special Form Coverage Agreed Amount Replacement Cost Coverage	Building Ordinance Worldwide Territory	
<b>Exclusions</b>	Per Policy Form; Including But Not Limited To: Date Recognition Mold & Mildew Terrorism (Additional Premium \$5,000) Earthquake Raw materials, stock and supplies, and finished goods	Personal Property Excluded at the following locations: 1. 869 North Cherry Street, Tulare, CA, 93274 2. 793 & 795 Cherry Street, Tulare, CA, 93274 3. 869 North Cherry Street, Tulare, CA, 93274 4. 935-945 Gem Street, Tulare, CA, 93274 5. 890 North Cherry Street, Tulare, CA, 93274 6. 906 North Cherry Street, Tulare, CA, 93274 7. 922 North Cherry Street, Tulare, CA, 93274 8. 799 North Cherry Street, Tulare, CA, 93274 9. 591 East Merritt Avenue, Tulare, CA, 93274 13. 874 North Cherry Street, Tulare, CA, 93274	
<b>Subjectivities</b>	Commit to completing within 3 months of renewal: - Install a seismic gas shutoff valve (SGSV) on the natural gas feed lines - Install smoke detectors in the IT server room Notify carrier once construction on tower resumes Signed Terrorism Form		

MARKETING / ADDITIONAL COVERAGE OPTIONS	CARRIER	LIMIT/RETENTION	PREMIUM
Higher Deductible	Affiliated FM	\$100,000 Deductible	\$216,578 Indication

STATEMENT OF VALUES

POLICY TERM: 07/01/19 - 07/01/20

NO.	BLDG.	ADDRESS	DESCRIPTION	BUILDING TYPE	STORIES	YEAR BUILT	SQ. FT.	SPRINK.	ALARM	BUILDING	BUSINESS PERSONAL PROPERTY	BUSINESS INTERRUPTION	TOTAL INSURED VALUE
1.	1.	869 Cherry Street Tulare, CA 93274	Hospital	Reinforced Concrete	3	1951	124,359	N	Y	\$ 121,250,025	\$ -	\$ 28,200,000	\$ 149,450,025
		869 Cherry Street Tulare, CA 93274	Course of Construction New Tower 1	Metal Framing / Concrete	4		115,000	Y	Y	\$ 112,125,000	\$ -	Included	\$ 112,125,000
1.	2.	869 Cherry Street Tulare, CA 93274	Laundry / Pump House	Reinforced Concrete	1	1951	3,240	N	Y	\$ -	\$ -	Included	\$ -
1.	3.	869 Cherry Street Tulare, CA 93274	Allied Services Building	Steel Frame	2	1987	21,040	N	Y	\$ 8,394,960	\$ -	Included	\$ 8,394,960
2.	1.	793 & 795 Cherry St Tulare, CA 93274	IT Department	Frame	1	1954	3,456	N	Y	\$ 1,378,944	\$ -	Included	\$ 1,378,944
3.	1.	935 - 945 Gem St Tulare, CA 93274	Medical Office Building	Frame	1	1978	6,000	N	Y	\$ 2,394,000	\$ -	Included	\$ 2,394,000
4.	1.	890 Cherry Street Tulare, CA 93274	Pathology Lab	Concrete Tilt Up	1	1968	2,280	N	Y	\$ 909,720	\$ -	Included	\$ 909,720
5.	1.	906 Cherry Street Tulare, CA 93274	Foundation	Concrete Tilt Up	1	1979	1,044	N	Y	\$ 416,556	\$ -	Included	\$ 416,556
6.	1.	922 Cherry Street Tulare, CA 93274	Home Care/ Marketing/ Medical Staff office	Frame	1	1967	5,000	N	Y	\$ 1,995,000	\$ -	Included	\$ 1,995,000
7.	1.	799 Cherry Street Tulare, CA 93274	Construction Office	Joisted Masonry	1	1954	1,200	N	Y	\$ 478,800	\$ -	Included	\$ 478,800
8.	1.	591 Merritt Tulare, CA 93274	Medical Office Building / IT Department	Joisted Masonry	1	1958	1,250	N	Y	\$ 498,750	\$ -	Included	\$ 498,750
9.	1.	979 Gem Street Tulare, CA 93274	Medical Office Building	Joisted Masonry	1	1958	1,687	N	Y	\$ 673,113	\$ -	Included	\$ 673,113
10.	1.	880 E. Merritt Avenue Tulare, CA 93274	Medical Office Building	Joisted Masonry	1		4,000	N	Y	MKL	\$ 368,000	Included	\$ 368,000

NO.	BLDG.	ADDRESS	DESCRIPTION	BUILDING TYPE	STORIES	YEAR BUILT	SQ. FT.	SPRINK.	ALARM	BUILDING	BUSINESS PERSONAL PROPERTY	BUSINESS INTERRUPTION	TOTAL INSURED VALUE	
11.	1.	1050 Cherry Street Tulare, CA 93274	Medical Office Building	Steel Frame	1		6,977	Y	Y	\$ 2,783,823	\$ -	Included	\$ 2,783,823	
12.	1.	1425 E. Prosperity St Tulare, CA 93274	Evolutions Medical Fitness / Rehab Center	Steel Frame	2	2005	55,970	Y	Y	\$ 22,332,030	\$ 1,144,916	Included	\$ 23,476,946	
13.	1.	874 Cherry Street Tulare, CA 92374	Medical Office Building	Concrete Tilt Up	1	1963	1,281	N	Y	\$ 511,119	\$ -	Included	\$ 511,119	
14.	1.	446 Prosperity Ave Tulare, CA 92374	Storage Facility Location					Y	Y	\$ -	\$ 9,000,000	Included	\$ 9,000,000	
15.	1.	1062 S. K Street Tulare, CA 93274	Hillman Healthcare Center	Steel and Concrete / Brick	1	1926	12,520		Y	\$ -	N/A		\$ -	
16.	1.	845 S. Sequoia Ave Lindsay, CA 93274	Lindsay Healthcare Center	Steel and Concrete	1		5,000	N	Y	\$ -	N/A		\$ -	
17.	1.	16796 Avenue 168 Woodville, CA 93257	Woodville Healthcare Clinic	Modular	1		1,580	N	Y	\$ -	N/A		\$ -	
18.	1.	325 West Street Tulare, CA 93274	West Street Healthcare Center	Modular	1	2013	2,160	N	Y	\$ -	N/A		\$ -	
19.	1.	398 South Street Earlimart, CA 93218	Earlimart School Based - Community Healthcare Center	Modular	1	2015	2,015	N	Y	\$ 803,985	\$ -	Included	\$ 803,985	
										<b>TOTAL</b>	<b>\$ 276,945,825</b>	<b>\$ 10,512,916</b>	<b>\$ 28,200,000</b>	<b>\$ 315,658,741</b>

\*Highlighted Rows not included in Property Coverage



**PROPERTY CLAIMS SUMMARY**

POLICY YEAR	PAID	RESERVE	TOTAL INCURRED	PREMIUM	LOSS RATIO	VALUATION DATE	NO. OF LOSSES	CARRIER
07/01/2018 - 2019	\$ 3,099	\$ -	\$ 3,099	\$ 146,539	2%	3/18/2019	1	Affiliated FM
07/01/2017 - 2018	\$ -	\$ -	\$ -	\$ 133,587	0%	3/18/2019	0	Affiliated FM
07/01/2016 - 2017	\$ 148,360	\$ -	\$ 148,360	\$ 133,803	111%	3/18/2019	2	Affiliated FM
07/01/2015 - 2016	\$ 349,583	\$ -	\$ 349,583	\$ 135,147	259%	3/18/2019	3	Affiliated FM
07/01/2014 - 2015	\$ -	\$ -	\$ -	\$ 53,182	0%	3/18/2019	0	Affiliated FM
<b>5 Year Total</b>	<b>\$ 501,042</b>	<b>\$ -</b>	<b>\$ 501,042</b>	<b>\$ 602,258</b>			<b>6</b>	
<b>5 Year Average</b>	<b>\$ 100,208</b>	<b>\$ -</b>	<b>\$ 100,208</b>	<b>\$ 120,452</b>	<b>83%</b>		<b>1</b>	

\*Engineering fees not included in premium

**COVERAGE TERMS AND COMPARISON**

PROFESSIONAL (PL) / GENERAL LIABILITY (GL)		EXPIRING	RENEWAL	CHANGE
		BETA PLGL	BETA GL ONLY	
COVERAGE TERM		07/01/18 - 07/01/19	07/01/19 - 07/01/20	
Per Occurrence Limit		\$ 10,000,000	\$ 3,000,000	-70.00%
General Aggregate		\$ 20,000,000	\$ 5,000,000	-75.00%
HCL COVERAGE INCLUDES:				
Professional Liability		Included	Excluded	
General Liability		Included	Included	
Bodily Injury & Property Damage		Included	Included	
Personal & Advertising Injury		Included	Included	
Employee Benefits Liability		Included	Included	
DEDUCTIBLE				
Each Claim - Indemnity Only		\$ 100,000	\$ 10,000	-90.00%
<b>Premium</b>		<b>\$ 127,805</b>	<b>\$ 7,250</b>	<b>-94.33%</b>
Tail Premium which provides coverage for acts, errors or omissions that occurred from:				
7/1/1985 to 7/1/2018		\$ 682,750		-100.00%
7/1/2018 to 7/1/2019			\$ 212,593	100.00%
<b>Total Premium</b>		<b>\$ 810,555</b>	<b>\$ 219,843</b>	<b>-72.88%</b>
<b>Conditions</b>	General Liability - Occurrence Form	All defense expenses are paid outside the per occurrence limits. All sub-limits are subject to the per occurrence and aggregate limits.		
<b>Endorsements</b>	Additional Insureds – Lessors of Premises or Equipment	Employee Benefit Liability Fire and Water Damage Legal Liability sub-limit of \$500,000 each occurrence/\$500,000 annual aggregate		
<b>Exclusions</b>	Per Policy Form; Including But Not Limited To: Pollution – Hostile Fire Exception Employment Practices Liability	Nuclear Energy Liability Asbestos Professional Liability		
<b>Claims Made</b>	PROFESSIONAL LIABILITY: Claims under this policy must be submitted by you to the insurer during the policy period, or within a specific number of days as stated in the policy, after the expiration of the policy, for coverage to apply.			
<b>Subjectivities</b>	BETA may recalculate the tail/premiums if Agreement between the district and Adventist has not been fully executed by 7/1/19.			

MARKETING / ADDITIONAL COVERAGE OPTIONS	CARRIER	LIMIT/RETENTION	PREMIUM
Lower Limit Option	BETA	\$2M Occur. / \$4M Agg. Deductible: \$10K	\$ 6,500

**PROFESSIONAL LIABILITY CLAIMS HISTORY**

POLICY YEAR	LOSSES					PREMIUM	VALUATION DATE	LOSS RATIO	NO. OF LOSSES	OPEN	CARRIER
	INDEMNITY RESERVE	INDEMNITY PAID	EXPENSE RESERVE	EXPENSE PAID	TOTAL INCURRED						
07/01/2018 - 2019	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 127,805	5/31/2019	1%	1	1	Beta Health Care Deductible: \$100,000 IND
07/01/2017 - 2018		\$ 70,000	\$ 80,472	\$ 135,173	\$ 285,645	\$ 758,611	5/31/2019	38%	4	3	Beta Health Care Deductible: \$100,000 IND
07/01/2016 - 2017	\$ 575,000	\$ 221,842	\$ 54,643	\$ 399,960	\$ 1,251,445	\$ 635,488	5/31/2019	197%	10	5	Beta Health Care Deductible: \$100,000 IND
07/01/2015 - 2016	\$ -	\$ -	\$ 32,850	\$ 1,081,775	\$ 1,114,625	\$ 542,326	5/31/2019	206%	12	1	Beta Health Care Deductible: \$100,000 IND
07/01/2014 - 2015	\$ 500,000	\$ 350,000	\$ 68,772	\$ 377,429	\$ 1,296,201	\$ 528,971	5/31/2019	245%	13	2	Beta Health Care Deductible: \$100,000 IND
07/01/2013 - 2014	\$ -	\$ -	\$ -	\$ 28,190	\$ 28,190	\$ 471,746	5/31/2019	6%	3	0	Beta Health Care Deductible: \$100,000 IND
07/01/2012 - 2013	\$ -	\$ 1,750,000	\$ -	\$ 369,555	\$ 2,119,555	\$ 441,624	5/31/2019	480%	10	0	Beta Health Care Deductible: \$100,000 IND
07/01/2011 - 2012	\$ -	\$ -	\$ -	\$ 1,969	\$ 1,969	\$ 453,113	5/31/2019	0%	3	0	Beta Health Care Deductible: \$100,000 IND
07/01/2010 - 2011	\$ -	\$ -	\$ -	\$ 19,596	\$ 19,596	\$ 657,070	5/31/2019	3%	2	0	Beta Health Care Deductible: \$100,000 IND
07/01/2009 - 2010	\$ -	\$ 185,000	\$ -	\$ 215,913	\$ 400,913	\$ 524,367	5/31/2019	76%	10	0	Beta Health Care Deductible: \$100,000 IND
07/01/2008 - 2009	\$ -	\$ 4,134,583	\$ -	\$ 289,494	\$ 4,424,077	\$ 455,519	5/31/2019	971%	13	0	Beta Health Care Deductible: \$100,000 IND
<b>10 Year Total</b>	<b>\$ 1,075,000</b>	<b>\$ 6,711,425</b>	<b>\$ 236,737</b>	<b>\$ 2,919,055</b>	<b>\$ 10,942,217</b>	<b>\$ 5,468,835</b>			<b>80</b>	<b>11</b>	
<b>5 Year Average</b>	<b>\$ 215,000</b>	<b>\$ 128,368</b>	<b>\$ 47,347</b>	<b>\$ 404,505</b>	<b>\$ 795,221</b>	<b>\$ 587,428</b>		<b>135%</b>	<b>8</b>	<b>2</b>	
<b>10 Year Average</b>	<b>\$ 107,500</b>	<b>\$ 671,143</b>	<b>\$ 23,674</b>	<b>\$ 291,905</b>	<b>\$ 1,094,222</b>	<b>\$ 546,884</b>		<b>200%</b>	<b>8</b>	<b>1</b>	

**COVERAGE TERMS AND COMPARISON**

	EXPIRING	RENEWAL	CHANGE
<b>COMMERCIAL AUTOMOBILE</b>	<b>BETA</b>	<b>BETA</b>	
COVERAGE TERM	07/01/18 - 07/01/19	07/01/19 - 07/01/20	
Per Accident - Combined Single Limit	\$ 5,000,000	\$ 1,000,000	-80.00%
Description of Covered Autos	Any Auto	Hired/Non-Owned Auto	
<b>HIRED CAR PHYSICAL DAMAGE COVERAGE</b>			
Comprehensive Deductible	\$ 250	\$ 250	
Collision Deductible	\$ 500	\$ 500	
<b>RATING BASIS</b>			
# Autos	\$ 5	\$ -	-100.00%
Average Rate per Vehicle	1740.60		-100.00%
<b>Premium</b>	<b>\$ 8,703</b>	<b>\$ 2,500</b>	<b>-71.27%</b>
<b>Conditions</b>	Occurrence Form		
<b>Endorsements</b>	Hired Auto physical Damage		
<b>Exclusions</b>	Per Policy Form; Including But Not Limited To: Pollution Contractual Liability		
<b>Subjectivities</b>	BETA may recalculate the tail/premiums if Agreement between the district and Adventist has not been fully executed by 7/1/19.		

**COVERAGE TERMS AND COMPARISON**

	EXPIRING	RENEWAL	CHANGE
<b>WORKERS COMPENSATION &amp; EMPLOYER'S LIABILITY</b>	<b>BETA</b>	<b>BETA</b>	
COVERAGE TERM	07/01/18 - 07/01/19	07/01/19 - 07/01/20	
WORKERS COMPENSATION LIMIT	Statutory	Statutory	
EMPLOYER'S LIABILITY LIMITS			
Bodily Injury By Accident (Each Accident)	\$ 2,000,000	\$ 2,000,000	
Bodily Injury By Disease (Policy Limit)	\$ 2,000,000	\$ 2,000,000	
Bodily Injury By Disease (Each Employee)	\$ 2,000,000	\$ 2,000,000	
RATING BASIS			
Estimated Annual Payroll	\$ 14,750,000	\$ 336,000	-97.72%
Rate for Comparison - per \$100 of Payroll	\$ 2.98	\$ 3.28	10.04%
<b>Total Estimated Annual Premium</b>	<b>\$ 439,328</b>	<b>\$ 11,013</b>	<b>-97.49%</b>
<i>*Original 18-19 Estimated Annual Premium shown for rate comparison</i>			
<b>Work Comp</b>	CA		
<b>States Covered</b>			
<b>Conditions</b>	Comply with BETARMA Employee Safety in order to develop a Service Plan and execute as agreed. Provide all relevant data related to the underwriting and claims administration on an as needed basis. Provide quarterly IRS 941 Forms and quarterly Productive Hours Form within 45 days post quarter close.		
<b>Premium</b>	Premium is Auditable based on Payroll	Policy Minimum Premium: 40% of bound Estimated Annual Premium	
<b>Endorsements</b>	Blanket waivers of subrogation may only be included with the policy when required by contract		
<b>CARE Fund</b>	<b>\$100</b> - BETA Risk Management Authority (BETARMA) will continue its CARE Program; Commitment - Accountability - Responsibility -Engagement during the 2019 Contract Year. The CARE program is designed to help members improve their overall employee safety exposures, controls and performance through a reimbursement process aimed specifically at the most frequent causes of employee injuries within their organization. On an annual basis, your Employee Safety Manager will partner with you to create a customized Service Plan that will help to maximize the benefit of your CARE Fund use.		
<b>Independent Contractors</b>	Retained sole proprietors and/or independent contractors will be included in final audit.		
<b>Exclusions</b>	Per Policy Form; Including But Not Limited To: Volunteers	Coverage does not include employees who reside outside of the State of California	
<b>Subjectivities</b>	None		

**WORKERS COMPENSATION NET RATE COMPARISON**

		EXPIRING			RENEWAL		
		BETA 07/01/18 - 07/01/19			BETA 07/01/19 - 07/01/20		
STATE	CLASSIFICATION/DESCRIPTION	PAYROLL	BASE RATE	PREMIUM	PAYROLL	BASE RATE	PREMIUM
CA	9043 - Acute Care Hospitals	\$ 14,750,000	\$ 3.15	\$ 464,625	\$ 336,000	\$ 2.95	\$ 9,912
	Estimated Manual Premium			\$ 464,625			\$ 9,912
	<b>EXPERIENCE MODIFICATION</b>		<b>1.00</b>	\$ -		<b>1.00</b>	\$ -
	Modified Contribution			\$ (25,297)			\$ 1,101
	Estimated Annual Premium			\$ 439,328			\$ 11,013
	Taxes, Fees, TRIA & Expense Constant			Included			Included
	<b>TOTAL ESTIMATED PREMIUM AND FEES</b>			<b>\$ 439,328</b>			<b>\$ 11,013</b>

APPROXIMATE NET RATE INCLUDING TAXES & FEES		EXPIRING	RENEWAL	% Change
CA	9043 - Acute Care Hospitals	2.98	3.28	10.04% ▲

**COVERAGE TERMS AND COMPARISON**

		EXPIRING	RENEWAL	CHANGE
EXECUTIVE LIABILITY (D&O/EPL)		BETA	BETA	
COVERAGE TERM		07/01/18 - 07/01/19	07/01/19 - 07/01/20	
Directors & Officers Liability Limit - Each Claim and Aggregate		\$ 5,000,000	\$ 5,000,000	
Employment Practices Liability Limit - Each Claim and Aggregate		\$ 5,000,000	\$ 5,000,000	
Policy Aggregate Limit		\$ 5,000,000	\$ 5,000,000	
Retentions (Per Loss)				
D&O Non-Indemnified Claims		\$ -	\$ -	
D&O Corporate Reimbursement for Indemnified Claims		\$ 10,000	\$ 10,000	
D&O Corporate Reimbursement for Entity-Related Claims		\$ 10,000	\$ 10,000	
Employment Practices Liability Claims		\$ 100,000	\$ 25,000	-75.00%
DIRECTORS & OFFICERS LIABILITY				
Anti-trust coverage sub-limit per claim		\$ 1,000,000	\$ 1,000,000	
		<b>Annual Premium</b>	<b>\$ 25,027</b>	<b>-82.82%</b>
3 Year Tail Premium which provides coverage for acts, errors or omissions that occurred from 7/1/1985 - 7/1/19		N/A	\$ 356,090	100.00%
		<b>Total Premium</b>	<b>\$ 381,117</b>	<b>161.63%</b>
<b>Policy Form</b>	Claims Made & Reported Retroactive Date 7/1/19 Defense Costs Within Policy Limit Timely reporting is required to avoid a claim denial for late notice	All claims must be reported as soon as practicable but in no event shall such notice be given later than 30 days after either expiration date or any earlier cancellation date of the policy. Circumstances that may lead to a claim may be reported under this policy period and must be reported prior to policy expiration		
<b>Extensions</b>	Entity Coverage EPL Coverage	Antitrust Sublimit		
<b>Exclusions: All Coverages</b>	Per Policy Form; Including But Not Limited To: Prior Knowledge Prior Notice			
<b>D&amp;O Exclusions</b>	Per Policy Form; Including But Not Limited To: Dishonest / Fraudulent / Criminal Acts Illegal Personal Profit Breach of Contract Insured vs. Insured Bodily Injury / Property Damage / Personal Injury	Pollution Intellectual Property Professional Services Product Liability ERISA		
<b>EPL Exclusions</b>	Per Policy Form; Including But Not Limited To: Violations of Wage & Hour Laws Breach of Contract	Violations of Workers' Compensation, Social Security Disability Laws – With Retaliation Carveback Bodily Injury / Property Damage		
<b>Conditions</b>	Duty to Defend Insurer has right to appoint counsel Mergers / acquisitions must be reported	Defense costs incurred before notice of a claim to insurer, without the insurer's written approval or by unapproved counsel may not be paid		
<b>Claims Made Notification</b>	Claims under this policy must be submitted by you to the insurer during the policy period, or within a specific number of days as stated in the policy, after the expiration of the policy, for coverage to apply.			
<b>Subjectivities</b>	3-year D&O tail is \$356,090; BETA may recalculate the tail/premiums if Agreement between the district and Adventist has not been fully executed by 7/1/19.			

MARKETING / ADDITIONAL COVERAGE OPTIONS	CARRIER	LIMIT/RETENTION	PREMIUM
Lower Limit Option	BETA	\$3M Each / \$3M Agg. Ded.: \$10K D&O/\$25K EPL	\$ 22,536

**DIRECTORS & OFFICERS / EMPLOYMENT PRACTICES LIABILITY CLAIMS SUMMARY**

POLICY YEAR	LOSSES					PREMIUM	LOSS RATIO	VALUATION DATE	NO. OF LOSSES	OPEN	CARRIER
	INDEMNITY RESERVE	INDEMNITY PAID	EXPENSE RESERVE	EXPENSE PAID	TOTAL INCURRED						
07/01/2018 - 2019	\$ -	\$ -	\$ 1,000	\$ 608	\$ 1,608	\$ 145,672	1%	5/31/2019	2	1	Beta Health Care
07/01/2017 - 2018	\$ -	\$ -	\$ -	\$ 2,400	\$ 2,400	\$ 106,367	2%	5/31/2019	1	0	Beta Health Care
07/01/2016 - 2017	\$ -	\$ -	\$ 35,999	\$ 164,001	\$ 200,000	\$ 101,883	196%	5/31/2019	3	3	Beta Health Care
07/01/2015 - 2016	\$ -	\$ 50,000	\$ -	\$ 136,352	\$ 186,352	\$ 97,985	190%	5/31/2019	1	0	Beta Health Care
07/01/2014 - 2015	\$ -	\$ 50,000	\$ -	\$ 52,191	\$ 102,191	\$ 93,319	110%	5/31/2019	2	0	Beta Health Care
07/01/2013 - 2014	\$ -	\$ -	\$ -	\$ 19,285	\$ 19,285	\$ 93,614	21%	5/31/2019	1	0	Beta Health Care
<b>5 Year Total</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 35,999</b>	<b>\$ 374,229</b>	<b>\$ 510,228</b>	<b>\$ 493,168</b>			<b>8</b>	<b>3</b>	
<b>5 Year Average</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 7,200</b>	<b>\$ 74,846</b>	<b>\$ 102,046</b>	<b>\$ 98,634</b>	<b>103%</b>		<b>2</b>	<b>1</b>	



## OTHER COVERAGES FOR DISCUSSION

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This information has been prepared using an insurance coverage checklist. These items represent some of the possible gaps or deficiencies in the coverage currently provided

### PROPERTY

**Earthquake / Flood / Wind** – Perils typically excluded from Property policy.

### MISCELLANEOUS LIABILITY

**Watercraft / Aircraft** – Owned watercraft and aircraft typically excluded from the General Liability policy.

### EXECUTIVE RISK

**Kidnap / Ransom** – Coverage provided in the event of kidnapping, extortion and various threats against the company and its employees.

### CRIME

**Employee Dishonesty** – Coverage for theft from the Company, committed by your Employees.

**Third Party Coverage** – Coverage for theft from a Client / Third Party by your Employee.

**Forgery / Alteration** – Additional coverage grant in the Crime policy affording coverage specifically relating to forgery or alteration.

**Money & Securities – Inside & Outside Premises** – Additional coverage grant in the Crime policy affording coverage specifically relating to money and securities whether on premises or in transit.

**Electronic Funds Transfer** – An electronic, telegraphic, cable, teletype or telephone instruction fraudulently transmitted to a Financial Institution.

**Computer Fraud** – Coverage for loss from damage to Money, Securities and Other Property fraudulently transferred from inside the Premises or Bank to another person or place outside the Premises or Bank.

**Social Engineering** - Fraudulent instructions by outside party resulting in fraudulent transfer of money.

**ERISA** – Coverage for theft of Money, Securities and Other Property from covered Employee Benefits Plans. Also used to satisfy ERISA bond requirements.

### EXCESS LIABILITY

Explore additional limits

**PAYMENT TERMS**

PAY TYPE	COVERAGE	DEPOSIT	INSTALLMENT	BILL TYPE
Installments	Workers Compensation - 12 Monthly Installments	\$ -	\$ 918.00	Direct
Full Pay	General Liability & PL Tail	\$ 219,843.00		Direct
Full Pay	D&O/EPL & Tail	\$ 381,117.00		Direct
Full Pay	Auto	\$ 2,500.00		Direct
Full Pay	Property <i>Premium Finance</i>	\$ 237,400.00		Agency
<b>Total Deposit and Installments</b>		<b>\$ 840,860.00</b>	<b>\$ 918.00</b>	

Premium Finance options have been requested from First Insurance Funding for the noted coverages above.

**Direct Bill Policies:** Notices you receive from your insurer regarding past due premiums or cancellation due to non-payment of premium shall be considered notice from Marsh & McLennan Agency LLC (MMA). As a matter of general practice, MMA does not provide notice of a potential lapse of coverage due to non-payment of premium to clients where coverage is written on a direct bill basis.

## COMPENSATION DISCLOSURE

Marsh & McLennan Agency LLC (“MMA”) prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <http://global.marsh.com/about/>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf;

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer’s performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Other Compensation** – From time to time, MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and/or events.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/resource/compensation-guide-for-client.pdf>

MMA’s aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

We appreciate your business!



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