



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: 07/01/21 - 07/01/22

PROPOSED: 06/18/2021

MARSH & MCLENNAN AGENCY TEAM

CLIENT ADVOCATE

Client Executive **BRETT BUCHANAN**
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WORLD CLASS SERVICE TEAM

Client Executive **RACHELLE TAYLOR**
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T: 858-587-7541

Client Manager **ALEX GOODMAN**
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Property/Casualty Claims **YVETTE BEAUBIEN**
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Workers Comp. Claims **TIFFANY BACA**
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Risk & Loss Advisor **CECILIA DEAN**
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T: 858-587-7451

Certificates **ALEX GOODMAN**
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T: 858-750-4538

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 **RACHELLE TAYLOR**
E: Rachelle.Taylor@MarshMMA.com
T: 858-587-7541

RENEWAL DASHBOARD

FACTORS IMPACTING RENEWAL

GENERAL MARKET CONDITIONS

Property	Increasing	25% ▲
General Liability/Umbrella	Increasing	10% ▲
Workers Comp	Upward Trend	5% ▲
Management Liability	Increasing	30% ▲
Auto	Increasing	20% ▲

EXPOSURES

Total Insurable Values
Payroll

EXPIRING

\$ 306,175,754
\$ 294,519

RENEWAL

\$ 306,175,754
\$ 289,031

VARIANCE

0%
-2%

MARKETING STRATEGY

A broad marketing of the property program was conducted to ensure best terms.

Carriers declined due to not being competitive with incumbent carrier and overall tough CA Healthcare market where carriers aren't looking to write new hospital exposure in California due to COVID-19.

RESULTS

Property
General Liability
Auto
Workers Comp
Management Liability

RATES

20% ▲
5% ▲
5% ▲
1% ▲
8% ▲

CARRIER SUMMARY

INSURER	STATUS	AM BEST	PREMIUM	COMMENTS	POLICY FORM
GENERAL LIABILITY / AUTO / WC					
BETA (incumbent)	N/A	A IX	\$ 8,371	General Liability	Occurrence
			\$ 2,879	Auto	Occurrence
			\$ 9,698	Work Comp	Occurrence
DIRECTORS & OFFICERS / EMPLOYMENT PRACTICES LIABILITY					
BETA (incumbent)	N/A	A IX	\$ 28,471	Quoted	Claims Made
PROPERTY					
Affiliated FM (incumbent)	Admitted	A+ XV	\$ 331,209	Quoted	Occurrence
AIG				No Response	
Hartford				No Response	
QBE				Cannot match flood limits	
Sompo				No Response	
SwissRE				Will require much higher deductible	
Travelers				No Response	
Zurich				Needs \$75-100K water damage deductible	

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

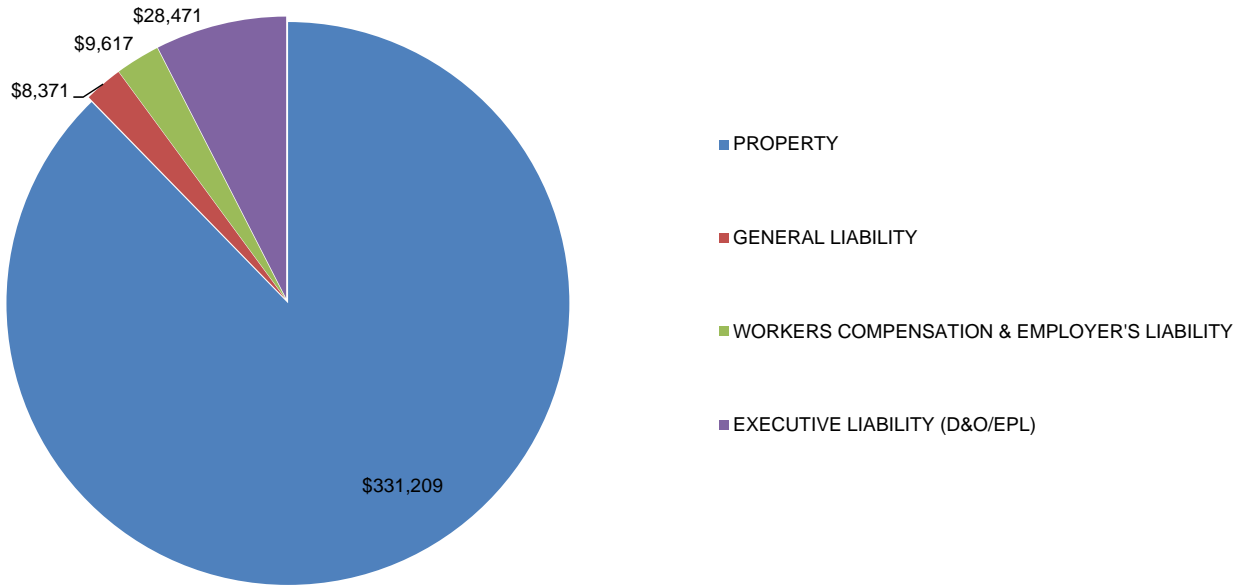
Positive Indicates possible rating upgrade due to favorable financial/market trends relative to the current
 Stable Indicates low likelihood of a rating change due to stable financial/market trends.
 Negative Indicates possible rating downgrade due to unfavorable financial / market trends relative to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

PREMIUM SUMMARY

COVERAGE	EXPIRING	RENEWAL	CHANGE
POLICY TERM	07/01/20 - 07/01/21	07/01/21 - 07/01/22	
PROPERTY	\$ 276,007	\$ 331,209	20.00%
GENERAL LIABILITY	\$ 7,972	\$ 8,371	5.01%
COMMERCIAL AUTOMOBILE	\$ 2,742	\$ 2,879	5.00%
WORKERS COMPENSATION & EMPLOYER'S LIABILITY	\$ 9,698	\$ 9,617	-0.84%
EXECUTIVE LIABILITY (D&O/EPL)	\$ 26,361	\$ 28,471	8.00%
YEAR OVER YEAR PREMIUM	\$ 322,780	\$ 380,547	17.90%



SCHEDULE OF NAMED INSUREDS

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 (inactive)
Mineral King Lab (Inactive)
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)

COVERAGE TERMS AND COMPARISON

PROPERTY	EXPIRING	RENEWAL	CHANGE
	AFFILIATED FM	AFFILIATED FM	
COVERAGE TERM	07/01/20 - 07/01/21	07/01/21 - 07/01/22	
Per Occurrence Limit	\$ 306,175,754	\$ 306,175,754	
Blanket Real Property	Included	Included	
Blanket Personal Property	Excluded Locations Scheduled	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 (EQSL)	\$ 5,000,000	\$ 5,000,000	
DEDUCTIBLE			
Each Loss Except	\$ 10,000	\$ 10,000	
Flood	\$ 100,000	\$ 100,000	
Earthquake Sprinkler Leakage - Per Location	1% / \$100K Minimum	1% / \$100K Minimum	
RATING BASIS			
Total Insurable Values	\$ 306,175,754	\$ 306,175,754	
Rate for Comparison - per \$100 of Values	0.09	0.11	20.00%
Premium	\$ 276,007	\$ 331,209	20.00%
<i>*Terrorism Included in Premium</i>			
Conditions	Occurrence Form		
Endorsements	Per Policy Form; Including But Not Limited To: Special Form Coverage Agreed Amount Replacement Cost Coverage	Building Ordinance Worldwide Territory Newly Acquired Property \$2,500,000 Communicable Disease \$1,000	
Exclusions	Per Policy Form; Including But Not Limited To: Date Recognition Mold & Mildew Terrorism (Additional Premium \$5,000) Earth Movement Raw materials, stock and supplies, and finished goods Damage from rain/sleet/snow to interior portions of buildings under construction when the installation of roof, walls, or windows has not been completed	Personal Property Excluded at the following locations: 869 North Cherry Street, Tulare, CA, 93274 869 North Cherry Street, Tulare, CA, 93274 935-945 Gem Street, Tulare, CA, 93274 890 North Cherry Street, Tulare, CA, 93274 906 North Cherry Street, Tulare, CA, 93274 922 North Cherry Street, Tulare, CA, 93274 591 East Merritt Avenue, Tulare, CA, 93274 874 North Cherry Street, Tulare, CA, 93274	
Subjectivities	Signed Terrorism Form		

MARKETING / ADDITIONAL COVERAGE OPTIONS	CARRIER	LIMIT/DEDUCTIBLE	PREMIUM
Installing the last remaining seismic gas shut off valve at the Evolutions rehab center (Prorated at completion)	Affiliated FM	No Change	-5%

STATEMENT OF VALUES

POLICY TERM: 07/01/21 - 07/01/22

NO.	BLDG.	ADDRESS	DESCRIPTION	BUILDING TYPE	STORIES	YEAR BUILT	SQ. FT.	SPRINK.	ALARM	BUILDING	BUSINESS PERSONAL PROPERTY	COMPUTER HARDWARE & SOFTWARE	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	\$ -	Included	\$ 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	Included	\$ -
1.	3.	869 Cherry Street Tulare, CA 93274	Allied Services Building	Steel Frame	2	1987	21,040	N	Y	\$ 8,394,960	\$ -	Included	Included	\$ 8,394,960
2.	1.	793 & 795 Cherry St Tulare, CA 93274	IT Department				3,456	N	Y	\$ -	\$ -	Included	Included	\$ -
3.	1.	935 - 945 Gem St Tulare, CA 93274	Medical Office Building	Frame	1	1978	6,000	N	Y	\$ 175,000	\$ -	Included	Included	\$ 175,000
4.	1.	890 Cherry Street Tulare, CA 93274	Pathology Lab	Concrete Tilt Up	1	1968	2,280	N	Y	\$ 93,128	\$ -	Included	Included	\$ 93,128
5.	1.	906 Cherry Street Tulare, CA 93274	Foundation	Concrete Tilt Up	1	1979	1,044	N	Y	\$ 42,643	\$ -	Included	Included	\$ 42,643
6.	1.	922 Cherry Street Tulare, CA 93274	Home Care/ Marketing/ Medical Staff office	Frame	1	1967	5,000	N	Y	\$ 204,229	\$ -	Included	Included	\$ 204,229
7.	1.	799 Cherry Street Tulare, CA 93274	Construction Office		1		1,200	N	Y	\$ -	\$ -	Included	Included	\$ -
8.	1.	591 Merritt Tulare, CA 93274	Medical Office Building / IT Department	Joisted Masonry	1	1958	1,250	N	Y	\$ 142,800	\$ -	Included	Included	\$ 142,800
9.	1.	979 Gem Street Tulare, CA 93274	Medical Office Building	Joisted Masonry	1	1958	1,687	N	Y	\$ 197,200	\$ -	Included	Included	\$ 197,200
10.	1.	880 E Merritt Ace Tulare, CA 93274	Medical Office Building		1		4,000	N	Y	\$ -	\$ -	Included	Included	\$ -
11.	1.	1050 Cherry Street Tulare, CA 93274	Medical Office Building	Steel Frame	1		6,977	Y	Y	\$ 2,783,823	\$ -	Included	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	Included	\$ 23,476,946
13.	1.	874 Cherry Street Tulare, CA 93274	Medical Office Building	Concrete Tilt Up	1	1963	1,281	N	Y	\$ 90,000	\$ -	Included	Included	\$ 90,000

14.	1.	446 Prosperity Ave Tulare, CA 92374	Storage Facility Location					Y	Y	\$ -	\$ 9,000,000	Included	Included	\$ 9,000,000
15.	1.	1062 S. K Street Tulare, CA 93274	Hillman Healthcare Center		1		12,520		Y	\$ -	\$ -	Included	Included	\$ -
16.	1.	845 S. Sequoia Ave Lindsay, CA 93274	Lindsay Healthcare Center				5,000	N	Y	\$ -	\$ -	Included	Included	\$ -
17.	1.	16796 Avenue 168 Woodville, CA 93257	Woodville Healthcare Clinic				1,580	N	Y	\$ -	\$ -	Included	Included	\$ -
18.	1.	325 West Street Tulare, CA 93274	West Street Healthcare Center				2,160	N	Y	\$ -	\$ -	Included	Included	\$ -
19.	1.	398 South Street Earlimart, CA 93218	Earlimart School Based - Community Healthcare Center	Modular	1	2015	2,015	N	Y	\$ -	\$ -	Included	Included	\$ -
TOTAL										\$ 267,830,838	\$ 10,144,916	\$ -	\$ 28,200,000	\$ 306,175,754

PROPERTY CLAIMS SUMMARY

POLICY YEAR	PAID	RESERVE	TOTAL INCURRED	PREMIUM	LOSS RATIO	VALUATION DATE	NO. OF LOSSES	CARRIER
7/1/2020 - 2021	\$ -	\$ -	\$ -	\$ 276,007	0%	3/10/2021	0	Affiliated FM
7/1/2019 - 2020	\$ -	\$ -	\$ -	\$ 231,400	0%	3/10/2021	0	Affiliated FM
7/1/2018 - 2019	\$ -	\$ -	\$ -	\$ 146,539	0%	3/10/2021	2	Affiliated FM
7/1/2017 - 2018	\$ 3,099	\$ -	\$ 3,099	\$ 133,587	2%	3/10/2021	1	Affiliated FM
7/1/2016 - 2017	\$ 21,125	\$ -	\$ 21,125	\$ 133,803	16%	3/10/2021	2	Affiliated FM
5 Year Total	\$ 24,224	\$ -	\$ 24,224	\$ 921,336			5	
5 Year Average	\$ 4,845	\$ -	\$ 4,845	\$ 184,267.20	3%		1	

*Engineering fees not included in premium

COVERAGE TERMS AND COMPARISON

GENERAL LIABILITY		EXPIRING	RENEWAL	CHANGE
		BETA GL ONLY	BETA GL ONLY	
COVERAGE TERM		07/01/20 - 07/01/21	07/01/21 - 07/01/22	
Per Occurrence Limit		\$ 3,000,000	\$ 3,000,000	
General Aggregate		\$ 5,000,000	\$ 5,000,000	
HCL COVERAGE INCLUDES:				
Professional Liability		Excluded	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		\$ 10,000	\$ 10,000	
		Total Premium \$ 7,972	\$ 8,371	5.01%
Conditions	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.		
Endorsements	Per Policy Form; Including But Not Limited To: 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		
Exclusions	Per Policy Form; Including But Not Limited To: Pollution – Hostile Fire Exception Employment Practices Liability	Nuclear Energy Liability Asbestos Professional Liability		
Subjectivities	None			

COVERAGE TERMS AND COMPARISON

COMMERCIAL AUTOMOBILE		EXPIRING	RENEWAL	CHANGE
		BETA	BETA	
COVERAGE TERM		07/01/20 - 07/01/21	07/01/21 - 07/01/22	
Per Accident - Combined Single Limit		\$ 1,000,000	\$ 1,000,000	
Description of Covered Autos		Hired/Non-Owned Auto	Hired/Non-Owned Auto	
HIRED CAR PHYSICAL DAMAGE COVERAGE				
Comprehensive Deductible		\$ 250	\$ 250	
Collision Deductible		\$ 500	\$ 500	
RATING BASIS				
# Autos		\$ -	\$ -	
Premium		\$ 2,742	\$ 2,879	5.00%
Conditions	Occurrence Form			
Endorsements	Per Policy Form; Including But Not Limited To:		Hired Auto Physical Damage	
Exclusions	Per Policy Form; Including But Not Limited To:		Pollution	
Subjectivities	None			

COVERAGE TERMS AND COMPARISON

	EXPIRING	RENEWAL	CHANGE
WORKERS COMPENSATION & EMPLOYER'S LIABILITY	BETA	BETA	
COVERAGE TERM	07/01/20 - 07/01/21	07/01/21 - 07/01/22	
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	\$ 294,519	\$ 289,031	-1.86%
Rate for Comparison - per \$100 of Payroll	\$ 3.29	\$ 3.33	1.05%
Total Estimated Annual Premium	\$ 9,698	\$ 9,617	-0.84%
Work Comp States Covered	CA		
Conditions	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.		
Premium	Premium is Auditable based on Payroll Policy Minimum Premium: 40% of bound Estimated Annual Premium		
Endorsements	Blanket waivers of subrogation may only be included with the policy when required by contract		
Independent Contractors	Retained sole proprietors and/or independent contractors will be included in final audit.		
Exclusions	Per Policy Form; Including But Not Limited To: Volunteers	Coverage does not include employees who reside outside of the State of California	
Subjectivities	None		

WORKERS COMPENSATION NET RATE COMPARISON

		EXPIRING			RENEWAL		
		BETA 07/01/20 - 07/01/21			BETA 07/01/21 - 07/01/22		
STATE	CLASSIFICATION/DESCRIPTION	PAYROLL	BASE RATE	PREMIUM	PAYROLL	BASE RATE	PREMIUM
CA	9043 - Acute Care Hospitals	\$ 336,000	\$ 2.95	\$ 9,912	\$ 294,519	\$ 2.88	\$ 8,482
	Estimated Manual Premium			\$ 9,912			\$ 8,482
	EXPERIENCE MODIFICATION		1.00	\$ -		1.00	\$ -
	Modified Contribution			\$ 1,101			\$ 1,216
	Estimated Annual Premium			\$ 11,013			\$ 9,698
	Taxes, Fees, TRIA & Expense Constant			Included			Included
	TOTAL ESTIMATED PREMIUM AND FEES			\$ 11,013			\$ 9,698

APPROXIMATE NET RATE INCLUDING TAXES & FEES		EXPIRING	RENEWAL	% Change
CA	9043 - Acute Care Hospitals	3.28	3.29	0.46% ▲

COVERAGE TERMS AND COMPARISON

		EXPIRING	RENEWAL	CHANGE
EXECUTIVE LIABILITY (D&O/EPL)		BETA	BETA	
COVERAGE TERM		07/01/20 - 07/01/21	07/01/21 - 07/01/22	
Directors & Officers Liability Limit - Each Claim and Aggregate		\$ 3,000,000	\$ 3,000,000	
Employment Practices Liability Limit - Each Claim and Aggregate		\$ 3,000,000	\$ 3,000,000	
Policy Aggregate Limit		\$ 3,000,000	\$ 3,000,000	
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		\$ 25,000	\$ 25,000	
DIRECTORS & OFFICERS LIABILITY				
Anti-trust coverage sub-limit per claim		\$ 1,000,000	\$ 1,000,000	
Annual Premium		\$ 26,361	\$ 28,471	8.00%
Policy Form	Claims Made & Reported Retroactive Date 9/24/19 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		
Extensions	Entity Coverage EPL Coverage	Antitrust Sublimit		
Exclusions: All Coverages	Per Policy Form; Including But Not Limited To: Prior Knowledge	Prior Notice		
D&O Exclusions	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		
EPL Exclusions	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		
Conditions	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		
Claims Made Notification	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.			
Subjectivities	None			

OTHER COVERAGES FOR DISCUSSION

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	\$ 808.00	\$ 808.00	Direct
Installments	General Liability - 12 Monthly Installments	\$ 664.34	\$ 664.34	Direct
Full Pay	D&O/EPL	\$ 29,277.00		Direct
Full Pay	Auto	\$ 2,879.00		Direct
Full Pay	Property <i>Premium Finance</i>	\$ 331,209		Agency
Total Deposit and Installments		\$ 364,837.34	\$ 1,472.34	

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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